May 2026

DISCLOSURE STATEMENT

GRANITE FARMS ESTATES

A CONTINUING CARE COMMUNITY

OWNED BY

ACTS RETIREMENT-LIFE COMMUNITIES, INC.

NOTE: The issuance of a Certificate of Authority to a continuing care community by the Pennsylvania Insurance Department does not constitute approval, recommendation, or endorsement of the community by the Insurance Department nor is it evidence of nor does it attest to the accuracy or completeness of the information set out in a Disclosure Statement.

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DISCLOSURE STATEMENT

In accordance with the Commonwealth of Pennsylvania Continuing Care Provider Registration and Disclosure Act of 1984, the following statement is provided to all prospective residents.

1. NAME AND ADDRESS OF THE COMMUNITY.

Granite Farms Estates, 1343 West Baltimore Pike, Media, PA 19063-5531

2. NAME AND ADDRESS OF THE LICENSED PROVIDER.

The provider and the owner of the community is ACTS Retirement-Life Communities, Inc., a Pennsylvania nonprofit corporation (hereinafter, "Acts"). Acts' business address is 420 Delaware Drive, P.O. Box 2222, Fort Washington, PA 19034.

3. NAME, ADDRESS AND TELEPHONE NUMBER OF THE PERSON TO BE CONTACTED FOR ADMISSION INFORMATION.

Admissions information for Granite Farms Estates can be received by contacting a Life Care Consultant at (610) 358-2912.

4. DESCRIPTION OF THE PHYSICAL PROPERTY AND THE COMMUNITY.

The community is situated in a suburban location on 26 acres in Media, Pennsylvania, approximately 30 miles southwest of Philadelphia in Delaware County, Pennsylvania, and contains 226 apartment units ranging in approximate sizes from 574 square feet to 1,778 square feet. There are 57 assisted living rooms and 54 skilled nursing beds. The buildings are four stories and constructed of stone and brick with heated and enclosed walkways. There is an auditorium, main dining room, craft room, recreational areas, fitness room, library, multi-purpose room, woodworking shop, gift shop, café, and beauty parlor.

5. MINIMUM AGE FOR ADMISSION.

The minimum age for occupancy is 62; however, a second occupant may be admitted if 55 or over pursuant to a non-lifecare addendum.

6. ENTRANCE PROCEDURE.

A. Application for residency

Resident's application to Acts for residency in community shall include the following:

1. Application form with Application Fee.
2. Priority List Contract with Priority List Deposit.

B. Physical examinations

1. Policy of Acts – It is the policy of Acts that residents be able to meet the conditions of occupancy for admission and live safely alone in their independent living accommodation ("ILA") at the time they are accepted as Residents.
2. Medical examination form – Approximately ninety (90) days prior to the Date of Availability of Resident's ILA, a medical form will be distributed to Resident which must be completed by a physician at Resident's expense, and immediately returned to Acts. All residents are required to have a designated physician prior to moving into the community.
3. Interview with Admissions Committee – Before paying the Reservation Fee, as defined in the Resident Contract, Resident is scheduled for a welcome interview with an Admissions Committee or other authorized person(s) to determine if Resident is able to meet physical and mental conditions of entrance. If Resident is deemed to have met the physical and mental requirements, he/she will be granted entrance upon meeting the financial requirements
4. Inability to meet physical requirements – In such cases where Resident cannot meet the physical requirements for entrance into Acts prior to that Resident's execution of the Resident Contract, and if Resident is actually in need of a Skilled Care Center ("SCC"), Acts may allow Resident to enter directly into the SCC (provided a bed is available) and Resident will pay to Acts the then established rate for non-resident patients in the SCC.
5. Inability of one Resident to meet physical requirements – When two people have selected an ILA with the intention of occupying the same ILA and prior to executing a Resident Contract, one of the Residents is unable to meet the physical requirements and is in need of care in the SCC, if the Residents so elect, the one who has met all the physical requirements may execute a Resident Contract and take possession of the ILA, paying the single occupancy rate for said ILA and the other Resident may enter into the SCC (provided a bed is available), paying the then established rate for a non-resident patient. If the Resident in the SCC progresses to the point where he/she can meet the conditions for entrance into Acts as set forth in the Resident Contract, he/she can leave the SCC to enter in said ILA with other Resident and shall pay to Acts the then current second person Entrance Fee. The Monthly Rate effective as of the next successive month shall be the Monthly Rate for Shared Occupancy of said ILA.

C. Review of financial condition

Approximately ninety (90) days prior to the Date of Availability of Resident's ILA, Resident will be given a financial qualification form which will be

completed by Resident and returned to Acts before the welcome interview is scheduled. The Finance Department will review the financial condition of the Resident's estate and approve financial qualification prior to the execution of the Resident Contract. In the event that Resident is unable to meet these financial conditions, Acts may, at its discretion, refuse to enter into the Resident Contract prior to Resident's Occupancy of his/her ILA. In such event, Resident will receive a refund in accordance with Section 14.1 of the Resident Contract.

7. COMMUNITY'S RELIGIOUS AFFILIATION.

Acts is a nonprofit corporation which qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). Acts is exempt from federal income taxes on its exempt income pursuant to Section 501(a) of the Code. Acts is affiliated with other nonprofit organizations with similar missions and purposes to serve senior adults. These affiliated organizations also qualify as organizations described in Section 501(c)(3) of the Code and are exempt from federal income taxes on their exempt income pursuant to Section 501(a) of the Code, and include ACTS Retirement Services, Inc., ACTS Legacy Foundation, Inc., ACTS Management Services, Inc., ACTS Retirement-Life Communities Management, LLC, Acts Alliance Management, LLC, ACTS Acquisition and Development Company, LLC, Acts Construction Services, LLC, Acts Communities of Maryland, Inc., Mease Life, Inc., and Bonita Springs Retirement Village, Inc. d/b/a The Terraces at Bonita Springs. Acts Community at Heritage Farms, Inc., also an affiliate of Acts, is a 501(c)(3) nonprofit corporation and has applied for federal income tax exemption. Acts is not affiliated with any other religious, nonprofit or proprietary organizations or management entity. Acts, ACTS Management Services, Inc., ACTS Retirement-Life Communities Management, LLC, Acts Alliance Management, LLC, and Mease Life, Inc. (collectively, the "Obligated Group") are jointly and severally obligated on certain debt and other obligations of the Obligated Group. Other than as set forth in the preceding sentence, the affiliates of Acts are not responsible for the financial and contractual obligations of Acts.

8. STATEMENT OF RESIDENT POPULATION.

The current population at Granite Farms Estates is approximately 361 residents.

9. SAMPLE OF FEES CHARGED TO RESIDENTS (BASED ON OCCUPANCY OF A ONE BEDROOM APARTMENT BY ONE OR TWO PERSONS INCLUDING ENTRANCE FEE).

The current entrance fee rate for a Freedom apartment (approximately 574 square feet) under the Acts Life Care Premier Plan ranges from $187,900 to $206,900 ($158,900 to $175,900 under the Acts Life Care Asset Preservation Plan, $224,900 to $248,900 under the Acts Life Care Income Preservation Plan, $271,900 to $328,900 under the Acts Life Care 50 Plan and $147,900 to $162,900

under the Acts Balanced Plan), and there is an additional $40,000 entrance fee charged for a second occupant. The present monthly fee for single occupancy under the Acts Life Care Premier Plan is $3,544 ($4,146 under the Acts Life Care Asset Preservation Plan, $3,225 under the Acts Life Care Income Preservation Plan, $3,898 under the Acts Life Care 50 Plan and $2,303 under the Acts Balanced Plan) per month, and there is an additional monthly fee charged for a second occupant ($2,267 per month under the Acts Life Care Premier, Life Care Asset Preservation, Life Care Income Preservation, and Balanced Plans and $2,494 per month under the Acts Life Care 50 Plan).

10. LIST OF THE NAMES AND BUSINESS ADDRESSES OF THE OFFICERS AND DIRECTORS OF THE PROVIDER.

Acts' officers and directors are listed in Exhibit A.

11. CRIMINAL VIOLATION STATEMENT.

No officer or director has been convicted of a felony or pleaded nolo contendere to a felony charge or has been held liable or enjoined in a civil action by final judgment for any felony or civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation of property. No officer or director is currently subject to an injunctive or restrictive court order. None have had any state or federal license or permit suspended or revoked during the last five years as a result of an action brought about by a governmental agency or department that arose out of or related to the business activity of health care.

12. DESCRIPTION OF THE BUSINESS EXPERIENCE OF THE PROVIDER AND ITS DIRECTORS IN THE OPERATION OR MANAGEMENT OF LIFECARE COMMUNITIES, NAME AND ADDRESS OF ANY PROFESSIONAL SERVICE FIRM OR CORPORATION IN WHICH ANY DIRECTOR HAS A 10% OR GREATER INTEREST AND WHICH WILL PROVIDE GOODS, LEASES OR SERVICES TO THE COMMUNITY OF A VALUE OF $500 OR MORE WITHIN ANY ONE YEAR.

Acts has extensive experience in the ownership of lifecare communities and currently owns or is affiliated with the following lifecare communities in Pennsylvania, New Jersey, Delaware, Maryland, North Carolina, South Carolina, Georgia, Alabama and Florida.

Fort Washington Estates (PA)
Gwynedd Estates (PA)
Spring House Estates (PA)
Southampton Estates (PA)
Lima Estates (PA)
Normandy Farms Estates (PA)
Granite Farms Estates (PA)
Brittany Pointe Estates (PA)
The Evergreens (NJ)
Manor House (DE)
Fairhaven (MD)
Buckingham's Choice (MD)
Bayleigh Chase (MD)
Heron Point of Chestertown (MD)
Matthews Glen (NC)
Tryon Estates (NC)
Park Pointe Village (SC)
Lanier Village Estates (GA)

Cokesbury Village (DE)	Magnolia Trace (AL)
Country House (DE)	Westminster Village (AL)
St. Andrews Estates (FL)	Azalea Trace (FL)
Edgewater at Boca Pointe (FL)	Mease Life (FL)
Indian River Estates (FL)	The Terraces at Bonita Springs (FL)

Presently, approximately 11,237 residents live in the previously listed communities.

The management of Acts is provided at the direction of Acts' Board of Directors, Chief Executive Officer, and President. The following is a listing of and background information for the members of senior management of Acts as indicated in Exhibit B.

Gerald T. Grant serves as Chief Executive Officer. He has been with Acts since 1988 and previously served as President and Chief Operating Officer and Executive Vice President & Chief Financial Officer. He currently serves as an officer and member of the board of Acts Retirement-Life Communities and affiliate entities. Mr. Grant has been active in various healthcare industry and financial organizations, including currently serving as a member of LeadingAge CEOMO. He is a former surveyor for CARF/CCAC and was previously a member of its Financial Advisory Panel. Mr. Grant has a Bachelor's Degree in Accounting from The Pennsylvania State University and a Master's Degree in Finance from LaSalle University.

Karen I. Christiansen is President of Acts Retirement-Life Communities ("Acts"), a position she assumed in January 2020. As President of the nation's 3rd largest not-for-profit multi-site senior living organization, she oversees teams responsible for operations, finance, real estate, information technology, human resources, marketing, brand, and communications. An Acts veteran of more than 25 years, Ms. Christiansen previously served as EVP & Chief Financial Officer and held other leadership roles, including Sr. VP Financial Services, VP & Controller, and Director of Finance. She was elected to the Acts Retirement-Life Communities Board of Directors in 2023. Ms. Christiansen holds a B.S. in accounting from Gwynedd Mercy University, an MBA in finance from Temple University, and completed a leadership program at The Wharton School of the University of Pennsylvania. She is also a member of the Institute of Certified Management Accountants. She was previously nominated for Philadelphia Business Journal's Women of Distinction Award. She is a former member of the LeadingAge Budget and Finance Committee, a former surveyor for CARF/CCAC, and a former member of its Financial Advisory Panel.

Jonathan D. Grant is Executive Vice President and Chief Operating Officer of Acts Retirement-Life Communities ("Acts"). He provides executive leadership for all aspects of Acts' operations at community, regional, and corporate levels. Mr. Grant initially joined Acts in 1984 as a busboy and advanced his Acts career through a series of leadership roles on his path to his present position. He manages the full scope of organizational revenues and expenses, culture, as well as a broad

portfolio of resident and team member services. Mr. Grant holds a B.A. and an MBA from Florida Atlantic University. Outside of Acts, Mr. Grant has served on various boards and has been actively engaged in industry leadership and professional development. He is a LeadingAge Fellow, has held roles on numerous organizational boards and committees, and is a frequent speaker at senior living and aging-services conferences.

James H. Petty serves as Executive Vice President & Chief Strategy Officer for Acts Retirement-Life Communities ("Acts"). He leads the organization's strategic growth initiatives, focused on expanding the Acts mission through planning, new development, business partnerships, and affiliations. He also oversees Sales & Marketing, Integration & Innovation, and Spiritual Life across the organization. Mr. Petty has held a variety of leadership roles since joining Acts in 1996. He was the first to complete the Acts Manager in Training program and later served as Executive Director of Park Pointe Village, and Vice President of Operations for the Mid-South region. He also served as Senior Vice President of Strategy & Mission Development. He holds an MBA from Augusta University, a B.A. in business administration from Gordon College, and a graduate certificate in Applied Theology from Reformed Theological Seminary. Mr. Petty's industry involvement includes service as a former board member of LeadingAge South Carolina, participation as a LeadingAge Larry Minnix Leadership Academy Fellow, and prior experience as a CARF surveyor.

Susan Ahern is Senior Vice President and Chief Financial Officer for Acts Retirement-Life Communities ("Acts"). She leads all aspects of financial operations and provides oversight to the Acts Legacy Foundation. Ms. Ahern has held multiple positions within the organization, including Vice President & Controller, Corporate Director of Finance, Director of Finance, Manager of Budget & Feasibility Studies, and Financial Analyst. Prior to joining Acts, she worked as a senior accountant and accounts payable supervisor in the manufacturing sector. Ms. Ahern is a Certified Public Accountant (CPA) and a Certified Management Accountant (CMA) and completed the LeadingAge National Leadership Academy. She holds an MBA from La Salle University and a B.S. in accounting from Messiah University. She is a former CARF/CCAC Financial Surveyor and served on its Financial Advisory Panel.

Sean T.R. Fletcher is Senior Vice President of Real Estate Services for Acts Retirement-Life Communities ("Acts"). He oversees capital planning, design, and project management for all major capital initiatives and helps lead the development and expansion of Acts communities. He also oversees Property Management and was instrumental in the development of Acts Construction Services and continues to provide senior level oversight of its current operations serving all Acts communities. Mr. Fletcher also contributed to the creation and oversight of the Campus Assistance Team, which provides support to all Acts communities for weather events and other emergencies. Mr. Fletcher previously served as Vice President of Real Estate Services, Vice President of Construction Services, Corporate Director of Construction Services, and Director of Construction for the

Southeast Region. Prior to joining Acts, he worked as a project manager and estimator for Ernest Bock and Sons and served as Director of Operations for the Spectrum and the CoreStates Center, home of the Philadelphia Flyers and 76ers. He holds a B.S. in sports management from Temple University and is a member of LeadingAge and a former member of LeadingAge Florida. He previously served as an officer on the Via Verde Master Association in Boca Raton.

Deirdre E. Groenen, Esq. is Senior Vice President and Chief Human Resources Officer for Acts Retirement-Life Communities ("Acts"). She leads all human resources and people functions for the organization and is responsible for developing and implementing human resources strategy, practices, and policies. She also manages employment litigation for the organization and works closely with outside counsel to develop strategy from initial pleadings through discovery, mediation, and settlement. Ms. Groenen brings more than 20 years of combined experience in civil litigation, employment law, and human resources leadership. Prior to joining Acts, she practiced law as an attorney and civil litigator for eight years and held senior human resources (HR) leadership roles in the private sector. She has also been a frequent speaker on HR topics, including diversity and inclusion and HR compliance. Ms. Groenen earned a bachelor's degree in political science from Temple University and a Juris Doctor from Temple University's Beasley School of Law. She is also a member of the Society for Human Resource Management (SHRM).

Christopher J. Hartman Sr. serves as Senior Vice President and Chief Technology Officer for Acts Retirement-Life Communities ("Acts"). He provides strategic oversight and operational leadership for all technology functions across the organization and has led several transformative technology initiatives including the development, implementation, and support of IT infrastructure and systems that serve our communities and corporate offices. Mr. Hartman previously served as Vice President of Information Technology Operations, Corporate Director of Technology Services, Director of Communications, and Network Engineer. Prior to joining Acts, he led operations for a satellite office of a major insurance company. Mr. Hartman holds a master's certificate in business leadership and management from Michigan State University and completed the Certified Aging Services Professional (CASP) program through the University of North Texas.

Greg D. Hensley serves as Senior Vice President of Real Estate Development, leading development efforts on projects for Acts since 2024. He brings more than 25 years of experience in senior living, including the past decade as a development consultant primarily supporting nonprofit senior living organizations nationwide. Prior to consulting, Mr. Hensley spent 15 years in executive leadership roles with mid-sized nonprofit senior living organizations in Kansas and Ohio. Earlier in his career, he worked in architectural design, specializing in senior living campus design, after earning a bachelor's degree in architectural engineering from Oklahoma State University. Mr. Hensley holds multiple professional certifications,

including Certified Leader in Aging Services, Certified Executive of Assisted Living (Ohio), and LEED Green Associate, and previously maintained professional engineering licenses in three states. He is a frequent industry speaker on topics such as design, master planning, capital planning, development, and wellness, and has served as a coach and mentor with the Ohio LeadingAge Leadership Academy.

Megan Longley is Senior Vice President and Chief Sales Officer for Acts Retirement-Life Communities ("Acts"). She provides executive leadership and strategic direction for the organization's sales initiatives. She oversees the development and execution of strategies that enhance customer experience, strengthen market positioning, and drive performance. Ms. Longley brings more than 25 years of experience in senior living and related industries, with leadership roles spanning sales, marketing, strategic operations, and new business development. Previously, she served as Acts' Vice President of Sales, and prior to joining Acts, served as Senior Vice President of Strategic Operations at Benchmark Senior Living and as Director of Sales for Marriott Senior Living. Ms. Longley holds a B.A. from Pennsylvania State University and has completed graduate coursework toward a master's degree at Harvard University. She has spoken nationally at numerous industry conferences and has led marketing teams recognized with several Mature Media Awards for excellence in communications.

Jeremy O. Neely is Senior Vice President & Chief Community Operations Officer for Acts Retirement-Life Communities ("Acts"). He oversees all aspects of community operations with a focus on resident and team member satisfaction, as well as operational efficiency across the organization's network of campuses. Mr. Neely has held numerous operational and administrative roles within the organization, including Corporate Business Office Manager, Nursing Home Administrator, Executive Director, Regional Vice President for the Northeast Region, and Senior Vice President of Community Operations. He holds a bachelor's degree in accounting and economics from Eastern Connecticut State University and an MBA from Eastern University. He is also a Certified Aging Services Professional and has served as a CARF/CCAC surveyor. Mr. Neely is a graduate of the LeadingAge Leadership Academy and later contributed to the program as a coach. He served on the LeadingAge PA Board for nearly a decade, ultimately becoming Board Chair. Mr. Neely is actively involved in community service and has served as Treasurer for the George Washington Carver Community Center and for the Macedonia Baptist Church Community Center and Daycare.

Joshua S. Pasker, Esquire is Senior Vice President & General Counsel of Acts Retirement-Life Communities ("Acts"). He provides senior-level legal counsel, management, and strategic support across the organization. Mr. Pasker previously served as outside counsel to the organization, as well as the Philadelphia Co-Office Managing Partner of Saul Ewing LLP. He held key leadership roles, including Vice-Chair of the Public Finance Practice and Chair of the Financial

Services Industry Group. Mr. Pasker earned his J.D. from The Dickinson School of Law at The Pennsylvania State University, graduating summa cum laude and earning membership in the Woolsack Honor Society. He served on the *Penn State Law Review* and the Appellate Moot Court Board. He holds a B.A. in political science from the University of Delaware, where he graduated magna cum laude and was elected to Phi Beta Kappa. His professional accomplishments have earned him national distinction, including recognition as one of "America's Leading Lawyers in Public Finance" by Chambers and Partners (2024) and repeated inclusion in *The Best Lawyers in America* for Project Finance and Public Finance (2015–present). He is also a former board member and past President of the Pennsylvania Association of Bond Lawyers. Mr. Pasker is active in community organizations, having served on several boards, including the March of Dimes Transportation, Building & Construction Awards Board.

Brian T. Rutter is Senior Vice President, Chief Communications and Brand Officer for Acts Retirement-Life Communities, Inc. ("Acts"). In this role, he leads brand strategy and management, brand marketing, internal and external communications, public relations, multimedia production, and organizational reputation. Mr. Rutter serves as the organization's chief spokesperson. Mr. Rutter's previous career roles include Chief Marketing Officer for Willow Valley Communities, Vice President, Marketing at NACS – The Association for Convenience and Fuel Retailing, and Senior Manager with Deloitte Consulting. He earlier held several marketing and public-facing leadership positions with Delta Air Lines, Inc., including Director, Sales and Marketing, Director for Brand Performance & Identity; General Manager, International Marketing; and General Manager, Direct Marketing Strategy. Mr. Rutter holds an MBA from Emory University, where he earned lifetime membership in the Beta Gamma Sigma business honor society. Brian obtained his Bachelor of Arts degree in Business Administration from Franklin & Marshall College. He is President of the Board of Trustees of First Presbyterian Church of Lancaster (PA), President of the Hamilton Club of Lancaster, and a mentor and member of the Advisory Committee for the Young Men's Mentor Program with the Lancaster Chamber of Commerce.

Holly S. Schade, RN, GERO-BC, NHA, MBA is Senior Vice President & Chief Clinical Officer for Acts Retirement-Life Communities ("Acts"). She oversees all clinical programs and services across the organization and serves as Acts' HIPAA Privacy Officer. Ms. Schade previously held clinical and operational leadership positions within Acts, including Nursing Supervisor, Director of Nursing, Nursing Home Administrator, Information Systems Medical Liaison, and Executive Director of Spring House Estates. She has been instrumental in expanding Acts' internally delivered clinical services. Ms. Schade holds a bachelor's degree in science from Thomas Jefferson University and an MBA from Eastern University, is a licensed Nursing Home Administrator, and a board-certified registered nurse in gerontology. She is also a Certified Aging Services Professional and a LeadingAge Leadership Fellow. Ms. Schade previously worked as an Intensive Care Registered Nurse and a Legal Nurse Consultant, and served

as a CARF International surveyor, conducting accreditation surveys throughout the United States and Canada.

Craig D. Thompson serves as Senior Vice President, Chief Integration & Innovation Officer for Acts Retirement-Life Communities ("Acts"). He has been with Acts since 2022. Prior to his current role, he served as President and Chief Operating Officer of Willow Valley Communities. Mr. Thompson joined Willow Valley Communities in 2018 after a 35-year career in operations leadership roles for Armstrong World Industries, Case New Holland, and High Industries. Mr. Thompson has a Bachelor's degree in Operations Management from The Pennsylvania State University, an Executive MBA from Drexel University, and a Master's of Science in Organizational Dynamics from the University of Pennsylvania.

Terri A. White serves as Senior Vice President and Chief Administration Officer for Acts Retirement-Life Communities ("Acts"), overseeing operations within the Corporate Services Center as well as legislative affairs initiatives, and supporting the operations of new community affiliations. Ms. White previously served as Vice President of Operations for the Northeast as well as Mid-Atlantic regions, and as Executive Director of Country House and Cokesbury Village. Prior to joining Acts, she held leadership roles with Peninsula United Methodist Homes and Marriott Management Services. Ms. White is known for stabilizing communities post-affiliation and implementing innovative clinical programs. She led the successful transitions at Acts' Country House and The Evergreens and established in-house rehabilitation and nurse practitioner programs at Cokesbury Village, later adopted companywide. She holds a M.S. in management from Wilmington University and a BS. in organizational communications and Business from Ohio University. Ms. White is Immediate Past Board Chair of LeadingAge New Jersey & Delaware, and a past board member of the Delaware Health Care Facilities Association. She is a member of the American Association of University Women, serving on its scholarship committee.

Lori M. Woodward is Senior Vice President and Chief Marketing Officer of Acts Retirement-Life Communities ("Acts"). She leads the organization's marketing strategy and performance across market research, lead acquisition, customer engagement, and sales success. Ms. Woodward previously served as CEO of Hamlyn Senior Marketing, Vice President of Marketing for Springpoint Senior Living, and Vice President of Sales for Sunrise Senior Living. Earlier in her career, she spent a decade as a writer, editor, and publishing manager for several scientific publishing companies. Ms. Woodward holds a B.A. in English with a minor in business administration from Millersville University and an MBA in marketing from LaSalle University. She volunteers with the Boys & Girls Club of Philadelphia, and counts among her proudest accomplishments raising two kind, engaged, and community-minded sons.

George R. Bryan is Vice President of Operations for the Southeast Region of Acts Retirement-Life Communities ("Acts"). He is responsible for the operations of Acts communities throughout the region, ensuring excellence in service delivery, resident satisfaction, and organizational performance. Mr. Bryan built a long and diverse career at Acts, starting with the company in 1994. His prior roles include Medical Records/Ward Clerk, Administrator, Executive Director, and Campus Executive Director. Before returning in 2007, he served as Senior VP and Chief Operating Officer of Oculina Bank for two years. He holds a B.S. in health services administration from the University of Central Florida and an MBA from Florida Atlantic University. He is a licensed Nursing Home Administrator (NHA) in Florida and was previously licensed in Pennsylvania. He also holds the designation of Certified Quality and Risk Management Specialist (CQRMS). Mr. Bryan is a past President of the Alzheimer/Parkinson Association of Indian River County and a former member of the LeadingAge Florida Board and Public Policy Committee.

Stephen V. Eggles is Vice President of Operations for the Mid-South Region of Acts Retirement-Life Communities ("Acts"). He oversees six communities across four states to ensure excellence in resident services, financial performance, and regulatory compliance. Mr. Eggles previously served as Executive Director at three Acts communities and as Vice President of Culinary and Nutritional Services and Wellness, where he helped advance key service areas across the organization. Before joining Acts, he held various leadership roles in community and service organizations, including Vice Chairman of Hospice of the Carolina Foothills, Regional Director for Toastmasters International, and President of the Thermal Belt Rotary Club. He currently serves as a member of the All Saints Knights of Columbus. He holds a B.S. in business administration from Penn State University, an MBA from Eastern University, and is a Licensed Nursing Home Administrator. He has also served on the Public Policy Committee for LeadingAge North Carolina.

Jo Anne R. Hartman is Vice President of Education and Research at Acts Retirement-Life Communities ("Acts"). She oversees the operational direction and execution of Acts Corporate University and the Acts Center for Applied Research, advancing education, leadership development, and evidence-informed practice across the organization. Ms. Hartman held prior leadership roles at Acts, including Managing Director of Acts Corporate University (ACU), Director of Learning and Development for ACU, and Program Manager. Prior to joining Acts, Ms. Hartman spent more than 11 years in school administration and an additional six years as a teacher. She holds a Bachelor of Science in Education from Millersville University and a Master of Education in Training and Performance Improvement from Capella University. Ms. Hartman also completed the LeadingAge Leadership Educator Program in 2016 and was named a LeadingAge Fellow in 2020. She served on the LeadingAge and LeadingAge PA Annual Conference Task Forces and currently serves on the LeadingAge PA Education Committee.

Brian R. Levesque is Vice President of Operations for the Northeast region of Acts Retirement-Life Communities ("Acts"). He provides operational leadership and oversight in support of the organization's mission and strategic objectives. Mr. Levesque previously served as Acts Normandy Farms Estates' Executive Director. He holds bachelor's degrees in social work and criminal justice from DeSales University, as well as a Master of Business Administration from Eastern University. He is a recipient of DeSales University's prestigious Provincial Medal of Honor and was named an Alumni of Distinction. He is a Licensed Nursing Home Administrator, Certified Personal Care Home Administrator, Certified Assisted Living Administrator within the Commonwealth of Pennsylvania, and holds the Certified Aging Services Professional (CASP) designation from the University of North Texas. Mr. Levesque is a graduate of the LeadingAge PA Fellows in Leadership program and serves as chair-elect of the LeadingAge PA Board of Directors. He is also a member of the Board of Directors for Kairos Health Systems. Mr. Levesque serves several not-for-profit organizations, including Scouting America, The Open Link of Pennsburg, Pennsylvania, and The Ohana Foundation, Inc.

Teresa C. Moore is Vice President of Resident Health Services for Acts Retirement-Life Communities ("Acts"). She oversees clinical operations and regulatory compliance across all levels of living in Acts' 28 communities. Ms. Moore has held multiple positions within the organization, including Director of Home Health, Interim Director of Nursing & Assistant Nursing Home Administrator, Licensed Administrator, Mid-South Regional Clinical Director, Director of Quality Education, and Corporate Director of Resident Health Services. Prior to joining Acts, she served in a variety of clinical leadership roles, including Assistant Director of Nursing, Director of Clinical Services for Sub-Acute Care, and Acute Care Registered Nurse in Labor & Delivery, Pediatrics, Med-Surg, Intensive Care, and Emergency Room settings. She holds an associate degree in nursing from Rockingham Community College and a B.S. in human services from Gardner-Webb University. Ms. Moore is a member of the American Association of Post-Acute Care Nursing and the North Carolina Nursing Association and is a former chapter president of the Juvenile Diabetes Foundation.

Patrick D. Picciocchi is Vice President of Culinary & Resident Experiences for Acts Retirement-Life Communities ("Acts"). He oversees the organization's Culinary and Environmental Services divisions, guiding teams responsible for delivering exceptional dining, hospitality, and service experiences across the Acts organization. Previously, Mr. Picciocchi held leadership roles at Acts, including Sous Chef, Director of Culinary, Northeast Regional Chef, Executive Director, and Chief Hospitality Officer, among others. Prior to joining Acts, he built a strong culinary and hospitality foundation in family-owned restaurants, country clubs, catering operations, and fine dining establishments. He holds an associate degree in culinary arts, a B.S. in hotel, restaurant, and institutional management from the University of Delaware, an MBA from Delaware Valley College, and an M.S. in management from Wilmington University. Mr. Picciocchi is a Licensed Nursing Home Administrator in multiple states and furthered his leadership training with the

LeadingAge PA Leadership Academy and the LeadingAge National Leadership Academy. Mr. Picciocchi is a member of the American Culinary Federation and has been active in community organizations, including the Rotary Club, and the Matthews Alive Festival Board.

Kimberly A. Power is Vice President of Information Technology Operations for Acts Retirement-Life Communities ("Acts"). She is responsible for the oversight and management of all Acts technology products, support and development services, and all technology-driven company projects across the organization that enhance operations and resident services. Throughout her 30+ year tenure with Acts, Ms. Power has held several key roles including Managing Director, Information Technology Operations; Corporate Director, IT Product and Development Services; Director, IT Project Management; and Director, Shared Services. She holds a Bachelor of Science degree from Penn State University and a Certificate of Membership with Pennsylvania LeadingAge. Ms. Power is a Certified Aging Services Professional (CASP) through the University of North Texas and served as IT Committee Board Chair for the Montgomery County Family Services Board of Directors.

Paul M. Reinbold, MD, CMD is Vice President and Chief Medical Director for Acts Retirement-Life Communities ("Acts"), providing operational and clinical oversight of Acts primary care services. He oversees and coordinates Medical Director services and clinical providers across the organization and serves as a clinical advisor and liaison to all departments. Dr. Reinbold served as Corporate Medical Director and Clinical Operations Advisor to the CEO at Integrace prior to its affiliation with Acts. His previous roles also include Medical Director of Bayleigh Chase, Chief of the Medical Staff for the University of Maryland–Shore Medical Center Easton, Medical Director for multiple skilled nursing facilities, owner of an internal medicine practice, and more. Dr. Reinbold is Board Certified in Internal Medicine by the American Board of Internal Medicine and is a Certified Medical Director through the Society for Post-Acute and Long-Term Care Medicine. He is the 2020 recipient of the Berman Award for lifetime achievements in long-term care. He earned a bachelor's degree in biology from the University of Delaware, a Medical Degree from Hahnemann University School of Medicine, and completed his residency in Internal Medicine at Lehigh Valley Hospital. Dr. Reinbold is a member of the American Medical Association, the Society for Post-Acute and Long-Term Care Medicine, the American College of Lifestyle Medicine, and serves on the LeadingAge National Clinical Advisory Committee.

Jodie R. Reinhart serves as Vice President, Strategy and Business Development. She has been with Acts since 2022 and previously served as Chief Financial Officer for Willow Valley Living. Ms. Reinhart possesses previous career experience as Chief Financial Officer for a non-profit organization in government contracting, and auditing and tax services for a variety of corporations in public accounting. Ms. Reinhart has a bachelor's degree in biology from Elizabethtown College, a bachelor's degree in accounting from Lebanon Valley College, and is a licensed Certified Public Accountant. She is active in the community, having

previously served as the Board Chair of Samaritan Center and Treasurer of CHI S. Joseph's Children's Health.

Erica L. Richardson is Vice President of Human Resources at Acts Retirement-Life Communities ("Acts"). She provides leadership and oversight for all human resources functions, ensuring regulatory compliance, organizational effectiveness, leadership development, and a high-performance, employee-centered culture. Ms. Richardson has held several leadership roles within the organization, including Mid-Atlantic Regional Human Resources Director, Corporate Director of Human Resources, and Managing Director of Human Resources. Prior to joining Acts, she served as Human Resources Director for Cadia Healthcare, Business Office Manager at Country House (Peninsula United Methodist Homes, Inc.) and Corporate Human Resources Assistant at Peninsula United Methodist Homes, Inc. Ms. Richardson holds a bachelor's and master's degree from Wilmington University and earned her Professional in Human Resources (PHR) certification. She completed the LeadingAge Larry J. Minnix Leadership Academy in 2022 and is a LeadingAge Academy Fellow and Alumna. She serves as an Advisory Board Member for the LeadingAge Leaders of Color (LoC) Network and as Chair of Leaders of Color for LeadingAge NJDE. Outside of industry involvement, Ms. Richardson is a member of the Victory Christian Fellowship Choir and serves as a Prayer Minister.

Brian E. Rounsavill is Vice President of Procurement and Contract Management for Acts Retirement-Life Communities ("Acts"), overseeing all procurement and supplier contracting activities across the organization. He joined Acts in 2021 as Corporate Director of Procurement before assuming his current role in 2023. Previously, he held chief procurement and senior leadership positions at prominent institutions including The Children's Hospital of Philadelphia and Princeton University. Mr. Rounsavill holds an MBA from Lehigh University and a bachelor's degree in business management from Moravian College. He further holds multiple industry certifications and has been recognized by the National Purchasing Institute with their Achievement of Excellence in Procurement Award. He has authored several industry articles focused on cost savings and strategic sourcing. Mr. Rounsavill served in leadership roles on several industry boards, including the Ivy Plus Purchasing Group, the New Jersey Higher Education Purchasing Association, and the National Association of Educational Procurement's Ad Hoc Committee on Defining & Calculating Cost Savings. In the local community, he has served on several volunteer boards including The Newtown Historic Association, Newtown Reliance Company, Newtown Rock Softball Association, the Moravian College Athletics Blue and Grey Club, and the Friends of Tyler Park. He is also the author of several books on local history.

