1120 Meetinghouse Road
Gwynedd, PA 19436

DISCLOSURE STATEMENT

Dated: April 14, 2026

Foulkeways at Gwynedd, a Continuing Care Retirement Community
is owned and operated by Foulkeways at Gwynedd
a Pennsylvania Not-For-Profit Corporation
and has been in operation since
November 1967

The issuance of a certificate of authority by the Insurance Department of the Commonwealth of Pennsylvania does not constitute approval, recommendation or endorsement of the facility by the Department, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set out in the disclosure statement.

This Statement is provided in accordance with the provisions of The Pennsylvania Continuing Care Provider Regulation and Disclosure Act 40 P.S. Paragraph 3201 et seq and was filed with the Commonwealth of Pennsylvania PA Insurance Department, 1326 Strawberry Square, Harrisburg, Pennsylvania 17120.

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SUMMARY OF INFORMATION

1. The facility name and address:

   Foulkeways at Gwynedd
   1120 Meetinghouse Road
   Gwynedd, Pennsylvania 19436

2. The name and address of the licensed provider is the same as above.

3. The name, location, and telephone number of the person to be contacted to discuss admissions is:

   Brian Kersey, Director of Marketing & Admissions
   Foulkeways at Gwynedd
   1120 Meetinghouse Road
   Gwynedd, Pennsylvania 19436
   215-283-7009/admissions@foulkeways.org

4. Foulkeways at Gwynedd is located on 130 suburban acres in Montgomery County Pennsylvania, bordered by Route 202/DeKalb Pike, Meetinghouse Road and Sumneytown Pike. Foulkeways is designed to primarily provide residential living with support services and facilities for personal care and nursing care, where resident-centered care is provided.

5. Foulkeways at Gwynedd provides housing and continuing care services for individuals age sixty-five (65) and older. In double occupancy situations, only one partner must be sixty-five years of age to move to the Community.

6. Foulkeways at Gwynedd is a not-for-profit Pennsylvania corporation qualified as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

   Foulkeways at Gwynedd operates under the aegis of members of the Religious Society of Friends. All legal and financial obligations assumed by the community in the Residence and Care Agreement are solely the responsibility of Foulkeways at Gwynedd. No obligations have been assumed by Philadelphia Yearly Meeting of the Religious Society of Friends or by any other organization.

7. As of December 31, 2025, the resident population of Foulkeways was **446**.

8. Sample Fees for a Standard One Bedroom Unit - (effective January 1, 2026)

	Single Occupancy	Double Occupancy
Entrance Fee	$203,000	$ 247,000
Monthly Fee	$ 4,990	$ 7,170

Mary Buckman: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Attorney and Partner, Ford and Buckman, P.C., Blue Bell, PA. Member of Abington Monthly Meeting.

Lynn Bush: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Vice Chair, Foulkeways Board of Directors. Professional land use and community planner. Retired Executive Director of Bucks County Planning Commission and Chief Clerk to Bucks County Commissioners. Volunteer director and strategic planner for several non-profit community organizations. Consulting planner for municipal governments in Bucks and Montgomery counties. Resident of Foulkeways.

Amelia Diamond: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Retired, SBA Commercial Lender and Branch Manager – PSFS Bank. Teacher, French Language and Literature – Temple University and Abington School District. Active in Quaker Community, Abington Monthly and Quarterly Meetings. Clerk of Abington Quarter, Trustee, Assistant Treasurer, Home & Care and Worship & Ministry committees, numerous Spiritually Formative Programs.

Keith Eby: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Portfolio Manager with Haverford Trust. Has more than 25 years' experience as an investment professional. Has extensive volunteer commitments in the wider community, serving on boards of directors including the Wissahickon Valley Watershed. Graduate of Temple University.

William Evans: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
President, Bi-County Fuels, Inc. Managing Partner, By Evans, LLC. Chairman, Chalfont New Britain Joint Sewage Authority. Board Member, Board of Directors, Friends Village, Newtown, PA. Co-Clerk, Property Committee, Gwynedd Friends Meeting. Member, Gwynedd Friends Meeting.

Patricia Gerrity: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Resident of Foulkeways. Retired Associate Dean for Community Programs, Drexel University, College of Nursing & Health Professions. Member of Gwynedd Friends Meeting.

Scott Henderson: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Treasurer, Foulkeways Board of Directors. Retired senior executive with both non-profit and publicly traded organizations and longtime technologist. Member of Bethesda Friends Meeting and a product of Friends high school and college educations.

Alfred Kuffler: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Currently Senior Counsel Montgomery McCracken Walker & Rhoads LLP, Philadelphia. 1997-2000 Board of Directors of the Maritime Law Association of the United States. Formerly counsel to the American Salvage Association. Co-founder and currently a director of the OPA 90 Forum, a group advocating improved preparedness, administration, and response under the Oil Pollution Act of 1990. Past member of the Abington Friends Schools Committee, serving on the finance and long-range planning committees.

Bonnie Miller: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Retired registered nurse with a Master's degree in Public Health. Oncology nurse for approximately 20 years, then 10 years as an outpatient day clinic nurse navigator for people with chronic severe mental illness. Currently delivers Meals on Wheels. Volunteers with a Code Blue center. Member of Plymouth Monthly Meeting. Clerk of Care and Concern Committee. Clerk of Abington Quarterly Meeting Home and Care Committee.

Neil F. Trueblood: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Chair, Foulkeways Board of Directors. Realtor, Agent; Compass Real Estate, Lower Gwynedd, PA. Owner, Trueblood Concierge Property Services. Wissahickon Valley Watershed Association Board of Directors. Member and Trustee of Gwynedd Friends Meeting.

Jamie Unkefer: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Architect. Principal at DIGSAU Architecture in Philadelphia. Registered Architect in Pennsylvania and New Jersey, and member of the American Institute of Architects. Board Member of Smith Memorial Playground and Playhouse, committee member of the Philadelphia AIA License & Inspections Committee and Arch Street Meeting House Property Committee, and member of the Carpenter's Company of Philadelphia.

Emeritus:

Phillip L. Henderson: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Member Scattergood Friends School – School Committee, Chair of Strategic Planning Committee. Member of Doylestown Monthly Meeting. President/Chair, Foulkeways Board of Directors, 2014 – 2021.

2025-2026 Officers of the Corporation:

Chair	Neil F. Trueblood
Vice Chair	Lynn Bush
Treasurer	Scott Henderson
Assistant Treasurer	Phillip L. Henderson
Secretary	Philip G. DeBaun

Emeritus:

Phillip L. Henderson: Foulkeways at Gwynedd, 1120 Meetinghouse Road, Gwynedd, PA 19436
Member Scattergood Friends School – School Committee, Chair of Strategic Planning Committee. Member of Doylestown Monthly Meeting. President/Chair, Foulkeways Board of Directors, 2014 – 2021.

Officers:

The following persons are members of the Foulkeways at Gwynedd Executive Staff:

Phil DeBaun: Secretary, Foulkeways Board of Directors; Chief Executive Officer
Justin Stolte: Chief Financial Officer
Heather Heiland: Chief Health Services Officer
Cori Leary: Chief Human Resources Officer

Facility and Services Provided

1. Foulkeways at Gwynedd is exempt from the payment of income tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended.

2. Foulkeways at Gwynedd is located on 130 historic, wooded, suburban acres in Montgomery County, Pennsylvania, bordered by Route 202/DeKalb Pike, Meetinghouse Road and Sumneytown Pike. Most of the our residential living residences are garden apartments, ranging in size from studios to two bedrooms with den, with some 2-story apartments, townhouses and cottages. Dining and meeting spaces, an indoor pool, auditorium, fitness center, health service offices, pharmacy, rehabilitation center, and an art room are just a few of the amenities located on our pet-friendly campus. The Community is designed to primarily provide residential living with support services and facilities for personal care and nursing care, where our award-winning, resident centered care is provided.

3. Residential services included in the monthly fee include:
   - Housekeeping
   - Phone, Cable TV and Internet
   - Indoor/Outdoor Maintenance (including washers/dryers, snow removal, yard care, etc.)
   - Flex Meal Dining Plan
   - 24 Hour Medical Emergency Response
   - Intra-Campus Transportation
   - Real Estate Taxes
   - Local Transportation
   - Trash and Recycling
   - Utilities
   - Licensed Dietitian
   - Fitness and Wellness Programs
   - Primary Care Geriatric Specialists and Certified Nurse Practitioners
   - On-site Pharmacy
   - On-site Physical Therapy, Occupational Therapy and Speech Therapy Center
   - Access to Personal Care and Nursing Care

   The following is a list of optional services available at an extra charge:
   - Guest Meals/Guest Rooms
   - Catering
   - Personal Laundry
   - Carport Rental
   - Medical Transportation Off-Campus
   - Over-The-Counter, Non-Prescription Medications
   - Hair Salon Appointments
   - Notary Services / Copying and Faxing

The above is a representative list but is not intended to convey all the possible extra services at extra cost.

4. Entrance Fees: The current Entrance Fees, effective January 1, 2026, are listed below by apartment type and occupancy.

	Single Occupancy	Double Occupancy
Efficiency	$ 89,000	--------
Studio	$ 118,000	--------
One Bedroom Standard	$ 203,000	$ 247,000
One Bedroom Expanded	$ 240,000	$ 284,000
One Bedroom with Den	$ 364,000	$ 408,000
One Bedroom with Den and Sunroom	$ 427,000	$ 471,000
Two Bedroom	$ 384,000	$ 428,000
Two Bedroom with Sunroom	$ 447,000	$ 491,000
Two Bedroom Expanded	$ 462,000	$ 506,000
Two Bedroom with Den	$ 551,000	$ 595,000
Cottage	Individually Priced	Individually Priced
Direct Entry to Personal Care	$232,000	--------

5. Monthly Fees - The current Monthly Fees*, effective January 1, 2026, are listed below by apartment type and occupancy.
*Add monthly meal charge of $281 if resident is permanently living in personal or nursing care

	Single Occupancy	Double Occupancy
Efficiency	$ 4,180	----------
Studio	$ 4,180	----------
One Bedroom Standard	$ 4,990	$ 7,170
One Bedroom Expanded	$ 5,620	$ 7,800
One Bedroom with Den	$ 7,560	$ 9,740
One Bedroom with Den and Sunroom	$ 7,800	$ 9,980
Two Bedroom	$ 7,560	$ 9,740
Two Bedroom with Sunroom	$ 7,800	$ 9,980
Two Bedroom Expanded	$ 8,000	$ 10,180
Two Bedroom with Den	$ 8,580	$ 10,760
Cottage	$ 9,140	$ 11,320
Direct Entry to Personal Care	$ 8,830	----------

6. Adjustments to Monthly Fees - The Community's Monthly Fees are reset annually as of January 1. Any increases are based on the proposed budget for the new fiscal year. Foulkeways endeavors to maintain a high standard of service at the lowest possible cost to the residents. All rate increases must be approved by the Board of Directors. The following chart shows the adjustments made to the Community Monthly Fee base rates for the past five years:

Year	Average	Monthly Fee Base Rate
2022	2.75%	$90 from $3,450 to $3,540
2023	3.75%	$130 from $3,540 to $3,670
2024	5.00%	$180 from $3,670 to $3,850
2025	4.25%	$160 from $3,850 to $4,010
2026	4.25%	$170 from $4,010 to $4,180

7. Administration Processing Fee - At the time a prospective resident makes application to the Community, a non-refundable processing fee of $200.00 per person is charged.

Reserve Funds

8. Reserves - The Community maintains liquid reserves in an amount equal to or exceeding the greater of:

1) Twelve months principal and interest payments on account for the long-term financing of the Community; or
2) Ten percent of the projected annual operating expenses of the Community exclusive of depreciation.

Decisions regarding the investment of these reserve funds are made by the Finance Committee of the Board of Directors.

The Short-Term Reserve is only to be invested in a Federal Money Market Fund.

The investment assets of the long-term reserve are currently managed by a Long-Term Reserve Manager.

The Long-Term Reserve Manager's account is only to be invested in Vanguard ESG ETF Funds. The allocation should be US Equities (30%), International Equities (30%) and Fixed Income (40%).

9. <u>Certified Financial Statement</u> - Certified financial statements of the Community for the two most recent fiscal years accompany this Disclosure Statement.

10. <u>Residents Right to Rescind</u> - A Foulkeways resident has the right to rescind the Residence and Care Agreement, without penalty or forfeiture, within seven (7) days after the following:

1) The initial date on which funds are deposited with or remitted to the Community;
2) The date of execution of the Residence and Care Agreement.

A form entitled "Notice of Right to Rescind" is attached as an Addendum to the Residence and Care Agreement.

