SIMPSON

at Simpson House

DISCLOSURE STATEMENT

Under Pennsylvania Act 82

May 1, 2026

A Retirement Community Providing
Residential, Personal Care, and Skilled Nursing

Located at: 2101 Belmont Avenue
Philadelphia, Pennsylvania 19131-1628
Telephone Number: (215) 878-3600
http://www.simpsonhouse.org

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

SIMPSON HOUSE
DISCLOSURE STATEMENT
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SIMPSON HOUSE, INC.

MISSION STATEMENT

Simpson House is dedicated to meeting the needs of an aging community. Through careful oversight, we will strive to deliver the highest quality of service with a sense of warmth, friendliness, individual pride and integrity. We are committed to offering our residents and staff opportunities for personal growth and spiritual enrichment.

PHILOSOPHY AND PURPOSES

Simpson House seeks to promote the highest level of emotional, physical and spiritual wellbeing for each resident. Preservation of dignity at each level of care is a guiding principle with utmost importance placed on developing a sense of security. Residents are afforded as much choice as possible as they transition through the continuum of care. Independence is encouraged and the value of the individual is stressed in an atmosphere of acceptance and tolerance. Simpson House also provides a nurturing and caring environment with opportunities for personal and professional growth for each employee. Proactive in the study of geriatrics, Simpson House also serves as a community resource on issues of aging.

I. INFORMATION SUMMARY

1. Facility: Simpson House, Inc. 2101 Belmont Avenue, Philadelphia, PA 19131-1628.

2. Provider: Simpson House, Inc. 2101 Belmont Avenue, Philadelphia, PA 19131-1628.

3. Admissions Contact: Residential Living - Director of Sales (215-878-3600 ext. 5028), Personal Care – Admissions (215-878-3600 ext. 5218), Skilled Nursing - Transition Care Coordinator (215-878-3600 ext. 5223).

4. Property: A 5 – acre campus overlooking Fairmount Park, located on the Western Border of Philadelphia. All residential buildings are three story, containing studio, and one and two bedroom accommodations.

5. Admission Age: Residents must be 65 years of age or older. The younger member of a married couple may be fifty-five years of age or older.

6. Affiliations: Simpson House has a historical relationship with the Eastern Pennsylvania Conference of the United Methodist Church.

7. Current Resident Population: Residents by type of accommodation are listed below.

Residential Living Units

Units Available	Units Occupied
135	103

Personal Care Units

Units Available	Units Occupied
38	33

Nursing Beds

Units Available	Units Occupied
102	94

8. Sample Fees: Residential living unit.

	Traditional Fee
Entrance Fee	$22,000 – 110,000
Monthly Fee	$2,835 - $4,141

Fees vary when occupied by one or two persons.
Fees vary according to size and location of unit.

Nursing Care – Skilled Nursing and Short Term Rehabilitation:

Daily Fee	Skilled and Subacute
As of January 2026,	$500 – $525

Fees vary according to size of unit / privacy of unit

II. BACKGROUND OF PROVIDER

Simpson House (incorporated as Simpson House, Inc.) is a not for profit continuing care retirement community formed in 1865. Simpson House is a tax-exempt 501 (c) (3) corporation that offers personal care, long-term residential living, and nursing care. Depending upon the availability of a bed, short-term residential living and health care may be offered on a per diem rate.

III. BOARD OF DIRECTORS

The Board of Directors of Simpson House serve on a volunteer basis and receives no remuneration for their activities related to Simpson House. The names and addresses of the directors of Simpson House are attached as Exhibit 1.

IV. EXECUTIVE DIRECTOR

The operation of Simpson House is the responsibility of the Executive Director. The individual currently holding this position is Richard Coyle. The Executive Director serves under the direction of the Chief Operations Officer of Simpson Senior Services.

V. AFFILIATION

Simpson House is a subsidiary of Simpson Senior Services, which is a separate non-profit corporation formed in 1998.

Simpson House is affiliated with the Eastern Pennsylvania Conference of the United Methodist Church. This affiliation is historical and missional only. The United Methodist Church and the Eastern Pennsylvania Conference of the United Methodist Church have no financial responsibility for the operation of Simpson House.

Membership in the Pennsylvania Non-Profit Homes for the Aging, the United Methodist Association of Health and Welfare Ministries Association, and the American Association of Homes and Services for the Aging, enables Simpson House to keep informed on state, federal, church and legal issues.

VI. DESCRIPTION OF FACILITY

Simpson House is located on approximately 5 acres of land, in an urban metropolitan area of Philadelphia, overlooking Fairmount Park. The types of residential living accommodations available include studio apartments, one bedroom with one bathroom, two bedrooms with one bathroom, and two bedrooms with two bathrooms. A number of accommodations contain small kitchenettes, however all meals are available in the central dining facilities.

Five buildings connected on the Ground and 1st Floors, while Cornerstone and Olde Main are connected on the Ground, 1st and 2nd Floors.

a) *Olde Main Building* – 73 Residential Living accommodations, activity areas, chapel, fitness area, and office space.
b) *Cornerstone Building* – 37 Residential Living accommodations, activity areas, and bistro dining area.
c) *Carson Building* – 35 Personal Care accommodations and Residential Living accommodations, studio and one-bedroom units with private baths.
d) *Flanagan Building* – A 102 bed health care center and 19 personal care units named Wesley Commons.
e) The *Barnes Building* – houses the kitchen area, independent living formal dining area, large meeting room, and employee cafeteria.

VII. SERVICES PROVIDED

Included in present contract:

- Use of living accommodation
- Satellite television
- Emergency call system
- Heating and cooling (in apartments)
- Insurance of the building
- Laundering of bed linens
- Licensed nurse to assess medical problems (initial visit)
- Limited local transportation for scheduled activities
- Maintenance of grounds
- Periodic housekeeping
- Priority admission to any other level of care, as space is available
- Repair, maintenance, and replacement of property and equipment provided by community
- Telephone (basic service)
- Meal Plan
- Use of common facilities, such as dining rooms, lobbies, chapel, library, social and recreational facilities, washers/dryers and other public facilities
- Water, sewage disposal, and trash collection
- Technology Concierge

Available at extra cost:

- Beauty and barber shop services
- Dental Services
- Lodging and meals for guests when available
- Medical supplies
- Physician services
- Physical, speech, and occupational therapy
- Podiatrist
- Prescription and over-the-counter drugs
- Individual scheduled transportation
- Skilled or intermediate nursing care on a space-available basis

VIII. FEES AND CHARGES

Individuals entering Simpson House residential living or personal care units are required to pay an entrance fee and subsequent monthly charges. Following is the current fee schedule for a basic unit, without optional features. (Exhibits 2A and 2B)

IX. ADJUSTMENT TO MONTHLY SERVICE FEES

Simpson House may, from time to time, adjust the daily rates for residential and personal care units and health care. The changes in rates are based upon increased costs of maintaining the quality of service Simpson House has undertaken to provide to residents. The increased operating costs are fully disclosed to the residents at least 30 days prior to the time such monthly increases become effective.

X. AVERAGE CHANGE IN MONTHLY SERVICE FEES

Exhibit 3 contains tables showing the frequency and average dollar amount of each increase in monthly rates at Simpson House for the previous five years.

XI. ADMINISTRATIVE PROCESSING FEE

When a prospective resident makes application to Simpson House, a non-refundable administrative processing fee of $200 per person is required for placement on the waiting list for residential living accommodations. When a specific unit is reserved, the resident must make a deposit of 10% of the Entrance Fee or $5,000. Couples applying for double occupancy in an apartment pay only one deposit.

XII. RESIDENTIAL ADMISSION AGREEMENT

A copy of the Agreement, which must be signed by every resident upon entrance to Simpson House is attached as Exhibit 4.

XIII. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Financial statements for the two most recent fiscal years are attached as Exhibit 5.

Exhibit 2A

SIMPSON HOUSE
INDEPENDENT LIVING

Services and Benefits

Simpson House is a full service Continuing Care Retirement Community with a wide range of services and conveniences available to our residents as part of the monthly fee or on an as needed or requested basis. Simpson House's historic structure offers architectural beauty and detail in comfortable modern apartments within three connected buildings. Apartments are available in then styles from studio through two bedrooms with kitchens in some apartments.

The Monthly Rental Fee Includes the Following:

- Utilities: Water, heat, air conditioning, basic telephone service, basic cable television and electricity
- Meals: Several meal plans (choose from two dining rooms)
- 24 Hour Emergency Care and Security: 24 hour emergency response service, smoke detector and fire alarm system, 24 hour security
- Housekeeping: Housekeeping provided biweekly
- Laundry: Towels and linens are laundered weekly (free washers and dryers on each floor for personal laundry)
- Activities: Full time program coordinator schedules recreational, cultural, and social activities
- Transportation: Scheduled group transportation to shopping and outside events, secured off street parking for residents
- Maintenance: Repair and replacement of Simpson House's appliances and equipment in residential apartments and common areas
- Common Facilities: Use of lounges, library, areas designated for recreation, and dining facilities.
- Staff: A carefully trained staff that gives each resident the fullest sense of dignity, independence and security

There are entry fees and maintenance fees for all residential programs at Simpson House. Entry fees are paid at the time of move-in. The traditional entry fee is refundable for a limited time. The additional monthly fee for a second resident in any unit is $802.

Fee Schedule

Apartment Style	Traditional Entry Fee Olde Main Building	Monthly Fee Olde Main Building	Traditional Entry Fee Cornerstone Building	Monthly Fee Cornerstone Building
Modern Studio	$22,000	$2,835	N/A	N/A
One Bedroom	$58,000 - $86,500	$3,158 - $3,3772	$163,000 - $208,000	$3,837 - $4,189
Two Bedroom	$98,000 - $110,000	$3,921- $4,141	$256,500 - $373,000	$4,474 - $4,744

Exhibit 2B

SIMPSON HOUSE
PERSONAL CARE UNITS

Wesley Commons and Carson Building

Our Personal Care units are designated for those persons who have some degree of independence but may require supervision, may have limited ambulation, or may need regular assistance with some of the activities of daily living such as bathing, grooming, and medication management. Our Personal care staff is trained to provide individualized supportive care, while encouraging the highest level of independence possible within guidelines.

Two separate neighborhoods have been developed at Simpson House as Personal Care communities for residents to share in the ambience and life of a residential setting. Common dining areas and organized group activities are provided in a community environment. The Wellness Center and many other amenities of Simpson House are available to residents under one roof.