Michael F. Salitsky is Vice President of Operations for the Mid-Atlantic Region of Acts Retirement-Life Communities ("Acts"). He provides strategic and operational leadership for Acts communities regionally, ensuring a strong culture of service excellence, sound financial performance, regulatory compliance, and alignment with the organization's mission and values. Mr. Salitsky joined Acts in 2018 and

previously served as Executive Director of Acts Country House. He also held multiple senior operational roles in the senior living and health care sectors, including Senior Executive Director for Five Star Senior Living, Executive Director for Cadia Health Care, and Nursing Home Administrator for Nationwide Health Care, Manor Care Health Services, and Integrated Health Services. Mr. Salitsky holds a B.A. from Wilkes University and is a Licensed Nursing Home Administrator. He currently serves as President of the Board of Examiners for Nursing Home Administrators in Delaware.

Joseph M. Taylor is Vice President of Payor Contracting and Reimbursement at Acts Retirement-Life Communities ("Acts"). He is responsible for optimizing payments across all payors through managed care contract negotiations, revenue cycle processes, and value-based performance payments. Mr. Taylor previously served as Senior Vice President of Payor Contracting, Analytics, and Population Health at Redeemer Health, President of the Community Care Collaborative of Pennsylvania and New Jersey (CCC), and Vice President and Practice Leader at Fluid Edge Consulting. He earned his bachelor's degree in mathematics and mathematics education from Syracuse University. He holds multiple professional credentials, including Certified Employee Benefit Specialist (CEBS), Health Insurance Associate (HIA), and Registered Health Underwriter (RHU). He served as Board Member and President of the Community Care Collaborative of Pennsylvania and New Jersey and as a Board Member of OHICOOP. He is the former Business Chair of the Blue Ventures Strategic Advisory Committee, former Advisory Board Chair for the Pharmacy Benefit Management Institute's inaugural ACO report, and former Board Member of the International Society of Certified Employee Benefit Specialists (Dallas/Fort Worth chapter). Mr. Taylor remains actively engaged with Syracuse University through the School of Education, serving on the Sustainability Committee, participating in the Mentor Connect Program, and as a member of the Legends Society.

Peggy C. Valdivia is Vice President of Financial Services for Acts Retirement-Life Communities ("Acts"). Ms. Valdivia provides leadership and oversight for internal and external financial reporting, treasury, and billing services and plays a key role in Acts' annual budget development. Ms. Valdivia has held multiple positions within the organization, including Corporate Director of Accounting, Director of Accounting, and Director of Financial Reporting. Prior to joining Acts, she was Financial Reporting Manager for Catholic Health Initiatives and served as an auditor for Ernst & Young (EY) and Parente Randolph LLC, a predecessor firm of Baker Tilly, LLP.Ms. Valdivia holds a B.S. in accounting from Bloomsburg University and an MBA from Eastern University. She is a former CARF/CCAC financial surveyor, a LeadingAge Leadership Academy Fellow, and serves on the board of the Supportive Services of the Aging and Disabled United Appeal Fund in Alabama.

David Vega serves as Vice President of Operations Analysis & Compliance for Acts Retirement-Life Communities ("Acts"). He oversees the organization's compliance activities and is responsible for identifying areas of risk and implementing systems to effectively monitor and mitigate those risks across the enterprise. Mr. Vega possesses 35+ years of experience with Acts, having started his career in accounting before transitioning into internal audit and compliance. His prior leadership roles within the organization include Corporate Director of Compliance, Director of Internal Audit–Operations, and Manager of Internal Audit. Mr. Vega is Certified in Healthcare Compliance (CHC) through the Health Care Compliance Association (HCCA) and is a Certified Compliance Professional through the Health Ethics Trust (HET). He earned a B.S. in business administration from American Intercontinental University and a master's in healthcare informatics from Walden University. He also holds a Certificate in forensic accounting from the University of North Carolina at Charlotte.

Management Staff – Karen Westerfer serves as Granite Farms Estates' Executive Director. She first joined Acts as the Assistant Director of Nursing for WillowBrooke Court at Granite Farms Estates in 2008. Ms. Westerfer has worked in the field of aging services since 2004, serving in numerous roles such as Director of Nursing, Administrator of Health Services, and Regional Clinical Director. She holds a Bachelor of Science degree in Nursing from Holy Family University and a Master of Science degree in Health Administration from the University of St. Francis.

No director has a 10% or greater interest in any professional service firm or corporation that provides goods, leases or services to Acts of a value of $500 or more within any one year.

13. COPY OF RESIDENT CONTRACT AND RELATED ADDENDA.

Copies of the Resident Contracts and related addenda to be entered into by and between ACTS Retirement-Life Communities, Inc. and the prospective resident are included as Exhibit C and have been delivered to the prospective resident simultaneously with the delivery of this Disclosure Statement.

14. SERVICES PROVIDED OR PROPOSED TO BE PROVIDED UNDER CONTRACTS FOR CONTINUING CARE AT THE COMMUNITY INCLUDING THE EXTENT TO WHICH MEDICAL CARE IS FURNISHED.

Please refer to the Resident Contract (included as Exhibit C) for a complete description of the basic services to be provided as well as a description of those services available at an extra charge. The Resident Contract also describes the extent to which services for medical care will be furnished.

15. AVERAGE ANNUAL COST OF SERVICES.

The average annual cost to ACTS Retirement-Life Communities, Inc. and Subsidiaries of providing to Resident the care specified in the Resident Contract, based on 2025 information, is $70,895 for residential services and $188,439 for medical care services.

16. DESCRIPTION OF ALL FEES REQUIRED OF RESIDENT INCLUDING THE ENTRANCE FEE AND PERIODIC CHARGES, IF ANY.

Attached hereto as Exhibit D is a description of fees required of resident including the entrance and monthly fee.

The entrance fee of a specific living accommodation may be higher or lower depending on certain attributes of the living accommodation. Please contact a Life Care Consultant for further information (see Section 3).

The entrance fees are subject to change without notice, and the monthly fees are subject to change with sixty (60) days prior written notice (in accordance with the terms of the Resident Contract).

Set forth below is a table which shows the frequency, dollar amount, and percent change for increases in the monthly fee for a Freedom apartment (approximately 574 square feet) over the past five years.

INCREASE IN MONTHLY FEE

Effective Date of Increase	First Person Fee	Annual % Increase	Second Person Fee	Annual % Increase
1/1/2026	$133	3.90	$85	3.90
1/1/2025	128	3.90	82	3.90
1/1/2024	146	4.65	75	3.70
1/1/2023	219	7.50	100	5.20
1/1/2022	126	4.50	63	3.38
Average dollar amount	$150		$ 81	

17. PROVISIONS THAT HAVE BEEN MADE TO PROVIDE RESERVE FUNDING TO ENABLE THE PROVIDER TO FULLY PERFORM ITS OBLIGATIONS UNDER CONTRACTS TO PROVIDE CONTINUING CARE AT THE COMMUNITY.

Acts has established certain reserve accounts in accordance with various statutory and debt requirements. Acts also participates in an Obligated Group financing which maintains a total debt service reserve of $5,814,000 and cash and discretionary reserves totaling $321,214,000 at year end 2025. These funds are invested in U.S. Treasury Notes, Certificates of Deposit, and other approved investments by designated trustees.

18. CERTIFIED FINANCIAL STATEMENTS OF THE PROVIDER.

Attached hereto as Exhibit E are certified financial statements for ACTS Retirement-Life Communities, Inc. and Subsidiaries as of December 31, 2025.

19. STATEMENT OF OPERATIONS.

Attached hereto as Exhibit F are the 2025 actual versus budget operating statement and the pro forma operating statement for fiscal year 2026 for ACTS Retirement-Life Communities, Inc. and Subsidiaries.

20. DISCUSSION OF ACTUAL RESULTS TO BUDGETED RESULTS.

Please see Exhibit G for a narrative of any material differences between the pro forma and actual operating statement of ACTS Retirement-Life Communities, Inc. and Subsidiaries for fiscal year 2025.

21. RESIDENT'S RIGHT TO RESCIND RESIDENT CONTRACT.

Prospective residents have the right to rescind the Resident Contract (see Exhibit H) without incurring any penalty or forfeiture within thirty (30) days after each of the following times:

A. The initial date funds are deposited with or remitted to Acts; or
B. The date of execution of the Resident Contract.

EXHIBIT A

ACTS RETIREMENT-LIFE COMMUNITIES, INC.
BOARD OF DIRECTORS AND OFFICERS

The business address for each officer and director listed below is c/o ACTS Retirement-Life Communities, Inc., 420 Delaware Drive, P.O. Box 2222, Fort Washington, PA 19034.

Name	Title
Gerald T. Grant	Chief Executive Officer
Karen I. Christiansen, CMA	President
Susan Allmond	Chairman
Daniel W. Lawson, II	Vice Chairman
Elric C. Gerner	Secretary
Marvin Mashner, CPA	Treasurer
Joshua S. Pasker, Esquire*	Assistant Secretary
Susan Ahern, CPA, CMA*	Assistant Treasurer
Kathryn Brod	Director
Warren Callaway	Director
Linda Chamberlain	Director
H. Bruce Detweiler, CPA	Director
John L. Esterhai, Jr. MD	Director
James Glynn	Director
Jason Greer	Director
Michael D. Kelly	Director
John E. Lammers, MD	Director
Dr. Daniel Middlebrooks	Director
Rev. Dawn Reichard	Director

*Officer, but not a member, of the Board of Directors

EXHIBIT B

ACTS RETIREMENT-LIFE COMMUNITIES, INC.
OFFICERS AND SENIOR MANAGEMENT

Name	Title
Gerald T. Grant	Chief Executive Officer
Karen I. Christiansen, CMA	President
Jonathan D. Grant	Executive Vice President and Chief Operating Officer
James H. Petty	Executive Vice President and Chief Strategy Officer
Susan Ahern, CPA, CMA	Senior Vice President and Chief Financial Officer
Sean T. R. Fletcher	Senior Vice President, Real Estate Services
Deirdre E. Groenen, Esquire	Senior Vice President and Chief Human Resources Officer
Christopher J. Hartman, Sr.	Senior Vice President, Chief Technology Officer
Gregory D. Hensley	Senior Vice President, Real Estate Development
Megan Longley	Senior Vice President, Chief Sales Officer
Jeremy O. Neely	Senior Vice President and Chief Community Operations Officer
Joshua S. Pasker, Esquire	Senior Vice President and General Counsel
Brian T. Rutter	Senior Vice President, Chief Communications and Brand Officer
Holly S. Schade	Senior Vice President and Chief Clinical Officer
Craig D. Thompson	Senior Vice President, Chief Integration and Innovation Officer
Terri A. White	Senior Vice President, Chief Administrative Officer

EXHIBIT B

ACTS RETIREMENT-LIFE COMMUNITIES, INC.
OFFICERS AND SENIOR MANAGEMENT
(continued)

Name	Title
Lori M. Woodward	Senior Vice President and Chief Marketing Officer
George R. Bryan	Vice President of Operations, Southeast Region
Stephen V. Eggles	Vice President of Operations, Mid-South Region
Jo Anne R. Hartman	Vice President, Education and Research
Brian R. Levesque	Vice President of Operations, Northeast Region
Teresa C. Moore	Vice President, Resident Health Services
Patrick D. Picciocchi	Vice President, Culinary and Resident Experiences
Kimberly A. Power	Vice President, Information Technology Operations
Paul M. Reinbold, MD, CMD	Vice President and Chief Medical Director
Jodie R. Reinhart	Vice President, Strategy & Business Development
Erica L. Richardson	Vice President, Human Resources
Brian E. Rounsavill	Vice President, Procurement and Contract Management
Michael F. Salitsky	Vice President of Operations, Mid-Atlantic Region
Joseph M. Taylor	Vice President, Payor Contracting and Reimbursement
Peggy C. Valdivia	Vice President, Financial Services
David Vega	Vice President, Operations Analysis and Compliance

EXHIBIT C

COPY OF RESIDENT CONTRACTS AND RELATED ADDENDA



RESIDENT CONTRACT

PENNSYLVANIA

ACTS RETIREMENT-LIFE COMMUNITIES, INC.
A NONPROFIT CORPORATION

PA-RC001 06/01/2017

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Definitions

ADMINISTRATIVE FEE: The Administrative Fee is equal to five percent (5%) of the Entrance Fee, as designated in Section 3.

ANCILLARY FEE SCHEDULE: The schedule of charges for services not included in the Monthly Rate.

APPLICATION FEE: The Application Fee is a non-refundable fee submitted with Resident's application and priority list contract.

ASSISTED LIVING SERVICES: Assistance with activities of daily living, such as eating, bathing, dressing, grooming and toileting, provided in an Assisted Living Residence.

ASSISTED LIVING RESIDENCE: A licensed assisted living residence which provides Assisted Living Services under this Resident Contract and which may or may not be located on the campus of Retirement Community.

COMPANY: ACTS Retirement-Life Communities, Inc., a nonprofit corporation organized and existing under the laws of the Commonwealth of Pennsylvania; which has qualified as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and is exempt from federal income taxes on its exempt income pursuant to Section 501(a) of the Code.

CONDITIONS OF CONTINUED OCCUPANCY: The health and safety requirements (as defined by Company's prevailing policy which is subject to change) for continued Occupancy of the Residential Unit or other accommodation in Retirement Community.

DATE OF AVAILABILITY: The date designated by Company for Resident to accept Occupancy, for the Entrance Fee to become due and begin payment of the Monthly Rate.

ENTRANCE FEE: A one-time fee paid to Company prior to admission to Retirement Community. The amount of the Entrance Fee is based on the model, size and location of the Residential Unit and the number of occupants of the Residential Unit.

EXTENDED DATE OF AVAILABILITY: An extension to the Date of Availability for a reasonable period of time granted by Company.

HOME CARE SERVICES: Assistance with activities of daily living provided by nurses or aides in Resident's Living Accommodation, as defined by and in accordance with prevailing policy.

LEGAL REPRESENTATIVE: A personal representative with legal standing authorized to act on behalf of Resident or a representative who has provided the funds necessary for Resident to enter into this Resident Contract.

LIVING ACCOMMODATION: The Residential Unit of the Retirement Community, an assisted living room in an Assisted Living Residence or a nursing care bed in a Skilled Care Center.

MONTHLY RATE: The charge per month for Occupancy of the Living Accommodation.

OCCUPANCY: The right to reside in and use the Living Accommodation.

PRIORITY LIST DEPOSIT: A payment the applicant made at the time of submitting an application, in consideration of which the name of the applicant is placed on a list awaiting availability of a Residential Unit. The Priority List Deposit is applied as a credit toward the payment of the Entrance Fee.

RESERVATION FEE: The amount paid by Resident in consideration of which Company reserves the Residential Unit designated for Occupancy by Resident. The Reservation Fee is paid at the time of signing the Resident Contract and is applied as a credit toward the payment of the Entrance Fee.

RESIDENTIAL UNIT: The living unit identified in Section 3 which is designated for Occupancy under this Resident Contract.

RETIREMENT COMMUNITY: The Company's facility and campus identified in this Resident Contract as the location Resident will take Occupancy of the Residential Unit.

ROUTINE NURSING CARE SERVICES: The level of nursing care services provided by Company. Company reserves the right to define the acuity level of care services it provides in exchange for the Monthly Rate. Certain higher acuity nursing care services, if available, and supplemental or ancillary services and items shall be provided at an additional charge.

SHARED OCCUPANCY: The right to reside in and use a Residential Unit vested in two or more persons.

SINGLE OCCUPANCY: The right to reside in and use a Residential Unit vested in one person.

SKILLED CARE CENTER: A licensed nursing facility which provides Routine Nursing Care Services under this Resident Contract and which may or may not be located on the campus of the Retirement Community.

SPECIAL SERVICE FACILITY: A psychiatric institution, drug or alcohol treatment facility, renal treatment facility, rehabilitation unit, Subacute or Transitional Care provider, including other licensed nursing facilities providing specialized medical care and treatment, such as some subacute services, not provided by Company.

SUBACUTE CARE: Short-term care (10 to 40 days) for patients who require medical care and monitoring at least weekly, skilled nursing care of approximately 4.0 hours per day, rehabilitative therapies and I.V. therapies without significant medical complications.

SURRENDER: To cease Occupancy, to remove all possessions from Company, and to return all Company's property, including, but not limited to, keys and emergency alert equipment, if applicable.

TRANSITION PERIOD: The first one hundred twenty (120) days of Occupancy in the Residential Unit.

TRANSITIONAL CARE: Short-term care (5 to 30 days) for patients who require regular medical care and monitoring, intensive skilled nursing care of approximately 5.5 to 8 hours per day, an integrated program of therapies (both rehabilitative and respiratory) including utilization of pharmaceuticals and laboratory services.

UTILIZATION REVIEW COMMITTEE: The Utilization Review Committee shall consist of members of the skilled care and administrative staff designated by Company, and shall make determinations relating to level of care transfers.

ACTS RETIREMENT-LIFE COMMUNITIES, INC.
RESIDENT CONTRACT

This Resident Contract made this _____day of _____ 20_____, is between ACTS RETIREMENT- LIFE COMMUNITIES, INC. (hereinafter called "Company"), AND _____ (hereinafter referred to as "Resident," and where this Resident Contract is executed by one or more individuals, they are called collectively "Resident" where the context permits and individually as "Co-Resident") who has applied for and has been conditionally approved for admission to the Retirement Community by Company. Subject to the signing of this Resident Contract, Company and Resident, intending to be legally bound, agree to the following terms and conditions.

SECTION 1. General Statements

1.1 General Statements Regarding Company

Company is a nonprofit corporation which qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). Company is exempt from federal income taxes on its exempt income pursuant to Section 501(a) of the Code. Company is affiliated with other nonprofit organizations with similar missions and purposes to serve senior adults. These affiliated organizations are also organizations described in Section 501(c)(3) of the Code and are exempt from federal income taxes on their exempt income pursuant to Section 501(a) of the Code, and include ACTS Retirement Services, Inc., ACTS Legacy Foundation, Inc., ACTS Management Services, Inc., ACTS Signature Community Services, Inc., ACTS Acquisition Company, LLC, Heron Point of Chestertown, Inc., Park Pointe Village, Inc., and Presbyterian Retirement Corporation, Inc. Company is not affiliated with any other religious, nonprofit or proprietary organizations or management entity. Company, ACTS Management Services, Inc. and ACTS Signature Community Services, Inc. (collectively, the "Obligated Group") are jointly and severally obligated on certain debt and other obligations of the Obligated Group. Other than as set forth in the preceding sentence, the affiliates of Company are not responsible for the financial and contractual obligations of Company.

1.2 General Statements Regarding Extent of Continuing Care

Upon execution of this Resident Contract and payment of Entrance Fee, and prior to the Date of Availability, Resident is entitled to access, if necessary, the services specified in this Resident Contract.

Beginning with the date of Occupancy of a Living Accommodation in the Retirement Community, or the Date of Availability, whichever is earlier, Company will provide a Living Accommodation, together with the facilities,

services and medical care specified in this Resident Contract until the Resident's death or earlier termination of this Resident Contract.

This general description of continuing care to be provided by Company is a summary only and the exact nature of continuing care provided by Company under this Resident Contract is more fully set forth in the remaining sections of this Resident Contract.

SECTION 2. Conditions to Admission

2.1 Financial Qualifications

As a condition to admissions, Company requires that Resident have assets and income which are sufficient under foreseeable circumstances and after provision for payment of Resident's obligations hereunder to meet ordinary and customary living expenses after assuming Occupancy over Resident's projected lifetime.

2.2 Change in Financial Condition Prior to Occupancy

If, after the date of accepting and signing a Resident Contract by both parties and prior to the date of Occupancy of a Residential Unit, a change in Resident's financial condition occurs and Resident no longer qualifies under Subsection 2.1, Company reserves the right to terminate this Resident Contract. Any refund due to Resident shall be paid in accordance with Subsection 14.1.

2.3 Medical Qualifications

As a condition to admission into Residential Unit, Company requires that Resident be able to meet health and safety requirements, as defined by Company's prevailing policy which is subject to change.

2.4 Change in Medical Condition Prior to Occupancy

Once a Resident Contract is accepted and signed by both parties, the Resident Contract shall not terminate solely due to a change in medical condition. However, Company reserves the right to determine the appropriate Living Accommodation.

2.5 Required Insurance

As a condition to admission, Resident will, prior to the Date of Availability, enroll in Part A of the Medicare Program and subscribe to and pay for coverage under Part B of the Medicare Program. If not eligible for Medicare, Resident will enroll in some other insurance program providing equivalent benefits as approved in writing by Company. Additionally, Resident will subscribe to and pay for Medicare supplemental coverage

(commonly referred to as "medigap insurance," covering days 21 through 100 of skilled care services), as approved by Company. Throughout the duration of this Resident Contract, Resident shall maintain, at Resident's expense, the required insurance coverage. Proof of required insurance coverage must be provided to Company prior to the Date of Availability. Company may require Resident to provide proof of required insurance from time to time after Occupancy. If Resident fails to maintain required insurance, the terms as set forth in Subsection 6.7(a) will prevail.

2.6 Age Requirements

As a condition to admission, Resident will supply satisfactory evidence that he/she has obtained his/her 62nd birthday by the Date of Availability.

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SECTION 3. The Designation of the Residential Unit and Consideration to be Paid

The Residential Unit assigned to Resident is:

Type of Unit _____; Unit Number_____; Date of Availability_____

Location:_____("Retirement Community")

Payment of Entrance Fee:

Gross Entrance Fee	**$_____**
Adjustments (defined below)	**$_____**
Entrance Fee	**$_____**
Less Priority List Deposit previously paid, if any	**$_____**
Less Reservation Fee (balance of 10% of Entrance Fee paid at signing of this Resident Contract)	**$_____**
Balance of Entrance Fee due prior to Occupancy	**$_____**

Payments made under Exhibit "B", as of signing this Resident Contract, for modifications to the Residential Unit, if any $_____

Current Monthly Rate (as of the date of the signing of this Resident Contract) $_____

The Entrance Fee and Monthly Rate specified above are based on the current price plan known as _____.

Adjustment explanation: _____

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SECTION 4. Living Accommodation and Common Areas

4.1 Living Accommodation

From and after the Date of Availability, Resident has the right to occupy and use, in accordance with the terms of this Resident Contract, the Residential Unit designated in Section 3, and accommodations in Assisted Living Residence and Skilled Care Center as defined in Section 11 of this Resident Contract.

4.2 Furnishings

Company will furnish wall to wall carpeting (except in kitchen and bath), range with oven, microwave oven, refrigerator, window blinds, and other fixtures in the Residential Unit in accordance with Company's prevailing policy. Resident may upgrade, change or replace the furnishings provided by Company at Resident's cost. These furnishings, even if upgraded, changed or replaced at Resident's cost, shall become the permanent property of Company unless otherwise agreed to in writing by both parties. All other furnishings shall be furnished by Resident, subject to supervision of, and approval by, Company, and shall remain as Resident's personal property, except as set forth in Subsections 5.6 and 5.9.

4.3 Optional Furnishings or Appliances

Company may provide at the Resident's request optional furnishings, fixtures or appliances identified and approved by Company. The cost for optional items is not included in the Entrance Fee or the Monthly Rate and is an additional charge established by Company. The costs for any optional items requested by Resident shall be paid prior to the beginning of the work or before the time of installation. Upon installation, all additional furnishings, fixtures or appliances immediately become the property of Company and shall remain in the Residential Unit after termination of this Resident Contract. Exhibit B of this Resident Contract reflects all optional furnishings or fixtures and the related cost.

4.4 Common Areas

Subject to scheduling requirements and availability as established by Company and as part of the services included in the Monthly Rate, Resident may use, in common with all other residents, the dining room(s), lobby or lobbies, auditorium, social and recreational rooms, and other common areas furnished by Company.

4.5 Assisted Living Residence

Company shall provide Assisted Living Services in a licensed Assisted Living Residence at either the Retirement Community, another affiliated

retirement community or an outside provider not located at the Retirement Community.

4.6 Skilled Care Center

Company shall provide Routine Nursing Care Services in a licensed Skilled Care Center at either the Retirement Community, another affiliated retirement community or an outside provider not located at the Retirement Community.

4.7 Date of Availability

Resident shall take possession of the Residential Unit as of the Date of Availability. If the Residential Unit is available for Occupancy before the Date of Availability, Resident may take possession on the first available date. The obligation to pay the Monthly Rate shall begin on the Date of Availability or upon Occupancy, whichever is earlier, and the Entrance Fee must be paid in full prior to or at the time of Occupancy. In the event that Resident fails to take possession or pay the Monthly Rate on the Date of Availability, and the Residential Unit is available for Occupancy, then Company, in its sole and absolute discretion may elect to terminate this Resident Contract.

The Date of Availability may be extended by Company for a reasonable period (i.e. the "Extended Date of Availability"). Company shall provide written notice of any extension of the Date of Availability addressed to Resident in accordance with Section 18. If, however, the Residential Unit is not ready for Occupancy by the Date of Availability or Extended Date of Availability, and such delay is due to labor strikes, fire, an act of God or any other cause beyond the control of Company, then, Company, in its sole discretion, may further extend the date of Occupancy for a reasonable period of time. In the event that Resident fails to take possession on the Extended Date of Availability, then Company, in its sole and absolute discretion, may elect to terminate this Resident Contract in accordance with the termination and refund provisions.

4.8 Limitations on Occupancy

No person other than Resident may take Occupancy of the Living Accommodation except with the express written approval of Company. In the event that a spouse or other person who is not a party to this Resident Contract is accepted for Occupancy in the Living Accommodation at a time subsequent to the date hereof, the terms as set forth in Subsection 10.2 will prevail.

4.9 Company's Rights Regarding Retirement Community and Living Accommodation

Company has the right to use the Retirement Community for any corporate purpose. Resident acknowledges and accepts the responsibility of Company to enter Resident's Living Accommodation in order to carry out the purpose and intent of this Resident Contract. Such entry includes, but is not limited to, (i) responses to medical emergencies; (ii) responses to fire protection systems; (iii) responses to concern that Resident is missing or otherwise not responding to calls; (iv) performance of scheduled housekeeping duties; (v) maintenance procedures; and (vi) enforcement of Company's policies and procedures. Company will take all normal precautions to protect Resident's privacy.

SECTION 5. Services Provided by Company to Resident and Resident's Responsibilities

5.1 Utilities and Taxes

As part of the services included in the Monthly Rate, Company will furnish water, light, heat, electricity, air-conditioning and standard cable television service (excluding premium channels). Payments of real estate taxes are also included in the Monthly Rate. Payment of the Monthly Rate does not give the Resident any interest in the land, improvements, or real estate of Company and the Retirement Community. Resident shall participate in and assign all rights to any real estate, property tax or utility credit program.

5.2 Telephone

Resident is required to have a telephone, or an alternative communication device which is approved by Company, in the Residential Unit, at Resident's expense. All telephone service charges, including connection charges are the responsibility of, and shall be paid by, Resident, and are not included in the Monthly Rate. Company shall provide a directory of telephone numbers for access to Retirement Community personnel.

5.3 Television and Internet

Company shall provide each Residential Unit with connection(s) for television signal and internet access through either an external antenna or cable system. Costs for cable premium channels and internet service are not included in the Monthly Rate and shall be paid by Resident.

5.4 Housekeeping

Resident shall maintain the Residential Unit in a clean, sanitary and orderly condition, and is responsible for all usual light housekeeping tasks. Annually, Company will provide such heavier cleaning services as it deems

necessary. Company reserves the right to inspect the Residential Unit periodically for cleanliness and safety. If Resident fails to maintain the Residential Unit in a clean, sanitary and orderly condition as determined by Company, then Company reserves the right to clean the Residential Unit and Resident shall pay the charges assessed by Company for cleaning the Residential Unit. Additional housekeeping services are available to Resident for an additional fee.

5.5 Maintenance and Repairs

Necessary repairs, maintenance and replacement of property and equipment owned by Company will be performed and provided at the discretion of Company. Repairs, maintenance, and replacement of property of Resident will be the responsibility of Resident.

5.6 Structural Changes

All structural or physical changes of any kind within or about the Residential Unit (i.e. shelves, framework, awnings, etc.) will be made only upon first being approved by Company in writing and thereafter being subject to the supervision of Company. The cost of any such change requested by Resident shall be borne by Resident and paid for before work begins, unless otherwise agreed to in writing by both parties, and all such changes shall immediately become and remain the permanent property of Company.

5.7 Laundry

Automatic washers and dryers for personal laundry are located within Retirement Community and are available to all Residents. Company will provide laundry service for flat linens, provided by resident, on a weekly basis as part of the Monthly Rate.

5.8 Storage

For each apartment style Residential Unit, Company will make available additional storage in a designated area upon request of Resident. Use of storage facilities shall be subject to direction and supervision of Company. Resident is responsible for the risk of loss for all items stored in the storage units.

5.9 Grounds

Company will provide basic grounds keeping care including lawn service. Resident, at his/her own expense may plant and maintain the area adjacent to his/her Residential Unit, subject to the approval of Company. All plants, trees and shrubs so planted shall immediately become and remain the permanent property of Company.

5.10 Transportation

Company will provide transportation services on a scheduled basis, for purposes such as shopping, certain medical care services and other special functions, as defined by Company.

5.11 Food and Meals

(a) Dining Room Service

Company will, as part of the services included in the Monthly Rate, provide to Resident, one meal for each day of the month (e.g. 30 meals in the month of November, 31 meals in the month of December), which may be utilized at Resident's discretion, up to a maximum of three (3) meals per day, until the monthly meal allocation is exhausted for the applicable calendar month. Unused meals in one month may not be carried over to another month. Meals may be taken in excess of the monthly allocation and will be an additional charge. Meals shall be taken in a designated dining area at any time during the calendar month, at Resident's discretion, although reasonable advance notice of attendance may be requested. Special dietary needs may be provided on request and subject to availability and Company's policies and procedures. In addition, Company will make available, in accordance with its scheduling policies, a private dining room for family gatherings or other special occasions of the Resident. For these occasions, in accordance with Company's policies and procedures, the Resident may supply food from outside sources or use catering services provided by the Retirement Community on a fee-for-service basis.

(b) Tray Service

Company will, as part of the services included in the Monthly Rate, provide to Resident tray service if ordered by Company's medical director or persons authorized by Company. Tray service shall be on a temporary basis, not to exceed three (3) days or fourteen (14) days following a three (3) day stay in the hospital or the Skilled Care Center. Any Resident requesting further tray service shall be evaluated by Company's medical director and/or Resident's physician to determine whether Routine Nursing Care Services are required. In the event that tray service extends beyond the above limits, Company may charge Resident for tray service meals in an amount determined by Company, except if ordered by Company's medical director.

(c) Meal Allowance

If Resident is away from Retirement Community for a period of fourteen (14) consecutive days or more, he/she may qualify for a

limited meal allowance in accordance with Company's prevailing policy which is subject to change. If the Resident qualifies, the meal allowance will be applied as a credit on the monthly statement reflective of a reduction in meal credits for that month. Arrangements for this allowance must be made in advance and in writing, and is applicable only when Resident is away from his/her Residential Unit, excluding stays in an Assisted Living Residence or a Skilled Care Center.

(d) Guest Use of Dining Room

Company will serve meals to Resident's guests in the dining room at an extra charge. Charges for guest meals will be included on Resident's monthly statement. Resident is requested to provide Company with advance notice of any anticipated guests.

(e) Guest Meal Charges

Amounts charged to Resident's monthly statement for guest meals will be made according to the currently established rates as set and periodically adjusted by Company.

(f) Dining Room Dress Code

In the designated dining area, Resident shall comply with Retirement Community's prevailing dress code policy which is subject to change from time to time.

5.12 Response System

Resident may contact Retirement Community personnel (i.e. security personnel or administrative staff) who will be available to respond twenty-four (24) hours a day. Retirement Community personnel will contact emergency response personnel provided by county or city governments, or by various health care providers unaffiliated with Company. Company does not provide Emergency Medical Services ("EMS") or Emergency Medical Technicians ("EMT"). While the response system may be used to inform Retirement Community personnel of a medical emergency or a security concern, Company disclaims any and all responsibility or liability for responding to medical emergencies or security concerns. Any costs associated with external emergency response personnel shall be payable by Resident directly to the emergency response organization.

5.13 Security

Company will, as part of the services included in the Monthly Rate, provide certain security services at the Retirement Community in accordance with Company's prevailing policy which is subject to change from time to time.

5.14 Parking

If Resident owns and operates a registered motor vehicle, Company shall provide a minimum of one uncovered parking space for each Residential Unit, which is included in the Monthly Rate. Any assignment of parking spaces will be made in accordance with prevailing policy which is subject to change from time to time. Guest parking is available in designated areas.

5.15 Property Insurance

Company shall maintain insurance for Company's property only, which is included in the Monthly Rate. Resident is required to purchase and maintain personal property and liability insurance in an amount acceptable to Company as may be determined from time to time by Company.

5.16 Administration

Company shall provide administrative support services to implement the provisions of this Resident Contract, which services are included in the Monthly Rate.

5.17 Additional Miscellaneous Services

Other miscellaneous services, as may become available, will be at an additional charge and are not included in the Monthly Rate.

5.18 Changes in the Scope of Services and Ancillary Fee Schedule

The scope of services and related fees as reflected in Ancillary Fee Schedule for services not included in the Monthly Rate are subject to change and may be modified by Company from time to time with sixty (60) days advance written notice of any changes, except for changes required by State or Federal assistance programs.

SECTION 6. General Medical, Nursing and Assisted Living Services

6.1. Outpatient Nursing Services

Outpatient nursing services are made available to Resident in the Retirement Community during regular office hours in accordance with prevailing policy which is subject to change from time to time. Certain outpatient nursing services including routine nursing consultations, weight checks and blood pressure readings are included in the Monthly Rate. Other services may be provided at a fee published in the nurse's office. Company reserves the right to limit the outpatient nursing services which are included in the Monthly Rate.

6.2 Assisted Living and Routine Nursing Care Services

As part of the Monthly Rate, Company shall provide, or make available, in accordance with Resident's needs, Assisted Living Services in private accommodations and Routine Nursing Care Services in shared accommodations. In the event that those services are provided on the campus of Retirement Community, Resident shall sign an admission contract upon transfer to either the Assisted Living Residence or Skilled Care Center, which contract(s) will supplement the terms of this Resident Contract. In the event that any payment provision of the admission contracts in the Assisted Living Residence or Skilled Care Center are in conflict or inconsistent with any terms or provisions of this Resident Contract, then this Resident Contract shall control and govern the relationship between Resident and Company. As part of the Monthly Rate, Company shall provide to Resident three (3) meals per day when Resident is in Assisted Living Residence or Skilled Care Center.

6.3 Home Care Services

As part of the Monthly Rate, Resident may be eligible for qualified Home Care Services, as determined by Company and in accordance with prevailing policy. Additional Home Care Services may be available on a fee-for-service basis.

