



**Fellowship**  
Community

**Fellowship Community**  
a  
Continuing Care Retirement Community  
of  
Bible Fellowship Church Homes, Inc.

Located at:

3000 Fellowship Drive  
Whitehall, PA 18052

Phone: (610) 799-3000

**Disclosure Statement**  
**(October 2025)**

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

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## ***Important Information to Prospective Residents***

Pursuant to the Pennsylvania Continuing Care Provider Registration and Disclosure Act, 40 P.S. Section 3207 et. sec., (the “Act”) this Disclosure Statement is being delivered to you at the time of or prior to your execution of a “Residency Agreement,” or at the time of or prior to your payment of any money to Fellowship Community. A copy of the Residency Agreement is attached. Your receipt of this Disclosure Statement creates no obligation on your part to execute and deliver an Agreement to the provider, nor does it create any obligation on the part Fellowship Community.

This Disclosure Statement contains a fair summary of the material enclosed and other terms of the documents purported to be summarized. This Disclosure statement is furnished to prospective Residents and their representatives, and may not be relied upon by any other person.

## SUMMARY OF DISCLOSURE STATEMENT

The following summary is qualified in its entirety by more detailed information appearing elsewhere and referred to in this Disclosure Statement and in the form of Fellowship Community's Residency Agreement attached to this Disclosure Statement.

- 1. THE FACILITY:** Fellowship Community provides a continuum of services consisting of Residential Housing for the elderly (hereinafter referred to as "Independent Living"), Personal Care and Nursing Care on its existing campus at 3000 Fellowship Drive, Whitehall, PA 18052. Phone: (610) 799-3000.
- 2. LICENSED PROVIDER:** The proposed provider is Bible Fellowship Church Homes, Inc., d/b/a Fellowship Community ("Fellowship Community"). Bible Fellowship Church Homes, Inc. owns and operates Fellowship Community. Bible Fellowship Church Homes, Inc.'s principal corporate office is located at 3000 Fellowship Drive Whitehall, PA 18052. Phone: (610) 799-3000.
- 3. PERSON TO BE CONTACTED TO DISCUSS ADMISSION:** Laura Long is the contact person for people considering admission to Fellowship Community's Independent Living facilities known as Fellowship Courts and Fellowship Villa Apartments. Chelsea Lowery is the contact person for people considering admission to the Health Care Center known as Fellowship Manor. Cheryl Mengel is the contact person for people considering admission to the Personal Care Centers known as Fellowship Terrace and Fellowship Villa. Laura Long, Chelsea Lowery, and Cheryl Mengel may be contacted at Fellowship Community, located at 3000 Fellowship Drive, Whitehall, PA. Phone: (610) 799-3000.
- 4. DESCRIPTION OF PROPERTY:** Fellowship Community is located in a rural environment within Whitehall, PA on approximately 53 acres. The property consists of 139 Independent Living single story townhouses comprised of both one-bedroom and two-bedroom units known as Fellowship Courts, a 121 bed nursing facility ("Health Care Center") known as Fellowship Manor, a 74 bed Personal Care Center known as Fellowship Terrace, a 64 bed Personal Care Center known as Fellowship Villa and 12 independent living apartments also in Fellowship Villa.

5. **AGE REQUIREMENTS:** The minimum age for admission to the Independent Living facility is 62 years, or in the case of Co-Residents, at least one Resident must be 62. There are no minimum age requirements for the Health Care Center or Personal Care Center.

6. **AFFILIATIONS WITH RELIGIOUS, FRATERNAL, CHARITABLE OR OTHER NON-PROFIT ORGANIZATIONS:** Bible Fellowship Church Homes, Inc., d/b/a Fellowship Community is a not-for-profit corporation, historically related to the Bible Fellowship Church. The Bible Fellowship Church does not own or operate Fellowship Community and is not responsible for the financial or contractual obligations, debts or liabilities of Fellowship Community.

7. **CURRENT RESIDENT POPULATION:** Fellowship Community currently provides care to 445 Residents on the Fellowship Community campus. The current Resident population includes:

Nursing Care – Fellowship Manor	117 Residents
Personal Care – Fellowship Terrace	73 Residents
Personal Care – Fellowship Villa	61 Residents
Indep. Living – Fellowship Courts	181 Residents
Indep. Living – Fellowship Villa Apts.	13 Residents

8. **INITIAL ENTRANCE & MONTHLY FEES - EXISTING UNITS:** Entrance fees vary according to the size and type of unit. Monthly Service Fees are based on the size of the unit, and there is an additional charge for a second person. The prices listed below, effective July 1, 2025, reflect a sample of the units available.

Fellowship Courts - Townhomes	Approx sq. ft.	Entrance Fee*		Deposit 5% Less \$1,000		Monthly Maintenance Fee	
		60%	30%	60%	30%	1 Person	2 People
<b>Briar Nook</b> <i>One Bedroom, One Bath</i>	825	\$238,000	\$187,000	\$10,900	\$8,350	\$1,984	\$2,245
<b>Briar Nook with Carport</b> <i>One Bedroom, One Bath with Carport</i>	825	\$244,000	\$193,000	\$11,200	\$8,650	\$2,025	\$2,290
<b>Chesapeake</b> <i>Two Bedroom, One 1/2 Bath</i>	1,063	\$303,000	\$239,000	\$14,150	\$10,950	\$2,224	\$2,492
<b>Chesapeake with Carport</b> <i>Two Bedroom, One 1/2 Bath with Carport</i>	1,063	\$308,000	\$244,000	\$14,400	\$11,200	\$2,261	\$2,529
<b>Chesapeake with Carport &amp; Sunroom</b> <i>Two Bedroom, One 1/2 Bath with Carport</i>	1,285	\$369,000	\$291,000	\$17,450	\$13,550	\$2,313	\$2,581
<b>Wedgewood with Carport</b> <i>Two Bedrooms, One 1/2 Baths</i>	1,455	\$417,000	\$328,000	\$19,850	\$15,400	\$2,444	\$2,712
<b>Wedgewood with Carport &amp; Sunroom</b> <i>Two Bedrooms, One 1/2 Baths</i>	1,723	\$492,000	\$387,000	\$23,600	\$18,350	\$2,501	\$2,771

\* Second Person Entrance Fee \$10,000 - Nonrefundable

Brooke Ridge Apartments	Approx sq. ft.	Entrance Fee*		Deposit 5% Less \$1,000		Monthly Maintenance Fee	
		60%	30%	60%	30%	1 Person	2 People
<b>#2,3,4,5,6,8,10,11,&amp; 12</b> <b>Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	920	\$267,000	\$211,000	\$12,350	\$9,550	\$2,184	\$2,494
<b>#1 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	1,183	\$341,000	\$269,000	\$16,050	\$12,450	\$2,184	\$2,494
<b>#7 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	939	\$272,000	\$215,000	\$12,600	\$9,750	\$2,184	\$2,494
<b>#9 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	847	\$246,000	\$195,000	\$11,350	\$8,750	\$2,184	\$2,494

\* Second Person Entrance Fee \$10,000 - Nonrefundable

It is expected that the Monthly Maintenance Fees will be increased periodically to cover increases in the cost of providing services to Residents. Residents will be given at least thirty (30) days advance notice of any increase in Monthly Maintenance Fees.

The fees associated with the Personal Care Center and Health Care Center depend upon the type of room.

- 9. EXPANSION PLANS:** In late fall 2025, Fellowship Community plans to begin an expansion project which will add 24 new independent living units to its campus. Specifically, there will be a new three-story apartment building with eight apartments on each floor. The expansion will be developed over a period

of approximately 12 months. All required governmental approvals and licenses will be obtained prior to the start of construction, and the financing for the project will be in place prior to construction as well.

There will be three floor plans for the apartments ranging from approximately 1,050 to 1,450 square feet. The applicable entrance fees for the apartments range from \$297,000 to \$502,000 for single occupancy and from \$307,000 to \$512,000 for double occupancy. The monthly fees for the apartments range from \$3,100 to \$4,400 for single occupancy and from \$3,380 to \$4,780 for double occupancy. Reference should be made to the pricing below for The Suites at Fellowship for further information. Similar to prospective residents of the existing independent living units, prospective residents of the new apartments may choose from two refund plans: (i) 30% Refundable Plan; and (ii) 60% Refundable Plan. Reference should be made to the Residency Agreement for further information.

For this expansion project, the applicant will pay an application fee of \$1,000 deposit at the time of placement on our wait list. When offered a unit, the applicant will make a deposit equal to 10% of the applicable entrance fee less the application fee already paid and will sign a Reservation Agreement. Upon Commencement of the construction of the foundation the applicant will pay 15% of the applicable entrance fee. The applicant will pay a third deposit in the amount of 20% of the entrance fee, at fifty percent 50% completion of construction of the apartment building. The final payment reflecting the remaining balance of 55% of the entrance fee is due on the designated occupancy date or the actual date of occupancy, whichever is earlier, and the applicant will then execute a residency agreement. A copy of a sample Residency Agreement is attached as Exhibit "C" and a copy of a sample Reservation Agreement is attached as Exhibit "D".

An Entrance Fee Escrow Account is maintained as required by the Continuing Care Provider Registration and Disclosure Act (Act 82). Any money placed in escrow will be invested in accordance with the provisions of Act 82. A copy of the executed Entrance Fee Escrow Agreement is attached as Exhibit "H."

Pursuant to 40 P.S. § 3207(a)10), as of the date of this Amendment to Disclosure Statement, Fellowship Community has yet to commence operations of the on-campus expansion project at Fellowship Community and thus is providing the following information.

- (i) An estimate of sources and uses of funds is below.

Sources:

Construction Loan	\$	17,962,000
Equity		2,000,000
	\$	<u>19,962,000</u>

Uses:

Construction	\$	16,330,000
Architect		1,000,000
Engineer		300,000
FFE		116,000
Other		260,000
Marketing		100,000
Funded Interest		1,275,000
Cost of Issuance		581,000
	\$	<u>19,962,000</u>

- (ii) An estimate of the total entrance fees to be received from or on behalf of residents at or prior to commencement of operation of the facility.

Total estimated entry fees expected to be collected at or before time of commencement of operations are \$9,856,000.

- (iii) An estimate of the funds, if any, which are anticipated to be necessary to fund start-up losses and provide reserve funds to assure full performance of the obligations of the provider under contracts for the provision of continuing care.

Fellowship Community does not anticipate any start-up losses related to the expansion project.

All construction plans are contingent on acceptable market demands and financing requirements, and all designated occupancy dates are approximate and may vary according to changes in approvals, weather conditions, market demands, and other factors which are beyond control. There are no assurances or guarantees that the entire project will be completed or that the scope of the project will not change. All future dates are approximate and assumes Residency Agreements were entered into for all of the proposed apartments.

- 10. INITIAL ENTRANCE & MONTHLY FEES - PROPOSED UNITS:** Entrance fees vary according to the size and type of unit. Monthly Service Fees are based on the size of the unit, and there is an additional charge for a second person. The prices listed below, effective July 1, 2025, reflect a sample of the units available.

The Suites at Fellowship Community	Approx sq. ft.	Entrance Fee*		No Declining Balance Meal Plan		\$120 Declining Balance Meal Plan	
				First Person	Total 2 People	First Person	Total 2 People
		60%	30%	Monthly Maintenance Fee			
<b>Blessing</b> <i>One Bedroom with Den, One 1/2 Bath</i>	1,050	\$364,000	\$297,000	\$3,100	\$3,380	\$3,200	\$3,580
<b>Providence</b> <i>Two Bedroom, Two Bath</i>	1,250	\$433,000	\$353,000	\$3,700	\$3,980	\$3,800	\$4,180
<b>Covenant</b> <i>Two Bedroom with Den, Two Bath</i>	1,450	\$502,000	\$409,000	\$4,300	\$4,580	\$4,400	\$4,780

\* Second Person Entrance Fee \$10,000

## **DISCLOSURE STATEMENT**

### **NAME & BUSINESS ADDRESS**

Bible Fellowship Church Homes, Inc., d/b/a Fellowship Community (“Fellowship Community”), is a not-for-profit retirement community that provides a continuum of services consisting of Residential Housing for the elderly (hereinafter referred to as “Independent Living”), Personal care, and Nursing Care on the existing campus located at 3000 Fellowship Drive Whitehall, PA 18052. Phone: (610) 799-3000. Bible Fellowship Church Homes, Inc.’s principal office is also located at 3000 Fellowship Drive Whitehall, PA 18052.

### **HISTORY & ORGANIZATION**

Fellowship Community is historically related to the Bible Fellowship Church (the “Church”). However the church does not own or operate Fellowship Community and is not responsible for the financial or contractual obligations, debts or liabilities of Bible Fellowship Church Homes, Inc. (“BFCH, Inc.).

The Church started a boarding home located in Center Valley, Pennsylvania in 1906 to care for the indigent, which it operated until 1960. Between 1960 and 1968, the Church continued the operation of the boarding home in the Borough of Nazareth, Northampton County, Pennsylvania. In 1968, the Church constructed a Health Care Center in the Borough of Nazareth, Northampton County, Pennsylvania, which was known as Fellowship Home. In 1988, the Church constructed a 121-bed Health Care Center located in the Township of Whitehall, Lehigh County, Pennsylvania known as Fellowship Manor. Upon completion of Fellowship Manor, the Fellowship Home in Nazareth was converted to a Personal Care Center.

Ownership of Fellowship Home and Fellowship Manor was conveyed by the Church to Bible Fellowship Church Homes, Inc. in 1994. In 1995, BFCH, Inc. constructed eight independent living, single-story townhouses adjacent to Fellowship Manor known as Fellowship Courts in Whitehall Township. Since then, additional independent living units have been constructed, bringing the total to 139 units. In 2003 BFCH, Inc. constructed an 80 bed Personal Care Center known as Fellowship Terrace in Whitehall Township. At that time Fellowship Home in Nazareth was sold. Fellowship Villa, a 64 bed Personal Care Center and 12 Independent Living Apartments was completed in 2014. Fellowship Manor, Fellowship Courts, Fellowship Terrace, Fellowship Villa and Fellowship Homes are fictitious names of Bible Fellowship Church Homes, Inc. and components of the proposed continuing care retirement community collectively known as Fellowship Community.

A copy of an Organizational Chart is attached as Exhibit “A”.

## **BOARD OF DIRECTORS & GOVERNANCE**

As an independent, not-for-profit corporation, there are no individual or corporate owners of the organization. Bible Fellowship Church Homes, Inc. is the sole provider responsible for the development and operations of Fellowship Community. Corporate duties of Bible Fellowship Church Homes, Inc. include the development and maintenance of capital and operating budgets, personnel policies and all regulatory compliance.

The governing board is comprised of up to 13 individuals who have backgrounds appropriate to their roles and responsibilities, are fully informed about the organization and actively participate in the board's work, including monitoring fiscal viability and relationships of the organization. A listing of the Board of Directors is attached as Exhibit "B".

## **MANAGEMENT PERSONNEL**

***Mary Kay McMahon, President/CEO*** - Mary Kay has over 40 years of experience in both Acute and Long-Term Health Care. She is licensed as a Registered Nurse and Nursing Home Administrator and has a Master's degree in Health Systems Administration. At the beginning of her career she spent 18 years (1978-1996) in a hospital setting, working as a medical surgical charge nurse, Intensive care unit nurse, and Critical Care Nurse Manager. Following this, she spent the next 23 years (1996 – 2019) at Phoebe Ministries, a Senior Services provider in a variety of management and leadership roles at their various campuses, which included; Assistant Director of Nursing at Phoebe Allentown, Director of Nursing and Nursing Home Administrator at Phoebe Richland, Executive Director at Phoebe Berks and most recently as Senior Vice President, Health Care Services. In this role, she oversaw the operations of the 4 continuing care retirement communities; all service lines (skilled nursing, personal care, independent living and adult day services) as well as the corporate regional support departments of Rehabilitation, Admissions, Staff Development, and Resident Assessment. Mary Kay has been a speaker at Leading Age's national and Leading Age PA's state conferences and has spoken to numerous community groups on a variety of topics.

***Amanda Laporte, NHA, PCHA - Senior VP / Chief Operating Officer*** - Ms. Laporte joined Fellowship Community as Senior VP / Chief Operating Officer in February 2025. Prior to that, she spent over 5 years at Phoebe Ministries, serving as Executive Director at Phoebe Richland, a CCRC campus. During her career, Amanda has held a number of progressively responsible positions including Process Improvement Specialist, Regional Director of Operations, Regional HR

Director, as well as Administrator in both Skilled Nursing and Personal Care. She received a Bachelor of Science from Cedar Crest College in Business Administration with a minor in Healthcare Administration and Gerontology. She holds active licenses as both a Licensed Nursing Home Administrator and Personal Care Administrator.

***Lisa Lynn Hazler, CPA, Sr. VP/Chief Financial Officer*** – Ms. Hazler has served as Sr. VP/Chief Financial Officer for Fellowship Community since 1999. Prior to joining Fellowship Community, Ms. Hazler was a Senior Accountant at the accounting firm of W.N. Serfass & Co. in Bethlehem, PA for 12 years. While at W.N. Serfass & Co., Ms. Hazler was responsible for performing financial audits and other accounting services. Ms. Hazler is a Certified Public Accountant licensed in Pennsylvania and has a Bachelor of Science Degree in Accounting from the Pennsylvania State University. Ms. Hazler is a member of the PA Institute of Certified Public Accountant, and the American Institute of Certified Public Accountants. She also hold the designation of Chartered Global Management Accountant.

***J. Rob Vaughn*** is a Board Member of Fellowship Community. He retired as a news anchor from WFMZ-TV in Allentown in 2024 after nearly 37 years on the air. Previously, Mr. Vaughn worked in radio news for the Associated Press and for a number of radio stations. He is also an essayist whose writings have appeared in many newspapers and Christian publications. He has a B.A. degree from Temple University, and M. A. and M. Div degrees from Biblical (now Missio) Seminary.

***Byron Roth*** is a board member of Fellowship Community. He has a BS in Civil Engineering from the University of Alberta and an MBA from the University of Western Ontario. He worked in various roles both domestically and internationally with Foster Wheeler Global Power Group. He is currently the owner of B Roth Consulting, LLC, is an adjunct professor at Kutztown University, and is serving with a few other non-profits in the Lehigh Valley.

***Glenn Denton Ruoss, DMD, FAGD (Emeritus)*** is a Board Member of Fellowship Community. Dr. Ruoss has been self employed as a Dentist since 1967. Dr. Ruoss has a Bachelor of Science Degree from Albright College in Reading, PA, and a Doctor of Dental Medicine from University of Pennsylvania in Philadelphia, PA. Dr. Ruoss was licensed (until his recent retirement) as a Dentist by Pennsylvania State and is a member of The Academy of General Dentistry FAGD (Emeritus).

***Dr. Ronald Reed*** is a Board Member of Fellowship Community. Dr. Reed has a B.S. degree from Albright College, Magna cum laude and also graduated from Temple Medical School with honors. He is currently retired, Attending Physician Emeritus, at the Reading Hospital & Medical Center, Department of Emergency Medicine. Dr. Reed is Board Certified, American Board of Internal Medicine and Emergency Medicine. He is a member of the American Society of Internal Medicine, American College of Physicians, and a member of American College of Emergency Physicians. He is a certified instructor for Advanced Cardiac Life Support and Advance Trauma Life Support and is certified in Advanced Pediatric Life Support.

***Henry Uriah Sandt, Jr.*** is a Board Member of Fellowship Community. Mr. Sandt has an Associate's Degree in Accounting from Churchman's Business College in Easton, PA and a Bachelor of Science Degree in Accounting from National College of Business in Rapid City, SD. Mr. Sandt held the positions of Assistant Controller, Controller, Vice President of Finance, and Chief Financial Officer at H. A. Berkheimer, Inc. in Pen Argyl, PA since 1976. Mr. Sandt is a member of the Institute of Management Accountants.

***Hans Rudolph Waldvogel*** is a Board member of Fellowship Community. He has recently retired from serving as Director of Engineering for the City of New York, Health and Hospital, at Jacobi Hospital Medical Center in the Bronx. Previously he worked at Jamaica Hospital Medical Center for approximately 27 years as Director of Engineering and Maintenance.

***Robert A. Erland*** is a Board Member of Fellowship Community. Mr. Erland has a Bachelor's of Science Degree in Biochemistry from Richmond College in Staten Island, N.Y. and a Master's Degree in Public Administration with a Concentration in Healthcare from New York University in N.Y., N.Y. He is also a Registered Respiratory Therapist with over 40 years of experience in the healthcare field and from 1989 until 2014 was Assistance Vice President at St. Luke's Hospital & Health Network in Bethlehem, PA. He has since retired from the hospital. Mr. Erland is a Life Fellow of the American College of Healthcare Executives.

***W. Wayne Batten*** is a Board Member of Fellowship Community. Mr. Batten has a Bachelor of Science Degree in Architecture from the University of Cincinnati. He is a registered architect in the states of Pennsylvania and New Jersey. He was self-employed and managed the office of Batten Architects, PC until 2010.

***Dr. Timothy John Schmoyer, dMin*** is a Board Member of Fellowship Community. Dr. Schmoyer received his Bachelor of Science in Bible degree from Philadelphia Biblical University in Langhorne, PA. He earned his Masters of

Divinity degree from Biblical Theological Seminary in Hatfield, PA as well as his Doctor of Ministry degree from the same school. Dr. Schmoyer is currently the lead pastor of Whitehall Bible Fellowship Church in Whitehall, PA.

### **AFFILIATION WITH RELIGIOUS, CHARITABLE, OR OTHER NONPROFIT ORGANIZATIONS**

Fellowship Community is historically related to the Bible Fellowship Church (the “Church”). However, the Church does not own or operate Fellowship Community and is not responsible for any of the financial or contractual obligations of Fellowship Community. The nursing facility on the retirement community campus operated by Fellowship Community was conveyed by the Church to Bible Fellowship Church Homes, Inc. in 1994. Bible Fellowship Church Homes, Inc., owner and operator of Fellowship Community, is exempt from payment of federal income tax in accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code.

### **DESCRIPTION OF PHYSICAL PROPERTY**

Fellowship Community is located in a rural environment within Whitehall, PA on approximately 53 acres. The property consists of 139 Independent Living single story townhouses comprised of both one-bedroom and two-bedroom units known as Fellowship Courts, a 121 bed Health Care Center known as Fellowship Manor, a 74 bed Personal Care Center known as Fellowship Terrace, and Fellowship Villa which contains 64 Personal Care beds as well as 12 Independent Living Apartments.