Basic Services and Benefits

Simpson House is a full-service community. Residents living in the Wesley Commons or Carson Building area pay a daily fee that includes the following basic services:

Three meals per day	Assistance with personal hygiene
Assistance with medication	Schedule and appointment reminders
Oversight and supervision	Social and leisure activities
Group transportation	Utilities
Laundry: personal, linens, and towels	Use of community common facilities

Rate Schedule

Unit Type	Location	Community Fee	Monthly Rate
Studio with Full Bath	Wesley Commons/ Carson	$5,000	$5,670 - $7,440
Large Studio with Full Bath	Wesley Commons/ Carson	$5,000	$6,900- $8,790
Memory Care Studio with Full Bath	Carson	$5,000	10,290-11,700

Exhibit 2C

SIMPSON HOUSE
FLANAGAN HEALTH AND REHABILITATION CENTER

Our Skilled Nursing Care program is open to residents and non-residents of the Simpson House community. Skilled Nursing Care is designated for those persons who require short stays for rehabilitation or longer stays for those who can no longer function independently. Our Skilled Nursing Care staff is specially trained to provide individualized nursing care, while encouraging the highest level of independence possible. Our Nursing units are staffed well above state mandated requirements as we strive to serve the healthcare needs of our growing retirement community.

Our Skilled Nursing Care facility is approved for Medicare, Medical Assistance, Blue Cross, OPTUM, and Hospice residents.

Benefits and Services

Simpson House is a full service retirement community. Residents in the Skilled Nursing Care program pay a per diem rate, which includes the following services:

Nursing care	Housekeeping
Therapeutic recreational activities	Social Services
Religious Services	Utilities
Security	Linens and towels
Medication administration	Meals

Each room includes draperies, basic cable television hookup, emergency call button, individually controlled heating and air conditioning and full bath.

Rate Schedule

Care Level	Room Type	Daily Rate
Skilled	Semi-Private	$500.00
Skilled	Divided Double	$510.00
Skilled	Private	$525.00

SIMPSON

Trusted Since1865

SIMPSON
BOARD OF DIRECTORS
2026

OKENQUIST, Meredith, Chair
Female, Caucasian, HR Specialist

GOLLAPALLI, Michelle, Past Chair
Female, Indian, EVP and
Chief Dav.Officer

BRUTON, Ben, Treasurer
Male, Caucasian, Finance
Class: 2028, First Term

DUROSEAU, Alain
Male, African American, VP Client Services
Class: 2026 First Term

STANFORD, Marcia
Female, African American, Corporate Nurse
Class: 2026; First Term

DIMAGGIO, John, Vice Chair
Male, Caucasian, President/CEO

LOVE, Dalinda, Secretary
Female, African American, Regional RN
Class: _2027; Second Term

MCKINLEY, Carol, President/CEO
Female, Caucasian

BALLENTINE, Paul
Male, Caucasian, Director
Class: 2027 First Term

SHARP, Michael
Male, Caucasian, Finance
Class: 2026, First Term

Effective January 1, 2026

SIMPSON HOUSE

A Simpson Community

CONTINUING CARE AGREEMENT

Revised 03/23/2026

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CONTINUING CARE AGREEMENT

This Agreement is made between _____, a Pennsylvania nonprofit corporation, hereinafter known as "Community" and _____ Here-in-after called "Resident." (Where two individuals sign this Agreement for Double Occupancy, they are called collectively "Co-Residents" where the context permits, and individually "Resident.")

1. RECITALS:

Community operates a retirement community; and,

Resident has applied for admission to Community; and,

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, Community and Resident agree as follows:

2. DEFINITION OF WORDS AND PHRASES:

ADDITIONAL OCCUPANT: An individual who, after Resident takes Occupancy, applies and is accepted for admission to Community to occupy a residential unit.

AGREEMENT: This Residency Agreement.

APPLICATION PROCESSING FEE: The non-refundable amount paid for processing of the application for admission to Community.

COMMUNITY: Comprises the following components subject to the community in which you reside: Independent Living, Assisted Living, Personal Care, Memory Care, and Nursing/Skilled Care.

CONDITIONS OF OCCUPANCY: The health, safety, and related requirements for continued Occupancy of the residential unit.

CO-RESIDENT: One of two people who sign the Agreement as Resident to occupy one residential unit.

CONTINUUM OF CARE: This refers to the services available at the Community which may or may not include Nursing Care/Skilled Care, Personal Care/Assisted Living, or Memory Care.

DESIGNATED OCCUPANCY DATE: The date specified in the Agreement on which Resident must accept Occupancy of the residential unit, if available, and on which the Monthly Fee becomes due and payable.

DOUBLE OCCUPANCY: Two individuals occupying a residential unit.

ENTRANCE FEE: The initial payment for Occupancy of a residential unit.

LIVING ACCOMMODATION: The unit in which the resident(s) resides at any time within the overall community (i.e., independent living, assisted living, personal care, memory care, or nursing home/skilled care) provided by Community for Occupancy by Resident.

MONTHLY SERVICE FEE: The monthly charge for Occupancy of an independent living, nursing home/skilled care, personal care, assisted living, or memory care.

OCCUPANCY: The right to use the Living Accommodation or the actual physical occupancy of the Living Accommodation.

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

REFUNDABLE ENTRANCE FEE DECLINING BALANCE: The proceeds of all refunds due from the resale of Resident's Home are established as the Refundable Entrance Fee Declining Balance. These are utilized to pay any monthly outstanding charges if Resident's financial resources become depleted. The refundable entry fee can be utilized for expenses incurred by Resident for personal care, assisted living, memory care and/or skilled nursing care services at Community before applying for Benevolent Care.

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

SINGLE OCCUPANCY: One individual occupying a residential unit.

SURRENDER: To cease to occupy the Living Accommodation, to remove all possessions from it, to turn in all keys for it, and return the emergency pendant if applicable.

TERMINATION: The end of the Resident's right of Occupancy of the Living Accommodation.

3. **APPLICATION PROCESSING, RESERVATION, AND MONTHLY FEES**

a. Application Processing Fee.

Resident shall pay to Community the sum of $____ as a non-refundable Application Processing Fee. The Application Processing Fee shall be paid at the time of submitting the application for admission.

b. Entrance Fee.

Resident agrees to pay the Community an Entrance Fee of $_____.

Payment Shall be Made in the Following Manner:

Resident agrees to pay Ten Percent (10%) of the Total Entrance Fee _____ upon execution of this Agreement and the balance of the Total Entrance Fee, $_____, is to be paid on or before the Date of Occupancy, but in no event later than thirty (30) days following the date upon which Resident's Living Accommodation is available for Occupancy, unless this time is extended in writing by Community. Amortization of entrance fee starts upon the receival of the balance of the entrance fee payment and receival of keys.

Amortization/Refundable Schedule Addendum reflects:

_____Traditional 2 years (Simpson House)
_____Traditional 4 years (Simpson House, Simpson Meadows)
_____ 50% Amortization (Jenner's Pond)
_____ 90% Refundable (Simpson Meadows)

c. **Failure to Occupy.**

If Resident fails to move into the Living Accommodation within thirty (30) days of the date the Living Accommodation is available for occupancy, or any extensions approved in Community's sole discretion, Community will refund the Resident's entrance fee deposits, without interest, minus the costs of any modifications specifically incurred in preparing Resident's apartment and the cost to restore that apartment to its original condition, within ninety (90) days. This Agreement shall then be considered null and void with no further obligation on either party.

d. **Monthly Service Fee.**

Resident shall pay to Community a Monthly Service Fee of $_____, which will be invoiced monthly for Occupancy of the residential unit.

e. **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 community, the remaining Co-Resident shall be responsible for payment of the applicable Monthly Fee and any other charges.

f. **Payment and Due Date.**

Payment of the first Monthly Service Fee is due on the Designated Occupancy Date. The Monthly Service Fee shall be pro-rated if Resident assumes Occupancy after the first of the month. Community shall mail, on or about the first business day of the month, a monthly invoice. The monthly invoice is payable by the 10th of each month. If the monthly invoice is not paid within thirty (30) days, then, Community may elect to exercise its available rights and remedies under this Agreement, including Termination.

g. **Adjustments to Monthly Service Fee.**

The Monthly Service Fee is adjusted annually and may be adjusted from time to time. Community will provide at least thirty (30) days advance written notice of any changes in the Monthly Service Fee.

h. **Other Charges.**

The monthly invoice shall reflect all other charges for routine personal or nursing care and for miscellaneous, ancillary, and other health and related services in addition to the Monthly Service Fee. Payment for all other charges also is due upon receipt of the monthly invoice.

i. **Service Charge for Late Payment.**

A service charge of one and one-half percent (1.5%) per month will be added to amounts past due more than thirty (30) days. Resident is obligated to pay all actual attorney fees and costs incurred relative to the collection of any amounts past due in excess of ninety (90) days.

j. **Disclosure of Financial Information.**

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

k. **Statement Regarding Services and Term of Agreement**

Beginning with the date on which the Resident moves in and occupies one of the Independent Living Units, the community will furnish the Resident with the Independent Living Unit designated under this Agreement, together with all the facilities and services specified in this Agreement, until the termination of this Agreement. The agreement does not terminate until the resident is no longer a resident of the Community residing in a Living Accommodation as defined in this contract.

l. **Right to Make Final Decision**

The Community reserves the right to make the final decision on acceptance, terms of acceptance, placement, or dismissal of any resident.

m. **Non-Transferable**

The rights and privileges of the Resident under this Agreement are personal to the Resident and cannot be transferred or assigned by act of the Resident, or by a proceeding of law, or otherwise. If any person, other than the person(s) who has signed this Agreement commences to live in the Resident's Home without following the procedures established by Community, Community shall have the right to terminate this Agreement.

4. LIVING ACCOMMODATIONS

a. **Living Accommodations**

The Resident will have the right to occupy and use the assigned Living Accommodation, subject to the provisions for change in accommodations set forth below. Community provides certain permanent fixtures according to the assigned living unit. Furnishings not provided by the Community shall be provided by the Resident and shall remain Resident's personal property.

b. Alteration of Living Space

Redecoration, structural changes, or alterations of Living Accommodations, in addition to or other than that scheduled by Community, requires the approval of Community, must use the recommended vendors of the community, and is at the Resident's expense. Resident is responsible for the preventative maintenance and repair of these upgrades during their tenure in the living accommodation. Community retains the right to periodically inspect any upgrades made by the Resident to ensure that these upgrades continue to adhere to Community standards. Any change or replacement by Resident of Community's furnishings in the Living Accommodation becomes the property of Community unless specified in writing by Community. Upon vacating, the Resident may be responsible for restoring the Unit to its original condition based on the unit's marketability. This is through a deduction of the refundable portion of the entry fee.

c. Use of Additional or Replacement Locks.