6.4 Costs in a Skilled Care Center or an Assisted Living Residence Prior to Occupancy

If Resident is admitted to either an Assisted Living Residence or a Skilled Care Center prior to Occupancy of the Residential Unit, the Entrance Fee immediately shall become due, and Resident shall pay the Monthly Rate for the Residential Unit designated in this Resident Contract. In situations of Shared Occupancy, the Monthly Rate for Single Occupancy shall be paid upon admission of one Co-Resident until the Date of Availability or upon Occupancy by the other Co-Resident of any Living Accommodation, whichever is earlier, at which time the Monthly Rate for Shared Occupancy shall become effective.

All miscellaneous charges and fees for ancillary services not covered or included in the Monthly Rate are an additional charge and shall be paid by Resident. Company reserves the right to determine, at any time, if admission to the Skilled Care Center or an Assisted Living Residence is permanent.

6.5 Costs in a Skilled Care Center or an Assisted Living Residence After Occupancy

(a) Routine Nursing Care Services

Upon transfer to a Skilled Care Center or other facility providing Routine Nursing Care Services under this Resident Contract, Resident shall continue to pay the applicable Monthly Rate for the Residential Unit, which is subject to periodic increases. All miscellaneous charges and fees for ancillary services not covered or included in the Monthly Rate are reflected on Company's Ancillary Fee Schedule and are an additional charge which shall be paid by Resident.

(b) Assisted Living Services

Upon transfer to an Assisted Living Residence or other facility providing Assisted Living Services under this Resident Contract, Resident shall continue to pay the applicable Monthly Rate for the Residential Unit, which is subject to periodic increases. All miscellaneous charges and fees for ancillary services and supplies not covered or included in the Monthly Rate are reflected on Company's Ancillary Fee Schedule and are an additional charge which shall be paid by Resident.

(c) Intra-Community Transfer and the Monthly Rate

In the event that Resident has moved from the Residential Unit to a Residential Unit with a lower Monthly Rate within one year prior to permanent transfer of Resident (or remaining Co-Resident) to a Skilled Care Center or an Assisted Living Residence, Resident shall pay the higher Monthly Rate for the vacated Residential Unit while remaining in the Skilled Care Center or Assisted Living Residence.

6.6 Exclusions (Items and Services Not Covered by the Monthly Rate)

Medical, health and ancillary services not included in or covered by the Monthly Rate include, but are not limited to, the cost of hospitalization, ambulance service, therapist or rehabilitation services, psychotherapy and psychiatric consultations or services, physician services, diagnostic services, private duty nurses, nursing assistants or companions, including temporary nursing or assistive services in the Residential Unit, specialized treatment, refractions, eyeglasses, contact lenses, hearing aids, podiatry, dentistry, dentures, inlays, orthopedic devices and appliances such as walkers, braces, wheelchairs, special beds or chairs, incontinence supplies, personal care supplies such as disposable underpads, toiletries, digestive aids and pharmacy medications, drugs, including prescription and over-the-counter medications, medical equipment and supplies such as syringes, respirators, ventilators, oxygen tanks, intravenous items,

catheterization materials, specialized treatment including ventilator dependent treatment, dialysis, and higher acuity nursing care services such as Subacute Care, Transitional Care or special rehabilitation services. Company, in its discretion, may provide any or all of the services not covered by the Monthly Rate at an additional charge, or refer the Resident to another provider capable of providing higher acuity care services. Ancillary and miscellaneous charges in an Assisted Living Residence or Skilled Care Center are also not included in the Monthly Rate.

6.7 Hospital, Medical and Nursing Insurance

(a) Required Insurance

Should Resident fail to maintain required medical insurance coverage, as described in Subsection 2.5, Resident will be responsible for all charges that otherwise would have been reimbursed through these required insurance programs and shall demonstrate adequate financial resources for such coverage to Company upon request.

Medicare Part A co-insurance for skilled days 21 through 100, and Medicare Part B annual deductible and co-insurance are the responsibility of Resident.

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(b) Assignment of Required Insurance and Third Party Payments

Resident assigns and transfers over to Company all rights of Resident to required public and private insurance and benefits to the extent necessary to pay Company for services provided to Resident under this Resident Contract. If Resident becomes eligible to receive payment from any third party for services provided under this Resident Contract by Company, Resident shall at all times cooperate fully with Company and each third party payor so that Company may make claim for and receive any applicable third party payments. Resident authorizes Company to make any and all claims for such insurance and benefits and agrees to execute all documents necessary to enable Company to collect or enforce such claims. If for any reason Company cannot apply directly for such benefits, Resident shall from time to time apply for the payments for services provided by Company to which Resident is entitled under applicable insurance benefit programs, and pay to Company the benefits received within ten (10) days of payment by the third party payor.

(c) Enrollment in a Health Maintenance Organization ("HMO") or Other Managed Care Plan

Resident may only enroll in a health maintenance organization ("HMO") or other managed care plan for which Company is a network or participating provider, unless Company provides prior written consent. Prior to enrolling in any HMO or managed care plan, Resident shall sign an addendum identifying the plan and reflecting Company's approval or disapproval. In the event that Resident subscribes to an HMO or other managed care plan, including a managed care plan that provides Medicare benefits, and Company is not a participating provider in Resident's managed care plan, Company may elect, at its option, to attempt to negotiate a contract with and obtain payment from Resident's managed care plan for covered services to be provided by Company. If Company is or becomes a network provider in Resident's managed care plan, Company reserves the right to withdraw from participation as a network provider. If Resident's managed care plan and Company do not reach an agreement on the terms under which services would be provided, or if the Resident's managed care plan does not agree to provide payment for covered services provided by Company or if Company withdraws from participation in Resident's managed care plan, Resident shall either transfer to and receive services from a participating provider in Resident's managed care plan or shall pay Company, in addition to the Monthly Rate, the daily rate for Routine Nursing Care Services which would have been covered by Medicare indemnity coverage, but only for the limited period of time during which Medicare or other required insurance coverage would have been available. In the event that Resident is transferred to a provider participating in Resident's managed care plan, Resident shall continue to pay the Monthly Rate and additionally all costs and charges related to the transfer to and occupancy of the participating provider. There will be no reduction in the Monthly Rate as a result of Resident's participation in any health insurance program or managed care plans which provide for payment for services rendered or made available by Company. Any co-insurance required by the HMO or managed care plan shall be paid by Resident.

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(d) Long Term Care Insurance

Company does not require Resident to maintain a long term care insurance policy. However, if Resident maintains such a policy, Company will assist Resident in making claims for such insurance benefits in accordance with Company's prevailing policy and procedures. If insurance benefits are received directly by Company, Company will apply proceeds to Resident's future Monthly Rate and

ancillary charges. After all such charges have been paid to Company, the balance of any insurance benefits will be refunded to Resident.

6.8 Transfer to Hospital or Other Specialized Service Facility

Company does not provide ambulance services, hospital care, acute care, Transitional Care or Subacute Care or other services provided by a Special Service Facility. Company shall have the right to transfer Resident to a hospital or other facility in accordance with the provisions of Subsection 11.3.

6.9 Illness or Accident Away from Retirement Community

If Resident suffers an accident or illness while away from Retirement Community, Company will have no responsibility to pay for Resident's medical, surgical, hospital or nursing care obtained offsite; however, after Resident returns to Retirement Community, Company shall assume its responsibility to provide those services as specified in this Resident Contract that are deemed necessary by Company.

6.10 Accident or Illness Caused by Others

In the event Resident is physically injured by an individual or entity not a party to this Resident Contract, Resident grants to Company a right of subrogation, and authorizes Company 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 Company to Resident as a result of any such injury. Resident shall cooperate and sign any documents necessary to facilitate Company's ability to exercise its subrogation right. After all costs and expenses incurred by Company (including legal fees and cost of care furnished to Resident by Company because of such injury) have been reimbursed to Company through subrogation, the balance of any recovery, will be refunded to Resident.

6.11 Limitations on Care

Company is not designed to care for persons who abuse alcohol or drugs or who require specialized psychiatric care or service not authorized or permitted under the skilled care or assisted living licensing regulations. If Company determines that Resident's continued presence in Retirement Community is either dangerous or detrimental to the health, safety or peace of Resident or other residents, then Company may temporarily transfer Resident to an appropriate institution of Company's choosing and Resident shall continue to pay the Monthly Rate directly to Company. Company will then be responsible to pay to the institution an amount that shall not exceed the Company's prevailing daily rate for shared accommodations in the Skilled Care Center. Any additional charges

beyond the amount paid by Company are the obligation of and shall be paid by Resident. If Resident prefers an institution other than that chosen by Company, Company will then be responsible to pay the lesser of the Company's daily rate for shared accommodations in the Skilled Care Center or the daily rate of the institution chosen by Company.

6.12 Responsibility of Company for Services Included in Monthly Rate

Resident shall not be liable to any health care provider for the cost of any services which are covered by Company under this Resident Contract and which are paid for by Resident through payment of the Monthly Rate. In the event that Company authorizes any health care provider to provide services, which Company is required to provide under this Resident Contract, Company shall assume responsibility for the payment of those health care services.

6.13 Privately Employed Private Duty Contractors

Subject to the approval of Company, Resident may utilize the services of privately employed private duty contractors, or other licensed agencies unrelated to Company, who provide personal or health care services in the Residential Unit. Such services are subject to Company's prevailing policy and requirements, which are subject to change, and must be approved in advance and in writing by Company. Resident is responsible to pay for all such services. In exchange for Company's approval of Resident's utilization of a private duty contractor or other licensed agencies unrelated to Company, Resident releases Company from any liability for the acts or omissions of any individual or agency providing services to Resident in the Residential Unit. Live-in companions, whether paid or unpaid by Resident are not permitted, except with Company's advance written consent.

6.14 Change in Ancillary Fee Schedule

The Ancillary Fee Schedule associated with services not included in the Monthly Rate may be modified by Company from time to time with sixty (60) days advance written notice of any changes, except for changes required by State or Federal assistance programs.

SECTION 7. Application Fee and Priority List Deposit

7.1 Application Fee

Resident has paid to Company a non-refundable Application Fee at the time of submitting an application and executing the priority list contract.

7.2 Priority List Deposit

Resident has paid to Company a Priority List Deposit at the time of submitting an application and executing the priority list contract. Payment of the Priority List Deposit, along with the submission of the priority list contract places the Resident on the priority list. The Priority List Deposit will be applied as a credit toward the Reservation Fee.

SECTION 8. Entrance Fee

8.1 Purpose and Use

Company may use the Entrance Fee in any manner it deems appropriate and may apply it to any corporate purpose. Company is not holding any part of the Entrance Fee in trust for Resident and has not assumed and is not assuming any fiduciary obligation to Resident concerning the Entrance Fee or any other amounts paid for admission to or continued Occupancy in the Retirement Community.

8.2 Payment Schedule

(a) Reservation Fee

Upon execution of this Resident Contract, Resident shall pay a Reservation Fee. The Reservation Fee is equal to ten percent (10%) of the Entrance Fee, less the Priority List Deposit.

(b) Final Payment

Upon the Date of Availability or Occupancy, whichever is earlier, Resident shall pay the remaining balance of the Entrance Fee.

8.3 Right to Establish Entrance Fee

Company reserves the right to establish Entrance Fee rates and Monthly Rates (as described in Section 9) of a different amount for persons being admitted for Occupancy after the date hereof, and the rates charged such other persons need not be uniform with or proportional to those charged to Resident under this Resident Contract. The Entrance Fee amount, as defined in this Resident Contract, shall not be increased or changed during the duration of the agreed upon care, except for changes required by State or Federal assistance programs or regulations, or if Resident changes from the Residential Unit to another residential unit (as described in Subsection 11.1).

8.4 Administrative Fee and Amortization of Entrance Fee

(a) Administrative Fee

An Administrative Fee in an amount equal to five percent (5%) of the Entrance Fee is non-refundable after the Transition Period and will be retained by Company.

(b) Amortization of Entrance Fee

After deducting an Administrative Fee, which is five percent (5%) of the Entrance Fee, the remaining Entrance Fee shall be amortized by Company in the amount of two percent (2%) per month for a period of fifty (50) months from the date of Occupancy or Date of Availability, whichever is earlier. After the fifty (50) month period, there will be no refund of the Entrance Fee.

SECTION 9. Monthly Rate

9.1 Standard Monthly Rate

In addition to the other amounts paid by Resident to Company under this Resident Contract, Resident will pay to Company the standard Monthly Rate established for the unit selected.

9.2 Adjustments in the Monthly Rate

The Monthly Rate may be adjusted from time to time. Company shall provide at least sixty (60) days written notice of such change unless such change is required by State or Federal assistance programs or regulations.

9.3 Payment and Due Date

The Monthly Rate is billed in advance and shall be due and payable within five (5) days of the date of Resident's monthly statement. The obligation to pay the Monthly Rate shall commence on the earlier to occur of (i) the date Resident takes Occupancy of the Residential Unit or (ii) the Date of Availability, whether or not Resident moves in at that time. The Resident shall be billed on a monthly basis for all other charges, including but not limited to miscellaneous and ancillary charges or other services. Payment for all other charges shall be due with the Monthly Rate.

9.4 Service Charge for Late Payment

A service charge of one and one-half percent (1.5%) per month will be added to amounts past due in accordance with Company's prevailing policy. Resident is obligated to pay all reasonable attorneys fees and costs incurred relative to the collection of any amount past due.

SECTION 10. Co-Resident

10.1 Co-Resident's Fee Responsibility

In situations of Shared Occupancy, each Co-Resident shall be jointly and severally liable for all payments due under this Resident Contract. Upon the death of one or more Co-Residents, or should one or more Co-Residents leave the Retirement Community, any remaining Co-Resident(s) shall be responsible for payment of the applicable Monthly Rate and any other past or future charges.

10.2 Marriages/Additional Occupant

If Resident decides to marry/reside with a non-resident while occupying the Residential Unit and desires that the new spouse/additional occupant share the Residential Unit, the spouse/additional occupant must comply with the entrance procedure outlined in this Resident Contract and shall execute a then current version of the Resident Contract. The spouse/additional occupant shall pay an Entrance Fee equal to the then current Entrance Fee for the smallest residential unit in the Retirement Community at the time the spouse/additional occupant takes Occupancy. The prevailing Monthly Rate for Shared Occupancy will commence on the day the spouse/additional occupant moves into the Residential Unit. In the event the spouse/additional occupant is not accepted as a new Resident, Resident may terminate the Resident Contract pursuant to Section 13 and receive any refund as set forth in Section 14.

SECTION 11. Relocation to a Different Living Accommodation or Outside Facility

11.1 Relocation From Residential Unit to Another as Requested by Resident

Upon Resident's written request and written approval of Company, the Resident may exercise a limited option to move from the Residential Unit to another in accordance with the Company's prevailing policy. Resident must notify Company in writing of the type of residential unit desired. Company reserves the right in its sole discretion to approve or deny requests to move. In the event Resident receives approval from Company to move to another residential unit, Resident shall sign an addendum to this Resident Contract reflecting all costs and charges related to exercising the option to move, including the Entrance Fee and Monthly Rate for the selected residential unit. Resident may be required to pay a refurbishment fee as determined by Company in accordance with Company's prevailing policy.

(a) Relocation to Larger Sized Residential Unit

On the Date of Availability of the larger sized residential unit, an additional Entrance Fee will be paid. The additional Entrance Fee is

equal to the difference between the Entrance Fee of the larger residential unit as of the time Resident first took Occupancy and the Entrance Fee paid for the smaller Residential Unit designated in Section 3.

(b) Relocation to Smaller Sized Residential Unit

Any refund of the Entrance Fee as a result of relocation to a smaller sized residential unit is calculated as the difference between:

(i) Present Residential Unit

The current Entrance Fee, less a sum equal to two percent (2%) per month, or fraction thereof, of the amount of such Entrance Fee for each month this Resident Contract has been in force, commencing from the Date of Availability, and

(ii) Proposed Residential Unit

The current Entrance Fee, less a sum equal to two percent (2%) per month, or fraction thereof, of the amount of such Entrance Fee for each month this Resident Contract has been in force, commencing from the Date of Availability.

11.2 Relocation From Residential Unit to Another as Required by Company

Company reserves the right to make all necessary arrangements and adjustments regarding residence not otherwise specifically provided in this Resident Contract. Company may relocate Resident to a different residential unit in the Retirement Community, substantially similar to that selected by Resident, if it determines that such a move should be made for the benefit of Resident or for the proper operation of Retirement Community, as determined by Company. In the event Resident is directed to relocate, Company shall be responsible for all reasonable moving and relocation expenses. Resident shall execute an addendum which shall reflect all changes in the Monthly Rate.

11.3 Transfer to Assisted Living Residence, Skilled Care Center, or Outside Facility

(a) Conditions of Continued Occupancy

Resident shall have the right to occupy the Residential Unit for so long as Resident satisfies the health and other Conditions of Continued Occupancy.

(b) Decision to Transfer

(i) Authority to Transfer

Company may transfer Resident from and between the Residential Unit and Skilled Care Center or Assisted Living Residence, or any other appropriate care facility, if it determines that such a move should be made because of the health and/or welfare of the Resident, for the proper operation of the Retirement Community, to comply with regulations of the Pennsylvania Department of Public Welfare, the Pennsylvania Department of Health, local regulations of the Fire Department, or any other duly constituted authority or agency, or to otherwise meet the requirements of law.

(ii) Role of Company's Utilization Review Committee

The decision as to whether a transfer shall be deemed temporary or permanent shall be made by Company's Utilization Review Committee. The Utilization Review Committee 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 Company. The Utilization Review Committee's decision regarding the temporary or permanent nature of any transfer may be made at any time. Upon a determination by Company's Utilization Review Committee that Resident is no longer capable of meeting the health or other requirements for Occupancy of the Residential Unit, Resident or Resident's next of kin, Legal Representative or agent acting on Resident's behalf, will be notified by Company that arrangements will be made for Resident's immediate transfer to an Assisted Living Residence, a Skilled Care Center or other appropriate care facility.

(c) Transfer to Assisted Living Residence

When Resident is in need of Assisted Living Services as determined by Company's medical director and/or the Utilization Review Committee and does not need Routine Nursing Care Services, Resident may be transferred permanently to Company's Assisted Living Residence, if available, or other facility providing Assisted Living Services. If there is no Co-Resident in the Residential Unit, Resident will, within thirty (30) days, Surrender the Residential Unit. The Residential Unit then occupied by such Resident shall be declared vacant and Company may reassign the Residential Unit to another person.

(d) Transfer to Skilled Care Center

When Resident is in need of Routine Nursing Care Services as determined by Company's medical director and/or the Utilization Review Committee, Resident will be moved to a shared accommodation in the Skilled Care Center or other facility providing Routine Nursing Care Services under this Resident Contract. Upon request, Resident may have access to a private room, if available, in Company's Skilled Care Center for which an additional fee may apply. If, after continued evaluation, it is determined by Company that Resident cannot return to his/her Residential Unit, and if there is no Co-Resident in said accommodation, Company may declare the Residential Unit vacant, and may reassign the Residential Unit to another person. Resident will, within a thirty (30) day period after such decision has been made, Surrender the Residential Unit.

(e) Transfer to Outside Facility

If it is determined by Company's medical director and/or Company's Utilization Review Committee that Resident cannot be cared for within the scope of the services Company provides in the Retirement Community, or Resident cannot otherwise meet the Conditions of Continued Occupancy, and if there is no Co-Resident in the Residential Unit, Company may declare the transfer permanent and the Residential Unit vacant and reassign the Residential Unit to another person. Resident will, within a thirty (30) day period from the date the decision is made, Surrender the Residential Unit and have all personal possessions removed from it.

(i) Temporary Transfer

During any temporary transfer to a hospital or outside facility, Resident shall continue to pay the Monthly Rate and shall be responsible for all costs and charges related to the transfer to and occupancy of the outside facility or hospital except as provided in Subsection 6.12.

(ii) Permanent Transfer

Upon permanent transfer to an outside facility, and after Surrender of the Living Accommodation, the obligation to pay the Monthly Rate shall end and this Resident Contract shall terminate. Any refund due shall be paid in accordance with the refund provisions of this Resident Contract. In the event of Shared Occupancy, this Resident Contract shall not terminate and Co-Resident shall pay the Monthly Rate until the permanent transfer or discharge of all Co-Residents from the Retirement Community and Surrender of the Living

Accommodation. Resident is obligated to pay all costs and charges related to the transfer to and occupancy of any outside facility or hospital except when Resident is transferred to an outside assisted living or skilled care provider because of the unavailability of a bed or room in Retirement Community.

(f) Release of or Return to Residential Unit After Transfer

(i) Temporary Transfer

If Resident is admitted temporarily to Company's Skilled Care Center, Assisted Living Residence, or a hospital or other outside facility, with a medical prognosis of recovery and return to health consistent with the Conditions of Continued Occupancy, then Resident shall retain Occupancy of the Residential Unit for the purpose of resuming residency. During any period of temporary transfer, Resident shall continue to pay the applicable Monthly Rate for the Residential Unit. Resident may return to the Residential Unit which has been retained in accordance with the terms of this provision at such time as Company determines that Resident can satisfy the Conditions of Continued Occupancy.

(ii) Permanent Transfer

If Resident is permanently transferred to Company's Skilled Care Center, Assisted Living Residence, or a hospital or other appropriate outside facility, Resident shall Surrender the Residential Unit within thirty (30) days of written notice of Company's decision to permanently transfer Resident. If Company, with the advice of Company's medical director, determines that Resident subsequently has recovered sufficiently to satisfy the Conditions of Continued Occupancy of a residential unit, Resident, upon request, shall be eligible for consideration to receive the next available residential unit with a floor plan comparable to the one relinquished, provided Resident repays Company any amounts refunded to Resident under the Resident Contract and pays the applicable Monthly Rate.

SECTION 12. Company's Policy Concerning Financial Difficulty

It is the policy of Company that Resident shall not be dismissed nor his/her Resident Contract terminated solely because of Resident's financial inability to continue to pay all or part of the Monthly Rate. However, Resident's acceptance into Company has been based on the accuracy of facts recorded on Resident's financial statement, by which facts Company determined that Resident was able

to meet all the financial obligations specified within this Resident Contract. If, in the opinion of Company, Resident either has misrepresented information on the financial statement or in any way weakens, through omission or commission, his/her ability or the ability of his/her personal estate to satisfy his/her financial obligations under this Resident Contract, because Resident has made gifts of real or personal property or any imprudent financial transactions after submitting the financial statement and/or after acceptance into Retirement Community, Company reserves the right to terminate this Resident Contract.

12.1 Failure to Make Payments

If Resident fails to make any of the Monthly Rate payments at the required time, or to pay any other amounts shown on the monthly statement within thirty (30) days after the first day of the month, then Company may give written notice to Resident to pay all such amounts and furnish most recent financial records. If Resident fails to comply with such notice, Company may terminate this Resident Contract, and shall provide Resident with the refund, if any, set forth in Section 14, less any outstanding balances or financial obligations.

12.2 Subsidy by Company

Should Company subsidize Resident's Monthly Rate, Resident agrees that any property which was his/hers at, or subsequent to the date of this Resident Contract, and remaining in his/her possession at death, is to be transferred to Company for the purpose of repaying (at least to the extent of the value of such property) an amount equal to the aggregate amount of subsidy furnished by Company during the period of residency. If the value of Resident's possessions/property exceeds the aggregate amount of subsidy furnished by Company, all excess proceeds will be returned to Resident's estate. This Resident Contract shall operate as a grant, assignment, transfer and conveyance to Company of such property, and Resident hereby grants to Company a security interest in such property, all of which may be enforced as a claim against Resident's estate, and to effect such assignment and to enable Company to enforce such claim, Resident shall execute such further documents, instruments or contracts, such as stock powers, Uniform Commercial Code financing statements, deeds, bills of sale and the like, as Company shall deem necessary or appropriate to protect or perfect its rights, interest and claims granted in this subsection. Company may, from time to time, request financial statements from any Resident whose Monthly Rate is subsidized by Company. This subsection shall apply whether or not Resident is in residence at Retirement Community at time of death and shall survive termination of the Resident Contract.

12.3 Special Consideration

Without in any way qualifying the right of Company to terminate this Resident Contract, if the sole reason for non-payment is insufficient funds,

beyond the control of Resident, the matter will be reviewed by Company with Resident. If Resident presents facts which justify special financial consideration, Company may solely at its discretion, partly subsidize Resident's Monthly Rate provided that such subsidy can be granted without impairing the ability of Company to meet and continue its objectives while operating on a sound financial basis. All determinations made by Company shall be regarded as a confidential transaction between Company and Resident except for reports required by regulatory or other government bodies.

12.4 Reduction of Income

Resident believes that his/her sources of income are adequate to meet his/her financial responsibility to Company and to meet and pay any additional costs to Resident, and to pay personal and incidental expenses during the period of residency. If Resident's sources of income do not meet these requirements, Resident may be required to relocate to a smaller unit in Retirement Community at discretion of Company, and Resident will make every reasonable effort to obtain assistance from family or other available means, and from public benefits, to the extent that Resident is eligible to receive them, including, but not limited to federal, state or county aid or assistance, Aid to the Blind, Veterans' Pension, etc. Resident agrees that he/she will apply for and diligently seek such benefits.

SECTION 13. Termination of Resident Contract

13.1 Termination by Resident Prior to Occupancy

If Resident or Resident's Legal Representative notifies Company in writing of his/her election to withdraw or terminate this Resident Contract before Resident takes Occupancy, this Resident Contract with said Resident shall automatically be terminated. If Resident dies before the Date of Availability, or if, through illness, injury, or incapacity, Resident is precluded from taking Occupancy and becoming a Resident under the terms of this Resident Contract, the Resident Contract shall be automatically rescinded. The Resident or his/her designated beneficiary shall receive a refund, in accordance with Section 14 of this Resident Contract.

13.2 Termination By Resident During Transition Period

Resident or Resident's Legal Representative may terminate this Resident Contract within thirty (30) days of execution of this Resident Contract by signing the attached Notice of Right to Rescind and delivering it to Company. After the lapse of the thirty (30) day rescission period and before the lapse of the Transition Period commencing on the earlier to occur of (i) the date Resident takes Occupancy or (ii) the Date of Availability of Residential Unit, Resident, or Resident's Legal

Representative, may terminate this Resident Contract by giving written and personally signed notice of termination to Company. Resident shall Surrender within a period of thirty (30) days from the date on which such notice is received by Company. The Resident Contract shall terminate on the date of Surrender. Resident shall be entitled to a refund, as provided in Subsection 14.1 of this Resident Contract.

13.3 Termination By Resident After Transition Period

Resident or Resident's Legal Representative has the right, at any time, to terminate this Resident Contract by delivery to Company of written notice of his/her intent to do so. The written notice need not cite a specific reason for the termination but it shall state a date, of not less than thirty (30) days or more than one hundred twenty (120) days, when the termination is to become effective, and on or prior to such date Resident shall Surrender the Living Accommodation. On the effective date of such termination, and contingent upon Surrender of the Living Accommodation, Resident's obligation to continue Monthly Rate payments shall cease and Resident shall be entitled to a refund, if any, as provided in Subsection 14.2 of this Resident Contract.

13.4 Termination by Death of Resident

Unless sooner terminated by its own provisions, this Resident Contract shall terminate at death of Resident, whereupon all obligations of Company under this Resident Contract, other than those relating to the removal of Resident's personal property, shall cease. At the death of Resident, Resident shall have no further rights in the Living Accommodation, and the Company shall have immediate access to the Living Accommodation. The removal of any personal effects of Resident in the Living Accommodation or from storage shall be the responsibility of Resident's executor, administrator, or Legal Representative, or of other persons entitled by law to receive them. Company will hold such personal effects for a period not to exceed thirty (30) days, but Company is not responsible for loss or damage to personal property in its possession. At the death of Resident, all Entrance Fee refunds, excess Monthly Rate payments (prorated daily to the date of Surrender), and any other funds deposited with Company under this Resident Contract shall be refunded in accordance with Section 14 of this Resident Contract.

In the event removal of Resident's personal possessions is not accomplished within thirty (30) days, Company has the right to continue charging the Monthly Rate or charge for storage of Resident's personal possessions until such possessions have been removed from the Living Accommodation.

13.5 Limitations on Termination for Shared Occupancy

If any Co-Resident is precluded from taking Occupancy of the Residential Unit because of death, illness, injury or incapacity, this Resident Contract shall remain in full force and effect as to the other Co-Resident(s), at the option of Co-Resident(s). The remaining Co-Resident(s) shall sign an addendum which changes the terms of this Resident Contract from Shared Occupancy to Single Occupancy, if applicable, and which reflects changes in the Entrance Fee and/or the Monthly Rate. As long as a Co-Resident continues to occupy any Living Accommodation within Retirement Community, the Resident Contract shall not terminate until the death, permanent transfer, discharge or voluntary departure of all Co-Residents from Retirement Community.

13.6 Termination by Company

Company may terminate this Resident Contract prior to Occupancy in accordance with Subsection 2.2 or after Occupancy for "just cause" (as described in Subsection 13.6(a)) based on the judgment of Company by providing Resident with at least thirty (30) days written notice. If such action is taken by Company, Resident will have a maximum of sixty (60) days from the date of Company's notice to Surrender the Residential Unit. On or before the termination date, Resident shall Surrender. On the date of Surrender, Resident's obligation to continue Monthly Rate payments shall cease and this Resident Contract shall terminate. Resident or Resident's designated beneficiary shall be entitled to receive a refund, if any, as provided in Section 14 of this Resident Contract.

(a) Just Cause

Just cause shall include, but not be limited to, (i) a default in payment (a default in payment occurs when monthly payments are not received in accordance with Section 9, (ii) the submission or omission of any material false information in the application documents and process, (iii) the failure of Resident to abide by Company's rules, regulations, policies and procedures, (iv) the breach of any of the other terms of this Resident Contract, or (v) a good faith determination in writing by Company that continued Occupancy by Resident creates a serious threat or danger to the life, health, safety or peaceful enjoyment of Resident or other residents or persons in Retirement Community.

In situations where continued Occupancy threatens the life, health, safety or peaceful enjoyment of the Resident or other residents, only such notice as is reasonably practicable under the circumstances will be provided to Resident or Resident's Legal Representative, and termination may be effective immediately.

13.7 Surrender

The obligation to pay the Monthly Rate shall continue until the Surrender of the Living Accommodation by Resident or by the estate or family or Legal Representative of Resident in the case of death. The Monthly Rate shall be prorated for the month of Surrender.

SECTION 14. Refunds of Entrance Fee

The refunds, if any, payable to Resident, if this Resident Contract is terminated in accordance with its terms are as follows:

14.1 Notice of Termination Prior to or During Transition Period

Entrance Fee payments will be refunded in full if this Resident Contract is terminated prior to Occupancy or within the thirty (30) day rescission, or if written notice of termination of this Resident Contract is received during the Transition Period and Resident Surrenders within thirty (30) days. The Entrance Fee refund will be reduced by any costs specifically incurred by Company at the request of Resident to the extent those charges were not paid by Resident.

14.2 Notice of Termination After Transition Period

In the event written notice of termination of this Resident Contract is received after the Transition Period and prior to death, Resident is entitled to a refund of the Entrance Fee paid less the Administrative Fee and less a sum equal to two percent (2%) per month, or fraction thereof, of the amount of the Entrance Fee paid less the Administrative Fee for each month this Resident Contract has been in force, starting on the first day of the month after the earlier of the date of Occupancy or Date of Availability, and ending on the date of Surrender. The Entrance Fee refund will be reduced by any costs specifically incurred by Company at the request of Resident to the extent those charges were not paid by Resident.

14.3 Termination by Death of Resident

(a) Prior to Occupancy or During Transition Period

In the event of the death of Resident before Occupancy or during the Transition Period, the Entrance Fee less those costs specifically incurred by Company at the request of Resident, (to the extent those charges were not paid by Resident), will be refunded to Resident's estate or to Resident's designated beneficiary.

(i) Shared Occupancy

In situations of Shared Occupancy, in the event of the death of a Co-Resident before Occupancy or during the Transition Period, Resident's estate or his/her designated beneficiary shall receive a refund of the difference between the Entrance Fee for Shared Occupancy and the Entrance Fee for Single Occupancy for the Residential Unit at the time of signing this Resident Contract.

(b) After Transition Period

If death should occur after the Transition Period, Resident is entitled to a refund of the Entrance Fee paid less the Administrative Fee and less a sum equal to two percent (2%) per month, or fraction thereof, of the amount of the Entrance Fee less the Administrative Fee for each month this Resident Contract has been in force, starting on the first day of the month after the earlier of the date of Occupancy or Date of Availability, and ending on the date of Surrender. If death occurs after the fifty (50) month amortization period, the Entrance Fee is not refundable and shall automatically become the exclusive property of Company upon the death of the Resident.

(i) Shared Occupancy

In situations of Shared Occupancy, the amount of the Entrance Fee less the Administrative Fee shall be assigned to the surviving Co-Resident in the event of the death of a Co-Resident.

14.4 Termination by Company

In the event that Company terminates this Resident Contract in accordance with Subsection 13.6, Resident shall be entitled to receive a refund, if any, for some or all of the Entrance Fee as provided in Subsection 14.1 if termination is prior to Occupancy or during the Transition Period or Subsection 14.2 if termination occurs after the Transition Period.

14.5 Designation of Beneficiary

Resident may designate a beneficiary for receipt of any refund of the Entrance Fee if: i) the designation is in writing, ii) the designation is witnessed by two or more competent witnesses, iii) the designation is noncontingent and iv) the designation is specified in percentages and accounts for 100% of any refund due.

14.6 Timing of Refund Payments

Prior to Occupancy, any refunds of the Entrance Fee shall be made within sixty (60) days of the Company's receipt of Resident's written notice of intent to cancel the Resident Contract. After Occupancy, any refund of the Entrance Fee shall be made within one hundred twenty (120) days of the effective date of termination of this Resident Contract, or death.

14.7 Deductions from Entrance Fee Refund

(a) Deductions for Subsidy

In the event that Company approves subsidy for Resident in accordance with Section 12 of this Resident Contract, Company, in its sole discretion, may deduct from any refund of the Entrance Fee amounts equivalent to the amount of any subsidy provided to the Resident.

(b) Deductions for Amounts Due on Monthly Statement

Any amounts due and unpaid as reflected on Resident's monthly statement will be deducted from any Entrance Fee refund.

14.8 Release of Obligation

Upon termination of this Resident Contract, Company is released from any further obligations to Resident except for the payment of any refund which may be due under this section. Resident is released from any further obligations except for the payment of any amounts due Company, including the repayment of any financial assistance, the payment of the Monthly Rate until Surrender and the recovery of all personal property.

SECTION 15. Rights and Obligations of Resident as to Property

The rights and obligations of Resident as to property are as follows:

15.1 Right to Real Property

The rights and privileges of Resident do not include any rights, title or interest whether legal, equitable, beneficial or otherwise, in or to any part of the real property, including land, buildings and improvements owned or administered by Company, except the right granted to Resident to take Occupancy of the Residential Unit in accordance with the terms of this Resident Contract. Resident shall have no interest in the real property of the Company. Resident's rights are primarily for services, and this Resident Contract does not create the relationship of Landlord and Tenant and it does not confer any legal or equitable ownership or other interest in the real property or in Company itself. Any rights, privileges or benefits

arising under or related to this Resident Contract shall be subordinate and inferior to all mortgages or deeds of trust on any of the premises or real properties of Company, previously or subsequently given, to secure any loans or advances made to Company or its successors, now outstanding or made in the future, and subordinate and inferior to all amendments, modifications, replacements, or refundings. Resident agrees that, upon request of Company, or the holder of any such instrument, he/she will execute and deliver any document which is alleged to be necessary or required to effect or evidence such subordination.

