PRESBYTERIAN HOMES IN THE PRESBYTERY OF LAKE ERIE
1225 School Road, Erie, PA 16508

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

DISCLOSURE STATEMENT

Manchester Commons of Presbyterian SeniorCare

6351 West Lake Road,
Erie County
Erie, PA 16505

December 31, 2025



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

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I. INFORMATION SUMMARY

1.	**Facility**	Manchester Commons of Presbyterian SeniorCare	6351 West Lake Road, Erie, PA 16505
2.	**Provider**	Presbyterian Homes in the Presbytery of Lake Erie	1225 School Road, Erie, PA 16508

3. **Admissions Contact –** Call (814) 839-9191 to speak to the Administrator.

4. **Property –** Presbyterian Homes in the Presbytery of Lake Erie d/b/a Manchester Commons of Presbyterian SeniorCare ("Manchester Commons") offers independent living with an option to age in place by also providing personal care in the same living unit should this level of care become necessary. The personal care facility consists of 73 personal care units in a suburban setting near Erie, Pennsylvania.

   Originally an elementary school, this large building was transformed into personal care apartments. Each apartment has a private bath, kitchenette, living room and bedroom space. The building is two stories consisting of approximately 75,000 square feet sitting on approximately 11.75 Acres.

   Manchester Commons offers priority admission to its licensed 78 bed skilled nursing facility which is located in the same building as the combination independent living and personal care facility. Manchester Commons provides the highest quality health care in an atmosphere that is warm, comfortable, and reassuring. Our greatest asset is our staff, highly trained and eager to be of service, they are gentle and tactful in their approach. By balancing professionalism with warmth and caring, we encourage residents to reach their full potential. Resident accommodations are cheerful, colorful, and designed for privacy in a pleasant, home-like atmosphere.

5. **Admission Age -** The minimum age for admission for those independent living residents paying an upfront entrance fee at Manchester Commons is sixty years of age. If a spouse is under the age of sixty, they may be admitted along with the primary resident.

6. **Affiliations** – Manchester Commons of Presbyterian SeniorCare is a fictitious business name owned by Presbyterian Homes in the Presbytery of Lake Erie which is a 501(c)3 charity under IRS regulations. In 2015, Manchester Commons became affiliated with Presbyterian SeniorCare which is also a 501(c)3 charity. As a result of the affiliation, Presbyterian SeniorCare became the sole corporate member of Presbyterian Homes in the Presbytery of Lake Erie. Presbyterian Homes entered into this affiliation as a benefit to its residents due the financial savings it will realize from greater purchasing and contracting power of both organizations.

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

	Units/Beds	**Residents**
Personal care	73	63

Independent Living	5	2
Skilled Nursing Facility	78	76

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

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

	Entrance Fee	**Maintenance Fee**
A. Private Unit One Bedroom Single Occupancy:	$28,200	$2,290 per mo.
B. Private Unit One Bedroom Dual Occupancy:	$33,700	$2,700 per mo.

II. DESCRIPTION OF FACILITY AND PROVIDER

The Provider is Presbyterian Homes in the Presbytery of Lake Erie, a Pennsylvania non-profit corporation, and the Facility is Manchester Commons of Presbyterian SeniorCare. Manchester Commons is owned and operated by Presbyterian Homes in the Presbytery of Lake Erie. Independent living is provided from within the 73-apartment style personal care units owned by Presbyterian Homes in the Presbytery of Lake Erie. Independent Living residents of Manchester Commons enjoy priority admission to Manchester Commons' 78 bed skilled nursing facility located in the same building as the combination independent living and personal care units.

Originally an elementary school, this large building was transformed into personal care apartments. Each apartment has a private bath, kitchenette, living room and bedroom space. The building is two stories consisting of approximately 75,000 square feet sitting on approximately 11.75 Acres.

In addition, Manchester Commons' independent living program offers residents the option to age in place by providing personal care from within their independent living unit should this level of care become necessary. The Manchester Commons campus is located on 11.75 acres of land in a suburban setting near Erie, PA. There are 78 beds in the skilled nursing facility and 73 apartments in the combination independent living and personal care facility.

III. OFFICERS AND BOARD OF DIRECTORS OF MANCHESTER COMMONS OF PRESBYTERIAN SENIORCARE

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

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

Members of Presbyterian Homes in the Presbytery of Lake Erie is attached hereto at **Tab B1**. The President and Chief Executive Officer of Presbyterian Homes is James Pieffer, the Secretary is Bobbie Gray, the Treasurer is Gary Seib and the Assistant Treasurer is Todd Boslau and all these officers have a business address of 1215 Hulton Road, Oakmont, PA 15139. In addition, the Administrators and Medical Directors of Manchester Commons are as follows: Nursing Home Administrator: Kelly Briody, NHA; Personal Care Administrator: Filloreta Latifi; Medical Director: Dr. David Lesseski.

IV. ADMINISTRATION

Jim Peiffer is the President and Chief Executive Officer of Presbyterian Homes in the Presbytery of Lake Erie. Mr. Pieffer holds a Master's Degree in Health Administration from the Graduate School of Public Health at the University of Pittsburgh. He has over 38 years of affordable housing and long-term care experience, all at Presbyterian SeniorCare Network. Jim has served on several national and state committees on assisted living and affordable housing and services. He has overseen the development and renovation of over 40 communities serving seniors and persons with disabilities.

Mr. Pieffer received the Leader of the Year Award from LeadingAge PA in 2014. He received the Distinguished Alumni Award from the University of Pittsburgh, Graduate School of Public Health in 2012 and from St. Vincent College in 2018.

Jim is the past Chair of the LeadingAge PA Board of Directors which represents not-for-profit providers of senior services throughout the state. He and his wife Maria, reside in Mars, Pennsylvania and have two adult sons.

V. AFFILIATIONS

Manchester Commons is a fictitious business name owned by Presbyterian Homes in the Presbytery of Lake Erie which is a 501(c)3 charity under IRS regulations. In 2015, Manchester Commons became affiliated with Presbyterian SeniorCare which is also a 501(c)3 charity. As a result of the affiliation, Presbyterian SeniorCare became the sole corporate member of Presbyterian Homes in the Presbytery of Lake Erie. Presbyterian Homes entered into this affiliation as a benefit to its residents due the financial savings it will realize from greater purchasing and contracting power of both organizations. Presbyterian SeniorCare Network is not financially responsible for financial and contractual obligations of the Provider Presbyterian Homes in the Presbytery of Lake Erie.

VI. DESCRIPTION OF FACILITY

The Provider is Presbyterian Homes in the Presbytery of Lake Erie, a Pennsylvania non-profit corporation, and the Facility is Manchester Commons of Presbyterian SeniorCare. Manchester Commons is owned and operated by Presbyterian Homes in the Presbytery of Lake Erie. Independent living is provided from within the 73-apartment style personal care units owned by Presbyterian Homes in the Presbytery of Lake Erie. Independent Living residents of Manchester Commons enjoy priority admission to Manchester Commons' 78 bed skilled nursing facility located in the same building as the combination independent living and personal care units.