## **ENTRANCE & MONTHLY FEES**

***Payment of a One-Time Entrance Fee and the Admissions Process.*** To reserve a residence for occupancy, the future Resident must submit a Residency Application Form, along with an application fee of \$1,000 to Fellowship Community. Fellowship Community will promptly notify the Resident of its decision. The \$1,000 application fee will be applied to the Entrance Fee.

Upon acceptance of the application, and when an existing unit is available and agreed upon, an additional payment of 5% (less the \$1,000 application fee) of the Entrance Fee is due to reserve a specific residence and “lock in” the Entrance Fee amount. The future Resident signs a Residency Agreement at the time the 5% of the Entrance Fee is paid to Fellowship Community. A copy of a sample Residency Agreement is attached as Exhibit “C”. The remaining balance is due on the date of occupancy.

In the event that Fellowship Community commences new construction, and a unit not yet constructed is agreed upon by the future Resident, you shall pay to us an initial deposit of ten percent (10%) of the Entrance Fee, less the application fee already paid, at the time of executing a Reservation Agreement for reservation of the Unit. Upon commencement of the construction of the foundation for the apartment building in which the Unit will be located, you shall pay a second deposit to us in the amount of fifteen percent (15%) of the Entrance Fee. You shall pay a third deposit to us in the amount of twenty percent (20%) of the Entrance Fee at fifty percent (50%) completion of construction for the apartment building in which the Unit will be located. You shall pay to us the balance of the Entrance Fee and the Second Person Entrance Fee, if applicable, on the Designated Occupancy Date or upon Occupancy, whichever is earlier. You shall execute a Residency Agreement at this time. A copy of a sample Residency Agreement is attached as Exhibit “C” and a copy of a sample Reservation Agreement is attached as Exhibit “D”.

Fellowship Community may use the Entrance Fee for any purpose consistent with the mission of Fellowship Community. A copy of the Entrance Fee Schedule is attached as Exhibit “E”.

**Reference should be made to the Residency Agreement for further information.**

## ***Refund Policy.***

**Before Occupancy Date** – If a Resident terminates the Residency Agreement before the occupancy date, the future Resident (or Resident’s estate) shall be entitled to a refund according to the following schedule:

- The Residency Agreement may be rescinded by the future Resident by giving Fellowship Community written notice within seven (7) days of execution by signing the Notice of Right to Rescind that is attached to the Residency Agreement. The future Resident will be entitled to a full refund of any Entrance Fee payments and the application fee less \$100, which will be retained by Fellowship Community as an administrative processing charge, if the future Resident rescinds the Residency Agreement within seven (7) days in accordance with the Notice of Right to Rescind.
- In the event of termination of the Residency Agreement due to the future Resident’s death before the designated occupancy date or actual date of occupancy, whichever is earlier; or in the event that the future Resident is precluded from taking occupancy because of illness, injury, or incapacity prior to the designated occupancy date or actual date of occupancy, whichever is earlier; then the future Resident will be entitled to a refund of the application fee less \$100 and all Entrance Fee payments less any amounts deducted to cover expenses incurred by Fellowship Community.
- If the future Resident does not terminate this Agreement within the seven (7) day rescission period but does terminate prior to the designated occupancy date or actual date of occupancy, whichever is earlier, while not precluded from taking occupancy by illness, injury, incapacity, or death; we will make a refund of the application fee less \$100 and any Entrance Fee payments less five percent (5%) of the Entrance Fee and / or less any amounts deducted to cover expenses incurred by Fellowship Community at the specific written request of the future Resident, in accordance with the refund provisions of the Residency Agreement.

**After Occupancy Date** – Unless some or all of the funds in the Account have been expended in accordance with the provisions Section 7 of the Residency Agreement (Health Care Reserve Account), the applicable portion of the Entrance Fee will be refunded to you or your estate in accordance with the following schedule. For the purposes of this section, Occupancy means the earlier of Designated Occupancy Date or actual occupancy date.

**(a) Occupancy for Less than Two (2) Years.** In the event that your Occupancy of the Unit is for less than two (2) years, and (i) you have elected the no less than 60% Entrance Fee Refund Plan, you will be entitled to a refund of seventy-five percent (75%) of the Entrance Fee; or (ii) you have elected the no less than 30% Entrance Fee Refund Plan, you will be entitled to a refund of forty-five percent (45%) of the Entrance Fee, in each case less any amounts deducted to pay any outstanding charges owed to us and/or any funds paid out of the Account for charges in the Health Care Center or the Personal Care Center, if applicable.

**(b) Occupancy for Two (2) Years or More and Less than Three (3) Years.** In the event that your Occupancy of the Unit is for two (2) years or more but less than three (3) years, and (i) you have elected the no less than 60% Entrance Fee Refund Plan, you will be entitled to a refund of seventy percent (70%) of the Entrance Fee; or (ii) you have elected the no less than 30% Entrance Fee Refund Plan, you will be entitled to a refund of no less than forty percent (40%) of the Entrance Fee, in each case, less any amounts deducted to pay any outstanding charges owed to us and/or any funds paid out of the Account for charges in the Health Care Center or the Personal Care Center, if applicable.

**(c) Occupancy for Three (3) Years or More and Less than Four (4) Years.** In the event that your Occupancy of the Unit is for three (3) years or more but less than four (4) years, and (i) you have elected the no less than 60% Entrance Fee Refund Plan, you will be entitled to a refund of sixty-five percent (65%) of the Entrance Fee; or (ii) you have elected the no less than 30% Entrance Fee Refund Plan, you will be entitled to a refund of no less than thirty-five percent (35%) of the Entrance Fee, in each case, less any amounts deducted to pay any outstanding charges owed to us and/or any funds paid out of the Account for charges in the Health Care Center or the Personal Care Center, if applicable.

**(d) Occupancy for Four (4) or More Years.** In the event that your Occupancy of the Unit is for four (4) or more years, and (i) you have elected the no less than 60% Entrance Fee Refund Plan, you will be entitled to a refund of sixty percent (60%) of the Entrance Fee; or (ii) you have elected the no less than 30% Entrance Fee Refund Plan, you will be entitled to a refund of no less than thirty percent (30%) of the Entrance Fee, in each case, less any amounts deducted to pay any outstanding charges owed to us and/or any funds paid out of the Account for charges in the Health Care Center or the Personal Care Center, if applicable.

Where two or more individuals have signed the Residency Agreement for Double Occupancy, the death of one future Resident shall not constitute termination of the Residency Agreement, and no refund shall be due.

Fellowship Community is not required to make a refund of the Entrance Fee until the unit has been vacated and Resident or his/her estate has removed their belongings therefrom, and until Fellowship Community has accepted and entered into a Residency Agreement with a new Resident who has accepted and paid in full an Entrance Fee for the unit formerly occupied by the Resident.

**Reference should be made to the Residency Agreement for further information.**

***Payment of Monthly Maintenance Fee.***

From and after the designated occupancy date, the Resident will be obligated to pay to Fellowship Community a Monthly Maintenance Fee in exchange for standard services. The Monthly Maintenance Fee is intended to fund all ongoing operating costs of Fellowship Community. The Monthly Maintenance Fee Schedule is attached as Exhibit “E”.

A table that shows the increases in the Monthly Maintenance Fees over the last five years is attached as Exhibit “F”.

It is expected that the Monthly Fee will be increased periodically to cover the increases in the cost of providing services to the Residents. Residents will be given at least thirty (30) days advance notice of any increase in Monthly Fees.

The amount of the Monthly Fee in effect at the time the Residency Agreement is executed will be clearly stated in the Residency Agreement. The Monthly Fee will be increased to meet the financial needs of Fellowship Community.

The services included in the Monthly Maintenance Fee include:

- Indoor & Outdoor Maintenance
- Snow Removal & Lawn Care
- Repairs of Community Supplied Appliances
- Electricity, Water, & Sewer
- Trash Disposal
- Real Estate Taxes
- Limited Scheduled Medical Transportation
- Social Activities
- Property Insurance
- Basic Cable Television
- Wi-Fi
- Smart Home Technology

***Additional Services and Charges.***

All other services, including the following are excluded from the Monthly Maintenance Fee but are available at an additional charge:

- Dining Service
- Housekeeping Services
- Unscheduled Transportation
- Nonmedical Transportation
- Beautician
- Telephone
- Expanded Cable Television

The Residency Agreement describes services covered by the Monthly Fee and the items available for an extra charge. Current charges for extra services and amenities are attached as Exhibit “G.”

**Reference should be made to the Residency Agreement for further information.**

***Charges for Personal care and Nursing Care Services.***

The Residency Agreement for Independent Living signed by Residents of Fellowship Community are fee-for-service agreements. If a Resident needs health care within the Personal care Center or Healthcare Center, an Admission Agreement is signed for that level of care. The Admission Agreement establishes the basis for charges for Personal Care and Nursing care services. The cost for Nursing and Personal Care is not included in the Monthly Maintenance Fee for Independent Living.

A resident may be required to relinquish the Independent Living unit if the Resident no longer satisfies the conditions of occupancy as reflected in the Residency Agreement for Independent Living or policies promulgated by Fellowship Community and may be required to move to an alternative care facility. The Resident is responsible for the total cost of Nursing and/or Personal Care. The Fee Schedule for these services is reflected on Exhibit “F”.

Residents of Independent Living will have priority access to the Nursing and Personal care in accordance with Fellowship Community policy. Priority access is conditioned on the Resident satisfying the financial and all other requirements for admission. Fellowship Community will exercise its best efforts to accommodate the Resident’s level of care needs; however, there is no guarantee that space will be immediately available in the Health Care Center or the Personal Care Center at such

time as Resident may require Nursing or Personal care services. Upon temporary transfer of a Resident to the Personal Care Center or Healthcare Center of Fellowship Community, or another facility, a Resident continues to pay the contracted Monthly Maintenance Fee to Fellowship Community, if it is their desire to maintain and return to the unit, in addition to the current daily Personal Care/Nursing Care rate.

***Inability to Pay.***

In cases where a Resident’s financial resources prove inadequate, the Resident may request special financial consideration by Fellowship Community. The Residency Agreement provides a full explanation of the policy for financial assistance.

**Reference should be made to the Residency Agreement for further information.**

**ESCROW & RESERVE FUNDS**

Attached as Exhibit “H” is an Escrow Agreement which is used when Fellowship Community accepts Entrance Fee payments in excess of 5% of the total Entrance Fee prior to the unit being available for occupancy.

Fellowship Community's Long-Term Investments are in excess of 10% of the expenses for residents who are subject to entrance fee agreements as of 6/30/2025. The calculations are reflected in the Financial Analysis attached as Exhibit “I.”

**FINANCIAL STATEMENTS**

Attached as Exhibit “J” are the audited consolidated financial statements of Fellowship Community for the fiscal years ending June 30, 2024 and June 30, 2025, prepared by Fellowship Community’s accountants, Baker Tilly US, LLP.

**RESIDENCY AGREEMENT**

All terms of the agreement are reflected in the Residency Agreement. Residents should review the Residency Agreement that is attached as Exhibit “C” for further explanation.

**AVERAGE ANNUAL COST OF PROVIDING SERVICES**

The annual average cost for providing care and services is attached as Exhibit “K.”

## **RESIDENT RIGHT TO ORGANIZE**

Independent Living Residents shall have the right to elect a Residents' Association to represent the welfare and concerns of the Residents. A designated representative of Fellowship Community designated by the Board of Directors will hold quarterly meetings with the Residents for purposes of free discussion of topics related to living at Fellowship Community. Residents will be given at least 7 days notice of all such meetings.

*Receipt*

The undersigned hereby acknowledges delivery and receipt of the Fellowship Community Disclosure Statement dated October 2025 and all attachments including a copy of the Resident Agreement and the Notice of Right to Rescind.

---

Signature

---

Signature

---

Signature of Responsible Party/Family Member (if applicable)

---

Date

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**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit A Corporate Organizational Chart**

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Exhibit A

Organization of Bible Fellowship Church Homes, Inc.

Bible Fellowship Church  
Homes, Inc.  
d/b/a Fellowship Community

Divisions of  
Bible Fellowship Church Homes, Inc.

d/b/a Fellowship Manor  
[Nursing]

d/b/a Fellowship Terrace  
[Personal Care]

d/b/a Fellowship Courts  
[Independent Living]

d/b/a Fellowship Villa  
[Personal Care]  
[Independent Living]

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# BIBLE FELLOWSHIP CHURCH HOMES, INC.

## Fellowship Community

### Exhibit B Officers and Board of Trustees

Board Directory 2025-2026

Title	Term Expiration	Name	Address	City	State	Zip	Email	Phone
	2027	Mr. Wayne Batten						610-865-6759 (H)
	2026	Mr. Robert Erland						
Vice Chairman	2028	Dr. Ronald Reed						
Secretary/Treasurer	2027	Mr. Byron Roth						
	2027	Dr. Glenn Ruoss						
	2026	Mr. Henry U. Sandt, Jr.						
Chairman	2026	Rev. Timothy Schmoyer						
	2027	Mr. Robert Vaughn						
	2027	Mr. Hans R. Waldvogel						

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**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit C Residency Agreement**

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# Fellowship Community

## **Residential Living Residency Agreement**

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## DEFINITIONS OF WORDS AND PHRASES

**ADDITIONAL OCCUPANT:** An individual who, after you take Occupancy, applies and is accepted for admission to Community to occupy the Unit as a Co-Resident.

**CERTIFICATE OF INSURANCE:** A document issued by an insurance carrier reflecting the coverage available under the policy.

**CONDITIONS OF OCCUPANCY:** The health, safety and related requirements for continued Occupancy of the Unit or other accommodation in the Community.

**CO-RESIDENT:** One of two individuals who signs a residential living residency agreement to initially occupy one unit.

**DAILY RATE:** The daily charge for Routine Nursing Care Services or Personal Care Services. The Daily Rate does not include charges for additional or miscellaneous services.

**DESIGNATED OCCUPANCY DATE:** The date designated by us for you to accept Occupancy, and for the Monthly Maintenance Fee to become due, unless the Unit is occupied earlier.

**DOUBLE OCCUPANCY:** Two individuals initially residing in a unit as Co-Residents.

**ENTRANCE FEE:** The initial charge for admission to the Community. The amount of the Entrance Fee is based on the model of the Unit and the selected Entrance Fee Refund Plan.

**ENTRANCE FEE REFUND PLAN:** The Community offers two Entrance Fee Refund Plans: a no less than 60% Entrance Fee refund option; and a no less than 30% Entrance Fee refund option. The Entrance Fee Refund Plan is the Entrance Fee refund option selected by the Resident (or Co-Residents, if applicable).

**HEALTH CARE CENTER:** The licensed nursing care facility of Community.

**MONTHLY MAINTENANCE FEE:** The charge per month for Occupancy of the Unit.

**OCCUPANCY:** The right of possession and use of the Unit.

**PERSONAL CARE CENTER:** The licensed personal care facility of Community.

**PERSONAL CARE SERVICES:** Assistance with or supervision in activities of daily

living and/or instrumental activities of daily living in the Personal Care Center in exchange for the Daily Rate.

**RESERVATION AGREEMENT:** For new units, the agreement executed by you upon payment of the ten percent (10%) deposit of the Entrance Fee for a particular unit.

**RESIDENCY APPLICATION:** The application submitted to Community by those individuals seeking admission to Community.

**ROUTINE NURSING CARE SERVICES:** The level of Routine Nursing Care Services provided by us in the Health Care Center in exchange for the Daily Rate. The following types of services are not included in routine nursing care: one-on-one companion or CNA services when required by your care plan; care for certain high acuity conditions, such as ventilator dependent care; dialysis services; treatment for drug and alcohol conditions; or psychiatric care. Generally, services not included in routine nursing care are not available at the Community; and, if such services become or are available, then such services are only provided for an additional fee.

**SECOND PERSON ENTRANCE FEE:** The additional, non-refundable Entrance Fee of \$10,000 due under this Agreement if there is a Co-Resident.

**SINGLE OCCUPANCY:** One individual initially residing in a unit.

**SURRENDER:** To cease Occupancy of the Unit, to remove all possessions from it, and to return all keys to it.

**UNIT:** The living unit designated under this Agreement for Occupancy by you.

# FELLOWSHIP COURTS/VILLA RESIDENTIAL LIVING RESIDENCY AGREEMENT

THIS RESIDENTIAL LIVING RESIDENCY AGREEMENT (called "Agreement"), made this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, between Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community, a Pennsylvania non-profit corporation (called "Community," and referred to by the words "we," "us" and "our"), and \_\_\_\_\_ (called "Resident," and referred to by the words "you" and "your" and when two individuals sign this Agreement for Double Occupancy, they are called collectively "Resident," "you" and "your" where the context permits, and individually "Co-Resident") for admission of Resident to the Community for Occupancy of \_\_\_\_\_ (called "Unit").

You have selected the no less than \_\_\_% Entrance Fee Refund Plan. [\_\_\_ *initials*] as more fully described in Section 11 and on Exhibit "A." The Entrance Fee to be paid for the Unit is \$ \_\_\_\_\_ [\_\_\_ *initials*] and will be paid in accordance with the schedule in Section 4.1.

You are/are not [*circle the correct choice*] more than one person. The Second Person Entrance Fee is/is not [*circle the correct choice*] due under this Agreement. [\_\_\_ *initials*]

## RECITALS:

We operate a continuing care retirement community;

You have applied for admission to occupy the Unit; and,

We have reviewed and accepted your Residency Application subject to the execution of this Agreement, and you have designated the aforementioned Unit for Occupancy.

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

## SECTION 1: UNIT AND FACILITIES

**1.1 Living Accommodations and Term.** We shall provide you with the accommodations, common facilities and services specified in this Agreement beginning on the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, and continuing until the termination of this Agreement.

**1.2 Description of Unit.** We shall provide you with the Unit designated under this Agreement furnished with a kitchen stove, refrigerator, dishwasher, garbage disposal, washer and dryer, and floor coverings. You shall provide all other furnishings, subject to our approval, which shall remain your property.

**1.3 Optional Furnishings or Fixtures.** At your request, and subject to our approval, we shall provide optional furnishings or fixtures identified in an addendum(s) attached to this Agreement. Optional furnishings or fixtures are not included in the Entrance Fee or Monthly Maintenance Fee and are provided at an additional cost. If requested prior to Occupancy, the cost of any optional furnishings or fixtures shall be paid prior to Occupancy. At our discretion, the costs of any optional furnishings or fixtures requested after Occupancy shall be paid prior to or at the time of installation. Upon installation, all additional furnishings or fixtures immediately become our property and shall remain in the Unit after the termination of this Agreement. An addendum to this Agreement reflecting all optional furnishings or fixtures and their cost shall be signed by you and us.

**1.4 Structural Changes and Redecoration.** Any structural or physical change of any kind or redecoration to the interior or exterior of the Unit, including, but not limited to, wallpaper, painting or floor covering, may be made only after obtaining written approval from us. The cost of any redecoration or structural change requested by you, and restoration to original condition, except that cost due to normal wear and tear, shall be paid by you unless otherwise agreed in writing by us. The selection of a contractor for any structural changes shall be made by us. The charge or value of any physical or structural changes will not be considered in calculating any applicable Entrance Fee refunds and are not considered part of the Entrance Fee. An addendum to this Agreement reflecting all structural changes and their cost shall be signed by you and us.

**1.5 Common Facilities.** We shall provide certain common facilities including, but not limited to, outdoor recreational and activity areas, a community center, walkways, dining facilities, beauty/barber shop, exercise equipment, and meeting accommodations. The common facilities are available to you in accordance with our policies and procedures as reflected in publications of the Community, which are subject to change from time to time at our discretion.

**1.6 Priority Access.** You will receive priority access to Routine Nursing Care Services at the Health Care Center and Personal Care Services at the Personal Care Center on a fee-for-service basis. Priority access is conditioned on you satisfying the financial and all other requirements for admission and bed availability.

**1.7 Designated Occupancy Date.** We shall establish a date when you must accept Occupancy (the "Designated Occupancy Date"). We will provide notice of the Designated Occupancy Date no later than thirty (30) days before the Unit is available. We reserve the right to extend the Designated Occupancy Date. The obligation to pay the

Monthly Maintenance Fee shall begin on the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. The Entrance Fee and the Second Person Entrance Fee, if applicable, must be paid in accordance with the schedule specified in Section 4.1 of this Agreement, and paid in full on the Designated Occupancy Date or upon actual Occupancy, whichever is earlier.

## **SECTION 2: SERVICES**

**2.1 Utilities.** We shall provide electric, water, heating/air conditioning, Wi-Fi, sewer, and refuse collection. These services are included in the Monthly Maintenance Fee. We reserve the right to establish maximum usage levels on utilities and to charge you for any unreasonably excessive usage due to waste or abuse.

**2.2 Telephone.** We shall provide your Unit with access to telephone service. You shall contact the telephone company to select a telephone service plan. All telephone service charges, including connection charges, are not included in the Monthly Maintenance Fee and shall be paid by you.

**2.3 Cable Television.** We shall provide your Unit with access to cable television service and at least one cable connection. Basic cable service is included in the Monthly Maintenance Fee. Expanded pay channel service charges are not included in the Monthly Maintenance Fee and shall be paid by you.

**2.4 Maintenance and Repair of Equipment.** We shall provide necessary repairs, maintenance, and replacement of our property, equipment, and appliances. Repairs, maintenance, and replacement of your property and furnishings are your responsibility and are not included in the Monthly Maintenance Fee. Maintenance and repair of our property, equipment or appliances necessitated by your neglect or abuse as we determine, shall be paid by you.

**2.5 Maintenance of Grounds.** We shall provide grounds keeping, lawn care, and snow removal, in accordance with our policy, which is subject to change from time to time. These services are included in the Monthly Maintenance Fee.

**2.6 Property Insurance.** We shall provide insurance on our property only. You are responsible to insure against personal property and general liability losses and for the cost of such insurance.

**2.7 Administration.** We shall provide administrative support services to implement the provisions of this Agreement. Administrative services are included in the Monthly Maintenance Fee.

**2.8 Assessments.** Property taxes are included in the Monthly Maintenance Fee.

**2.9 Transportation.** We shall provide limited transportation service consistent with the schedule established by us in accordance with the policy promulgated by the Community, which is subject to change from time to time. This limited transportation service is included in the Monthly Maintenance Fee. Other transportation service is available at an additional charge.