15.2 Right to Personal Property of Company

As in the case of real property, Resident has no right, title or interest, legal, equitable, beneficial or otherwise in or to any part of the personal property owned by Company, and this includes carpets, window blinds, appliances, kitchen cabinets, and fixtures in the Living Accommodation, even if upgraded at Resident's cost.

15.3 Responsibility for Damages

Any loss or damage to real or personal property of Company, caused by the negligence of Resident, Resident's guests or Resident's pet, shall be charged to and paid for by Resident. Similarly, if any negligence of any of the above-mentioned results in injury, illness or damage to any other resident, Company assumes no responsibility and Resident hereby releases and discharges Company from any injury to Resident or damage to Resident's personal property caused by the fault or negligence of other residents of Company or of their guests or pets.

15.4 Responsibility for Protection of Resident's Property

Company shall not be responsible for the loss of any personal property belonging to Resident due to theft, fire, or any cause, unless said property is specifically entrusted in writing to the care and control of Company, and then only for lack of ordinary care to safeguard, and account for, such property. Company is not responsible for personal injury to other residents or guests within Resident's Residential Unit. Resident shall have the responsibility, at his/her own expense, of providing and maintaining a standard property and liability insurance policy as deemed necessary by Company, and to file a copy of said policy detailing the coverages with Company's administrative office.

15.5 Removal of Resident's Personal Property

If the Residential Unit is vacated under the terms of this Resident Contract, the contents of the Residential Unit must be removed within thirty (30) days. After the thirty (30) day period, Company shall have the right, at Resident's expense, to remove all personal property of Resident from his/her Residential Unit, and store the same, at Resident's expense and

risk. If the property is stored in a commercial storage warehouse or commercial storage facility, Company shall have no responsibility for such property during transfer or after it has been placed in storage, and Resident, or Resident's estate, shall be liable for all moving and storage fees incurred.

SECTION 16. Arrangement for Guardianship, Resident's Estate and Burial

16.1 Advance Directives and Power of Attorney Requirements

Resident, no later than the Date of Availability shall inform Company of his/her decision regarding advance directives stating Resident's wishes concerning the type and extent of medical care he/she receives if he/she is unable to make wishes known. Resident who has executed advance directives shall provide to Company a copy of such document no later than Date of Availability.

Likewise, Resident, no later than the Date of Availability, shall appoint a power of attorney to act on Resident's behalf in the event Resident is unable to represent him/herself. A copy of the power of attorney will be provided to Company no later than the Date of Availability.

16.2 Legal Guardian

If Resident becomes incapacitated 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 is available or willing and able to act on behalf of Resident, then Company may institute legal proceedings to adjudge Resident incapacitated and have a guardian appointed for Resident's estate and person or both. Resident authorizes Company to nominate a legal guardian to serve subject to court approval, and Resident releases Company from any liability related to the nomination. All costs of such legal proceedings, including counsel fees, shall be paid by Resident or the legally appointed guardian of Resident's estate.

16.3 Burial Plans

Company does not provide any burial or funeral benefits or services. Resident agrees to arrange for and take care of all such plans and costs.

SECTION 17. Non-Transferable

The rights and privileges of Resident under this Resident Contract to a Living Accommodation, facilities, services and medical care are personal to Resident and cannot be transferred or assigned by act of Resident, or by any proceeding at law, or otherwise. If any person, other than the person(s) who have/has signed

this Resident Contract, commence(s) to live in Resident's Living Accommodation without following the proper procedure established by Company, then, Company may immediately terminate this Resident Contract.

SECTION 18. Notice

All notices to be given in accordance with this Resident Contract shall be deemed to have been properly given if and when delivered personally or sent by mail as follows:

To Company: _____

_____

_____

To Resident (before taking Occupancy):

_____

_____

_____

SECTION 19. Average Annual Cost of Providing Services

The average annual cost to Company of providing to Resident the care specified in the Resident Contract is reflected in the disclosure statement which will be made available to Resident.

SECTION 20. Right of Self-Organization

All residents living in the Retirement Community shall have the right of self-organization and may meet privately at the Retirement Community to conduct business. The Board of Directors or a designated representative shall meet quarterly with the residents of the Retirement Community for the purpose of free discussion of subjects which may include, but are not limited to income, expenditures and financial matters as they apply to Company and the Retirement Community and proposed changes in policies and services. Company shall provide residents with at least seven (7) days notice of each quarterly meeting.

SECTION 21. Waiver

No act, agreement, or statement of any Resident, or other individual purchasing care for a Resident under this Resident Contract or under any contract to furnish care to Resident shall constitute a valid waiver of any provision of any

Pennsylvania Statute enacted and intended to benefit or protect the residents of the Retirement Community, or any individual purchasing care for such residents.

SECTION 22. Arbitration

22.1 Procedural Rules

Any controversy, dispute or disagreement arising out of or relating to this Resident Contract, or concerning any rights arising under this Resident Contract or a breach of this Resident Contract, may be settled by voluntary arbitration. This arbitration shall be conducted on Company's property in accordance with the American Health Lawyers Association ("AHLA") Alternative Dispute Resolution Service Rules of Procedure for Arbitration. The decision shall be final, binding and non-appealable, and any court having proper jurisdiction may enter judgment on the award rendered by the arbitrator.

22.2 Time Limit for Arbitration

Any request for arbitration of a dispute must be requested and submitted to AHLA or an alternate neutral arbitration service selected by Company if AHLA is unable or unwilling to serve, prior to the lapse of two (2) years from the date on which the event giving rise to the dispute occurred. In the event AHLA is unable or unwilling to serve, then the request for arbitration must be submitted to Company within thirty (30) days of receipt of notice of AHLA's unwillingness or inability to serve as a neutral arbitrator. Company shall select an alternative neutral arbitration service within thirty (30) days thereafter and the selected arbitration agency's procedural rules shall apply to the arbitration proceeding. The failure to submit a request for Arbitration to AHLA or an alternate neutral arbitration service selected by Company within the designated time (i.e., two (2) years) shall operate as a bar to any subsequent request for arbitration, or for any claim for relief or a remedy, or to any action or legal proceeding of any kind or nature, and the parties will be forever barred from arbitrating or litigating a resolution to any such dispute.

SECTION 23. Uncontrollable Interruption of Services

In the event that Company is unable to fulfill any of its obligations under the Resident Contract resulting from an interruption of, or failure to provide, contracted services due to an act of God or other cause beyond the reasonable control of Company, specifically including labor strikes or other forms of labor disturbances, and/or embargoes, fire, flood, earthquakes, inclement weather or acts of the Resident, then Company shall not be liable or responsible for any personal injury to Resident or damage to Resident's property arising from any such event. Company will make every effort to provide the usual services in such event and Resident shall continue to pay the Monthly Rate.

SECTION 24. Miscellaneous

24.1 Entire Resident Contract

This Resident Contract, together with the application form, financial statement and medical records, including applicable signed amendments, constitute the entire Resident Contract between Company and Resident. Resident warrants that all representations are true and correct. Company is not liable and shall not be bound by any statements, representations or promises made by any person representing or purporting to represent Company, unless such statements, representations or promises are set forth in this Resident Contract.

24.2 Policies, Procedures, Rules and Regulations

Resident will observe all policies, procedures, rules and regulations which Company shall adopt for the convenience, comfort, safety and well-being of all Residents and the Retirement Community, which are subject to change from time to time.

(a) Policy Regarding Alcoholic Beverages

Resident and guests shall refrain from drinking alcoholic beverages in all common areas, except in certain designated areas as defined by Company, which are subject to change.

(b) Smoke-Free Policy

Resident and guests shall refrain from smoking in the Retirement Community, including the Living Accommodation, common areas and grounds, except in the designated areas, which are subject to change.

24.3 No Waiver

Any failure by Company to exercise any right or remedy under this Resident Contract shall not be construed as a waiver of the right to exercise the same or any other right at any time, or from time to time thereafter.

24.4 Invalidity, Unenforceability

If any portion of this Resident Contract shall, for any reason, be held to be invalid or unenforceable in any jurisdiction in which it is sought to be enforced, such invalidity and unenforceability shall not affect any other provision of this Resident Contract, and it shall be construed as if such invalid or unenforceable provision were omitted.

24.5 Amendments

This Resident Contract may be amended only in writing executed by both Resident and Company's corporate officers.

24.6 Section Headings

Section headings are for reference purposes only.

24.7 Binding Effect

This Resident Contract shall be binding upon, and inure to, the benefit of Company and Resident, and their respective successors, permitted assigns and Legal Representatives.

24.8 Counterparts

This Resident Contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute but one Resident Contract.

24.9 Pennsylvania Law

All matters affecting the interpretation of this Resident Contract and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

24.10 Receipt of Copy of Resident Contract and Disclosure Statement

Resident acknowledges that prior to the payment of any funds to Company he/she has received and read a copy of this Resident Contract and the continuing care disclosure statement and understands the contents of both documents.

IN WITNESS WHEREOF, Company, by its duly authorized representatives and Resident have executed this Resident Contract the day and year first above written.

ACTS RETIREMENT-LIFE COMMUNITIES, INC.

By: _____
ACTS Retirement-Life Communities, Inc.
Authorized Representative

_____ _____ - -
Resident **Social Security #**

_____ _____ - -
Resident **Social Security #**

_____ _____ - -
Resident **Social Security #**

_____
Witness

EXHIBIT "A"

NOTICE OF RIGHT TO RESCIND

Date rescission period begins _____. You may rescind and terminate your Resident Contract without penalty or forfeiture within thirty (30) days of the later of the above date or the receipt date of the disclosure statement. You are not required to move into the continuing care community before the expiration of this thirty (30) day period. No other contract or statement you sign shall constitute a waiver of your right to rescind your Resident Contract within this thirty (30) day period.

To rescind your Resident Contract, mail or deliver a signed and dated copy of this notice, or any other dated written notice stating your desire to rescind to the following address:

ACTS Retirement-Life Communities, Inc.
_____
_____
_____

Not later than midnight of _____ (last day for rescission).

Pursuant to this notice, I hereby cancel my Resident Contract.

Date: _____

PROSPECTIVE RESIDENT'S SIGNATURE

_____

_____

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EXHIBIT "B"

OPTIONAL FURNISHINGS, ADDITIONAL APPLIANCES OR MODIFICATIONS OF RESIDENTIAL UNIT REQUESTED BY RESIDENT

This Addendum to the Resident Contract made this _____ day of _____ 20____, is between ACTS RETIREMENT-LIFE COMMUNITIES, INC., (hereinafter called "Company"), AND _____ (hereinafter referred to as "Resident," and where this Addendum is executed by one or more individuals, they are called collectively "Resident"). Resident has requested that Company make the following modifications to the Residential Unit designated in the Resident Contract.

Description of Modifications

_____

_____

_____

_____

_____

_____

_____

Total Modification Fee: $_____

The Modification Fee is the responsibility of Resident and shall be paid at the time of execution of this Addendum. The Modification Fee is non-refundable. Company, in its sole discretion, may require that all modifications to the Residential Unit be removed upon vacating the Residential Unit and Company reserves the right to charge Resident a fee for restoring the Residential Unit back to its original configuration. Title to all modifications shall vest immediately in Company.

_____ _____

Resident **Resident**

_____

Resident

_____

Representative for
ACTS Retirement-Life Communities, Inc.

Acts

Where Loving-Kindness Lives

RESIDENT CONTRACT

PENNSYLVANIA

ACTS RETIREMENT-LIFE COMMUNITIES, INC.
A NONPROFIT CORPORATION

PA-RC006 03/01/2023
BALANCED PLAN

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Definitions

ADMINISTRATIVE FEE: The Administrative Fee is equal to five percent (5%) of the Entrance Fee, as designated in Section 3.

ANCILLARY FEE SCHEDULE: The schedule of charges for services not included in the Monthly Rate.

APPLICATION FEE: The Application Fee is a non-refundable fee submitted with Resident's application and priority list contract.

ASSISTED LIVING SERVICES: Assistance with activities of daily living, such as eating, bathing, dressing, grooming and toileting, provided in an Assisted Living Residence.

ASSISTED LIVING RESIDENCE: A licensed assisted living residence which provides Assisted Living Services under this Resident Contract and which may or may not be located on the campus of Retirement Community.

COMPANY: ACTS Retirement-Life Communities, Inc., a nonprofit corporation organized and existing under the laws of the Commonwealth of Pennsylvania; which has qualified as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and is exempt from federal income taxes on its exempt income pursuant to Section 501(a) of the Code.

CONDITIONS OF CONTINUED OCCUPANCY: The health and safety requirements (as defined by Company's prevailing policy which is subject to change) for continued Occupancy of the Residential Unit or other accommodation in Retirement Community.

DATE OF AVAILABILITY: The date designated by Company for Resident to accept Occupancy, for the Entrance Fee to become due and begin payment of the Monthly Rate.

ENTRANCE FEE: A one-time fee paid to Company prior to admission to Retirement Community. The amount of the Entrance Fee is based on the model, size and location of the Residential Unit and the number of occupants of the Residential Unit.

EXTENDED DATE OF AVAILABILITY: An extension to the Date of Availability for a reasonable period of time granted by Company.

HOME CARE SERVICES: Assistance with activities of daily living provided by nurses or aides in Resident's Living Accommodation, as defined by and in accordance with prevailing policy.

LEGAL REPRESENTATIVE: A personal representative with legal standing authorized to act on behalf of Resident or a representative who has provided the funds necessary for Resident to enter into this Resident Contract.

LIVING ACCOMMODATION: The Residential Unit of the Retirement Community, an assisted living room in an Assisted Living Residence or a nursing care bed in a Skilled Care Center.

MONTHLY RATE: The charge per month for Occupancy of the Living Accommodation.

OCCUPANCY: The right to reside in and use the Living Accommodation.

PRIORITY LIST DEPOSIT: A payment the applicant made at the time of submitting an application, in consideration of which the name of the applicant is placed on a list awaiting availability of a Residential Unit. The Priority List Deposit is applied as a credit toward the payment of the Entrance Fee.

RESERVATION FEE: The amount paid by Resident in consideration of which Company reserves the Residential Unit designated for Occupancy by Resident. The Reservation Fee is paid at the time of signing the Resident Contract and is applied as a credit toward the payment of the Entrance Fee.

RESIDENTIAL UNIT: The living unit identified in Section 3 which is designated for Occupancy under this Resident Contract.

RETIREMENT COMMUNITY: The Company's facility and campus identified in this Resident Contract as the location Resident will take Occupancy of the Residential Unit.

ROUTINE NURSING CARE SERVICES: The level of nursing care services provided by Company. Company reserves the right to define the acuity level of care services it provides in exchange for the Monthly Rate. Certain higher acuity nursing care services, if available, and supplemental or ancillary services and items shall be provided at an additional charge.

SHARED OCCUPANCY: The right to reside in and use a Residential Unit vested in two or more persons.

SINGLE OCCUPANCY: The right to reside in and use a Residential Unit vested in one person.

SKILLED CARE CENTER: A licensed nursing facility which provides Routine Nursing Care Services under this Resident Contract and which may or may not be located on the campus of the Retirement Community.

SPECIAL SERVICE FACILITY: A psychiatric institution, drug or alcohol treatment facility, renal treatment facility, rehabilitation unit, Subacute or Transitional Care provider, including other licensed nursing facilities providing specialized medical care and treatment, such as some subacute services, not provided by Company.

SUBACUTE CARE: Short-term care (10 to 40 days) for patients who require medical care and monitoring at least weekly, skilled nursing care of approximately 4.0 hours per day, rehabilitative therapies and I.V. therapies without significant medical complications.

SURRENDER: To cease Occupancy, to remove all possessions from Company, and to return all Company's property, including, but not limited to, keys and emergency alert equipment, if applicable.

TRANSITION PERIOD: The first one hundred twenty (120) days of Occupancy in the Residential Unit.

TRANSITIONAL CARE: Short-term care (5 to 30 days) for patients who require regular medical care and monitoring, intensive skilled nursing care of approximately 5.5 to 8 hours per day, an integrated program of therapies (both rehabilitative and respiratory) including utilization of pharmaceuticals and laboratory services.

UTILIZATION REVIEW COMMITTEE: The Utilization Review Committee shall consist of members of the skilled care and administrative staff designated by Company, and shall make determinations relating to level of care transfers.

ACTS RETIREMENT-LIFE COMMUNITIES, INC.
RESIDENT CONTRACT

This Resident Contract made this _____day of _____ 20_____, is between ACTS RETIREMENT- LIFE COMMUNITIES, INC. (hereinafter called "Company"), AND _____ (hereinafter referred to as "Resident," and where this Resident Contract is executed by one or more individuals, they are called collectively "Resident" where the context permits and individually as "Co-Resident") who has applied for and has been conditionally approved for admission to the Retirement Community by Company. Subject to the signing of this Resident Contract, Company and Resident, intending to be legally bound, agree to the following terms and conditions.

SECTION 1. General Statements

1.1 General Statements Regarding Company

Company is a nonprofit corporation which qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). Company is exempt from federal income taxes on its exempt income pursuant to Section 501(a) of the Code. Company is affiliated with other nonprofit organizations with similar missions and purposes to serve senior adults. These affiliated organizations also qualify as organizations described in Section 501(c)(3) of the Code and are exempt from federal income taxes on their exempt income pursuant to Section 501(a) of the Code, and include ACTS Retirement Services, Inc., ACTS Legacy Foundation, Inc., ACTS Management Services, Inc., ACTS Retirement-Life Communities Management, LLC, Acts Alliance Management, LLC d/b/a Willow Valley Living, ACTS Signature Community Services, Inc., ACTS Acquisition and Development Company, LLC, and Integrace, Inc. d/b/a ACTS Retirement-Life Communities of Maryland. ACTS Retirement Services, Inc., the sole corporate member of Company, also serves as the sole corporate member of Willow Valley Communities. Company is not affiliated with any other religious, nonprofit or proprietary organizations or management entity. Company, ACTS Management Services, Inc., ACTS Retirement-Life Communities Management, LLC, Acts Alliance Management, LLC, and ACTS Signature Community Services, Inc. (collectively, the "Obligated Group") are jointly and severally obligated on certain debt and other obligations of the Obligated Group. Other than as set forth in the preceding sentence, the affiliates of Company are not responsible for the financial and contractual obligations of Company.

1.2 General Statements Regarding Extent of Continuing Care

Upon execution of this Resident Contract and payment of Entrance Fee, and prior to the Date of Availability, Resident is entitled to access, if necessary, the services specified in this Resident Contract.

Beginning with the date of Occupancy of a Living Accommodation in the Retirement Community, or the Date of Availability, whichever is earlier, Company will provide a Living Accommodation, together with the facilities, services and medical care specified in this Resident Contract until the Resident's death or earlier termination of this Resident Contract.

This general description of continuing care to be provided by Company is a summary only and the exact nature of continuing care provided by Company under this Resident Contract is more fully set forth in the remaining sections of this Resident Contract.

SECTION 2. Conditions to Admission

2.1 Financial Qualifications

As a condition to admissions, Company requires that Resident have assets and income which are sufficient under foreseeable circumstances and after provision for payment of Resident's obligations hereunder to meet ordinary and customary living expenses after assuming Occupancy over Resident's projected lifetime.

2.2 Change in Financial Condition Prior to Occupancy

If, after the date of accepting and signing a Resident Contract by both parties and prior to the date of Occupancy of a Residential Unit, a change in Resident's financial condition occurs and Resident no longer qualifies under Subsection 2.1, Company reserves the right to terminate this Resident Contract. Any refund due to Resident shall be paid in accordance with Subsection 14.1.

2.3 Medical Qualifications

As a condition to admission into Residential Unit, Company requires that Resident be able to meet health and safety requirements, as defined by Company's prevailing policy which is subject to change.

2.4 Change in Medical Condition Prior to Occupancy

Once a Resident Contract is accepted and signed by both parties, the Resident Contract shall not terminate solely due to a change in medical condition. However, Company reserves the right to determine the appropriate Living Accommodation.

2.5 Required Insurance

As a condition to admission, Resident will, prior to the Date of Availability, enroll in Part A of the Medicare Program and subscribe to and pay for coverage under Part B of the Medicare Program. If not eligible for

Medicare, Resident will enroll in some other insurance program providing equivalent benefits as approved in writing by Company. Additionally, Resident will subscribe to and pay for Medicare supplemental coverage (commonly referred to as "medigap insurance," covering days 21 through 100 of skilled care services), as approved by Company. Throughout the duration of this Resident Contract, Resident shall maintain, at Resident's expense, the required insurance coverage. Proof of required insurance coverage must be provided to Company prior to the Date of Availability. Company may require Resident to provide proof of required insurance from time to time after Occupancy. If Resident fails to maintain required insurance, the terms as set forth in Subsection 6.7(a) will prevail.

2.6 <u>Age Requirements</u>

As a condition to admission, Resident will supply satisfactory evidence that he/she has obtained his/her 62nd birthday by the Date of Availability.

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SECTION 3. The Designation of the Residential Unit and Consideration to be Paid

The Residential Unit assigned to Resident is:

Type of Unit _____; Unit Number_____; Date of Availability_____

Location:_____("Retirement Community")

Payment of Entrance Fee:

Gross Entrance Fee	**$** _____
Adjustments (defined below)	**$** _____
Entrance Fee	**$** _____
Less Priority List Deposit previously paid, if any	**$** _____
Less Reservation Fee (balance of 10% of Entrance Fee paid at signing of this Resident Contract)	**$** _____
Balance of Entrance Fee due prior to Occupancy	**$** _____

Payments made under Exhibit "B", as of signing this Resident Contract, for modifications to the Residential Unit, if any $_____

Current Monthly Rate (as of the date of the signing of this Resident Contract) $_____

Current Monthly Rate applicable to the Assisted Living Residence and Skilled Care Center (as of the date of the signing of this Resident Contract) $_____

The Entrance Fee and Monthly Rates specified above are based on the current price plan known as _____.

Adjustment explanation: _____

_____

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SECTION 4. Living Accommodation and Common Areas

4.1 Living Accommodation

From and after the Date of Availability, Resident has the right to occupy and use, in accordance with the terms of this Resident Contract, the Residential Unit designated in Section 3, and accommodations in Assisted Living Residence and Skilled Care Center as defined in Section 11 of this Resident Contract.

4.2 Furnishings

Company will furnish wall to wall carpeting (except in kitchen and bath), range with oven, microwave oven, refrigerator, window blinds, and other fixtures in the Residential Unit in accordance with Company's prevailing policy. Resident may upgrade, change or replace the furnishings provided by Company at Resident's cost. These furnishings, even if upgraded, changed or replaced at Resident's cost, shall become the permanent property of Company unless otherwise agreed to in writing by both parties. All other furnishings shall be furnished by Resident, subject to supervision of, and approval by, Company, and shall remain as Resident's personal property, except as set forth in Subsections 5.6 and 5.9.

4.3 Optional Furnishings or Appliances

Company may provide at the Resident's request optional furnishings, fixtures or appliances identified and approved by Company. The cost for optional items is not included in the Entrance Fee or the Monthly Rate and is an additional charge established by Company. The costs for any optional items requested by Resident shall be paid prior to the beginning of the work or before the time of installation. Upon installation, all additional furnishings, fixtures or appliances immediately become the property of Company and shall remain in the Residential Unit after termination of this Resident Contract. Exhibit B of this Resident Contract reflects all optional furnishings or fixtures and the related cost.

4.4 Common Areas

Subject to scheduling requirements and availability as established by Company and as part of the services included in the Monthly Rate, Resident may use, in common with all other residents, the dining room(s), lobby or lobbies, auditorium, social and recreational rooms, and other common areas furnished by Company.

4.5 Assisted Living Residence

Company shall provide Assisted Living Services in a licensed Assisted Living Residence at either the Retirement Community, another affiliated

retirement community or an outside provider not located at the Retirement Community.

4.6 Skilled Care Center

Company shall provide Routine Nursing Care Services in a licensed Skilled Care Center at either the Retirement Community, another affiliated retirement community or an outside provider not located at the Retirement Community.

4.7 Date of Availability

Resident shall take possession of the Residential Unit as of the Date of Availability. If the Residential Unit is available for Occupancy before the Date of Availability, Resident may take possession on the first available date. The obligation to pay the Monthly Rate shall begin on the Date of Availability or upon Occupancy, whichever is earlier, and the Entrance Fee must be paid in full prior to or at the time of Occupancy. In the event that Resident fails to take possession or pay the Monthly Rate on the Date of Availability, and the Residential Unit is available for Occupancy, then Company, in its sole and absolute discretion may elect to terminate this Resident Contract.

The Date of Availability may be extended by Company for a reasonable period (i.e. the "Extended Date of Availability"). Company shall provide written notice of any extension of the Date of Availability addressed to Resident in accordance with Section 18. If, however, the Residential Unit is not ready for Occupancy by the Date of Availability or Extended Date of Availability, and such delay is due to labor strikes, fire, an act of God or any other cause beyond the control of Company, then, Company, in its sole discretion, may further extend the date of Occupancy for a reasonable period of time. In the event that Resident fails to take possession on the Extended Date of Availability, then Company, in its sole and absolute discretion, may elect to terminate this Resident Contract in accordance with the termination and refund provisions.

4.8 Limitations on Occupancy

No person other than Resident may take Occupancy of the Living Accommodation except with the express written approval of Company. In the event that a spouse or other person who is not a party to this Resident Contract is accepted for Occupancy in the Living Accommodation at a time subsequent to the date hereof, the terms as set forth in Subsection 10.2 will prevail.

4.9 Company's Rights Regarding Retirement Community and Living Accommodation

Company has the right to use the Retirement Community for any corporate purpose. Resident acknowledges and accepts the responsibility of Company to enter Resident's Living Accommodation in order to carry out the purpose and intent of this Resident Contract. Such entry includes, but is not limited to, (i) responses to medical emergencies; (ii) responses to fire protection systems; (iii) responses to concern that Resident is missing or otherwise not responding to calls; (iv) performance of scheduled housekeeping duties; (v) maintenance procedures; and (vi) enforcement of Company's policies and procedures. Company will take all normal precautions to protect Resident's privacy.

SECTION 5. Services Provided by Company to Resident and Resident's Responsibilities

5.1 Utilities and Taxes

As part of the services included in the Monthly Rate, Company will furnish water, light, heat, electricity, air-conditioning and standard cable television service (excluding premium channels). Payments of real estate taxes are also included in the Monthly Rate. Payment of the Monthly Rate does not give the Resident any interest in the land, improvements, or real estate of Company and the Retirement Community. Resident shall participate in and assign all rights to any real estate, property tax or utility credit program.

5.2 Telephone

Resident is required to have a telephone, or an alternative communication device which is approved by Company, in the Residential Unit, at Resident's expense. All telephone service charges, including connection charges are the responsibility of, and shall be paid by, Resident, and are not included in the Monthly Rate. Company shall provide a directory of telephone numbers for access to Retirement Community personnel.

5.3 Television and Internet

Company shall provide each Residential Unit with connection(s) for television signal and internet access through either an external antenna or cable system. Costs for cable premium channels and internet service are not included in the Monthly Rate and shall be paid by Resident.

5.4 Housekeeping

Resident shall maintain the Residential Unit in a clean, sanitary and orderly condition, and is responsible for all usual light housekeeping tasks. Annually, Company will provide such heavier cleaning services as it deems

necessary. Company reserves the right to inspect the Residential Unit periodically for cleanliness and safety. If Resident fails to maintain the Residential Unit in a clean, sanitary and orderly condition as determined by Company, then Company reserves the right to clean the Residential Unit and Resident shall pay the charges assessed by Company for cleaning the Residential Unit. Additional housekeeping services are available to Resident for an additional fee.

5.5 Maintenance and Repairs

Necessary repairs, maintenance and replacement of property and equipment owned by Company will be performed and provided at the discretion of Company. Repairs, maintenance, and replacement of property of Resident will be the responsibility of Resident.

5.6 Structural Changes

All structural or physical changes of any kind within or about the Residential Unit (i.e. shelves, framework, awnings, etc.) will be made only upon first being approved by Company in writing and thereafter being subject to the supervision of Company. The cost of any such change requested by Resident shall be borne by Resident and paid for before work begins, unless otherwise agreed to in writing by both parties, and all such changes shall immediately become and remain the permanent property of Company.

5.7 Laundry

Automatic washers and dryers for personal laundry are located within Retirement Community and are available to all Residents. Company will provide laundry service for flat linens, provided by resident, on a weekly basis as part of the Monthly Rate.

5.8 Storage

For each apartment style Residential Unit, Company will make available additional storage in a designated area upon request of Resident. Use of storage facilities shall be subject to direction and supervision of Company. Resident is responsible for the risk of loss for all items stored in the storage units.

5.9 Grounds

Company will provide basic grounds keeping care including lawn service. Resident, at his/her own expense may plant and maintain the area adjacent to his/her Residential Unit, subject to the approval of Company. All plants, trees and shrubs so planted shall immediately become and remain the permanent property of Company.

5.10 Transportation

Company will provide transportation services on a scheduled basis, for purposes such as shopping, certain medical care services and other special functions, as defined by Company.

5.11 Food and Meals

(a) Dining Room Service

Company will, as part of the services included in the Monthly Rate, provide to Resident, one meal for each day of the month (e.g. 30 meals in the month of November, 31 meals in the month of December), which may be utilized at Resident's discretion, up to a maximum of three (3) meals per day, until the monthly meal allocation is exhausted for the applicable calendar month. Unused meals in one month may not be carried over to another month. Meals may be taken in excess of the monthly allocation and will be an additional charge. Meals shall be taken in a designated dining area at any time during the calendar month, at Resident's discretion, although reasonable advance notice of attendance may be requested. Special dietary needs may be provided on request and subject to availability and Company's policies and procedures. In addition, Company will make available, in accordance with its scheduling policies, a private dining room for family gatherings or other special occasions of the Resident. For these occasions, in accordance with Company's policies and procedures, the Resident may supply food from outside sources or use catering services provided by the Retirement Community on a fee-for-service basis.

(b) Tray Service

Company will, as part of the services included in the Monthly Rate, provide to Resident tray service if ordered by Company's medical director or persons authorized by Company. Tray service shall be on a temporary basis, not to exceed three (3) days or fourteen (14) days following a three (3) day stay in the hospital or the Skilled Care Center. Any Resident requesting further tray service shall be evaluated by Company's medical director and/or Resident's physician to determine whether Routine Nursing Care Services are required. In the event that tray service extends beyond the above limits, Company may charge Resident for tray service meals in an amount determined by Company, except if ordered by Company's medical director.

(c) Meal Allowance

If Resident is away from Retirement Community for a period of fourteen (14) consecutive days or more, he/she may qualify for a

limited meal allowance in accordance with Company's prevailing policy which is subject to change. If the Resident qualifies, the meal allowance will be applied as a credit on the monthly statement reflective of a reduction in meal credits for that month. Arrangements for this allowance must be made in advance and in writing, and is applicable only when Resident is away from his/her Residential Unit, excluding stays in an Assisted Living Residence or a Skilled Care Center.

(d) Guest Use of Dining Room

Company will serve meals to Resident's guests in the dining room at an extra charge. Charges for guest meals will be included on Resident's monthly statement. Resident is requested to provide Company with advance notice of any anticipated guests.

(e) Guest Meal Charges

Amounts charged to Resident's monthly statement for guest meals will be made according to the currently established rates as set and periodically adjusted by Company.

(f) Dining Room Dress Code

In the designated dining area, Resident shall comply with Retirement Community's prevailing dress code policy which is subject to change from time to time.

5.12 Response System

Resident may contact Retirement Community personnel (i.e. security personnel or administrative staff) who will be available to respond twenty-four (24) hours a day. Retirement Community personnel will contact emergency response personnel provided by county or city governments, or by various health care providers unaffiliated with Company. Company does not provide Emergency Medical Services ("EMS") or Emergency Medical Technicians ("EMT"). While the response system may be used to inform Retirement Community personnel of a medical emergency or a security concern, Company disclaims any and all responsibility or liability for responding to medical emergencies or security concerns. Any costs associated with external emergency response personnel shall be payable by Resident directly to the emergency response organization.

5.13 Security

Company will, as part of the services included in the Monthly Rate, provide certain security services at the Retirement Community in accordance with Company's prevailing policy which is subject to change from time to time.

5.14 Parking

If Resident owns and operates a registered motor vehicle, Company shall provide a minimum of one uncovered parking space for each Residential Unit, which is included in the Monthly Rate. Any assignment of parking spaces will be made in accordance with prevailing policy which is subject to change from time to time. Guest parking is available in designated areas.

5.15 Property Insurance

Company shall maintain insurance for Company's property only, which is included in the Monthly Rate. Resident is required to purchase and maintain personal property and liability insurance in an amount acceptable to Company as may be determined from time to time by Company.

5.16 Administration

Company shall provide administrative support services to implement the provisions of this Resident Contract, which services are included in the Monthly Rate.

5.17 Additional Miscellaneous Services

Other miscellaneous services, as may become available, will be at an additional charge and are not included in the Monthly Rate.

5.18 Changes in the Scope of Services and Ancillary Fee Schedule

The scope of services and related fees as reflected in Ancillary Fee Schedule for services not included in the Monthly Rate are subject to change and may be modified by Company from time to time with sixty (60) days advance written notice of any changes, except for changes required by State or Federal assistance programs.

SECTION 6. General Medical, Nursing and Assisted Living Services

6.1. Outpatient Nursing Services

Outpatient nursing services are made available to Resident in the Retirement Community during regular office hours in accordance with prevailing policy which is subject to change from time to time. Certain outpatient nursing services including routine nursing consultations, weight checks and blood pressure readings are included in the Monthly Rate. Other services may be provided at a fee published in the nurse's office. Company reserves the right to limit the outpatient nursing services which are included in the Monthly Rate.

6.2 Assisted Living and Routine Nursing Care Services

As part of the Monthly Rate applicable to the Assisted Living Residence and Skilled Care Center, Company shall provide, or make available, in accordance with Resident's needs, Assisted Living Services in private accommodations and Routine Nursing Care Services in shared accommodations. In the event that those services are provided on the campus of Retirement Community, Resident shall sign an admission contract upon transfer to either the Assisted Living Residence or Skilled Care Center, which contract(s) will supplement the terms of this Resident Contract. In the event that any payment provision of the admission contracts in the Assisted Living Residence or Skilled Care Center are in conflict or inconsistent with any terms or provisions of this Resident Contract, then this Resident Contract shall control and govern the relationship between Resident and Company. As part of the Monthly Rate, Company shall provide to Resident three (3) meals per day when Resident is in Assisted Living Residence or Skilled Care Center.

6.3 Home Care Services

As part of the Monthly Rate, Resident may be eligible for qualified Home Care Services, as determined by Company and in accordance with prevailing policy. Additional Home Care Services may be available on a fee-for-service basis.

6.4 Costs in a Skilled Care Center or an Assisted Living Residence Prior to Occupancy

If Resident is admitted to either an Assisted Living Residence or a Skilled Care Center prior to Occupancy of the Residential Unit, the Entrance Fee immediately shall become due, and Resident shall pay the Monthly Rate applicable to the Assisted Living Residence and Skilled Care Center.