Resident shall not install additional locks on any doors or windows of the Living Accommodation. Upon Termination, Resident shall surrender all keys to the Living Accommodation and locks to Community.

d. Community's Right to Enter Living Accommodation

Community acknowledges the Resident's right to privacy and its responsibility not to enter the Living Accommodation except under certain circumstances. The Resident acknowledges that authorized personnel of Community have a limited right to enter the Resident's Living Accommodation to carry out the purpose and intent of this Agreement. This right of entry shall include, but is not limited to, entry for the purposes of: (a) response to the medical alert system; (b) response to the fire alarm system; (c) entry by authorized personnel if the Resident is reported missing or has not responded to repeated calls; (d) scheduled or emergency maintenance; (e) where prior approval of Resident has been given; (f) for services authorized by the Resident; and (g) an emergency, or perceived emergency, which threatens the health or safety of Resident or others or which may result in damages to the premises.

e. Guests

Resident may entertain and accommodate guests in his or her Living Accommodation, but no one other than the Resident shall have a right of occupancy in Living Accommodation without the consent of Community. Please refer to the Resident Handbook for policies related to Guests.

5. COMMON AREAS

The Resident, in common with other residents of Community, may use the dining rooms, social and recreational areas, and other common areas in accordance with the policies governing the reservation and use of common facilities. Please review Resident Handbook.

a. Use of Space

Resident may not utilize the Living Accommodation or Common Areas to engage in a trade, business or other occupation unless approved by Community in writing. Additionally, no solicitation is allowed on premises at any time.

6. INSURANCE

To ensure proper protection for the Resident and the Community, the Resident is required to maintain the following types of insurance coverage, if applicable.

Auto Insurance - coverage is required by the Commonwealth of Pennsylvania
Renter's Insurance
Medical and Surgical Insurance (Medicare A, B, D; or equivalent insurance policy)

Community carries casualty and liability insurance on the Community buildings. It is the Resident's responsibility to cover the contents of his/her Independent Living Unit with Renter's Insurance, including adequate liability coverage. If Resident fails to maintain coverage, Community reserves the right to terminate this Agreement.

Community shall not be responsible for the loss of any personal property belonging to the Resident due to theft, fire, or any other cause. Any loss or damage to the real and/or personal property of Community caused by the negligence of the Resident shall be paid for by the Resident's Insurance.

7. SERVICES

a. Dining

Residents are required to choose a meal plan. The Community offers a variety of meal plans and dining venues. Available meal plans are described in the Resident Handbook Meal Addendum, along with requirements of participation.

Meal Plans are billed monthly on the monthly service invoice. Additional meals outside of the selected meal plan will be billed to the Resident on the monthly service invoice.

Residents may change meal plans as described in the Resident Handbook

Addendum.

The monthly amount for the food portion of the programs may be increased or decreased periodically in accordance with the guidelines stated under the Monthly Service Fee, Section 3.7 of this Agreement.

b. Basic Utilities

The following utilities/services are included in your monthly service fee: water, sewer, snow removal, lawn care, and trash removal at the designated location.

Other utilities are the responsibility of the resident unless noted in the Resident Handbook.

c. Housekeeping

Community will be responsible for the housekeeping in all community's common areas; however, it is the Resident's responsibility to maintain the Living Accommodation in a clean, sanitary condition and to perform light housekeeping tasks.
Please refer to your handbook about additional housekeeping services offered.

Cleaning services through an outside cleaning agency are not permitted without the appropriate Community administration permissions and insurance coverages. Please request policy on this from Community.

d. Maintenance

Community will be responsible for all necessary repairs, maintenance, and replacement of property and equipment owned by Community as part of the Monthly Service Fee. The Resident will be responsible for his/her own personal property (i.e., self-owned appliances and furniture, etc.). Only Community approved contractors or maintenance staff will be allowed to make physical changes to the cottage or apartment. The Resident may request to have his or her Living Accommodation re-painted or re-carpeted at the expense of the Resident per the annual rate schedule.

e. Transportation

Community will provide scheduled transportation, as part of the Monthly Service Fee, for nearby shopping, services, and medical appointments in accordance with the Resident Handbook.

f. **Parking**

To park in designated resident areas, Resident must own a vehicle, possess a valid driver's license, register that vehicle with Community and provide proof of liability insurance coverage for that vehicle. Guest or additional vehicle parking is available in accordance with the Resident Handbook. Community reserves the right to reassign parking spaces (if applicable).

g. **Operation of Motor Vehicles, Electric Carts, and Power Operated Vehicles.**

Resident's use of any powered vehicle is subject to Community's rules and policies. Community reserves the right to revoke Resident's operating and parking on Community's property if the Resident does not abide by the applicable rules and policies.

h. **Social Events and Activities**

The Community, in its discretion, shall provide recreational, cultural, religious, educational, and social services. Access to, participation in, and fees, if any, associated with activities are governed by Community policy, which is subject to change from time to time.

i. **Changes in Services or the Delivery of Services**

Community reserves the right to add or reduce services and will provide thirty (30) days' advance notice of any changes in services. Community also reserves the right to unbundle services currently included in the Monthly Fee, to alter the Monthly Fee accordingly and to charge a separate fee for the unbundled services. Community will provide thirty (30) days' advance notice of any unbundling of services.

8. PETS

Residents are permitted to have pets in accordance with the conditions established by the Community. Community may require Resident to remove the pet from Community if a Resident's pet becomes a nuisance or a hazard. If the Resident refuses to remove the pet, Community reserves the right to require Resident to terminate the Resident Agreement.

9. SMOKING POLICY.

Community is a tobacco-free campus. There is no smoking or vaping allowed anywhere inside the building or on campus.

10. CONTINNUUM OF CARE

a. Access to the Continuum of Care

Community offers a Continuum of Care which may include skilled nursing, assisted living, memory care or personal care services. Residents of Independent Living will have priority access to the Continuum of Care so long as they meet the financial and all other criteria for admission. All costs for these services will be borne by the Resident.

Community will exercise its best efforts to accommodate the Resident's level of care needs; however, there is no guarantee that space will be immediately available in the Continuum of Care at such time as the Resident may require them. If the Resident requires prompt access to a nursing care bed or an assisted living suite within Community and no space is available, then the Resident may be transferred to an outside facility until such time as a nursing bed or assisted living suite within Community becomes available. When residing in an outside nursing/memory care/assisted living facility/personal care facility, the Resident will pay directly to that facility the per diem charge for the Resident's care and services.

The Resident agrees that he/she will cooperate with Community Staff in securing reimbursement should governmental programs or Resident's insurance cover any portion of the nursing/assisted living services/memory care/personal care services provided by Community.

b. Private Duty Nursing or Companion Services in the Home

Subject to the approval of the Community, Resident may utilize the services of private duty nurses or companions within the policies established by the Community. Please request this policy from the administration.

c. Limitations on Care

Community is not equipped to care for persons who are afflicted with uncontrolled or untreated mental illness resulting in behavior that is dangerous to self and/or others, active alcohol, or drug abuse, or who require specialized psychiatric care or other specialized care services not authorized or permitted under the applicable licensure regulations. If the Staff of Community, in consultation with the Resident's physician, spouse, and family, determines that the Resident's behaviors, conduct, actions or omissions are such that the continued presence of the Resident is either dangerous or detrimental to the life, health or safety of the Resident or other residents, or the peaceful enjoyment of Community by other residents, Community may transfer the Resident to an appropriate outside care facility. This determination shall be a good faith

determination, in writing, and signed by Community's Medical Director and Executive Director. The Resident shall be obligated to pay the charges for transfer to and occupancy of any outside care facility. The Resident, upon transfer, shall be entitled to a refund of the Entrance Payment as outlined in the section entitled "Refund" Section 14.

11. COST OF SERVICES WITHIN THE CONTINUUM

a. Daily Rate

The Daily Rate is specific to each area of service as established and amended from time to time.

b. Routine Services

Residents shall pay the Daily Rate set forth in Community's Rate Schedule for routine continuum services owned and operated by Community. A description of the routine services covered by and included in the Daily Rate and ancillary services not covered by or included in the Daily Rate is contained in Community's Rate Schedule, which is subject to change from time to time. Community reserves the right to determine, from time to time, the scope and extent of services provided in the facilities. To the extent that Community provides any specialized, non-routine nursing care services for higher acuity levels of care, those services shall be provided at an additional charge over and above the Daily Rate. Additionally, Resident shall pay all costs and charges for care in any outside personal care, memory care, assisted living or nursing care facility to which Resident may be transferred because of insufficient space in Community's facility or because Resident is unable to meet criteria for admission to Community's facilities.

c. Temporary Transfer Costs

In the case of Single Occupancy, during a temporary transfer to any of the continuum of services Resident shall continue to pay the then current applicable Monthly Service Fee for the independent living unit or to reserve it. Upon the permanent transfer of Resident to any of the continuum of services and Surrender of the independent living unit, the obligation to pay the Monthly Service Fee shall cease. In the case of Double Occupancy, Co-Residents shall continue to pay the then current applicable Monthly Fee for Co-Resident's continued Occupancy of the independent unit or to reserve the unit. Upon the permanent transfer of both Co-Residents to personal, assisted living, memory care or nursing care facilities and Surrender of the independent living unit, the obligation to pay the Monthly Service Fee shall cease.

d. Relinquishment Due to Permanent Transfer.

Should Resident refuse or fail to surrender his or her Independent Living Unit when it has been determined that the transfer is permanent, the Resident will be responsible for both the Monthly Service Fee for the Independent Living Unit which has not been surrendered and the Monthly Service Fee for the new accommodation.

e. Hospitalization or Special Service Facility Care.

Community does not provide hospital or acute care. Community will arrange for the transfer of Resident to a hospital or other Special Service Facility on order of a physician. The charges for ambulance or emergency transportation for transfer to a hospital or other Special Service Facility and the charges of such care are not covered by this Agreement and shall be the responsibility of Resident.

f. Accident or Illness Away from Community.

In the event Resident suffers an accident or illness while away from 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 must be used for payment for such services.

g. Limitation on Resident's Liability.

If a health care provider seeks payment from Resident for health care services which are the responsibility of Community to pay under this Agreement, then Community shall hold Resident harmless from all loss or liability arising from such claims for payment.

12. CONTINUUM OF CARE TRANSFERS OR TRANSFER TO AN OUTSIDE FACILITY.

a. Conditions of Occupancy.

Resident shall have the right to occupy the independent accommodation for so long as Resident satisfies requirements of Community as reflected in its rules, regulations, policies, and procedures.

12.2 **Transfer to Community's Continuum of Care**

Current residents of this campus shall receive priority consideration if a need arises for transfer to the facilities offered in the continuum of care. This consideration does not imply a guarantee of admission to these facilities. Community may transfer Resident from and between the independent living unit and continuum of care, or any other appropriate care facility if Community or Resident's attending physician determines that Resident is unable to satisfy the Conditions of this Agreement, or if Community determines that such a move should be made for the proper operation of Community, to comply with regulations of the Pennsylvania Department of Public Welfare, the Pennsylvania Department of Human Services, the Pennsylvania Department of Health, regulations of the local fire department, or any other duly constituted authorities or agencies, or otherwise to meet the requirements of law.

b. Transfer to Outside Facility.