**2.10 Activities.** We, in our discretion, shall provide recreational, educational, and social services. Access to, participation in, and fees, if any, associated with activities are governed by our policy, which is subject to change from time to time.

**2.11 Scope of Services Included in the Monthly Maintenance Fee.** We reserve the right to include or not to include certain services in the Monthly Maintenance Fee and to adjust the Monthly Maintenance Fee appropriately. We will provide thirty (30) days advance notice of any changes in services.

**2.12 Other Services.** Other services, such as housekeeping, maintenance, barber/beauty and spa services, are available at an additional charge and are not included in the Monthly Maintenance Fee. The charges for these services are reflected in the Community's publications or policies promulgated by the Community, which are subject to change from time to time.

### **SECTION 3: NURSING AND PERSONAL CARE SERVICES**

**3.1 Health Care Center and Personal Care Center.** We operate a Health Care Center and a Personal Care Center for the provision of licensed Routine Nursing Care Services and Personal Care Services which generally shall be made available to you on a priority access basis so long as you meet the financial and all other criteria for admission. The costs of Routine Nursing Care Services and Personal Care Services are at an additional charge and are not included in the Monthly Maintenance Fee. We will exercise our best efforts to accommodate your level of care needs; however, there is no guarantee that space will be immediately available in the Health Care Center or the Personal Care Center at such time as you may require Routine Nursing Care Services or Personal Care Services. If you temporarily or permanently transfer to the Health Care Center or Personal Care Center, you shall sign an admission agreement for the provision of Routine Nursing Care Services or Personal Care Services, which agreement shall supplement the terms of this Agreement. In the event any provision of the admission agreement is in conflict or inconsistent with any of the terms or provisions of this Agreement, then this Agreement shall govern and control the relationship between you and us.

**3.2 Private Duty Nursing or Companion Services in the Unit.** Subject to the approval of the Community, you may utilize the services of private duty nurses or companions providing personal or nursing care services in the Unit so long as you are able to satisfy

the Conditions of Occupancy. Such services must be approved in advance and in writing by us. We reserve the right to review credentials of all nurses and companions, to approve or prohibit the use of or to require the discontinuation of such services. You are responsible to pay for all such services. As a condition of our approval, all private duty nurses or companions must provide us with an appropriate release and indemnification agreement, proof of workers' compensation and liability insurance, as well as proof that such nurses or companions are free of tuberculosis and/or any other contagious or communicable disease, and are subject to a criminal background check. To the extent required, you shall confirm that any approved private duty nurse, companion, or attending individual has workers' compensation insurance coverage. In the absence of such coverage, you are required to provide workers' compensation insurance to the extent required by law. Services of private duty nurses, nurse assistants or companions may be used so long as you are able to satisfy the Conditions of Occupancy. In exchange for our consent to your request for the services of a private duty nurse, companion, or other assistant, you shall execute, if requested by us, an Aging-in-Place Addendum, which shall be attached to this Agreement and incorporated by reference. We reserve the right to terminate your authorization to utilize the services of private duty nurses, nurse assistants or companions in the event that you do not comply with the requirements of this Section or the Aging-in-Place Addendum, or require transfer to another level of care. If transfer to another level of care is required, then we reserve the right to transfer you to another level of care within the Community or to such other external care facility as we deem appropriate.

**3.3 Health Care Services and Liability for Health Care Costs.** Subject to Section 3.4 below, you remain responsible for your own Routine Nursing Care Services, Personal Care Services and health care services while residing in the Unit. All Routine Nursing Care Services, Personal Care Services and health care services which you access while you are a resident of the Unit will be at your cost and expense whether provided by the Community or another vendor and such costs and expenses are not covered by the Monthly Maintenance Fee.

**3.4 Liability for Health Care Services.** A resident shall not be liable to a health care provider for services rendered under this Agreement if the health care services rendered are services which the Community agreed to furnish to a resident in consideration of the resident's payment of entrance and periodic fees. No future health care services are covered by your payment of the Entrance Fee or Monthly Maintenance Fee.

**3.5 Medical Emergencies.** We do not provide Emergency Medical Services (EMS) or Emergency Medical Technicians (EMT). In the event of a medical emergency, you are required to contact 911 to obtain medical assistance. We disclaim any and all responsibility for providing emergency medical care services in your Unit.

## **SECTION 4: FEES**

**4.1 Entrance Fee.** The amount of the Entrance Fee is based on the model of the Unit and the Entrance Fee Refund Plan you have selected and is described in the Fee Schedule attached to this Agreement as Exhibit "A," which is subject to change from time to time. You shall pay to us the Entrance Fee and the Second Person Entrance Fee, if applicable, in accordance with the following schedule:

**(a) Payment Schedule for Existing Units.**

**(i) Application Fee.** You shall pay an application fee in the amount of \$1,000 at the time of submitting your Residency Application. The application fee shall be applied as a credit toward the Entrance Fee.

**(ii) Deposit of Five Percent (5%).** Upon acceptance of your Residency Application and when a suitable existing Unit is available and selected by you, you shall pay to us a deposit equal to five percent (5%) of the Entrance Fee less the application fee already paid. You shall execute this Agreement at the time the specified amount is paid to the Community.

**(iii) Balance of Entrance Fee.** You shall pay to us the balance of the Entrance Fee and the Second Person Entrance Fee, if applicable, on the Designated Occupancy Date or upon Occupancy, whichever is earlier.

**(b) Payment Schedule for New Units.**

**(i) Application Fee.** You shall pay an application fee in the amount of \$1,000 at the time of submitting your Residency Application. The application fee shall be applied as a credit toward the Entrance Fee.

**(ii) Deposit of Ten Percent (10%).** You shall pay to us an initial deposit of ten percent (10%) of the Entrance Fee, less the application fee already paid, at the time of executing the Reservation Agreement for reservation of the Unit.

**(iii) Deposit of Fifteen Percent (15%).** Upon commencement of the construction of the foundation for the apartment building in which the Unit will be located, you shall pay a second deposit to us in the amount of fifteen percent (15%) of the Entrance Fee.

**(iv) Deposit of Twenty Percent (20%).** You shall pay a third deposit to us in the amount of twenty percent (20%) of the Entrance Fee at fifty percent (50%) completion of construction for the apartment building in which the Unit will be located.

(v) **Balance of Entrance Fee.** You shall pay to us the balance of the Entrance Fee and the Second Person Entrance Fee, if applicable, on the Designated Occupancy Date or upon Occupancy, whichever is earlier. You shall execute this Agreement at the time the specified amount is paid to the Community.

**4.2 Use of Entrance Fee.** The entire Entrance Fee and the Second Person Entrance Fee shall be used for the purpose of sustaining and extending our mission.

**4.3 Limitations on Increases in the Entrance Fee and the Second Person Entrance Fee.** After the signing of this Agreement by you, there will be no increase in the Entrance Fee or the Second Person Entrance Fee charged to you for the Unit. Charges for care paid in one lump sum shall not be increased or decreased during the duration of the agreed upon care, except for changes required by State or Federal assistance programs. In accordance with Section 3.4 above, the Entrance Fee and Monthly Maintenance Fee do not include future health care services.

**4.4 Monthly Maintenance Fee.**

(a) **Amount.** You shall pay to us a Monthly Maintenance Fee for Occupancy of the Unit. The amount of the Monthly Maintenance Fee is based on the model of the Unit and the number of occupants as described in Exhibit "A."

(b) **Payment and Due Date.** Your responsibility for the Monthly Maintenance Fee begins on the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. Payment is due upon receipt of the monthly statement. We reserve the right to change our billing cycle. The Monthly Maintenance Fee shall be pro-rated if you assume Occupancy after the first of the month. If any Monthly Maintenance Fee or other charges for miscellaneous or ancillary services are not paid within thirty (30) calendar days of the due date, we may elect to exercise our available rights and remedies under this Agreement including termination.

(c) **Adjustments in Monthly Maintenance Fee.** The Monthly Maintenance Fee may be adjusted from time to time. We will provide thirty (30) days advance written notice of any changes in the Monthly Maintenance Fee.

**4.5 Other Charges.** In addition to the Monthly Maintenance Fee, the monthly statement shall reflect all other Community charges for miscellaneous, ancillary, or other services. Payment for all such other charges is also due upon receipt.

**4.6 Co-Resident's Fee Responsibility.** In situations of Double Occupancy, you shall be jointly and severally liable for each other's financial obligations and for all payments due under this Agreement. If one Co-Resident dies or leaves the Community or if this Agreement is terminated as to one Co-Resident for any reason, then both Co-Residents

and/or their estates shall remain jointly and severally liable for all financial obligations incurred by either Co-Resident under this Agreement. In the event one Co-Resident transfers to the Health Care Center, this provision shall not be construed as a third party guarantee nor shall it impair such Co-Resident's eligibility for Medicare or Medical Assistance benefits.

**4.7 Late Charges and Cost of Collection.** Any charges which are unpaid within thirty (30) days of the due date, shall be subject to a late charge of one and one-half percent (1.5%) per month (or annual rate of eighteen percent (18%)), and you are obligated to pay any late charges. In the event we initiate any legal actions or proceedings to collect payments past due in excess of sixty (60) days, you shall be responsible to pay all attorneys' fees and costs incurred by us in pursuing the enforcement of your financial obligations under this Agreement.

**4.8 Inability to Pay.** It is our policy not to terminate this Agreement solely because of your inability to pay the Monthly Maintenance Fee and other charges, so long as you qualify for and we are capable of providing financial assistance. The financial information provided in your Residency Application, in documents subsequently requested by us, or with your request for financial assistance, must not contain any material misrepresentations or omissions. It is your responsibility to look to all other available sources of financial assistance such as family, church and other agencies, including the Pennsylvania Department of Human Services ("DHS") which administers the Medical Assistance Program (called "MA Program"), before requesting financial assistance from us. You may not transfer assets represented as available in your Residency Application for less than fair market value unless the transfer does not impair your ability to fulfill your financial obligations to us under this Agreement or for future Personal Care Services or Routine Nursing Care Services. If you impair your ability to pay your financial obligations by transferring assets for less than fair market value, or take such other actions that would disqualify you from benefits under the MA Program, then you shall not be considered for financial assistance and this Agreement may be terminated.

Our ability to provide financial assistance is contingent upon a number of factors including the availability of charitable gifts and the financial condition of the Community. If we determine that you qualify for financial assistance, then we may but will not be obligated to provide such assistance as is necessary to enable you to meet the Monthly Maintenance Fee obligation or other charges. Such assistance may include payment by the Community of all or a portion of your Monthly Maintenance Fee obligation and other charges as determined by the Community in its sole discretion. If financial assistance is initially granted, there is no guarantee that such assistance can or will continue indefinitely or for any specific period of time.

We reserve the right to deduct amounts necessary to fulfill all of your financial obligations to us from any remaining balance of the refundable portion of the Entrance Fee. You hereby authorize such deductions from any remaining balance of the refundable portion of the Entrance Fee, which otherwise would be due as a refund. You specifically authorize us to deduct from any remaining balance of the refundable portion of the Entrance Fee an amount equal to all or any portion of any financial assistance advanced by the Community on your behalf under the preceding paragraph.

## **SECTION 5: FINANCIAL DISCLOSURE**

You agree to provide updated financial information at the request of the Community.

## **SECTION 6: MARRIAGE AND/OR ADDITIONAL OCCUPANTS**

**6.1 Non-Resident.** In the event that you desire to marry or have another person share your Unit, the proposed Additional Occupant must file a Residency Application and meet all age and other requirements for admission to the Unit. In the event that you allow an Additional Occupant to occupy your Unit with you during the term of this Agreement, the Second Person Entrance Fee shall be due prior to such occupancy and the Monthly Maintenance Fee shall be increased to the Monthly Maintenance Fee for Double Occupancy as reflected in Exhibit "A", which is subject to change from time to time. In the event that the proposed Additional Occupant does not satisfy the requirements for admission, then the proposed Additional Occupant may request admission under such other terms and conditions as may be acceptable to us, or you may exercise your option to terminate this Agreement. If the proposed Additional Occupant is admitted, the parties to this Agreement and the proposed Additional Occupant shall enter into an addendum so that the Additional Occupant shall become a Co-Resident under this Agreement.

**6.2 Other Resident.** In the event that you desire to marry or cohabit with another resident admitted under a separate Residential Living Residency Agreement, and thereafter occupy a single Unit, then you and the other resident shall select and designate in writing at least sixty (60) days in advance of the proposed move, which one of the two Units occupied by you and the other resident shall be thereafter occupied jointly. The Unit not designated for joint occupancy must be surrendered on or before the date of the proposed move to the designated Unit. Any applicable refund shall be paid to the resident surrendering his/her Unit upon the termination of the resident's Residential Living Residency Agreement, but only after the vacated Unit has been reoccupied by another resident and the applicable Entrance Fee for the Unit has been paid in full by the reoccupying resident. Each resident shall then be treated as a Co-Resident and each Co-Resident shall become jointly and severally liable for each other's financial obligations and for all payments due under this Agreement and any applicable addenda, and any

subsequent refund shall be paid in accordance with the refund provisions of this Agreement relating to Double Occupancy, unless otherwise agreed upon in writing. In the event you request to move to another Unit not then occupied by you or your anticipated co-resident, the terms and conditions of Section 7.1 shall apply.

**6.3 Divorce/Separation of Married Co-Residents.** In the event that Co-Residents, who were married to each other at the time of the execution of this Agreement, subsequently divorce and a dispute arises between the Co-Residents over rights to any applicable refund, such refund shall be held by us until a legally binding property settlement is available or until the court with jurisdiction over the divorce proceeding shall issue an order to release such funds. The refund shall not be paid at the time one Co-Resident permanently vacates the Unit and the other Co-Resident remains in the Unit. The Co-Resident who remains at the Community must retain and maintain sufficient assets/resources to provide for his/her future care. Consultation with the Community shall be necessary to determine the amount of resources needed for future care. The departing Co-Resident shall remain jointly and severally liable for the remaining Co-Resident's financial obligations under this Agreement.

**6.4 Separation of Unmarried Co-Residents.** In the event that one Co-Resident terminates this Agreement for any reason, the terminating Co-Resident must ensure that the Co-Resident who remains at the Community retains and maintains sufficient assets/resources to provide for his/her future care. Consultation with the Community shall be necessary to determine the amount of resources needed for future care. As described in Section 4.6 and Section 9.7 of this Agreement, the departing Co-Resident will remain jointly and severally liable for the financial obligations of the remaining Co-Resident. No refund shall be paid at the time one Co-Resident permanently vacates the Unit and the other Co-Resident remains in the Unit.

## **SECTION 7: OPTION TO MOVE TO ANOTHER UNIT**

**7.1 Resident Option to Move.** After Occupancy, you may request to exercise a limited option to move to another Unit on the Community's premises, if and when another Unit becomes available, in accordance with our policies, which are subject to change from time to time. In the event you desire to exercise the option to move to another Unit, you must notify us in writing of the Unit desired. The costs and charges related to exercising the option to move are your responsibility. We reserve the right to refuse your request to move to another Unit.

If you are approved to move to another Unit with a greater Entrance Fee than the Entrance Fee or the Second Person Entrance Fee you paid to occupy the Unit initially designated under this Agreement, you shall be obligated to pay to us the difference between the Entrance Fee for the new Unit and the Entrance Fee for the initially designated Unit and the difference between the Second Person Entrance for the new Unit

and the Second Person Entrance Fee for the initially designated Unit, prior to the move. This additional portion of the Entrance Fee shall be included in the Entrance Fee for the purpose of determining the amount of the Entrance Fee to be refunded in accordance with Section 11.2 of this Agreement. Any additional portion of the Second Person Entrance Fee shall not be available as a refund.

If you are approved to move to a Unit with a lesser Entrance Fee than the Entrance Fee you paid to occupy the Unit initially designated under this Agreement or with a lesser Second Person Entrance Fee than the Second Person Entrance Fee you paid to occupy the Unit initially designated under this Agreement, no refund of all or any portion of the Entrance Fee or the Second Person Entrance Fee shall be given at the time of the move to the new Unit. Rather, the Entrance Fee shall be refunded in accordance with Section 11.2 of this Agreement and the Second Person Entrance Fee is non-refundable.

The Entrance Fee for the new Unit shall be the Entrance Fee for that Unit under the Entrance Fee Refund Plan initially chosen by you.

In the event of such a move, this Agreement shall be supplemented in a writing signed by the parties identifying the new Unit, in place of the initially designated Unit, as the Unit subject to this Agreement. Thereafter, all references in this Agreement to the Unit shall be understood to mean the new Unit.

**7.2 Our Option to Require You to Move Due to Renovation and/or Rebuilding.** If we determine to substantially renovate or tear down and rebuild the Unit occupied by you or the building in which the Unit is located (due to wear and tear, in the event the Unit or the building are no longer in satisfactory condition based upon then current market, safety or other applicable standards for such Units/buildings or for other reasons we identify in our sole discretion), we will endeavor in good faith to rebuild and replace the Unit and/or building with substantially similar accommodations as soon as reasonably practical. While any such renovation or reconstruction is ongoing, for any period of time the Unit is not fit for occupation, we will locate, identify or provide, reasonable temporary alternative accommodations for you which may be a vacant Unit but which may also be off-site accommodations. You will also continue to have access to reasonably equivalent services as otherwise provided under this Agreement. We may, in our discretion, equitably adjust your Monthly Maintenance Fee if the alternative accommodation or services are substantially different from your original Unit. Upon completion of the renovation/construction, we will make available to you: (i) the reconstructed or replacement Unit, and the reconstructed or replacement Unit shall be substantially similar in features (including number of bedrooms, number of bathrooms, size, appliances, carpeting and heating and air conditioning) and quality to the Unit previously occupied by you; and/or (ii) the reconstructed or replacement building, and the reconstructed or replacement building will be substantially similar in features (common facilities) and quality to the building in which the Unit was located. We will

provide no less than sixty (60) days' notice to you before commencing any such renovation or reconstruction. We will fund your reasonable moving and storage costs arising out of any such renovation or reconstruction. You acknowledge your rights under this Agreement do not supersede and are subordinate to our authority to undertake such renovation or reconstruction when we deem necessary or appropriate. To the extent required under applicable law, we will provide notice to the Insurance Department of any such renovation or reconstruction before undertaking any such renovation or reconstruction. We shall not be liable for any damage, compensation, or claim by reason of your temporary removal from the Unit or any inconvenience, annoyance or harm to you arising from the necessity of renovating or reconstructing all or any portion of the Unit or the building in which the Unit is located, or the interruption in your use of the Unit, building or services.

## **SECTION 8: HEALTH CARE RESERVE ACCOUNT**

### **8.1 Creation of Account.**

(a) **Single Occupancy.** If you permanently transfer to the Health Care Center or Personal Care Center, no refund of any applicable portion of the Entrance Fee will be due or paid to you at that time. Instead, an amount equal to the refund that otherwise would be payable to you as determined by the applicable time period specified in Section 11.2 will be placed in the Health Care Reserve Account (called "Account") at the time we receive full payment of the applicable Entrance Fee (and the Second Person Entrance Fee, if applicable) for the Unit designated under this Agreement from another resident. The Account will be maintained by us until your death or departure from the Community and the termination of this Agreement. Any balance remaining in the Account upon the termination of this Agreement will be treated as Entrance Fee subject to refund in accordance with Section 11.2. The Account will only be established if you permanently transfer to the Health Care Center or Personal Care Center.

(b) **Double Occupancy.** If and at such time as the last remaining Co-Resident in the Unit permanently transfers to the Health Care Center or Personal Care Center, no refund of any applicable portion of the Entrance Fee will be due or payable to you. Instead, an amount equal to the refund that otherwise would be payable to you as determined by the applicable time period specified in Section 11.2 will be placed in the Account at the time we receive full payment of the applicable Entrance Fee (and the Second Person Entrance Fee, if applicable) for the Unit designated under this Agreement from another resident. The Account will be maintained by us until the death or departure from the Community of the last surviving Co-Resident and the termination of this Agreement. Any balance remaining in the Account upon the termination of this Agreement will be treated as Entrance Fee subject to refund in accordance with Section

11.2. The Account will only be established at such time as the last remaining Co-Resident in the Unit permanently transfers to the Health Care Center or Personal Care Center.

## **8.2 Mandatory Utilization of Account.**

(a) **Single Occupancy.** If and when you permanently transfer to the Health Care Center or Personal Care Center, the funds in the Account shall be available to pay the charges for your care. The funds in the Account shall be applied to the charges in the Health Care Center or Personal Care Center. We shall continue to deduct funds from the Account to pay any outstanding charges until the termination of this Agreement, unless such funds are expended prior to termination. In the event the funds in the Account are expended prior to termination, then you shall utilize any other available assets to pay in full the charges for your care in the Health Care Center or Personal Care Center.

(b) **Double Occupancy.** If and when both Co-Residents permanently transfer to the Health Care Center or Personal Care Center, the funds in the Account shall be available to pay the charges for their care. The funds in the Account shall be applied to the charges in the Health Care Center or Personal Care Center. We shall continue to deduct funds from the Account to pay any outstanding charges until the termination of this Agreement, unless such funds are expended prior to termination. In the event the funds in the Account are expended prior to termination, then both Co-Residents shall utilize any other available assets to pay in full the charges for their care in the Health Care Center or Personal Care Center.

## **8.3 Possible Refund of Account.**

(a) **Single Occupancy.** If there is an unexpended balance remaining in the Account upon the termination of this Agreement due to your death or departure from the Community, then such balance shall be treated as Entrance Fee subject to refund in accordance with Section 11.2.

(b) **Double Occupancy.** If there is an unexpended balance remaining in the Account upon the termination of this Agreement due to the death or departure from the Community of the last surviving Co-Resident, then such balance shall be treated as Entrance Fee subject to refund in accordance with Section 11.2.

**8.4 Eligibility for Financial Assistance.** Upon exhaustion of the funds in the Account and your other assets, you, or in situations of Double Occupancy, both Co-Residents, shall be required to look to all other available sources of financial assistance before requesting financial assistance from us in accordance with Section 4.8 above.

## **SECTION 9: TERMINATION OF AGREEMENT**

## 9.1 Termination by You.

(a) **Rescission Period.** You may terminate this Agreement within seven (7) days of execution by signing the attached Notice of Right to Rescind and delivering it to us in accordance with the instructions set forth in the attached Notice of Right to Rescind.