Originally an elementary school, this large building was transformed into personal care apartments. Each apartment has a private bath, kitchenette, living room and bedroom space. The building is two stories consisting of approximately 75,000 square feet sitting on approximately 11.75 Acres.

In addition, Manchester Commons' independent living program offers residents the option to age in place by providing personal care from within their independent living unit should this level of care become necessary. The Manchester Commons campus is located on 11.75 acres of land in a suburban setting near Erie, PA. There are 78 beds in the skilled nursing facility and 73 apartments in the combination independent living and personal care facility.

VII. SERVICES

Manchester Commons offers its independent living residents a home-like environment. The friendly staff at Manchester Commons will also take care of daily tasks like lawn care/snow removal, and preventive maintenance. All these services are included as part of the maintenance fees charged to independent residents. In addition, Manchester Commons' residents are provided three delicious meals a day in Manchester Commons' dining hall which is part of the monthly fee. Laundry and housekeeping services are also provided as part of the monthly maintenance fee.

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

Manchester Commons' independent living leases are not life-care contracts. Residents moving from independent living or personal care to skilled nursing care are responsible for paying the per-diem rates at the skilled nursing center. In addition, when personal care becomes necessary, residents are provided this care from within their independent living units upon the execution of Manchester Commons' standard personal care agreement. While residents who move from independent living or personal care to the skilled nursing facility are responsible for the per diem charges at the skilled nursing facility, they are provided priority admission to the skilled nursing facility as part of their independent living resident agreements. *See*, Manchester Commons Independent Living Resident Agreement attached hereto as **Tab B2**.

VIII. FEES AND CHARGES - as of December 31, 2025

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

For a Full Listing of Rates as of December 31, 2025, at all Levels of Care, please see Supplement "A."

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

Dollar Increases in Rates Over the Last 5 Years

	2021	2022	2023	2024	2025
Skilled Nursing Facility (Daily Room and Board Rate)	21-25	42-53	13-53	32-41	35-44
Personal Care (Daily Rates)	6-12	6-8	6-9	8-12	7-12
Independent Living Monthly	77-116	49-73	49-73	67-101	88-126

IX. RESERVE FUNDING

Manchester Commons will maintain such liquid reserves as are required by the Continuing Care Provider Registration and Disclosure Act (hereinafter "Act") and are segregated from general operating funds. These funds are maintained in cash or cash equivalents that are easily converted to cash such as Certificates of Deposit insured by insurance financial institutions, money market funds issued by a regulated investment company, other acceptable securities, and commercial paper to assure liquidity. The calculation of the Minimum Statutory Liquid Reserve and a statement to the effect that these funds are segregated is provided with the audited financial statements, which will be attached hereto at **Tab B3**. The Director of Finance and Treasurer, currently Gary Seib, is responsible for maintaining these funds subject to the review and changes made by the Board of Directors.

X. CERTIFIED FINANCIAL STATEMENT

The audited financial statements of Presbyterian Homes in the Presbytery of Lake Erie for the last two years will be attached hereto at **Tab B3**.

In addition, a spreadsheet comparing the 2025 budget to the actual results for 2025 is attached hereto at **Tab B4**. The spreadsheet includes a narrative statement highlighting the material differences between the 2025 budget to the actual results for 2025. Finally, the spreadsheet contains Manchester Commons' budget for 2026.

XI. RIGHT TO RESCIND

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

XII. ADMISSIONS AGREEMENT

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

XIII. ESCALATION OF RENTS

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

RECEIPT

The undersigned hereby acknowledges delivery and receipt of Manchester Commons of Presbyterian Senior Care Disclosure Statement dated _____ and all attachments including a copy of the Independent Living Resident Agreement and the Notice of Right to Rescind.

_____
Signature of Resident

_____
Signature of Co-Resident (if applicable)

_____
Signature of Responsible Party / Family Member (if applicable)

_____
Date

2025 RATES

Manchester Commons *of Erie*



Personal Care Community

DAILY RATE LIVING OPTIONS AND LEVELS OF CARE

STYLE OF ROOM		Studio	Studio Deluxe	One Bedroom	One Bedroom Deluxe	One Bedroom Suite
LEVELS OF CARE	BASIC	$150	$179	$172	$192	$208
	1	$171	$200	$193	$213	$229
	2	$189	$218	$209	$231	$245
	3	$202	$233	$225	$246	$260

Please see reverse side for explanations of Levels of Care.

ADDITIONAL SERVICES AND FEES

- Each prospective resident is assessed prior to move-in and on an on-going basis to determine the appropriate level of care to meet an individual's needs.
- There is a $65 daily fee for a **second occupant**.
- When a resident does not occupy his or her room due to vacation or illness, the daily rate will apply.
- A non-refundable, one-time move-in fee of $500 is required upon move-in.
- Option for respite stay pending room availability.

Presbyterian SeniorCare NETWORK

Erie.SrCare.org
814.838.9191

EXHIBIT 1A

2025 RATES

Manchester Commons *of Erie*



DESCRIPTIONS OF LEVELS OF CARE

Basic Level
Individual is capable of performing activities of daily living (bathing, dressing, sitting, walking, etc.), but requires assistance with medical supplies, physician appointments, transportation and medication storage.

Level 1
Individual requires prompting and supervision for performing activities of daily living (getting into bed, rising, dressing, hygiene, and bathroom assistance, etc.) and monitoring of psychosocial needs.

Level 2
Individual requires hands-on assistance with activities of daily living, including medication monitoring. Recurring 1:1 support for anxiety or cognitive issues also may be necessary to assist with emotional well-being.

Level 3
Individual requires extensive assistance with activities of daily living and recurring 1:1 support for anxiety or cognitive issues to assist with emotional well-being.

Further explanation and determination of levels of care will be discussed during the assessment process.

Ask us about our award-winning **Woodside Place** model for compassionate, innovative dementia care. For more details about living and care options at our **Woodside Place of Erie** community, also located on the Manchester Commons campus, please call **814.838.9191**.

Summary of Amenities and Services Available:

- Nutritious meals with choice of entrées
- Emergency call system
- Personal laundry and linen services
- 24-hour staffing, supervision and monitoring of residents
- Religious and spiritual programs and services
- Lifestyle engagement programs and events
- Housekeeping and maintenance services
- Basic cable, wireless internet *(fees may apply)*
- Salon and barber services *(additional fee)*
- Limited local transportation may be available *(fees may apply)*
- Coordination of rehabilitation, hospice and additional home care services *(fees may apply)*
- Medical, personal and pharmaceutical services and supplies are available *(additional fees)*

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2025 RATES

Woodside Place
of Erie



The Woodside Program: Alzheimer's and Dementia Care for Personal Care

DAILY RATE LIVING OPTIONS AND LEVELS OF CARE

STYLE OF ROOM		Studio Deluxe/ Semi-Private	Studio	Studio Deluxe
LEVELS OF CARE	1	$242	$284	$300
	2	$255	$297	$315

Please see reverse side for explanations of Levels of Care.