All miscellaneous charges and fees for ancillary services and supplies not covered by or included in the Monthly Rate are an additional charge and shall be paid by Resident. Company reserves the right to determine, at any time, if admission to the Skilled Care Center or an Assisted Living Residence is permanent.

6.5 Costs in a Skilled Care Center or an Assisted Living Residence After Occupancy

(a) Routine Nursing Care Services

(i) Temporary Transfer

Upon temporary transfer to a Skilled Care Center or other facility providing Routine Nursing Care Services under this Resident Contract, Resident shall continue to pay the

applicable Monthly Rate for the Residential Unit, which is subject to periodic increases, for a maximum of two (2) months. After the two (2) months of temporary transfer, Resident shall pay the Monthly Rate applicable to the Skilled Care Center, which is also subject to periodic increases. The Monthly Rate shall cover Routine Nursing Care Services. All miscellaneous charges and fees for ancillary services and supplies not covered by or included in the Monthly Rate are reflected on Company's Ancillary Fee Schedule and are an additional charge which shall be paid by Resident.

(ii) Permanent Transfer

Upon permanent transfer to the Skilled Care Center or other facility providing Routine Nursing Care Services under this Resident Contract, Resident shall pay the Monthly Rate applicable to the Skilled Care Center, which is subject to periodic increases. In situations of Shared Occupancy where one Co-Resident is permanently transferred to a Skilled Care Center or other facility providing Routine Nursing Care Services under this Resident Contract, the Co-Resident so transferred shall be charged, and all Co-Residents shall be collectively responsible to pay, the Monthly Rate applicable to the Skilled Care Center while the Co-Resident(s) not so transferred shall be charged, and all Co-Residents shall be collectively responsible to pay, the Monthly Rate for either Single Occupancy or Shared Occupancy of the Residential Unit, whichever is applicable. In the event all Co-Residents are permanently transferred to a Skilled Care Center or other facility providing Routine Nursing Care Services under this Resident Contract, each Co-Resident shall be charged and shall pay the Monthly Rate applicable to the Skilled Care Center. The Monthly Rate applicable to the Skilled Care Center shall cover Routine Nursing Care Services. All miscellaneous charges and fees for ancillary services and supplies not covered by or included in the Monthly Rate are reflected on Company's Ancillary Fee Schedule and are an additional charge which shall be paid by Resident.

(b) Assisted Living Services

(i) Temporary Transfer

Upon temporary transfer to an Assisted Living Residence or other facility providing Assisted Living Services under this Resident Contract, Resident shall continue to pay the applicable Monthly Rate for the Residential Unit, which is subject to periodic increases, for a maximum of two (2) months. After the two (2) months of temporary transfer,

Resident shall pay the Monthly Rate applicable to the Assisted Living Residence, which is also subject to periodic increases. The Monthly Rate shall cover Assisted Living Services. All miscellaneous charges and fees for ancillary services and supplies not covered or included in the Monthly Rate are reflected on Company's Ancillary Fee Schedule and are an additional charge which shall be paid by Resident.

(ii) Permanent Transfer

Upon permanent transfer to an Assisted Living Residence or other facility providing Assisted Living Services under this Resident Contract, Resident shall pay the Monthly Rate applicable to the Assisted Living Residence, which is subject to periodic increases. In situations of Shared Occupancy where one Co-Resident is permanently transferred to an Assisted Living Residence or other facility providing Assisted Living Services under this Resident Contract, the Co-Resident so transferred shall be charged, and all Co-Residents shall be collectively responsible to pay, the Monthly Rate applicable to the Assisted Living Residence while the Co-Resident(s) not so transferred shall be charged, and all Co-Residents shall be collectively responsible to pay, the Monthly Rate for either Single Occupancy or Shared Occupancy of the Residential Unit, whichever is applicable. In the event all Co-Residents are permanently transferred to an Assisted Living Residence or other facility providing Assisted Living Services under this Resident Contract, each Co-Resident shall be charged and shall pay the Monthly Rate applicable to the Assisted Living Residence. The Monthly Rate applicable to the Assisted Living Residence shall cover Assisted Living Services. All miscellaneous charges and fees for ancillary services and supplies not covered by or included in the Monthly Rate are reflected on Company's Ancillary Fee Schedule and are an additional charge which shall be paid by Resident.

6.6 Exclusions (Items and Services Not Covered by the Monthly Rate)

Medical, health and ancillary services not included in or covered by the Monthly Rate include, but are not limited to, the cost of hospitalization, ambulance service, therapist or rehabilitation services, psychotherapy and psychiatric consultations or services, physician services, diagnostic services, private duty nurses, nursing assistants or companions, including temporary nursing or assistive services in the Residential Unit, specialized treatment, refractions, eyeglasses, contact lenses, hearing aids, podiatry, dentistry, dentures, inlays, orthopedic devices and appliances such as walkers, braces, wheelchairs, special beds or chairs, incontinence supplies, personal care supplies such as disposable underpads, toiletries, digestive aids and pharmacy medications, drugs, including prescription

and over-the-counter medications, medical equipment and supplies such as syringes, respirators, ventilators, oxygen tanks, intravenous items, catheterization materials, specialized treatment including ventilator dependent treatment, dialysis, and higher acuity nursing care services such as Subacute Care, Transitional Care or special rehabilitation services. Company, in its discretion, may provide any or all of the services not covered by the Monthly Rate at an additional charge, or refer the Resident to another provider capable of providing higher acuity care services. Ancillary and miscellaneous charges in an Assisted Living Residence or Skilled Care Center are also not included in the Monthly Rate.

6.7 Hospital, Medical and Nursing Insurance

(a) Required Insurance

Should Resident fail to maintain required medical insurance coverage, as described in Subsection 2.5, Resident will be responsible for all charges that otherwise would have been reimbursed through these required insurance programs and shall demonstrate adequate financial resources for such coverage to Company upon request.

Medicare Part A co-insurance for skilled days 21 through 100, and Medicare Part B annual deductible and co-insurance are the responsibility of Resident.

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(b) Assignment of Required Insurance and Third Party Payments

Resident assigns and transfers over to Company all rights of Resident to required public and private insurance and benefits to the extent necessary to pay Company for services provided to Resident under this Resident Contract. If Resident becomes eligible to receive payment from any third party for services provided under this Resident Contract by Company, Resident shall at all times cooperate fully with Company and each third party payor so that Company may make claim for and receive any applicable third party payments. Resident authorizes Company to make any and all claims for such insurance and benefits and agrees to execute all documents necessary to enable Company to collect or enforce such claims. If for any reason Company cannot apply directly for such benefits, Resident shall from time to time apply for the payments for services provided by Company to which Resident is entitled under applicable insurance benefit programs, and pay to Company the benefits received within ten (10) days of payment by the third party payor.

(c) Enrollment in a Health Maintenance Organization ("HMO") or Other Managed Care Plan

Resident may only enroll in a health maintenance organization ("HMO") or other managed care plan for which Company is a network or participating provider, unless Company provides prior written consent. Prior to enrolling in any HMO or managed care plan, Resident shall sign an addendum identifying the plan and reflecting Company's approval or disapproval. In the event that Resident subscribes to an HMO or other managed care plan, including a managed care plan that provides Medicare benefits, and Company is not a participating provider in Resident's managed care plan, Company may elect, at its option, to attempt to negotiate a contract with and obtain payment from Resident's managed care plan for covered services to be provided by Company. If Company is or becomes a network provider in Resident's managed care plan, Company reserves the right to withdraw from participation as a network provider. If Resident's managed care plan and Company do not reach an agreement on the terms under which services would be provided, or if the Resident's managed care plan does not agree to provide payment for covered services provided by Company or if Company withdraws from participation in Resident's managed care plan, Resident shall either transfer to and receive services from a participating provider in Resident's managed care plan or shall pay Company, in addition to the Monthly Rate, the daily rate for Routine Nursing Care Services which would have been covered by Medicare indemnity coverage, but only for the limited period of time during which Medicare or other required insurance coverage would have been available. In the event that Resident is transferred to a provider participating in Resident's managed care plan, Resident shall continue to pay the Monthly Rate and additionally all costs and charges related to the transfer to and occupancy of the participating provider. There will be no reduction in the Monthly Rate as a result of Resident's participation in any health insurance program or managed care plans which provide for payment for services rendered or made available by Company. Any co-insurance required by the HMO or managed care plan shall be paid by Resident.

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(d) Long Term Care Insurance

Company does not require Resident to maintain a long term care insurance policy. However, if Resident maintains such a policy, Company will assist Resident in making claims for such insurance benefits in accordance with Company's prevailing policy and procedures. If insurance benefits are received directly by Company, Company will apply proceeds to Resident's future Monthly Rate and

ancillary charges. After all such charges have been paid to Company, the balance of any insurance benefits will be refunded to Resident.

6.8 Transfer to Hospital or Other Specialized Service Facility

Company does not provide ambulance services, hospital care, acute care, Transitional Care or Subacute Care or other services provided by a Special Service Facility. Company shall have the right to transfer Resident to a hospital or other facility in accordance with the provisions of Subsection 11.3.

6.9 Illness or Accident Away from Retirement Community

If Resident suffers an accident or illness while away from Retirement Community, Company will have no responsibility to pay for Resident's medical, surgical, hospital or nursing care obtained offsite; however, after Resident returns to Retirement Community, Company shall assume its responsibility to provide those services as specified in this Resident Contract that are deemed necessary by Company.

6.10 Accident or Illness Caused by Others

In the event Resident is physically injured by an individual or entity not a party to this Resident Contract, Resident grants to Company a right of subrogation, and authorizes Company 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 Company to Resident as a result of any such injury. Resident shall cooperate and sign any documents necessary to facilitate Company's ability to exercise its subrogation right. After all costs and expenses incurred by Company (including legal fees and cost of care furnished to Resident by Company because of such injury) have been reimbursed to Company through subrogation, the balance of any recovery, will be refunded to Resident.

6.11 Limitations on Care

Company is not designed to care for persons who abuse alcohol or drugs or who require specialized psychiatric care or service not authorized or permitted under the skilled care or assisted living licensing regulations. If Company determines that Resident's continued presence in Retirement Community is either dangerous or detrimental to the health, safety or peace of Resident or other residents, then Company may temporarily transfer Resident to an appropriate institution of Company's choosing and Resident shall continue to pay the Monthly Rate directly to Company. Company will then be responsible to pay to the institution an amount that shall not exceed the Company's prevailing daily rate for shared accommodations in the Skilled Care Center. Any additional charges

beyond the amount paid by Company are the obligation of and shall be paid by Resident. If Resident prefers an institution other than that chosen by Company, Company will then be responsible to pay the lesser of the Company's daily rate for shared accommodations in the Skilled Care Center or the daily rate of the institution chosen by Company.

6.12 Responsibility of Company for Services Included in Monthly Rate

Resident shall not be liable to any health care provider for the cost of any services which are covered by Company under this Resident Contract and which are paid for by Resident through payment of the Monthly Rate. In the event that Company authorizes any health care provider to provide services, which Company is required to provide under this Resident Contract, Company shall assume responsibility for the payment of those health care services.

6.13 Privately Employed Private Duty Contractors

Subject to the approval of Company, Resident may utilize the services of privately employed private duty contractors, or other licensed agencies unrelated to Company, who provide personal or health care services in the Residential Unit. Such services are subject to Company's prevailing policy and requirements, which are subject to change, and must be approved in advance and in writing by Company. Resident is responsible to pay for all such services. In exchange for Company's approval of Resident's utilization of a private duty contractor or other licensed agencies unrelated to Company, Resident releases Company from any liability for the acts or omissions of any individual or agency providing services to Resident in the Residential Unit. Live-in companions, whether paid or unpaid by Resident are not permitted, except with Company's advance written consent.

6.14 Change in Ancillary Fee Schedule

The Ancillary Fee Schedule associated with services not included in the Monthly Rate may be modified by Company from time to time with sixty (60) days advance written notice of any changes, except for changes required by State or Federal assistance programs.

SECTION 7. Application Fee and Priority List Deposit

7.1 Application Fee

Resident has paid to Company a non-refundable Application Fee at the time of submitting an application and executing the priority list contract.

7.2 Priority List Deposit

Resident has paid to Company a Priority List Deposit at the time of submitting an application and executing the priority list contract. Payment of the Priority List Deposit, along with the submission of the priority list contract places the Resident on the priority list. The Priority List Deposit will be applied as a credit toward the Reservation Fee.

SECTION 8. Entrance Fee

8.1 Purpose and Use

Company may use the Entrance Fee in any manner it deems appropriate and may apply it to any corporate purpose. Company is not holding any part of the Entrance Fee in trust for Resident and has not assumed and is not assuming any fiduciary obligation to Resident concerning the Entrance Fee or any other amounts paid for admission to or continued Occupancy in the Retirement Community.

8.2 Payment Schedule

(a) Reservation Fee

Upon execution of this Resident Contract, Resident shall pay a Reservation Fee. The Reservation Fee is equal to ten percent (10%) of the Entrance Fee, less the Priority List Deposit.

(b) Final Payment

Upon the Date of Availability or Occupancy, whichever is earlier, Resident shall pay the remaining balance of the Entrance Fee.

8.3 Right to Establish Entrance Fee

Company reserves the right to establish Entrance Fee rates and Monthly Rates (as described in Section 9) of a different amount for persons being admitted for Occupancy after the date hereof, and the rates charged such other persons need not be uniform with or proportional to those charged to Resident under this Resident Contract. The Entrance Fee amount, as defined in this Resident Contract, shall not be increased or changed during the duration of the agreed upon care, except for changes required by State or Federal assistance programs or regulations, or if Resident changes from the Residential Unit to another residential unit (as described in Subsection 11.1).

8.4 Administrative Fee and Amortization of Entrance Fee

(a) Administrative Fee

An Administrative Fee in an amount equal to five percent (5%) of the Entrance Fee is non-refundable after the Transition Period and will be retained by Company.

(b) Amortization of Entrance Fee

After deducting an Administrative Fee, which is five percent (5%) of the Entrance Fee, the remaining Entrance Fee shall be amortized by Company in the amount of two percent (2%) per month for a period of fifty (50) months from the date of Occupancy or Date of Availability, whichever is earlier. After the fifty (50) month period, there will be no refund of the Entrance Fee.

SECTION 9. Monthly Rate

9.1 Standard Monthly Rate

In addition to the other amounts paid by Resident to Company under this Resident Contract, Resident will pay to Company the standard Monthly Rate established for the Residential Unit, or the Monthly Rate applicable to the Assisted Living Residence and Skilled Care Center, whichever is applicable.

9.2 Adjustments in the Monthly Rate

The Monthly Rate may be adjusted from time to time. Company shall provide at least sixty (60) days written notice of such change unless such change is required by State or Federal assistance programs or regulations.

9.3 Payment and Due Date

The Monthly Rate is billed in advance and shall be due and payable within five (5) days of the date of Resident's monthly statement. The obligation to pay the Monthly Rate shall commence on the earlier to occur of (i) the date Resident takes Occupancy of the Residential Unit or other Living Accommodation or (ii) the Date of Availability, whether or not Resident moves in at that time. The Resident shall be billed on a monthly basis for all other charges, including but not limited to miscellaneous and ancillary charges or other services. Payment for all other charges shall be due with the Monthly Rate.

9.4 Service Charge for Late Payment

A service charge of one and one-half percent (1.5%) per month will be added to amounts past due in accordance with Company's prevailing policy. Resident is obligated to pay all reasonable attorneys fees and costs incurred relative to the collection of any amount past due.

SECTION 10. Co-Resident

10.1 Co-Resident's Fee Responsibility

In situations of Shared Occupancy, each Co-Resident shall be jointly and severally liable for all payments due under this Resident Contract. Upon the death of one or more Co-Residents, or should one or more Co-Residents leave the Retirement Community, any remaining Co-Resident(s) shall be responsible for payment of the applicable Monthly Rate and any other past or future charges.

10.2 Marriages/Additional Occupant

If Resident decides to marry/reside with a non-resident while occupying the Residential Unit and desires that the new spouse/additional occupant share the Residential Unit, the spouse/additional occupant must comply with the entrance procedure outlined in this Resident Contract and shall execute a then current version of the Resident Contract. The spouse/additional occupant shall pay an Entrance Fee equal to the then current Entrance Fee for the smallest residential unit in the Retirement Community at the time the spouse/additional occupant takes Occupancy. The prevailing Monthly Rate for Shared Occupancy will commence on the day the spouse/additional occupant moves into the Residential Unit. In the event the spouse/additional occupant is not accepted as a new Resident, Resident may terminate the Resident Contract pursuant to Section 13 and receive any refund as set forth in Section 14.

SECTION 11. Relocation to a Different Living Accommodation or Outside Facility

11.1 Relocation From Residential Unit to Another as Requested by Resident

Upon Resident's written request and written approval of Company, the Resident may exercise a limited option to move from the Residential Unit to another in accordance with the Company's prevailing policy. Resident must notify Company in writing of the type of residential unit desired. Company reserves the right in its sole discretion to approve or deny requests to move. In the event Resident receives approval from Company to move to another residential unit, Resident shall sign an addendum to this Resident Contract reflecting all costs and charges related to exercising the option to move, including the Entrance Fee and Monthly Rate for the

selected residential unit. Resident may be required to pay a refurbishment fee as determined by Company in accordance with Company's prevailing policy.

(a) Relocation to Larger Sized Residential Unit

On the Date of Availability of the larger sized residential unit, an additional Entrance Fee will be paid. The additional Entrance Fee is equal to the difference between the Entrance Fee of the larger residential unit as of the time Resident first took Occupancy and the Entrance Fee paid for the smaller Residential Unit designated in Section 3.

(b) Relocation to Smaller Sized Residential Unit

Any refund of the Entrance Fee as a result of relocation to a smaller sized residential unit is calculated as the difference between:

(i) Present Residential Unit

The current Entrance Fee, less a sum equal to two percent (2%) per month, or fraction thereof, of the amount of such Entrance Fee for each month this Resident Contract has been in force, commencing from the Date of Availability, and

(ii) Proposed Residential Unit

The current Entrance Fee, less a sum equal to two percent (2%) per month, or fraction thereof, of the amount of such Entrance Fee for each month this Resident Contract has been in force, commencing from the Date of Availability.

11.2 Relocation From Residential Unit to Another as Required by Company

Company reserves the right to make all necessary arrangements and adjustments regarding residence not otherwise specifically provided in this Resident Contract. Company may relocate Resident to a different residential unit in the Retirement Community, substantially similar to that selected by Resident, if it determines that such a move should be made for the benefit of Resident or for the proper operation of Retirement Community, as determined by Company. In the event Resident is directed to relocate, Company shall be responsible for all reasonable moving and relocation expenses. Resident shall execute an addendum which shall reflect all changes in the Monthly Rate.

11.3 Transfer to Assisted Living Residence, Skilled Care Center, or Outside Facility

(a) Conditions of Continued Occupancy

Resident shall have the right to occupy the Residential Unit for so long as Resident satisfies the health and other Conditions of Continued Occupancy.

(b) Decision to Transfer

(i) Authority to Transfer

Company may transfer Resident from and between the Residential Unit and Skilled Care Center or Assisted Living Residence, or any other appropriate care facility, if it determines that such a move should be made because of the health and/or welfare of the Resident, for the proper operation of the Retirement Community, to comply with regulations of the Pennsylvania Department of Public Welfare, the Pennsylvania Department of Health, local regulations of the Fire Department, or any other duly constituted authority or agency, or to otherwise meet the requirements of law.

(ii) Role of Company's Utilization Review Committee

The decision as to whether a transfer shall be deemed temporary or permanent shall be made by Company's Utilization Review Committee. The Utilization Review Committee 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 Company. The Utilization Review Committee's decision regarding the temporary or permanent nature of any transfer may be made at any time. Upon a determination by Company's Utilization Review Committee that Resident is no longer capable of meeting the health or other requirements for Occupancy of the Residential Unit, Resident or Resident's next of kin, Legal Representative or agent acting on Resident's behalf, will be notified by Company that arrangements will be made for Resident's immediate transfer to an Assisted Living Residence, a Skilled Care Center or other appropriate care facility.

(c) Transfer to Assisted Living Residence

When Resident is in need of Assisted Living Services as determined by Company's medical director and/or the Utilization Review Committee and does not need Routine Nursing Care Services, Resident may be transferred permanently to Company's Assisted Living Residence, if available, or other facility providing Assisted Living Services. If there is no Co-Resident in the Residential Unit, Resident will, within thirty (30) days, Surrender the Residential Unit. The Residential Unit then occupied by such Resident shall be declared vacant and Company may reassign the Residential Unit to another person.

(d) Transfer to Skilled Care Center

When Resident is in need of Routine Nursing Care Services as determined by Company's medical director and/or the Utilization Review Committee, Resident will be moved to a shared accommodation in the Skilled Care Center or other facility providing Routine Nursing Care Services under this Resident Contract. Upon request, Resident may have access to a private room, if available, in Company's Skilled Care Center for which an additional fee may apply. If, after continued evaluation, it is determined by Company that Resident cannot return to his/her Residential Unit, and if there is no Co-Resident in said accommodation, Company may declare the Residential Unit vacant, and may reassign the Residential Unit to another person. Resident will, within a thirty (30) day period after such decision has been made, Surrender the Residential Unit.

(e) Transfer to Outside Facility

If it is determined by Company's medical director and/or Company's Utilization Review Committee that Resident cannot be cared for within the scope of the services Company provides in the Retirement Community, or Resident cannot otherwise meet the Conditions of Continued Occupancy, and if there is no Co-Resident in the Residential Unit, Company may declare the transfer permanent and the Residential Unit vacant and reassign the Residential Unit to another person. Resident will, within a thirty (30) day period from the date the decision is made, Surrender the Residential Unit and have all personal possessions removed from it.

(i) Temporary Transfer

During any temporary transfer to a hospital or outside facility, Resident shall continue to pay the Monthly Rate and shall be responsible for all costs and charges related to the transfer to and occupancy of the outside facility or hospital except as provided in Subsection 6.12.

(ii) Permanent Transfer

Upon permanent transfer to an outside facility, and after Surrender of the Living Accommodation, the obligation to pay the Monthly Rate shall end and this Resident Contract shall terminate. Any refund due shall be paid in accordance with the refund provisions of this Resident Contract. In the event of Shared Occupancy, this Resident Contract shall not terminate and Co-Resident shall pay the Monthly Rate until the permanent transfer or discharge of all Co-Residents from the Retirement Community and Surrender of the Living Accommodation. Resident is obligated to pay all costs and charges related to the transfer to and occupancy of any outside facility or hospital except when Resident is transferred to an outside assisted living or skilled care provider because of the unavailability of a bed or room in Retirement Community.

(f) Release of or Return to Residential Unit After Transfer

(i) Temporary Transfer

If Resident is admitted temporarily to Company's Skilled Care Center, Assisted Living Residence, or a hospital or other outside facility, with a medical prognosis of recovery and return to health consistent with the Conditions of Continued Occupancy, then Resident shall retain Occupancy of the Residential Unit for the purpose of resuming residency. During any period of temporary transfer, Resident shall continue to pay the applicable Monthly Rate for the Living Accommodation. Resident may return to the Residential Unit which has been retained in accordance with the terms of this provision at such time as Company determines that Resident can satisfy the Conditions of Continued Occupancy.

(ii) Permanent Transfer

If Resident is permanently transferred to Company's Skilled Care Center, Assisted Living Residence, or a hospital or other appropriate outside facility, Resident shall Surrender the Residential Unit within thirty (30) days of written notice of Company's decision to permanently transfer Resident. If Company, with the advice of Company's medical director, determines that Resident subsequently has recovered sufficiently to satisfy the Conditions of Continued Occupancy of a residential unit, Resident, upon request, shall be eligible for consideration to receive the next available residential unit with a floor plan comparable to the one relinquished, provided

Resident repays Company any amounts refunded to Resident under the Resident Contract and pays the applicable Monthly Rate.

SECTION 12. Company's Policy Concerning Financial Difficulty

It is the policy of Company that Resident shall not be dismissed nor his/her Resident Contract terminated solely because of Resident's financial inability to continue to pay all or part of the Monthly Rate. However, Resident's acceptance into Company has been based on the accuracy of facts recorded on Resident's financial statement, by which facts Company determined that Resident was able to meet all the financial obligations specified within this Resident Contract. If, in the opinion of Company, Resident either has misrepresented information on the financial statement or in any way weakens, through omission or commission, his/her ability or the ability of his/her personal estate to satisfy his/her financial obligations under this Resident Contract, because Resident has made gifts of real or personal property or any imprudent financial transactions after submitting the financial statement and/or after acceptance into Retirement Community, Company reserves the right to terminate this Resident Contract.

12.1 Failure to Make Payments

If Resident fails to make any of the Monthly Rate payments at the required time, or to pay any other amounts shown on the monthly statement within thirty (30) days after the first day of the month, then Company may give written notice to Resident to pay all such amounts and furnish most recent financial records. If Resident fails to comply with such notice, Company may terminate this Resident Contract, and shall provide Resident with the refund, if any, set forth in Section 14, less any outstanding balances or financial obligations.

12.2 Subsidy by Company

Should Company subsidize Resident's Monthly Rate, Resident agrees that any property which was his/hers at, or subsequent to the date of this Resident Contract, and remaining in his/her possession at death, is to be transferred to Company for the purpose of repaying (at least to the extent of the value of such property) an amount equal to the aggregate amount of subsidy furnished by Company during the period of residency. If the value of Resident's possessions/property exceeds the aggregate amount of subsidy furnished by Company, all excess proceeds will be returned to Resident's estate. This Resident Contract shall operate as a grant, assignment, transfer and conveyance to Company of such property, and Resident hereby grants to Company a security interest in such property, all of which may be enforced as a claim against Resident's estate, and to effect such assignment and to enable Company to enforce such claim, Resident shall execute such further documents, instruments or contracts, such as stock powers, Uniform Commercial Code financing statements,

deeds, bills of sale and the like, as Company shall deem necessary or appropriate to protect or perfect its rights, interest and claims granted in this subsection. Company may, from time to time, request financial statements from any Resident whose Monthly Rate is subsidized by Company. This subsection shall apply whether or not Resident is in residence at Retirement Community at time of death and shall survive termination of the Resident Contract.

12.3 Special Consideration

Without in any way qualifying the right of Company to terminate this Resident Contract, if the sole reason for non-payment is insufficient funds, beyond the control of Resident, the matter will be reviewed by Company with Resident. If Resident presents facts which justify special financial consideration, Company may solely at its discretion, partly subsidize Resident's Monthly Rate provided that such subsidy can be granted without impairing the ability of Company to meet and continue its objectives while operating on a sound financial basis. All determinations made by Company shall be regarded as a confidential transaction between Company and Resident except for reports required by regulatory or other government bodies.

12.4 Reduction of Income

Resident believes that his/her sources of income are adequate to meet his/her financial responsibility to Company and to meet and pay any additional costs to Resident, and to pay personal and incidental expenses during the period of residency. If Resident's sources of income do not meet these requirements, Resident may be required to relocate to a smaller unit in Retirement Community at discretion of Company, and Resident will make every reasonable effort to obtain assistance from family or other available means, and from public benefits, to the extent that Resident is eligible to receive them, including, but not limited to federal, state or county aid or assistance, Aid to the Blind, Veterans' Pension, etc. Resident agrees that he/she will apply for and diligently seek such benefits.

SECTION 13. Termination of Resident Contract

13.1 Termination by Resident Prior to Occupancy

If Resident or Resident's Legal Representative notifies Company in writing of his/her election to withdraw or terminate this Resident Contract before Resident takes Occupancy, this Resident Contract with said Resident shall automatically be terminated. If Resident dies before the Date of Availability, or if, through illness, injury, or incapacity, Resident is precluded from taking Occupancy and becoming a Resident under the terms of this Resident Contract, the Resident Contract shall be automatically rescinded. The Resident or his/her designated beneficiary

shall receive a refund, in accordance with Section 14 of this Resident Contract.

13.2 Termination By Resident During Transition Period

Resident or Resident's Legal Representative may terminate this Resident Contract within thirty (30) days of execution of this Resident Contract by signing the attached Notice of Right to Rescind and delivering it to Company. After the lapse of the thirty (30) day rescission period and before the lapse of the Transition Period commencing on the earlier to occur of (i) the date Resident takes Occupancy or (ii) the Date of Availability of Residential Unit, Resident, or Resident's Legal Representative, may terminate this Resident Contract by giving written and personally signed notice of termination to Company. Resident shall Surrender within a period of thirty (30) days from the date on which such notice is received by Company. The Resident Contract shall terminate on the date of Surrender. Resident shall be entitled to a refund, as provided in Subsection 14.1 of this Resident Contract.

13.3 Termination By Resident After Transition Period

Resident or Resident's Legal Representative has the right, at any time, to terminate this Resident Contract by delivery to Company of written notice of his/her intent to do so. The written notice need not cite a specific reason for the termination but it shall state a date, of not less than thirty (30) days or more than one hundred twenty (120) days, when the termination is to become effective, and on or prior to such date Resident shall Surrender the Living Accommodation. On the effective date of such termination, and contingent upon Surrender of the Living Accommodation, Resident's obligation to continue Monthly Rate payments shall cease and Resident shall be entitled to a refund, if any, as provided in Subsection 14.2 of this Resident Contract.

13.4 Termination by Death of Resident

Unless sooner terminated by its own provisions, this Resident Contract shall terminate at death of Resident, whereupon all obligations of Company under this Resident Contract, other than those relating to the removal of Resident's personal property, shall cease. At the death of Resident, Resident shall have no further rights in the Living Accommodation, and the Company shall have immediate access to the Living Accommodation. The removal of any personal effects of Resident in the Living Accommodation or from storage shall be the responsibility of Resident's executor, administrator, or Legal Representative, or of other persons entitled by law to receive them. Company will hold such personal effects for a period not to exceed thirty (30) days, but Company is not responsible for loss or damage to personal property in its possession. At the death of Resident, all Entrance Fee refunds, excess Monthly Rate payments (prorated daily to the date of Surrender), and any other funds deposited with Company under

this Resident Contract shall be refunded in accordance with Section 14 of this Resident Contract.

In the event removal of Resident's personal possessions is not accomplished within thirty (30) days, Company has the right to continue charging the Monthly Rate or charge for storage of Resident's personal possessions until such possessions have been removed from the Living Accommodation.

13.5 Limitations on Termination for Shared Occupancy

If any Co-Resident is precluded from taking Occupancy of the Residential Unit because of death, illness, injury or incapacity, this Resident Contract shall remain in full force and effect as to the other Co-Resident(s), at the option of Co-Resident(s). The remaining Co-Resident(s) shall sign an addendum which changes the terms of this Resident Contract from Shared Occupancy to Single Occupancy, if applicable, and which reflects changes in the Entrance Fee and/or the Monthly Rate. As long as a Co-Resident continues to occupy any Living Accommodation within Retirement Community, the Resident Contract shall not terminate until the death, permanent transfer, discharge or voluntary departure of all Co-Residents from Retirement Community.

13.6 Termination by Company

Company may terminate this Resident Contract prior to Occupancy in accordance with Subsection 2.2 or after Occupancy for "just cause" (as described in Subsection 13.6(a)) based on the judgment of Company by providing Resident with at least thirty (30) days written notice. If such action is taken by Company, Resident will have a maximum of sixty (60) days from the date of Company's notice to Surrender the Residential Unit. On or before the termination date, Resident shall Surrender. On the date of Surrender, Resident's obligation to continue Monthly Rate payments shall cease and this Resident Contract shall terminate. Resident or Resident's designated beneficiary shall be entitled to receive a refund, if any, as provided in Section 14 of this Resident Contract.

(a) Just Cause

Just cause shall include, but not be limited to, (i) a default in payment (a default in payment occurs when monthly payments are not received in accordance with Section 9, (ii) the submission or omission of any material false information in the application documents and process, (iii) the failure of Resident to abide by Company's rules, regulations, policies and procedures, (iv) the breach of any of the other terms of this Resident Contract, or (v) a good faith determination in writing by Company that continued Occupancy by Resident creates a serious threat or danger to the life,

health, safety or peaceful enjoyment of Resident or other residents or persons in Retirement Community.

In situations where continued Occupancy threatens the life, health, safety or peaceful enjoyment of the Resident or other residents, only such notice as is reasonably practicable under the circumstances will be provided to Resident or Resident's Legal Representative, and termination may be effective immediately.

13.7 Surrender

The obligation to pay the Monthly Rate shall continue until the Surrender of the Living Accommodation by Resident or by the estate or family or Legal Representative of Resident in the case of death. The Monthly Rate shall be prorated for the month of Surrender.

SECTION 14. Refunds of Entrance Fee

The refunds, if any, payable to Resident, if this Resident Contract is terminated in accordance with its terms are as follows:

14.1 Notice of Termination Prior to or During Transition Period

Entrance Fee payments will be refunded in full if this Resident Contract is terminated prior to Occupancy or within the thirty (30) day rescission, or if written notice of termination of this Resident Contract is received during the Transition Period and Resident Surrenders within thirty (30) days. The Entrance Fee refund will be reduced by any costs specifically incurred by Company at the request of Resident to the extent those charges were not paid by Resident.

14.2 Notice of Termination After Transition Period

In the event written notice of termination of this Resident Contract is received after the Transition Period and prior to death, Resident is entitled to a refund of the Entrance Fee paid less the Administrative Fee and less a sum equal to two percent (2%) per month, or fraction thereof, of the amount of the Entrance Fee paid less the Administrative Fee for each month this Resident Contract has been in force, starting on the first day of the month after the earlier of the date of Occupancy or Date of Availability, and ending on the date of Surrender. The Entrance Fee refund will be reduced by any costs specifically incurred by Company at the request of Resident to the extent those charges were not paid by Resident.

14.3 Termination by Death of Resident

(a) Prior to Occupancy or During Transition Period

In the event of the death of Resident before Occupancy or during the Transition Period, the Entrance Fee less those costs specifically incurred by Company at the request of Resident, (to the extent those charges were not paid by Resident), will be refunded to Resident's estate or to Resident's designated beneficiary.

(i) Shared Occupancy

In situations of Shared Occupancy, in the event of the death of a Co-Resident before Occupancy or during the Transition Period, Resident's estate or his/her designated beneficiary shall receive a refund of the difference between the Entrance Fee for Shared Occupancy and the Entrance Fee for Single Occupancy for the Residential Unit at the time of signing this Resident Contract.

(b) After Transition Period

If death should occur after the Transition Period, Resident is entitled to a refund of the Entrance Fee paid less the Administrative Fee and less a sum equal to two percent (2%) per month, or fraction thereof, of the amount of the Entrance Fee less the Administrative Fee for each month this Resident Contract has been in force, starting on the first day of the month after the earlier of the date of Occupancy or Date of Availability, and ending on the date of Surrender. If death occurs after the fifty (50) month amortization period, the Entrance Fee is not refundable and shall automatically become the exclusive property of Company upon the death of the Resident.

(i) Shared Occupancy

In situations of Shared Occupancy, the amount of the Entrance Fee less the Administrative Fee shall be assigned to the surviving Co-Resident in the event of the death of a Co-Resident.

14.4 Termination by Company

In the event that Company terminates this Resident Contract in accordance with Subsection 13.6, Resident shall be entitled to receive a refund, if any, for some or all of the Entrance Fee as provided in Subsection 14.1 if termination is prior to Occupancy or during the Transition Period or Subsection 14.2 if termination occurs after the Transition Period.