FOULKEWAYS AT GWYNEDD
PRO FORMA VS. ACTUAL COMPARISON (AUDITED)
STATEMENT OF REVENUE AND EXPENSES
2025

	PRO FORMA	ACTUAL	VARIANCE $	VARIANCE %
Revenues, gains and other support-				
Resident Care Fees	$26,396,764	$25,919,071	($477,693)	-2%
Amortization of deferred resident entry fees	7,400,000	7,717,242	317,242	4%
Health Center Revenue	4,124,407	4,711,113	586,706	14%
Unrestricted contributions, gifts and bequests	0	55,675	55,675	N/A
Investment income	1,175,000	1,335,183	160,183	14%
Other income	769,800	771,753	1,953	0%
Net assets released from restrictions used for operations	300,000	714,120	414,120	138%
Total revenues, gains and other support	$40,165,971	$41,224,157	$1,058,186	
Expenses-				
Health Center	$9,439,869	$10,297,743	$857,874	10%
Dining Service	5,788,970	6,149,759	360,789	6%
General and administrative	8,346,494	7,758,823	(587,671)	-7%
Maintenance	2,869,489	2,953,503	84,014	3%
Housekeeping	2,116,796	2,192,732	75,936	4%
Utilities	1,121,830	1,210,295	88,465	8%
Real Estate Taxes	855,930	880,575	24,645	3%
Depreciation and Amortization	7,200,000	7,720,278	520,278	7%
Interest Expense	2,287,400	1,903,826	(383,574)	-17%
Total expenses	$40,026,778	$41,067,534	$1,040,756	
Operating income (loss)	$139,193	$156,623	$17,430	
(Loss) on Sale of Property and Equipment	0	(13,665)	(13,665)	N/A
Net Periodic Benefit Cost Other than Service Cost Component	0	(135,080)	(135,080)	N/A
Realized Gain (Loss) on Trading Securities	0	316,739	316,739	N/A
Change in Unrealized Gains (Losses) on Trading Securities	0	2,432,883	2,432,883	N/A
Net assets released from restrictions for capital acquisitions	0	158,240	158,240	N/A
FASB Pension Adjustment to Fund Balance	0	903,266	903,266	N/A
Increase in Unrestricted Net Assets	$139,193	$3,819,006	$3,679,813	

FOULKEWAYS AT GWYNEDD
PRO FORMA VS. ACTUAL COMPARISON
STATEMENT OF MATERIAL DIFFERENCES*
2025

Health Center Revenue

Revenue increased over the Pro Forma due to higher average census during the year and more daily rate resident payments compared to monthly LifeCare contract resident payments

Investment Income

Higher investment returns during the year due to favorable market conditions

Interest Expense

Lower average interest rate costs due reductions in Federal Reserve federal funds rate cuts during the year which favorably impacted the variable rate components of the Community's credit facilities.

* Material differences are defined as variances over $25,000 and over 10%

FOULKEWAYS AT GWYNEDD
PRO FORMA
STATEMENT OF REVENUE AND EXPENSES
2026

Revenues, gains and other support-	
Resident Care Fees	$26,977,415
Amortization of deferred resident entry fees	7,998,702
Health Center Revenue	4,637,765
Unrestricted contributions, gifts and bequests	0
Investment income	1,222,978
Other income	823,800
Net assets released from restrictions used for operations	410,000
Total revenues, gains and other support	$42,070,660
Expenses-	
Health Center	$10,183,853
Dining Service	6,122,070
General and administrative	8,702,387
Maintenance	2,789,583
Housekeeping	2,275,098
Utilities	1,199,591
Real Estate Taxes	897,644
Depreciation and amortization	7,580,000
Interest Expense	1,989,323
Total expenses	$41,739,549
Operating Income	$331,111
Unrealized gain (loss) on investments	0
Net assets released from restrictions for capital acquisitions	0
Increase in Unrestricted Net Assets	$331,111

FOULKEWAYS AT GWYNEDD

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

CPAs | CONSULTANTS | WEALTH ADVISORS

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FOULKEWAYS AT GWYNEDD
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YEARS ENDED DECEMBER 31, 2025 AND 2024

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Foulkeways at Gwynedd
Gwynedd, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Foulkeways at Gwynedd (a Pennsylvania nonprofit corporation), which comprise the balance sheets as of December 31, 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 Foulkeways at Gwynedd as of December 31, 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.

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 Foulkeways at Gwynedd 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 accounting principles generally accepted in the United States of America, 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 Foulkeways at Gwynedd'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 Foulkeways at Gwynedd'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 Foulkeways at Gwynedd'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 1, 2026

FOULKEWAYS AT GWYNEDD
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 9,303,124	$ 10,948,359
Assets Limited as to Use, Externally Designated	1,849,850	880,599
Investments	22,214,198	20,378,182
Accounts Receivable:		
Residents	828,226	373,478
Notes Receivable from Residents	1,122,910	197,900
Other	340,470	236,552
Prepaid Expenses and Other	830,181	992,890
Total Current Assets	36,488,959	34,007,960
ASSETS LIMITED AS TO USE		
Externally Designated under Bond Indenture Agreement	1,004,304	1,916,482
Externally Designated by Donors	9,816,967	8,379,480
Statutory Liquid Reserve	3,415,955	3,342,649
Internally Designated by Board	3,063,499	2,590,523
Total Assets Limited as to Use	17,300,725	16,229,134
PROPERTY AND EQUIPMENT, NET	88,675,782	87,639,581
OTHER ASSETS	232,481	415,561
Total Assets	$ 142,697,947	$ 138,292,236

See accompanying Notes to Financial Statements.

FOULKEWAYS AT GWYNEDD
BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2025 AND 2024

	2025	2024
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 2,052,659	$ 1,511,392
Accrued Salaries, Payroll Taxes, and Benefits	1,749,603	1,730,176
Accrued Interest Payable	143,218	170,599
Monthly Billings Paid in Advance	195,103	212,578
Refundable Deposits from Prospective Residents	918,601	810,000
Current Portion of Long-Term Debt	1,321,621	1,250,176
Total Current Liabilities	6,380,805	5,684,921
LONG-TERM LIABILITIES		
Deferred Revenue from Resident Entry Fees	53,433,042	52,372,284
Long-Term Debt, Net of Current Portion	41,870,617	43,279,829
Liability for Pension Benefits	3,566,475	4,684,661
Other Liabilities	95,725	175,751
Total Long-Term Liabilities	98,965,859	100,512,525
Total Liabilities	105,346,664	106,197,446
NET ASSETS		
Without Donor Restrictions	27,534,316	23,715,310
With Donor Restrictions	9,816,967	8,379,480
Total Net Assets	37,351,283	32,094,790
Total Liabilities and Net Assets	$ 142,697,947	$ 138,292,236

See accompanying Notes to Financial Statements.

FOULKEWAYS AT GWYNEDD
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
UNRESTRICTED REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTION		
Revenue, Gains, and Other Support:		
Resident Care Fees	$ 25,919,071	$ 25,150,746
Amortization of Deferred Resident Entry Fees	7,717,242	7,496,319
Health Center Revenue	4,711,113	4,682,521
Unrestricted Contributions, Gifts, and Bequests	55,675	146,353
Net Investment Income	1,335,183	1,256,216
Other Revenue	771,753	851,121
Net Assets Released from Restrictions	714,120	528,718
Total Unrestricted Revenues and Other Support Without Donor Restriction	41,224,157	40,111,994
OPERATING EXPENSES		
Health Services	10,297,743	9,292,181
Dining Services	6,149,759	5,830,663
General and Administrative	7,758,823	7,693,373
Maintenance	2,953,503	3,042,507
Housekeeping	2,192,732	2,170,996
Utilities	1,210,295	1,044,665
Real Estate Taxes	880,575	838,670
Depreciation	7,720,278	7,504,517
Interest Expense	1,903,826	2,087,005
Total Operating Expenses	41,067,534	39,504,577
OPERATING INCOME BEFORE LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	156,623	607,417
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	(13,665)	(165,889)
OPERATING INCOME	142,958	441,528
NONOPERATING INCOME (LOSS)		
Net Periodic Cost Credit Other than the Service Cost Component	(135,080)	(166,331)
Realized Gain on Trading Securities	316,739	265,633
Change in Unrealized Gain on Trading Securities	2,432,883	1,486,464
EXCESS OF REVENUES AND OTHER SUPPORT OVER EXPENSES AND INCOME	2,757,500	2,027,294

See accompanying Notes to Financial Statements.

FOULKEWAYS AT GWYNEDD
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
EXCESS OF REVENUES AND OTHER SUPPORT OVER EXPENSES AND INCOME	$ 2,757,500	$ 2,027,294
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Net Assets Released from Restrictions - Purchase of Equipment	158,240	4,507
Change in Pension Plan Assets and Benefit Obligations Other than Periodic Benefit Cost	903,266	1,461,621
Change in Net Assets Without Donor Restrictions	3,819,006	3,493,422
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	896,840	969,718
Net Assets Released from Restrictions	(872,360)	(533,227)
Investment Income	287,894	274,314
Net Realized Gain on Investments	96,906	120,450
Net Unrealized Gain on Investments	1,028,207	438,265
Change in Net Assets With Donor Restrictions	1,437,487	1,269,520
CHANGE IN NET ASSETS	5,256,493	4,762,942
Net Assets - Beginning of Year	32,094,790	27,331,848
NET ASSETS - END OF YEAR	$ 37,351,283	$ 32,094,790

See accompanying Notes to Financial Statements.

FOULKEWAYS AT GWYNEDD
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 5,256,493	$ 4,762,942
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	7,720,278	7,504,517
Loss on Disposal of Property and Equipment	13,665	165,889
Amortization of Deferred Financing Costs	41,356	41,356
Amortization of Bond Premium	(128,947)	(128,947)
Net Realized and Unrealized Gain on Investments and Assets Limited as to Use	(3,874,735)	(2,310,812)
Restricted Contributions and Investment Income	(1,184,734)	(1,244,032)
Amortization of Deferred Resident Entry Fees	(7,717,242)	(7,496,319)
Proceeds from Deferred Resident Entry Fees, Net of Refunds	7,249,393	8,451,219
Net Refundable Deposits Received	108,601	16,801
Change in Liability for Pension Benefits	(1,118,186)	(1,795,290)
(Increase) Decrease in Assets:		
Accounts Receivable	44,931	266,335
Prepaid Expenses and Other	162,709	(195,342)
Other Assets	183,080	(8,094)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(144,003)	(5,182)
Advance Billings	(17,475)	51,817
Other Liabilities	(80,026)	(48,867)
Net Cash Provided by Operating Activities	6,515,158	8,027,991
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(30,863,581)	(53,593,352)
Sales of Investments	31,032,242	54,935,177
Capital Expenditures	(8,092,828)	(6,180,813)
Net Cash Used by Investing Activities	(7,924,167)	(4,838,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Restricted Contributions and Investment Income	1,184,734	1,244,032
Repayment of Long-Term Debt	(1,250,176)	(1,195,077)
Net Cash Provided (Used) by Financing Activities	(65,442)	48,955
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS	(1,474,451)	3,237,958
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents - Beginning of Year	13,745,440	10,507,482
CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS - END OF YEAR	$ 12,270,989	$ 13,745,440

See accompanying Notes to Financial Statements.

FOULKEWAYS AT GWYNEDD
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	$ 2,018,798	$ 2,190,026
Construction Expenditures Within Accounts Payable and Accrued Expenses	$ 677,316	$ 186,971

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Foulkeways at Gwynedd (Foulkeways) was founded in 1967 as a nonprofit life care retirement community and is located in Gwynedd, Pennsylvania. Foulkeways houses approximately 451 residents living in 259 apartments, 46 active nursing beds, and a personal care unit with 89 beds (82 suites and 7 single rooms).

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 liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Foulkeways considers cash and cash equivalents to include investments in highly liquid investments with original maturity dates of three months or less, excluding amounts that are internally limited as to use. Foulkeways deposits cash in financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in the bank may exceed FDIC insurable limits.

Reconciliation of Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents

The following table provides a reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents reported within the balance sheets that sum to the total of the same such amounts shown in the statements of cash flows.

	2025	2024
Cash and Cash Equivalents	$ 9,303,124	$ 10,948,359
Restricted Cash and Restricted Cash Equivalents	2,967,865	2,797,081
Total Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents Shown in the Statements of Cash Flows	$ 12,270,989	$ 13,745,440

Amounts included in restricted cash represent those required to be set aside in accordance with a Loan and Trust Agreement for the Series 2016 Bonds (See Note 4).

Escrow Deposits

Applicants for an independent living unit are required to make a refundable deposit when the application is filed. Any deposits in excess of 5% of the proposed entrance fees are maintained in an escrow account for entrance fees. In addition, partially refundable entry fees for residents who have moved to smaller apartments are transferred to this account until the refund is payable. The account also contains accumulated interest. As of December 31, 2025 and 2024, the account balance was $263,890 and $254,464, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Notes Receivable from Residents

Foulkeways offers incoming residents the ability to defer their entry fees for three months with unsecured notes, renewable for additional periods, with interest rates ranging from 0% to the prime rate plus 1%, depending on market conditions.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Investment income (including realized gains on investments, interest, and dividends), net of all investment fees, is recorded as unrestricted revenue, except for investment income associated with contributions for resident assistance, capital additions, and other purposes specified by donors, which is recorded as investment income in the change in net assets with donor restrictions.

Foulkeways designated its investments as “trading” and these changes in unrealized gains are reported within excess of revenues and other support over expenses and income.

Property and Equipment

Land, land improvements, buildings and improvements, furniture and equipment, and vehicles are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets, generally 3 to 45 years. Foulkeways capitalizes any asset costing $2,500 or over and having an anticipated useful life of over one year.

	2025	2024
Land	$ 10,158,694	$ 9,578,694
Land Improvements	4,601,806	4,247,541
Buildings and Improvements	143,749,358	138,017,720
Furniture and Equipment	20,242,453	18,946,581
Vehicles	908,552	830,880
Construction in Progress	3,678,456	3,244,571
Total	183,339,319	174,865,987
Less: Accumulated Depreciation	(94,663,537)	(87,226,406)
Total Property and Equipment, Net	$ 88,675,782	$ 87,639,581

For the years ended December 31, 2025 and 2024, Foulkeways had a loss on disposal of property and equipment in the amount of $13,665 and $165,889, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Assets

Foulkeways carries general and professional liability insurance with Peace Church Risk Retention Group, Inc. (PCRRG). Foulkeways is a subscriber and is a 2.23% and 2.22% owner of this group captive as of December 31, 2025 and 2024, respectively. The group captive is domiciled in Vermont and licensed by the Vermont Insurance Department. The investment in PCRRG totaling $127,262 and $148,408 is recorded at cost as "other assets" in the accompanying balance sheets for the years ended December 31, 2025 and 2024, respectively. In addition, as of December 31, 2025 and 2024, other assets include a receivable of $105,219 and $267,153, respectively, relative to the subscriber surplus account of the insurance risk retention group.