ADDITIONAL SERVICES AND FEES

- Each prospective resident is assessed prior to move-in and on an on-going basis to determine the appropriate level of care to meet an individual's needs.
- When a resident does not occupy his or her room due to vacation or illness, the daily rate will apply.
- A non-refundable, one-time move-in fee of $500 is required upon move-in.

Presbyterian SeniorCare NETWORK

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EXHIBIT 1A

2025 RATES

Woodside Place
of Erie



DESCRIPTIONS OF LEVELS OF CARE

Level 1

Individual may require hands-on assistance with performing some activities of daily living (ADLs), such as bathing, toileting and dressing with supervision and interventions to manage moderately stable cognitive or psychosocial needs. Individual requires assistance for medical management and monitoring.

Level 2

Individual requires daily hands-on assistance with performing most or all ADLs, including bathing, dressing, toileting, transfers and ambulation and may need frequent monitoring and/or interventions for moderate and progressive cognitive and/or behavioral management. Individuals who need frequent monitoring for health problems that require medical management and nursing interventions for symptom management may need to transition to a higher level of care.

Any prospective resident assessed at the **Level 2** will be referred to our Manchester Commons skilled nursing care community.

Summary of Amenities and Services Available:

- Secured environment for safety
- Nutritious meals with choice of entrées
- Personal laundry and linen services
- 24-hour staffing, supervision and monitoring of residents
- Healthcare supervision by licensed nursing staff
- Religious and spiritual programs and services
- Lifestyle engagement programs and events
- Housekeeping and maintenance services
- Basic cable, wireless internet (fees may apply)
- Salon and barber services (additional fee)
- Limited local transportation may be available (fees may apply)
- Coordination of rehabilitation, hospice and additional home care services (fees may apply)
- Medical, personal and pharmaceutical services and supplies are available (additional fees)

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2025 RATES

Manchester Commons *of Erie*





This skilled nursing community is Medicare-certified and accepts Medicaid. In addition, we accept most managed care and commercial insurance, as well as private-pay payment. Our admissions team will be happy to help you understand your payment options.

Rehab and Skilled Nursing Community

DAILY RATE LIVING OPTIONS

	SHORT-TERM REHAB	LONG-TERM CARE
STYLE OF ROOM	Private	Private
	$668	$525

Room-hold rate is same as daily rate.

SERVICES INCLUDED IN DAILY RATES

- Modern rooms and nutritious meals
- Reinforcement of positive living through individualized care and lifestyle engagement programming
- Housekeeping and personal laundry
- Wireless internet and cable television
- Religious and spiritual programs and services

SERVICES WITH ADDITIONAL FEES, CHARGED BASED ON NEEDS AND USAGE

- Ancillary supplies and services
- Medical supplies and pharmacy services
- Telephone services
- Salon and barber services

Presbyterian SeniorCare NETWORK

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Manchester Commons

Independent Living Apartment Rates

Effective January 1, 2025

Unit	Monthly Fee	Entrance Fee	Entrance Fee Couple
Studio Apartment	$1,830.00	$23,700	$28,200
One Bedroom Apartment	$2,290.00	$28,200	$33,700
One Bedroom DLX Apartment	$2,440.00	$29,900	$35,800
Two Bedroom Apartment	$2,740.00	$43,400	$49,700

Second person monthly fee $410

A fee of $20.00 will be assessed for any returned checks.

Services Include

- Meals
- Scheduled Activities
- All utilities Except Phone and Cable TV
- Weekly Laundry
- Weekly Housekeeping

The one-time entrance fee is refundable over a 60 month pro-rated basis.

Entrance fees are designed to offset future capital expenses needed to maintain and improve buildings and property owned by Presbyterian Homes.

TAB B1

Presbyterian Homes - Erie Board Members (2026)

Dr. Carol A. Amann	Board Member
Rev. Anita G. Bernhardt	General Presbyter - Presbytery of Lake Erie
Mr. Todd Boslau CPA	Senior Vice President and CFO - PSCN, Ass't Treasurer PH Erie
Mr. Frederick G. Fiedler	Board Vice-Chair - PH Erie
Mr. James B. Ohrn	Board Chair - PH Erie
Mr. Jim Pieffer	President & CEO - PSCN / PHE
Mr. Eric Presogna CPA, CFP	Board Member
Mr. Timothy Shine	Board Member
Mr. Charles R. Walczak	Board Member
Mr. Tom Tupitza Esq.	Legal Counsel
Mrs. Bobbie Gray	Vice President, Care Communities - PSCN & Secretary PH Erie
Mr. Gary C Seib	Director, Finance & Treasurer - PH Erie

Brief Biographical Descriptions:

Kelly Briody is the Nursing Home Administrator at Manchester Commons of Presbyterian SeniorCare. Kelly graduated from Edinboro University of Pennsylvania, located in Edinboro, PA, with a bachelor's degree in psychology in 2013. Kelly earned a master's degree in social work from Edinboro University of PA in 2015. Ms. Briody attended the Community College of Allegheny County Monroeville in 2016 where she earned her Certification as a Nursing Home Administrator. Ms. Briody obtained her Nursing Home Administrator License from the Commonwealth of PA in Harrisburg, PA in 2017. Ms. Briody has accumulated over two decades of experience as a healthcare professional in the healthcare industry. Her employment record includes Surgical Assistant at Northwest Plastic Surgery, Social Worker at Manchester Commons, Executive Director at Elmwood Gardens, and Executive Director at Manchester Commons.

Filloreta Latifi is the Personal Care Home Administrator at Manchester Commons of Presbyterian SeniorCare. Filloreta graduated from the Pennsylvania State University, located in State College, PA, with a bachelor's degree in 2018. Filloreta attended Penn State Behrend, located in Erie, PA, in May of 2018 where she obtained her Certification as a Nursing Home Administrator. Ms. Latifi obtained her Nursing Home Administrator License from the Commonwealth of PA, in Harrisburg, PA in 2020. Her employment record includes Certified Nursing Assistant at Elmwood Gardens, Nursing Home Administrator at Elmwood Gardens, and Personal Care Home Administrator at Manchester Commons.

Dr. David Lesseski is the Medical Director at Manchester Commons of Presbyterian SeniorCare.

TAB B2

MANCHESTER COMMONS OF PRESBYTERIAN SENIORCARE

INDEPENDENT LIVING LEASE AGREEMENT

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NOTICE OF RIGHT TO RECIND

DEFINITIONS OF WORDS AND PHRASES

SECTION A

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

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

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

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

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

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

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

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

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

HEALTH CENTERS: The licensed nursing care facilities of the Community.