14.5 Designation of Beneficiary

Resident may designate a beneficiary for receipt of any refund of the Entrance Fee if: i) the designation is in writing, ii) the designation is witnessed by two or more competent witnesses, iii) the designation is noncontingent and iv) the designation is specified in percentages and accounts for 100% of any refund due.

14.6 Timing of Refund Payments

Prior to Occupancy, any refunds of the Entrance Fee shall be made within sixty (60) days of the Company's receipt of Resident's written notice of intent to cancel the Resident Contract. After Occupancy, any refund of the Entrance Fee shall be made within one hundred twenty (120) days of the effective date of termination of this Resident Contract, or death.

14.7 Deductions from Entrance Fee Refund

(a) Deductions for Subsidy

In the event that Company approves subsidy for Resident in accordance with Section 12 of this Resident Contract, Company, in its sole discretion, may deduct from any refund of the Entrance Fee amounts equivalent to the amount of any subsidy provided to the Resident.

(b) Deductions for Amounts Due on Monthly Statement

Any amounts due and unpaid as reflected on Resident's monthly statement will be deducted from any Entrance Fee refund.

14.8 Release of Obligation

Upon termination of this Resident Contract, Company is released from any further obligations to Resident except for the payment of any refund which may be due under this section. Resident is released from any further obligations except for the payment of any amounts due Company, including the repayment of any financial assistance, the payment of the Monthly Rate until Surrender and the recovery of all personal property.

SECTION 15. Rights and Obligations of Resident as to Property

The rights and obligations of Resident as to property are as follows:

15.1 Right to Real Property

The rights and privileges of Resident do not include any rights, title or interest whether legal, equitable, beneficial or otherwise, in or to any part of

the real property, including land, buildings and improvements owned or administered by Company, except the right granted to Resident to take Occupancy of the Residential Unit in accordance with the terms of this Resident Contract. Resident shall have no interest in the real property of the Company. Resident's rights are primarily for services, and this Resident Contract does not create the relationship of Landlord and Tenant and it does not confer any legal or equitable ownership or other interest in the real property or in Company itself. Any rights, privileges or benefits arising under or related to this Resident Contract shall be subordinate and inferior to all mortgages or deeds of trust on any of the premises or real properties of Company, previously or subsequently given, to secure any loans or advances made to Company or its successors, now outstanding or made in the future, and subordinate and inferior to all amendments, modifications, replacements, or refundings. Resident agrees that, upon request of Company, or the holder of any such instrument, he/she will execute and deliver any document which is alleged to be necessary or required to effect or evidence such subordination.

15.2 Right to Personal Property of Company

As in the case of real property, Resident has no right, title or interest, legal, equitable, beneficial or otherwise in or to any part of the personal property owned by Company, and this includes carpets, window blinds, appliances, kitchen cabinets, and fixtures in the Living Accommodation, even if upgraded at Resident's cost.

15.3 Responsibility for Damages

Any loss or damage to real or personal property of Company, caused by the negligence of Resident, Resident's guests or Resident's pet, shall be charged to and paid for by Resident. Similarly, if any negligence of any of the above-mentioned results in injury, illness or damage to any other resident, Company assumes no responsibility and Resident hereby releases and discharges Company from any injury to Resident or damage to Resident's personal property caused by the fault or negligence of other residents of Company or of their guests or pets.

15.4 Responsibility for Protection of Resident's Property

Company shall not be responsible for the loss of any personal property belonging to Resident due to theft, fire, or any cause, unless said property is specifically entrusted in writing to the care and control of Company, and then only for lack of ordinary care to safeguard, and account for, such property. Company is not responsible for personal injury to other residents or guests within Resident's Residential Unit. Resident shall have the responsibility, at his/her own expense, of providing and maintaining a standard property and liability insurance policy as deemed necessary by Company, and to file a copy of said policy detailing the coverages with Company's administrative office.

15.5 Removal of Resident's Personal Property

If the Residential Unit is vacated under the terms of this Resident Contract, the contents of the Residential Unit must be removed within thirty (30) days. After the thirty (30) day period, Company shall have the right, at Resident's expense, to remove all personal property of Resident from his/her Residential Unit, and store the same, at Resident's expense and risk. If the property is stored in a commercial storage warehouse or commercial storage facility, Company shall have no responsibility for such property during transfer or after it has been placed in storage, and Resident, or Resident's estate, shall be liable for all moving and storage fees incurred.

SECTION 16. Arrangement for Guardianship, Resident's Estate and Burial

16.1 Advance Directives and Power of Attorney Requirements

Resident, no later than the Date of Availability shall inform Company of his/her decision regarding advance directives stating Resident's wishes concerning the type and extent of medical care he/she receives if he/she is unable to make wishes known. Resident who has executed advance directives shall provide to Company a copy of such document no later than Date of Availability.

Likewise, Resident, no later than the Date of Availability, shall appoint a power of attorney to act on Resident's behalf in the event Resident is unable to represent him/herself. A copy of the power of attorney will be provided to Company no later than the Date of Availability.

16.2 Legal Guardian

If Resident becomes incapacitated 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 is available or willing and able to act on behalf of Resident, then Company may institute legal proceedings to adjudge Resident incapacitated and have a guardian appointed for Resident's estate and person or both. Resident authorizes Company to nominate a legal guardian to serve subject to court approval, and Resident releases Company from any liability related to the nomination. All costs of such legal proceedings, including counsel fees, shall be paid by Resident or the legally appointed guardian of Resident's estate.

16.3 Burial Plans

Company does not provide any burial or funeral benefits or services. Resident agrees to arrange for and take care of all such plans and costs.

SECTION 17. Non-Transferable

The rights and privileges of Resident under this Resident Contract to a Living Accommodation, facilities, services and medical care are personal to Resident and cannot be transferred or assigned by act of Resident, or by any proceeding at law, or otherwise. If any person, other than the person(s) who have/has signed this Resident Contract, commence(s) to live in Resident's Living Accommodation without following the proper procedure established by Company, then, Company may immediately terminate this Resident Contract.

SECTION 18. Notice

All notices to be given in accordance with this Resident Contract shall be deemed to have been properly given if and when delivered personally or sent by mail as follows:

To Company: _____

_____

_____

To Resident (before taking Occupancy):

_____

_____

_____

SECTION 19. Average Annual Cost of Providing Services

The average annual cost to Company of providing to Resident the care specified in the Resident Contract is reflected in the disclosure statement which will be made available to Resident.

SECTION 20. Right of Self-Organization

All residents living in the Retirement Community shall have the right of self-organization and may meet privately at the Retirement Community to conduct business. The Board of Directors or a designated representative shall meet quarterly with the residents of the Retirement Community for the purpose of free discussion of subjects which may include, but are not limited to income, expenditures and financial matters as they apply to Company and the Retirement Community and proposed changes in policies and services. Company shall provide residents with at least seven (7) days notice of each quarterly meeting.

SECTION 21. Waiver

No act, agreement, or statement of any Resident, or other individual purchasing care for a Resident under this Resident Contract or under any contract to furnish care to Resident shall constitute a valid waiver of any provision of any Pennsylvania Statute enacted and intended to benefit or protect the residents of the Retirement Community, or any individual purchasing care for such residents.

SECTION 22. Arbitration

22.1 Procedural Rules

Any controversy, dispute or disagreement arising out of or relating to this Resident Contract, or concerning any rights arising under this Resident Contract or a breach of this Resident Contract, may be settled by voluntary arbitration. This arbitration shall be conducted on Company's property in accordance with the American Health Lawyers Association ("AHLA") Alternative Dispute Resolution Service Rules of Procedure for Arbitration. The decision shall be final, binding and non-appealable, and any court having proper jurisdiction may enter judgment on the award rendered by the arbitrator.

22.2 Time Limit for Arbitration

Any request for arbitration of a dispute must be requested and submitted to AHLA or an alternate neutral arbitration service selected by Company if AHLA is unable or unwilling to serve, prior to the lapse of two (2) years from the date on which the event giving rise to the dispute occurred. In the event AHLA is unable or unwilling to serve, then the request for arbitration must be submitted to Company within thirty (30) days of receipt of notice of AHLA's unwillingness or inability to serve as a neutral arbitrator. Company shall select an alternative neutral arbitration service within thirty (30) days thereafter and the selected arbitration agency's procedural rules shall apply to the arbitration proceeding. The failure to submit a request for Arbitration to AHLA or an alternate neutral arbitration service selected by Company within the designated time (i.e., two (2) years) shall operate as a bar to any subsequent request for arbitration, or for any claim for relief or a remedy, or to any action or legal proceeding of any kind or nature, and the parties will be forever barred from arbitrating or litigating a resolution to any such dispute.

SECTION 23. Uncontrollable Interruption of Services

In the event that Company is unable to fulfill any of its obligations under the Resident Contract resulting from an interruption of, or failure to provide, contracted services due to an act of God or other cause beyond the reasonable control of Company, specifically including labor strikes or other forms of labor

disturbances, and/or embargoes, fire, flood, earthquakes, inclement weather or acts of the Resident, then Company shall not be liable or responsible for any personal injury to Resident or damage to Resident's property arising from any such event. Company will make every effort to provide the usual services in such event and Resident shall continue to pay the Monthly Rate.

SECTION 24. Miscellaneous

24.1 Entire Resident Contract

This Resident Contract, together with the application form, financial statement and medical records, including applicable signed amendments, constitute the entire Resident Contract between Company and Resident. Resident warrants that all representations are true and correct. Company is not liable and shall not be bound by any statements, representations or promises made by any person representing or purporting to represent Company, unless such statements, representations or promises are set forth in this Resident Contract.

24.2 Policies, Procedures, Rules and Regulations

Resident will observe all policies, procedures, rules and regulations which Company shall adopt for the convenience, comfort, safety and well-being of all Residents and the Retirement Community, which are subject to change from time to time.

(a) Policy Regarding Alcoholic Beverages

Resident and guests shall refrain from drinking alcoholic beverages in all common areas, except in certain designated areas as defined by Company, which are subject to change.

(b) Smoke-Free Policy

Resident and guests shall refrain from smoking in the Retirement Community, including the Living Accommodation, common areas and grounds, except in the designated areas, which are subject to change.

24.3 No Waiver

Any failure by Company to exercise any right or remedy under this Resident Contract shall not be construed as a waiver of the right to exercise the same or any other right at any time, or from time to time thereafter.

24.4 Invalidity, Unenforceability

If any portion of this Resident Contract shall, for any reason, be held to be invalid or unenforceable in any jurisdiction in which it is sought to be enforced, such invalidity and unenforceability shall not affect any other provision of this Resident Contract, and it shall be construed as if such invalid or unenforceable provision were omitted.

24.5 Amendments

This Resident Contract may be amended only in writing executed by both Resident and Company's corporate officers.

24.6 Section Headings

Section headings are for reference purposes only.

24.7 Binding Effect

This Resident Contract shall be binding upon, and inure to, the benefit of Company and Resident, and their respective successors, permitted assigns and Legal Representatives.

24.8 Counterparts

This Resident Contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute but one Resident Contract.

24.9 Pennsylvania Law

All matters affecting the interpretation of this Resident Contract and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

24.10 Receipt of Copy of Resident Contract and Disclosure Statement

Resident acknowledges that prior to the payment of any funds to Company he/she has received and read a copy of this Resident Contract and the continuing care disclosure statement and understands the contents of both documents.

IN WITNESS WHEREOF, Company, by its duly authorized representatives and Resident have executed this Resident Contract the day and year first above written.

ACTS RETIREMENT-LIFE COMMUNITIES, INC.

By: _____

ACTS Retirement-Life Communities, Inc.
Authorized Representative

_____ _____ - - _____

Resident **Social Security #**

_____ _____ - - _____

Resident **Social Security #**

_____ _____ - - _____

Resident **Social Security #**

_____

Witness

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EXHIBIT "A"

NOTICE OF RIGHT TO RESCIND

Date rescission period begins _____. You may rescind and terminate your Resident Contract without penalty or forfeiture within thirty (30) days of the later of the above date or the receipt date of the disclosure statement. You are not required to move into the continuing care community before the expiration of this thirty (30) day period. No other contract or statement you sign shall constitute a waiver of your right to rescind your Resident Contract within this thirty (30) day period.

To rescind your Resident Contract, mail or deliver a signed and dated copy of this notice, or any other dated written notice stating your desire to rescind to the following address:

ACTS Retirement-Life Communities, Inc.
_____
_____
_____

Not later than midnight of _____ (last day for rescission).

Pursuant to this notice, I hereby cancel my Resident Contract.

Date: _____

PROSPECTIVE RESIDENT'S SIGNATURE

_____

_____

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EXHIBIT "B"

OPTIONAL FURNISHINGS, ADDITIONAL APPLIANCES OR MODIFICATIONS OF RESIDENTIAL UNIT REQUESTED BY RESIDENT

This Addendum to the Resident Contract made this _____ day of _____ 20____, is between ACTS RETIREMENT-LIFE COMMUNITIES, INC., (hereinafter called "Company"), AND _____ (hereinafter referred to as "Resident," and where this Addendum is executed by one or more individuals, they are called collectively "Resident"). Resident has requested that Company make the following modifications to the Residential Unit designated in the Resident Contract.

Description of Modifications

_____

_____

_____

_____

_____

_____

_____

Total Modification Fee: $_____

The Modification Fee is the responsibility of Resident and shall be paid at the time of execution of this Addendum. The Modification Fee is non-refundable. Company, in its sole discretion, may require that all modifications to the Residential Unit be removed upon vacating the Residential Unit and Company reserves the right to charge Resident a fee for restoring the Residential Unit back to its original configuration. Title to all modifications shall vest immediately in Company.

_____ _____

Resident **Resident**

_____

Resident

_____

Representative for
ACTS Retirement-Life Communities, Inc.

ADDENDUM

50% REFUNDABLE PLAN

THIS ADDENDUM, made this _____day of _____, 20____, amends the Resident Contract (the "Contract") dated _____, 20_____ , and any preceding addenda or amendments to the Resident Contract by and between _____ called "Resident" (and where two individuals sign the Contract for Shared Occupancy, they are called collectively "Resident" where the context permits, and individually Co-Resident") and ACTS Retirement-Life Communities, Inc. (called "Company").

BACKGROUND

Contemporaneously with the execution of this Addendum, Resident entered into the Contract with Company; and

The Contract provides for an Entrance Fee which is amortized by Company over a certain period of time; and

Company desires to offer and Resident desires to accept a refundable Entrance Fee option called the "50% Refundable Plan," which allows for a refund of fifty percent (50%) of the Entrance Fee; and

Resident and Company desire to enter into this Addendum to modify the refund and other applicable provisions of the Contract.

NOW THEREFORE, in consideration of the mutual promises contained in this Addendum and intending to be legally bound, Company and Resident agree as follows:

1. **Limited Option Period**

   Resident must elect the 50% Refundable Plan on or before the execution of the Contract. After execution of the Contract, the 50% Refundable Plan shall not be available to Resident.

2. **Payment of Entrance Fee**

   The Resident shall pay to Company an Entrance Fee in the amount of _____ dollars ($_____).

3. **Administrative Fee**

   An Administrative Fee in an amount equal to five percent (5%) of the total Entrance Fee paid will be retained by Company.

4. Designation of 50% Refundable Plan

There shall be a Refundable Component of the Entrance Fee, in an amount equivalent to fifty percent (50%) of the net Entrance Fee (after deducting the Administrative Fee), and an Amortizable Portion of the Entrance Fee in an amount equivalent to fifty percent (50%) of the net Entrance Fee (after deducting the Administrative Fee).

5. Limited Amortization of Entrance Fee

The net Entrance Fee shall be amortized by Company in the amount of two percent (2%) of the net Entrance Fee per month for a period of twenty five (25) months from the date of Occupancy or Date of Availability, whichever is earlier. After the twenty five (25) month period, an amount equivalent to fifty percent (50%) of the net Entrance Fee, shall be retained in full by Company and amortization of the net Entrance Fee shall cease. The Refundable Component of the net Entrance Fee, in the amount of $_____, shall not be amortized.

6. Modification of Refund Provisions

(a) Termination of Contract Prior to or During the Transition Period

The Entrance Fee will be refunded in full if the Contract is terminated prior to or during the Transition Period. Resident will receive a refund of the entire Entrance Fee paid, less those costs specifically incurred by Company at the specific written request of Resident, to the extent those charges were not paid by Resident. The refund shall be made within one hundred twenty (120) days of the effective date of termination of the Contract.

(b) Termination of Contract After Transition Period

In the event of termination of the Contract after the Transition Period, Company will refund to the Resident, Resident's estate, or designated beneficiary the Refundable Component of the Entrance Fee, which constitutes fifty percent (50%) of the net Entrance Fee, plus any remaining balance of the Amortizable Portion of the net Entrance Fee, less any amounts deducted to cover financial assistance pursuant to paragraph 7 below, to cover costs incurred to refurbish, restore or repair the Residential Unit in the event of unreasonable wear and tear, or to cover costs incurred at the specific written request of Resident, or to satisfy unpaid or subsidized charges.

(c) Termination by Death of Resident

In the event of the death of Resident before Occupancy or during the Transition Period, the entire Entrance Fee paid, less those costs specifically incurred by Company at the specific written request of Resident to the extent those charges were not paid by Resident, will be refunded in full to Resident's estate or to Resident's designated beneficiary. If death should occur after the Transition Period, the Refundable Component of the net Entrance Fee shall be refunded to the Resident's estate or Resident's designated beneficiary. Any unamortized balance of the Amortizable Portion of the net Entrance Fee shall be refunded with the Refundable Component. After the twenty five (25) month amortization period, the Amortizable Portion of the net Entrance Fee shall not be refunded and automatically shall be retained by Company upon the death of the Resident. In situations of Shared Occupancy, the amount of the Amortizable Portion of the net Entrance Fee shall be assigned to the surviving Co-Resident in the event of the death of a Co-Resident.

(d) Timing of Refund Payments

(i) Termination Prior to or During the Transition Period. In the event of termination of the Contract prior to or during the Transition Period, the amounts due as a refund will be paid within one hundred twenty (120) days of the effective date of the termination of the Contract.

(ii) Termination After the Transition Period. In the event of termination of the Contract after the Transition Period, amounts due as a refund will be paid within thirty (30) days of the admission of a new resident to the Residential Unit vacated by Resident.

7. Deductions for Financial Assistance

In the event that Company approves financial assistance to Resident in accordance with the financial assistance policy in Section 12 of the Contract, Company, in its sole discretion, may deduct from the Refundable Component of the net Entrance Fee and any unamortized balance of the net Entrance Fee, amounts equivalent to the amount of any financial assistance approved for the Resident. Such deductions shall be made at the time any refund becomes due and payable to the Resident under the Contract. If any portion of the Refundable Component is exhausted by deductions made to reimburse Company for financial assistance approved by Company, there shall be no refund, partial or otherwise, of the net Entrance Fee.

8. Federal Income Tax Disclosure Statement

The Internal Revenue Service ("I.R.S.") may characterize the amount to be refunded to Resident, Resident's estate, or Resident's designated beneficiary as an interest-free loan from Resident to Company, and may attribute to Resident annual receipt of interest income on the amount characterized as a loan, even though Resident did not receive interest payments. Resident should consult with Resident's accountant or attorney to determine whether and to what extent this provision affects Resident.

9. Other Terms and Conditions

All of the other terms and conditions of the Contract, to the extent not inconsistent with this Addendum, shall remain in full force and effect, and shall govern the terms and conditions of the relationship between Resident and Company.

IN WITNESS WHEREOF, ACTS Retirement-Life Communities, Inc. and Resident have duly executed this Addendum as of the date first mentioned above.

Attest: **ACTS Retirement-Life Communities, Inc.**

_____ **By:** _____

_____ _____ **(SEAL)**

Witness: **Resident**

_____ _____ **(SEAL)**

Witness: **Resident**

ADDENDUM

NON-LIFECARE SECOND OCCUPANT

THIS ADDENDUM, made this _____ day of _____, 20____, amends the Resident Contract (called "Resident Contract") dated _____, 20_____, and any preceding addenda or amendments to the Resident Contract by and between _____ (called "Resident") and ACTS Retirement-Life Communities, Inc. (called "Company").

BACKGROUND

Contemporaneously with the execution of this Addendum, Resident entered into the Resident Contract with Company; and

Resident desires to have _____ (called "Non-Lifecare Second Occupant") reside in the Residential Unit designated for Occupancy in Section 3 of the Resident Contract; and

Company desires to grant permission to Resident to allow Non-Lifecare Second Occupant to reside in the Residential Unit; and

Resident and Company desire to enter into this Addendum to modify the Monthly Rate for Occupancy of the Residential Unit and to set forth the terms and conditions under which Company shall grant permission to Resident to allow Non-Lifecare Second Occupant to reside in the Residential Unit.

NOW THEREFORE, in consideration of the mutual promises contained in this Addendum and intending to be legally bound, Company and Resident agree as follows:

1. **Conditions to Admission**

   Resident understands that Non-Lifecare Second Occupant is required to meet all of the conditions of Occupancy of the Residential Unit as set forth in Section 2 of the Resident Contract, with the exception of Subsection 2.3, Medical Qualifications and/or Subsection 2.6, Age Requirements. As a condition to admission, Non-Lifecare Second Occupant will supply satisfactory evidence that he/she has obtained his/her 55th birthday prior to admission.

If, at a time subsequent to the execution of this Addendum, Non-Lifecare Second Occupant meets the conditions of Occupancy of the Residential Unit as set forth in Section 2 of the Resident Contract, then Non-Lifecare Second Occupant may become party to Resident's Resident Contract, at Company's discretion, with the payment of the then current second person Entrance Fee and continuation of the second person Monthly Rate as set forth in Section 3 hereunder. Other than as set forth in the preceding sentence, all terms of this Addendum shall cease and this Addendum shall terminate with Non-Lifecare Second Occupant's decision to become party to Resident's Resident Contract.

2. <u>Services</u>

Resident understands that Non-Lifecare Second Occupant is entitled to all services provided by Company in the Residential Unit as set forth in the Resident Contract.

Resident understands that if the Non-Lifecare Second Occupant fails to meet any of the conditions of Occupancy of the Residential Unit and is in need of a higher level of care in the Assisted Living Residence or Skilled Care Center, it may be available on a per diem basis solely at the discretion of Company. If a higher level of care is required by the Non-Lifecare Second Occupant and is not available at the Retirement Community, Resident understands and agrees that Non-Lifecare Second Occupant is required to vacate the Residential Unit within thirty (30) days.

3. <u>Monthly Rate</u>

Resident agrees to pay to Company the established second person Monthly Rate for Occupancy of the Residential Unit, which is currently _____ ($_____). The second person Monthly Rate is in addition to the Monthly Rate paid by Resident for Single Occupancy of the Residential Unit and may be adjusted, and is payable to Company according to the same terms as set forth in Section 9 of the Resident Contract.

4. Relocation of Resident

(a) Temporary Relocation

If Resident requires temporary relocation to a level of care outside of the Residential Unit as set forth in Subsection 11.3 of the Resident Contract, and Non-Lifecare Second Occupant is unable to reside in Residential Unit without supervision, Resident agrees to arrange and provide the appropriate level of care for Non-Lifecare Second Occupant, but not necessarily within the Retirement Community.

(b) Permanent Relocation

If Resident requires permanent relocation to a level of care outside of the Residential Unit as set forth in Subsection 11.3 of the Resident Contract, and Non-Lifecare Second Occupant is unable to reside in Residential Unit without supervision, Resident agrees that Non-Lifecare Second Occupant is required to vacate the Residential Unit within thirty (30) days of the date of Resident's permanent relocation.

5. Termination of Contract

If the Resident Contract is terminated for any reason pursuant to Section 13 of the Resident Contract, this Addendum shall contemporaneously terminate and Resident understands and agrees that Non-Lifecare Second Occupant will be required to vacate the Residential Unit within thirty (30) days of the termination date.

6. Other Terms and Conditions

All of the other terms and conditions of the Resident Contract, to the extent not inconsistent with this Addendum, shall remain in full force and effect, and shall govern the terms and conditions of the relationship between Resident and Company.

IN WITNESS WHEREOF, Company and Resident have duly executed this Addendum as of the date first mentioned above.

ACTS RETIREMENT-LIFE COMMUNITIES, INC.

By: _____

ACTS Retirement-Life Communities, Inc.
Authorized Representative

_____

Resident

_____

Non-Lifecare Second Occupant

_____

Witness

EXHIBIT D

DESCRIPTION OF ALL FEES REQUIRED

Granite Farms Estates Signature Pricing

Acts offers a variety of affordable financial options to fit your individual goals, preferences, and budget. Each individual residence is priced to reflect the many attributes of that particular residence. Your Life Care Consultant will help you decide on the location and pricing plan that best suits your preferences. Pricing plans include:

Acts Life Care® Premier
The most popular of the Acts financial options, Acts Life Care Premier features an entrance fee and monthly fee that secure your residency at an Acts community. With Acts Life Care, monthly fees will never increase solely as a result of needing a higher level of care. The entrance fee (less an administrative fee) amortizes over a 50-month period with the unamortized balance returned to you or your estate should you no longer reside at the community during that period.

Acts Life Care Asset Preservation
The Asset Preservation Plan is for those who desire the highest level of asset preservation. This plan offers the same benefits of lifestyle and health care security, but has a higher level of asset protection than Acts Life Care Premier. With a lower entrance fee, this plan is designed for those who enjoy a comfortable and predictable income.

Acts Life Care Income Preservation
The Income Preservation Plan is for those who have a strong asset base. With Acts Life Care Income Preservation, your assets fund the entrance fee, while you enjoy higher income protection with more value-driven monthly service fees.

Acts Life Care 50
Acts Life Care 50 offers a refund of 50% of the net entrance fee for those who wish to provide a financial legacy. Under this plan, the entrance fee (less an administrative fee) amortizes over a 25-month period, with the balance being returned to you or your estate when your period of occupancy ends.

Acts Balanced Plan
Acts Balanced Plan is for those who wish to pay a lower entrance fee and assume the risk of higher health care costs should they need it. Though entrance fees are lower, all Balanced Plan residents will pay the same health care rate at the time of needing a higher level of care. This health care rate may be substantially higher than that of the monthly rate offered as part of Acts Life Care Premier pricing plan and other pricing plans.

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Acts Life Care Premier / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Freedom	1 Bedroom	574	$187,900-$206,900	$3,544
Independence	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	804	$271,900-$300,900	$4,128
Independence II	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	959	$321,900-$355,900	$4,128
Spirit II	2 Bedroom	1,172	$418,900-$462,900	$4,463
Spirit	2 Bedroom with Great Room 3 Bedroom 2 Bedroom with Den	1,292	$469,900-$513,900	$4,517
The Preserve				
Franklin	1 Bedroom	907	$284,900-$295,900	$4,152
Franklin II	1 Bedroom	928	$286,900-$289,900	$4,250
Jefferson	1 Bedroom with Den	1,197	$417,900-$434,900	$4,710
Jefferson II	1 Bedroom with Den	1,232	$426,900-$444,900	$4,849
Washington	2 Bedroom with Balcony	1,664	$530,900-$562,900	$6,235
Washington II	2 Bedroom	1,737	$550,900-$561,900	$6,505
William Penn	2 Bedroom with Den	1,778	$532,900-$560,900	$6,658
Second Person Fees *subject to change without notice*			$40,000	$2,267

Monthly Fee

The monthly fee includes:

Utilities/Taxes
Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance
Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service.

Personal Services
One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, annual apartment inspection and cleaning, scheduled local transportation, weekly flat linen laundry service, access to either personal or shared laundry facilities, additional storage.

Acts Life Care Premier Details

- Acts Life Care Premier entrance fees effective November 1, 2025. Monthly fees effective January 1, 2026. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 120 days of occupancy, the entrance fee is 100% refundable for any reason.
- After the 120th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy. At the end of 50 months, the entrance fee is fully amortized and there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.

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Where Loving-Kindness Lives

Acts Life Care Asset Preservation / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Freedom	1 Bedroom	574	$158,900-$175,900	$4,146
Independence	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	804	$230,900-$255,900	$4,830
Independence II	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	959	$273,900-$302,900	$4,830
Spirit II	2 Bedroom	1,172	$356,900-$393,900	$5,222
Spirit	2 Bedroom with Great Room 3 Bedroom 2 Bedroom with Den	1,292	$398,900-$436,900	$5,285
The Preserve				
Franklin	1 Bedroom	907	$241,900-$251,900	$4,858
Franklin II	1 Bedroom	928	$243,900-$246,900	$4,973
Jefferson	1 Bedroom with Den	1,197	$354,900-$369,900	$5,511
Jefferson II	1 Bedroom with Den	1,232	$362,900-$377,900	$5,673
Washington	2 Bedroom with Balcony	1,664	$450,900-$478,900	$7,295
Washington II	2 Bedroom	1,737	$468,900-$477,900	$7,611
William Penn	2 Bedroom with Den	1,778	$452,900-$476,900	$7,790
Second Person Fees			$40,000	$2,267

subject to change without notice

Monthly Fee

The monthly fee includes:

Utilities/Taxes
Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance
Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service.

Personal Services
One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, annual apartment inspection and cleaning, scheduled local transportation, weekly flat linen laundry service, access to either personal or shared laundry facilities, additional storage.

Acts Life Care Asset Preservation Details

- Acts Life Care Asset Preservation entrance fees effective November 1, 2025 and monthly fees effective January 1, 2026. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 120 days of occupancy the entrance fee is 100% refundable for any reason.
- After the 120th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy. At the end of 50 months, the entrance fee is fully amortized and there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.

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Where Loving-Kindness Lives

Acts Life Care Income Preservation / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Freedom	1 Bedroom	574	$224,900-$248,900	$3,225
Independence	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	804	$325,900-$360,900	$3,756
Independence II	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	959	$386,900-$427,900	$3,756
Spirit II	2 Bedroom	1,172	$502,900-$555,900	$4,061
Spirit	2 Bedroom with Great Room 3 Bedroom 2 Bedroom with Den	1,292	$563,900-$616,900	$4,110
The Preserve				
Franklin	1 Bedroom	907	$340,900-$355,900	$3,778
Franklin II	1 Bedroom	928	$344,900-$347,900	$3,868
Jefferson	1 Bedroom with Den	1,197	$500,900-$521,900	$4,286
Jefferson II	1 Bedroom with Den	1,232	$512,900-$533,900	$4,413
Washington	2 Bedroom with Balcony	1,664	$636,900-$675,900	$5,674
Washington II	2 Bedroom	1,737	$661,900-$674,900	$5,920
William Penn	2 Bedroom with Den	1,778	$639,900-$673,900	$6,059
Second Person Fees			$40,000	$2,267

subject to change without notice

Monthly Fee

The monthly fee includes:

Utilities/Taxes
Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance
Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service.

Personal Services
One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, annual apartment inspection and cleaning, scheduled local transportation, weekly flat linen laundry service, access to either personal or shared laundry facilities, additional storage.

Acts Life Care Income Preservation Details

- Acts Life Care Income Preservation entrance fees effective November 1, 2025 and monthly fees effective January 1, 2026. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 120 days of occupancy the entrance fee is 100% refundable for any reason.
- After the 120th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy. At the end of 50 months, the entrance fee is fully amortized and there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.

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Acts Preview to Life Care / Age 55 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	MONTHLY FEE 1 PERSON	MONTHLY FEE 2 PERSONS
Freedom	1 Bedroom	574	$4,244	$6,511
Independence	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	804	$4,828	$7,095
Independence II	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	959	$4,828	$7,095
Spirit II	2 Bedroom	1,172	$5,163	$7,430
Spirit	2 Bedroom with Great Room 3 Bedroom 2 Bedroom with Den	1,292	$5,217	$7,484
The Preserve				
Franklin	1 Bedroom	907	$4,852	$7,119
Franklin II	1 Bedroom	928	$4,950	$7,217
Jefferson	1 Bedroom with Den	1,197	$5,410	$7,677
Jefferson II	1 Bedroom with Den	1,232	$5,549	$7,816
Washington	2 Bedroom with Balcony	1,664	$6,935	$9,202
Washington II	2 Bedroom	1,737	$7,205	$9,472
William Penn	2 Bedroom with Den	1,778	$7,358	$9,625

subject to change without notice

Monthly Fee

The monthly fee includes:

Utilities/Taxes
Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance
Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service.

Personal Services
One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, annual apartment inspection and cleaning, scheduled local transportation, weekly flat linen laundry service, access to either personal or shared laundry facilities, additional storage.

Fees effective January 1, 2026

Services Available on a Fee-for-Service Basis:

- Assisted living services (upon availability)
- Beauty shop
- Home health care
- Housekeeping
- Skilled nursing care (upon availability)

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Acts Life Care 50

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE UP TO AGE 79	ENTRANCE FEE AGE 80–89	MONTHLY FEE
Freedom	1 Bedroom	574	$271,900-$299,900	$297,900-$328,900	$3,898
Independence	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	804	$393,900-$435,900	$431,900-$477,900	$4,541
Independence II	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	959	$466,900-$515,900	$511,900-$565,900	$4,541
Spirit II	2 Bedroom	1,172	$607,900-$671,900	$665,900-$736,900	$4,909
Spirit	2 Bedroom with Great Room 3 Bedroom 2 Bedroom with Den	1,292	$680,900-$744,900	$746,900-$816,900	$4,969
The Preserve					
Franklin	1 Bedroom	907	$411,900-$429,900	$451,900-$470,900	$4,567
Franklin II	1 Bedroom	928	$415,900-$420,900	$456,900-$460,900	$4,675
Jefferson	1 Bedroom with Den	1,197	$604,900-$629,900	$663,900-$690,900	$5,181
Jefferson II	1 Bedroom with Den	1,232	$618,900-$644,900	$678,900-$706,900	$5,334
Washington	2 Bedroom with Balcony	1,664	$769,900-$815,900	$843,900-$894,900	$6,859
Washington II	2 Bedroom	1,737	$798,900-$814,900	$875,900-$893,900	$7,156
William Penn	2 Bedroom with Den	1,778	$772,900-$813,900	$847,900-$891,900	$7,324
Second Person Fees			$40,000	$40,000	$2,494

subject to change without notice

Monthly Fee

The monthly fee includes:

Utilities/Taxes
Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance
Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service.

Personal Services
One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, annual apartment inspection and cleaning, scheduled local transportation, weekly flat linen laundry service, access to either personal or shared laundry facilities, additional storage.

Acts Life Care 50 Details

- Entrance fees effective November 1, 2025. Monthly fees effective January 1, 2026. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 120 days of occupancy the entrance fee is 100% refundable for any reason.
- After the 120th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy up to the first 25 months. The entrance fee will cease amortizing and becomes firm when it reaches 50% of the net entrance fee.
- Specific terms and conditions apply. Please refer to Resident Contract, 50% Refundable Plan addendum, and Disclosure Statement.