In the event that Community determines that Resident's physical or mental health has deteriorated to the degree that Resident's presence in Community is detrimental to Resident or to the health, safety, or peace of other residents, or if Resident is unable to meet the admission criteria for Community's Continuum of Care, Community may transfer Resident to a hospital, a Special Service Facility, or other outside appropriate health care provider.

c. Temporary or Permanent Nature of Transfer.

The decision as to whether a transfer shall be deemed temporary or permanent shall be made by Community in its sole discretion. 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 Community. Community's decision regarding the temporary or permanent nature of any transfer may be made prior to the lapse of thirty (30) days from the date of transfer or at any other time deemed appropriate by Community. If Community determines that the transfer will be permanent, Resident shall surrender the independent living unit (if not occupied by a Co-resident) and remove all personal possessions from it within thirty (30) days of notice of Community's decision.

13. TERMINATION OF AGREEMENT.

a. Termination by Resident.

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 Community. All payments except the non-refundable Application Processing Fee shall be refunded to Resident.

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 Community prior to Occupancy. Any refund due to Resident shall be paid in accordance with the refund provisions at Section 14 of this Agreement.

After Occupancy.
After Occupancy, Resident may terminate this Agreement by delivery of written notice to Community at least sixty (60) days prior to termination, and by Surrender of the independent living unit. Termination shall be effective after the lapse of the sixty (60) day notice period and Surrender of the independent living unit. Any refund due to Resident shall be paid in accordance with the refund provisions in Section 14 of this Agreement.

b. Termination by Community.

Prior to Occupancy.
Community may terminate this Agreement at any time prior to Occupancy by providing written notice to Resident prior to the Designated Occupancy Date for failure of Resident to satisfy the Conditions of the Agreement or other use, or if for whatever reason, Community elects to discontinue operations. Any refund due to Resident shall be paid in accordance with the refund provisions located in Section 14 of this Agreement.

After Occupancy.
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. Just cause may include, among other reasons, a default in payment, the submission of any material false information in the application documents, the failure of Resident to abide by 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 by Community that continued Occupancy in the independent living unit by Resident creates a serious threat or danger to the life,

health, or safety of Resident or the life, health, safety or peaceful enjoyment of other residents or persons in Community. In situations where continued Occupancy threatens the life, health, or safety of Resident or the life, health, safety, or peaceful enjoyment of other residents, only such notice as is reasonably practicable under the circumstances will be provided to Resident or Resident's representative, and termination may be effective immediately. The refund provisions in Section 14 of this Agreement shall apply to termination for just cause in the same manner as those provisions would apply to any other termination.

c. **Termination by Death.**

Following the death of Resident, this Agreement shall terminate when the independent living unit has been surrendered to the Community. In situations of Double Occupancy, the death of one Co-Resident, either before or after Occupancy, shall not terminate this Agreement.

d. **Surrender of the Independent Living Unit.**

The obligation to pay the Monthly Service Fee shall continue until the Independent Living Unit has been surrendered by Resident, or in the case of death, by the estate or family of Resident. Surrender of the Independent Living Unit shall be complete when Resident has ceased to occupy it, has removed all possessions from it, the Community has inspected it, the emergency pendant has been handed back (if applicable), and the keys have been turned over to Community.

e. **Further Obligations and Release upon Termination.**

Upon termination of this Agreement, Community is released from any further obligations to Resident or Resident's estate except for the payment of any refund that may become due. Resident or Resident's estate is released from any further obligations to Community except for the obligation to pay any sums due under the agreement, including any indemnification obligations and payment of the Monthly Service Fee up to the date of Surrender of the Independent Living Unit.

14. REFUNDS

a. **Conditions for Payment**

Community will pay the refundable portion of the refund to which Resident is entitled under the Agreement as follows: (1) only after Resident's Independent Living Unit has been re-occupied by another resident and the Entrance Fee for the reoccupied Independent Living Unit has been paid in full, (2) Resident's vacated Independent Living Unit is re-occupied by a then current resident of Community by an internal transfer, then only at such time as Community receives an Entrance Fee in full for the home vacated by the transferring resident

shall any refund be due and payable. As long as Resident or in the case of double occupancy, both Residents, continue to reside anywhere within Community, including assisted living, personal care, memory care or skilled nursing care, no refund shall be due and no refund shall be paid until Resident's death, permanent transfer, discharge or voluntary departure from Community, or in situations of double occupancy, the death, permanent transfer, discharge or voluntary departure of both Residents from Community, and the termination of the Agreement. Any applicable refund shall be paid within ninety (90) days thereafter. Any unpaid fees or expenses will be deducted from the refund

b. Refundable Entrance Fee Declining Balance

The proceeds of all refunds due from the resale of Resident's Independent Living Unit will be established as the Refundable Entrance Fee Declining Balance. Upon depletion of Resident's resources, Community shall apply the Refundable Entrance Fee Declining Balance to pay any monthly outstanding charges incurred by Resident for personal care, assisted living, memory care and/or skilled nursing care services at Community until the Agreement is terminated due to Resident's death, permanent transfer, discharge or voluntary departure from Community, or until it is exhausted. Any portion of the Refundable Entrance Fee Declining Balance remaining upon the termination of the Agreement will become available as a refund. The refund, if applicable, will be paid in accordance with Section 14 of this agreement. Resident shall be required to utilize the entire Refundable Entrance Fee Declining Balance before applying for benevolent care as provided in Section 19 of the Agreement.

c. Accrual of Interest.

Except as provided herein, no interest will accrue to the benefit of Resident or Resident's estate on any amount required to be refunded under the Agreement and no interest will be paid on termination. If any applicable refund is not paid within ninety (90) days as provided above, then interest shall accrue at the annual prevailing rate on the applicable refund beginning on the ninety-first (91st) day and continuing until the applicable refund is paid

d. Recipient of Refund.

If there is a single signatory to this Agreement as Resident, then the refund will be made to the Resident or to the authorized representative of the Resident's estate. If there are two signatories to this Agreement as Resident, then the refund will be made one half to each Co-Resident if both are living at the time the refund becomes due, to the surviving Co-Resident if only one is living at the time

the refund becomes due, or one-half to the authorized representative of the estate of each Co-Resident if both Residents die simultaneously.

If the refund is to be managed differently than described above, Resident must put the requirement in writing with the appropriate signatures that designate agreement. This must be provided by the Resident at time of admission to Community.

If no instructions are provided, Community will defer to Section 14.4.

15. OPTIONAL MOVES TO ANOTHER RESIDENTIAL UNIT.

a. Requests After Occupancy.

After Occupancy, Resident may request to move to another independent living unit, if and when another independent living unit becomes available, in accordance with the terms and conditions set forth in this section and the policies established by Community regarding such moves, which policies are subject to change from time to time. Any request to move to another independent living unit shall be submitted in writing. All transfers between independent living units must be approved by Community. Resident shall be responsible for and shall pay the expenses associated with moving Resident's personal property.

b. Cost of Election to Move.

If a Resident desires to move to another independent living unit, entrance fee of the new unit must be paid in advance of the move. Resident is responsible for paying for any upgrades to the new unit that are beyond the standard unit selections. Payment for upgrades is expected prior to upgrades being initiated.

When resident's previous independent living unit is sold, resident will be provided with the refundable portion of the entry fee as noted in Section 14.

Resident is required to sign a new contract with entry fee paid, new monthly service fee, and any other costs associated with the transfer. The amortization period remains from the occupancy date of the initial agreement.

16. MARRIAGE AND/OR ADDITIONAL OCCUPANTS.

a. To a Non-Resident.

In the event Resident marries, the spouse must meet residency requirements then in effect. If the spouse does not meet the then current requirements for residency, the spouse may not live in an Independent Living Unit for more than thirty (30) days nor receive services except with the express approval of Community. Resident may terminate this Agreement as provided in Section 13 should he/she so desire.

b. To Another Resident.

If Resident marries another Resident, the Resident giving up his/her Independent Living Unit shall receive a refund based upon the policy governing voluntary termination as provided in Section 14.

c. Divorce of Residents.

(a) In the event of couple divorce, the following options are available: If both choose to remain as Residents and therefore need separate Independent Living Units, the current Resident Agreement will be terminated. Each resident is required to financially qualify for Community. Upon approval, the new Residency Agreements will be executed. No refund will be given to either party. The previously paid entry fee amount will be applied equally to the new current entry fee of the selected independent living units, including if one chooses to remain in the current unit, unless otherwise stated in the divorce decree. The balance of the entry fees of both units must be paid in full at Date of Occupancy.

(b) If one party of the divorced couple desires to terminate his or her agreement and leave the Community, the Residency Agreement shall be automatically terminated. The remaining party may execute a new Residency Agreement at the Entrance Fee in effect at the time the original Residency Agreement was executed.

(c) If both divorced individuals choose to terminate their residency following a divorce, the refund provisions stated in Sections 14 will apply.

d. Two Unmarried Residents

(a) In the event two unrelated residents reside in an independent living unit and choose to separate, the options designated in Section 16.3 will apply.

(b) In the event an unrelated resident passes away prior to the other, the refundable portion of the entry fee follows the conditions of Section 14 (Refunds).

17. ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE.

a. Legal Guardian.

If Resident becomes incapacitated or unable to properly care for self or property, and no representative has been lawfully designated to act on behalf of Resident

or no lawfully designated representative is available or able to act on behalf of Resident, then Community shall have the option to institute legal proceedings to adjudge Resident incapacitated and have a guardian appointed for Resident's estate. Resident authorizes Community to nominate a legal guardian to serve subject to court approval, and Resident releases Community from any liability related to the nomination. All costs of such legal proceedings, including actual legal fees, shall be paid by Resident or the Resident's estate.

b. Funeral Arrangements.

The funeral director selected by Resident shall be provided in writing to Community. If Resident changes the name of the funeral director, Resident shall notify Community of the changes in writing.

18. ADVANCE DIRECTIVES

a. Power of Attorney.

Resident shall furnish Community, no later than the date of Occupancy, a durable, general power of attorney authorizing an individual or an institution to act on behalf of the Resident in the event of Resident's incapacity, including the authority to authorize medical treatment, executed by Resident which shall be maintained in the files of Community.

b. Living Will or Designation of Surrogate.

If Resident has executed an advance directive in the form of a living will or has designated another person as a surrogate relating to the provision of health care services in the event of terminal or other illnesses or conditions, Resident shall provide a copy of the living will or advance directive designating the Resident's surrogate and revisions or changes made to the document during Resident's Occupancy to Community.