Deferred Financing Costs

Deferred financing costs, which represent bond issuance costs, are amortized on a straight-line basis over the term of the related debt, which approximates the effective-interest method. Amortization expense was $41,356 for the years ended December 31, 2025 and 2024. The amortization is recorded as a component of interest expense.

Refundable Deposits from Prospective Residents

Refundable deposits from prospective residents represent waiting list deposits and entry fees deposits of new residents. Waiting list deposits by prospective residents or resident couples are fully refundable and are credited toward the entry fee upon move-in. Deposits for entry fees are fully refundable if a prospective resident is denied occupancy and partially refundable if an accepted prospective resident opts not to sign a Residence and Care Agreement. Waiting list deposits amounted to $655,201 and $557,000 as of December 31, 2025 and 2024, respectively. Entry fees deposits amounted to $263,400 and $253,000 as of December 31, 2025 and 2024, respectively.

Obligation to Provide Future Services

Foulkeways calculates the present value of the cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from resident entry fees to determine if a liability and corresponding charge to income should be recorded. As of December 31, 2025 and 2024, the present value of the net cost of future services and use of facilities does not exceed the deferred revenue from resident entry fees and, as such, no liability for the obligation to provide future services was required to be recorded as of December 31, 2025 and 2024.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes. At December 31, 2025 and 2024, the governing board has designated certain net assets without donor restrictions for specific purposes (see Note 3).

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At both December 31, 2025 and 2024, donor-imposed restrictions perpetual in nature were $942,225. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Gifts are reported as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, net assets with donor restrictions are reclassified as net assets without donor restriction and reported in the statements of operations and changes in net assets as net assets released from restrictions.

Net assets with donor restrictions are restricted for the following purposes:

	2025	2024
Resident Assistance Funds	$ 5,955,629	$ 5,010,714
Capital Additions Funds	1,700,563	1,470,861
Other Funds	2,160,775	1,897,905
Total Net Assets With Donor Restrictions	$ 9,816,967	$ 8,379,480

During 2025 and 2024, net assets with donor restrictions were released from donor restrictions for purchases of equipment and grounds, resident monthly fee assistance, and entry fee assistance.

Excess of Revenues and Other Support over Expenses and Income

The statements of operations and changes in net assets include the caption “excess of revenues and other support over expenses and income.” Changes in net assets without donor restrictions, which are excluded from the excess of revenues and other support over expenses and income, include changes in pension plan assets and benefit obligations other than periodic benefit cost, and net assets released from restrictions for the purchase of property and equipment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Foulkeways is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes pursuant to Section 501(a) of the IRC. Foulkeways follows the provisions of the income tax standard regarding the recognition and measurement of uncertain tax positions. The application of these provisions has no impact on Foulkeways' financial statements.

Foulkeways' income tax returns are subject to review and examination by federal, state, and local authorities. Foulkeways is not aware of any activities that would jeopardize its tax-exempt status.

Fair Value Measurements

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. Foulkeways emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that Foulkeways has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Additionally, from time to time, Foulkeways may be required to record at fair value other assets on a nonrecurring basis in accordance with accounting principles generally accepted in the United States of America.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Assistance

Foulkeways provides financial assistance on an as needed basis from various resident assistance funds in order to supplement monthly income, entry fees, and fees for life enrichment. The financial assistance provided in 2025 and 2024 was $340,313 and $271,019, respectively.

Resident Service Revenue

Resident service revenue is reported at the amount that reflects the consideration to which Foulkeways expects to be entitled in exchange for providing resident service and care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, Foulkeways bills the residents monthly for services and third-party payors after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by Foulkeways. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred. Foulkeways believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or residents receiving services in the facility. Foulkeways measures the performance obligation from admission into the facility to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge or termination of the resident contract. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents and customers in a retail setting (for example, guest meals) and Foulkeways does not believe it is required to provide additional goods or services related to that sale.

Foulkeways determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with Foulkeways' policy and/or implicit price concessions provided to residents. Foulkeways determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. Foulkeways determines its estimate of implicit price concessions based on its historical collection experience.

Upon entry to Foulkeways at Gwynedd, Foulkeways and the resident sign a Residence and Care Agreement (the Agreement). The Agreement requires Foulkeways to provide facilities, services, and medical care to the resident. Entry fees received are recorded as deferred revenue from resident entry fees in the accompanying balance sheets. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Service Revenue (Continued)

The resident entry fees are subject to the refund provisions of the Agreement. At December 31, 2025 and 2024, the portion of the deferred resident entry fees subject to such refund provisions amounted to $16,124,699 and $15,281,040, respectively. The refund periods expire ratably over 50 months from the respective dates of entrance. Refunds are payable upon reoccupancy of the vacated unit.

Amortization of deferred resident entry fees in the statements of operations and changes in net assets represents the current year's amortization of deferred revenue from resident entry fees. The amortization is based upon the actuarially determined remaining lives of each resident or resident couple (updated periodically using the historical experience of Foulkeways) at the end of the reporting year. However, only resident entry fee revenue up to the amount of deferred entry fees that is nonrefundable is recognized. Upon the death of a sole surviving resident, any remaining unamortized portion of the resident entry fee is recognized as revenue.

The opening and closing balances in deferred revenue from resident entry fees were as follows:

	Deferred Revenue from Resident Entry Fees
Balance as of January 1, 2024	$ 51,411,084
Balance as of December 31, 2024	52,372,284
Balance as of December 31, 2025	53,433,042

The composition of resident service revenue by primary payor for the years ended December 31 is as follows:

	2025	2024
Medicare	$ 1,438,653	$ 1,166,888
Private Pay	36,908,773	36,162,698
Total Resident Services Revenue	$ 38,347,426	$ 37,329,586

Revenue from residents' deductibles and coinsurance are included in the categories presented above based on the primary payor.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Service Revenue (Continued)

The composition of resident service revenue based on its service lines, method of reimbursement, and timing of revenue recognition for the years ended December 31, are as follows:

	2025	2024
Service Lines:		
Independent Living	$ 28,821,143	$ 27,943,352
Personal Care	5,106,461	4,918,663
Skilled Nursing Facility	2,746,806	3,001,523
Other Medical	1,545,710	1,345,863
Home Care	78,590	76,430
Retail Sales	48,716	43,755
Total	$ 38,347,426	$ 37,329,586
Method of Reimbursement:		
Fee for Services	$ 38,298,710	$ 37,285,831
Other	48,716	43,755
Total	$ 38,347,426	$ 37,329,586
Timing of Revenue and Recognition:		
Health Care Services Transferred Over Time	$ 38,298,710	$ 37,285,831
Sales at Point in Time	48,716	43,755
Total	$ 38,347,426	$ 37,329,586

Accounts Receivable and Allowance for Credit Losses

Accounts receivable is reported net of an allowance for credit losses to represent Foulkeways' estimate of expected losses at the balance sheet date. The adequacy of Foulkeways' allowance for credit losses is reviewed on an ongoing basis, using historical payment trends and a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or claim submitted. Accounts more than 90 days past due are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off against the related allowance.

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At December 31, 2025 and 2024, the allowance for estimate of expected credit losses was $-0-.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

The opening and closing balances in accounts receivable from residents was as follows:

	Accounts Receivable from Residents
Balance as of January 1, 2024	$ 701,169
Balance as of December 31, 2024	571,378
Balance as of December 31, 2025	1,951,136

Financing Component

Foulkeways has elected the practical expedient allowed under financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-32-18 and does not adjust the promised amount of consideration from residents and third-party payors for the effects of a significant financing component due to Foulkeways' expectation that the period between the time the service is provided to a resident and the time that the Resident or a third-party payor pays for that service will be one year or less. However, Foulkeways does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Contract Costs

Foulkeways has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that Foulkeways otherwise would have recognized is one year or less in duration.

Reclassifications

Certain items in the prior year financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the overall net assets of the Organization.

Subsequent Events

In preparing these financial statements, Foulkeways has evaluated events and transactions for potential recognition or disclosure through April 1, 2026, the date the financial statements were issued. The results of this evaluation indicated that there are no subsequent events or transactions that are required to be disclosed in these financial statements.

NOTE 2 LIQUIDITY

Foulkeways regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing financial resources to meet expenses over a 12-month period, Foulkeways considers all expenses related to its ongoing mission-related activities as well as the conduct of services undertaken to support these activities.

Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

	2025	2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	$ 9,303,124	$ 10,948,359
Assets Limited as to Use, Externally Designated	1,849,850	880,599
Investments	22,214,198	20,378,182
Accounts Receivable:		
Residents, Net	828,226	373,478
Notes Receivable from Residents	1,122,910	197,900
Other	340,470	236,552
Assets Limited as to Use:		
Externally Designated under Bond Indenture Agreement	1,004,304	1,916,482
Externally Designated by Donors	9,816,967	8,379,480
Statutory Liquid Reserve	3,415,955	3,342,649
Internally Designated by Board	3,063,499	2,590,523
Total Financial Assets	52,959,503	49,244,204
Less Amounts Not Available to be Used Within One Year:		
Externally Designated under Bond Indenture Agreement with Liquidity Horizons Greater Than One Year	1,004,304	1,916,482
Externally Designated by Donors with Liquidity Horizons Greater Than One Year	9,816,967	8,379,480
Internally Designated by Board	3,063,499	2,590,523
Financial Assets Not Available to be Used Within One Year	13,884,770	12,886,485
Financial Assets Available to Meet General Expenditures Within One Year	$ 39,074,733	$ 36,357,719

Foulkeways has certain board-designated and donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. Foulkeways has other assets limited to use for donor-restricted purposes and debt service.

NOTE 3 INVESTMENTS AND ASSETS LIMITED AS TO USE

The functional composition of assets limited as to use externally designated under the bond indenture agreement and by donors and internally designated by the board is set forth below:

	2025	2024
Externally Designated by Long-Term Debt Agreements		
Series 2023 Bond Indenture:		
Debt Service Reserve Fund	$ 2,080,052	$ 2,578,008
Debt Service Fund	774,102	219,073
Total	2,854,154	2,797,081
Less: Current Portion	(1,849,850)	(880,599)
Total	$ 1,004,304	$ 1,916,482
Externally Designated by Donors:		
Resident Assistance	$ 5,955,629	$ 5,010,714
Capital Additions	1,700,563	1,470,861
Other	2,160,775	1,897,905
Total	$ 9,816,967	$ 8,379,480
Internally Designated by the Board:		
Used at the Discretion of the Board	$ 3,063,499	$ 2,590,523

Assets limited as to use externally designated for donor purposes include a resident assistance fund for residents unable to pay the monthly service fee or entry fee due to circumstances beyond their control.

Under the provisions of the *Pennsylvania Continuing Care Provider Registration and Disclosure Act* (the Act), Foulkeways must maintain a statutory minimum liquid reserve as of December 31, 2025, that is equal to the greater of 10% of the 2026 total projected operating expenses, exclusive of depreciation, or the 2025 debt service requirements. The calculation of the statutory minimum liquid reserve requirement as of December 31 is shown in detail below. Under the provisions and related amendments of the Act, management believes that the liquid portion of the investment portfolio satisfies this requirement. Management believes that Foulkeways is in compliance with all other requirements of the Act as of December 31, 2025.

	2025	2024
Projected Annual Interest Expense	$ 1,896,153	$ 2,092,473
Principal Payments Due on Long-Term Debt	1,321,621	1,250,176
Liquid Reserve Requirement	3,217,774	3,342,649
Projected Annual Operating Expenses	34,159,549	32,826,778
Minimum Rate	10%	10%
Liquid Reserve Requirement	3,415,955	3,282,678
Statutory Liquid Reserve Requirement	$ 3,415,955	$ 3,342,649

NOTE 3 INVESTMENTS AND ASSETS LIMITED AS TO USE (CONTINUED)

The composition of investments and assets limited as to use is set forth in the following table. Investments are stated at fair value.

	2025	2024
Investments and Assets Limited as to Use:		
Cash and Equivalents	$ 2,967,865	$ 2,797,081
U.S. Government and Agency Securities	5,444,113	4,278,022
Mutual Funds	12,486,919	12,193,456
Corporate Bonds	11,536,390	11,051,367
Internationals	8,929,486	7,167,989
Total	$ 41,364,773	$ 37,487,915

Investment income and gains for investments and assets limited as to use and cash equivalents are comprised of the following:

	2025	2024
Investment Income without Donor Restrictions:		
Dividends and Interest Income	$ 1,388,838	$ 1,319,085
Realized Gain on Sales of Securities	316,739	265,633
Investment Fees	(53,655)	(62,869)
Subtotal	1,651,922	1,521,849
Change in Unrealized Gain on Securities	2,432,883	1,486,464
Total	$ 4,084,805	$ 3,008,313
Investment Income with Donor Restrictions:		
Dividends and Interest Income	$ 287,894	$ 274,314
Realized Gain on Sales of Securities	96,906	120,450
Subtotal	384,800	394,764
Change in Unrealized Gain on Securities	1,028,207	438,265
Total	$ 1,413,007	$ 833,029

Investment fees represent direct expenses involved in generating investment income.