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Where Loving-Kindness Lives

Acts Balanced Plan / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Freedom	1 Bedroom	574	$147,900-$162,900	$2,303
Independence	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	804	$211,900-$234,900	$3,302
Independence II	1 Bedroom with Great Room 2 Bedroom 1 Bedroom with Den	959	$249,900-$276,900	$3,302
Spirit II	2 Bedroom	1,172	$357,900-$394,900	$3,793
Spirit	2 Bedroom with Great Room 3 Bedroom 2 Bedroom with Den	1,292	$400,900-$438,900	$3,839
The Preserve				
Franklin	1 Bedroom	907	$222,900-$231,900	$3,322
Franklin II	1 Bedroom	928	$223,900-$225,900	$3,400
Jefferson	1 Bedroom with Den	1,197	$357,900-$372,900	$4,004
Jefferson II	1 Bedroom with Den	1,232	$363,900-$378,900	$4,122
Washington	2 Bedroom with Balcony	1,664	$477,900-$505,900	$5,930
Washington II	2 Bedroom	1,737	$497,900-$507,900	$6,317
William Penn	2 Bedroom with Den	1,778	$479,900-$504,900	$6,556
Second Person Fees			$40,000	$2,267
HC Center Fees				$8,998

subject to change without notice

Under the terms of the Balanced Plan, residents pay a lower entrance fee and current Balanced Plan monthly fee during their time in independent living. If they later require care in OakBridge Terrace or WillowBrooke Court, they will pay the health care center monthly rate (for example the current 2026 rate is $8,998 per month). When the resident transfers to a higher level of care, the health care center rate in effect at that time will apply.

Monthly Fee

The monthly fee includes:

Utilities/Taxes
Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance
Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service.

Personal Services
One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, and annual apartment inspection and cleaning, scheduled local transportation, weekly flat linen laundry service, access to either personal or shared laundry facilities, additional storage.

Acts Balanced Plan Details

Under the terms of the Balanced Plan, residents pay a lower entrance fee and current Balanced Plan monthly fee during their time in independent living. If they later require care in OakBridge Terrace or WillowBrooke Court, they will pay the health care center monthly rate (for example the current 2026 rate is $8,998 per month). When the resident transfers to a higher level of care, the health care center rate in effect at that time will apply.

- Entrance fees are effective November 1, 2025. Monthly fees are effective January 1, 2026. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee, health care center rate or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 120 days of occupancy the entrance fee is 100% refundable for any reason.
- After the 120th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy. At the end of 50 months, the entrance fee is fully amortized and there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.

EXHIBIT E

AUDITED FINANCIAL STATEMENTS

The following pages comprise ACTS Retirement-Life Communities, Inc. and Subsidiaries 2025 audited financial statements.

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

December 31, 2025 and 2024

ACTS Retirement-Life Communities, Inc. and Subsidiaries

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Independent Auditors' Report

To the Board of Directors of
ACTS Retirement-Life Communities, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of ACTS Retirement-Life Communities, Inc. and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as identified in the table contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and changes in net assets (deficit) and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Philadelphia, Pennsylvania
April 29, 2026

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidated Balance Sheets
December 31, 2025 and 2024
(In Thousands)

	2025	2024
Assets		
Cash and cash equivalents	$ 31,509	$ 28,512
Investments	541,443	434,444
Accounts receivable, entrance fee receivables and other receivables, net	28,215	36,962
Prepaid expenses, inventory and deposits	12,888	13,342
Property and equipment, net	2,125,858	2,070,573
Goodwill	117,108	117,108
Deferred costs, net	17,652	16,398
Total assets	$ 2,874,673	$ 2,717,339
Liabilities and Net Assets		
Accounts payable and accrued expenses	$ 89,712	$ 89,790
Resident monthly fees paid in advance	2,919	3,243
Short-term indebtedness	24,003	56,270
Long-term indebtedness	1,099,826	1,015,822
Charitable gift annuity obligations	2,431	2,680
Entrance fee deposits	15,163	8,948
Refundable portion of entrance fees	86,178	105,982
Deferred revenue from entrance fees	1,273,442	1,204,825
Accumulated loss on investment contracts	1,501	1,253
Due to affiliated organizations	35,161	26,794
Total liabilities	2,630,336	2,515,607
Net Assets		
Without donor restrictions	203,338	162,453
With donor restrictions	40,999	39,279
Total net assets	244,337	201,732
Total liabilities and net assets	$ 2,874,673	$ 2,717,339

See notes to consolidated financial statements

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2025 and 2024
(In Thousands)

	2025	2024
Operating Revenue		
Resident services revenues, net of amortization of entrance fees	$ 541,172	$ 502,675
Resident services revenues from third-party payors	63,285	55,453
Investment income	15,825	17,102
Net assets released from restrictions to provide resident services	3,762	3,538
Other revenue	8,724	7,918
Total operating revenue before amortization of entrance fees	632,768	586,686
Amortization of entrance fees	174,731	152,461
Total operating revenue	807,499	739,147
Operating Expenses		
Salaries, wages and benefits	366,526	343,851
Contracted services	99,390	97,482
Utilities	38,492	34,303
Food	31,290	29,693
Supplies	30,624	29,642
Real estate taxes	15,715	14,277
Insurance	12,610	12,181
Other	26,141	25,796
Total operating expenses before depreciation, amortization and interest	620,788	587,225
Depreciation and amortization	116,851	107,113
Interest, net	43,258	39,449
Total operating expenses	780,897	733,787
Operating income	$ 26,602	$ 5,360

See notes to consolidated financial statements

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (Continued)
Years Ended December 31, 2025 and 2024
(In Thousands)

	2025	2024
Changes in Net Assets Without Donor Restrictions		
Operating income	$ 26,602	$ 5,360
Net unrealized gain on investments and investment contracts	15,952	5,066
Loss on early extinguishment of debt	(1,437)	-
Other valuation adjustments	(3,491)	(1,843)
Net gain on nonoperating events	1,683	718
Net operating income	39,309	9,301
Net assets released from restrictions to acquire property and equipment	1,576	1,859
Change in net assets without donor restrictions	40,885	11,160
Changes in Net Assets With Donor Restrictions		
Net assets with donor restrictions acquired from membership affiliation	-	357
Contributions	5,750	4,909
Interest and dividend income	683	1,005
Net unrealized gain on investments	779	312
Change in split interest agreements	108	225
Net assets released from restrictions to:		
Provide resident services	(3,762)	(3,538)
Acquire property and equipment	(1,576)	(1,859)
Change in beneficial interest in the investments of other foundations	(262)	26
Change in net assets with donor restrictions	1,720	1,437
Change in net assets	42,605	12,597
Net Assets, Beginning	201,732	189,135
Net Assets, Ending	$ 244,337	$ 201,732

See notes to consolidated financial statements

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024
(In Thousands)

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 42,605	$ 12,597
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Membership affiliation	-	(357)
Depreciation and amortization	116,851	107,113
Amortization of entrance fees	(174,731)	(152,461)
Other valuation adjustments	3,491	1,843
Amortization of bond discount and premium, net	(4,158)	(3,916)
Amortization of deferred financing costs	800	772
Entrance fees and deposits from nonrefundable resale contracts	283,087	264,017
Refunds of nonrefundable entrance fees and deposits from resale contracts	(23,013)	(20,014)
Administrative fee included in gross entrance fees	(13,609)	(15,577)
Net realized and unrealized gain on investments	(18,263)	(7,262)
Change in fair value of investment contracts	248	(855)
Loss on early extinguishment of debt	177	-
Net gain on nonoperating events	-	(718)
Net change in due from/to affiliated organizations	8,367	(1,111)
Increase in deferred costs	(3,377)	(3,497)
Change in beneficial interest in the investments of other foundations	262	(26)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable and other receivables	4,659	(4,261)
Decrease (increase) in prepaid expenses, inventory and deposits	454	(720)
Decrease in accounts payable and accrued expenses and resident monthly fees paid in advance	(548)	(7,250)
Net cash provided by operating activities	223,302	168,317
Cash Flows From Investing Activities		
Cash, cash equivalents and restricted cash and cash equivalents received in membership affiliation	-	7,404
Purchase of property and equipment	(141,639)	(142,803)
(Increase) decrease in investments	(1,111)	18,202
Net cash used in investing activities	(142,750)	(117,197)
Cash Flows From Financing Activities		
Entrance fees and deposits from initial sale contracts	3,063	37,679
Refunds of entrance fees and deposits from initial sale contracts	(122)	(374)
Entrance fees from refundable contracts	4,855	3,240
Refunds of refundable entrance fees	(25,682)	(18,860)
Payment of accounts payable, construction	(25,570)	(33,583)
Proceeds from short-term indebtedness	20,000	83,985
Proceeds from long-term indebtedness	93,244	-
Increase in deferred financing costs	(1,617)	(13)
Increase in charitable gift annuity obligations	355	448
Payments on charitable gift annuity obligations	(604)	(668)
Payments on short-term indebtedness	(27,267)	(101,139)
Payments on long-term indebtedness	(30,323)	(26,079)
Net cash provided by (used in) financing activities	10,332	(55,364)
Net increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	90,884	(4,244)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	83,731	87,975
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 174,615	$ 83,731
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	$ 46,832	$ 46,500
Supplemental Disclosure of Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment	$ 28,374	$ 25,570
Proceeds from long-term indebtedness used to repay long-term indebtedness	$ 49,293	$ -
Proceeds from long-term indebtedness to repay short-term indebtedness	$ 25,000	$ -

See notes to consolidated financial statements

1. Nature of Operations and Organizational Matters

ACTS Retirement Services, Inc. (ARS) is a not-for-profit Pennsylvania corporation that serves as the parent organization providing the highest level of governance and control over all of its controlled entities. The following is a listing of ARS' controlled entities:

ACTS Management Services, Inc. (AMS) is a not-for-profit Pennsylvania corporation providing management, marketing and development services to senior living providers. AMS is the sole member of ACTS Retirement-Life Communities Management, LLC (ARLCM), Acts Alliance Management, LLC (AAM) and Acts Construction Services, LLC (ACS), Pennsylvania limited liability companies. AMS and ARLCM provide management, marketing and development services to ACTS Retirement-Life Communities, Inc. (ACTS) and the Affiliates (as herein defined).

ACTS, a not-for-profit Pennsylvania corporation that, along with the Affiliates (as herein defined), provides residential, assisted living and skilled care services to senior adults in its 28 continuing care retirement communities (CCRCs), located in Alabama (2), Delaware (3), Florida (6), Georgia (1), Maryland (4), New Jersey (1), North Carolina (2), Pennsylvania (8) and South Carolina (1). ACTS operates 22 CCRCs as divisions within the legal entity of ACTS, and 6 CCRCs within three separate, related legal entities (the Affiliates).

On December 31, 2025, ACTS Signature Community Services, Inc. (ASCS), an entity under common control and a not-for-profit Pennsylvania corporation that provides home and community-based services and primary care services to residents of ACTS CCRCs, merged into ACTS and is now operating as a division of ACTS.

ACTS is the sole member of the following entities:

ACTS Legacy Foundation, Inc. (ALF), a not-for-profit Delaware corporation that provides fundraising, supports all charitable programs and manages the donor restricted funds for ACTS and the Affiliates.

ACTS is also the sole member of ACTS Acquisition and Development Company, LLC (AADC), a Florida limited liability company that engages in acquisition and development related activity on behalf of ACTS and the Affiliates. AADC is the sole corporate member of the following Affiliates:

Acts Communities of Maryland, Inc. (ACMD), a not-for-profit Maryland corporation which operates 4 CCRCs located in Maryland.

Mease Life, Inc. (ML), a not-for-profit Florida corporation which operates a CCRC located in Dunedin, Florida.

Bonita Springs Retirement Village, Inc. d/b/a The Terraces at Bonita Springs (TERR), a not-for-profit Florida corporation which operates a CCRC located in Bonita Springs, Florida.

Acts Community at Heritage Farms, Inc. (ACHF), a not-for-profit Tennessee corporation which was incorporated during 2025 with the intention to develop a CCRC located in Columbia, Tennessee.

Principles of Consolidation

The consolidated financial statements include the accounts for ACTS, ACHF, ALF, AADC, ACMD, ML and TERR (collectively, the Company). All significant intercompany accounts and transactions have been eliminated.

All of the organizations in the Company with the exception of AADC are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (IRC). Further, all of the organizations in the Company with the exception of ACHF and AADC are exempt from federal income taxes on their exempt income under Section 501(a) of the IRC. ACHF has applied for federal tax exemption. AADC, as a single member limited liability company, is considered a "disregarded entity" for federal tax purposes. Because ACTS is exempt from federal income tax under Section 501(a) of the IRC, as a charitable organization described in Section 501(c)(3) of the IRC, and because AADC is a disregarded entity for federal tax purposes, AADC is considered exempt under Section 501(a) of the IRC as a charitable organization described in Section 501(c)(3) of the IRC.

2. Transfer of Membership

Effective November 1, 2024, ACTS became the sole member of TERR and, as such, TERR became an affiliate of ACTS. TERR remained a separate not-for-profit organization. In connection with the affiliation, AMS and ARLCM entered into a Management, Marketing and Development Agreement with TERR. There were no amounts of consideration transferred to execute the affiliation.

The recognized amounts of identifiable assets acquired and liabilities assumed at the date of affiliation were as follows (in thousands):

Cash and cash equivalents	$	1,703
Investments		24,461
Accounts receivable and other receivables		964
Prepaid expenses, inventory and deposits		115
Property and equipment		108,900
Deferred costs		684
Goodwill		7,644
Accounts payable and accrued expense		(9,560)
Long-term indebtedness		(59,494)
Entrance fee deposits		(597)
Refundable portion of entrance fees		(52,935)
Deferred revenue from entrance fees		(21,528)
Net assets with donor restrictions (membership affiliation)		(357)
	$	-

This transaction was accounted for using the acquisition method. The carrying amounts of cash and cash equivalents, accounts receivable and other receivables, prepaid expenses, inventory and deposits, deferred costs and accounts payable and accrued expenses approximated fair value as of the acquisition date due to the short-term nature of these amounts. Investments were recorded at fair value. The fair value of TERR's property and equipment as of the acquisition date was based on an independent third-party appraisal. The deferred revenue from entrance fees assumed as part of the transaction is comprised of contract liabilities for performance obligations outstanding and were recognized in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue From Contracts With Customers (Topic 606)*, as of the acquisition date. The contract liabilities were also recognized at carrying value in accordance with FASB ASU 2021-08, *Business Combinations (Topic 805)*. The refundable portion of entrance fees for TERR is comprised of the refundable component of the entrance fees assumed as part of the transaction. As these liabilities are expected to be refunded, these are not considered contract liabilities as contemplated by FASB ASU 2014-09. As such, the liabilities were recorded at fair value using a risk-free discount rate and estimated remaining life expectancies for each resident, which approximate the time period over which the liabilities are expected to be settled. The fair value of TERR's long-term indebtedness are more fully described in Note 9.

The 2024 consolidated statements of operations and changes in net assets and cash flows include the activities of TERR for the two months ended December 31, 2024.

If the results of operations of TERR were combined with the operations of ACTS had the acquisitions occurred as of January 1, 2024, the Company's results would appear as follows:

Total operating revenue	$	758,114
Change in net assets without donor restrictions		2,609
Change in net assets with donor restrictions		1,416

3. Summary of Significant Accounting Policies

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include working capital accounts invested in highly liquid instruments purchased with an original maturity of three months or less. The restricted cash and cash equivalents included in investments were comprised of debt related reserves and state reserves. The following table provides a reconciliation of cash, cash equivalents and restricted cash and cash equivalents reported within the consolidated balance sheets that sum to the total of the same such amounts reported in the consolidated statements of cash flows.

	2025		2024	
	(In Thousands)			
Cash and cash equivalents	$	31,509	$	28,512
Restricted cash and cash equivalents included in investments		143,106		55,219
Total cash, cash equivalents and restricted cash and cash equivalents	$	174,615	$	83,731

Investments and Investment Risk

Investments with readily determinable fair values are measured at fair value in the consolidated balance sheets. Investment income (including realized and unrealized gains on investments, interest and dividends) is included in net operating income in the consolidated statements of operations and changes in net assets unless the income is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Company's investments are comprised of a variety of financial instruments. The fair values reported in the consolidated balance sheets are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported on the consolidated balance sheets could materially change in the near term.

Investments include assets without restrictions and assets with restrictions. Assets without restrictions represent assets that are available for the general use and purposes of the Company. Assets with restrictions include amounts held in trust to meet debt related requirements, assets that are used to meet statutory reserve requirements and amounts restricted by donors for specific purposes or time periods.

Accounts Receivable and Entrance Fee Receivables

The Company assesses collectability on all resident accounts prior to providing services. An allowance for expected credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management based on factors such as aging of the accounts receivable, and anticipated collection of the consideration. Accounts are written off through credit loss expense when the Company has exhausted all collection efforts and accounts are deemed impaired.

Entrance fee receivables are evaluated for collectability prior to residents being admitted to the communities based on the resident's credit worthiness. The terms and conditions of each entrance fee receivable are determined when a resident agreement is executed.

Accounts receivable, entrance fee receivables and other receivables, net were $32,468,000 at December 31, 2023.

Property and Equipment

Property and equipment are stated at cost. Donated assets are recorded at their fair value at the date of donation. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land improvements	10 to 25 years
Building and improvements	8 to 55 years
Furniture, fixtures and equipment	3 to 10 years

When assets are sold or retired, the asset values and related accumulated depreciation are eliminated from the accounts and any gain or loss is included in the consolidated statements of operations and changes in net assets. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments are capitalized.

Gifts of long-lived assets such as land, buildings or equipment are reported as other revenue unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Depreciation expense was $114,728,000 in 2025 and $105,385,000 in 2024.

Interest is capitalized for assets that require a period of time to be constructed or to prepare them for their intended use. The amount of interest capitalized was $6,305,000 in 2025 and $5,496,000 in 2024.

Goodwill

In connection with the recording of the assets and liabilities of Heron Point of Chestertown, Inc. (HP) in 2010, Presbyterian Retirement Corporation, Inc. (PRC) in 2017, ACMD in 2019 and TERR in 2024, the fair value of the assets was less than the fair value of the liabilities. As a result, goodwill of $117,108,000 was recorded in connection with these transactions and allocated to each reporting unit.

HP merged into ACMD in 2022. As a result of this change in reporting structure, the goodwill previously assigned to HP's separate reporting unit of $22,551,000 was assigned to ACMD. PRC merged into ACTS in 2023. As a result of this change in reporting structure, the goodwill previously assigned to PRC's separate reporting unit of $4,926,000 was assigned to ACTS.

Goodwill is not amortized; instead, the Company evaluates goodwill for impairment on an annual basis or more frequently if indicators of impairment exist. In 2025 and 2024, the Company assessed qualitative factors (events and circumstances) to determine whether it was more likely than not (that is, a likelihood of more than 50%) that the fair value of ACMD, TERR, and PRC's separate reporting unit, which is now a division of ACTS, was less than its carrying amount, including goodwill. Based on the assessment of qualitative factors, the Company concluded that it was more likely than not that the fair value of ACMD, TERR and PRC's separate reporting unit, which is now a division of ACTS, exceeded its carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary.

As such, no impairment losses were recorded in 2025 and 2024.

Deferred Costs

Deferred costs include incremental costs of obtaining resident agreements that would not have been incurred if the resident agreements were not obtained and are recorded at cost. Deferred costs are amortized over the estimated life expectancy of the residents using the straight-line method, which approximates the period of time that services are expected to be transferred to residents. Amortization of deferred costs was $2,123,000 in 2025 and $1,728,000 in 2024.

Deferred Financing Costs

Deferred financing costs are amortized straight-line over the terms of the related debt, which approximates using the effective interest method and are classified net with the related debt. Amortization expense, which is included as a component of interest expense, was $800,000 in 2025 and $772,000 in 2024.

Derivative Financial Instruments

The Company uses interest rate swap agreements which are considered derivative financial instruments, to manage its interest rate risk on its long-term debt. The interest rate swap agreements are reported at fair value in the consolidated balance sheets and related changes in fair value are reported on the consolidated statements of operations and changes in net assets as a component of net unrealized gain on investments and investment contracts.

Entrance Fees

Under a continuing care contract (resident agreement) for a residential living unit, the Company receives entrance fee payments in advance. The Company offers both nonrefundable and refundable resident agreements. As of December 31, 2025 and 2024, the majority of the Company's resident agreements are nonrefundable.

Under the majority of nonrefundable resident agreements, residents who terminate their contracts will generally be entitled to a full refund less an administrative fee of up to 5%, and less 1% to 2% (based on the resident agreement) of the remaining entrance fee per each month of residency. Under refundable resident agreements, the entrance fee is reduced to no less than the guaranteed refund, as specified in the resident agreement, and refunds to residents are generally paid by the Company after a new resident occupies the residential living unit vacated by the former resident.

The nonrefundable portion of entrance fees is amortized to revenue over the actuarially computed life expectancy of the residents using the straight-line method, which approximates the period of time that services under the resident agreements are expected to be transferred to residents and the Company's performance obligation to the residents is satisfied and is classified as deferred revenue from entrance fees on the consolidated balance sheets. Amortization of nonrefundable entrance fees was $174,731,000 in 2025 and $152,461,000 in 2024. The Company updates its life expectancies approximately every five years. As a result, amortization of entrance fees increased by approximately $7,154,000 in 2025.

The guaranteed refundable portion of entrance fees is classified as refundable portion of entrance fees on the consolidated balance sheets and is not amortized to revenue.

The gross contractual refund obligations under existing resident agreements were approximately $651,808,000 and $659,163,000 at December 31, 2025 and 2024, respectively.

Under the majority of existing resident agreements, residential living residents are entitled to assisted living or skilled care services, as needed, with no increases in the current monthly service fees as a result of transferring to a higher level of care.

Obligation to Provide Future Services

The Company engages an independent actuary once every three years to calculate the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. Based upon the last calculation performed (as of December 31, 2025 for TERR and December 31, 2023 for all others), the present value of the net cost of future services and the use of facilities, based on a discount rate of 5%, did not exceed the balance of deferred revenue from entrance fees. Based upon this calculation, and the analysis of management, no liability for the obligation to provide future services has been recorded at December 31, 2025 and 2024.

Charitable Gift Annuity Obligations

The Company entered into arrangements with certain donors whereby the donor contributes assets to the Company and, in return, is entitled to receive a series of annuity payments. Under the terms of the arrangements, the estimated liability is to be held in a segregated fund or account until the death of the donor. Upon receipt, the contribution is recorded as a restricted asset, and the present value of the future annuity payments is recorded as a liability. The difference between the asset and the liability is reported as a contribution with donor restriction or directly to other revenue on the consolidated statements of operations and changes in net assets if the gift is designated for a purpose without donor restriction.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors is accounted for in net assets without donor restriction.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Resident Services Revenues

Resident services revenues are reported at the amount that reflects the consideration the Company expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Resident services revenues are recognized as performance obligations are satisfied.

Payment terms and conditions for the Company's resident agreements vary by contract type and payor source, although terms generally include payment to be made within 30 days. Resident services revenues for recurring and routine monthly services due from private pay residents are generally billed monthly in advance. Resident services revenues for ancillary services due from private pay residents are generally billed monthly in arrears. Resident services revenues due from Medicare, Medicaid and other third-party payor programs are billed monthly in arrears.

Resident services revenues are primarily comprised of skilled care, assisted living and residential living revenue streams, which are primarily derived from providing nursing, assisted living and housing services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Company has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, the Company considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled care, assisted living and residential living revenues are recognized on a daily or month-to-month basis as services are rendered.

The Company receives revenue for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Company estimates the transaction price based on the terms of the contract, correspondence with the third-party payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

Contract Balances

Contract assets represent the Company's right to consideration in exchange for goods or services that the Company has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The Company had no contract assets as of December 31, 2025, 2024 and 2023. Contract liabilities represent the Company's obligation to transfer goods or services to a resident for which the Company has received consideration (or the amount is due) from the resident. The Company's beginning and ending contract liabilities are separately presented on the balance sheets as of December 31, 2025 and 2024 as deferred revenue from entrance fees. Deferred revenue from entrance fees were $1,065,513,000 as of December 31, 2023.

Income Taxes

ACTS, ACHF, ALF, ACMD, ML and TERR are not-for-profit corporations. Each is exempt from federal income taxes on exempt income under Section 501(a) of the IRC and other income taxes under similar statutes (except ACHF which has applied for federal income tax exemption). Accordingly, no provision for income taxes has been recorded in the consolidated financial statements.

Measure of Operations and Performance Indicator

The consolidated statements of operations and changes in net assets include the determination of operating income and net operating income (the performance indicator). Operating income includes only those operating revenues and expenses that are an integral part of the Company's program activities and net assets released from donor restrictions to provide resident services. Net operating income includes all operating activities, as well as net unrealized gain on investments and investment contracts, loss on early extinguishment of debt, other valuation adjustments, and net gain on nonoperating events.

Changes in net assets without donor restrictions which are excluded from the determination of the performance indicator, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets, if any).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company evaluated subsequent events for recognition or disclosure through April 29, 2026, the date the consolidated financial statements were issued.

4. Liquidity and Availability of Resources

As of December 31, the Company has financial assets available for general expenditure within one year of the date of the consolidated balance sheets, consisting of the following:

	2025	2024
	(In Thousands)	
Cash and cash equivalents	$ 31,509	$ 28,512
Accounts receivable, entrance fee receivables and other receivables, net	28,215	36,962
Investments without donor restrictions	306,134	280,206
Total	$ 365,858	$ 345,680

The Company has other assets restricted as to use: state reserves, interest in investments of the Community Foundation of Southern Alabama (CFSA) and SantaFe Senior Living Foundation (SFSLF) (collectively, the other foundations), donor-restricted funds and debt related reserves. These amounts have been excluded from the amounts above. During 2025, the interest in investments of SFSLF was transferred to ALF.

As part of the Company's liquidity management, cash in excess of daily requirements is invested in short-term investments and money market funds. The Company may designate a portion of any operating surplus to a general reserve. This fund may be drawn upon to meet unexpected liquidity needs.

Donor-restricted funds of $33,147,000 and $31,676,000 at December 31, 2025 and 2024, respectively, can be made available based on the passage of time or other events specified by the donor. The Company has certain investments without donor restrictions that have been internally designated for long-term purposes of $3,845,000 and $3,652,000 at December 31, 2025 and 2024, respectively, which have been excluded from the amounts above.

Additionally, the Company maintains lines of credit, as discussed in more detail in Note 8.

5. Investments, Fair Value Measurements and Financial Instruments

Investments

The classification of the Company's investments as of December 31 is set forth in the following table:

	2025	2024
	(In Thousands)	
Investments without donor restrictions	$ 309,979	$ 283,858
State reserves	69,528	66,762
Interest in investments of CFSA & SFSLF	275	537
Donor-restricted funds	43,155	41,422
Debt related reserves	102,417	23,933
Debt service reserve funds	11,371	13,214
Real estate held for investment at cost	4,718	4,718
Total	$ 541,443	$ 434,444

Investment return is as follows:

	2025	2024
	(In Thousands)	
Without donor restrictions:		
Interest and dividend income	$ 14,541	$ 14,363
Net realized gain on investments	1,284	2,739
Total investment income	15,825	17,102
Net unrealized gain on investments	16,200	4,211
With donor restrictions:		
Interest and dividend income	683	1,005
Net unrealized gain on investments	779	312
Total investment return	$ 33,487	$ 22,630

Fair Value Measurements

The Company measures its investments and derivative financial instruments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America.

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in markets that are not active for identical or similar assets or liabilities and other observable inputs.

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

The fair value of the Company's investments and derivative financial instruments were measured using the following inputs at December 31:

	2025			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	(In Thousands)			
Assets:				
Instruments measured and reported at fair value:				
Investments:				
Money market funds	$ 159,554	$ 159,554	$ -	$ -
U.S. government securities	104,141	-	104,141	-
Mutual and exchange traded funds, fixed income	100,361	100,361	-	-
Corporate debt securities	70,651	-	70,651	-
Equities	40,838	40,838	-	-
Mutual and exchange traded funds, equity	39,039	39,039	-	-
Municipal bonds	5,034	-	5,034	-
Guaranteed investment contracts	5,018	-	-	5,018
Other	2,433	-	2,433	-
Beneficial interest in perpetual trusts	1,218	-	-	1,218
Time deposits	529	529	-	-
Beneficial interest in the investments of CFSA	275	-	275	-
Total	$ 529,091	$ 340,321	$ 182,534	$ 6,236
Reconciliation of investments to the consolidated balance sheet:				
Cash and cash equivalents	$ 7,634			
Real estate held for investment at cost	4,718			
Investments measured at fair value	529,091			
Total investments	$ 541,443			
Liabilities:				
Accumulated loss on investment contracts	$ 1,501	$ -	$ 1,501	$ -

	2024			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	(In Thousands)			
Assets:				
Instruments measured and reported at fair value:				
Investments:				
Money market funds	$ 79,893	$ 79,893	$ -	$ -
U.S. government securities	95,524	-	95,524	-
Mutual and exchange traded funds, fixed income	87,635	87,635	-	-
Corporate debt securities	74,833	-	74,833	-
Equities	38,934	38,934	-	-
Mutual and exchange traded funds, equity	35,577	35,577	-	-
Municipal bonds	4,700	-	4,700	-
Guaranteed investment contracts	5,003	-	-	5,003
Other	3,817	-	3,817	-
Beneficial interest in perpetual trusts	1,109	-	-	1,109
Time deposits	676	676	-	-
Beneficial interest in the investments of CFSA & SFSLF	537	-	537	-
Total	$ 428,238	$ 242,715	$ 179,411	$ 6,112
Reconciliation of investments to the consolidated balance sheet:				
Cash and cash equivalents	$ 1,488			
Real estate held for investment at cost	4,718			
Investments measured at fair value	428,238			
Total investments	$ 434,444			
Liabilities:				
Accumulated loss on investment contracts	$ 1,253	$ -	$ 1,253	$ -

The Company's guaranteed investment contracts increased $15,000 and $12,000 in 2025 and 2024, respectively, due to net deposits and withdrawals and the dissolution of certain debt service reserve funds.

Financial Instruments

Money market funds, mutual and exchange traded funds, time deposits and equities are valued based on quoted market prices in active markets, which are considered Level 1 inputs. U.S. government securities, corporate debt securities, other investments and municipal bonds are generally valued using quoted market prices of similar securities, which are considered Level 2 inputs. The Company has a beneficial interest in the investments of CFSA and SFSLF. Since CFSA and SFSLF generally invest the Company's funds in U.S. government securities, corporate debt securities, other investments and municipal bonds, the fair value of the beneficial interest in the investments of CFSA and SFSLF was deemed to be determined using Level 2 inputs.

The guaranteed investment contracts are reported at contract value, which approximates fair value, based on the ability of the counterparties to pay the guaranteed claims in accordance with the terms of the contracts. The credit ratings of the counterparties as of the measurement date uphold the guaranteed investment contracts ability to meet obligations set forth in the contracts. Contract value is the aggregation of contributions, plus interest, less withdrawals. Contract value approximates a discounted cash flow value calculated using an appropriate risk-adjusted market discount rate which correlates closely with the counterparties historical credit rates. The guaranteed investment contracts have redemption restrictions based on the terms of the underlying contracts. The redemption restrictions do not have a material impact on the contract value of the guaranteed investment contracts.

The Company measures its accumulated loss on investment contracts at fair value based on proprietary models of an independent third-party valuation specialist. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instruments and considers the credit risk of the counterparty to the agreements and the Company. The method used to determine the fair value calculates the estimated future payments required by the derivative financial instruments and discounts these payments using an appropriate discount rate. The value represents the estimated exit price the Company would pay to terminate the agreements.

6. Accounts Receivable, Entrance Fee Receivables and Other Receivables

Accounts receivable, entrance fee receivables and other receivables are comprised of the following at December 31:

	2025	2024
	(In Thousands)	
Resident monthly fees	$ 5,807	$ 5,699
Resident entrance fees	4,892	8,980
Third-party accounts	10,917	20,680
Other	8,974	7,438
Total receivables	30,590	42,797
Allowance for credit losses	(2,375)	(5,835)
Accounts receivable, entrance fee receivables and other receivables, net	$ 28,215	$ 36,962

7. Property and Equipment

Property and equipment is comprised of the following at December 31:

	2025	2024
	(In Thousands)	
Land and improvements	$ 159,569	$ 157,696
Building and improvements	2,958,145	2,861,411
Furniture, fixtures and equipment	235,899	223,918
Construction in progress	112,682	86,665
Total property and equipment	3,466,295	3,329,690
Accumulated depreciation	(1,340,437)	(1,259,117)
Property and equipment, net	$ 2,125,858	$ 2,070,573

8. Short-Term Indebtedness

ACTS has an available $85,000,000 revolving line of credit with a financial institution. Interest on amounts outstanding on the line of credit was 5.08% at December 31, 2025. Interest is calculated monthly based on changes to the SOFR, as defined. Borrowings were $24,003,000 and $37,302,000 at December 31, 2025 and 2024, respectively. The line of credit is set to expire in October 2027.

ACTS also has an available $90,000,000 revolving line of credit with another financial institution. Interest on amounts outstanding on the line of credit was 5.10% at December 31, 2025. Interest is calculated monthly based on changes to the SOFR, as defined. There were no borrowings at December 31, 2025 and borrowings were $18,968,000 at December 31, 2024, respectively. The line of credit is set to expire in June 2027.

ACTS' obligations under the line of credit agreements are secured under the terms of a Master Trust Indenture dated December 1, 1996, as supplemented, on a parity basis by a pledge of gross revenues (as defined), a covenant not to create or allow to exist upon its property any lien except for permitted liens and a promise to deliver mortgages and/or deeds of trust granting liens upon and security interest in its facilities to the Master Trustee if certain events occur, as defined.

9. Long-Term Indebtedness

The Company's long-term indebtedness has been issued under three separate structures.

ACTS Obligated Group (ACTS OG)

ACTS OG's long-term indebtedness has been issued under a Master Trust Indenture, dated December 1, 1996, as supplemented, which secures the obligations of ACTS OG and includes a pledge of gross revenues (as defined), a covenant not to create or allow to exist upon its property any lien except for permitted liens and a promise to deliver mortgages and/or deeds of trust granting liens upon and security interest in its facilities to the Master Trustee if certain events occur, as defined. ACTS OG is required to maintain certain reserves with a trustee. Such reserves are included in investments. ACTS OG is also required to meet certain financial covenants. ACTS OG includes ACTS, AMS, ARLCM, AAM and ML (ML was admitted to the Obligated Group during 2025) under the terms of the Master Trust Indenture.

ACMD Obligated Group (ACMD OG)

ACMD OG's long-term indebtedness has been issued under a Master Trust Indenture, dated February 1, 2020, as supplemented, which secures the obligations of ACMD OG and includes a lien on the underlying property and assignment of pledged revenues, as defined. ACMD OG is also required to meet certain financial covenants. ACMD is the only member of the ACMD OG.

TERR

TERR's long-term indebtedness has been issued under a Master Trust Indenture, dated January 1, 2022, which secures the obligations of TERR and includes a lien on the underlying property and assignment of pledged revenues, as defined. TERR is also required to meet certain financial covenants beginning December 31, 2027.