19. CASUALTY LOSS.

In the event the residential unit occupied by Resident or the building in which the residential unit is located, is destroyed or is damaged by fire, weather or other casualty so as to render the residential unit generally unfit for Occupancy, the Community will endeavor in good faith to rebuild and replace the residential unit and/or building with substantially similar accommodations unless doing so would threaten the Community's financial viability. In the unlikely event that Community determines that rebuilding threatens its financial viability so as to preclude replacement of the residential unit or building, then the Community will strive to develop an alternative restoration plan in which it will exercise its best efforts to locate, identify or provide, if financially feasible as determined by Community, reasonable alternative accommodations for any resident affected by such a catastrophic loss. Community reserves the right to terminate this Agreement if it determines, in its sole discretion, that rebuilding is not financially feasible. If Community elects to terminate this Agreement, written notice of

termination shall be given to Resident as soon as is reasonably possible from the date of the damage to the independent accommodation. Any applicable refund due to Resident in accordance with this Agreement shall be paid to Resident in full within ninety (90) days of Community's receipt of any insurance proceeds. If notice of termination is not given within six (6) months, or if the damage does not render the Independent Living Accommodation unit unfit for Occupancy, Community shall be obligated to rebuild or repair the damage to the residential unit as soon as reasonably possible for Occupancy by Resident, and this Agreement shall remain effective unless the parties may otherwise mutually agree. There are no guarantees that the residential unit and/or the Community will appear the same as before the fire, weather, or other casualties. In the event Resident is unable to occupy the residential unit for any period of time during any reasonably necessary period of restoration of the residential unit, and a vacant residential unit is available for temporary Occupancy by Resident, then the Monthly Service Fee may be adjusted based on the vacant residential unit. If Resident resides in an alternative accommodation outside of the Community during any period of rebuilding, then this Agreement shall not terminate; however, the services and related provisions of this Agreement shall be suspended until Resident's return to the Community. Resident shall be responsible for all costs associated with the alternative accommodation. Payment of the applicable Monthly Service Fee shall resume upon Resident's return to the Community. Community shall not be liable for any damage, compensation, or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the residential unit, or the interruption in use of the residential unit, or the Termination of this Agreement by reason of the destruction of the residential unit or building due to fire, weather or other casualty.

20. SEVERABILITY.

If any provision of this Agreement is determined by a court, 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.

21. ACTS OF FORBEARANCE.

No act of forbearance of failure to insist upon prompt performance of any of the terms of this Agreement by Community shall be construed as a waiver of any of the rights granted to Community, or a limit on Community's ability to strictly enforce all the provisions of this Agreement.

22. ENTIRE AGREEMENT.

This Agreement along with any applicable addendum(s) constitute the entire Agreement between Community and Resident. Community shall not be responsible or liable for any statements, representations or promises made by any

person representing or purporting to represent Community, unless such statements, representations or promises are set forth in this Agreement. Any brochures, videos, advertisements, or other marketing publications describing 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 Community and executed by the parties.

23. INDEMNIFICATION.

The Community shall not be responsible or liable for, and Resident shall indemnify, defend and hold 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 negligent, reckless, intentional or other acts, conduct or omissions of Resident. Resident's indemnification obligation is payable on demand by Community.

24. GRIEVANCE PROCEDURE

a. **Reporting Complaints.**

If Resident believes that Resident is being mistreated in any way or Resident's rights have been or are being violated by staff or another resident, Resident shall make Resident's complaint known to Community. Resident must first notify Community of any such complaints and provide Community with sixty (60) days to resolve the complaint satisfactorily to Resident before pursuing mediation and/or arbitration.

b. **Voluntary Mediation.**

Mediation is a form of alternative dispute resolution whereby an impartial person facilitates communication between the parties. The goal of mediation is to resolve the dispute promptly, amicably, and without incurring significant time and expense. Mediations are non-binding in nature. This Agreement provides for voluntary mediation whereby the parties may, upon mutual agreement, engage in mediation before resorting to arbitration. If the parties mutually agree to mediate any dispute that may arise between them, then the mediation will be conducted at a site selected by Community, which shall be at the Community or at a site within a reasonable distance of the Community. If the parties are unable to resolve their dispute through mediation, then the dispute may only be resolved by arbitration as provided in this Agreement. If the parties do not mutually agree to mediate any dispute that may arise between them, then they may proceed directly to arbitration. The costs of the mediation shall be borne equally by each party, and each party shall be responsible for their own legal fees.

c. **Mandatory, Binding Arbitration.**

Arbitration is a specific process of dispute resolution utilized instead of the traditional

state or federal court system. Instead of a judge and/or jury determining the outcome of a dispute, a neutral third party ("Arbitrator(s)") chosen by the parties to this Agreement renders the decision, which is binding on both parties. An Arbitrator's decision is final and not open to appeal. The Arbitrator will hear both sides of the story and render a decision based on fairness, law, common sense, and the rules established by the Arbitration Association selected by the parties. When Arbitration is mandatory, as it is under this Agreement, it is the only legal process available to the parties. Mandatory Arbitration has been selected with the goal of reducing the time, formalities, and cost of utilizing the court system. Resident or, in the event of Resident's incapacity, Resident's authorized representative has the right to rescind this arbitration clause in accordance with the terms and conditions specified in this Agreement.

i. Contractual and/or Property Damage Disputes. Unless resolved or settled by mediation, any controversy, dispute, disagreement or claim of any kind or nature, arising from, or relating to this Agreement, or concerning any rights arising from or relating to an alleged breach of this Agreement, with the exception of (i) guardianship proceedings resulting from Resident's alleged incapacity; (ii) eviction proceedings initiated by Community; (iii) collection actions initiated by Community for non-payment of stay which results in a financial loss to Community; and (iv) disputes involving amounts in controversy of less than Twelve Thousand Dollars ($12,000), shall be settled exclusively by arbitration. This means that Resident will not be able to file a lawsuit in any court to resolve any disputes or claims that Resident may have against Community. It also means that Resident is relinquishing or giving up all rights that he/she may have to a jury trial to resolve any disputes or claims against Community. It also means that Community is giving up any rights it may have to a jury trial or bringing claims in a court against Resident. Subject to Section 20.3(f), the Arbitration shall be administered by ADR Options, Inc., in accordance with the ADR Options Rules of Procedure unless contract outlives ADR Options, Inc., at which time another Arbitrator will be determined. Judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. Resident acknowledges and understands that there will be no jury trial on any claim or dispute submitted to arbitration, and Resident relinquishes and gives up his/her right to a jury trial on any matter submitted to arbitration under this Agreement.

ii. Personal Injury or Medical Malpractice. Unless resolved or settled by mediation, any claim that Resident may have against Community for any personal injuries sustained by Resident arising from or relating to any alleged medical malpractice, inadequate care, or any other cause or reason while residing in the Community, shall be settled exclusively by arbitration. This means that Resident will not be able to file a lawsuit in

any court to bring any claims that Resident may have against Community for personal injuries incurred while residing in the Community. It also means that Resident is relinquishing or giving up all rights that Resident may have to a jury trial to litigate any claims for damages or losses allegedly incurred as a result of personal injuries sustained while residing in the Community. Subject to Section 20.3(f), the Arbitration shall be administered by ADR Options, Inc., in accordance with the ADR Options Rules of Procedure, unless contract outlives ADR Options, Inc., at which time another Arbitrator will be determined. Judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. Resident acknowledges and understands that there will be no jury trial on any claim or dispute submitted to arbitration, and Resident relinquishes and gives up his/her right to a jury trial on any claims for damages arising from personal injuries to Resident which are submitted to arbitration under this Agreement.

iii. Exclusion From Arbitration. Those disputes which have been excluded from mandatory arbitration (i.e., guardianship proceedings, eviction proceedings initiated by Community, collection actions initiated by Community, and disputes involving amounts in controversy of less than $12,000) may be resolved using the judicial system. In situations involving any of the matters excluded from mandatory arbitration, neither Resident nor Community is required to use the arbitration process. Any legal actions related to those matters may be filed and litigated in any court which may have jurisdiction over the dispute.

iv. Right to Legal Counsel. Resident has the right to be represented by legal counsel in any proceedings initiated under this arbitration provision. Because this arbitration provision addresses important legal rights, Community encourages and recommends that Resident obtain the advice and assistance of legal counsel to review the legal significance of this mandatory arbitration provision prior to signing this Agreement.

v. Location of Arbitration. The Arbitration will be conducted at a site selected by Community, which may be at the Community or at a site within a reasonable distance of the Community.

vi. Time Limitation for Arbitration. Any request for arbitration of a dispute must be requested and submitted to ADR Options, Inc., and/or its with notice to the other party, prior to the lapse of two (2) years from the date on which the event giving rise to the dispute occurred. ADR Options, Inc., is the designated arbitration agency that shall hear disputes specified in this Agreement. ADR Options, Inc., is an impartial alternative dispute resolution organization that provides a panel of neutral third-party

arbitrators from which Resident and Community, upon mutual agreement, select an arbitrator to facilitate dispute resolution. In the event ADR Options, Inc., is unable or unwilling to serve, then the request for Arbitration must be submitted to Community within thirty (30) days of receipt of notice or other determination of ADR Options, Inc.'s unwillingness or inability to serve as a neutral arbitrator. Community shall select an alternative neutral arbitration service within thirty (30) days thereafter and the selected Arbitration Agency's procedural rules shall apply to the arbitration proceeding. The failure to submit a request for Arbitration to ADR Options, Inc., or an alternate neutral arbitration service selected by Community, within the designated time (i.e., two (2) years) shall operate as a bar to any subsequent request for Arbitration, or for any claim for relief or a remedy, or to any action or legal proceeding of any kind or nature, and the parties will be forever barred from arbitrating or litigating a resolution to any such dispute. Contact information for ADR Options, Inc., is as follows:

Two Commerce Square, Suite 1100 2001 Market Street
Philadelphia, PA 19103-7044
Phone: (215) 564-1775/ (800) 364-6098
Fax: (215) 564-1822
Website: www.adroptions.com

vii. Allocation of Costs for Arbitration. The costs of the arbitration shall be borne equally by each party, and each party shall be responsible for their own legal fees.

viii. Limited Resident Right to Rescind this Mandatory Binding Arbitration Clause (Section 25.3 (a-k) of this Agreement). Resident or, in the event of Resident's incapacity, Resident's authorized representative has the right to rescind this arbitration clause by notifying Community in writing within thirty (30) days of the execution of this Agreement. Such notice must be sent via certified mail to the Community, and the notice must be post-marked within thirty (30) days of the execution of this Agreement. The notice may also be hand-delivered to the Community within the same thirty (30) day period. The filing of a claim in a court of law within the thirty (30) days provided for above will automatically rescind the arbitration clause without any further action by Resident or Resident's authorized representative.

ix. Not a Condition of Admission or Continued Stay. Mandatory arbitration is not required as a condition of admission or continued stay in the Community.

x. Confidentiality. Resident agrees that, at all times, Resident will keep any information regarding the arbitration proceeding, including rulings, decisions, and awards by the arbitrator, confidential and will not disclose voluntarily to any third party, except to the extent required by law. Resident is permitted to disclose that the matter has been resolved, without disclosing the results of the arbitration proceeding.

xi. Severability of Arbitration Clause (Section 20.3(a-k) of this Agreement). If any provision of this arbitration clause 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 arbitration clause shall remain in full force and effect.