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

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

MEDICAL DIRECTOR: The physician designed by THE COMMUNITY to supervise the medical affairs of the Community and residents.

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

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

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

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

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

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

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

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

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

THE COMMUNITY
RESIDENCY AGREEMENT

THIS RESIDENCY AGREEMENT (called "Agreement"), made this _____, 20___ between Presbyterian Homes in the Presbytery of Lake Erie d/b/a Manchester Commons of Presbyterian SeniorCare (also called "Community" or "Manchester Commons") and _____ (called "Resident", and when two individuals sign this Agreement for double occupancy, the are called collectively "Resident: where the context permits, and individually "Co-Resident) for admission of Resident to the Community for occupancy.

RECITALS:

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

Resident has applied for admission to the COMMUNITY, and,

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

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

SECTION 1: LIVING ACCOMODATIONS AND FACILITIES

1.1 Living Accommodations and Term.

THE COMMUNITY shall provide Resident with the living accommodations, specifically unit number _____, model _____ at the combination independent and personal care facility with a mailing address of _____, 6351 West Lake Road, Erie, PA 16505 (hereinafter "Unit") and common facilities and services specified in this Agreement, beginning on the Designated Occupancy Date or actual date of occupancy, whichever is earlier, and continuing until the termination of this Agreement.

1.2 Common Facilities.

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

1.3 Personal Care.

THE COMMUNITY shall at all times maintain its license to operate an apartment style personal care facility at the Community. Once a resident's needs meet licensure requirements for this level of care as determined by the Community subject to State review, this level of care will be provided to the resident at the Unit for an additional charge. This additional fee is outlined in the Community's annual disclosure

statement filed with the Pennsylvania Department of Insurance each year and which is furnished to all residents each year. This paragraph is subject to the provisions of Section 8 of this agreement, below.

1.4 Health Care Center

THE COMMUNITY shall operate a skilled nursing facility at 6351 West Lake Road, Erie, PA 16505 for the delivery of health care services, which shall be available on a priority access basis to Residents whose care needs meet licensure requirements for this level of care as determined by the Community subject to State and Federal review (hereinafter "Health Center").

1.5 Designated Occupancy Date.

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

SECTION 2: SERVICES

2.1 Utilities.

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

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

2.2 Assessments.

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

2.3 Telephone.

THE COMMUNITY shall provide each resident with access to telephone service. All telephone service charges, including connection charges, are not included in the Monthly Fee and shall be paid by Resident.

2.4 Cable Television.

Cable television is not included in the Daily Room and Board Rate. The Community shall provide residents with access to cable television connection(s) with basic cable service for an additional charge as disclosed in the Community's annual Disclosure Statement filed with the Department of Insurance and a copy of which was provided and is available to any continuing care resident upon request.

2.5 Maintenance and Repair of Equipment.

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

2.6 Maintenance of Grounds.

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

2.7 Insurance.

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

2.8 Administration.

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

2.9 Food and Meals.

(a) Resident Meals. The Community shall make available three meals a day in the Community's dining facilities or, as necessary because of Resident's health, in the Resident's room, and are included in the Monthly Fee.

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

2.10 Housekeeping.

THE COMMUNITY shall provide housekeeping and laundry services as part of the Monthly Fee.

2.11 Transportation.

THE COMMUNITY shall make available local transportation service in accordance with the schedule established by the Community for an additional fee.

2.12 Parking.

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

2.13 Additional Miscellaneous Services.

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

2.14 Changes in Service.

THE COMMUNITY reserves the right to alter services except for changes required by State or Federal Assistance Programs and will provide thirty (30) days advance notice of any changes in services.

SECTION 3: HEALTH AND PERSONAL CARE SERVICES

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

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

3.1 The Health Center

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

3.2 Emergency Nursing Services.

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

3.3 Temporary Nursing or Companion Services in the Living Unit.

The use of private duty nurses, companions or individuals providing personal services must be approved in writing by THE COMMUNITY. All private duty

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

3.4 Hospitalization.

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

3.5 Accident or Illness Away from THE COMMUNITY.

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

3.6 Mental Illness and Other Limitation on Care.

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

3.7 Costs in the Health Center.

(a) Exclusions (not covered by the Monthly Fee). There will be an additional charge for all personal, medical, health and nursing care services. The cost of nursing care services are not included in the Monthly Fee, and Resident shall be responsible to pay the charges and costs for all health and related services, including, but not limited to routine nursing care services in the Health Center, therapist, or

rehabilitation services, physician services, diagnostic services, dental services, drugs and medications, private duty nurses or companions, care for psychiatric conditions, podiatry, refractions, eyeglasses, hearing aids, orthopedic appliances, incontinence supplies, specialized treatment or any other health or medical service not provided under this Agreement. Resident shall pay the Daily Room and Board Rate for Health Center services as that charge is reflected in the Description of Current Charges and Fees in the Community's Disclosure Statement. The Community, not Resident, shall be liable to another health care provider (including an employee or subcontractor of the Community) for health care services that the Community agrees to furnish under this Agreement in consideration of Resident's payments of the Entrance Fee and other periodic fees.

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

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

(i) Temporary Transfer.

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

(B) Double Occupancy. During the period of temporary transfer, the Co-resident in the Health Center shall be charged and shall pay the then current Daily Room and Board Rate for routine nursing care, and any other additional charges for ancillary or miscellaneous services. The Co-Resident remaining in the living unit shall be charged and shall pay the Monthly Fee for Single Occupancy. In the event both Co-residents are temporarily transferred, each Co-resident shall be charged and shall pay the Daily Room and Board Rate for nursing care services and any additional charges for ancillary or miscellaneous services in the Health Center, and collectively shall be charged and shall pay the then current Monthly Fee for Single Occupancy. Each Co- resident remains jointly and severally liable for each other's charges. THE COMMUNITY reserves the right to declare any transfer permanent at any time in accordance with Section 8.2 of this Agreement.

(ii) Permanent Transfer.

(A) Single Occupancy. Upon the permanent transfer of Resident to the Health Center, and subsequent surrender of the Living Unit, the obligation to pay the Monthly Fee shall cease, and the Resident shall pay only the Daily Room and Board Rate for nursing care services. Upon permanent transfer of the resident to the status of providing personal care from within the living unit as described in Paragraph 3.1(a), above, the resident will be responsible for paying the Residential Living Monthly Rental Fees Without Payment of an Entry Fee, and the other additional charges for ancillary or miscellaneous services, as outlined in Attachment "A" to THE COMMUNITY'S annual Disclosure Statement filed with the Department of Insurance which are made available to all residents pursuant to paragraph 12.2 of this Agreement. Any unamortized portion of the entry fee shall be promptly refunded to the resident in the case of permanent transfer.