NOTE 4 LONG-TERM DEBT

Long-term debt consists of:

Description	2025	2024
Montgomery County Industrial Development Authority Revenue Bonds, Series 2016, Fixed Rate Revenue Bonds, due December 1, 2046 with interest ranging from 3.00% to 5.00%, net of premium of $2,645,565 and $2,774,512 and unamortized financing costs of $381,266 and $399,849 at December 31, 2025 and 2024, respectively	$ 25,489,299	$ 26,309,663
Montgomery County Industrial Development Authority Series 2023A, Variable Rate Revenue Bonds, net of unamortized financing costs of $140,012 and $152,741 at December 31, 2025 and 2024, respectively	9,964,988	10,172,259
Montgomery County Industrial Development Authority Series 2023B, Variable Rate Revenue Bonds, net of unamortized financing costs of $140,624 and $150,668 at December 31, 2025 and 2024, respectively	7,737,951	8,048,083
Total Long-Term Debt	43,192,238	44,530,005
Less: Current Portion	(1,321,621)	(1,250,176)
Long-Term Debt, Net of Current Portion	$ 41,870,617	$ 43,279,829

On June 1, 2016, Foulkeways entered into a Loan and Trust Agreement with the Montgomery County Industrial Development Authority (the Authority), and U.S. Bank National Association (as Trustee), pursuant to which Foulkeways received fixed rate revenue bond proceeds in the amount of $28,835,000 and a premium in the amount of $3,868,414 (the Series 2016 Bonds). The proceeds of the 2016 Bonds were used to refund the outstanding Series 2006A Bonds, advance funds to finance certain improvements to the facility, fund capitalized interest and a debt service reserve fund and to pay certain issuance costs of the 2016 Bonds. The average interest rate on the 2016 Bonds ranges from 3.00% to 5.00%. The Series 2016 Bonds require sinking fund principal payments for bonds stated to mature on December 1, 2030, 2039, and 2046 ranging from $195,000 to $2,660,000.

On March 30, 2023, Foulkeways entered into a Loan and Trust Agreement with the Authority and WSFS Bank (as Trustee), pursuant to which Foulkeways received variable rate revenue bond proceeds in the amount of $10,760,000 (the Series 2023A Bonds). The proceeds of the 2023A Bonds were to finance a project, consisting of refunding the 2006B Bonds. The Series 2023A Bonds bear interest at a variable rate of the one-month term Secured Overnight Financing Rate (SOFR) plus the SOFR rate margin multiplied by 0.81 plus 130 basis points. The average interest rate for the years ended December 31, 2025 and 2024, was 4.49% and 5.23%, respectively.

NOTE 4 LONG-TERM DEBT (CONTINUED)

On March 30, 2023, Foulkeways entered into a Loan and Trust Agreement with the Authority and WSFS Bank (as Trustee), pursuant to which Foulkeways received variable rate revenue bond proceeds in the amount of $8,712,401 (the Series 2023B Bonds). The proceeds of the 2023B Bonds were to finance a project, consisting of refunding the Series 2009 Bonds. The Series 2023B Bonds bear interest at a variable rate of the one-month term SOFR rate plus the SOFR rate margin multiplied by 0.81 plus 130 basis points. The average interest rate for the years ended December 31, 2025 and 2024, was 4.49% and 5.23%, respectively.

Under its debt agreements, Foulkeways must comply with certain restrictive covenants relating to days cash on hand and debt service coverage computed annually. As defined, Foulkeways is required, among other things, to maintain a debt service coverage ratio of 1.20:1.00 and a day's cash on hand (unrestricted cash and investments divided by the average daily operating expenses, net of depreciation and amortization) of 180 days. Management represents that Foulkeways was in compliance with all required financial covenants at December 31, 2025.

At December 31, 2025, principal payments on long-term debt during the next five years and thereafter are as follows:

Year Ending December 31,	Series 2016 Bonds	Series 2023A Bonds	Series 2023B Bonds	Total
2026	$ 745,000	$ 235,000	$ 341,621	$ 1,321,621
2027	780,000	240,000	364,502	1,384,502
2028	815,000	250,000	388,915	1,453,915
2029	845,000	260,000	414,956	1,519,956
2030	880,000	265,000	442,742	1,587,742
Thereafter	19,160,000	8,855,000	5,925,839	33,940,839
Total	23,225,000	10,105,000	7,878,575	41,208,575
Less: Unamortized Financing Costs	(381,266)	(140,012)	(140,624)	(661,902)
Add: Bond Premium	2,645,565	-	-	2,645,565
Total Bonds Payable, Net	25,489,299	9,964,988	7,737,951	43,192,238
Less: Current Portion of Bonds Payable	745,000	235,000	341,621	1,321,621
Total Bonds Payable, Less Current Portion	$ 24,744,299	$ 9,729,988	$ 7,396,330	$ 41,870,617

Interest expense on long-term debt in 2025 and 2024 was $1,903,826 and $2,087,005, respectively. No interest was capitalized as a cost of construction in 2025 and 2024.

NOTE 5 FUNCTIONAL EXPENSES

Foulkeways provides continuing and long-term care for the aging. Expenses related to providing these services are as follows:

	2025			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries and Wages	$ 14,683,581	$ 1,646,324	$ 56,785	$ 16,386,690
Employee Benefits	3,488,198	436,219	14,103	3,938,520
Contract Labor	1,315,402	-	-	1,315,402
Food Purchases	1,976,109	-	-	1,976,109
Medical Supplies and Other Resident Costs	2,218,604	5,579	-	2,224,183
General and Administrative	321,101	635,559	465	957,125
Building and Maintenance	3,426,292	-	-	3,426,292
Professional Fees and Insurance	492,841	602,210	-	1,095,051
Depreciation	7,720,278	-	-	7,720,278
Interest	1,903,826	-	-	1,903,826
Management and Other Fees	124,058	-	-	124,058
Total Functional Expenses	$ 37,670,290	$ 3,325,891	$ 71,353	$ 41,067,534

	2024			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries and Wages	$ 13,735,706	$ 1,737,406	$ 55,314	$ 15,528,426
Employee Benefits	3,451,950	595,652	14,375	4,061,977
Contract Labor	1,132,915	-	-	1,132,915
Food Purchases	1,916,863	-	-	1,916,863
Medical Supplies and Other Resident Costs	2,006,213	33,537	-	2,039,750
General and Administrative	314,165	473,223	1,195	788,583
Building and Maintenance	3,234,667	-	-	3,234,667
Professional Fees and Insurance	383,510	705,409	-	1,088,919
Depreciation	7,504,517	-	-	7,504,517
Interest	2,087,005	-	-	2,087,005
Management and Other Fees	120,955	-	-	120,955
Total Functional Expenses	$ 35,888,466	$ 3,545,227	$ 70,884	$ 39,504,577

All costs are directly attributable to their respective functions based on a method similar to that used for the Internal Revenue Service Form 990, *Return of Organization Exempt from Income Tax*. Management services are expenses attributable to the general management of the organization. Fundraising expenses are attributable to expenses occurred by the Development Office.

NOTE 6 PENSION AND SAVINGS PLANS

Foulkeways previously sponsored a defined benefit pension plan exempt from the Employee Retirement Income Security Act of 1974 rules due to church plan status. The plan covered substantially all of its employees. Employers were required to recognize the overfunded or underfunded status of a defined benefit pension plan as an asset or liability in its balance sheet and to recognize changes in that funded status in the year in which the changes occur through net assets without restrictions. Effective December 31, 2021, the plan was amended to freeze all future benefit accruals as of that date with the exception that current participants who would attain their normal retirement date on or before December 31, 2023, and completed at least five years of service for vesting purposes as of December 31, 2021, would be allowed to continue to earn additional accruals under the plan until December 31, 2023. As of December 31, 2023, the plan was fully frozen to all participants.

The following is a summary of the key components and assumptions related to the pension plan:

	2025	2024
Change in Benefit Obligation:		
Projected Benefit Obligation - Beginning of Year	$ 18,878,000	$ 20,128,000
Interest Cost	1,020,119	980,673
Actuarial (Gain) Loss	430,147	(1,098,584)
Benefits Paid	(1,226,266)	(1,132,089)
Projected Benefit Obligation - End of Year	19,102,000	18,878,000
Change in Plan Assets:		
Fair Value of Plan Assets - Beginning of Year	14,193,339	13,648,049
Actual Return on Plan Assets	2,218,452	1,177,379
Employer Contributions	350,000	500,000
Benefits Paid	(1,226,266)	(1,132,089)
Fair Value of Plan Assets - End of Year	15,535,525	14,193,339
Net Amounts Recognized in the Balance Sheets Consist of: Liability for Pension Benefits	$ 3,566,475	$ 4,684,661
Accumulated Benefit Obligation	$ 19,102,000	$ 18,878,000

NOTE 6 PENSION AND SAVINGS PLANS (CONTINUED)

	2025	2024
Amounts Recognized in Net Assets Without Donor Restrictions Not Yet in Net Periodic Benefit Cost Consist of:		
Unrecognized Net (Gain) Loss	$ (75,376)	$ 890,201
Prior Service Cost	(12,457)	(74,768)
Total	$ (87,833)	$ 815,433
Components of Net Periodic Benefit Cost:		
Interest Cost	$ 1,020,119	$ 980,673
Expected Return on Plan Assets	(822,728)	(792,739)
Amortization of Prior Service Cost	(62,311)	(62,311)
Amortization of Net Actuarial Loss	-	40,708
Net Periodic Benefit Cost	$ 135,080	$ 166,331

	2025	2024
Weighted-Average Assumptions Used to Determine Benefit Obligation were:		
Discount Rate	5.39 %	5.58 %
Rate of Compensation Increase	N/A	N/A
Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost were:		
Discount Rate	5.58	5.01
Expected Long-Term Return on Plan Assets	6.00	6.00
Rate of Compensation Increase	N/A	N/A

To develop the expected long-term rate of return on assets assumption, Foulkeways considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio. This resulted in the selection of the 6.0% long-term rate of return on assets assumption. The estimated net deferred actuarial loss and prior service cost that will be amortized into net periodic benefit for 2025 is approximately $-0- and ($62,311), respectively, totaling ($62,311).

Plan Assets

The plan's actual weighted-average asset allocations and target asset allocations, by asset category, are as follows:

Asset Category	Target Allocation	2025	2024
Equity Securities	40-65%	60 %	61 %
Debt Securities and Other	25-50%	40	39
Total		100 %	100 %

The investment policy and strategy for the plan assets is to conserve and enhance the capital value of the funds in real terms, through asset appreciation and income generation.

NOTE 6 PENSION AND SAVINGS PLANS (CONTINUED)

Plan Assets (Continued)

Foulkeways uses fair value measurements to record fair value adjustments to investments and to determine fair value disclosure (see Note 1). Pension plan assets are classified as follows:

Pension Plan Assets

December 31, 2025	Level 1	Level 2	Level 3	Total
Cash	$ 168,698	$ -	$ -	$ 168,698
Fixed Income Securities	6,082,798	-	-	6,082,798
Equity Securities	9,284,029	-	-	9,284,029
Total	$ 15,535,525	$ -	$ -	$ 15,535,525
December 31, 2024				
Cash	$ 125,006	$ -	$ -	$ 125,006
Fixed Income Securities	5,461,172	-	-	5,461,172
Equity Securities	8,607,161	-	-	8,607,161
Total	$ 14,193,339	$ -	$ -	$ 14,193,339

Cash Flows

Contributions

Foulkeways is currently evaluating contributions to the pension plan for 2026. In 2025 and 2024, Foulkeways contributed $350,000 and $500,000, respectively to the plan.

Estimated Future Benefit Payments

The following benefit payments that expect to be paid by the plan during the next five years and five years thereafter are as follows:

Year Ending December 31,	Amount
2026	$ 1,298,000
2027	1,319,000
2028	1,337,000
2029	1,356,000
2030	1,374,000
2031 - 2035	7,148,000

Savings Plan

Foulkeways offers a contributory 403(b) savings plan which is available to substantially all employees and provides a 50% match of employee contributions up to a maximum of 3% of annual compensation. Total expense related to this plan was $313,409 and $315,720 for the years ended December 31, 2025 and 2024, respectively.

NOTE 6 PENSION AND SAVINGS PLANS (CONTINUED)

Savings Plan (Continued)

Foulkeways entered into an employer discretionary contributions plan effective January 1, 2022. This plan covers all employees who 1) were over 18 years of age; 2) worked over 1,000 hours; and 3) had at least one year of service. This plan replaced the defined benefit pension plan. The total discretionary contribution related to this plan was $529,760 and $525,099 for the years ended December 31, 2025 and 2024, respectively.

NOTE 7 COMMITMENTS AND CONTINGENCIES

Home and Care Committee

Foulkeways, under an agreement with the Trustees of Abington Quarterly Meeting of Friends and the Committee of the Abington Quarterly Meeting Home for Friends at Norristown (Home and Care Committee), and in consideration of cumulative contributions received or pledged, will provide entry fee credits to be used by the Home and Care Committee for financial aid to those persons the Home and Care Committee recommends as requiring assistance. The total amount of money available to the Home and Care Committee as entry fee credits is the sum resulting from multiplying the number 10 and the minimum entry fee charged by Foulkeways, with the right of replacement should any of the credits not be in use. For the years ended December 31, 2025 and 2024, the total credit available was $890,000 and $850,000, respectively, of which $151,330 and $-0- is remaining for use for the years ended December 31, 2025 and 2024, respectively.

Health Insurance Program

Effective April 1, 2021, Foulkeways set up a self-insured group health plan with Retirement Community Health Plan of Pennsylvania (RCHP). Foulkeways assumes the risk for paying the health care claim costs up to $75,000 per participant per year. Additional claims are supported by RCHP and the stop loss insurance of the plan.

Legal and Regulatory

There are various legal actions that can occur in the ordinary course of business, and management is not aware of any such matters that would have a material effect on the financial condition or results of operations of Foulkeways. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect to Foulkeways' financial position.