The Company's long-term indebtedness consists of the following at December 31:

	2025	2024
	(In Thousands)	
ACTS OG		
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2025A. The interest rate is 5% and principal matures in varying amounts from 2037 through 2055.	$ 100,170	$ -
Palm Beach County Health Facilities Authority (FL) Retirement Communities Revenue Bonds Series 2025B. The interest rate is 5% and principal matures in varying amounts from 2037 through 2055.	62,930	-
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2023A. The interest rate is 5.25% and principal matures in varying amounts from 2051 through 2053.	10,315	10,315
Delaware Economic Development Authority Retirement Communities Revenue Bonds Series 2023B. The interest rates range from 5% to 5.25% and principal matures in varying amounts from 2037 through 2053.	58,215	58,215
Taxable Term Loan dated December 15, 2023. The interest rate is 6.23% and resets in December 2026. Principal is anticipated to mature in varying amounts through March 2043. However, the Company must request an extension of the maturity date (December 2026) to formally extend the loan. The maturity date will be considered extended only if the bank provides written notice of the extension.	25,908	26,868
Public Finance Authority Retirement Communities Revenue Bonds Series 2020A. The interest rates range from 4% to 5% and principal matures in varying amounts from 2037 through 2041.	48,460	48,460
Palm Beach County Health Facilities Authority (FL) Retirement Communities Revenue Bonds Series 2020B. The interest rates range from 4% to 5% and principal of $9,480,000 and $9,880,000 matures in 2041 and 2042, respectively.	19,360	19,360
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2020C. The interest rates range from 4% to 5% and principal matures in varying amounts from 2042 through 2045.	47,290	47,290
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2020D (Taxable). The interest rates range from 2.6% to 3.2% and principal matures in varying amounts through 2029.	47,460	61,905
Public Finance Authority Retirement Communities Revenue Bonds Series 2019A. The interest rate is 5% and principal matures in varying amounts through 2049.	23,635	23,710

	2025	2024
	(In Thousands)	
Public Finance Authority Retirement Communities Revenue Bond Series 2019B. The interest rate is 2.69% and principal matures in varying amounts through 2039.	$ 18,560	$ 19,635
Special Care Facilities Financing Authority of the City of Daphne Retirement Communities Revenue Bond Series 2019A (Taxable). The interest rate is 4.35% and principal matures in varying amounts through 2043.	15,272	15,853
Public Finance Authority Retirement Communities Revenue Bond Series 2019B. The interest rate is 3.52% and principal matures in varying amounts from 2043 through 2046.	5,100	5,100
Palm Beach County Health Facilities Authority (FL) Retirement Communities Revenue Bonds Series 2018A. The interest rate is 5% and principal matures in varying amounts from 2042 through 2045.	46,815	46,815
Delaware Economic Development Authority Retirement Communities Revenue Bonds Series 2018B. The interest rate is 5% and principal of $17,325,000 and $18,450,000 matures in 2047 and 2048, respectively.	35,775	35,775
South Carolina Jobs-Economic Development Authority Retirement Communities Revenue Bonds Series 2018C. The interest rate is 5% and principal matures in varying amounts from 2045 through 2047.	21,540	21,540
Public Finance Authority Retirement Communities Revenue Bonds Series 2018D. The interest rate is 4.3% and resets in June 2032. Principal matures in varying amounts from 2037 through 2040.	32,065	32,065
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2016. The interest rate is 5% and principal matures in varying amounts from 2033 through 2036.	97,165	97,165
Palm Beach County Health Facilities Authority (FL) Retirement Communities Revenue Bonds Series 2016. The interest rates range from 3% to 5% and principal matures in varying amounts through 2032.	77,965	78,035
Gainesville and Hall County Development Authority (GA) Retirement Community Revenue Refunding Bonds Series 2016. The interest rates range from 4% to 5% and principal of $435,000 and $6,755,000 matures in 2032 and 2033, respectively.	7,190	7,190
Delaware Economic Development Authority Variable Rate Demand Revenue Bonds Series 2007A. The interest rate is fixed at 4.75% and resets in December 2026. Principal matures in varying amounts through 2037.	36,955	39,370

	2025	2024
	(In Thousands)	
Gainesville and Hall County Development Authority (GA) Senior Living Facility Variable Rate Demand Revenue Bonds Series 2003B. The interest rate was 3.06% at December 31, 2025 and principal matures in varying amounts through 2033. Security is provided through a bond insurance commitment enhanced by a standby bond purchase agreement.	$ 20,940	$ 22,345
Escambia County Health Facilities Authority (FL) Healthcare Facilities Variable Rate Revenue Refunding Bonds Series 2003B. The interest rate was 3.06% at December 31, 2025 and principal matures in varying amounts through 2029. Security is provided through a bond insurance commitment enhanced by a standby bond purchase agreement.	8,650	10,620
Montgomery County Industrial Development Authority (PA) Retirement Community Variable Rate Demand Revenue Bonds Series 2002. The interest rate was 3.06% at December 31, 2025 and principal matures in varying amounts through 2029. Security is provided through a bond insurance commitment enhanced by a standby bond purchase agreement.	5,185	6,045
Pinellas County Health Facilities Authority Health Care Facilities Refunding and Revenue Bonds Series 2021, refinanced in 2025.	-	21,005
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2018E, refinanced in 2025.	-	31,615
Total ACTS OG	872,920	786,296
ACMD OG		
The Town of Chestertown Economic Development Refunding Revenue Bond Series 2018B. The interest rate is 3.7% and principal matures in varying amounts through 2038.	18,325	19,400
Maryland Health and Higher Educational Facilities Authority Revenue Bonds Integrace Issue Series 2020A. The interest rate is 5% and principal matures in varying amounts from 2028 through 2049.	87,110	87,110
Maryland Health and Higher Educational Facilities Authority Taxable Revenue Bonds Integrace Issue Series 2020B. The interest rate is 3.3% and principal matures in varying amounts through 2027.	4,330	6,395
Total ACMD OG	109,765	112,905
TERR		
Alachua County Health Facilities Authority Health Care Facilities Refunding Revenue Bonds Series 2022A. The interest rate is 5% and principal matures in varying amounts from 2033 through 2061.	83,600	83,600
Total	1,066,285	982,801
Bond premiums and discounts, net	65,557	65,278
Fair value adjustment, TERR	(23,078)	(23,959)
Unamortized deferred financing costs	(8,938)	(8,298)
Total long-term indebtedness	$ 1,099,826	$ 1,015,822

Variable rates are determined based on prevailing market rates and general financial conditions. The variable interest rates above include letter of credit and remarketing fees. The letter of credit fees are subject to change if the rating for ACTS OG changes in the future. Certain debt provisions require the maintenance of the standby bond purchase agreements. Any standby bond purchase agreement used as security, if executed, has a four-year repayment term.

During 2025, ACTS OG completed financing transactions through the issuance of two series of revenue bonds to provide for overall debt service savings, while also establishing a project fund for certain capital projects in the Pennsylvania and Florida CCRCs. The bond proceeds were primarily used to refinance $31,615,000 Montgomery County Industrial Development Authority (PA), Retirement Communities Revenue Bonds, Series 2018E; refinance $21,005,000 Pinellas County Health Facilities Authority Health Care Facilities, Refunding and Revenue Bonds, Series 2021 (the Series 2021 Bonds); refinance $25,000,000 of the outstanding borrowings on the lines of credit described in Note 8 on a long-term basis; and provide a source of funds for $90,000,000 in project funds. In conjunction with this transaction, the Company recorded a loss on early extinguishment of debt that is included in the 2025 consolidated statements of operations and changes in net assets. The loss was $1,437,000 and consisted of $177,000 in unamortized deferred financing costs and a $1,260,000 redemption premium for the Series 2021 Bonds.

Scheduled principal repayments on long-term indebtedness outstanding as of December 31, 2025 are as follows (in thousands):

Years ending December 31:	
2026	$ 27,946
2027	28,961
2028	30,006
2029	34,100
2030	30,882
2031 - 2035	191,178
2036 - 2040	205,451
2041 - 2045	243,700
2046 - 2050	160,941
2051 - 2055	81,180
2056 - 2060	21,550
2061	10,390
Total	$ 1,066,285

10. Derivative Instruments and Hedging Activities

ACTS OG has interest rate swap agreements with financial institutions that are considered derivative financial instruments. The objective of the swap agreements is to minimize the risks associated with financing activities by reducing the impact of changes in the interest rates on variable rate debt. The swap agreements are contracts to exchange variable rate for fixed rate payments over the terms of the swap agreements without the exchange of the underlying notional amount. The notional amount of the swap agreements is used to measure the interest to be paid or received and does not represent the amount of exposure to credit loss. Exposure to credit loss is limited to the receivable amount, if any, which may be generated as a result of the swap agreements. Management believes that losses related to credit risk are remote and that the swap agreements are continuing to function as intended.

The net cash paid or received under the swap agreements is recognized as an adjustment to interest expense. ACTS OG does not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes.

Changes in fair value of the interest rate swap agreements are recorded as a component of net unrealized gain on investments and investment contracts. The change in fair value was $(248,000) in 2025 and $855,000 in 2024.

At December 31, 2025, the Company had the following interest rate swaps in effect:

Debt Series	Notional Amount	Maturity Date	Effective Interest Rate	Accumulated Unrealized Loss
Series 2002 (PA)	$ 5,185,000	2029	3.64 %	$ 179,000
Series 2003B (GA)	20,940,000	2033	3.54	1,124,000
Series 2003B (FL)	8,650,000	2029	3.35	198,000

The fair value of ACTS OG's interest rate swap agreements was $(1,501,000) and $(1,253,000) at December 31, 2025 and 2024, respectively, and was obtained from an independent third-party valuation specialist.

11. Net Assets

Net assets with donor restrictions are available for the following purposes at December 31:

	2025	2024
	(In Thousands)	
Financial assistance to residents	$ 15,488	$ 15,245
Purchase of property and equipment	4,885	4,774
Resident services	626	648
Other	9,717	8,329
Restricted in perpetuity	10,283	10,283
Total net assets with donor restrictions	$ 40,999	$ 39,279

The income distributions from net assets held in perpetuity are available to fund financial assistance to residents and other donor restricted purposes.

Net assets were released from donor restrictions by incurring costs satisfying the restricted purpose or by occurrence of other events specified by donors.

12. Resident Services Revenues

The Company disaggregates revenue from contracts with residents by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Resident services revenues consist of the following for the years ended December 31:

	2025			
	Residential Living	Assisted Living	Skilled Care	Total
	(In Thousands)			
Private pay	$ 406,585	$ 71,034	$ 63,553	$ 541,172
Medicare and other	3,172	19	52,505	55,696
Medicaid	-	-	7,589	7,589
Total resident services revenues	$ 409,757	$ 71,053	$ 123,647	$ 604,457
Amortization of nonrefundable entrance fees				$ 174,731

	2024			
	Residential Living	Assisted Living	Skilled Care	Total
	(In Thousands)			
Private pay	$ 378,705	$ 63,547	$ 60,423	$ 502,675
Medicare and other	3,606	3	43,457	47,066
Medicaid	-	-	8,387	8,387
Total resident services revenues	$ 382,311	$ 63,550	$ 112,267	$ 558,128
Amortization of nonrefundable entrance fees				$ 152,461

13. Retirement Plans

The Company participates in a 401(k) Plan (the ACTS 401(k) Plan) covering substantially all full-time employees. The ACTS 401(k) Plan allows for qualified employees to voluntarily contribute up to the Internal Revenue Service maximum. In accordance with the terms of the ACTS 401(k) Plan, the Company matches up to 100% of the first 3% of the employee's contribution, plus an additional 50% of the next 2% of the employee's contribution. Plan expense was $6,350,000 in 2025 and $5,952,000 in 2024.

14. Concentrations of Credit Risk

The Company grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements, primarily related to providing residential and healthcare related services.

The Company maintains cash accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses resulting from this, and management believes it is not subject to any significant credit risk related to cash accounts.

15. Commitments and Contingencies

Senior Living Services Industry

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance.

Construction Agreements

The Company entered into construction agreements for certain development and renovation activities at various communities. Commitments were approximately $25,810,000 as of December 31, 2025.

Litigation

The Company operates in an industry where various suits and claims arise in the normal course of business. The Company maintains general and professional liability coverage on a claims-made basis through a commercial insurance carrier. Management is not currently aware of any claims that have been or will be asserted that will, after consideration of applicable insurance coverages, have a material adverse effect on the consolidated financial statements.

16. Related-Party Transactions

ARLCM and AMS (collectively, Manager) entered into a Management, Marketing and Development Agreements (the Agreement) with ACTS, ACMD, ML and TERR, which are automatically renewable for one year on each anniversary date. Management fees are equal to 3% to 4.5% of gross revenues, plus any out-of-pocket expenses. Marketing fees are equal to 3% to 4.5% of gross entrance fee proceeds, plus any out-of-pocket expenses. Development fees are equal to 4% of project costs for qualified capital projects. Manager is also reimbursed for the costs related to certain key employees. Manager has a management agreement with ALF, which is automatically renewable for one year on each anniversary date. Management fees are equal to 5% of gross program receipts (excluding investment income), plus any out-of-pocket expenses. Total fees incurred under the Agreements were $61,262,000 in 2025 and $57,758,000 in 2024. Amounts payable in connection with the Agreements are included in the consolidated balance sheets as due to affiliated organizations. These balances are generally intended to be settled in the normal course of business.

The Company participates with ARLCM in self-insured workers compensation and health insurance programs. In accordance with the terms of the Agreements, the Company pays ARLCM a fixed premium for its participation in these programs, which is adjusted from time to time. Premiums paid in connection with these programs were $40,737,000 in 2025 and $32,953,000 in 2024.

At December 31, 2025 and 2024, the Company had net balances due to ARLCM and AAM of $35,161,000 and $26,794,000, respectively. These amounts are included in the consolidated balance sheets as due to affiliated organizations and are intended to be settled currently in the normal course of business.

17. Functional Expenses

The Company provides housing, healthcare and other related services to residents within its geographic locations. The consolidated financial statements report certain expense categories that are attributable to more than one program service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization and other occupancy costs, are allocated to a function based on usage of space. Expenses relating to providing these services are approximately as follows for 2025 and 2024:

	2025		
	Program Services	General and Administrative	Total
		(In Thousands)	
Salaries, wages and benefits	$ 347,841	$ 18,685	$ 366,526
Contracted services	84,272	15,118	99,390
Utilities	38,492	-	38,492
Food	30,247	1,043	31,290
Supplies	21,426	9,198	30,624
Real estate taxes	15,609	106	15,715
Insurance	12,302	308	12,610
Other	13,001	13,140	26,141
Depreciation and amortization	107,542	9,309	116,851
Interest, net	43,258	-	43,258
Total	$ 713,990	$ 66,907	$ 780,897

	2024		
	Program Services	General and Administrative	Total
		(In Thousands)	
Salaries, wages and benefits	$ 327,682	$ 16,169	$ 343,851
Contracted services	84,040	13,442	97,482
Utilities	34,303	-	34,303
Food	28,722	971	29,693
Supplies	20,961	8,681	29,642
Real estate taxes	13,415	862	14,277
Insurance	12,174	7	12,181
Other	12,578	13,218	25,796
Depreciation and amortization	99,713	7,400	107,113
Interest, net	39,449	-	39,449
Total	$ 673,037	$ 60,750	$ 733,787

18. Subsequent Event

On January 1, 2026, the construction division of AADC was transferred into ACS. ACS will provide construction services and AADC will continue to engage in acquisition and development related activity on behalf of ACTS and the Affiliates.

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidating Balance Sheet Schedule
December 31, 2025
(In Thousands)

	ACTS Retirement-Life Communities, Inc.	Acts Communities of Maryland, Inc.	Mease Life, Inc.	Bonita Springs Retirement Village, Inc.	ACTS Legacy Foundation, Inc.	ACTS Acquisition and Development Company, LLC	Eliminations	ACTS Retirement-Life Communities, Inc. and Subsidiaries
Assets								
Cash and cash equivalents	$ 18,648	$ 7,375	$ 4,141	$ 946	$ 84	$ 315	$ -	$ 31,509
Investments	485,201	29,423	5,865	15,464	35,954	-	(30,464)	541,443
Accounts receivable, entrance fee receivables and other receivables, net	18,266	2,919	1,774	778	-	4,478	-	28,215
Prepaid expenses, inventory and deposits	10,720	1,373	574	202	-	19	-	12,888
Property and equipment, net	1,726,945	222,658	67,479	108,776	-	-	-	2,125,858
Goodwill	4,926	104,538	-	7,644	-	-	-	117,108
Deferred costs, net	14,254	2,120	477	801	-	-	-	17,652
Due from affiliated organizations	(8,348)	-	(296)	-	-	-	8,644	-
Total assets	$ 2,270,612	$ 370,406	$ 80,014	$ 134,611	$ 36,038	$ 4,812	$ (21,820)	$ 2,874,673
Liabilities and Net Assets (Deficit)								
Liabilities								
Accounts payable and accrued expenses	$ 68,963	$ 11,296	$ 3,294	$ 3,212	$ -	$ 2,947	$ -	$ 89,712
Resident monthly fees paid in advance	-	2,919	-	-	-	-	-	2,919
Short-term indebtedness	24,003	-	-	-	-	-	-	24,003
Long-term indebtedness	894,037	125,988	19,279	60,522	-	-	-	1,099,826
Charitable gift annuity obligations	-	116	-	-	2,315	-	-	2,431
Entrance fee deposits	12,871	1,494	392	406	-	-	-	15,163
Refundable portion of entrance fees	6,403	38,183	-	41,592	-	-	-	86,178
Deferred revenue from entrance fees	1,093,964	132,834	15,319	31,325	-	-	-	1,273,442
Accumulated loss on investment contracts	1,501	-	-	-	-	-	-	1,501
Due to affiliated organizations	-	20,749	-	741	3,262	1,765	8,644	35,161
Total liabilities	2,101,742	333,579	38,284	137,798	5,577	4,712	8,644	2,630,336
Net Assets (Deficit)								
Without donor restrictions	141,540	23,666	41,593	(3,561)	-	100	-	203,338
With donor restrictions	27,330	13,161	137	374	30,461	-	(30,464)	40,999
Total net assets (deficit)	168,870	36,827	41,730	(3,187)	30,461	100	(30,464)	244,337
Total liabilities and net assets (deficit)	$ 2,270,612	$ 370,406	$ 80,014	$ 134,611	$ 36,038	$ 4,812	$ (21,820)	$ 2,874,673

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (Deficit) Schedule
Year Ended December 31, 2025
(In Thousands)

	ACTS Retirement-Life Communities, Inc.	Acts Communities of Maryland, Inc.	Mease Life, Inc.	Bonita Springs Retirement Village, Inc.	ACTS Legacy Foundation, Inc.	ACTS Acquisition and Development Company, LLC	Eliminations	ACTS Retirement-Life Communities, Inc. and Subsidiaries
Operating Revenue								
Resident services revenues, net of amortization of entrance fees	$ 437,465	$ 68,877	$ 17,655	$ 17,315	$ -	$ -	$ (140)	$ 541,172
Resident services revenues from third-party payors	44,997	11,681	4,534	3,693	-	-	(1,620)	63,285
Investment income	14,020	863	291	651	-	-	-	15,825
Net assets released from restrictions to provide resident services	2,874	733	48	107	-	-	-	3,762
Other revenue	6,999	911	211	334	288	26,766	(26,785)	8,724
Total operating revenue before amortization of entrance fees	506,355	83,065	22,739	22,100	288	26,766	(28,545)	632,768
Amortization of entrance fees	149,657	20,184	1,366	3,524	-	-	-	174,731
Total operating revenue	656,012	103,249	24,105	25,624	288	26,766	(28,545)	807,499
Operating Expenses								
Salaries, wages and benefits	295,981	48,308	11,305	10,932	-	10,974	(10,974)	366,526
Contracted services	81,358	12,186	2,911	4,407	288	14,793	(16,553)	99,390
Utilities	29,999	5,759	1,748	986	-	6	(6)	38,492
Food	25,275	3,562	1,264	1,189	-	-	-	31,290
Supplies	24,529	4,039	875	1,181	-	339	(339)	30,624
Real estate taxes	13,498	1,368	206	643	-	-	-	15,715
Insurance	9,913	1,506	671	520	-	76	(76)	12,610
Other	20,374	3,222	1,481	1,121	-	540	(597)	26,141
Total operating expenses before depreciation, amortization and interest	500,927	79,950	20,461	20,979	288	26,728	(28,545)	620,788
Depreciation and amortization	100,316	11,032	3,101	2,402	-	-	-	116,851
Interest, net	33,553	4,452	1,073	4,180	-	-	-	43,258
Total operating expenses	634,796	95,434	24,635	27,561	288	26,728	(28,545)	780,897
Operating income (loss)	21,216	7,815	(530)	(1,937)	-	38	-	26,602

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (Deficit) Schedule (Continued)
Year Ended December 31, 2025
(In Thousands)

	ACTS Retirement-Life Communities, Inc.	Acts Communities of Maryland, Inc.	Mease Life, Inc.	Bonita Springs Retirement Village, Inc.	ACTS Legacy Foundation, Inc.	ACTS Acquisition and Development Company, LLC	Eliminations	ACTS Retirement-Life Communities, Inc. and Subsidiaries
Changes in Net Assets (Deficit) Without Donor Restrictions								
Operating income (loss)	$ 21,216	$ 7,815	$ (530)	$ (1,937)	$ -	$ 38	$ -	$ 26,602
Net unrealized gain (loss) on investments and investment contracts	14,647	1,143	202	(40)	-	-	-	15,952
Loss on early extinguishment of debt	(177)	-	(1,260)	-	-	-	-	(1,437)
Other valuation adjustments	(109)	(899)	-	(2,483)	-	-	-	(3,491)
Net gain (loss) on nonoperating events	462	86	(6)	1,191	-	-	(50)	1,683
Net operating income (loss)	36,039	8,145	(1,594)	(3,269)	-	38	(50)	39,309
Net assets released from restrictions to acquire property and equipment	1,279	297	-	-	-	-	-	1,576
Change in net assets (deficit) without donor restrictions	37,318	8,442	(1,594)	(3,269)	-	38	(50)	40,885
Changes in Net Assets With Donor Restrictions								
Contributions	1,082	354	94	28	4,421	-	(229)	5,750
Interest and dividend income	-	497	-	-	186	-	-	683
Net unrealized gain on investments	-	315	-	-	464	-	-	779
Change in split interest agreements	-	-	-	-	108	-	-	108
Net assets released from restrictions to:								
Provide resident services	(995)	(733)	(1)	(28)	(2,005)	-	-	(3,762)
Acquire property and equipment	-	(297)	-	-	(1,574)	-	295	(1,576)
Change in beneficial interest in the investments of ACTS Legacy Foundation, Inc. (ALF)	1,379	-	(73)	310	-	-	(1,616)	-
Change in beneficial interest in the investments of other foundations	32	-	-	(294)	-	-	-	(262)
Change in net assets with donor restrictions	1,498	136	20	16	1,600	-	(1,550)	1,720
Change in net assets (deficit)	38,816	8,578	(1,574)	(3,253)	1,600	38	(1,600)	42,605
Net Assets (Deficit), Beginning	130,054	28,249	43,304	66	28,861	62	(28,864)	201,732
Net Assets (Deficit), Ending	$ 168,870	$ 36,827	$ 41,730	$ (3,187)	$ 30,461	$ 100	$ (30,464)	$ 244,337

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidating Statement of Cash Flows Schedule
Year Ended December 31, 2025
(In Thousands)

	ACTS Retirement-Life Communities, Inc.	Acts Communities of Maryland, Inc.	Mease Life, Inc.	Bonita Springs Retirement Village, Inc.	ACTS Legacy Foundation, Inc.	ACTS Acquisition and Development Company, LLC	Eliminations	ACTS Retirement-Life Communities, Inc. and Subsidiaries
Cash Flows From Operating Activities								
Change in net assets (deficit)	$ 38,816	$ 8,578	$ (1,574)	$ (3,253)	$ 1,600	$ 38	$ (1,600)	$ 42,605
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Depreciation and amortization	100,316	11,032	3,101	2,402	-	-	-	116,851
Amortization of entrance fees	(149,657)	(20,184)	(1,366)	(3,524)	-	-	-	(174,731)
Other valuation adjustment	109	899	-	2,483	-	-	-	3,491
Amortization of bond discount and premium, net	(3,263)	(888)	(7)	-	-	-	-	(4,158)
Amortization of deferred financing costs	745	50	5	-	-	-	-	800
Entrance fees and deposits from non-refundable resale contracts	226,376	32,805	9,088	14,818	-	-	-	283,087
Refunds of nonrefundable entrance fees and deposits from resale contracts	(18,158)	(2,213)	(453)	(2,189)	-	-	-	(23,013)
Administrative fee included in gross entrance fees	(10,699)	(1,612)	(543)	(755)	-	-	-	(13,609)
Net realized and unrealized (gain) loss on investments	(16,003)	(1,619)	(217)	40	(464)	-	-	(18,263)
Change in fair value of investment contracts	248	-	-	-	-	-	-	248
Loss on early extinguishment of debt	177	-	-	-	-	-	-	177
Increase in deferred costs	(2,479)	(450)	(180)	(268)	-	-	-	(3,377)
Change in beneficial interest in the investments of ALF	(1,379)	-	73	(310)	-	-	1,616	-
Change in beneficial interest in the investments of other foundations	(32)	-	-	294	294	-	(294)	262
Net change in due to affiliated organizations	4,516	3,132	(1,834)	355	1,868	330	-	8,367
Changes in assets and liabilities:								
Decrease (increase) in accounts receivable and other receivables	3,304	1,088	331	720	-	(784)	-	4,659
Decrease (increase) in prepaid expenses, inventory and deposits	310	(20)	61	119	-	(16)	-	454
Increase (decrease) in accounts payable and accrued expenses and resident monthly fees paid in advance	1,154	(316)	(1,941)	142	-	413	-	(548)
Net cash provided by (used in) operating activities	174,401	30,282	4,544	11,074	3,298	(19)	(278)	223,302
Cash Flows From Investing Activities								
Purchase of property and equipment	(120,614)	(14,218)	(4,864)	(1,943)	-	-	-	(141,639)
(Increase) decrease in investments	(4,109)	2,234	1,336	2,216	(3,066)	-	278	(1,111)
Net cash (used in) provided by investing activities	(124,723)	(11,984)	(3,528)	273	(3,066)	-	278	(142,750)
Cash Flows From Financing Activities								
Entrance fees and deposits from initial sale contracts	3,063	-	-	-	-	-	-	3,063
Refunds of entrance fees and deposits from initial sale contracts	(122)	-	-	-	-	-	-	(122)
Entrance fees from refundable contracts	657	-	-	4,198	-	-	-	4,855
Refunds of refundable entrance fees	(1,564)	(11,143)	-	(12,975)	-	-	-	(25,682)
Payment of accounts payable, construction	(22,814)	(2,205)	(505)	(46)	-	-	-	(25,570)
Proceeds from short-term indebtedness	20,000	-	-	-	-	-	-	20,000
Proceeds from long-term indebtedness	91,454	-	1,790	-	-	-	-	93,244
Increase in deferred financing costs	(1,430)	-	(187)	-	-	-	-	(1,617)
Increase in charitable gift annuity obligations	-	15	-	-	340	-	-	355
Payments on charitable gift annuity obligations	-	(18)	-	-	(586)	-	-	(604)
Payments on short-term indebtedness	(27,267)	-	-	-	-	-	-	(27,267)
Payments on long-term indebtedness	(23,856)	(3,140)	(3,327)	-	-	-	-	(30,323)
Net cash provided by (used in) financing activities	38,121	(16,491)	(2,229)	(8,823)	(246)	-	-	10,332
Net increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	87,799	1,807	(1,213)	2,524	(14)	(19)	-	90,884
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	59,035	6,371	7,693	10,200	98	334	-	83,731
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 146,834	$ 8,178	$ 6,480	$ 12,724	$ 84	$ 315	$ -	$ 174,615
Supplementary Disclosure of Cash Flow Information								
Interest paid, net of amounts capitalized	$ 35,542	$ 5,301	$ 1,809	$ 4,180	$ -	$ -	$ -	$ 46,832
Supplemental Disclosure of Noncash Investing and Financing Activities								
Obligations incurred for the acquisition of property and equipment	$ 23,126	$ 3,276	$ 1,646	$ 326	$ -	$ -	$ -	$ 28,374
Proceeds from long-term indebtedness used to repay long-term indebtedness	$ 31,615	$ -	$ 17,678	$ -	$ -	$ -	$ -	$ 49,293
Proceeds from long-term indebtedness used to repay short-term indebtedness	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000

EXHIBIT F

STATEMENT OF OPERATIONS

The following pages comprise the 2025 actual versus budget operating statement and the pro forma operating statement for fiscal year 2026 for ACTS Retirement-Life Communities, Inc. and Subsidiaries.

ACTS RETIREMENT-LIFE COMMUNITIES, INC. & SUBSIDIARIES
STATEMENT OF OPERATIONS
(In Thousands)

	2025 Actual	2025 Budget	Variance
Operating Revenue			
Resident services revenue, net of amortization of entrance fees	$ 541,172	$ 535,862	$ 5,310
Resident services revenue from third-party payors	63,285	64,967	(1,682)
Investment income	15,825	12,980	2,845
Net assets released from restrictions to provide resident services	3,762	3,480	282
Other revenue	8,724	7,476	1,248
Total operating revenue before amortization of entrance fees	632,768	624,765	8,003
Amortization of entrance fees	174,731	150,322	24,409
Total operating revenue	807,499	775,087	32,412
Operating Expenses			
Salaries, wages, and benefits	366,526	363,176	3,350
Contracted services	99,390	93,297	6,093
Utilities	38,492	37,652	840
Food	31,290	30,908	382
Supplies	30,624	28,840	1,784
Real estate taxes	15,715	15,449	266
Insurance	12,610	13,269	(659)
Other	26,141	30,965	(4,824)
Total operating expenses before depreciation, amortization, and interest	620,788	613,556	7,232
Depreciation and amortization	116,851	116,856	(5)
Interest, net	43,258	44,435	(1,177)
Total operating expenses	780,897	774,847	6,050
Operating Income	$ 26,602	$ 240	$ 26,362

ACTS RETIREMENT-LIFE COMMUNITIES, INC. & SUBSIDIARIES
STATEMENT OF OPERATIONS
(In Thousands)

	2026 Budget
Operating Revenue	
Resident services revenue, net of amortization of entrance fees	561,632
Resident services revenue from third-party payors	67,466
Investment income	13,616
Net assets released from restrictions to provide resident services	3,200
Other revenue	7,848
Total operating revenue before amortization of entrance fees	653,762
Amortization of entrance fees	166,560
Total operating revenue	820,322
Operating Expenses	
Salaries, wages, and benefits	378,984
Contracted services	98,594
Utilities	39,376
Food	31,568
Supplies	32,317
Real estate taxes	16,283
Insurance	12,232
Other	31,622
Total operating expenses before depreciation, amortization, and interest	640,976
Depreciation and amortization	124,825
Interest, net	45,711
Total operating expenses	811,512
Operating Income	$ 8,810

EXHIBIT G

ACTS RETIREMENT-LIFE COMMUNITIES, INC. & SUBSIDIARIES

DISCUSSION OF ACTUAL RESULTS TO BUDGETED EXPECTATIONS FOR THE YEAR ENDED DECEMBER 31, 2025

Total Operating Revenue:

Operating revenue was greater than budgeted expectations by $32.4 million (4.18%) in 2025 due to the factors listed below:

- Resident services revenue, net of amortization of entrance fees, was greater than the budgeted expectation by $5.3 million (0.99%) due to a significantly higher than budgeted average occupancy percentage in independent living coupled with greater than expected utilization of home services.

- Resident services revenue from third party payors was below budgeted expectations by $1.7 million (2.59%) due to lower than expected Medicaid resident census and utilization of outpatient therapy services covered by Medicare Part B, partially offset by higher than budgeted Medicare Part A resident census.

- Investment income was greater than budgeted expectations by $2.8 million (21.92%) during 2025 due to a higher than budgeted average rate of return coupled with realized gains that are not included in the budget due to the inability to predict market conditions.

- The amount of net assets released from restrictions to provide resident services exceeded budgeted expectations by $0.3 million (8.1%) in 2025 due to a greater than expected amount of purchases using donated funds as restrictions imposed by donors were met.

- Other revenue was greater than the budgeted amount by $1.2 million (16.69%) due to higher than anticipated amounts of café income and apartment modification income from new residents.

- Amortization of entrance fees was above the budgeted level by $24.4 million (16.24%) primarily due to a higher average occupancy, and entrance fee per resale, coupled with a greater amount of income recognized from terminated resident agreements.

Total Operating Expenses:

Operating expenses were unfavorable to budgeted expectations by $6.1 million (0.78%) in 2025 due to the following factors:

- Salaries, wages, and benefits were greater than budgeted levels by $3.4 million (0.92%) primarily due to higher than expected team member benefit costs.

- Contracted services were over budget by $6.1 million (6.53%) in 2025 due to a greater than expected amount of expenses related to property management services as vendors continued to pass their increased labor and supply costs through increased contract pricing.

- Utility costs were greater than the budgeted amount by $0.8 million (2.23%) due primarily to higher than anticipated costs related to communications and water and sewer services as a result of increases in rates.

- Food costs exceeded budgeted expectations by $0.4 million (1.24%) in 2025 due to the higher average occupancy percentage in independent living.

- Supply expenses were greater than budgeted expectations by $1.8 million (6.19%) due to higher than expected costs related to paper products, prescription drugs, medical related supplies, and increased technology spending in the form of various new software subscriptions to enhance resident and team member experience.

- Real estate taxes were greater than the budgeted amount by $0.3 million (1.72%) in 2025 due to higher than expected assessments for select properties.

- Insurance expense was under budget in 2025 by $0.7 million (4.97%) primarily due to reduced premiums related to property coverage.

- Other operating expenses were under budget in 2025 by $4.8 million (15.58%) largely due to lower-than-expected costs related to a nursing bed assessment in Pennsylvania, reduced equipment maintenance expenses, and savings in the costs associated with advertising, particularly in printed materials.

- Depreciation and amortization expenses were marginally less than budget in 2025.

- Interest expense was lower than budgeted expectations by $1.2 million (2.65%) due to a greater than expected amount of interest that could be capitalized coupled with lower-than-expected rates on variable rate debt.

EXHIBIT H

NOTICE OF RIGHT TO RESCIND

Date rescission period begins _____. You may rescind and terminate your Resident Contract without penalty or forfeiture within thirty (30) days of the later of the above date or the receipt date of the Disclosure Statement. You are not required to move into the continuing care community before the expiration of this thirty (30) day period. No other contract or statement you sign shall constitute a waiver of your right to rescind your Resident Contract within this thirty (30) day period.

To rescind your Resident Contract, mail or deliver a signed and dated copy of this notice, or any other dated written notice, stating your desire to rescind to the following address:

ACTS Retirement-Life Communities, Inc.
420 Delaware Drive, P.O. Box 2222, Fort Washington, PA 19034
Attention: Sales/Marketing Department

no later than midnight of _____ (last day for rescission).

Pursuant to this notice, I (we) hereby cancel my (our) Resident Contract.

Date: _____

_____
Prospective Resident's Signature

_____
Prospective Resident's Signature

EXHIBIT I

ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT AND RESIDENT CONTRACT

By signing below, I (we) hereby acknowledge that I (we) have been provided a copy of the May 2026 Disclosure Statement for Granite Farms Estates and the accompanying Resident Contract.

_____	_____
Signature	Date
_____	_____
Signature	Date