(b) **Prior to Occupancy.** After the lapse of the seven (7) day rescission period, but prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, you may terminate this Agreement by delivering written notice to us prior to Occupancy. In the event of your death, illness, injury or incapacity prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier; then this Agreement shall automatically terminate. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement. In situations of Double Occupancy where one Co-Resident is precluded from taking Occupancy due to death, illness, injury or incapacity, the other Co-Resident may elect to terminate this Agreement. If such Co-Resident elects to take Occupancy of the Unit, then the Monthly Maintenance Fee shall be reduced to the Monthly Maintenance Fee for Single Occupancy.

(c) **After Occupancy.** After Occupancy, you may terminate this Agreement by delivery of written notice to us at least one hundred and twenty (120) days prior to termination, and by the Surrender of the Unit. Termination shall be effective after the lapse of the one hundred and twenty (120) day notice period and Surrender of the Unit. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

## 9.2 Termination by Us.

(a) **Prior to Occupancy.** We may terminate this Agreement at any time prior to Occupancy by providing written notice to you prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

(b) **After Occupancy.** We may terminate this Agreement upon a determination of just cause and delivery of thirty (30) days written notice to you or your representative or such written notice as is reasonable under the circumstances. Just cause shall include but not be limited to: (i) a default in payment; (ii) the submission of any materially false information; (iii) the failure of you to abide by our rules, regulations, policies, and procedures; (iv) the breach by you of any of the other terms of this Agreement, including a change in the liquidity of your assets, such as the purchase of an annuity that impairs your ability to fulfill timely your current financial obligations to us as explained further below, or a transfer of assets to an irrevocable trust or any other transfer whereby assets disclosed in your Residency Application are no longer available in whole or in part to pay for your care and services; or (v) a good faith determination in writing signed by our

Medical Director and Administrator that your continued Occupancy in the Unit either creates a serious threat or danger to your life, health, or safety or creates a serious threat or danger to the life, health, safety, or peaceful enjoyment of other residents or persons in the Community. If you substantially impair your ability to fulfill timely your financial obligations to us due to a change in the liquidity of your assets or a transfer of assets to an irrevocable trust or any other transfer, then we may terminate this Agreement following an opportunity to cure. If you fail to cure or correct the non-compliance within a period as determined by us and to our satisfaction, then we may terminate this Agreement for just cause upon thirty (30) days written notice to you or your representative. In situations where subsection (v) above applies, only such notice as is reasonably practicable under the circumstances will be provided to you or your representative, and termination may be effective immediately. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

**9.3 Termination Upon Permanent Transfer to an Outside Care Facility.** If you permanently transfer to another facility other than the Health Care Center or the Personal Care Center, this Agreement shall terminate. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement. In the case of Double Occupancy, this Agreement shall terminate only as to the transferring Co-Resident. The Co-Resident remaining in the Unit shall continue to pay the Monthly Maintenance Fee for Single Occupancy. No refund shall be due so long as the remaining Co-Resident continues to reside in the Unit and until all other conditions for a refund have been satisfied.

**9.4 Termination After Permanent Transfer to Health Care Center or Personal Care Center.** In the event you, or in the case of Double Occupancy, the last remaining Co-Resident in the Unit, permanently transfer to the Health Care Center or Personal Care Center, this Agreement shall remain in full force and effect, and no refund of any applicable portion of the Entrance Fee shall be due or paid at that time. After your permanent transfer and upon your subsequent death or departure from the Community, or in situations of Double Occupancy, the subsequent death or departure from the Community of the last surviving Co-Resident, and the termination of this Agreement, any applicable refund shall be paid in accordance with the refund provisions of Section 8 and Section 11.2 of this Agreement.

**9.5 Termination by Death.** Following your death, this Agreement shall terminate when the Unit has been surrendered to us. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement. If the Unit remains occupied by a Co-Resident, then this Agreement shall remain in full force and effect as to the surviving or remaining Co-Resident, and no refund shall be due at that time.

**9.6 Surrender.** The obligation to pay the Monthly Maintenance Fee shall continue until after the lapse of any mandatory notice period for termination and the Unit has been

surrendered by you, or in the case of death, by your estate or your family. Surrender of the Unit shall be complete when you have ceased to occupy it, have removed all possessions from it, and have turned over the Unit keys to us.

**9.7 Further Obligations and Release Upon Termination.** Upon termination of this Agreement, we are released from any further obligations to you except for the delivery of personal property as limited by this Agreement, and the payment of any refund, if any refund is due. You are released from any further obligations to the Community after all of your financial and indemnification obligations have been met under this Agreement. The provisions of Section 4.6 addressing joint and several liability for the financial obligations of Co-Residents and the indemnification provision reflected in Section 18 survive the termination of this Agreement and shall remain in full force and effect.

**9.8 Failure to Vacate and Surrender Unit.** Upon notice of termination, in the event that you fail to vacate and Surrender the Unit timely, then we may file a complaint with the applicable District Justice seeking an order to evict you from the Unit. You shall be obligated to pay us reasonable attorneys' fees and costs in the event we commence legal proceedings against you to evict you for your non-compliance with or breach of the terms of this Agreement.

## **SECTION 10: TRANSFER FOR OTHER SERVICES OR TO ANOTHER OUTSIDE FACILITY**

**10.1 Conditions of Occupancy.** Subject to the other terms and conditions of this Agreement, you shall have the right to occupy the Unit for so long as your continued Occupancy of the Unit does not pose either a serious threat or danger to your life, health, or safety or a serious threat or danger to the life, health, safety, or peaceful enjoyment of other residents or persons in the Community. At our request, you agree to consult with us concerning any such serious threats which may arise and regarding reasonable accommodations and support services which may be available to you to assist you in remaining in the Unit. Your continued right to occupy the Unit is also dependent upon continued payment of the Monthly Maintenance Fee whether by you or by virtue of your having qualified for financial assistance under this Agreement.

**10.2 Decision to Transfer.** With the concurrence of our Medical Director, and following consultation with you and/or your authorized representatives (except in the event of an emergency), we may require you to transfer from the Unit to the Health Care Center or the Personal Care Center or any other appropriate care facility if we determine in good faith that such a move should be made for your health, safety, or welfare, or for the proper operation of the Community, or because you no longer satisfy the health and safety Conditions of Occupancy of the Unit. If you transfer permanently to the Health Care Center or Personal Care Center, or to any other appropriate care facility, we may declare the Unit vacant and reassign the Unit to another resident. The decision as to

whether a transfer shall be deemed temporary or permanent shall be made by us at our sole discretion, with the concurrence of our Medical Director, following consultation with you and/or your authorized representatives and taking into account reasonable accommodations and support services which are available and affordable to you. Your opinion and the advice of your family, other authorized representatives and physician shall be taken into account but shall not be binding on us.

**10.3 Charges Related to Transfer.** If you transfer to the Health Care Center, Personal Care Center or another facility, you shall pay all charges related to the transfer to and occupancy of the Health Care Center, Personal Care Center or other facility. If you permanently transfer to the Health Care Center or Personal Care Center, then, in accordance with Section 8, the funds in the Account shall be applied to the charges you incur in the Health Care Center or Personal Care Center until the termination of this Agreement, unless such funds are expended prior to termination. In the event the funds in the Account are expended prior to termination, then you shall utilize all other available assets to pay in full the charges for your care in the Health Care Center or Personal Care Center.

**10.4 Release of or Return to Unit After Transfer.**

(a) **Temporary Transfer.** If we determine that your transfer to the Health Care Center, Personal Care Center or another facility is temporary, you shall continue to pay the Monthly Maintenance Fee to retain possession of the Unit as well as all charges for care in the Health Care Center, Personal Care Center or other facility. You may return to the Unit at such time as we determine that you can satisfy the health and safety Conditions of Occupancy. In situations of Double Occupancy where one Co-Resident temporarily transfers to the Health Care Center or Personal Care Center, the Monthly Maintenance Fee shall be reduced to the Monthly Maintenance Fee for Single Occupancy, and the transferred Co-Resident shall be charged and both Co-Residents shall collectively be responsible to pay the Monthly Maintenance Fee and the charges for care and services in the Health Care Center or Personal Care Center. In the event one Co-Resident temporarily transfers to the Health Care Center, this provision shall not be construed as a third party guarantee nor shall it impair such Co-Resident's eligibility for Medicare or Medical Assistance benefits. In situations of Double Occupancy where one Co-Resident temporarily transfers to another facility, the Monthly Maintenance Fee shall remain the same, and the transferred Co-Resident shall be charged and both Co-Residents shall collectively be responsible to pay the Monthly Maintenance Fee and the charges for care and services in the other facility.

(b) **Permanent Transfer.** If we determine that your transfer to the Health Care Center, Personal Care Center or another facility is permanent, your obligation to pay the Monthly Maintenance Fee will cease upon your Surrender of the Unit. You shall pay all charges for care in the Health Care Center, Personal Care Center or other facility. If we

determine that your transfer to the Health Care Center or Personal Care Center is permanent, then, in accordance with Section 8, the funds in the Account shall be applied to the charges you incur in the Health Care Center or Personal Care Center until the termination of this Agreement, unless such funds are expended prior to termination. In the event the funds in the Account are expended prior to termination, then you shall utilize all other available assets to pay in full the charges for your care in the Health Care Center or Personal Care Center. If in our opinion, with the concurrence of our Medical Director, following consultation with you and/or your authorized representatives and taking into account reasonable accommodations and support services which are available and affordable to you, you subsequently recover sufficiently to satisfy the health and safety Conditions of Occupancy, we in the exercise of our discretion, shall make available as soon as reasonably practicable a Unit with a floor plan reasonably comparable to the one relinquished or a Unit with a floor plan that better meets your needs at that time. In situations of Double Occupancy where one Co-Resident permanently transfers to the Health Care Center, Personal Care Center or another facility, the Monthly Maintenance Fee shall be reduced to the Monthly Maintenance Fee for Single Occupancy, and the transferred Co-Resident shall be charged and both Co-Residents shall collectively be responsible to pay the charges for care and services in the Health Care Center, Personal Care Center or other facility. In the event one Co-Resident permanently transfers to the Health Care Center, this provision shall not be construed as a third party guarantee nor shall it impair such Co-Resident's eligibility for Medicare or Medical Assistance benefits. In situations of Double Occupancy where both Co-Residents permanently transfer to the Health Care Center or Personal Care Center, then, in accordance with Section 8, the funds in the Account shall be applied to the charges in the Health Care Center or Personal Care Center. In the event the funds in the Account are expended prior to the termination of this Agreement, then both Co-Residents shall utilize all other available assets to pay in full the charges for their care in the Health Care Center or Personal Care Center.

## **SECTION 11: REFUND OF ENTRANCE FEE**

**11.1 Termination Before Occupancy.** We will make a full refund of any Entrance Fee payments and the application fee less \$100, which will be retained by us as an administrative processing charge, if you rescind this Agreement within seven (7) days in accordance with the Notice of Right to Rescind. In the event of termination of this Agreement by your death before the Designated Occupancy Date or actual date of Occupancy, whichever is earlier; or in the event you are precluded from taking Occupancy because of illness, injury, or incapacity prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier; then we will make a refund of the application fee less \$100 and all Entrance Fee payments less any amounts deducted to cover expenses incurred by us at your specific written request. If you do not terminate this Agreement within the seven (7) day rescission period but do terminate prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, while not precluded from taking Occupancy by illness, injury, incapacity, or death; then we will

make a refund of the application fee less \$100 and any Entrance Fee payments less five percent (5%) of the Entrance Fee and less any amounts deducted to cover expenses incurred by us at the specific written request of you, in accordance with the refund provisions of this Agreement. Where two individuals have signed this Agreement for Double Occupancy, the death of one Co-Resident shall not constitute termination of this Agreement, and no refund shall be due. Once paid, the Second Person Entrance Fee is non-refundable. In the event of the termination of this Agreement by us before the Designated Occupancy Date or actual date of Occupancy, whichever is earlier; then we shall make a full refund of all payments, including the application fee.

**11.2 Termination After Occupancy.** The applicable portion of the Entrance Fee as determined in accordance with the following schedule, but minus any funds paid out of the Account for charges in the Health Care Center or the Personal Care Center should you have incurred any such charges, will be refunded to you or your estate in accordance with the following schedule. For the purposes of this section, Occupancy begins on the earlier of the Designated Occupancy Date or the first day of your actual Occupancy of the Unit, and ends upon your Surrender of the Unit, following termination of this Agreement or your permanent transfer to the Health Care Center or the Personal Care Center. Once paid, the Second Person Entrance Fee is non-refundable.

**(a) Occupancy for Less than Two (2) Years.** In the event that your Occupancy of the Unit is for less than two (2) years, and (i) you have elected the no less than 60% Entrance Fee Refund Plan, you will be entitled to a refund of seventy-five percent (75%) of the Entrance Fee; or (ii) you have elected the no less than 30% Entrance Fee Refund Plan, you will be entitled to a refund of forty-five percent (45%) of the Entrance Fee, in each case, less deductions for any financial assistance provided to you by us, and/or any amounts necessary to cover costs incurred by us to refurbish, restore or repair the Unit in the event of unreasonable wear and tear, and/or costs incurred at your specific request, and/or any outstanding charges owed to us, and/or any funds paid out of the Account for charges in the Health Care Center or the Personal Care Center, if applicable.

**(b) Occupancy for Two (2) Years or More and Less than Three (3) Years.** In the event that your Occupancy of the Unit is for two (2) years or more but less than three (3) years, and (i) you have elected the no less than 60% Entrance Fee Refund Plan, you will be entitled to a refund of seventy percent (70%) of the Entrance Fee; or (ii) you have elected the no less than 30% Entrance Fee Refund Plan, you will be entitled to a refund of no less than forty percent (40%) of the Entrance Fee, in each case, less deductions for any financial assistance provided to you by us, and/or any amounts necessary to cover costs incurred by us to refurbish, restore or repair the Unit in the event of unreasonable wear and tear, and/or costs incurred at your specific request, and/or any outstanding charges owed to us, and/or any funds paid out of the Account for charges in the Health Care Center or the Personal Care Center, if applicable.

(c) **Occupancy for Three (3) Years or More and Less than Four (4) Years.** In the event that your Occupancy of the Unit is for three (3) years or more but less than four (4) years, and (i) you have elected the no less than 60% Entrance Fee Refund Plan, you will be entitled to a refund of sixty-five percent (65%) of the Entrance Fee; or (ii) you have elected the no less than 30% Entrance Fee Refund Plan, you will be entitled to a refund of no less than thirty-five percent (35%) of the Entrance Fee, in each case, less deductions for any financial assistance provided to you by us, and/or any amounts necessary to cover costs incurred by us to refurbish, restore or repair the Unit in the event of unreasonable wear and tear, and/or costs incurred at your specific request, and/or any outstanding charges owed to us, and/or any funds paid out of the Account for charges in the Health Care Center or the Personal Care Center, if applicable.

(d) **Occupancy for Four (4) or More Years.** In the event that your Occupancy of the Unit is for four (4) or more years, and (i) you have elected the no less than 60% Entrance Fee Refund Plan, you will be entitled to a refund of sixty percent (60%) of the Entrance Fee; or (ii) you have elected the no less than 30% Entrance Fee Refund Plan, you will be entitled to a refund of no less than thirty percent (30%) of the Entrance Fee, in each case, less deductions for any financial assistance provided to you by us, and/or any amounts necessary to cover costs incurred by us to refurbish, restore or repair the Unit in the event of unreasonable wear and tear, and/or costs incurred at your specific request, and/or any outstanding charges owed to us, and/or any funds paid out of the Account for charges in the Health Care Center or the Personal Care Center, if applicable.

**11.3 Possible Expenditure of Account Prior to Termination.** Any potential refund of the Entrance Fee is subject to the provisions of Section 8 and the possible creation of the Account. In such event, all or part of the funds in the Account may be utilized for payment for nursing and/or Personal Care Services. In the event all of the funds in the Account have been expended prior to termination, then no refund shall be due to you.

**11.4 Double Occupancy - Limitation on Availability of Refund.** It is the intention of the parties that any applicable refund will only be made in accordance with Section 11.6 after the last surviving Co-Resident vacates and surrenders the Unit, and this Agreement is terminated. In situations of Double Occupancy where one Co-Resident transfers to the Health Care Center and becomes eligible for Medical Assistance, no potential future refund shall be available to pay for Routine Nursing Care Services. If, however, DHS construes any potential future refund as an available resource, or if any court, administrative agency, or other appropriate tribunal having jurisdiction determines that Section 11.6 is contrary to law or Medical Assistance eligibility requirements, then we shall make available the amount determined by DHS or other appropriate tribunal as an available resource as a refund, and apply such refund to the payment of Routine Nursing Care Services for the particular Co-Resident.

**11.5 No Accrual of Interest.** No interest will accrue to the benefit of you or your estate on any amounts required to be refunded under this Agreement, and no interest will be paid on termination.

**11.6 Conditions and Due Date for Refund Payments.** Prior to Occupancy, any applicable refund will be made within thirty (30) days of the termination of this Agreement. After Occupancy and subject to the possible expenditure of the Account in accordance with the provisions of Section 8, any applicable refund will be made only after: (i) the termination of this Agreement; (ii) you have surrendered your Unit; and (iii) the earlier of the Unit having been re-occupied by another resident from whom we have received full payment of the applicable Entrance Fee (and the Second Person Entrance Fee, if applicable) or the twelve (12) month anniversary of the date of termination of this Agreement. Upon completion of the aforementioned conditions, any applicable refund shall be paid to you or your estate within thirty (30) days thereafter. In situations of Double Occupancy, there will be no refund, partial or otherwise, upon the death, permanent transfer, discharge or voluntary departure from the Community of only one Co-Resident. Any applicable refund will be made to the last surviving Co-Resident or the estate of the last surviving Co-Resident upon such Co-Resident's death or departure from the Community.

## **SECTION 12: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE**

**12.1 Legal Guardian.** If you become incapacitated or unable to properly care for self or property, and no representative has been lawfully designated to act on your behalf or no lawfully designated representative is available or able to act on your behalf, then we shall have the option to institute legal proceedings to adjudge you incapacitated and have a guardian appointed for you or your estate or both. You authorize us to nominate a legal guardian to serve, subject to court approval, and you release us from any liability related to the nomination. All costs of such legal proceedings, including legal fees, shall be paid by you or the legally appointed guardian of your estate.

**12.2 Power of Attorney.** We recommend that you furnish to us, no later than the actual date of Occupancy, a Power of Attorney executed by you, which shall be maintained in our files. You shall promptly provide to us any Powers of Attorney which you subsequently enter into whether or not they take the place, in full or in part, of any Power of Attorney delivered to us at the time of your Occupancy of the Unit.

## **SECTION 13: RIGHTS AND OBLIGATIONS OF RESIDENT**

**13.1 Right to Receive Disclosure Statements.** We shall deliver to you prior to or at the time of the execution of this Agreement, and make available to you at least annually thereafter, a copy of our Disclosure Statement required by the Continuing Care Provider Registration and Disclosure Act, Act No. 82 of 1984.

**13.2 Rights to Property/Subordination.** The rights and privileges granted to you by this Agreement do not include any right, title, or interest in any part of the personal property, land, buildings, and improvements owned, leased or administered by us. Your rights are primarily for services, with a contractual right of Occupancy. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between you and us. Any rights, privileges, or benefits under this Agreement, including your right to a full or partial refund, shall be subordinate to any existing or subsequent mortgages or deeds of trust on any of the premises or to any other interest in the real property of the Community and to all amendments, modifications, replacements, or re-financings of any existing or subsequent mortgages or deeds of trust or to any liens or security interests held by secured creditors of Community. This subordination provision means that the claims of secured creditors in the event of Community's bankruptcy or default on its financial obligations shall be paid before you are entitled to receive any applicable refund. Upon request, you shall execute and deliver any document, which is required by us, or by the holder of any such mortgages or deeds of trust or other encumbrances, to effect such subordination or to evidence the same.

**13.3 Inspection of Unit and Right of Entry.** You shall permit us, our agents, or any representative of any holder of a mortgage or similar interest on the property, to enter your Unit for the purpose of making reasonable inspections, repairs, and replacements. Such entry will be made only with reasonable advance notice except under what we consider to be exigent circumstances as deemed necessary and appropriate by us. We shall have the right to enter your Unit to perform scheduled housekeeping, routine maintenance, or other reasonably necessary purposes having due regard for your privacy.

**13.4 Housekeeping/Housecleaning Responsibilities.** You shall maintain your Unit in a clean, sanitary, and orderly condition. If you do not maintain your Unit in a reasonable manner as determined by us, after notice to you, we shall have the right to maintain the Unit and the cost of such additional cleaning or maintenance shall be charged to you.

**13.5 Health Insurance.** We expect that some of the cost of medicines, medical or nursing services or equipment provided for you under this Agreement will be paid by present or future federal, state, municipal, or private plans or programs of medical/surgical insurance, including, without limitation, the benefits available through Social Security programs (commonly known as "Medicare A, B and D"). Prior to Occupancy, you shall secure medical and surgical insurance for protection from medical risks, and when eligible, shall secure and maintain in force at your expense maximum coverage available under the federal government social security health insurance programs known as "Medicare A, B and D" or an equivalent policy approved in writing by us, and at least one Medicare supplemental health insurance policy (commonly known

as Medigap insurance, which must include coverage for nursing care co-insurance) such as those offered by the Blue Cross and Blue Shield Plans, or an equivalent policy as approved in writing by us, which provides coverage for Medicare deductibles and co-insurance. Acquisition of equivalent Medicare benefits from a managed care organization (“MCO”) will not satisfy the insurance requirement under this Agreement unless the MCO is approved by us in writing as an equivalent policy. Proof of such insurance must be provided at the time of application and prior to admission. In the event you fail to maintain in force, because of failure to make premium payments, such health care insurance after Occupancy, we reserve the right to make such payments for purposes of maintaining such insurance in force for your benefit. You are obligated to reimburse us for such payments made on your behalf and the cost of such premium shall be added to and included in the Monthly Maintenance Fee. The payment by us of any premium due on the required policies does not constitute a waiver of our right to terminate this Agreement upon your failure to make such premium payments and we have no obligation or liability to provide or pay for your health insurance. The Community may require you to provide proof of health insurance from time to time after Occupancy.