Laws and regulations governing the Medicare program are complex and subject to interpretation. Foulkeways believes it is in compliance with all other applicable laws and regulations and is not aware of any other current pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare program. During 2017, Foulkeways decertified from the Medicare A program.

NOTE 8 SELF-INSURANCE TRUST

During 1995, Foulkeways entered into an agreement with certain other community members of Friends Services for the Aging to form a self-insurance fund known as Friends Workers' Compensation Collaborative (the Collaborative). The Collaborative is an entity separate from all members of the fund that enables the members to separate the legal and equitable rights to the assets and monies of the Collaborative. Foulkeways is responsible for paying an annual contribution to the Collaborative as determined by an independent actuary. As of October 1, 2022, Foulkeways is no longer self insured for workers' compensation. The Collaborative will continue to manage and pay claims from the reserves of the Collaborative until all claims are closed. As of December 31, 2025, claims are still open.

NOTE 9 FAIR VALUE MEASUREMENTS

The following table presents Foulkeways' fair value hierarchy for those investments and assets limited as to use measured at fair value on a recurring basis as of December 31, 2025.

	Level 1	Level 2	Level 3	Total
U.S. Government and Agency Securities	$ 5,444,113	$ -	$ -	$ 5,444,113
Mutual Funds	12,486,919	-	-	12,486,919
Corporate Bonds	11,536,390	-	-	11,536,390
Internationals	8,929,486	-	-	8,929,486
Total	$ 38,396,908	$ -	$ -	$ 38,396,908

The following table presents Foulkeways' fair value hierarchy for those investments and assets limited as to use measured at fair value on a recurring basis as of December 31, 2024.

	Level 1	Level 2	Level 3	Total
U.S. Government and Agency Securities	$ 4,278,022	$ -	$ -	$ 4,278,022
Mutual Funds	12,193,456	-	-	12,193,456
Corporate Bonds	11,051,367	-	-	11,051,367
Internationals	7,167,989	-	-	7,167,989
Total	$ 34,690,834	$ -	$ -	$ 34,690,834

When quoted market prices are available in the active market, securities are classified within Level 1 of the valuation hierarchy. Assets utilizing Level 1 inputs include mutual funds, corporate bonds, U.S. government and agency securities, and foreign fixed income.

CliftonLarsonAllen LLP
CLAconnect.com

Mr. Michael Humphreys
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
1326 Strawberry Square
Harrisburg, Pennsylvania 17120

Dear Commissioner Humphreys:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Foulkeways at Gwynedd for the year ended December 31, 2025, and have issued our report thereon dated April 1, 2026. In connection therewith, we advise you as follows:

a. We are independent certified public accountants with respect to Foulkeways at Gwynedd and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants, and the Rules of Professional Conduct of the Pennsylvania Board of Public Accountancy.

b. The engagement director, who is a certified public accountant, has over 20 years of experience in public accounting, and is experienced in auditing continuing care retirement communities. Members of the engagement team, whom have had experience in auditing continuing care retirement communities, and 50% of whom are certified public accountants, were assigned to perform tasks commensurate with their training and experience.

c. We understand that Foulkeways at Gwynedd intends to file the audited financial statements of Foulkeways at Gwynedd and our report thereon with the Commonwealth of Pennsylvania Insurance Department (the Insurance Department) and that the Commonwealth of Pennsylvania Insurance Commissioner (the Insurance Commissioner) will be relying on that information in monitoring and regulating the financial condition of Foulkeways at Gwynedd.

   While we understand that an objective of issuing a report on the financial statements is to satisfy regulatory requirements, our audit was not planned to satisfy all objectives or responsibilities of insurance regulators. In this context, Foulkeways at Gwynedd and the Insurance Commissioner should understand that the objectives of an audit of financial statements in accordance with auditing standards generally accepted in the United States of America is to form an opinion and issue a report on whether the financial statements present fairly, in all material respects, the financial position, results of operations, changes in net assets and cash flows in conformity with accounting principles generally accepted in the United States of America.

We have the responsibility, within the inherent limitations of the auditing process, to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and to exercise due professional care in the conduct of the audit. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements. Audit procedures that are effective for detecting errors, if they exist, may be ineffective for detecting misstatements resulting from fraud. Because of the characteristics of fraud, particularly those involving concealment and falsified documentation (including forgery), a properly planned and performed audit may not detect a material misstatement resulting from fraud. In addition, an audit does not address the possibility that material errors or misstatements caused by fraud may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit means that matters may exist that would have been assessed differently by the Insurance Commissioner.

It is the responsibility of the management of Foulkeways at Gwynedd to adopt sound accounting policies, to maintain an adequate and effective system of accounts, and to establish and maintain internal control that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The Insurance Commissioner should exercise due diligence to obtain whatever other information that may be necessary for the purpose of monitoring and regulating the financial position of continuing care retirement communities and should not rely solely upon the independent auditors' report.

d. We will retain the workpapers prepared in the conduct of our audit until the Insurance Department has filed a Report of Examination covering 2025, but no longer than seven years. After notification to Foulkeways at Gwynedd, we will make the workpapers available for review by the Insurance Department at the offices of Foulkeways at Gwynedd, at our offices, at the Insurance Department or at any other reasonable place designated by the Insurance Commissioner. Furthermore, in the conduct of the aforementioned periodic review by the Insurance Department, photocopies of pertinent audit workpapers may be made (under the control of the accountant) and such copies may be retained by the Insurance Department.

e. This is the fifth year the engagement signing director has worked on the audit of Foulkeways at Gwynedd as the signing engagement director. She is licensed by the Pennsylvania Board of Public Accountancy, and is a member in good standing of the American Institute of Certified Public Accountants.

f. To the best of our knowledge and belief, we are in compliance with the requirements of Section 7 of the NAIC's *Model Rule (Regulation) Requiring Annual Audited Financial Reports* regarding qualifications of independent certified public accountants.

This report is intended solely for the information and use of the board of directors and management of Foulkeways at Gwynedd and the Insurance Department and is not intended to be, and should not be, used by anyone other than these specified parties.

Tara Connor

Tara Connor, CPA
CliftonLarsonAllen LLP
Signing Director

King of Prussia, Pennsylvania
April 1, 2026

CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors and Management
Foulkeways at Gwynedd
Gwynedd, Pennsylvania

In planning and performing our audit of the financial statements of Foulkeways at Gwynedd as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 1, 2026

FOULKEWAYS AT GWYNEDD

RESIDENCE AND CARE AGREEMENT

February 1, 2020

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FOULKEWAYS
RESIDENCE AND CARE AGREEMENT

THIS AGREEMENT is made this ______and is between ____________(called "you" or "Resident'') and Foulkeways at Gwynedd, a Pennsylvania non-profit corporation (called "us", "we", "our" or the "Community") which owns and operates the continuing-care retirement community (also known as a Life Plan Community) known as "Foulkeways". If you are one of two persons signing this Agreement, the words "you", "your" or "Resident" shall apply jointly and severally where the context permits.

Capitalized terms used in this Agreement, but which are not defined in this Agreement, have meanings assigned to them in the General Conditions attached to this Agreement and are part of this Agreement. Section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

You have applied for admission as a life care resident of Foulkeways at Gwynedd, and your application has been approved and accepted by the Community.

You and the Community agree to the following terms and conditions:

A. The Residential Living Residence Identified.

The Residential Living Residence assigned to you is ________.

B. Term of Agreement/Entry Fee.

You agree to pay the Community a one-time entry fee of $_______ ("Entry Fee") for the personal and non-assignable right to live in an Accommodation within the Community until your death or the earlier termination of this Agreement.

We agree to make your Residential Living Residence available for your occupancy on______ ("Occupancy Ready Date"), which date shall be subject to reasonable short-term extensions by us if your occupancy is delayed for reasons beyond our reasonable control (e.g., Contractor delays in completing custom work).

C. Facilities and Services.

From the date you occupy your Residential Living Residence, we will provide the facilities and services described herein and in the attached General Conditions. In addition to your Residential Living residency rights, you will have life care access to our Personal Care Facility and Nursing Care Facility, and will receive the full array of services for which those facilities are capable, licensed and certified.

D. Monthly Fee.

Your Monthly Fee is determined by the type of Accommodation and the number of persons occupying the same. After the Occupancy Ready Date, you agree to pay us a fee monthly for your Accommodation ("Monthly Fee") in the initial amount of **$__________**.

In a single or joint occupancy, if either you (or one or both of you) are permanently transferred from your Residential Living Residence to the Personal Care Facility or Nursing Care Facility, then your Monthly Fee will not change as a result of such transfer; except that, if you (or one or both of you) have downsized to a smaller Residential Living Residence within eighteen (18) months of your permanent transfer, then your Monthly Fee will be the same as was applicable to the previously occupied larger Residential Living Residence.

Your Monthly Fee is subject to change and to other terms set forth in the General Conditions.

The current estimated average annual cost to the Community to provide the care, facilities and services covered by this Agreement for each resident is **$____________**.

E. Reminder of Board Responsibility.

The Board of Directors of Foulkeways is responsible for the proper operation of Foulkeways as a community of older persons having constituencies past (endowments), present (residents) and future (priority-list members). In the discharge of its responsibilities, the Board reserves the right to take any steps or actions it believes to be in the best interests of Foulkeways as a community. These steps or actions may include, by way of example, and not of limitation:

(a) Altering the size of any Residential Living Residence or any interior portion thereof;

(b) Moving a Resident to a different Accommodation on a temporary or permanent basis for other than health reasons should the Board of Directors decide that one or more Accommodations or Community buildings should be altered, upgraded, replaced or changed in any way; and

(c) Altering the size of the Community in terms of land area, the number and type of available Accommodations or Community buildings, or any other change or alteration of the Community or its various parts.

F. Entire Agreement.

The General Conditions, the Resident Policies and Procedures, your Application for Admission and all pre-admission documents, your Disclosure Statement, your Personal Financial Statement, your medical records, and any addenda are each made a part of this Agreement, and together with this Agreement, constitute the entire agreement between you and the Community. We have relied on the information provided to us for your admission, and you represent and warrant that all such information is true and complete to the best of your information, knowledge and belief.

NOTICE TO RESIDENT: YOU MAY RESCIND AND TERMINATE THIS AGREEMENT, WITHOUT PENALTY OR FORFEITURE, WITHIN SEVEN (7) DAYS OF THE DATE OF THIS AGREEMENT. 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 THIS AGREEMENT WITHIN THE SEVEN (7) DAY PERIOD.

______________________	______________________
Witness	**Resident Name**

Date: ____________________

Current Address of Resident: ______________________________

____

______________________	______________________
Witness	**Resident Name**

Date: ____________________

Current Address of Resident: ______________________________

____

Date: ____________________ FOULKEWAYS AT GWYNEDD

By: ______________________________

GENERAL CONDITIONS
OF THE
RESIDENCE AND CARE AGREEMENT

I. DEFINITION OF TERMS

"Accommodation" means a Residential Living Residence, or a unit within the Personal Care Facility or the Nursing Care Facility within the Community, or any other unit of occupancy or residency as determined by us.

"Ancillary Services" means those services provided by the Community or provided by approved outside providers, the cost of which is not included in the Monthly Fees payable under this Agreement.

"Chief Executive Officer" means the person designated as such by the Community's Board of Directors. The Chief Executive Officer may delegate any authority granted him/her to members of the Community staff.

"Department" means the Pennsylvania Department of Insurance.

"Residential Living Residence" means the apartment, cottage, studio or other residential living unit initially designated for occupancy by you in this Agreement, or any other apartment, cottage, studio or other residential living unit to which you may be later transferred, and excluding units within the Personal Care and Nursing Care Facilities.

"Medical Director" means the physician appointed by the Community to assist in coordinating the medical affairs of the Community.

"Personal Care Facility'' means the licensed personal care facility or unit at Foulkeways, known as Abington House.

"Renovation Fee" is a fee equal to the reasonable costs of cleaning, refurbishing and renovating your Residential Living Residence due to extraordinary damage, but excluding costs attributable to normal wear and tear. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures or fixtures; material damage caused by pets; and/or material odors, stains, or damage due to smoking. Said Renovation Fee also includes the reasonable costs of removing any customized improvements authorized by us or made by you, unless we expressly agree in writing to accept those improvements for re-marketing.

"Clean-out Fee" is a fee equal to the reasonable cost of general cleaning and restoration of your Residential Living Residence or Personal Care Facility deemed reasonably necessary by your transition to another accommodation within the Community.

“Resident Care Committee” means a committee appointed by the Community that includes among its members, the Chief Executive Officer or his/her delegate; the Medical Director or his/her delegate; the Director of Health Services or his/her delegate; and a qualified social worker.

“Resident Policies and Procedures” means the policies, procedures, rules and regulations adopted by the Community that govern the conduct of all residents and the operations of the Community, as may be amended from time to time.

“Nursing Care Facility'' means the licensed nursing unit at Foulkeways, known as Gwynedd House.

“Vacate” means to cease to occupy your Residential Living Residence. You will be deemed to have ceased occupancy of your Residential Living Residence when all keys are returned and all of your possessions and property have been removed therefrom, and you (or your representative) have formally released your Residential Living Residence to us by written notice.

II. FACILITIES PROVIDED BY THE COMMUNITY

A. Residential Living Residence/Personal Care Facility/Nursing Care Facility. You have the personal and non-assignable right to live in your Residential Living Residence until your death, the earlier termination of this Agreement, or a transfer under this Agreement. In addition, you have life care access to our Personal Care Facility and Nursing Care Facility as needed to manage your health needs on a temporary or permanent basis.