(B) Double Occupancy. At the time one Co-Resident is permanently transferred to the Health Center, the Monthly Fee for the living unit shall be reduced to the Monthly Fee for Single Occupancy. The Co-resident in the Health Center shall be charged and shall pay the applicable Daily Room and Board Rate for routine nursing care and any additional charges for ancillary or miscellaneous services, and the Co- Resident remaining in the living unit shall be charged and shall pay the Monthly Fee for Single Occupancy. In the event both Co-Residents are permanently transferred to the Health Center, each Co-Resident shall be charged and shall pay the Daily Room and Board Rate for nursing care services and any other additional charges for ancillary or miscellaneous services. Each obligation to pay the Monthly Fee shall cease upon permanent transfer of both Co-residents and surrender of the living unit. At the time one Co-Resident is permanently transferred the status of providing personal care in the living unit as described in Paragraph 3.1(a), above, only that Co-Resident shall pay resident will be responsible for paying the Residential Living Monthly Rental Fees Without Payment of an Entry Fee, and the other additional charges for ancillary or miscellaneous services, as outlined in Attachment "A" to THE COMMUNITY'S annual Disclosure Statement filed with the Department of Insurance which are made available to all residents pursuant to paragraph 12.2 of this Agreement. In the event both Co-Residents are permanently transferred to the status of providing personal care from within the living unit as described in Paragraph 3.1(a), above, each Co-Resident resident will be responsible for paying the Residential Living Monthly Rental Fees Without Payment of an Entry Fee, and the other additional charges for ancillary or miscellaneous services, as outlined in Attachment "A" to THE COMMUNITY'S annual Disclosure Statement filed with the Department of Insurance which are made available to all residents pursuant to paragraph 12.2 of this Agreement. When both Co-Residents premanently transfer either to the Health Center or to the status of proving personal care from within the living unit, an unamortized portion of the entrance fee shall be promptly refunded.

SECTION 4: FEES

4.1 Entrance Fees.

Entrance Fee.

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

4.2 Amortization of Entrance Fee.

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

4.3 Use of Entrance Fee.

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

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

4.5 Monthly Fee.

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

(b) Payment and Due Date. Payment of the first Monthly Fee is due on the date Resident accepts occupancy or the Designated Occupancy Date, whichever is earlier. The Monthly Fee shall be pro-rated if Resident assumes occupancy after the first of the month. Resident shall receive a monthly invoice on or about the third day of

each subsequent month. All subsequent Monthly Fee payments are due on the seventh day of each month thereafter. All subsequent Monthly Fee or other charges for care or for miscellaneous or ancillary services are not paid within thirty (30) days of the due date, then, subject to Section 5 of this Agreement or as it may be periodically revised, the Community may elect to exercise its available rights and remedies under this Agreement, including termination.

4.6 Other Charges.

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

4.7 Co-Resident's Fee Responsibility.

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

4.8 Service Charge For Late Payment.

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

4.9 Disclosure of Financial Information.

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

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

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

SECTION 5: FINANCIAL ASSISTANCE POLICY.

5.1 Inability to Pay.

THE COMMUNITY will not terminate this Agreement solely because a Resident's inability to pay the Monthly Fee and other charges, so long as Resident qualifies for, and the Community is capable of providing financial assistance as set forth in this Agreement. It is Resident's responsibility to demonstrate an inability to meet monthly financial obligations to the Community. In the event that resident's income is or becomes insufficient to pay for monthly expenses incurred, Resident shall immediately apply for financial assistance either from resident's family, church, or public welfare agencies that

may be in a position to render financial assistance. Resident is required to apply for, and the Community shall have and is hereby granted authority as agent for Resident the right to apply for and obtain, if Resident qualifies, financial assistance for Resident from any appropriate governmental agency.

5.2 Deductions From Any Unamortized Portion of the Entrance Fee.

If financial assistance is not available from any other source and if Resident's income and assets are no longer sufficient to pay the Monthly Fee and any other financial obligations under this Agreement, then the Community shall deduct from any funds otherwise due Resident as a refund, amounts necessary to fulfill all of Resident's financial obligations under this Agreement. Resident hereby authorizes such deductions from any unamortized portions of the Entrance Fee. The Community shall make such deductions from any refunds otherwise due under this Agreement at such time as any amounts due the Community under this Agreement have been unpaid for more than thirty (30) days from the payment due date. The Community shall continue to make such deductions from any amounts otherwise due as a refund under this Agreement on a monthly basis to offset any unpaid financial obligations of resident until all funds otherwise due Resident as a refund have been exhausted and paid to the Community.

5.3 Qualifications for Financial Assistance and Resident's Obligations.

In order to qualify for consideration for financial assistance, Resident's inability to pay the Monthly Fee or related charges must not be the result of any fault, negligence or mismanagement of assets represented to be available for resident or others representing Resident to pay for resident's financial obligations. Additionally, the financial information provided by resident in the application documents for admission, in documents subsequently requested by the Community, or with resident's request for financial assistance must not contain any material misrepresentations or omissions. It is Resident's responsibility to look to all other available sources of financial assistance before making application to the Community. If Resident's spouse, parents, or children have adequate resources to provide financial assistance to resident, that fact will be taken into consideration in determining whether any financial assistance should be granted by the Community, and if so, in what amount. If resident transfers or unreasonably depletes assets or resources represented in the application documents for admission to be available to meet Resident's financial obligations under this Agreement, Resident shall not be considered for financial assistance. Resident has an affirmative obligation to apply for financial assistance and to make Resident's financial needs and resources known to the Community at least one hundred and twenty (120) days in advance of the need for funds.

5.4 Possible Limitations on Assistance.

Following the exhaustion and payment to THE COMMUNITY of all funds otherwise due as a refund under this Agreement, and if no funds are available from any sources to fulfill resident's financial obligations under this Agreement, and resident adequately demonstrates to the Community the financial inability to pay the Monthly Fee and other charges; then, subject to the availability of funds, the Community, upon resident's request, shall consider Resident for financial assistance. Although there is no absolute guarantee that Resident who qualifies for consideration for financial assistance will receive any financial assistance, the Community will endeavor to provide it to the extent reasonably possible without jeopardizing the ability of the Community to care for its other residents.

The ability of the Community to provide financial assistance is contingent upon a number of factors, including the availability of charitable gifts, and the financial condition of the Community. The Community retains the absolute discretion to deny requests for financial assistance and to limit the amount of financial assistance. If the Community determines the Resident qualifies for financial assistance, then the Community may provide such assistance as is necessary to enable the Resident to meet the Monthly Fee obligation or other charges, provided that such assistance can be granted or continued without impairing the financial ability of the Community to operate or continue on a sound financial basis. If financial assistance is initially granted, there is no guarantee that such assistance can or will continue indefinitely, or for any specific period of time.