**13.6 Vehicle Registration and Insurance.** You may operate a vehicle on our campus only if you have a valid driver’s license and a valid state registration. You must register the vehicle with us, and comply with our rules and policies governing the safe operation of motor vehicles. We reserve the right to revoke your operating privileges and remove your vehicle from our property if you do not abide by our policy, which is subject to change from time to time.

**13.7 Insurance Requirements.** You shall obtain at your expense, personal property and general liability insurance in such amounts as we may deem appropriate, and you shall provide us with Certificates of Insurance verifying coverage. Policies shall be endorsed so as to provide that we shall receive thirty (30) days prior written notice of cancellation or non-renewal.

**13.8 Reduction of Income or Other Resources.** You shall make every reasonable effort to meet your financial obligations to us. You shall not transfer control of assets or property for less than fair market value or make any gifts subsequent to the date of the Residency Application, nor make any transfers or gifts after Occupancy, including a transfer of assets to an irrevocable trust, or change the liquidity of your assets in any manner, including the purchase of an annuity, which would substantially impair your ability to fulfill timely your financial obligations to us or the ability of your estate to satisfy your financial obligations to us. In the event you substantially impair your ability to fulfill timely your financial obligations to us, we may terminate this Agreement for just cause following an opportunity to cure. If you fail to cure or correct the non-compliance within a period as determined by us and to our satisfaction, then we may terminate this Agreement for just cause upon thirty (30) days written notice to you or your

representative. If you fail to cure within the afforded time and we decide not to terminate this Agreement, then you shall not have access to or the ability to transfer to another level of care within the Community, and you shall not be eligible for financial assistance. Our decision not to terminate this Agreement shall not be construed as a waiver of our right to terminate at a later date.

### **13.9 Responsibility for Property Damage to Community.**

(a) **Responsibility for Condition of Unit Upon Termination.** Upon termination of this Agreement or your permanent transfer to the Health Care Center or the Personal Care Center, you shall vacate and Surrender the Unit and leave it in as good condition as the date of Occupancy except for reasonable wear and tear. If the Unit is damaged beyond ordinary wear and tear, as reasonably determined by us, the costs of repair shall be your obligation and such costs shall be billed directly to you or your estate, or alternatively, deducted from any refund that may be due.

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

**13.10 Release Regarding Conduct of Other Residents or Guests.** We assume no responsibility for your conduct or the conduct of any other residents, and you hereby release and discharge us from any claims for injury or damage to you or to your personal property caused by the conduct of other residents or guests. You may bring any claims for personal injury sustained by you from the actions or omissions of other residents directly against the residents and/or guests that are responsible for your injury.

### **13.11 Responsibility for Your Personal Property.**

(a) **Responsibility for Loss or Damage.** We shall not be responsible for the loss or damage due to fire, theft, or other causes of any property belonging to you, or your estate, or your guests.

(b) **Removal of Personal Property.** Your personal property shall be removed from the Unit within thirty (30) days following your move or your death. If removal of property is not accomplished within such time, then we shall have the right to remove such property and store the same at the expense and risk of you or your estate. Articles of personal property remaining in storage or not removed from your Unit within sixty (60) days following Surrender shall become our property.

**13.12 Rules, Regulations, Policies, and Procedures.** You shall cooperate, and comply with all rules, regulations, policies, and procedures established by the Community.

Rules, regulations, policies, and procedures are set forth in publications or documents of the Community, and are subject to change from time to time.

**13.13 Your Rights are Personal and Non-transferable.** Your rights and privileges under this Agreement are personal to you and cannot be transferred or assigned. This includes, but is not limited to, the refund of the Entrance Fee. We will pay the Entrance Fee or any portion thereof which is refundable to you under this Agreement only in your name (if you are alive) or to your estate (if you are deceased), as applicable. We will not recognize any purported assignment or other transfer by you of your right to a refund of all or any portion of the Entrance Fee. No person other than you may occupy or use the Unit covered by this Agreement unless approved in writing by us.

**13.14 Right of Self-Organization.** You along with other residents of Community shall have the right of self-organization. A representative designated by us shall hold at least quarterly meetings during the calendar year with residents of Community. At least seven (7) days notice of each meeting shall be given to you.

**13.15 Pets.** Under limited circumstances as approved by us, you may have a pet so long as it meets the requirements of our pet policy. You shall assume financial responsibility and any obligations for any damage caused by the pet. We reserve the right to rescind approval of the pet if we determine that the pet constitutes a nuisance or danger to Community, or threatens the quiet enjoyment of other residents.

**13.16 Smoking.** We are a smoke-free community. We do not permit smoking anywhere on our campus, including your Unit, in accordance with our smoking policy, which is subject to change from time to time.

#### **SECTION 14: CASUALTY LOSS**

In the event the Unit occupied by you or the building in which the Unit is located, is destroyed or is damaged by fire or other casualty so as to render the Unit generally unfit for Occupancy, we will endeavor in good faith to rebuild and replace the Unit and/or building with substantially similar accommodations unless doing so would threaten our financial viability. In the unlikely event that we determine that rebuilding threatens our financial viability so as to preclude replacement of the Unit or building, then we will strive to develop an alternative restoration plan in which we will exercise our best efforts to locate, identify or provide, if financially feasible as determined by us, reasonable alternative accommodations for any resident affected by such a catastrophic loss. We will provide notice to the Insurance Department of such a catastrophic loss prior to a decision to terminate any agreements, and subject to the rights of the Insurance Commissioner to intervene on your behalf, if we elect to terminate this Agreement, written notice of termination shall be given to you as soon as is reasonably possible from the date of the damage to the Unit. Any applicable refund due to you in accordance with

Section 11 shall be paid to you in full within thirty (30) days of any such termination. If notice of termination is not given, or if the damage does not render the Unit unfit for Occupancy, we shall be obligated to rebuild or repair the damage to the Unit as soon as reasonably possible for Occupancy by you, and this Agreement shall remain effective unless the parties may otherwise mutually agree. In the event you are unable to occupy the Unit for any period of time during any reasonably necessary period of restoration of the Unit, the Monthly Maintenance Fee shall be reduced proportionately, unless a vacant Unit is available for temporary Occupancy by you. We shall not be liable for any damage, compensation, or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the Unit, or the interruption in use of the Unit, or the termination of this Agreement by reason of the destruction of the Unit or building.

#### **SECTION 15: SEVERABILITY**

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

#### **SECTION 16: ACTS OF FORBEARANCE**

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

#### **SECTION 17: ENTIRE AGREEMENT**

This Agreement along with applicable attachments and addendum(s), constitute the entire Agreement between you and us. We shall not be responsible or liable for any statements, representations, or promises made by any person representing or purporting to represent us, unless such statements, representations, or promises are set forth in this Agreement. Any brochures or advertisements describing us are for the purpose of inviting inquiries only and are not to be relied upon as legally or contractually binding. This Agreement may not be amended except by a subsequent written addendum approved by us and executed by the parties.

#### **SECTION 18: INDEMNIFICATION**

You shall indemnify and hold us harmless from and against, and are responsible to pay for, any damages, including our attorneys' fees and reasonable costs, including those incident to establishing the right to indemnification, arising from any injury to or death of any person or other resident, or arising from any damage to or loss of the property of any person or resident, caused by your acts or omissions, to the fullest extent permitted by law.

**SECTION 19: NOTICE**

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

To Community: Fellowship Community  
3000 Fellowship Drive  
Whitehall, PA 18052

To Resident (Before Occupancy): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

After Occupancy, notice will be provided to you at the Unit specified in this Agreement.

**SECTION 20: AVERAGE ANNUAL COST OF PROVIDING SERVICES**

The average annual cost of providing care and services during the most recent twelve (12) month period for which a report is available is reflected in our Disclosure Statement, which is made available to you on an annual basis.

**SECTION 21: MISCELLANEOUS PROVISIONS**

**21.1 Your Continuing Disclosure Obligation.** The information regarding your age and financial affairs and your ability to meet the Conditions of Occupancy submitted by you in our admissions forms and related application documents is a material part of this Agreement, and this information is incorporated as a part of this Agreement. You acknowledge that the submission of false information may, in our good judgment, constitute grounds for the termination of this Agreement. You must disclose to us any material changes in your financial situation or your ability to meet the Conditions of Occupancy before and after Occupancy. We may from time to time request verified financial statements and copies of tax returns from you. Your failure to make such disclosure may, in our good judgment, constitute grounds to terminate this Agreement.

**21.2 Receipt of Disclosure Statement.** You acknowledge receiving a copy of our annual Disclosure Statement prior to signing this Agreement.

**21.3 Community’s Modification of Agreement and Policies.** We reserve the right to modify unilaterally this Agreement to conform to changes in law or regulation, and to

make modifications in our rules, regulations, policies, and procedures as we deem reasonably appropriate for the safe and efficient operation of the Community.

**21.4 Binding Effect.** Except as otherwise provided herein, this Agreement shall bind and serve to benefit our successors and assigns, and your heirs, executors, administrators and assigns.

**21.5 Consent to Assignment.** You consent to the collateral or other assignment by us of our right, title and interest in this Agreement.

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

**21.7 Headings.** Section headings are included solely to provide ease of reference, and are to be given no effect in the interpretation of this Agreement.

**21.8 Disclaimer.** The Bible Fellowship Church is not responsible for any obligations or liabilities of the Community.

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

**21.10 Limitations on Private Cause of Action.** You may not file or maintain an action under the Act if you, before filing the action, received an offer, approved by the Insurance Commissioner, to refund all amounts paid by you to us, the facility or person alleged to have violated the Act together with interest from the date of payment, less the reasonable value of care and lodging provided prior to receipt of the offer and you failed to accept the offer within thirty (30) days of its receipt.

**AGREEMENT AUTHORIZATIONS AND SIGNATURES**

You hereby acknowledge reading this Agreement in its entirety, understanding its provisions, and having been provided an opportunity to consult with personal advisors, including legal counsel, regarding its terms.

IN WITNESS WHEREOF, we have caused this Agreement to be signed by our authorized representative, and you have hereunto affixed your signature(s), the day and year first above written.

Attest:

Bible Fellowship Church Homes, Inc.  
d/b/a Fellowship Community

\_\_\_\_\_

By: \_\_\_\_\_  
Sr. VP/Chief Financial Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Witness:

\_\_\_\_\_

\_\_\_\_\_  
1st Resident

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Witness:

\_\_\_\_\_

\_\_\_\_\_  
2nd Resident

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## NOTICE OF RIGHT TO RESCIND

Date rescission period begins \_\_\_\_\_, 20\_\_\_. You may rescind and terminate your Residential Living Residency Agreement without penalty or forfeiture within seven (7) days of the above date. You are not required to move into the continuing care facility before the expiration of this seven (7) day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind your Agreement within this seven (7) day period.

To rescind your Residential Living Residency Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to the following address:

Fellowship Community  
3000 Fellowship Drive  
Whitehall, PA 18052

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

Pursuant to this notice, I hereby cancel my Residential Living Residency Agreement.

Date: \_\_\_\_\_

PROSPECTIVE RESIDENT'S SIGNATURE

\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "A"**

**FELLOWSHIP COMMUNITY RESIDENTIAL LIVING FEE SCHEDULE**

**ENTRANCE FEE**

No less than 60% Entrance Fee Refund Plan:

- A resident of less than 2 years is refunded 75%
- A resident of less than 3 years is refunded 70%
- A resident of less than 4 years is refunded 65%
- A resident of 4 years or more is refunded 60%

No less than 30% Entrance Fee Refund Plan:

- A resident of less than 2 years is refunded 45%
- A resident of less than 3 years is refunded 40%
- A resident of less than 4 years is refunded 35%
- A resident of 4 years or more is refunded 30%

Fellowship Courts - Townhomes	Approx sq. ft.	Entrance Fee*		Deposit 5% Less \$1,000		Monthly Maintenance Fee	
		60%	30%	60%	30%	1 Person	2 People
<b>Briar Nook</b> <i>One Bedroom, One Bath</i>	825	\$238,000	\$187,000	\$10,900	\$8,350	\$1,984	\$2,245
<b>Briar Nook with Carport</b> <i>One Bedroom, One Bath with Carport</i>	825	\$244,000	\$193,000	\$11,200	\$8,650	\$2,025	\$2,290
<b>Chesapeake</b> <i>Two Bedroom, One 1/2 Bath</i>	1,063	\$303,000	\$239,000	\$14,150	\$10,950	\$2,224	\$2,492
<b>Chesapeake with Carport</b> <i>Two Bedroom, One 1/2 Bath with Carport</i>	1,063	\$308,000	\$244,000	\$14,400	\$11,200	\$2,261	\$2,529
<b>Chesapeake with Carport &amp; Sunroom</b> <i>Two Bedroom, One 1/2 Bath with Carport</i>	1,285	\$369,000	\$291,000	\$17,450	\$13,550	\$2,313	\$2,581
<b>Wedgewood with Carport</b> <i>Two Bedrooms, One 1/2 Baths</i>	1,455	\$417,000	\$328,000	\$19,850	\$15,400	\$2,444	\$2,712
<b>Wedgewood with Carport &amp; Sunroom</b> <i>Two Bedrooms, One 1/2 Baths</i>	1,723	\$492,000	\$387,000	\$23,600	\$18,350	\$2,501	\$2,771

\* Second Person Entrance Fee \$10,000 - Nonrefundable

Brooke Ridge Apartments	Approx sq. ft.	Entrance Fee*		Deposit 5% Less \$1,000		Monthly Maintenance Fee	
		60%	30%	60%	30%	1 Person	2 People
<b>#2,3,4,5,6,8,10,11,&amp; 12 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	920	\$267,000	\$211,000	\$12,350	\$9,550	\$2,184	\$2,494
<b>#1 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	1,183	\$341,000	\$269,000	\$16,050	\$12,450	\$2,184	\$2,494
<b>#7 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	939	\$272,000	\$215,000	\$12,600	\$9,750	\$2,184	\$2,494
<b>#9 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	847	\$246,000	\$195,000	\$11,350	\$8,750	\$2,184	\$2,494

Monthly maintenance fees may change as operating costs rise.

Revised 6/27/2025

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**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit D Reservation Agreement**

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**FELLOWSHIP COMMUNITY**

**RESERVATION AGREEMENT**

THIS RESERVATION AGREEMENT (called "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community, a Pennsylvania non-profit corporation, (called "Community"), and \_\_\_\_\_ (called "Applicant" and when two individuals apply, the term "Applicant" shall refer to them jointly and severally where the context permits).

**RECITALS:**

Community is in the process of constructing new apartment buildings;

Applicant desires to reside in an apartment and has applied for entry to Community;

Community has reviewed and conditionally accepted Applicant's Residency Application, subject to Applicant's current and continuing ability to meet the Conditions of Occupancy and subject to the execution of a Residency Agreement;

If requested and elected herein by Applicant, Community desires to make available upgrades to the selected apartment at an additional cost; and

Applicant and Community desire to enter into this Agreement to memorialize the terms and conditions related to reservation of the selected apartment and/or any upgrades as additional improvements.

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

**1. Unit.**

Applicant has chosen Apartment No. \_\_\_\_ (the "Unit") and Entrance Fee Refund Plan \_\_\_\_\_. This Unit with this Entrance Fee Refund Plan has an Entrance Fee in the amount of \$ \_\_\_\_\_ [\_\_\_\_ *initials*]. In situations of Double Occupancy, the Second Person Entrance Fee is added to the Entrance Fee for a total Entrance Fee of \$ \_\_\_\_\_ [\_\_\_\_ *initials*].

**2. Fees and Payment Schedule.**

(a) **Application Fee.** Applicant has paid an application fee in the amount of \$\_\_\_\_\_ [\_\_\_\_\_ *initials*] at the time of submitting the Residency Application. The application fee shall be applied as a credit toward the Entrance Fee.

(b) **Ten Percent (10%) Deposit of Entrance Fee.** Applicant shall pay to Community an initial ten percent (10%) deposit of the Entrance Fee in the amount of \$\_\_\_\_\_ [\_\_\_\_\_ *initials*], less the application fee already paid, at the time of executing this Agreement for reservation of the selected Unit.

(c) **Fifteen Percent (15%) Deposit of Entrance Fee.** Upon commencement of the construction of the foundation for the apartment building in which the Unit will be located, Applicant shall pay a second deposit to the Community in the amount of fifteen percent (15%) of the Entrance Fee, in the amount of \$\_\_\_\_\_ [\_\_\_\_\_ *initials*], and Community will continue to reserve the selected Unit.

(d) **Twenty Percent (20%) Deposit of Entrance Fee.** Applicant shall pay a third deposit to the Community in the amount of twenty percent (20%) of the Entrance Fee, in the amount of \$\_\_\_\_\_ [\_\_\_\_\_ *initials*], at fifty percent (50%) completion of construction for the apartment building in which the Unit will be located. Community will continue to reserve the selected Unit.

(e) **Balance of Entrance Fee.** Applicant shall pay to Community the final payment for the selected Unit on the Designated Occupancy Date (as described in Section 3 below) or Occupancy, whichever is earlier.

(f) **Monthly Maintenance Fee.** The obligation to pay the Monthly Maintenance Fee shall begin on the Designated Occupancy Date or Occupancy, whichever is earlier.

**3. Designated Occupancy Date.**

Community will notify Applicant via certified mail, or other reasonable form of written communication, of the date the selected Unit will be available for Occupancy (the "Designated Occupancy Date"). Notice will be provided at least thirty (30) days prior to the Designated Occupancy Date.

**4. Upgrades to Unit.** The provisions under this Section 4 shall apply in the event Applicant has elected to make upgrades to the Unit.

(a) **Approval/Cost of Upgrades.** Applicant has received approval from Community for the requested upgrades to the selected Unit, which upgrades are reflected on Exhibit "A" of this Agreement. Applicant shall pay fifty percent (50%) of

the charges for the upgrades to the Unit in the amount of \$\_\_\_\_\_ [\_\_\_\_\_ initials] at the time the upgraded materials are ordered. Applicant shall pay the balance of the charges in the amount of \$\_\_\_\_\_ [\_\_\_\_\_ initials] on the Designated Occupancy Date or Occupancy, whichever is earlier.

(b) **Property of Community.** All upgrades to the Unit immediately become the property of Community, and shall become part of and remain in the Unit.

**5. Execution of Residency Agreement.**

Applicant shall execute the Residency Agreement prior to Occupancy and at the time of paying the balance of the Entrance Fee. Upon payment of the Entrance Fee in full, this Agreement shall terminate and then will be superseded by the Residency Agreement. In the event Applicant has elected to make upgrades to the Unit, then in such event, the provisions of this Agreement relating to upgrades shall remain in effect and shall become an addendum to the Residency Agreement executed by Applicant.

**6. Termination of Reservation Agreement and Refund of Fees Paid Prior to Occupancy.**

Any payments, excluding \$100 of the application fee, which will be retained by the Community as an administrative processing charge, will be refunded in full if Applicant rescinds this Agreement within seven (7) days in accordance with the attached Notice of Right to Rescind. Such refund shall be paid within thirty (30) days of the effective date of the termination of this Agreement. In the event that Applicant is precluded from taking Occupancy of the selected Unit due to injury, illness, incapacity or death, then, upon notice from the Applicant or the Applicant's representative to the Community of such injury, illness, incapacity, or death, this Agreement shall terminate ten (10) days thereafter. In such event, the Community, within thirty (30) days of the effective date of the termination of this Agreement, shall refund all payments made by Applicant except for \$100 of the application fee, which will be retained by the Community as an administrative processing charge, and the full cost of any upgrades to the Unit. Where two individuals have signed this Agreement, the injury, illness, incapacity or death of one Applicant shall not constitute a basis for termination of this Agreement, and no refund shall be due. If Applicant terminates this Agreement, but is not precluded from taking Occupancy of the selected Unit due to injury, illness, incapacity or death, then Community, within thirty (30) days of the effective date of the termination of this Agreement, shall refund any payments made by Applicant except for \$100 of the application fee, five percent (5%) of the Entrance Fee and the full cost of any upgrades to the Unit. In the event of the termination of this Agreement by Community before Occupancy, Community shall make a full refund of all payments, including the application fee, within thirty (30) days of the effective date of the termination of this Agreement.

**7. Promotional Offers.**

In the event that Community, subsequent to the execution of this Agreement, engages in any marketing activities which include any promotional offers whereby the type of Unit selected by Applicant is offered for an Entrance Fee amount which is less than the Entrance Fee amount offered to Applicant under this Agreement, then Applicant shall not be eligible to participate in such promotional offers, and the terms of this Agreement relative to the amount of the Entrance Fee shall remain in full force and effect. Promotional offers are applicable only to applicants or prospective residents who have not yet executed a Reservation Agreement. Community reserves the right, in its sole discretion, to extend any promotional offers to Applicant.

**8. Continuing Disclosure Requirement.**

Applicant shall disclose at any time prior to Occupancy any material changes in the Applicant's financial situation or Applicant's ability to satisfy the Conditions of Occupancy.

**9. Possible Revocation of Conditional Approval of Residency Application.**

Any material changes in Applicant's financial situation or Applicant's ability to satisfy the Conditions of Occupancy that arise between the execution of this Agreement and the Designated Occupancy Date may result in the revocation of the conditional approval of Applicant's Residency Application.

**10. Contingencies of Construction.**

All construction plans are contingent on acceptable market demands and financing requirements, and all Designated Occupancy Dates are approximate and may vary according to changes in approvals, weather conditions, market demands, and other factors which are beyond Community's control. In the event that any of the above contingencies are not satisfied to Community's satisfaction, Community reserves the right to rescind this Agreement, and shall refund any deposits made prior to the Designated Occupancy Date by Applicant toward the total Entrance Fee. Upon the rescission and termination of this Agreement, Community is released from any further obligations to Applicant except for the payment of any refund which may be due, and Applicant is released from any further obligations to Community.

**11. Notice.**

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

To Community: Fellowship Community  
3000 Fellowship Drive  
Whitehall, PA 18052

To Applicant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**12. Severability.**

The various provisions of this Agreement shall be severable one from another. If any provision of this Agreement is found by a court or administrative body of proper jurisdiction and authority to be invalid, the other provisions shall remain in full force and effect as if the invalid portion had not been part of this Agreement.

**13. Governing Law.**

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

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SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties, intending to be legally bound, have duly executed this Agreement as of the date written below.