B. Furnishings. Your Residential Living Residence will be furnished with heat, air conditioning, basic utilities, wall-to-wall carpeting (except in the kitchen and bath areas), window treatments, a health alert call system, smoke and fire detectors and assist bars in the bath area. Your Residential Living Residence will also be furnished with a washer/dryer, kitchen cabinets and a refrigerator, range and sink.

You will provide all other furnishings for your Residential Living Residence, which will remain your personal property and your responsibility.

C. Changes to Your Residential Living Residence. We have agreed to complete certain customized physical changes you have requested to your Residential Living Residence prior to the Occupancy Ready Date, as specified in Addendum 1 to this Agreement.

Should you request additional changes to your Residential Living Residence after the date of this Agreement, such changes must be approved in advance by the Community.

The cost of any customized changes to your Residential Living Residence is your responsibility. Such cost must be paid before the work commences and is not refundable. The work will be performed by Community staff or by an approved, licensed contractor under our supervision. Any changes to your Residential Living Residence will immediately become the property of the Community.

At the end of your occupancy, we will determine if the Residential Living Residence can be remarketed without the removal of customized changes. If, in our sole discretion, we determine that the customized changes should be removed, then the removal and restoration costs will be charged to you or your estate, as part of the Renovation Fee.

D. Storage. Limited storage facilities may be available on a temporary basis, but you bear the risk of loss or damage to your stored property.

E. Community Common Facilities. You are entitled to use, in common with other residents, the dining rooms, lobbies, auditorium, library, social and recreational facilities (indoor and outdoor), non-covered parking, craft facilities, and other common facilities of the Community, and to reserve specified areas for special occasions under the Resident Policies and Procedures.

III. SERVICES PROVIDED BY THE COMMUNITY

A. Buildings and Common Areas. We will maintain all Community buildings and common areas, including walkways, driveways and parking lots. We will also furnish basic groundskeeping care, including lawn service and snow removal. With the ongoing approval of the Community, you may plant and maintain a specified garden area adjacent to your Residential Living Residence.

B. Health Alert Call System. Your Residential Living Residence will be equipped with a health alert call system to contact Community personnel on a twenty-four (24) hours a day, seven (7) days a week basis.

C. Housekeeping Services. We will provide housekeeping services. We will supply your Residential Living Residence with linen and towel service based on the Resident Policies and Procedures. Additional housekeeping services are available to you for an additional fee.

You will maintain your Residential Living Residence in a clean, sanitary and orderly condition, and you agree to perform all usual light housekeeping tasks. We will have the right to inspect your Residential Living Residence, and if it is not properly maintained, then (after notice to you) we will have the right to maintain your Residential Living Residence and to charge the cost to you.

D. Maintenance and Repair. We will be responsible for all necessary repairs, maintenance and replacement of property and equipment owned by the Community. Except in an emergency, maintenance and repair services will be provided during normal working hours, Monday through Friday. You are responsible for the maintenance, repair and replacement of your personal property. The Community will have the right to charge you for any repair, maintenance or replacement required because of your acts or omissions or those of your visitors or guests.

E. Meals. Breakfast, lunch and dinner will be available each day. Each meal will be offered with a choice of standard menus.

1. The Flexible Dollar Plan. While residing in your Residential Living Residence, your Monthly Fee includes participation in our Flexible Dollar Plan. Under that plan, you are provided a set dollar allowance on an assigned quarterly basis as set forth in the Community's published meal rate schedule. We may amend this schedule from time to time. You may use your allowance under then applicable Community policies. At the end of each calendar quarter, any unused component of the allowance will be forfeited, without refund or credit.

Tray service will be provided to your Residential Living Residence during a minor short-term illness when ordered by Community staff. Tray service will be charged to you at published meal rates under the Flexible Dollar Plan.

You are responsible for the cost of any charges over the Flexible Dollar Plan quarterly dollar allowance.

2. While Residing Temporarily in the Personal Care Facility or Nursing Care Facility. If you transfer temporarily to the Personal Care Facility or the Nursing Care Facility, you will receive three (3) meals per day while at those facilities. In either such Facility, you will continue to participate in the Flexible Dollar Plan; however, you will be charged (in addition to your Monthly Fee) for the meals served over the dollar allowance provided to you under the Flexible Dollar Plan.

3. While Away from Foulkeways. If you are away from the Community for thirty (30) or more consecutive days within your assigned quarter, then you may qualify for an "Away Allowance" meal credit against amounts due on your Monthly Statement. The Away Allowance meal credit will be computed under the Community's established Away Allowance meal rates.

4. Guest Meals. Your guests are welcome to dine with you at any meal. The charge for each guest meal may be paid in cash at the time of purchase, charged to your Flexible Dollar Plan or billed separately on your Monthly Statement.

5. Upon a Permanent Transfer to the Personal Care Facility or Nursing Care Facility. Upon permanent transfer to the Personal Care Facility or the

Nursing Care Facility, you will receive three (3) meals per day, but you will no longer participate in the Flexible Dollar Plan. All three meals will be provided at a cost that is in addition to the Monthly Fee, as set forth in the Community's published meal rate schedule.

F. Programs and Activities. Many social, educational, cultural, recreational and health/wellness activities are available free of charge for those who wish to participate. There may be an additional charge for certain special activities offered within or outside of the Community. You are encouraged to participate in the programming of activities.

G. Real Estate Taxes. The Community will pay all real estate taxes (if any) assessed to the Community.

H. Local Transportation. Scheduled transportation to local venues is provided on a limited basis.

I. Trash. You are responsible for bringing trash to collection points as determined by the Community. We are responsible for the collection and disposal of trash from those points.

J. Utilities/Telephone/Cable/Internet. The cost of furnishing water, sewer and electricity (including heat and air conditioning) is included in the Monthly Fee. Your Monthly Fee also includes the cost of furnishing your Residential Living Residence with telephone, basic cable and internet access. However, if by reason of changes in technology, cost increases, changes in data delivery, bundling or billing systems or other like circumstances, the Community reasonably determines that the imposition of a separate fee is fair and reasonable, then such a fee may be billed and payable by you periodically as an Ancillary Service.

K. Health Services. While you are a resident of Foulkeways, the Community will furnish you with the full array of general health services, general and specialized nursing care and dietary services, physical therapy, prescription drug services and other health and wellness services, for which the Community is capable, licensed and certified. These include:

> Primary Care provided by onsite affiliated physicians (billed to your insurance) and Masters Prepared Certified Nurse Practitioners (Monday through Friday)(billed to your insurance); urgent care and health care monitoring provided by a Registered Nurse; Nutritional counselling and support provided by Licensed dietitian consultants; psychosocial support is provided by Masters Prepared Social Workers; caregiver, low vision support and bereavement support group; regular health lectures, prescription services provided by a fulltime onsite staff Pharmacist and pharmacy technician; pharmacy agreements

with most Medicare D insurances; preparation of prescription medications in traditional containers or set up in daily medication sets; over the counter medications; onsite pharmacy and medication consultation; End of life care provided through our Medicare Certified Hospice Agency if you accept this service.

Wellness and fitness programs provided by a fitness and aquatics instructor, lifeguard coverage during open pool hours, regular fitness assessments and individualized fitness programs.

Licensed dietitian consultants.

Rehabilitation services provided by licensed occupational, physical and speech therapists; inpatient Personal Care and Nursing Care, including intravenous therapy, wound management, rehabilitation post stroke, hip fracture or joint replacement, medication management; memory support and dementia care, therapeutic recreation, dietary support and counseling.

1. Access to the Personal Care Facility and the Nursing Care Facility. In addition to the facilities and services attendant to the occupancy of your Residential Living Residence, you will have access to our on-campus Personal Care Facility and Nursing Care Facility as needed to manage your health needs on a temporary or permanent basis, and you are eligible to receive the full array of services for which those Facilities are capable, licensed and certified.

In the unusual circumstance you require temporary or permanent access to the Personal Care Facility or the Nursing Care Facility, and such Facility is fully occupied, we will arrange for your transfer to an off-site facility that offers comparable quality of care and is suited to your needs. Under such circumstances, you will continue to be responsible for your monthly fee obligations under this Agreement, and we will bear the responsibility for the cost of such off-site care as if your care were provided on-site at Foulkeways. You agree to return to the Community's on-site Personal Care Facility or Nursing Care Facility at our direction when a vacancy arises.

2. Your Obligation to Carry Health and Surgical Insurance. You agree to carry, maintain and pay all premiums, deductibles, co-pays or other costs associated with the following types of health insurances:

(i) that provided by the Federal Social Security Amendments of 1965 (commonly referred to as "Medicare A and B") or any successor plan, or equivalent plans, whether now or in the future;

(ii) Medigap Plan that complements Medicare Parts A and B in the following way:

- pays, at least in part, the in-patient hospital deductible and hospital co-pays, and includes 365 additional days after Medicare benefits end;
- pays, at least in part, the co-insurance for a skilled nursing facility; and

- pays, at least in part, the co-insurance for all Part B Medicare approved services;

(iii) Medicare Part D that pays for all or substantially all Part D Medicare approved services; and

(iv) Such additional supplemental insurance as may be reasonably required by us upon at least ninety (90) days prior notice to you.

We may accept documented equivalent health coverage if you do not qualify for Medicare, or we (at our sole discretion) determine that you are adequately insured under other programs.

However, any exception to the insurance requirements is granted to you by us solely at our discretion and is specific to you and your circumstances at the time the exception is granted. We retain the right to revoke any exception at any time upon notice to you. Where two persons have signed this Agreement as Resident, we may, in our sole discretion, grant or revoke an exception to only one person.

You agree to cooperate and to assign to us the benefit payments for which you are eligible under your health insurance as is necessary for us to secure payment directly from third party insurers for the services we provide. If we cannot apply directly for such payments, then you agree to pay to us the payment you receive from a third party.

If permitted by law, we shall have the option, but not the obligation, to apply on your behalf for any insurance required and to pay any premiums for such insurance and to charge the cost to you. If you are unable or unwilling to qualify for such insurance, then we may require you to pay a higher Monthly Fee, or may review other insurance coverage for equivalency on a case by case basis.

If any insurance program described above in which you are an enrollee ceases, changes or fails to provide coverage at least substantially equivalent to coverage provided with the programs herein described, then you agree to promptly enroll in, maintain and pay all premiums, deductibles, co-pays and other costs associated with any successor insurance programs or program deemed equivalent by us, whether private or government-sponsored.

In every instance, if your insurance does not cover all or any part of the cost of a particular health care service for which we have made a claim and for which we reasonably expect to be reimbursed, then you agree to pay all costs associated with your receipt of such health care service.

Evidence of all insurance shall be provided to us at least 30 days prior to the Occupancy Ready Date, and thereafter, as changes occur or at our reasonable request.

3. The Community's Option to Insure. We reserve the separate option to apply for insurance (other than required above) covering the cost of providing all or any portion of the health care services and other items specified in Section III.K.2. You agree to cooperate fully with the application for, and maintenance of, any such insurance. All related premium payment obligations will be our responsibility.

4. Illness or Accident Away from Foulkeways. If you are injured or are ill while away from Foulkeways, then you agree to notify us immediately and, if continued health care is required, you will return to Foulkeways when reasonably possible. Under these conditions, we have no responsibility for any medical, surgical, hospital or nursing care, ambulance or any other costs resulting from your injury or illness until you return to Foulkeways. Upon your return, we will re-assume our responsibility for facilities and services as set forth in this Agreement.

5. Our Rights in Case of Injury Caused by a Third Party. In case of injury to you caused by a third party, you hereby grant us the right of subrogation, and authorize us, at our election, to make any claims or initiate legal action and to enforce (in your name or our name) any cause of action you may have against the person who caused you injury. Our claim will be for damages to the extent of the value of the services provided by us to you because of such injury. You shall do nothing to waive or prejudice such rights.

You also agree to assign to us your recovery or benefits to the extent of the value of the services provided to you by us because of such injury. You agree to cooperate and execute such further authorizations as necessary to pursue such claims or causes of action.

After we have been reimbursed for all such damages incurred by us due to your injury, the balance of any amount recovered will be paid or credited to you or your estate.

6. Payment of Health Care Costs. Subject only to the insurance provisions of Section III.K.2 above, you will not be liable (and we will assume liability) to health care providers for the payment of services rendered to you at the Community's direction and in fulfillment of the Community's responsibilities under this Agreement. You will be responsible to health care providers for payment for any other health care services you receive or require.

7. Facilities and Services Subject to Change. We will endeavor to maintain the scope and quality of the facilities and services described in this Agreement and for which we are currently capable, licensed and certified. However, the scope and quality of such facilities and services are subject to change as determined by the Community. Such changes will be based upon factors which include, but which are not limited to: changes in the Consumer Price Index, rising operating expenses, increased government regulations, the imposition of taxes, the cost of maintenance of necessary reserve funds to ensure the long-term financial stability of the Community, and the long term operational and financial integrity of the Community. We will inform you of the reason for a reduction in the scope and quality of the facilities and services we provide. We will also give you at least thirty (30) days' prior notice of the reduction, unless such reductions are made necessary by actions of the Department or by any state or federal assistance or insurance program.

8. Exclusions. In addition to exclusions set forth elsewhere in this Agreement, the medical and health services not included in or covered by your Monthly Fee and for which you are solely responsible (but which may be covered by Medicare or the approved equivalent) include, but are not limited to: the cost of hospitalization and surgical services; ambulance service; physician services; diagnostic services; private duty or temporary nurses; nursing assistants, home aids or companions; physical, occupational and speech language therapy (beyond that deemed medically necessary care); eyeglasses, eyewear and contact lenses; audiological tests and hearing aids; dentistry of any kind; orthopedic devices and appliances; personal care supplies (such as toiletries, digestive aids, underpads and incontinence supplies); over-the-counter medications and drugs; prescription drugs; podiatry services and equipment; durable medical equipment; dialysis; hospitalization for psychiatric disorders or mental conditions, psychotherapy and psychiatric consultations or services, treatment for alcohol or drug abuse; and other higher acuity nursing care services (including those not typically provided in either a personal care or nursing care setting, and any other service for which the Community is not then fully licensed and capable).