5.5 Other Resources and Recovery of Community's Subsidy.

If Resident receives financial assistance from the Community, Resident shall not sell or otherwise transfer property without the written consent of the Community. If resident owns any property at the time of death not disclosed on resident's financial statements in the application documents, or acquires property subsequent to the making of such financial statements and does not disclose its acquisition to the Community then the Community shall be entitled to so much of such property, up to the whole value thereof, as is equal in value to the total amount of financial assistance provided Resident by the Community. This Agreement shall operate as an assignment, transfer and conveyance to the Community of so much of such property, as is equal in value to the total amount of financial assistance provided by the Community, and the assignment may be enforced against resident's estate. Resident's estate shall be liable to the Community in an amount equal to the amount of any financial assistance provided and accrued interest at a rate of 8%. The assignment herein shall apply whether or not Resident is occupying a residential unit at the Community at the time of resident's death. Resident shall cooperate with the Community, including execution and delivery of instruments and documents, to implement the provisions of this paragraph.

5.6 Disclosure of Financial Resources.

The Community may from time to time request verified financial statements and copies of tax returns from Resident if Resident has applied for or is receiving financial assistance from the Community.

SECTION 6: MARRIAGE AND/OR ADDITIONAL OCCUPANTS.

6.1 Non-Resident.

In the event that a single resident wishes to marry or have another person not admitted to THE COMMUNITY under a residency Agreement share Resident's living unit as a Co-Resident, the proposed Additional Occupant must file an application for admission and meet all age, medical and other requirements for admission applicable to Residents of the living unit. Admittance of an Additional Occupant shall be at the sole discretion of the Community. If the proposed Additional Occupant receives approval to occupy the living unit, this Agreement will be amended and the Additional Occupant shall pay one-half of the Entrance Fee in effect at the time Additional Occupant moves into the living unit. The Entrance Fee paid by

the Additional Occupant shall be amortized at the rate of twenty (20%) percent per year from the date of occupancy. After the lapse of five (5) years or upon the death of Additional Occupant the Entrance Fee shall be earned in full by the Community. In the event that the Additional Occupant dies or otherwise terminates Additional Occupant's agreement with the Community during the five (5) year amortization period, any applicable refund shall be paid to the Additional Occupant or his/her estate. In the event that the proposed Additional Occupant does not meet the requirements for admission, then the proposed Additional Occupant may request admission under such other terms and conditions as may be acceptable to the Community. If an agreement cannot be reached regarding the admission of the proposed Additional Occupant, Resident may exercise the option to terminate this Agreement in accordance with its termination provisions.

6.2 Other Resident.

In the event that Resident desires to marry another resident admitted under a separate residency Agreement, and, thereafter, occupy a single living unit, resident first must select and designate in writing at least sixty (60) days in advance of the proposed move, which one of the living units occupied by each resident, shall be thereafter occupied jointly. The living unit not designated for joint occupancy must be surrendered on or before the date of the proposed move to the designated living unit. Upon transfer, the Monthly Fee for double Occupancy of the designated or alternative living unit shall be paid. The residency Agreements shall be amended to reflect the change in the living unit, the change in the Monthly Fee, and any other matters reasonably necessary for the transfer of the resident to the designated or alternative living unit. Upon transfer to the designated or alternative living unit, any unamortized portion of the Entrance Fee paid by the resident shall continue to be amortized and shall be subject to refund only in accordance with the refund provisions of this Agreement relating to Co-Residents.

6.3 In the Case of Personal Care Provided Within the Unit

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

Monthly Fee, and any other matters reasonably necessary for the transfer. Any unamortized portion of the Entrance Fee paid by Resident shall continue to be amortized and shall be subject to refund only in accordance with the refund provisions of this Agreement relating to Co-Residents.

SECTION 7: TERMINATION OF AGREEMENT

7.1 Termination by Resident

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

(b) Prior to Occupancy. After the lapse of the seven (7) day rescission period, but prior to the Designated Occupancy Date, Resident may terminate this Agreement by delivering written notice to THE COMMUNITY prior to occupancy. In such event, this agreement is automatically rescinded and a full refund shall issue to Resident, Resident's legal representative, or Resident's estate as the case may be as per the terms of 40 P.S. § 3214(c).

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

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

7.2 Termination by Community

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

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

7.3 Termination by Death.

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

7.4 Surrender.

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

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

8.1 Conditions of Living Unit Occupancy.

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

8.2 Decision to Transfer.

(a) Authority to Transfer. THE COMMUNITY may transfer

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

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

8.3 Transfers Within the Community's Facilities.

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

(b) Transfer to Health Center. If Resident becomes ill or incapacitated, and in the opinion of THE COMMUNITY's CEO or designee, with the

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

8.4 Transfer to Hospital or Other Outside Facility.

In the event that hospitalization or outside care of the Resident becomes necessary as determined by the Community's Medical Director, Resident will be transferred to a hospital or other acute or outside health care provider. In the event Resident's mental, emotional or physical condition deteriorates to a degree that in the professional opinion of the Medical Director, Resident's presence in the Community is deemed detrimental to the health, safety or peace of other residents, the Community may transfer Resident to an appropriate outside care facility. The Community's CEO or designee with the advice of the Medical Director may declare Resident's living unit vacant (unless occupied by a Co-resident) if Resident has been transferred to an outside health care or other special service facility or hospital for health conditions which, in the opinion of the Medical Director or Resident's physician, require permanent or prolonged residence in the outside facilities (i.e. generally sixty (60) days or more). Resident shall surrender the living unit and cause Resident's personal possessions to be removed from the living unit within thirty (30) days after notice of Community's determination that the transfer will be permanent. This paragraph is subject to the provisions of Section 7, above.

8.5 Cost Related to Transfer to an Outside Facility.

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

(b) Double Occupancy. During any temporary transfer of one Co-Resident to a hospital or any outside facility, the Monthly Fee for double occupancy shall continue to be due and payable. Upon the permanent transfer of one Co-Resident to an outside facility, the Monthly Fee shall be reduced to the Monthly Fee for single occupancy of the applicable living unit. In the event both Co-Residents are temporarily transferred to an outside facility, the Monthly Fee for double occupancy shall continue to be due and payable. In the event both Co-Residents are permanently transferred to

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

8.6 Release of or Return To Living Unit After Transfer.

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

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

SECTION 9: LIMITED REFUND OF ENTRANCE FEE

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

9.1 Termination Before Occupancy.

Because no entrance fees are taken until the actual date of occupancy, the resident may terminate this agreement at any time before occupancy without penalty. If the termination occurs seven (7) days after execution of this Agreement, the contract may

easily be terminated by mailing the Notice of Right to Rescind attached to the bottom of the Agreement. If the resident wishes to terminate this Agreement for any period longer than seven (7) days before occupancy, the resident can cancel by providing written notice at the address indicated in the "Notices" Section of this Agreement, and, again, this termination will be without penalty of any kind.