Attest:

Bible Fellowship Church Homes, Inc.  
d/b/a Fellowship Community

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_

Date

Witness

\_\_\_\_\_

Applicant

\_\_\_\_\_

Date

\_\_\_\_\_

Witness

\_\_\_\_\_

Applicant

\_\_\_\_\_

Date

\_\_\_\_\_

## NOTICE OF RIGHT TO RESCIND

Date rescission period begins \_\_\_\_\_, 20\_\_\_. You may rescind and terminate your Reservation Agreement without penalty or forfeiture within seven (7) days of the above date. You are not required to move into the continuing care facility before the expiration of this seven (7) day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind your Reservation Agreement within this seven (7) day period.

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

Fellowship Community  
3000 Fellowship Drive  
Whitehall, PA 18052

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

Pursuant to this notice, I hereby cancel my Reservation Agreement.

Date: \_\_\_\_\_

APPLICANT'S SIGNATURE

\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "A" (Upgrades, if any)**

**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit E Entrance Fee & Maintenance Fee Schedule**

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## FELLOWSHIP COMMUNITY INDEPENDENT LIVING FEE SCHEDULE

## ENTRANCE FEE

No less than 60% Entrance Fee Refund Plan:

- A resident of less than 2 years is refunded 75%
- A resident of less than 3 years is refunded 70%
- A resident of less than 4 years is refunded 65%
- A resident of 4 years or more is refunded 60%

No less than 30% Entrance Fee Refund Plan:

- A resident of less than 2 years is refunded 45%
- A resident of less than 3 years is refunded 40%
- A resident of less than 4 years is refunded 35%
- A resident of 4 years or more is refunded 30%

Fellowship Courts - Townhomes	Approx sq. ft.	Entrance Fee*		Deposit 5% Less \$1,000		Monthly Maintenance Fee	
		60%	30%	60%	30%	1 Person	2 People
<b>Briar Nook</b> <i>One Bedroom, One Bath</i>	825	\$238,000	\$187,000	\$10,900	\$8,350	\$1,984	\$2,245
<b>Briar Nook with Carport</b> <i>One Bedroom, One Bath with Carport</i>	825	\$244,000	\$193,000	\$11,200	\$8,650	\$2,025	\$2,290
<b>Chesapeake</b> <i>Two Bedroom, One 1/2 Bath</i>	1,063	\$303,000	\$239,000	\$14,150	\$10,950	\$2,224	\$2,492
<b>Chesapeake with Carport</b> <i>Two Bedroom, One 1/2 Bath with Carport</i>	1,063	\$308,000	\$244,000	\$14,400	\$11,200	\$2,261	\$2,529
<b>Chesapeake with Carport &amp; Sunroom</b> <i>Two Bedroom, One 1/2 Bath with Carport</i>	1,285	\$369,000	\$291,000	\$17,450	\$13,550	\$2,313	\$2,581
<b>Wedgewood with Carport</b> <i>Two Bedrooms, One 1/2 Baths</i>	1,455	\$417,000	\$328,000	\$19,850	\$15,400	\$2,444	\$2,712
<b>Wedgewood with Carport &amp; Sunroom</b> <i>Two Bedrooms, One 1/2 Baths</i>	1,723	\$492,000	\$387,000	\$23,600	\$18,350	\$2,501	\$2,771

\* Second Person Entrance Fee \$10,000 - Nonrefundable

Brooke Ridge Apartments	Approx sq. ft.	Entrance Fee*		Deposit 5% Less \$1,000		Monthly Maintenance Fee	
		60%	30%	60%	30%	1 Person	2 People
<b>#2,3,4,5,6,8,10,11,&amp; 12 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	920	\$267,000	\$211,000	\$12,350	\$9,550	\$2,184	\$2,494
<b>#1 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	1,183	\$341,000	\$269,000	\$16,050	\$12,450	\$2,184	\$2,494
<b>#7 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	939	\$272,000	\$215,000	\$12,600	\$9,750	\$2,184	\$2,494
<b>#9 Spacious One-Bedroom Apartment</b> <i>One Bedroom, One Bath</i>	847	\$246,000	\$195,000	\$11,350	\$8,750	\$2,184	\$2,494

\* Second Person Entrance Fee \$10,000 - Nonrefundable

### Proposed Units

The Suites at Fellowship Community	Approx sq. ft.	Entrance Fee*		No Declining Balance Meal Plan		\$120 Declining Balance Meal Plan	
		60%	30%	First Person	Total 2 People	First Person	Total 2 People
				Monthly Maintenance Fee			
<b>Blessing</b> <i>One Bedroom with Den, One 1/2 Bath</i>	1,050	\$364,000	\$297,000	\$3,100	\$3,380	\$3,200	\$3,580
<b>Providence</b> <i>Two Bedroom, Two Bath</i>	1,250	\$433,000	\$353,000	\$3,700	\$3,980	\$3,800	\$4,180
<b>Covenant</b> <i>Two Bedroom with Den, Two Bath</i>	1,450	\$502,000	\$409,000	\$4,300	\$4,580	\$4,400	\$4,780

**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit F Fee Schedule for Independent Living, Nursing and Personal  
Care Services**

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## Exhibit F

### Fee Schedule for Independent Living, Nursing and Personal Care Services

	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025
<b>MANOR - Skilled Nursing</b>					
Private Rate	480	495	510	525	570
Semi-Private Rate	465	480	495	510	550
Semi-Private Rehab Wing					590
TV Charge per month	0	0	0	0	

The above are base rates and do not reflect tiered billing. Rates may be \$30 higher per day. 7/1/2025 stopped tiered billing in Skilled

<b>TERRACE - Personal Care</b>					
Semi-Private	174	179	185	192	198
Lg. Semi-Private	198	203	212	220	231
Private	249	256	265	275	284
Suite (one person)	307	315	326	340	350
Suite (two people)	449	460	474	490	504
Starting 7/1/05 the Terrace will charge on a tiered system, depending upon the care a resident. The first tier will add \$15/day, the second tier will add an additional \$10/day.					
Secured Unit-Private	276	283	293	310	319
Secured Unit-Semi-Private	205	211	218	230	237
Only one tier for an additional \$10/day will apply depending on a residents needs.					
Laundry per month	60	75	75	75	75

	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025
<b>VILLA - Personal Care</b>					
Semi-Private	207	213	220	228	235
Private	249	256	265	275	284
Laundry per month	60	75	75	75	75

	Appox.SQ.	Refund %	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025
<b>VILLA - Independent Living - Entrance Fee</b>			175,000	180,000			
<b>Brooke Ridge Apartment #9</b>	847	60%			227,000	237,000	246,000
		30%			176,000	186,000	195,000
<b>Brooke Ridge Apartment #2,3,4,5,6,8,10,11&amp;12</b>	920	60%			247,000	257,000	267,000
		30%			191,000	201,000	211,000
<b>Brooke Ridge Apartment #7</b>	939	60%			252,000	262,000	272,000
		30%			195,000	205,000	215,000
<b>Brooke Ridge Apartment #1</b>	1183	60%			318,000	328,000	341,000
		30%			246,000	256,000	269,000

**Second Person Entrance Fee 10,000**

<b>Fellowship Courts - Townhomes - Monthly Maint Fees.</b>	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025
Briar Nook-One Bedroom - One person	1,655	1,739	1,817	1,908	1,984
Briar Nook-One Bedroom - Two people	1,876	1,968	2,056	2,159	2,245
Briar Nook-One Bedroom w/carport - One person	1,689	1,774	1,854	1,947	2,025
Briar Nook-One Bedroom w/carport - Two people	1,914	2,007	2,097	2,202	2,290
Canterbury/Chesapeake-Two Bedrooms - One person	1,857	1,948	2,036	2,138	2,224
Canterbury/Chesapeake-Two Bedrooms - Two people	2,085	2,184	2,282	2,396	2,492
Canterbury/Chesapeake-Two Bedrooms w/carport - One person	1,889	1,981	2,070	2,174	2,261
Canterbury/Chesapeake-Two Bedrooms w/carport - Two people	2,116	2,216	2,316	2,432	2,529
Wedgewood-Two Bedrooms w/carport - One person	2,044	2,141	2,238	2,350	2,444
Wedgewood-Two Bedrooms w/carport - Two people	2,272	2,377	2,484	2,608	2,712
*Chesapeake-Two Bedrooms w/carport & sunroom - One person	1,933	2,027	2,118	2,224	2,313
*Chesapeake-Two Bedrooms w/carport & sunroom - Two people	2,161	2,263	2,364	2,482	2,581
Wedgewood-Two Bedrooms w/carport & sunroom - One person	2,092	2,191	2,290	2,405	2,501
Wedgewood-Two Bedrooms w/carport & sunroom - Two people	2,321	2,428	2,537	2,664	2,771

<b>Fellowship Courts - Townhomes - Entrance Fees</b>	Approx.SQ.	Refund %	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025
Briar Nook-One Bedroom, One Bath	825	60% 30%	165,000	170,000	217,000 166,000	227,000 176,000	238,000 187,000
Briar Nook-One Bedroom, One Bath w/Carport	825	60% 30%	170,000	175,000	222,000 171,000	232,000 181,000	244,000 193,000
Canterbury-Two Bedroom, One Bath	1063	60% 30%	196,000	200,000	271,000 207,000	281,000 217,000	293,000 229,000
Canterbury-Two Bedroom, One Bath w/Carport	1063	60% 30%	201,000	205,000	276,000 212,000	286,000 222,000	297,000 233,000
Chesapeake-Two Bedroom, One 1/2 Bath	1063	60% 30%	199,000	210,000	281,000 217,000	291,000 227,000	303,000 239,000
Chesapeake-Two Bedroom, One 1/2 Bath w/Carport	1063	60% 30%	206,000	215,000	286,000 222,000	296,000 232,000	308,000 244,000
Chesapeake-Two Bedroom, One 1/2 Bath, Sunroom w/Ca	1285	60% 30%	238,000	245,000	345,000 267,000	355,000 277,000	369,000 291,000
Wedgewood-Two Bedroom, One 1/2 Bath w/Carport	1455	60% 30%	270,000	280,000	391,000 302,000	401,000 312,000	417,000 328,000
Wedgewood-Two Bedroom, One 1/2 Bath, Sunroom	1723	60% 30%	300,000	310,000	463,000 358,000	473,000 368,000	492,000 387,000

**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit G Fees for Extra Services**

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### Fees for Extra Services

Carry-out Meals	
Noon	As Advertised
Dinner	As Advertised
Maintenance & Environmental Serv.	\$ 30.00 Per Hour
Carport Rentals if unit does not have one	\$ 37.00 Per Month
Cuts, Curls & More Price Listing	
Shampoo	\$ 7.00
Shampoo & Set	\$ 17.00
Shampoo & Blow Dry	\$ 14.00
Shampoo/Blow Dry/Curling Iron	\$ 17.00
Shampoo/Haircut/Set	\$ 30.00
Shampoo/Haircut/Blow Dry	\$ 27.00
Shampoo/Haircut/Blow Dry & Curling Iron	\$ 30.00
Haircut	\$ 15.00
Bang Trim or Neckline Trim Only	\$ 7.00
Partial Haircut	\$ 9.50
Perms	\$ 55.00
	\$ 60.00
Rinses, Conditioner & Scalp Treatments	\$ 5.00
Color-Includes Haircut and style	\$ 42.00
Shampoo & Haircut	\$ 20.00
Beard Trim	\$ 8.00
Mustache Trim	\$ 6.00
Re-comb	\$ 9.00

All prices are subject to change

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**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit H Escrow Agreement**

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## ESCROW AGREEMENT

This Escrow Agreement (this “**Agreement**”) is made and entered into as of the 28th day of March, 2025 by and between Bible Fellowship Church Homes, Inc. a Pennsylvania non-profit corporation (“**CCRC**”) and Truist Bank, a North Carolina banking corporation (“**Escrow Agent**”). Any capitalized term used herein without definition shall be given the meaning assigned to such term in Pennsylvania Statute, 40 P.S. 3212 (the “**Statute**”).

**WHEREAS**, CCRC is a Provider of Continuing Care at its facility at 3000 Fellowship Drive, Whitehall, PA 18052, commonly known as Fellowship Community (the “**Facility**”), and is subject to the oversight of the Pennsylvania Insurance Department (the “**Commissioner**”);

**WHEREAS**, in the course of operating the Facility, CCRC collects Entrance Fees from Residents, and, in order to protect Residents, the Statute requires CCRC to establish an escrow account for the purpose of holding Entrance Fees paid to CCRC by a Resident; and

**WHEREAS**, Escrow Agent is willing to establish an escrow account for the purpose of holding Entrance Fees collected by CCRC (the “**Escrow Account**”), and this Agreement is intended to set forth the terms and conditions upon which funds in the Escrow Account shall be deposited, held, administered, and distributed by Escrow Agent.

**NOW, THEREFORE**, in consideration of the premises, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CCRC and Escrow Agent, intending to be legally bound, hereby agree as follows:

1. **Statement of Purpose.** In accordance with 40 P.S. 3212 of the Statute, CCRC and Escrow Agent hereby acknowledge and agree that (i) the purpose of the Escrow Account is to protect Residents, and (ii) the administration of the Escrow Account, as set forth in this Agreement, is intended to conform to the provisions of the Statute.
2. **Deposits.** Any Entrance Fees paid by a Resident to CCRC, in excess of five percent (5%) of the then existing entrance fee, received by the CCRC prior to the date the resident is permitted to occupy the living unit in the facilities, will be deposited by CCRC into the Escrow Account promptly after receipt by CCRC (each, a “Deposit”). Escrow Agent is hereby appointed as escrow agent for the Escrow Account, and agrees to hold, administer, and distribute all Deposits in accordance with this Agreement.
3. **Interest.** The Escrow Account shall be an interest bearing account, as more particularly set forth in the Investment Selection Instructions set forth as Exhibit D hereto, which is incorporated herein by reference and made a part hereof. Interest or other income earned on the Escrow Account shall be the exclusive property of the CCRC and shall be paid by the Escrow Agent to CCRC upon written direction provided to the Escrow Agent by CCRC. In providing such written direction to the Escrow Agent regarding the payment of interest or income CCRC shall be subject to the requirements of Section 12(3) of the Statute, which provides for the return of principal and interest payments to the persons who made the payments to the CCRC if such funds are not directed to be released to the CCRC within thirty-six (36) months of payment, or such longer period of time as

may be approved by the Commissioner, and any such return of principal and interest payments to such persons shall be the sole responsibility of CCRC and shall be made by the Escrow Agent solely upon written direction in the form of Exhibit B provided CCRC, and, for the avoidance of doubt, the Escrow Agent shall not be responsible for the calculation or allocation of interest to such persons, and is entitled to rely on written instruction provided by CCRC that such directed distribution does include all amounts, including principal and interest, to which such person(s) is entitled. CCRC recognizes and agrees that Escrow Agent will not provide supervision, recommendations or advice relating to the investment of moneys held hereunder or the purchase, sale, retention or other disposition of any investment, and Escrow Agent shall not be liable to any party or any other person or entity for any loss incurred in connection with any such investment. Escrow Agent is hereby authorized to execute purchases and sales of investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. Escrow Agent or any of its affiliates may receive compensation with respect to any investment directed hereunder including without limitation charging any applicable agency fee in connection with each transaction. Escrow Agent shall use its best efforts to invest funds on a timely basis upon receipt of such funds; provided, however, that Escrow Agent shall in no event be liable for compensation to any party or other person or entity related to funds which are held un-invested or funds which are not invested timely. Escrow Agent is authorized and directed to sell or redeem any investments as it deems necessary to make any payments or distributions required under this Agreement, including the termination of this Escrow Agreement.

4. **Disbursement of Funds to Residents.** Escrow Agent shall disburse funds from the Escrow Account upon Escrow Agent's receipt of a certification in the form of Exhibit B attached hereto, signed by an authorized representative of CCRC. Such disbursement shall be made in the form of a cashier's check, bank draft, check, or similar form, in the amount set forth, and payable to the Resident named, in such certification.
5. **Disbursement of Funds to CCRC.** Escrow Agent shall disburse funds from the Escrow Account upon Escrow Agent's receipt of a certification in the form of Exhibit C attached hereto, signed by an authorized representative of CCRC. Such disbursement shall be made by automated clearing house (ACH) transfer in the amount set forth, and to the account indicated, in such certification.
6. **Escrow Account.** All property in the Escrow Account shall be held in escrow by Escrow Agent, and shall not be subject to any lien, attachment, trustee process, or other judicial process of any creditor of any party hereto. Escrow Agent shall not distribute or release property from the Escrow Account except in accordance with the express terms and conditions of this Agreement. The Escrow Account and this Agreement shall automatically terminate when CCRC is no longer required to maintain an Escrow Account under the Statute. At that time, upon written notice from CCRC, Escrow Agent shall release all remaining funds to CCRC with the prior written approval of the Commissioner.
7. **Statements.** Escrow Agent will prepare and mail to CCRC a statement of account for the Escrow Account each month. Such statement will be in the same format as statements typically generated by Escrow Agent for escrow accounts and will show amounts deposited and withdrawn, and any applicable fees and charges.

8. **Responsibility of Escrow Agent.** Escrow Agent may rely conclusively and without further inquiry on any written certification submitted to it by CCRC, and shall have no obligation to verify the accuracy of the contents of such certifications prior to making the distributions contemplated by this Agreement. Escrow Agent shall not be liable for any error of judgment or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except for its own gross negligence or willful misconduct.
9. **Authority.** CCRC and Escrow Agent each represents and warrants to the other that it has full right, power, and authority to enter into this Agreement. CCRC and Escrow Agent shall at all times be independent contracting parties, and nothing in this Agreement shall be deemed to imply the existence of any partnership, agency, or joint venture relationship between CCRC and Escrow Agent.
10. **Fees and Charges.** In exchange for Escrow Agent's performance of services under this Agreement, CCRC shall compensate Escrow Agent by payment of the fees and reimburse Escrow Agent for costs and expenses as more particularly set forth in Exhibit A attached hereto, which is incorporated herein by reference and made a part hereof, as the same may be amended from time to time by mutual agreement of Escrow Agent and CCRC.
11. **Indemnification.** CCRC agrees to indemnify, defend and hold harmless Escrow Agent and each of its officers, directors, agents and employees from and against any and all loss, liability, cost, damage and expense, including, without limitation, reasonable attorneys' fees and expenses or other professional fees and expenses which Escrow Agent or any such persons may suffer or incur by reason of any action, claim or proceeding brought against Escrow Agent, arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such loss, liability, cost, damage or expense shall have been finally adjudicated by a court of competent jurisdiction to have been directly caused by the willful misconduct or gross negligence of Escrow Agent. The provisions of this Section 11 shall survive the resignation or removal of Escrow Agent and the termination of this Agreement.
12. **Limitation of Liability.** ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.
13. **Resignation and Removal.** Escrow Agent may resign by furnishing written notice of its resignation to CCRC, and CCRC may remove Escrow Agent by furnishing to Escrow Agent a written notice of its removal along with payment of all fees and expenses to which Escrow Agent is entitled through the date of removal. Such resignation or removal, as the case may be, shall be

effective sixty (60) days after the delivery of such notice or upon the earlier appointment of a successor, and Escrow Agent's sole responsibility thereafter shall be to safely keep the Deposits and to deliver the same to a successor escrow agent as shall be appointed by CCRC, as evidenced by a written notice filed with Escrow Agent or in accordance with a court order. If CCRC fails to appoint a successor escrow agent prior to the expiration of sixty (60) days following the delivery of such notice of resignation or removal, Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon CCRC and Escrow Agent. Escrow Agent shall have no duty to secure or otherwise seek the appointment of any successor escrow agent hereunder.

14. **Force Majeure.** Escrow Agent shall not be responsible or liable for any delay in the performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances and provided Escrow Agent provides CCRC with written notice of such failure or delay in performance.
  
15. **Certain Matters Pertaining to Escrow Agent.** This Agreement expressly and exclusively sets forth the duties of Escrow Agent with respect to any and all matters pertinent hereto, which duties shall be deemed purely ministerial in nature, and no implied duties or obligations shall be read into this Agreement against Escrow Agent. Escrow Agent shall in no event be deemed to be a fiduciary to any party or any other person or entity under this Agreement. The permissive rights of Escrow Agent to do things enumerated in this Agreement shall not be construed as duties. Escrow Agent shall not be responsible or liable for the failure of any party to perform in accordance with this Agreement. Escrow Agent shall have no liability with respect to the transfer or distribution of any funds effected by Escrow Agent pursuant to wiring or transfer instructions provided to Escrow Agent in accordance with the provisions of this Agreement. Escrow Agent shall not be obligated to take any legal action or to commence any proceedings in connection with this Agreement or any property held hereunder or to appear in, prosecute or defend in any such legal action or proceedings. Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of this Agreement or any part thereof, or of any person executing or depositing such subject matter. No provision of this Agreement shall require Escrow Agent to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights under this Agreement. Escrow Agent shall in no way be responsible for nor shall it be its duty to notify any party or any other person or entity interested in this Agreement of any payment required or maturity occurring under this Agreement or under the terms of any instrument deposited herewith unless such notice is explicitly provided for in this Agreement. Escrow Agent shall be protected in acting upon any written instruction, notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other paper or document which Escrow Agent in good faith believes to be genuine and what it purports to be, including, but not

limited to, items directing investment or non-investment of funds, items requesting or authorizing release, disbursement or retainage of the subject matter of this Agreement and items amending the terms of this Agreement. Escrow Agent shall be under no duty or obligation to inquire into or investigate the validity, accuracy or content of any such notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other paper or document. Escrow Agent shall have no duty or obligation to make any formulaic calculations of any kind hereunder. Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through affiliates or agents. Escrow Agent shall be entitled to seek the advice of legal counsel with respect to any matter arising under this Agreement and Escrow Agent shall have no liability and shall be fully protected with respect to any action taken or omitted pursuant to the advice of such legal counsel. CCRC shall promptly pay, upon demand by Escrow Agent, the reasonable and documented fees and expenses of any such legal counsel. Escrow Agent and any director, officer or employee of the Escrow Agent may become pecuniarily interested in any transaction in which CCRC may be interested and may contract and lend money to CCRC and otherwise act as fully and freely as though it were not escrow agent under this Agreement. Nothing herein shall preclude the Escrow Agent from acting in any other capacity for CCRC. Escrow Agent shall make no disbursement, investment or other use of funds until and unless it has collected funds. Escrow Agent shall not be liable for collection items until the proceeds of the same in actual cash have been received or the Federal Reserve has given Escrow Agent credit for the funds.