IV. FINANCIAL CONDITIONS

A. Monthly Fees.

1. Amount. Your Monthly Fee is determined by the type of Residential Living Residence you occupy and the number of persons occupying the Residential Living Residence. Your initial Monthly Fee is set forth in Paragraph D of the Residence and Care Agreement.

2. Monthly Statement. We will present you with a detailed monthly statement (the "Monthly Statement") including:

a. The Monthly Fee for the following month;

b. Charges for meals over your Flexible Dollar Plan allowance for the preceding quarter;

c. Any credits due you (e.g., the meal "Away Allowance");

d. Charges for Ancillary Services rendered or goods supplied during the preceding month;

e. Any other amounts due for optional services provided by or through the Community, including those set forth in Section IV.A.4 below.

f. A record of previous payments received; and

g. Any additional services provided by the Community, at the discretion of the Board of Directors.

3. Payment of Charges on Monthly Statement. Your monthly fees are payable in advance to us, and the total balance due on your Monthly Statement must be paid by the first day of each calendar month following receipt of your Monthly Statement. In the event of nonpayment, we may give you notice to make payment within fifteen (15) days after such notice. If you fail to make payment after receiving our notice, we may terminate this Agreement under Section V.E.1 of these General Conditions. Late payments are subject to a penalty.

4. Optional Services That May Be Shown on Your Monthly Statement. The following is a representative list of optional or ancillary services available at an extra charge, and in addition to the Monthly Fee. A more complete schedule of such services is available on request. This list may be modified as needed.

a. Food Service. Resident meals over those allowed under the Flexible Dollar Plan; Guest meals unless covered by the Flexible Dollar Plan; Catering Services; Charges from "The Gatherings"; and Wine and Beer purchases.

b. Housekeeping. Personal laundry; Guest apartment/lodging (if available); Cots.

c. Maintenance. Special maintenance requests; Personal gardening; Repairs to small appliances; Carport rental; Personal storage space; Reserved parking space.

d. Health. Prescription medications; Over-the-counter and nonprescription medications; Transportation provided to medical appointments; On-site fitness center premium services, classes or personalized training; Therapy and rehabilitation services (beyond services deemed medically necessary by the Community health service staff) and Companion/Private Duty nursing care.

e. Miscellaneous. Phone equipment rental (e.g. Extra bell, long cords); Long distance phone calls; Hair salon appointments; Notary services; Copying services; Gift shop purchases; Additional technology services, upgrades and equipment; Renovation Fees and/or Clean-out Fees.

5. Monthly Fees Subject to Change. We will endeavor to maintain the Monthly Fee and all ancillary service costs at reasonable levels based on our goal of maintaining a high quality of care for all residents in a manner consistent with the long term operational and financial integrity of the Community. However, all such fees and costs are subject to adjustment as determined by the Board of Directors. The Resident shall have received not less than thirty (30) days advance notice of such change, unless such change is required by State or Federal programs.

B. Financial Inability to Pay.

1. Community Subsidy. Without limiting our right to terminate your right of residency under this Agreement, it is the policy of Foulkeways that, if through no fault of your own and for reasons beyond your control, you no longer have adequate assets and resources to pay the fees and expenses of continued residency at Foulkeways, then upon your request, the Community will consider funding, in whole or in part, your monthly charges and other expenses due hereunder (a "Community Subsidy"). The Community will consider granting you a Community Subsidy if, in the sole opinion of Foulkeways, (i) the reason for your inability to pay is through no fault of your own and for reason beyond your control; and (ii) the subsidy can be granted and continued without impairing the long term operational and financial integrity of the Community. The Community's decision concerning the granting or the continuing of a Community Subsidy to you will be final and binding on you. We will maintain the confidentiality of any grant of subsidy, except as required for disclosures made to (i) other organizations assisting you; (ii) financial institutions lending monies to us; and (iii) regulatory or other governmental bodies. The Community reserves the right to modify or discontinue a Community Subsidy at any time at our discretion.

2. Your Responsibility. To be considered for the granting of a Community Subsidy, you must not have voluntarily transferred, by gift or otherwise, your assets or other resources in such a manner that materially impaired your ongoing ability to satisfy your financial obligations to us. In every instance, if your assets or resources become inadequate to meet your ongoing obligations to us, then you agree to make every reasonable effort to obtain assistance from other available sources. You will provide us with financial statements, tax returns, and other records and documents confirming your overall financial status and will update them as requested.

3. Recovery of Community Subsidy. If you have been granted a Community Subsidy, then you and your estate shall be and remain liable to us for the repayment of the accumulated amount granted to you. You and your estate are liable for repayment of the total of the sums advanced, and you will execute such legal instruments as requested by us to document or secure your and your estate's liability for the total subsidy advanced. We may seek repayment from you, your estate or other responsible persons at any time, including upon the termination of your residency or this Agreement for any reason (including your death).

V. RIGHT TO RESCIND/TERMINATION

A. Right to Rescind. As required by law, you may rescind this Agreement during the seven (7) day period following the date of the completed execution of this Agreement, without penalty or forfeiture, except for any cost incurred by us to complete the items specified in Addendum 1 to this Agreement. You are not required to move into your Residential Living Residence before the expiration of the seven (7) day recession period. You may exercise your right to rescind by providing us written notice in the form attached as Addendum 2 to this Agreement.

B. In the Event of Your Death, Illness, Injury or Incapacity Prior to Occupancy. If you die before the Occupancy Ready Date or, by reason of illness, injury or incapacity, you are precluded from becoming a Foulkeways resident under this Agreement, then this Agreement shall automatically be rescinded. You or your legal representative will receive a full refund of all moneys paid to us, less costs and expenses incurred by us in preparation for your occupancy, within sixty (60) days after we receive notice from you or your estate.

C. Resident's Right to Terminate Prior to Occupancy. You may also terminate this Agreement prior to the Occupancy Ready Date by giving written notice to us. In such event, you will receive a full refund of all moneys paid to us, less costs and expenses incurred by us to prepare for your occupancy, within sixty (60) days after the Occupancy Ready Date.

D. The Probationary Period. Your right of residency and this Agreement are subject to a Probationary Period of six (6) months following the date of your initial occupancy of your Residential Living Residence. The Probationary Period allows a time during which you and the Community can independently consider and evaluate your decision to reside at Foulkeways, and to determine if you have made or can make the necessary personal and/or lifestyle adjustments to continue your residency at

Foulkeways. If, during the Probationary Period, either you or the Community determines that your continued residency at Foulkeways is not in your best interest, or is not in the best interest of Foulkeways, then either you or the Community may terminate your right of residency and this Agreement upon notice to the other. The notice must specify the effective date of the termination of your right of residency and this Agreement, which date must be no less than thirty (30) days and no more than one hundred twenty (120) days after the date of the notice.

E. Termination Rights.

1. Termination by Resident after the Occupancy Ready Date (By Reason Other Than Death). You may terminate this Agreement after the Occupancy Ready Date by notifying us in writing that you intend to leave the Community. Your written notice shall specify the effective date of termination which date must be no less than thirty (30) days and no more than one hundred twenty (120) days after the date of the notice. Your notice need not give a reason for the termination, but your termination may not be made in contemplation of your death.

2. Termination by the Community. The Community may terminate this Agreement and/or your right of residency at any time for "just cause", which includes, but is not limited to:

a. You omitted or falsified any material information or documents presented to us in connection with your admission to the Community.

b. You fail to pay the Entry Fee or any monthly charges or other amounts due to us when such amounts are due under this Agreement.

c. You have repeatedly failed to follow the Resident Policies and Procedures of the Community.

d. Your actions and/or your physical, mental or medical condition threaten the safety or health of you, the Community staff or the other residents, or your actions threaten to result in physical damage to any property.

e. You refuse to transfer from your Accommodation when required to do so under this Agreement.

f. You have materially breached any provision of this Agreement.

If this Agreement and/or your right of residency are terminated by the Community under this Section, you will receive at least thirty (30) days prior written notice of such termination. If the termination is made under Section V.E.2.d above, and there has been a good faith determination by the Foulkeways Board of Directors that you are a danger to yourself or others, only such notice as is reasonable under the circumstances will be required.

3. Termination by Death. Your right of residency will terminate upon your death. In a shared/joint occupancy, the remaining Resident may (i) continue residing in his/her then current Accommodation (at the single occupancy rate); (ii) move to a smaller residence (if applicable and based on availability); or (iii) terminate this Agreement under Section V.E.1 above

4. Vacating Your Residential Living Residence. Except in the case of your death, you must vacate your Residential Living Residence, and remove all of your possessions therefrom, by the effective date of your termination. In the case of your death, your personal representative must cause the residence to be vacated and cause the removal of all of your property within thirty (30) days. Your (or your estate's) responsibility for payment of the Monthly Fee for your Residential Living Residence will cease *only* when the residence has been vacated, as defined herein. If you fail to so vacate, then we will have the right (but not the duty) to remove and store your property, all at your expense until claimed. We assume no responsibility for your stored property. Property not claimed within sixty (60) days, or for which storage costs are not being paid by you, shall be deemed abandoned and will be donated to the Community. Following termination of this Agreement, you or your estate may also be responsible for the payment of a Renovation Fee and/or Clean-out Fee.

5. Effect of Termination on Joint Liability. If, in a joint/shared occupancy, your right of residency is terminated for any reason, you will continue to be jointly and severally liable for the ongoing Monthly Fee and the ancillary costs attributable to the remaining Resident.

VI. REFUND OF ENTRY FEE

You may be entitled to a refund of your Entry Fee under the following circumstances:

A. Refund during the Seven Day Rescission Period. If you rescind this Agreement during the seven (7) day rescission period described in Section V.A, then you will receive a refund of your Entry Fee, less any expense incurred by us to complete the items specified in Addendum 1 to this Agreement. If two Residents sign this Agreement, and only one of you rescinds this Agreement, we will issue a partial refund of your Entry Fee equal to the difference between the double occupancy entry fee and the single occupancy Entry Fee for your Residential Living Residence.

B. Refund Prior to the End of the Probationary Period. If your right of residency or this Agreement is terminated prior to the end of the Probationary Period, you will receive a full refund of your Entry Fee, less any cost or expense incurred by us for your residency or care. If you occupied Personal Care or Nursing Care, either temporarily or permanently, you will be charged the published "per diem" rate for the time spent in these areas during the Probationary Period. These fees will be charged against the refund. If two Residents sign this Agreement, and only one Resident's right to occupancy is terminated prior to the end of the Probationary Period, then we will issue a partial refund of your Entry Fee equal to the difference between the double occupancy entry fee and the single occupancy entry fee for your Residential Living Residence, less any cost or expense incurred by us for your residency or care.

C. Refund after the Expiration of the Probationary Period.

1. Upon Termination - Single Occupancy (For Reasons Other Than Death). In a single occupancy, if this Agreement is terminated after the end of the Probationary Period for a reason other than your death, you may be entitled to a partial refund of your Entry Fee depending upon the length of time you resided at Foulkeways. Such refund will be your Entry Fee, less a sum equal to two percent (2%) of the Entry Fee multiplied by the number of calendar months from and including the month of the Occupancy Ready Date through and including the month in which the refund is payable under Section VI.D below.

2. Upon Termination One of Two in a Shared Occupancy (For Reasons Other Than Death). If two Residents sign this Agreement, and the right of residency of one Resident is terminated after the end of the Probationary Period for any reason other than death, then we may issue a partial refund of your Entry Fee. Such refund will be the difference between the double occupancy entry fee and the single occupancy entry fee for your Residential Living Residence in effect when your original Entry Fee was paid, less a sum equal to two percent (2%) of such difference multiplied by the number of calendar months from and including the month of the Occupancy Ready Date through and including the month in which the refund is payable under Section VI.D.

3. Upon Termination – Both in a Shared Occupancy (For Reasons Other Than Death). In a shared occupancy, if this Agreement is terminated simultaneously as to both Residents after the end of the Probationary Period for a reason other than your death, you may be entitled to a partial refund of your Entry Fee depending upon the length of time both of you resided at Foulkeways. Such refund will be your Entry Fee, less a sum equal to two percent (2%) of the Entry Fee multiplied by the number of calendar months from and including the month of the Occupancy Ready Date through and including the month in which the refund is payable under Section VI.D below.

4. Termination by Reason of Death - Single or Shared Occupancy. If your death occurs after the expiration of the Probationary Period, you will not be entitled to a refund of any portion of your Entry Fee. This is true even for a shared or joint occupancy.

5. Change in Living Arrangements. A partial refund of your Entry Fee may be due if you change your living arrangements, as set forth in Sections VII and VIII below.

D. When Payable, Amount of Refund and To Whom Paid. Any Entry Fee to be refunded shall be subject to reduction by (i) any unpaid fee or cost incurred by us for your residency or care; (ii) any Community Subsidy provided to you; and (iii) any Renovation Fee or Clean-out Fee (if applicable). If a termination by you results in the vacancy of your Residential Living Residence, the refund of your Entry Fee (if any) will not be paid until thirty (30) days after the Community's receipt of a new entry fee for your former Residential Living Residence from a third party. In all other cases, your refund (if any) will be paid within thirty (30) days after you vacate your Residential Living Residence, unless set forth otherwise in this Agreement. In a shared occupancy, the refund of your Entry Fee (if any) will be made jointly payable to the Residents (or the estate of a deceased Resident), unless we are directed otherwise by both parties.