9.2 Termination for Any Reason Other than Death

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

9.3 No Accrual of Interest.

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

9.4 Conditions and Due Date for Refund Payments.

Prior to occupancy, all applicable refunds will be made after termination and within sixty days of Resident's or in the case of Double Occupancy, both Resident's and Co-Resident's, request. After occupancy, all applicable refunds will be made once this Agreement has been terminated by Resident or in the case of Double Occupancy, by both Resident and Co-Resident, pursuant to Section 8.

9.5 Distribution of Refund Upon Death.

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

SECTION 10: LIMITED OPTION TO MOVE TO ANOTHER LIVING UNIT

10.1 Option After Occupancy.

After occupancy, Resident may request to exercise a limited option to move to another living unit, if and when another living unit becomes available (including any new living units that may be have been added to the Community), in accordance with the terms and conditions set forth in this section. A request to move must be based on health, financial conditions, death of a Co-Resident, marriage, or other grounds deemed

reasonably necessary by the Community. Resident may elect to move to a smaller living unit, or a larger living but not to a living of substantially equivalent size in a different location. The Community reserves the right to disapprove Resident's request to move. In the event Resident desires to exercise the option to move to another living unit, Resident must notify the Community in writing of the living unit desired.

10.2 Costs of Elections to Move.

If Resident elects a smaller living unit, Resident shall pay a Refurbishment Fee in an amount determined from time to time by the Community. There will be no Entrance Fee credit or refund even if the Entrance Fee for the surrendered living unit is greater than the fee Resident would have paid for the smaller living unit designated under this Agreement. Resident shall pay, prior to moving to the selected living unit, an additional amount equal to the three quarters (75%) of the difference between the initial Entrance Fee paid and any higher Entrance Fee in effect at the time of the move. The additional Entrance Fee shall be immediately amortized and be earned in full by the Community. Any unamortized portion of the remaining entrance fee shall be promptly refunded.

10.3 Option to Move.

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

SECTION 11: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE

11.1 Legal Guardian

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

11.2 Will and Funeral Arrangements.

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

11.3 Advance Directives.

(a) Power Of Attorney. Residents shall furnish THE COMMUNITY, no

later than the date of occupancy, a durable power of attorney executed by Resident which shall be maintained in the files of the Community. The name and address of the designated power of attorney is: _____

(b) Living Will. If Resident has executed an advance directive in the form of a living will relating to the provision of health care services in the event of terminal or other illnesses/conditions, Resident shall provide the original of the living will to Community, and the original of any revisions or changes made to the document during Resident's term of occupancy. In the event of transfer to the Health Center, THE COMMUNITY shall comply with the instructions/requests as consistent with law and the Community's policy, as such policy may change from time to time. If the Community cannot comply with Resident's advance directive as reflected in Resident's living will, then the Community shall assist in arranging for the transfer of Resident to another health care provider, if reasonably available, which will comply with Resident's advance directive. The transfer and cost of care in another health care facility shall be an additional cost, and Resident shall be responsible to pay such costs.

SECTION 12: RIGHTS AND OBLIGATIONS OF RESIDENT

12.1 Right of Self-Organization.

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

12.2 Right to Receive Disclosure Statements.

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

12.3 Guest Privileges.

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

12.4 Rights to Property/Subordination.

The rights and privileges granted to Resident do not include any right, title or interest in any part of the personal property, land, buildings and improvements owned or administered by the Community. Resident's rights are primarily for services, with a contractual right of occupancy. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between THE

COMMUNITY and Resident. Any rights, privileges, or benefits under this Agreement shall be subordinate to any existing or subsequent mortgages or deeds of trust or any other comparable interests. Upon request Resident shall execute and deliver any document which is required by the Community, or by the holder of any such mortgages or deeds of trust or similar interests, to effect such subordination or evidence the same.

12.5 Inspection of Living Unit and Right of Entry.

Resident shall permit the Community, or its agents, or any representative of any holder of a mortgage or similar interest on the property, or, when authorized by the Community, the employees of any contractor, utility company, municipal agency or others, to enter the living unit for the purpose of making reasonable inspections and repairs and replacements. Such entry will be made only with reasonable advance notice, except in emergency situations. The Community shall have the right to enter the living unit to perform scheduled housekeeping, and to perform routine maintenance and for other reasonably necessary purposes having due regard for Resident's privacy.

12.6 Housekeeping/Housecleaning Responsibilities.

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

12.7 Health Insurance and Third Party Payments.

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

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

If Resident becomes eligible to receive payments form any third party for services provided under this Agreement by the Community, Resident shall at all times cooperate fully with the Community and each third party payor so that the Community may make

claim for and receive any applicable third party payments. The Community has the right to any applicable benefits payable to Community under the insurance coverages required by this Agreement.

12.8 Automobile Insurance.

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

12.9 Reduction of Income or Other Resources.

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

12.10 Medical Examinations.

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

12.11 Responsibility for Property Damage to Community.

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

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

12.12 Release Regarding Conduct of Other Residents or Guests.

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

12.13 Responsibility For Resident's Personal Property.

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

(b) Obligations Upon Termination. (i) If Resident has become unable to comply with the conditions of occupancy of the living accommodation, or this Agreement has been terminated for any reason other than the death of Resident, Resident or the duly authorized representative of Resident's estate must remove all personal property from the living accommodation, including property held in storage. If Resident's personal property is not removed by Resident or Resident's representative within thirty (30) days of Resident's permanent transfer from the living accommodation or termination of this Agreement, THE COMMUNITY shall dispose of Resident's property in any manner it deems appropriate, and shall not be liable or responsible for any damages to it. Resident or Resident's estate shall be obligated to pay all costs for the removal, storage or disposal of Resident's property. If Resident's property is moved to and stored in a commercial warehouse, the Community shall have no liability or responsibility for Resident's property. If Resident's property is moved to and stored in a commercial warehouse, the Community shall have no liability or responsibility for Resident's property during the transfer of the property or the storage of it. (ii) Within 24 hours of Resident's death, the Community shall contact or make a good faith effort to contact the personal representative or guardian of Resident to arrange for an inventory of Resident's personal property, after which the legal representative(s) of Resident Estate or family may remove Resident personal property or the Community may place the personal property into storage. If Resident's personal property is not thereafter claimed by Resident's Estate or family within thirty (30) days, the Community shall send a notice by certified mail to Resident's executor/executrix named in this Agreement or, if the Community has received prior written notice of a different legal representative for Resident's Estate, to that legal representative, stating that the Community will dispose of the property if not claimed within fourteen (14) days from the date such notice was postmarked; and, if the property is not claimed thereafter, such property shall be disposed of by the Community and all costs of, less any proceeds from, such disposal shall be charged to and payable by Resident's Estate.