16. **Disputes.** In the event of any dispute or disagreement resulting in adverse claims or demands being made in connection with the matters covered by this Agreement, or in the event that Escrow Agent, in good faith, is in doubt as to what action it should take hereunder, Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in any such event, Escrow Agent shall not be or become liable in any way or to any party or other person or entity for its failure or refusal to act, and Escrow Agent shall be entitled to continue to refrain from acting until (i) the rights of the parties and all other interested persons and entities shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjudged and all doubt resolved by agreement among all of the parties and all other interested persons and entities, and Escrow Agent shall have been notified thereof in writing signed by the parties and all such persons and entities. Notwithstanding the preceding, Escrow Agent may in its discretion obey the order, judgment, decree or levy of any court, whether with or without jurisdiction, or of an agency of the United States or any political subdivision thereof, or of any agency of any State of the United States or of any political subdivision of any thereof, and Escrow Agent is hereby authorized in its sole discretion to comply with and obey any such orders, judgments, decrees or levies. The rights of Escrow Agent under this sub-paragraph are cumulative of all other rights which it may have by law or otherwise. In the event of any disagreement or doubt, as described above, Escrow Agent shall have the right, in addition to the rights described above and at the election of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all funds and property held under this Agreement, and Escrow Agent shall have the right to take such other legal action as may be appropriate or necessary, in the sole discretion of Escrow Agent. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties under this Agreement; provided, however, that any such action of Escrow

Agent shall not deprive Escrow Agent of its compensation and right to reimbursement of expenses hereunder arising prior to such action and discharge of Escrow Agent of its duties hereunder.

17. **Taxes.** The Parties agree that for tax reporting purposes all income from the investment of the funds in the Escrow Account shall be reported as having been earned by CCRC as of the end of each calendar year regardless of whether such income was disbursed during such calendar year. The Escrow Agent shall have no duty to prepare or file any tax report or return with respect to the funds in the Escrow Account, except for filing of tax information reporting forms required by law to be filed with the IRS with respect to the income from the investment of the funds in the Escrow Account. With respect to any other payments made under this Agreement, the Escrow Agent shall not be deemed the payer and shall have no responsibility for performing tax reporting. The Escrow Agent's function of making such payments is solely ministerial and upon express direction of the CCRC. On or before the execution and delivery of this Escrow Agreement, the CCRC shall provide to the Escrow Agent a correct, duly completed, dated and executed current United States Internal Revenue Service Form W-9 or Form W-8, whichever is appropriate, or any successor forms thereto, in a form and substance satisfactory to the Escrow Agent including appropriate supporting documentation and/or any other form, document, and/or certificate required or reasonably requested by the Escrow Agent to validate the form provided. The CCRC agrees that if such documentation is not provided to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, to withhold a portion of any income earned on the investment of the funds in the Escrow Account. To the extent that the Escrow Agent becomes liable for the payment of any taxes with respect to income derived from the investment of the funds in the Escrow Account, the Escrow Agent shall satisfy such liability to the extent possible from the interest or other income earned on the Escrow Account or from the CCRC's operating account numbered 1390004760472 with Escrow Agent. The CCRC agrees to indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the funds in the Escrow Account or any income thereon unless such tax, late payment, interest, penalty or other cost or expense was finally adjudicated by a court of competent jurisdiction to have been directly caused by the gross negligence or willful misconduct of the Escrow Agent. The indemnification provided in this section is in addition to the indemnification provided to the Escrow Agent elsewhere in this Agreement and shall survive the resignation or removal of the Escrow Agent and the termination of this Agreement.
18. **Authorized Signatures.** Contemporaneously with the execution and delivery of this Agreement and, if necessary, from time to time thereafter, CCRC shall execute and deliver to Escrow Agent a Certificate of Incumbency substantially in the form of Exhibit E hereto (a "**Certificate of Incumbency**") for the purpose of establishing the identity and authority of persons entitled to issue notices, instructions or directions to the Escrow Agent on behalf of CCRC. For all purposes under this Agreement, the Escrow Agent shall be entitled to rely, without any duty or further inquiry, upon (i) the identity and authority of such persons represented on Exhibit E, and (ii) the genuineness and continued accuracy and effectiveness of Exhibit E until such time as the Escrow Agent receives written notice of changes to Exhibit E by the CCRC. Whenever this Agreement provides for written notices, written instructions or other actions to be delivered to Escrow Agent, Escrow Agent shall

be fully protected in relying, without further inquiry, on any written notice, instructions or action executed by persons named in such Certificate of Incumbency.

19. **Miscellaneous.**

- a. **Successors and Assigns.** This Agreement shall be binding on and inure to the benefit of CCRC and Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Agreement. Escrow Agent may assign this Agreement to any entity into which Escrow Agent may be merged or converted or with which it may be consolidated, or any entity to which all or substantially all the escrow business of Escrow Agent may be transferred. No assignment of interest in this Agreement shall be binding without the express written consent of each of the parties hereto and unless and until written notice of such assignment shall be delivered to the non-assigning party and the Commissioner.
- b. **Notices.** All notices, requests, and other communications to any party hereunder shall be in writing, in English, signed by or on behalf of the party making the same and shall be by electronic mail or facsimile (with confirmation of actual receipt by the applicable party), by registered or certified mail (return receipt requested), or by any national overnight courier service (receipted for) and shall be given,

if to CCRC, to:

Bible Fellowship Church Homes, Inc.  
Attn: Lisa Hazler  
3000 Fellowship Drive  
Whitehall, PA 18052  
Email: LHazler@Fellowshipcommunity.com  
Facsimile: 610-799-2878  
Phone: 610-769-4344

if to Escrow Agent, to:

Truist Bank  
Attn: Escrow Services  
919 East Main Street, 2<sup>nd</sup> Floor  
Richmond, Virginia 23219  
Client Manager: Byron Roldan  
Phone: 804-782-5404  
Email: Byron.Roldan@truist.com

if to the Commissioner, to:

Pennsylvania Insurance Department  
Attn: Steve Yerger  
1345 Strawberry Square  
Harrisburg, PA 17120  
Email: syerger@pa.gov

Facsimile: 717-787-8557  
Phone: 717-783-2660

Any party hereto may unilaterally designate a different address by giving notice of each change in the manner specified above to each other party hereto. Notwithstanding anything to the contrary herein provided, the Escrow Agent shall not be deemed to have received any notice, request, report, or other communication hereunder prior to the Escrow Agent's actual receipt thereof.

- c. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.
- d. Entire Agreement. This Agreement constitutes the entire agreement between Escrow Agent and CCRC in connection with the subject matter of this Agreement, and no other agreement, including but not limited to any residential occupancy or similar agreement between CCRC and any person, shall be considered as adopted or binding, in whole or in part, upon Escrow Agent notwithstanding that monies paid in connection with any such other agreement may be deposited with Escrow Agent or Escrow Agent may have knowledge thereof.
- e. Amendment. This Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by CCRC and Escrow Agent, with notice to the Commissioner.
- f. Waivers. The failure of any party to this Agreement at any time or times to require performance of any provision under this Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation, or warranty contained in this Agreement.
- g. Headings. Section headings of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Agreement.
- h. Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

**Important Information about Opening a New Account at Truist Institutional Trust**

To help the United States Government fight terrorism and money laundering, Federal law requires us to obtain, verify and record information that identifies each business or entity that opens an account or establishes a relationship. What this means for you: when you open an account or establish a relationship,

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

**Bible Fellowship Church Homes, Inc., as Provider**

By: E-SIGNED by Lisa Hazler  
on 03-28-2025 14:54:08 EDT \_\_\_\_\_

Name: Lisa L. Hazler

Title: Sr. VP/CFO

**Truist Bank, as Escrow Agent**

By: E-SIGNED by Byron Roldan  
on 03-28-2025 14:41:17 EDT \_\_\_\_\_

Name: Byron Roldan

Title: Vice President

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**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit I Financial Analysis**

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**BIBLE FELLOWSHIP CHURCH HOMES, INC.  
NARRATIVE OF COMPARISON OF ACTUAL TO BUDGET  
FOR FISCAL YEAR ENDED 6/30/25**

Program Revenue exceeded budget expectations due to our census being higher than budget as well as increased payment from some payer sources. Ancillary Revenue fell short of budget mainly due to less and supply revenue received. Entrance Fees were over budget due to increased entrance fees over the years, causing an increase in amortized entrance fee income. Contributions exceeded budget due to our ongoing development program. Interest and dividend income was over budget due to the overall increase in interest rates and uptick in the market.

Some expense line items were over budget, such as insurance, general nursing wages as we needed to pay overtime to fill critical positions, pharmacy, due to a new vendor with better service and dietary due to rising food costs. Expenses under budget included many non-nursing wages, building repair & maintenance & contracted nursing.

**BIBLE FELLOWSHIP CHURCH HOMES, INC.**  
**COMPARISON OF ACTUAL TO BUDGET**  
**FOR FISCAL YEAR ENDED 6/30/25**  
**UNAUDITED**

Total Revenue & Other Support			
Program Revenue	35,721,410	34,627,947	1,093,463
Ancillary Revenue	369,306	390,497	(21,191)
Entrance Fees	1,112,810	1,002,000	110,810
Contributions	297,746	142,500	155,246
Interest Income	327,056	290,000	37,056
Dividend Income	275,446	100,000	175,447
Miscellaneous	696,009	534,400	161,608
Total Revenue & Other Support	<u>38,799,783</u>	<u>37,087,344</u>	<u>1,712,439</u>
Total Operating Expenses			
Housekeeping	1,454,108	1,510,940	(56,833)
Laundry	315,057	396,347	(81,290)
Maintenance	3,673,216	3,822,871	(149,654)
Dietary	4,743,074	4,680,618	62,456
Activities	809,277	783,973	25,304
Social Services	216,775	230,060	(13,286)
Barber & Beauty	61,704	66,208	(4,504)
Pastoral Services	283,633	314,247	(30,614)
Gift Shop	224,229	192,513	31,716
Health Care	15,218,272	14,798,076	420,196
Administrative & General	7,363,190	7,244,133	119,058
Total Expenses	<u>34,362,535</u>	<u>34,039,986</u>	<u>322,549</u>
Total Operating Income	<u>4,437,248</u>	<u>3,047,358</u>	<u>1,389,890</u>
Other Expenses			
Interest	506,506	494,290	12,216
Chg Fair Value Derivative	566,130	0	566,129
Real Estate Taxes	656,071	645,000	11,071
Unreal Gain Or Loss On Market Secs	(798,816)	0	(798,815)
Depreciation	2,361,736	2,478,000	(116,264)
Amortization	53,010	53,010	(1)
Gain Or Loss On Disp Of Assets	6,797	0	6,797
Realized Gain Or Loss On Market Sec	(46,807)	0	(46,807)
Total Other Expenses	<u>3,304,627</u>	<u>3,670,300</u>	<u>(365,674)</u>
Change in Net Assets	<u>1,132,621</u>	<u>(622,942)</u>	<u>1,755,564</u>

**BIBLE FELLOWSHIP CHURCH HOMES, INC.**  
**BUDGETED STATEMENT OF OPERATIONS**  
**JUNE 30, 2026**

Total Operating Income	
Total Revenue & Other Support	
Program Revenue	35,877,580
Ancillary Revenue	367,784
Entrance Fees	1,002,000
Contributions	217,201
Interest Income	355,200
Dividend Income	295,000
Miscellaneous	601,825
Total Revenue & Other Support	<u>38,716,590</u>
Total Operating Expenses	
Housekeeping	1,699,216
Laundry	372,017
Maintenance	3,992,563
Dietary	4,783,640
Activities	844,916
Social Services	232,782
Barber & Beauty	64,064
Pastoral Services	342,627
Gift Shop	223,727
Health Care	15,318,352
Administrative & General	7,721,637
Total Expenses	<u>35,595,541</u>
Total Operating Income	<u>3,121,049</u>
Other Expenses	
Interest	490,267
Chg Fair Value Derivative	0
Real Estate Taxes	669,200
Unreal Gain Or Loss On Market Secs	0
Depreciation	2,204,000
Amortization	50,433
Total Other Expenses	<u>3,413,900</u>
Change in Net Assets	<u>(292,851)</u>

**BIBLE FELLOWSHIP CHURCH HOMES, INC.**  
**INDEPENDENT LIVING INSURANCE RESERVE CALCULATION**  
**ACT 82**  
**6/30/25**

**Statutory Reserve Disclosure**

In compliance with Section 9 of Act 82, the board designated that a portion of their long-term investments be "reserved" to meet the requirements of Act 82. The amount designated by the Corporation was \$1,360,000 in June 30, 2025 and \$1,584,000 at June 30, 2024.

At June 30, 2025, the reserve requirement was calculated as follows:

Budgeted operating expenses for the year ending June 30, 2026	\$ 38,994,614
Less budgeted depreciation and amortization expense	<u>(2,254,434)</u>
Expenses subject to minimum liquid reserve requirement	36,740,180
Percentage of residents subject to entrance fee agreements at June 30, 2025	<u>37%</u>
Subtotal	13,593,867
Statutory requirement	<u>10%</u>
Statutory minimum liquid reserve requirement	<u>\$ 1,360,000 (a)</u>
Debt service requirements for the year ending June 30, 2026:	
Principal payments	\$ 1,026,896
Interest	<u>490,267</u>
Total debt service requirements	1,517,163
Percentage of residents subject to entrance fee agreements at June 30, 2025	<u>37%</u>
Statutory minimum liquid reserve requirement	<u>\$ 561,350 (b)</u>
Greater of (a) or (b) above	<u>\$ 1,360,000</u>

**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit J Audited Financial Statements**

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**Bible Fellowship Church Homes, Inc.  
d/b/a Fellowship Community**

Financial Statements

June 30, 2025 and 2024

# **Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community**

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June 30, 2025 and 2024

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## Independent Auditors' Report

To the Board of Directors of  
Bible Fellowship Church Homes, Inc.

### Opinion

We have audited the financial statements of Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community (the Corporation), which comprise the balance sheets as of June 30, 2025 and 2024, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2025 and 2024, and the results of its operations, changes in its 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 Financial Statements section of our report. We are required to be independent of the Corporation 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 Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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 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 Corporation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

*Baker Tilly US, LLP*

Philadelphia, Pennsylvania  
October 23, 2025

**Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community**

Balance Sheets

June 30, 2025 and 2024

	2025	2024		2025	2024
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 5,233,368	\$ 5,691,090		\$ 1,026,896	\$ 1,046,335
Resident accounts receivable, net	1,715,145	1,548,281		1,072,041	1,521,540
Prepaid expenses and other current assets	794,837	849,528		98,643	-
Total current assets	7,743,350	8,088,899		1,261,063	1,160,603
<b>Assets Whose Use is Limited, Entrance Fee Deposits</b>	222,901	-		3,458,643	3,728,478
<b>Assets Whose Use is Limited, Board-Designated Endowment Fund</b>	2,817,110	2,569,897		18,949,524	19,923,410
<b>Act 82 Reserve</b>	1,360,000	1,584,000		342,900	60,200
<b>Long-Term Investments</b>	13,953,511	13,124,726		17,191,550	17,205,950
<b>Property and Equipment, Net</b>	26,550,500	26,598,825		7,287,952	7,330,262
<b>Derivative Financial Instrument</b>	2,262,228	2,828,358		47,230,569	48,248,300
Total assets	\$ 54,909,600	\$ 54,794,705		\$ 54,909,600	\$ 54,794,705
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Current maturities of long-term debt					
Accounts payable, trade					
Accounts payable, construction					
Accrued expenses					
Total current liabilities				3,458,643	3,728,478
<b>Long-Term Debt</b>				18,949,524	19,923,410
<b>Deposits</b>				342,900	60,200
<b>Refundable Entrance Fees</b>				17,191,550	17,205,950
<b>Deferred Revenues From Entrance Fees</b>				7,287,952	7,330,262
Total liabilities				47,230,569	48,248,300
<b>Net Assets</b>					
Without donor restrictions				7,647,279	6,518,927
With donor restrictions				31,752	27,478
Total net assets				7,679,031	6,546,405
Total liabilities and net assets	\$ 54,909,600	\$ 54,794,705		\$ 54,909,600	\$ 54,794,705

See notes to financial statements

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

### Statements of Operations and Changes in Net Assets

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Revenues</b>		
Net resident service revenues	\$ 35,563,139	\$ 33,707,693
Other revenues	317,553	264,370
Investment income, net	602,502	531,042
Contributions without donor restrictions	256,020	232,920
Net assets released from restrictions used for operations	3,201	5,047
	<u>36,742,415</u>	<u>34,741,072</u>
<b>Expenses</b>		
Healthcare	15,521,200	14,785,180
General and administrative	5,059,966	4,580,037
Plant operations	4,321,807	4,035,795
Dietary	4,743,074	4,680,633
Depreciation	2,361,736	2,536,457
Interest	559,516	585,762
Social services and activities	1,595,617	1,513,540
Housekeeping and laundry	1,769,165	1,748,593
	<u>35,932,081</u>	<u>34,465,997</u>
Total expenses	<u>35,932,081</u>	<u>34,465,997</u>
Operating income	810,334	275,075
<b>Nonoperating Revenues (Expenses)</b>		
Unrealized gains on investments	798,816	449,337
Realized gains (losses) on investments	46,807	(49,049)
Change in fair value of derivative financial instrument	(566,130)	113,320
	<u>1,089,827</u>	<u>788,683</u>
Revenues in excess of expenses	<u>1,089,827</u>	<u>788,683</u>
<b>Net Assets Released from Restriction Used for Capital</b>	<u>38,525</u>	<u>-</u>
Change in net assets without donor restrictions	<u>1,128,352</u>	<u>788,683</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions	46,000	9,500
Net assets released from restrictions	(41,726)	(5,047)
	<u>4,274</u>	<u>4,453</u>
Change in net assets with donor restrictions	<u>4,274</u>	<u>4,453</u>
Change in net assets	1,132,626	793,136
<b>Net Assets, Beginning</b>	<u>6,546,405</u>	<u>5,753,269</u>
<b>Net Assets, Ending</b>	<u>\$ 7,679,031</u>	<u>\$ 6,546,405</u>

See notes to financial statements

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

### Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 1,132,626	\$ 793,136
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,361,736	2,536,457
Amortization of deferred financing costs	53,010	56,418
Change in allowance for credit losses	83,000	55,000
Realized and unrealized gains on investments, net	(845,623)	(400,288)
Proceeds from entrance fees, existing units	1,120,800	2,071,899
Amortization of entrance fees	(1,112,810)	(998,302)
Loss (gain) on disposal of assets	6,797	(10,611)
Change in fair value of derivative financial instrument	566,130	(113,320)
Changes in assets and liabilities:		
Resident accounts receivable, net	(249,864)	(200,224)
Prepaid expenses and other current assets	54,691	(21,572)
Accounts payable, trade	(449,499)	119,114
Accrued expenses	100,460	95,859
Deposits	59,799	(43,050)
Net cash provided by operating activities	2,881,253	3,940,516
<b>Cash Flows From Investing Activities</b>		
Net purchases of assets whose use is limited and investments	(229,276)	(446,915)
Change in note receivable	-	326,000
Purchases of property and equipment	(2,221,565)	(4,446,407)
Net cash used in investing activities	(2,450,841)	(4,567,322)
<b>Cash Flows From Financing Activities</b>		
Repayment of long-term debt	(1,046,335)	(1,513,944)
Deposits for entrance fees, new units	222,901	-
Proceeds from refundable entrance fees, existing units	721,200	1,667,100
Refunds of entrance fees and deposits	(785,900)	(1,691,249)
Net cash used in financing activities	(888,134)	(1,538,093)
Net change in cash and cash equivalents	(457,722)	(2,164,899)
<b>Cash and Cash Equivalents, Beginning</b>	5,691,090	7,855,989
<b>Cash and Cash Equivalents, Ending</b>	\$ 5,233,368	\$ 5,691,090
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	\$ 451,228	\$ 460,070
<b>Supplemental Disclosure of Noncash Investing Activities</b>		
Obligations incurred for the acquisition of property and equipment	\$ 98,643	\$ -

See notes to financial statements

# **Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community**

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Notes to Financial Statements

June 30, 2025 and 2024

## **1. Nature of Operations and Summary of Significant Accounting Policies**

### **Nature of Operations**

Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community (the Corporation) provides housing, health care and other related services to elderly residents through the operation of a 121-bed skilled nursing facility known as Fellowship Manor, a 59-unit (74-bed) personal care facility known as Fellowship Terrace, 139 independent living units known as Fellowship Courts and Fellowship Villa which includes 64 personal care beds and 12 independent living apartments. Fellowship Terrace is licensed for 101 personal care beds; however, the Corporation considers full occupancy to be 74 beds. The additional licensed beds allow for flexibility in the future.

Fellowship Manor, Fellowship Terrace, Fellowship Courts and Fellowship Villa are located in Whitehall, Pennsylvania. The Corporation's primary service area includes Whitehall, Pennsylvania and surrounding communities in Lehigh and Northampton Counties in Pennsylvania.

### **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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include investments purchased with an initial maturity of three months or less.

### **Resident Accounts Receivable, Net**

The Corporation assesses collectability on all resident accounts prior to providing services. An allowance for 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 Corporation has exhausted all collection efforts and accounts are deemed impaired. The allowance for credit losses was \$193,000 and \$110,000 at June 30, 2025 and 2024, respectively.

### **Investments, Assets Whose Use is Limited and Investment Risk**

Investments and assets whose use is limited are valued at fair value based on quoted market prices in active markets for mutual funds or estimated using quoted prices for the same or similar securities for certificates of deposit and corporate bonds. Investment income or loss (including realized and unrealized gains and losses on investments, interest, dividends and capital gain distributions) is included in the determination of operating income unless the income or loss 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.

Long-term investments include assets that are available for the general use and purposes of the Corporation. The Act 82 reserve represents assets designated as required reserves in accordance with the Pennsylvania Continuing Care Provider Registration and Disclosure Act (Act 82).

## **Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community**

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Notes to Financial Statements

June 30, 2025 and 2024

Assets whose use is limited includes a board-designated endowment account to be used for purposes approved by the Board of Directors and an entrance fee deposit account. Amounts available to meet current liabilities of the Corporation have been classified as current assets in the balance sheets.