25. NOTICE.

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

To Community:

Executive Director
Simpson House
2101 Belmont Ave
Philadelphia, PA 19131

To Resident (Before Occupancy):

_____

_____

After Occupancy, notice will be provided to Resident at the independent living unit specified in this Agreement.

26. DISCLOSURE STATEMENT

The Community's Disclosure Statement is made available to Resident on an annual basis.

27. MISCELLANEOUS PROVISIONS.

a. Resident's Continuing Disclosure Obligation.

The information regarding Resident's age and financial affairs and Resident's ability to meet the Conditions of the Agreement submitted by Resident on 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 the Resident's financial situation or Resident's ability to meet the Conditions of this Agreement before Occupancy. The failure to make such disclosure shall constitute grounds to terminate this Agreement.

b. Receipt Resident Handbook.

Resident acknowledges receiving a copy of Resident Handbook prior to signing this Agreement. The Resident Handbook is subject to change from time to time and shall not be construed as imposing any contractual obligations on Community or granting any contractual rights to Resident.

c. Community's Modification of Agreement and Policies.

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.

d. Binding Effect.

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

e. Governing Law.

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

f. Nondiscrimination.

It is the policy of Community that no person, solely on the grounds of race, color, national origin, ancestry, age, sex or religious creed, handicap or disability, shall be excluded from residence in Community, denied participation in any program

or services, be denied any benefits, or otherwise be subject to discrimination in provision of any care or service. This policy also applies to all employment practices and staff privileges.

g. **No Waiver of Rights.**

Neither Community nor Resident may waive the provisions of the Continuing Care Provider Registration and Disclosure Act.

h. **HEADINGS.**

Section headings are included solely to provide ease of reference and are to be given no effect in the interpretation of this Agreement. Resident hereby acknowledges reading this Agreement in its entirety, understanding its provisions, and having been provided an opportunity to consult with personal advisors, including legal counsel, regarding its terms. In confirmation of this Agreement, Community has caused this Agreement to be signed by its authorized representative, and the Resident has placed his/her/their signature(s), the day and the year first above written.

RESIDENT(S)	COMMUNITY
_____	By _____
_____	Title _____
Date _____	Date _____

NOTICE OF RIGHT TO RESCIND

Date Rescission Period Begins

You may rescind and terminate your Continuing Care Agreement, without penalty or forfeiture, within seven (7) days of the above date. You are not required to move into Community before the expiration of this seven (7) day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind your Continuing Care Agreement within the seven (7) day period.

To rescind your Continuing Care 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 Community at_____, not later than midnight of_____.

Pursuant to this notice, I hereby cancel my Continuing Care Agreement.

Date: Prospective Resident's Signature: _____

_____

SIMPSON HOUSE

A Simpson Community

2101 Belmont Avenue | (215) 878-3600

OCCUPANCY AGREEMENT FOR PERSONAL CARE

THIS AGREEMENT made this ___ day of _____, _____, by and between Simpson House, a Pennsylvania non-profit corporation located at 2101 Belmont Avenue, Philadelphia, Pennsylvania, (called "Facility") and _____ *[NAME OF RESIDENT]* (called "Resident") and _____ *[NAME OF RESPONSIBLE PERSON OR GUARANTOR*], if any, of _____ *[ADDRESS]*, Resident's legal representative and/or the individual who has lawful access to Resident's income and financial resources available to pay for personal care services (called "Responsible Person" or "Guarantor"). The Responsible Person is liable only up to the amount of the Resident's financial resources. The Guarantor is personally liable for all of the financial obligations of the Resident under this Agreement.

Resident has the right to identify a Designated Person who shall be entitled to receive notice in the event of an emergency, termination of service, personal care home closure or other situations as indicated by Resident or as required by law. Resident is not required to name a Designated Person. Resident elects to name _____ of _____, as the Designated Person. The Designated Person may also be the Responsible Person or Guarantor if Resident so chooses.

Resident, having applied for admission, and, if applicable, Responsible Person or Guarantor, if any, affirm that the information, including all financial information, provided in the Application for Admission is true and correct, and acknowledge that the submission of any false information may constitute grounds to terminate this Agreement.

The resident or a designated person has the right to rescind the contract for up to 72 hours after the initial dated signature of the contract and pay only for the services received.

Therefore, Facility, Resident, and if applicable, Designated Person and/or Responsible Person or Guarantor, if any, agree to the following terms and conditions:

1. **PROVISION OF SERVICES.**

1.1 Levels of Care. Facility provides three different levels of care depending on Resident's care needs, which levels of care are described in Sections 1.2 and 1.3 of this Agreement and which levels of care are subject to change from time to time.

1.2 Level One. Facility will provide Resident with the following services at each level of care, which services are included in the Monthly Rate:

(a) assistance with or supervision in the following activities of daily living and/or instrumental activities of daily living: securing transportation; shopping; making and keeping appointments; care of personal possessions; use of telephone and correspondence; social and leisure activities/programs; securing health care; and medication assistance;
(b) personal laundry and laundering of linens and towels;
(c) three meals each day, except as otherwise medically indicated;
(d) bed making and weekly housekeeping.

1.3 Additional Levels of Personal Care. In addition to the Level One described in Section 1.2, Facility provides two (2) additional levels of personal care. Those levels are as follows:

i. Level Two includes all services listed in Section 1.2 above and the following services: hands-on assistance with bathing, dressing, grooming and hygiene; ambulating; use of prosthetic device and basic incontinence care.

ii. Level Three includes all services listed in Section 1.2 and 1.3i above as well as, the following services: incontinence therapy and management and managing significant cognitive impairment.

Chart of Level of Care Services

PERSONAL CARE LEVELS	Level 1	Level 2	Level 3	
Securing Transportation	X	X	X	
Shopping	X	X	X	
Making & Keeping Appointments	X	X	X	
Care of Personal Possessions	X	X	X	
Use of Telephone; Correspondence	X	X	X	
Social and Leisure Activities/Programs	X	X	X	
Securing Health Care	X	X	X	
Medication Assistance	X	X	X	
Personal Laundry (includes linens/towels)	X	X	X	
Weekly Housekeeping	X	X	X	
Bed Making	X	X	X	
Bathing (Basic)	X	X	X	
Bathing ((Moderate)		X	X	
Oral Hygiene		X	X	
Hair Grooming & Shampooing		X	X	
Shaving		X	X	
Dressing and Care of Clothes		X	X	
Ambulating		X	X	
Use of Prosthetic Devise		X	X	
Basic Incontinence Care		X	X	
Incontinence Therapy			X	
Managing Significant Cognitive Impairment			X	

1.4 Assessed Levels of Care. Resident, at the time of execution of this Agreement, shall receive services at the following indicated level of care:

☐ Level 1; ☐ Level 2; or ☐ Level 3 ☐ . The Monthly Rate for Level 1, Level 2 and Level 3 are reflected on the Fee Schedule, which fees are subject to change from time to time. At the time of execution of this Agreement, the charge is $_____ per day, or $_____ per month (based on a 30-day month). Resident has been advised and acknowledges that Facility, in its sole discretion, has the right to assess Resident as Facility may deem reasonably appropriate, and that Resident may be reassigned to another level of care under the following circumstances:

i. If Resident is initially assessed as needing Level One, Resident may be reassigned to Level Two if Resident is subsequently assessed as needing any one of the following services: moderate hands-on assistance with bathing, dressing, grooming, hygiene, ambulating, use of a prosthetic device or basic incontinence care.

ii. If Resident is initially assessed as needing Level One or Level Two, Resident may be reassigned to Level Three if Resident is subsequently assessed as needing any one of the following services: incontinence therapy and management, and significant assistance with tasks of daily living (bathing, dressing, and personal hygiene) or significant management with cognitive impairment.

iii. If Resident is initially assessed as needing Level Three, Resident may be reassigned to Level Two if Resident no longer needs any of the following services: incontinence therapy and management, significant assistance with tasks of daily living or significant management with cognitive impairment.

iv. If Resident is initially assessed as needing Level Two, Resident may be reassigned to Level One if Resident no longer needs any of the following services: hands-on assistance with bathing, dressing, grooming, hygiene, ambulating, use of a prosthetic device or basic incontinence care.

1.5 Personal Care Services Based on Outcome of Resident Assessment and Support Plan (RASP).

Facility shall provide Resident with assistance with activities of daily living and/or instrumental activities of daily living consistent with RASP which shall be developed and implemented within thirty (30) days after admission as specified in Section 4.6 of this Agreement. The RASP shall be attached to this Agreement and may be subject to change from time to time. Some of the activities of daily living and/or instrumental activities of daily living specified in the RASP may not be included in the Monthly Rate and Resident may be subject to an additional charge for such Ancillary Services as reflected on the Fee Schedule, which is attached hereto and may be amended from time to time by Facility.

1.6 Care Provided in Designated Personal Care Units. Facility's provision of personal care may be provided in a unit specifically designated for personal care, such as Wesley Commons, Carson, or any other unit so designated by Facility. Services in the Designated Personal Care Units located within Wesley Commons will consist, at a minimum, of Level One as set forth in Section 1.2 above and may include any or all additional services provided up through and including Level Two. Services in the Designated Personal Care Units located within Carson will consist of Level 1 as set forth in Section 1.2 as well as the services included in Level Two.

These services will be provided in accordance with Resident needs, based on periodic, routine and as-needed assessments of Resident in accordance with Section 1.5 of this Agreement.

1.7 Location of Services. *CHECK ONE:*

Resident will receive personal care services in a Designated Personal Care Unit, specifically
□ Wesley Commons, Unit # _____or □ Carson, Unit # _____
or □ Memory Care, Unit # _____.

2. CHARGES.

2.1 Party Responsible for Payment. The following individual(s) are responsible for payment, and are required to pay all applicable charges in accordance with this Agreement: ☐ Resident; ☐ Responsible Person; ☐ Guarantor.

Administrative Processing Charge. Resident has paid to Community an Administrative Processing Charge of $_____ with the application; the Administrative Processing Charge is not part of the Entry Fee or Deposit and is NOT refundable under any circumstances.

Nonrefundable Admission Fee. The resident in a Designated Personal Care Unit, having paid a nonrefundable admission fee of $_____on _____ *(date)* to facility will occupy and use the residence known as _____.

2.2 Recurring/Periodic Charges for Level One. Resident and/or the Responsible Person or Guarantor shall pay, in advance, in exchange for the Level One, the Monthly Rate and, if applicable, the additional charge for Level two orLevel Three in effect at the time the service is rendered as such rate is reflected on the Fee Schedule, which may be amended from time to time by Facility upon notice to Resident.

2.3 Level of Care Assessment Charges. If it is determined by Facility that Resident requires a higher level of care within Facility than previously assigned due to a change in Resident's care needs, Resident's support plan will be amended and Resident will be reassigned to a higher level of care within Facility in accordance with Section 1.5. Written notice of any additional charges due to a subsequent reassignment to a higher level of care within Facility will be given to the Resident. The rate will be effective upon the move to a higher level of care.