VII. CHANGE IN LIVING ARRANGEMENTS

A. Transfer to another Residential Living Residence. All decisions regarding residence transfers are made under Foulkeways' best practices and policies and only after consultation with you.

1. At Your Request. You may request to be transferred from one Residential Living Residence to another. All transfers within Foulkeways are subject to the availability of residences.

> **a. To a Smaller Residential Living Residence.** Subject to the further requirements of this Section VII.A.1.a, if you permanently transfer to a smaller Residential Living Residence, your Monthly Fee will be reduced to that of the smaller Residential Living Residence. In addition, you may be entitled to a refund of your Entry Fee equal to the difference between the Entry Fee actually paid and the Entry Fee applicable to the smaller Residential Living Residence in effect when your original Entry Fee was paid, less a sum equal to two percent (2%) of such difference multiplied by the number of calendar months from and including the month of the Occupancy Ready Date through and including the month during which the transfer occurs. Said refund will be payable eighteen (18) months after such transfer to the smaller residence, so long as you (or

either or both of you, in a joint/shared occupancy) have not then permanently transferred to the Personal Care or Nursing Care Facility.

b. To a Larger Residential Living Residence. If you transfer to a larger Residential Living Residence, you will pay an additional Entry Fee equal to the difference between the then current Entry Fee for the smaller residence and the larger residence.

2. At Our Discretion. We may transfer you to another on-site Residential Living Residence if such a transfer is in the interest of your health and safety, and/or in accord with the general welfare of the Community. If we transfer you to a smaller Residential Living Residence, then you may be entitled to an Entry Fee refund calculated in the same manner as in Section VII.A.1.a above.

B. Transfer to the Personal Care or Nursing Care Facility. It is our goal you remain as independent as is reasonably possible and that you reside in your Residential Living Residence for as long as your care can be reasonably managed in that residence. The same is true if you later become a resident in the Personal Care Facility. However, from time to time, your safety and/or health may require a temporary or permanent change in your residency. All decisions involving temporary or permanent transfer to the Personal Care Facility or the Nursing Care Facility will be made by the Resident Care Committee, after consultation with you, if possible. When a transfer occurs, the Resident Care Committee will determine whether the transfer is temporary or permanent for purposes of this Agreement. The Resident Care Committee may reclassify a transfer, and your transfer will be deemed effective when such reclassification is determined. All decisions of the Resident Care Committee regarding transfers will be final and binding on you.

1. Temporary Transfer to the Personal Care or Nursing Care Facility – Single or Joint Occupancy. In a single (or joint) occupancy, if you (or one or both of you), are temporarily transferred from a Residential Living Residence to the Personal Care Facility or the Nursing Care Facility, then your Residential Living Residence will remain your primary residence and your Monthly Fee will not change. There will be no refund of your Entry Fee.

2. Permanent Transfer to the Personal Care or Nursing Care Facility – Single or Joint Occupancy. In a single (or joint) occupancy, if you (or one or both of you) are permanently transferred from your Residential Living Residence to the Personal Care Facility or Nursing Care Facility, then your Monthly Fee will not change; <u>except that,</u> if you (or one or both of you) have downsized to a smaller Residential Living Residence within eighteen (18) months of your permanent transfer to the Personal Care Facility or Nursing Care Facility, then your Monthly Fee will be the same as applied to the previously occupied larger Residential Living Residence. There will be no refund of your Entry Fee.

3. Effect of Permanent Transfer to the Personal Care or Nursing Care Facility on Your Residential Living Residence. In a single occupancy, you or your representative must vacate your Residential Living Residence by removing all of your property therefrom within 30 days after your transfer to the Personal Care Facility or Nursing Care Facility is deemed permanent. In a joint/shared occupancy, this requirement will apply only when the second Resident is likewise permanently transferred. If the Residential Living Residence has not been vacated as required, then Foulkeways may charge you an additional fee (on a pro rata basis until vacated) equal to the Monthly Fee charged for the Residential Living Residence from which you were transferred. We also have the right (but not the duty) to remove and store your property, all at your expense until claimed. We assume no responsibility for your stored property. Property not claimed within sixty (60) days, or for which storage costs are not being paid by you, shall be deemed abandoned and will be donated to the Community. The Accommodation you are vacating should be left clean and broom swept. In the event of any transfer to a different Accommodation, you may also be responsible for the payment of a Clean-out Fee and/or Renovation Fee. There will be no refund of your Entry Fee.

A permanent transfer to the Personal Care Facility or Nursing Care Facility does not terminate this Agreement; however, you will be required by the Pennsylvania Department of Health or Department of Public Welfare to execute a separate agreement for nursing services or personal care. If, after a permanent transfer, you later qualify for return to residential living at the Community, you may transfer to an available residence and shall be given priority over non-residents on the waiting list for admission.

VIII. CO-RESIDENCY, MARRIAGE, SEPARATION AND DIVORCE

A. Co-residency or Marriage to a Resident. If, by reason of marriage or otherwise, you desire to establish co-residency with another resident of Foulkeways, you will cease paying the Monthly Fee only when your Residential Living Residence is fully vacated. When the new shared occupancy is established, you and your co-resident will become jointly and severally responsible to pay a new Monthly Fee at the double occupancy rate of the Residential Living Residence you share, and for the payment of all future fees and costs that become due the Community for your residency or care (and each of you will confirm the same to the Community in writing upon request). There will be no refund of your Entry Fee by reason of your co-residency or marriage and transfer, or otherwise. In all other respects, this Agreement will remain in effect.

B. Marriage to a Nonresident. If you marry or otherwise wish to establish co-residency of your Residential Living Residence with a nonresident, then the nonresident must first be admitted to Foulkeways as a life care resident. The decision to admit the nonresident as a life care resident will be made by the Community in its sole discretion under the admission standards for all prospective life care residents.

The decision of the Community regarding the admission of the nonresident will be final and binding on you.

If the nonresident is admitted as a life care resident, you may establish joint/shared occupancy in your Residential Living Residence if, (i) the newly admitted resident pays an Entry Fee equal to the difference between the single and double occupancy entry fee rate for the Residential Living Residence; and (ii) you and your newly admitted co-resident agree to pay the Monthly Fee at the double occupancy rate of your Residential Living Residence. In addition, you and your newly admitted co-resident will be jointly and severally responsible for all future fees and costs that become due the Community for your residency or care (and each of you will confirm the same to the Community in writing upon request).

C. Separation/Divorce. If you share occupancy of a Residential Living Residence with another, and wish to separate for reasons such as divorce or incompatibility, but you wish to remain residents of the Community in separate units, then such an arrangement must be approved by the Resident Care Committee. Such approval will be subject to the availability of suitable Residential Living Residence(s) and to the execution of separate Residence and Care Agreement(s) with terms acceptable to you and the Community. You and your former co-Resident will be responsible for the payment of the then current single occupancy entry fee for his or her new Residential Living Residence(s), but the former co-residents will be jointly entitled to an entry fee credit equal to the difference between the double occupancy and single occupancy Entry Fee originally paid for the Residential Living Residence. After such transfer, you and your former sharing resident will remain jointly and severally responsible for all future fees and costs that become due the Community for your own and for each other's ongoing residency or care (and each of you will confirm the same to the Community in writing upon request).

IX. RESIDENT'S RIGHTS AND OBLIGATIONS AS TO PERSON AND PROPERTY

A. Right of Entry. We recognize your right to privacy and our responsibility to limit entry to your Residential Living Residence to legitimate emergencies and, with notice, as required to carry out the purpose and intent of this Agreement. Such entry rights include, without limitation: (i) entry in response to medical emergencies and fire protection systems alarms; (ii) entry by authorized personnel if you are reported missing or do not respond to calls; (iii) entry relating to meeting your housekeeping needs; (iv) entry to address maintenance and security needs; and (v) entry to enforce the Community's policies, procedures, rules and regulations.

B. Right in Community Property. 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 constituting Foulkeways at Gwynedd and/or the Community, and such rights and privileges are not intended to create a leasehold interest in your Residential Living Residence.

Your accommodation and access rights, privileges, or benefits are subordinate to any mortgage, deed of trust, or security interest on or in the land, premises, fixtures, equipment, or furnishings of the Community, and to all amendments or refinancings of any such documents. Upon request, you will execute and deliver any document required by the Community or by the holder of any such mortgage, deed of trust or security interest, to effect such subordination or give evidence of it.

C. Responsibility for Damages. Any loss or damage to property of the Community caused by you shall be your responsibility, except that, to the extent such property is insured and proceeds are recovered, the Community waives all rights of recovery against you.

We assume no responsibility for any harm done to you or your property by another resident, and you release and discharge the Community from all liability for injury or damage to you or to your property caused by other residents. As to limited activities deemed by the Community to carry special risks (such as a wood/metal shop and fitness center, pool and/or spa activities), you will have to sign a separate waiver and release of liability form as required by the Community as a condition of use.

We will not be responsible for the loss of any personal property belonging to you due to theft, fire, or any other peril or cause. You shall have the responsibility, at your own expense, to insure your property for full value against such risks and to waive all right of recovery against us for any loss or damage to your property.

You also have the responsibility to insure your personal liability should a claim be made against you for damages because of injury or damage alleged to be caused by you. If you own or operate a vehicle on or off the Foulkeways campus, you also agree to procure and maintain automobile insurance as required by state law.

At our request, you will provide us with evidence your required insurance is in effect.

D. Guest/Caregiver Policy. You will promptly advise us in writing of your intention to engage or invite into your Residential Living Residence or to the Foulkeways campus any persons (including any home aide, nursing assistant, home care companion, family member, guest or visitor of any kind) for an extended duration (longer than one week) or who will be present on campus on a consistent basis. You agree to inform us of the name, address and contact information of such persons, the schedule and hours of their stay or visit, the reason for their presence (including the nature of the care provided, if any), and the make/model and license plate number of any vehicle that might be brought on campus by them. You will update this information regularly and inform us of any material change. Such persons and their activities shall be subject to reasonable restrictions under Community policies and procedures.

X. RESIDENT POLICIES AND PROCEDURES

We reserve the right to adopt and amend reasonable policies and procedures governing the conduct of all residents and the operations of the Community. We may also adopt and amend rules and regulations as we deem reasonably necessary to carry out the intent and purpose of this Agreement and to promote the convenience, comfort, safety and security of all residents of the Community and the operational and financial integrity of the Community. You agree to abide by all such policies and procedures, rules and regulations, and to conduct yourself in such a manner as to promote the peace and harmony of the Community.

XI. POWER OF ATTORNEY/GUARDIANSHIP

Prior to the Occupancy Ready Date, you will provide us with a copy of a valid Power of Attorney naming a third party of your choice as your agent to conduct your personal, health and financial affairs in the event of your incapacity or disability. You agree to advise us of any changes in the Power of Attorney and agree to supply a copy of any revision promptly.

If you become incapacitated or cannot properly care for yourself or your property, and if you have made no other designation of a person to serve as guardian, or as trustee, or as your agent under a valid Power of Attorney (or if your guardian, trustee or agent is unwilling or unable to serve), then you authorize us to nominate a person to serve as your legal guardian and to pursue such action in the appropriate court. You agree to pay for all costs for such proceedings, including attorney fees.

XII. RESIDENT'S OBLIGATION FOR ARRANGEMENTS AT DEATH.

Prior to the Occupancy Ready Date, you will provide us with the following information, and will update the same periodically, as requested: (i) the name and address of your preferred funeral director (prior arrangements are encouraged); (ii) the location of your Will; (iii) the name and address of your lawyer and executor; (iv) any information necessary to complete a death certificate; and (iv) a listing of the persons to notify in the event of your death, including the person to whom your personal property is to be released.

XIII. MISCELLANEOUS PROVISIONS

A. Tobacco-Free Campus. The Community is a tobacco-free campus and you agree to strictly abide by our rules restricting smoking and use of tobacco products anywhere within the Community, including in any and all Accommodations and common areas, without exception.

B. Changes in Your Condition. Following the execution of this Residence and Care Agreement and prior to moving into a Residential Living Residence, you agree to immediately disclose to us any material change in your physical, financial or mental condition.

C. Right to Receive Information. Each year, we will provide you a copy of the Community's Annual Report.

D. Residents' Association. All Foulkeways residents are members of the Residents' Association with rights of self-organization.

E. No Waiver and Severability. The failure to enforce any part of this Agreement does not constitute a waiver and does not prevent the Community from enforcing this Agreement as to later violations. If any provision of this Agreement is found to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect without impairment, and this Agreement shall be reformed to give the fullest possible effect to the purposes of this Agreement.

F. Notices. Any notice required by this Agreement must be in writing, and must be given to us at our administrative office, and to you at your current address until your occupancy begins, and then to the address of your Accommodation at Foulkeways.

G. Successors and Assigns. The Community may assign its rights and obligations hereunder without your written approval or consent.

H. Governing Law/Venue. This Agreement shall be governed by the laws of Pennsylvania. You agree that any legal action relating to this Agreement and/or your occupancy shall be heard in Montgomery County, Pennsylvania. All parties agree that the filing of any action may include a request for an expedited hearing.

I. Survival. The obligations of the parties under this Agreement, which by their nature would continue beyond the termination of this Agreement, shall survive termination of this Agreement.

J. No Waiver of Act 82. No action, agreement or statement of any Resident, or of an individual purchasing care for a Resident under this or any agreement to furnish care to the Resident, shall constitute a valid waiver of any provision of Pennsylvania's Continuing Care Retirement Community Law (Act 82 of 1984) which is intended for the benefit or protection of the Resident or the individual purchasing care for the Resident.

[END OF GENERAL CONDITIONS]