The Corporation's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the 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 in the balance sheets could change materially in the near term.

### **Property and Equipment**

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets.

Gifts of long-lived assets such as land, buildings or equipment are reported as support without donor restrictions 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 support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

### **Entrance Fees**

Under entrance fee plans for independent living units, the Corporation receives payments in advance. The entrance fees received have a guaranteed refund component, which, for residents admitted prior to July 2020, the guaranteed refund component is generally 60% of the entrance fee received with the balance of entrance fees received refundable on a decreasing basis for eight years; for residents admitted subsequent to July 2020, the guaranteed refund component is either 60% or 30% of the entrance fee received with the balance of entrance fees received refundable on a decreasing basis for four years.

Refunds to residents are generally paid by the Corporation upon the execution of a new Residency Agreement and the receipt of a new entrance fee for the independent living unit being vacated. As of June 30, 2025, the gross amount of contractual refund obligations under existing Residency Agreements was approximately \$18,752,000.

The guaranteed refund component of entrance fees received is classified as refundable entrance fees in the balance sheets and is not amortized to income.

Revenues from nonrefundable entrance fees received are recognized through amortization of the nonrefundable entrance fees using the straight-line method over annually adjusted estimated remaining life expectancies of the residents residing in independent living which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenues from entrance fees in the balance sheets. Amortization of nonrefundable entrance fees included in net resident service revenues was \$1,112,810 in 2025 and \$998,302 in 2024.

## **Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community**

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Notes to Financial Statements  
June 30, 2025 and 2024

### **Deferred Financing Costs**

Deferred financing costs were incurred during the issuance of long-term debt. These costs are reported in the balance sheets as a reduction of long-term debt and are being amortized on the terms of the related debt using an effective interest method. The amortization of deferred financing costs, included in interest expense, totaled \$53,010 and \$56,418 in 2025 and 2024, respectively.

### **Derivative Financial Instrument**

The Corporation entered into an interest rate swap agreement, which is considered a derivative financial instrument, to manage its interest rate risk on its long-term debt. The interest rate swap agreement is reported at fair value in the balance sheets and related changes in fair value are reported in the statements of operations and changes in net assets as a change in fair value of derivative financial instrument.

### **Net Resident Service Revenues**

Net resident service revenues are reported at the amount that reflects the consideration the Corporation 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. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are primarily comprised of skilled nursing, personal care and independent living revenue streams, which are primarily derived from providing housing, skilled nursing, personal care and independent living services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Corporation 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 Corporation 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 nursing, personal care and independent living revenues are recognized on a daily or month-to-month basis as services are rendered.

The Corporation 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 Corporation estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends and retroactive adjustments are recognized in future periods as final settlements are determined.

Payment terms and conditions for the Corporation's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Net resident service revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service revenues for ancillary services are generally billed monthly in arrears. Additionally, nonrefundable entrance fees are generally billed and collected in advance of move-in. Revenues collected from residents in advance are recognized as deferred revenue from entrance fees until the performance obligations are satisfied and are included in deferred revenues from entrance fees in the accompanying balance sheets. The Corporation applies the practical expedient in Accounting Standards Codification (ASC) 606, and therefore does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

## **Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community**

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Notes to Financial Statements  
June 30, 2025 and 2024

### **Contract Balances**

Contract assets represent the Corporation's right to consideration in exchange for goods or services that the Corporation has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Corporation's future performance). Contract liabilities represent the Corporation's obligation to transfer goods or services to a resident for which the Corporation has received consideration (or the amount is due) from the resident.

The Corporation's beginning and ending contract liabilities are separately presented on the balance sheets as of June 30, 2025 and 2024 as deferred revenues from entrance fees. Deferred revenues from entrance fees were \$6,355,364 as of June 30, 2023. The Corporation had no contract assets as of June 30, 2025, 2024 and 2023.

### **Benevolent Care**

The Corporation provides services to residents who meet certain criteria at amounts less than its cost of providing care. The Corporation maintains records to identify and monitor the level of benevolent care it provides. The costs associated with the benevolent care services provided to residents include both direct costs and estimated indirect costs, as reported by management on the Corporation's internal financial statements. The level of benevolent care provided by the Corporation, which represents the difference between the estimated cost of providing care and the payments received for services rendered, was approximately \$740,000 in 2025 and \$956,000 in 2024.

### **Medical Assistance Reimbursement and Cost of Providing Care**

The Corporation provides nursing care to Medical Assistance program beneficiaries at amounts less than its cost of providing care. The Corporation maintains records to identify and monitor the difference between the cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered. The costs associated with the services provided to Medical Assistance program beneficiaries include both direct costs and estimated indirect costs, as reported by management on the Corporation's internal financial statements. The difference between the estimated cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered was approximately \$3,929,000 in 2025 and \$4,103,000 in 2024.

### **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 and donor-restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

**Net Assets With Donor Restrictions** - Net assets subject to donor-imposed restrictions. Donor-imposed restricted are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a 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.

### **Income Taxes**

The Corporation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on its exempt income under Section 501(a) of the IRC.

# Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

Notes to Financial Statements  
June 30, 2025 and 2024

## Measure of Operations

The Corporation's operating income includes all operating revenues and expenses that are an integral part of its program and supporting activities. Nonoperating activities are limited to activities considered to be more unusual and nonrecurring in nature.

## Revenues in Excess of Expenses

The statements of operations and changes in net assets includes the determination of revenues in excess of expenses as the Corporation's performance indicator. Changes in net assets without donor restrictions which are excluded from revenues in excess of expenses, 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).

## Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

## Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through October 23, 2025, the date the financial statements were available to be issued.

## 2. Net Resident Service Revenues

The Corporation disaggregates revenue from contracts with customers 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. Net resident service revenues consist of the following for the years ended June 30, 2025 and 2024:

	2025				Total
	Skilled Nursing	Personal Care	Independent Living	Ancillary and Other	
Self-pay	\$ 8,651,592	\$ 11,344,323	\$ 4,070,467	\$ 578,265	\$ 24,644,647
Medicare	3,323,318	-	-	-	3,323,318
Medical Assistance	4,712,784	-	-	-	4,712,784
Other	1,629,378	-	-	140,202	1,769,580
Amortization of entrance fees	-	-	1,112,810	-	1,112,810
Total	<u>\$ 18,317,072</u>	<u>\$ 11,344,323</u>	<u>\$ 5,183,277</u>	<u>\$ 718,467</u>	<u>\$ 35,563,139</u>
	2024				Total
	Skilled Nursing	Personal Care	Independent Living	Ancillary and Other	
Self-pay	\$ 8,657,798	\$ 10,496,221	\$ 3,835,711	\$ 571,990	\$ 23,561,720
Medicare	3,006,733	-	-	-	3,006,733
Medical Assistance	4,960,437	-	-	-	4,960,437
Other	1,064,429	-	-	116,072	1,180,501
Amortization of entrance fees	-	-	998,302	-	998,302
Total	<u>\$ 17,689,397</u>	<u>\$ 10,496,221</u>	<u>\$ 4,834,013</u>	<u>\$ 688,062</u>	<u>\$ 33,707,693</u>

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

Notes to Financial Statements

June 30, 2025 and 2024

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. A summary of the principal payment arrangements with major third-party payors follows:

**Medicare** - Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments.

**Medical Assistance** - Nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments.

As described above, the Medicare and Medical Assistance rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on the Corporation's clinical assessment of its residents. The Corporation is required to clinically assess its residents at predetermined time periods throughout the year. The documented assessments are subject to review and adjustment by the Medicare and Medical Assistance programs.

The Corporation also has entered into payment agreements with certain commercial insurance carriers and others. The basis for payment to the Corporation under these agreements includes prospectively determined rates per day or discounts from established charges.

### 3. Investments and Assets Whose Use is Limited

#### Entrance Fee Deposits

The Corporation is planning on constructing 72 independent living apartments comprised of three buildings, to be known as The Suites at Fellowship. Currently, the first 24-unit building is being designed and marketed. Entrance fee deposits are comprised of cash and cash equivalents of \$222,901 as of June 30, 2025. There were no entrance fee deposits as of June 30, 2024.

#### Board-Designated Endowment Fund

The composition of the board-designated endowment fund is as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 41,701	\$ 32,751
Mutual funds, fixed income	498,885	466,656
Mutual funds, equity	1,554,078	1,380,904
Corporate bonds	<u>722,446</u>	<u>689,586</u>
Total	<u>\$ 2,817,110</u>	<u>\$ 2,569,897</u>

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

Notes to Financial Statements  
June 30, 2025 and 2024

### Long-Term Investments

The composition of long-term investments is as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,403,080	\$ 3,287,730
Certificates of deposit	2,721,763	4,385,109
Mutual funds, fixed income	1,100,239	1,019,521
Mutual funds, equity	2,571,819	2,266,647
Corporate bonds	6,516,610	3,749,419
	<u>15,313,511</u>	<u>14,708,426</u>
Less Act 82 reserve	<u>(1,360,000)</u>	<u>(1,584,000)</u>
Total	<u>\$ 13,953,511</u>	<u>\$ 13,124,426</u>

### Investment Income, Net

Investment income, net is comprised of the following:

	<u>2025</u>	<u>2024</u>
Interest, dividends and capital gain distributions	\$ 780,988	\$ 679,450
Net realized losses on sales of investments	46,807	(49,049)
Unrealized gains on investments	798,816	449,337
Investment fees	<u>(178,486)</u>	<u>(148,408)</u>
Total	<u>\$ 1,448,125</u>	<u>\$ 931,330</u>

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

Notes to Financial Statements

June 30, 2025 and 2024

### Statutory Reserve Disclosure

In compliance with Section 9 of Act 82, the board designated that a portion of their long-term investments be "reserved" to meet the requirements of Act 82. The amount designated by the Corporation was \$1,360,000 in June 30, 2025 and \$1,584,000 at June 30, 2024.

At June 30, 2025, the reserve requirement was calculated as follows:

Budgeted operating expenses for the year ending June 30, 2026	\$ 38,994,614
Less budgeted depreciation and amortization expense	<u>(2,254,434)</u>
Expenses subject to minimum liquid reserve requirement	36,740,180
Percentage of residents subject to entrance fee agreements at June 30, 2025	<u>37%</u>
Subtotal	13,593,867
Statutory requirement	<u>10%</u>
Statutory minimum liquid reserve requirement	<u>\$ 1,360,000 (a)</u>
Debt service requirements for the year ending June 30, 2026:	
Principal payments	\$ 1,026,896
Interest	<u>490,267</u>
Total debt service requirements	1,517,163
Percentage of residents subject to entrance fee agreements at June 30, 2025	<u>37%</u>
Statutory minimum liquid reserve requirement	<u>\$ 561,350 (b)</u>
Greater of (a) or (b) above	<u>\$ 1,360,000</u>

#### 4. Fair Value Measurements and Financial Instruments

For financial instruments required to be measured at fair value on a recurring basis, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using a hierarchy prioritizing the inputs used in determining valuations into three levels. The level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement.

##### Fair Value Measurements

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Corporation for identical instruments.

Level 2 - Significant inputs, other than Level 1 inputs that are observable either directly or indirectly for substantially the full term of the instruments through corroboration with observable market data.

Level 3 - Significant unobservable inputs. The Corporation held no Level 3 financial instruments as of June 30, 2025 and 2024.

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

Notes to Financial Statements  
June 30, 2025 and 2024

The following tables present financial instruments measured at fair value at June 30, 2025 and 2024, by caption of the balance sheets:

	<b>2025</b>		
	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>
Reported at fair value:			
Assets whose use is limited and long-term investments:			
Certificates of deposit	\$ 2,721,763	\$ -	\$ 2,721,763
Mutual funds:			
Fixed income	1,599,124	1,599,124	-
Equity	4,125,897	4,125,897	-
Corporate bonds	7,239,056	-	7,239,056
Total	<u>\$ 15,685,840</u>	<u>\$ 5,725,021</u>	<u>\$ 9,960,819</u>
Derivative financial instrument	<u>\$ 2,262,228</u>	<u>\$ -</u>	<u>\$ 2,262,228</u>
	<b>2024</b>		
	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>
Reported at fair value:			
Assets whose use is limited and long-term investments:			
Certificates of deposit	\$ 4,385,109	\$ -	\$ 4,385,109
Mutual funds:			
Fixed income	1,486,177	1,486,177	-
Equity	3,647,551	3,647,551	-
Corporate bonds	4,439,005	-	4,439,005
Total	<u>\$ 13,957,842</u>	<u>\$ 5,133,728</u>	<u>\$ 8,824,114</u>
Derivative financial instrument	<u>\$ 2,828,358</u>	<u>\$ -</u>	<u>\$ 2,828,358</u>

The following provides a reconciliation of the amounts included in the fair value hierarchy to the amounts reported in the accompanying balance sheets at June 30:

	<b>2025</b>	<b>2024</b>
Assets whose use is limited and long-term investments:		
Assets measured at fair value	\$ 15,685,840	\$ 13,957,842
Cash and cash equivalents	2,667,682	3,320,781
Total	<u>\$ 18,353,522</u>	<u>\$ 17,278,623</u>

Assets whose use is limited and investments are recorded on the balance sheets at June 30 as follows:

	<b>2025</b>	<b>2024</b>
Assets whose use is limited, entrance fee deposits	\$ 222,901	\$ -
Assets whose use is limited, board-designated endowment fund	2,817,110	2,569,897
Act 82 reserve	1,360,000	1,584,000
Long-term investments	13,953,511	13,124,726
Total	<u>\$ 18,353,522</u>	<u>\$ 17,278,623</u>

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

Notes to Financial Statements

June 30, 2025 and 2024

### Valuation Methodologies

Assets whose use is limited and long-term investments are valued at fair value based on quoted market prices in active markets for mutual funds or estimated using quoted prices for the same or similar securities for certificates of deposit and corporate bonds.

The Corporation measures the derivative financial instrument at fair value based on the counterparty's proprietary models. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instrument. The method used to determine the fair value calculates the estimated future payments required by the derivative financial instrument and discounts these payments using an appropriate discount rate. The value represents the estimated exit price the Corporation would be paid to terminate the agreement.

Investments and assets whose use is limited are presented together in the tables above as there are various investment and cash accounts that are allocated between the investment and assets whose use is limited lines in the balance sheets.

### 5. Liquidity and Availability of Resources

The Corporation has financial assets available for general expenditure within one year of the balance sheets date, which consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 5,233,368	\$ 5,691,090
Resident accounts receivable, net	1,715,145	1,548,281
Long-term investments	13,953,511	13,124,726
Assets whose use is limited, board designated endowment fund	<u>2,817,110</u>	<u>2,569,897</u>
Total	<u>\$ 23,719,134</u>	<u>\$ 22,933,994</u>

The Corporation has certain assets that have been designated as to use by the Board of Directors; however, these assets could be used for general expenditure if necessary, and therefore, have been included in the table above.

As disclosed in Note 3, the Corporation designated a portion of its investments "reserved" to comply with the requirements of Act 82 and thus they are not included in the table above. Although the Corporation does not intend to utilize the reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available as necessary. The Act 82 reserves are separately classified on the balance sheets and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Corporation invests excess cash in investments.

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

Notes to Financial Statements

June 30, 2025 and 2024

### 6. Property and Equipment

Property and equipment is as follows:

	<u>2025</u>	<u>2024</u>
Land and land improvements	\$ 5,816,626	\$ 5,774,840
Buildings and building improvements	53,994,131	53,094,865
Furniture and equipment	8,761,281	8,686,597
Total	68,572,038	67,556,302
Less accumulated depreciation	<u>(44,167,483)</u>	<u>(42,221,674)</u>
Total	24,404,555	25,334,628
Construction-in-progress	<u>2,145,945</u>	<u>1,264,197</u>
Property and equipment, net	<u>\$ 26,550,500</u>	<u>\$ 26,598,825</u>

### 7. Demand Note, Line of Credit

The Corporation has a \$625,000 demand line of credit, which expires December 31, 2025. There were no borrowings at June 30, 2025 and 2024. The line of credit bears interest at the bank's prime rate (7.50% at June 30, 2025) and is secured by a first lien on and security interest in, the Corporation's resident accounts receivable. This first lien and security interest is senior to the first lien and security interest granted to the holders of the 2022 Bonds (Note 8).

### 8. Long-Term Debt

#### 2022 Revenue Bonds

The Lehigh County General Purpose Authority (the Authority) issued the 2022 Bonds in the principal amount of \$24,689,874 on April 4, 2022 to refund the 2021 Bonds. The 2022 Bonds are due in varying annual installments through July 2042. In accordance with the terms of the 2022 Bonds, interest is payable monthly at a variable rate based on 79% of the Secured Overnight Financing Rate (SOFR) plus a credit spread as defined in the loan agreement (4.50% at June 30, 2025).

The 2022 Bonds are secured by a first mortgage lien on and security interest in, substantially all of the Corporation's property and equipment and a first lien on and security interest in the Corporation's gross revenues, as defined in the agreements. The Corporation is also required to meet certain financial and operational covenants under the 2022 bond agreements.

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

Notes to Financial Statements

June 30, 2025 and 2024

### Long-Term Debt Summary

Long-term debt is as follows:

	<u>2025</u>	<u>2024</u>
2022 Bonds	\$ 20,425,784	\$ 21,472,119
Less:		
Current maturities	(1,026,896)	(1,046,335)
Deferred financing costs, net	(449,364)	(502,374)
Long-term debt	<u>\$ 18,949,524</u>	<u>\$ 19,923,410</u>

Scheduled principal repayments on long-term debt are as follows:

Years ending June 30:	
2026	\$ 1,026,896
2027	1,055,608
2028	1,078,487
2029	1,108,667
2030	1,137,867
Thereafter	<u>15,018,259</u>
Total	<u>\$ 20,425,784</u>

### Derivative Financial Instrument

On December 2, 2021, the Corporation entered into an interest rate swap agreement effective April 4, 2022 to hedge the interest rate risk on variable interest rate debt. The agreement expires in December 2036. According to the terms of the agreement, the Corporation has agreed to pay 2.334% in exchange for receiving 79% of USD-SOFR. The notional amount was \$20,425,784 at June 30, 2025. The fair value of the swap agreement is estimated to be the amount the Corporation would receive to terminate the swap agreement. The Corporation estimates that it would have received \$2,262,228 and \$2,828,358 on June 30, 2025 and 2024, respectively, to terminate the swap agreement, which is classified as derivative financial instrument in the balance sheets.

Changes in the fair value of the swap agreement are included in revenues in excess of expenses since the swap agreement is not designated as a hedging instrument. The change in the fair value of the swap agreement is classified as change in fair value of derivative financial instrument in the statements of operations and changes in net assets and was \$(566,130) and \$113,320 in 2025 and 2024, respectively. Interest received on the interest rate swap agreement was \$539,709 and \$557,905 in 2025 and 2024, respectively.

## Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community

Notes to Financial Statements

June 30, 2025 and 2024

### 9. Functional Expenses

The Corporation provides housing, health care and other related services to elderly residents within its geographic location. Expenses related to providing these services are as follows in 2025 and 2024:

	2025		
	Resident Services	General and Administrative	Total
Salaries and wages	\$ 17,099,962	\$ 2,291,232	\$ 19,391,194
Taxes and benefits	4,118,493	476,352	4,594,845
Supplies and other expenses	5,447,530	1,553,751	7,001,281
Utilities	333,359	-	333,359
Real estate taxes	648,591	-	648,591
Insurance	-	738,631	738,631
Depreciation	2,361,736	-	2,361,736
Interest	559,516	-	559,516
Pennsylvania nursing home assessment	302,928	-	302,928
Total	<u>\$ 30,872,115</u>	<u>\$ 5,059,966</u>	<u>\$ 35,932,081</u>

  

	2024		
	Resident Services	General and Administrative	Total
Salaries and wages	\$ 16,562,258	\$ 2,261,537	\$ 18,823,795
Taxes and benefits	3,862,115	450,047	4,312,162
Supplies and other expenses	5,060,389	1,203,367	6,263,756
Utilities	321,928	-	321,928
Real estate taxes	627,906	-	627,906
Insurance	-	665,086	665,086
Depreciation	2,536,457	-	2,536,457
Interest	585,762	-	585,762
Pennsylvania nursing home assessment	329,145	-	329,145
Total	<u>\$ 29,885,960</u>	<u>\$ 4,580,037</u>	<u>\$ 34,465,997</u>

### 10. Medical Malpractice Claims Coverage

The Corporation maintains occurrence based professional liability coverage through a commercial insurance carrier. Management believes no incidents occurred or will be asserted that will exceed the Corporation's insurance coverage or have a material adverse effect on the financial statements.

### 11. Contingencies

#### Real Estate Taxes

As a not-for-profit corporation in the Commonwealth of Pennsylvania, the Corporation is an organization which presently qualifies for an exemption from real property taxes relating to portions of its property. However, a number of cities, municipalities and school districts in the Commonwealth of Pennsylvania have challenged and continue to challenge such exemption of not-for-profit corporations. The possible future financial effect of this matter on the Corporation, if any, is not presently determinable.

## **Bible Fellowship Church Homes, Inc. d/b/a Fellowship Community**

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Notes to Financial Statements

June 30, 2025 and 2024

### **Senior Living Industry**

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives 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; however, the possible future effects of this matter on the Corporation, if any, are not presently determinable.

### **12. Concentrations of Credit Risk**

The Corporation grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements primarily with Medical Assistance, Medicare and various commercial insurance companies.

The Corporation maintains cash accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes the Corporation is not subject to any significant credit risk related to its cash accounts.

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**BIBLE FELLOWSHIP CHURCH HOMES, INC.**

**Fellowship Community**

**Exhibit K Average Annual Cost of Providing Services**

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**FELLOWSHIP COURTS**  
**AVERAGE ANNUAL COST OF PROVIDING SERVICES 6/30/25**

Total Operating Expenses	2,283,567.00
Interest	128,500.00
Real Estate Taxes	439,468.00
Depreciation	932,031.00
Amortization	<u>13,782.00</u>
Total Expenses	<u>3,797,348.00</u>
Avg. number of Independent Living Units 6/30/25	139
Annual Cost Per Unit of Providing Services	<u><u>27,319.05</u></u>

The above figures come from the Corporations Unaudited, Independent Living,  
Internal Financial Statements from the year ending 6/30/25.