12.14 Rules, Regulations, Policies and Procedures.

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

SECTION 13: AVERAGE ANNUAL COST OF PROVIDING SERVICES

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

SECTION 14: SEVERABILITY

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

SECTION 15: ACTS OF FORBEARANCE

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

SECTION 16: ENTIRE AGREEMENT

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

SECTION 17: INDEMNIFICATION

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

SECTION 18: SUBROGATION

In the event Resident is physically injured by an individual or entity not a party to this Agreement, Resident grants to the Community a right of subrogation, and authorizes the Community to bring such demands, claims or legal proceedings in the name of or on behalf of Resident for purposes of recovering from any third party or third party's insurer responsible for Resident's injury, the dollar value of all care provided by the Community to Resident as a result of any such injury. Resident shall cooperate and sign any documents necessary to facilitate the Community's ability to exercise its subrogation right.

SECTION 19: NOTICE

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

To THE COMMUNITY:

Manchester Commons of Presbyterian SeniorCare
6351 West Lake Road, Erie, PA 16505
Attention: Administrator

To Resident (Before Occupancy):

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

SECTION 20: MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

NOTICE OF RIGHT OF RESCISSION

DATE RESCISSION PERIOD BEGINS: _____.

YOU MAY RESCIND AND TERMINATE YOUR RESIDENT'S AGREEMENT, WITHOUT PENALTY OR FORFEITURE, WITHIN 7 DAYS OF THE ABOVE DATE. YOU ARE NOT REQUIRED TO MOVE INTO THE CONTINUING CARE FACILITY BEFORE THE EXPIRATION OF THIS 7 DAY PERIOD. NO OTHER AGREEMENT OR STATEMENT YOU SIGN SHALL CONSTITUTE A WAIVER OF YOUR RIGHT TO RESCIND YOUR AGREEMENT WITHIN THE SEVEN (7) DAY PERIOD. TO RESCIND YOUR RESIDENT'S AGREEMENT, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS NOTICE, OR ANY OTHER DATED WRITTEN NOTICE, LETTER OR TELEGRAM, STATING YOUR DESIRE TO RESCIND TO: MANCHESTER COMMONS OF PRESBYTERIAN SENIORCARE 6351 WEST LAKE ROAD, ERIE, PA 16505 NOT LATER THAN MIDNIGHT OF _____(LAST DAY FOR RECISSION).

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

DATED: _____

_____
Signature of Prospective Resident

_____
Print Name of Prospective Resident

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

IN WITNESS WHEREOF, THE COMMUNITY has caused this Agreement to be signed by its authorized representative, and Resident has hereunto affixed his/her/their signature(s), the day and year first above written.

Attest:

THE COMMUNITY

_____

BY:_____ _____

Chief Executive Officer Date

Witness:

_____ _____ _____

Resident SEAL Date

_____ _____ _____

Resident SEAL Date

MISCELANEOUS SERVICES OR GOODS OFFERED BY MANCHESTER COMMONS AT AN ADDITIONAL FEE NOT PART OF THE MONTHLY MAINTENANCE FEE OR ENTRANCE FEE

The types of goods and services offered by Manchester Commons at an additional fee are described in detail in an attachment to Manchester Commons' Annual Disclosure Statement provided to all residents prior to admission to Manchester Commons and provided annually to all current CCRC residents. These services include, but are not limited to, Barber and Beauty Services and Guest Meals. They may be purchased here at the time of executing this Agreement and may be purchased additionally at any time during residency.

Type of Goods or Services	**Units**	**Cost Per Unit**	**Total**

Attest: THE COMMUNITY

_____ BY:_____ _____
Chief Executive Officer Date

Witness:

_____ _____ _____
Resident SEAL Date

_____ _____ _____
Resident SEAL Date

TAB B3

TAB B4

Presbyterian Homes in the Presbytery of Lake Erie

Comparative Financial Summary

For Year Ending: December 31, 2025

	2025 Budget	2025 Actual	2026 Budget	Narrative Statement of Material Differences Between Current Year Budget and Actual
Revenue:				
Nursing Facility	11,741,305	11,072,899	11,575,160	Occupancy, Turnover & Payer Mix
Personal Care Facility	4,687,869	4,819,373	5,001,244	
Independent Living Fees & Charges	121,920	72,483	122,880	Occupancy and Turnover
CCRC Entrance Fees Earned	16,000	14,492	12,000	Occupancy and Turnover
Other Operating Revenue	120,968	133,567	127,400	
Contributions & Donations	98,920	956,134	181,800	Restricted gift designated for Benevolent care
Investment Related	100,300	710,401	134,400	Investment (losses) {realized / unrealized} are not budgeted
Total Estimated Revenue	16,887,282	17,779,349	17,154,884	
Operating Expenses:				
Administration	4,064,282	4,206,663	4,173,737	
Dietary	1,197,734	1,219,283	1,223,126	
Housekeeping and Laundry	681,370	669,378	738,835	
Plant and Maintenance	1,042,674	1,121,514	1,116,023	Utility overages, supply and purchased services overage
Nursing Care	6,997,904	7,430,392	7,332,359	Special incentive programs intended to reduce outside agency reliance
Lifestyle Engagement	301,537	260,698	327,514	Open staff positions
Social Services	145,993	159,198	155,245	Additional position created at Manchester Commons
Ancillary Services	1,371,500	1,379,855	1,341,600	
Interest Expense & Amortization	-	-	-	No remaining debt after the conclusion of 2023
Depreciation & Amortization	1,171,000	1,145,168	1,118,000	
Total Operating Expenses	16,973,994	17,592,149	17,526,439	
NET INCOME/(LOSS)	(86,712)	187,200	(371,555)	

TAB B5

NOTICE OF RIGHT OF RESCISSION

DATE RESCISSION PERIOD BEGINS: _____.

YOU MAY RESCIND AND TERMINATE YOUR RESIDENT'S AGREEMENT, WITHOUT PENALTY OR FORFEITURE, WITHIN 7 DAYS OF THE ABOVE DATE. YOU ARE NOT REQUIRED TO MOVE INTO THE CONTINUING CARE FACILITY BEFORE THE EXPIRATION OF THIS 7 DAY PERIOD. NO OTHER AGREEMENT OR STATEMENT YOU SIGN SHALL CONSTITUTE A WAIVER OF YOUR RIGHT TO RESCIND YOUR AGREEMENT WITHIN THE SEVEN (7) DAY PERIOD. TO RESCIND YOUR RESIDENT'S AGREEMENT, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS NOTICE, OR ANY OTHER DATED WRITTEN NOTICE, LETTER OR TELEGRAM, STATING YOUR DESIRE TO RESCIND TO: MANCHESTER COMMONS OF PRESBYTERIAN SENIORCARE 6351 WEST LAKE ROAD, ERIE, PA 16505 NOT LATER THAN MIDNIGHT OF _____(LAST DAY FOR RECISSION).

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

DATED: _____

_____
Signature of Prospective Resident

_____
Print Name of Prospective Resident