2.4 Additional Charges for Ancillary Services and Supplies. Resident and/or the Responsible Person or Guarantor shall be responsible to pay for other services and supplies provided by or through Facility which are not covered by the Monthly Rate. Resident and/or the Responsible Person or Guarantor shall pay in exchange for Ancillary

Services or Supplies the charges in effect at the time such Ancillary Services or Supplies are rendered, as such charges are reflected on the Fee Schedule. Any items not identified on the Fee Schedule ordered by a physician will be provided at charges established by Facility.

2.5 Charges for Reserving Resident's Personal Care Room. Resident and/or the Responsible Person or Guarantor shall pay the full Daily Rate applicable at the time of Resident's absence for reserving Resident's personal care room for any days or periods of hospitalization, transfer or any other absences from the Facility. Resident's room is automatically reserved unless Resident indicates in writing Resident's intent not to reserve the room.

2.6 Method of Payment for Charges for Long Distance Telephone Calls. Phone service will be available to each Resident. Local calls made from the Resident's unit and long-distance charges are the responsibility of the Resident. Long distance and toll charges will be noted separately and are handled by the long-distance company used by the Facility. Resident and/or the Responsible Person or Guarantor shall pay the charge as assessed by Facility for all toll calls (local and long distance) from the personal care unit. The charges for these telephone calls will appear on the monthly statement provided to Resident by the Facility.

2.7 Payment Schedule. The Resident and/or the Responsible Person or Guarantor shall pay Facility in the following manner:

(a) Upon Occupancy: The monthly fee for the current month plus any additional charges incurred in the prior month, upon presentation by Facility to Resident of the monthly itemized Statement.

3. PERIODIC BILLINGS AND PAYMENT DUE DATE.

3.1 Monthly Statements and Other Billings. Resident and, if applicable, the Responsible Person and/or Guarantor will receive each month a billing statement reflecting ancillary charges for the previous month and the amount due for level of care determined in Attachment A services one month in advance. All bills are due and payable by the twentieth (20th) day of each month.

3.2 Modification of Charges. Facility reserves the right to change from time to time the amount of its charges as reflected in the Fee Schedule or how and when its charges are computed, billed or become due. Facility shall provide thirty (30) days advance written notice of any changes in its Monthly Rate or any changes in the prices of Ancillary Services, including changes in the additional charges for Level two and Level Three services.

3.3 Late Charges and Cost of Collection. Any bills unpaid after the thirtieth (30th) day of the month of issue are subject to a late charge of one and one-half percent (1.5%) per month, and Resident, and if applicable, Responsible Person or Guarantor are obligated to pay any late charges. In the event Facility initiates any legal actions or proceedings to collect payments due from Resident under this Agreement, Resident, and if applicable, Responsible Person or Guarantor shall be responsible to pay all attorney's fees and costs incurred by Facility in pursuing the enforcement of Resident's financial obligations under this Agreement.

3.4 Billing Information. Statements shall be sent to _____. Resident and/or Responsible Person or Guarantor agrees to notify the Facility within ten (10) days of any change in the billing address.

3.5 Obligations of Resident's Estate and Assignment of Property. Resident and, if applicable, Responsible Person or Guarantor acknowledge the charges for services provided under this Agreement remain due and payable until fully satisfied. In the event of Resident's discharge for any reason, including death, this Agreement shall operate as an assignment, transfer and conveyance to Facility of so much of Resident's property as is equal in value to the amount of any unpaid obligations under this Agreement. This assignment shall be an obligation of Resident's estate and may be enforced against Resident's estate. Resident's estate shall be liable to and shall pay to Facility an amount equivalent to any unpaid obligations of Resident under this Agreement.

4. STANDARDIZED SCREENING, ASSESSMENTS AND MEDICAL EVALUATION

4.1 Pre-Admission Screening and Medical Evaluation. Admission to Facility is conditioned upon Resident completing to the satisfaction of Facility a preadmission screening, including a mobility assessment, within thirty (30) days prior to admission, which indicates that the needs of Resident can be met by the services provided by Facility. Resident also shall have a medical evaluation and have a licensed physician, physician's assistant or certified registered nurse practitioner complete and sign an acceptable medical evaluation form within sixty (60) days prior to or within thirty (30) days after admission.

4.2 Initial Assessment. Resident shall have a written initial assessment, including a mobility assessment, completed by the Administrator or a designee of the Administrator or, subject to Facility approval, completed by a qualified human service agency within fifteen (15) days of admission.

4.3 Cost of Medical Evaluations. Resident is responsible for paying the cost of all medical evaluations and diagnostic tests whenever medical evaluations and diagnostic tests are required.

4.4 Purpose and When Required. The purpose of the screening process, initial assessment and medical evaluation is to provide basic information about the care needed by Resident. Additional assessments, including mobility assessments, are required: (a) annually; (b) if the condition of Resident significantly changes prior to the annual assessment; or (c) at the request of the Department of Public Welfare upon cause to believe that an update or revised assessment is needed. Resident shall have a medical evaluation: (a) annually; or (b) if the medical condition of Resident changes prior to the annual medical evaluation.

4.5 Results of Screening and Medical Evaluation. In the event that a screening, assessment or medical evaluation indicates that Resident's care needs exceed the capabilities of Facility, Resident shall be transferred or discharged under the terms and conditions set forth in this Agreement.

4.6 Support Plan. Facility shall develop and implement a written Support Plan for Resident within thirty (30) days after admission to Facility. The Support Plan shall describe the care, service or treatment needs of Resident. Resident may participate in the development and implementation of Resident's Support Plan, and may include Resident's Designated Person, if any, in making decisions about the services to be provided to Resident. Resident's Support Plan shall be revised within thirty (30) days upon: (a) completion of the annual assessment; or (b) changes in Resident's needs as indicated on the current assessment. The Support Plan, upon initial completion and any subsequent revisions shall be attached to this Agreement. The service needs addressed in the Support Plan shall be available to Resident every day during Resident's stay in Facility, unless the Support Plan provides otherwise.

4.7 Level of Care Transfer Determination. The level of care required for Resident is initially determined and periodically reevaluated by Facility. If it is determined by Facility that Resident, due to a change in Resident's condition, requires a higher level of care than Facility provides, Resident and, if applicable, the Designated Person agree to the transfer of Resident to an appropriate, higher level of care facility within Simpson House's Community or a Special Service Facility outside the Community to meet Resident's care needs in accordance with the terms and conditions specified under Section 9.5 of this Agreement.

5. PERSONAL FUNDS.

5.1 Personal Needs Allowance. The Resident and/or Responsible Person or Guarantor agree(s) to provide such personal funds, clothing and effects as

needed, required or desired by the Resident. Resident shall retain the minimum amount of Resident's own funds per month for personal expenditures as required by the Department of Public Welfare, which amount currently is eighty-five dollars ($85.00). If Responsible Person or Guarantor manages Resident's funds, then Responsible Person or Guarantor shall provide Resident with at least eighty-five dollars ($85.00) per month for personal expenditures.

6. OBLIGATIONS OF RESPONSIBLE PERSON/GUARANTOR.

6.1 Non-SSI Recipients.

(a) Responsible Person. Responsible Person may be required to enter into and sign a separate "Responsible Person Agreement" to evidence Responsible Person's financial obligations. When applicable, Responsible Person shall be responsible to pay from Resident's financial resources and shall be liable only up to the amount of Resident's resources .

(b) Guarantor. Guarantor may be required to enter into and sign a separate "Guaranty and Suretyship Agreement" to evidence Guarantor's financial obligations. When applicable, Guarantor shall be jointly and severally liable for all of Resident's financial obligations under this Agreement and shall guarantee payment in the event Resident does not pay Facility for all charges incurred under this Agreement within thirty (30) days of the payment due date.

7. RENT REBATE BENEFITS.

Resident may apply for any benefits to which Resident may be entitled under the Senior Citizens Rebate and Assistance Act. Facility may not seek or accept in excess of one-half of any rent rebate monies received by Resident under the Senior Citizens Rebate and Assistance Act, if applicable.

8. FINANCIAL MANAGEMENT.

8.1 Authorization Requirements. Resident has the right to manage his or her own personal funds. Resident may deposit personal funds with Facility, and if Resident so elects, authorize Facility, in writing, to hold and manage Resident's personal funds so deposited. If Resident designates someone other than Facility to manage his or her personal funds, Resident or, if applicable, Designated Person and/or Responsible Person or Guarantor shall notify Facility promptly. Resident may revoke at any time the authorization for Facility to hold and manage his or her personal funds by providing Facility a written notice signed and dated by the Resident or, if applicable, the Designated Person and/or Responsible Person or Guarantor.

8.2 Facility Obligations. If assistance with financial management is offered by Facility and elected by Resident, Facility shall comply with the financial management policies established in the Resident Handbook, which are subject to change from time to time.

9. TERMINATION, TRANSFER OR DISCHARGE.

9.1 Facility Initiated. Facility may terminate this Agreement and Resident's stay, and transfer or discharge Resident if:

a. It is determined by Resident's physician or Facility that Resident's functional level has advanced or declined so that resident's needs cannot be met by Facility, or

b. Resident is a danger to himself/herself or others; or

c. If the Facility chooses to voluntarily close all or a portion of Facility, or

d. Documented, repeated violation of Facility's rules, regulations, policies or procedures; or

e. Resident has failed to pay after reasonable documented efforts by Facility to obtain payment; or

f. Meeting resident's needs would require a fundamental alteration in Facility's program or building site, or would create an undue financial or programmatic burden on Facility.

g. Closure of Facility is initiated by the Department of Public Welfare.

9.2 Notice. If Facility initiates a transfer or discharge of Resident, or Facility closes, thirty (30) days prior written notice, except as is provided in Section 10.3, shall be provided to Resident and/or Designated Person, if any, and the referral agency, if any, citing the reasons for the discharge or transfer. Facility will notify Resident and and/or Designated Person, if any, (or if none, a family member or legal representative of the Resident, if known to Facility) at least thirty (30) days in advance of transfer or discharge.

9.3 Waiver of Notice for Facility Initiated Discharge or Transfer. If a delay in discharge or transfer would jeopardize the health or safety of Resident or others

in the Facility, as certified by a physician or the Department of Public Welfare, or both; the thirty (30) day notice period may be waived, and Facility shall give only such notice as is reasonable and practicable under the circumstances.

9.4 Facility Closure. In the event of a partial or complete closure, Facility shall submit to each affected Resident at least thirty (30) days before closure, a written statement of the intent to close and the projected date. Copies shall be provided to the Department of Public Welfare; the Resident and his/her Designated Person, if any; any agencies which participated in referral of the Resident to the Facility; and any agencies currently providing services to the Resident.

9.5 Level of Care Transfer to a Nursing Facility. There is no guarantee or assurance that a nursing care bed in Simpson House's Nursing Facility (Belmont and Monument Avenues, Philadelphia, Pennsylvania) will be available at such time as Resident may need to transfer to a nursing facility for the provision of a higher level of care than Facility provides. In order to transfer to Simpson House's Nursing Facility, Resident must meet all the criteria for admission, including the financial requirements, and sign a separate admission agreement. In the event that there is no bed available in the nursing facility, or Resident fails to meet the requirements for admission to the nursing facility at such time as Resident needs to be transferred, Resident may be transferred to another nursing facility duly licensed to provide nursing care by the Pennsylvania Department of Health. The expense of such transfer and care, including the cost of transport service, shall be the obligation of the Resident.

9.6 Transfer to Hospital or Other Outside Facility. In the event of illness or deterioration in the physical or mental condition of Resident requiring a higher level of care than provided by Facility, Resident shall be transferred to an appropriate health care provider. The expense of such transfer and care, including the cost of transport service, shall be the obligation of Resident.

9.8 Documentation. The date and reason for the discharge or transfer, and the destination of the Resident, if known, shall be recorded in Resident's record.

9.9 Resident Initiated. Resident may terminate this Agreement upon thirty (30) days written notice to Facility. If Resident leaves Facility for any reason other than a medical emergency or death, Resident must give written notice to Facility at least thirty (30) days in advance of transfer, discharge or termination of this Agreement. If Resident fails to give thirty (30) days advance written notice to terminate or Resident, after giving notice to terminate, leaves Facility before the expiration of the required thirty (30) day notice period, Resident shall remain responsible for payment of the Monthly Rate and other charges then in effect for Resident's stay and care for the entire thirty (30) day notice period, whether or not Resident resided in Facility during that time.

9.10 Permanent Transfer. If Resident is permanently transferred (or in the case of Double Occupancy, both Residents are permanently transferred), the Facility shall have the right to terminate this Agreement and assign the unit to others for residency.

9.11 Withdrawal Against Advice. In the event Resident withdraws from Facility without the consent of Facility and against the advice of his/her attending physician and/or the Medical Director, all of Facility's responsibilities for the care of Resident are terminated.

10. DEATH OF RESIDENT.

10.1. Facility Responsibility. Facility assumes no responsibilities or obligations, which may arise upon the death of Resident except notice to Resident's proper representative. All funeral arrangements and expenses are the obligation of the Resident's Estate and/or those individuals responsible by law. Unless otherwise agreed, Facility will assume no responsibility for life insurance policies or benefits for any deceased Resident. Resident's survivors shall be responsible for making application for survivor benefits.

10.2 Transfer. In the event of Resident's death, Facility is authorized to arrange for the transfer of Resident's body to the Funeral Home designated by Resident or Designated Person. Facility shall notify the person(s) designated by Resident in the event of Resident's death. Resident's Estate or those individuals obligated by law are responsible for the payment of all costs associated with the transfer and funeral.

10.3 Act 171 (2002), known as the Elder Care Payment Restitution Act shall be in effect. The last day for the daily rate to be charged by Facility shall be the date of death.

11. REFUNDS.

11.1 Refunds of Personal Funds. Resident's personal needs allowance and any funds that Facility is holding for Resident in bank accounts will be refunded within thirty (30) business days after the permanent transfer or discharge of Resident from Facility, and termination of this Agreement, subject to deductions for outstanding bills or other amounts due the Facility. Any other personal funds being managed or held by Facility on behalf of Resident will be refunded within thirty (30) business days from the date that Resident's room is cleared of Resident's property, subject to deductions for outstanding bills or other amounts due the Facility. In the event of Resident's death, the refund will be made to the duly authorized representative of Resident's Estate, to the Responsible Person or Guarantor designated under this Agreement, or to other persons entitled to property under current law.

11.2 Advance Payments. Any funds paid in advance for Level One and any funds paid in advance for Level Two or Level Three services, subject to deductions for payment of outstanding bills, costs incurred to restore or repair Resident's personal care room or other amounts due the Facility, will be refunded to Resident within thirty (30) business days after the permanent transfer or discharge of Resident from the Facility, and termination of this Agreement. In the event of Resident's death, Facility shall refund to Resident's Estate or to such parties or persons entitled to the property under current law any unused portion of advance payments for Level One or any unused portion of advance payments for Level Two or Level Three services made Resident or Responsible Person and held by Facility after deductions for payment of any outstanding bills, costs incurred to restore or repair Resident's room or other amounts due the Facility, within thirty (30) days from the date that Resident's personal property is removed from Resident's room.

12. FACILITY RULES, REGULATIONS, POLICIES, AND PROCEDURES.

12.1 Source of Rules. Resident shall comply fully with all governmental laws and regulations, the provisions of this Agreement, and Facility's rules, regulations, policies and procedures as published in the Resident Handbook or other documents or publications made available by the Facility. Facility reserves the right to amend or change its rules, regulations, policies and procedures. A copy of the Resident Handbook containing an explanation of Facility's rules, regulations, policies and procedures shall be provided to Resident upon admission. The Facility's rules, regulations, policies and procedures shall not be construed as imposing any contractual obligations on Facility or granting any contractual rights to Resident, and are subject to change from time to time.

12.2 Smoking. The entire Simpson House campus is tobacco-free. Smoking is not allowed in Resident rooms. No one may smoke, light candles or maintain an open flame in an apartment or anywhere else on the Simpson House campus.

12.3 Pets. Pets are not permitted in the Facility unless Resident requires the assistance of a pet due to Resident's health condition or disability. At the discretion of the Facility, Resident may be required to provide the Facility with a physician's order documenting Resident's need for a pet in relation to Resident's health condition or disability and Resident shall meet all other requirements for such a pet as specified in the Resident Handbook.

12.4 Firearms/Weapons. Bringing, using, or having possession of firearms, weapons or explosives on Simpson House property is not permitted at any time.

13. PERSONAL AND OTHER PROPERTY.

13.1 Responsibility for Maintenance and Loss. Resident is responsible for furnishing and maintaining his or her own clothing, jewelry and possessions and other items of property as needed or desired. Facility shall provide Resident with access to a safe or lock box in which Resident can keep his/her cash or other personal valuables. Facility shall not be responsible for cash or other personal valuables, which are not kept in a safe or lock box. Resident may obtain at his/her own expense, casualty insurance to cover potential damage to or loss of personal property. If damage or loss occurs to Resident's property, the Facility will investigate each incident of loss or damage to determine liability and assess responsibility depending on the facts and circumstances of each incident. The Facility shall be responsible for only such losses or damages as are attributed by the Facility to the negligence or fault of the Facility.

13.2 Disposition and Storage Upon Resident's Death. Upon the Resident's death, Facility shall contact Resident's authorized representative within twenty-four (24) hours to arrange for an inventory of Resident's personal property. Facility is authorized to transfer Resident's personal property to a duly authorized representative of Resident's Estate or to such parties or persons entitled to the property under current law. The duly authorized representative of Resident's Estate or other persons entitled to property under current law must acknowledge, in writing, the receipt of the personal property transferred to his or her custody by Facility. After completing an inventory, Facility, in its sole discretion, may move and place Resident's personal property into storage at Facility's expense. If property held in storage is not claimed within thirty (30) days, Facility shall send a notice to the authorized representative via certified mail that if items in storage are not removed within fourteen (14) days, Facility may dispose of Resident's property.

13.3 Disposition and Storage Upon Resident's Transfer or Discharge. If Resident's personal property is not claimed or removed within twenty-four (24) hours of Resident's permanent transfer or discharge, Facility may move and place Resident's personal property in storage until claimed. In its sole discretion, Facility may keep Resident's possessions in the personal care room and continue to charge Resident the

Monthly Rate for a period of time up to thirty (30) days after the permanent transfer or discharge of Resident or until all possessions are removed from the personal care room and Resident surrenders the keys to the personal care room, whichever is sooner. If Resident's personal property remains unclaimed for thirty (30) days after permanent transfer or discharge, Facility may dispose of Resident's property. Resident or Resident's Estate shall be obligated to pay all costs of storage or disposition and shall bear the risk of loss or damage to the property. Resident shall be obligated to pay a storage fee for each day of storage as reflected on the Fee Schedule.

13.4 Damage to Room or Facility Property. Resident or Resident's Estate is responsible for any damages caused to Facility property beyond normal wear and tear, and shall pay for the repair and replacement of damaged property, based on such reasonable charges as may be assessed by Facility for such repair or replacement.

14. RESIDENT RECORDS.

Resident consents to the release of Resident's personal and medical records maintained by the Facility for treatment, payment and operations as determined reasonably necessary by the Facility. Any such release may be to the Facility's employees, agents and to other health care providers from whom the Resident receives services, to third-party payers of health care services, to any Managed Care Organization ("MCO") in which Resident may be enrolled, or to others deemed reasonably necessary by the Facility for purposes of treatment, payment and operations. Release of records for other purposes shall be done in accordance with applicable law, with a specific authorization from the Resident where required. Authorized agents of the state or federal government, including the Long Term Care Ombudsman, may obtain Resident's records without the written consent or authorization of Resident.

15. PERSONAL CARE SERVICES AUTHORIZATION.

15.1 Authorization. Resident authorizes Facility to provide personal care services consistent with the terms of this Agreement.

15.2 Provider of Care. Resident's medical care will be provided by the resident's personal physician. Resident will be responsible for all expenses related to cost of medical care. In the event Resident's personal physician is not available, Resident authorizes Facility to contact an alternate physician.

15.3 Emergency Treatment. If Resident suddenly becomes ill or is injured and is unable to secure necessary care, Resident authorizes Facility to secure necessary care or assistance.

15.4 Hospitalization. If admission to a hospital is necessary, the Facility shall secure transportation to the hospital of Resident's choice, if possible. The Facility

will also notify Resident's family or designated person. Resident or the Responsible Person or Guarantor, if any, shall be responsible for any transportation costs related to the transfer of Resident to a hospital.

16. ADVANCE DIRECTIVES.

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 or conditions, Resident shall provide a copy of the living will or advance directive to Facility, and a copy of any revisions or changes made to the document during Resident's stay at Facility.

17. DURABLE FINANCIAL POWER-OF-ATTORNEY.

Resident is strongly encouraged to furnish to Facility, no later than the date of admission, a durable Power-of-Attorney executed by Resident as Principal designating someone other than the Facility or a representative or affiliate of Facility as Agent, for the limited purpose of financial decisions and payment of services. In the event Resident fails to designate an Agent under a Power-of-Attorney, Resident, as specified in Section 18 of this Agreement, shall be responsible to pay for any guardianship proceedings related to the appointment of someone or a legal entity to make decisions on behalf of Resident, if and when Resident lacks capacity to make such decisions as determined by Facility.

18. CAPACITY OF RESIDENT AND GUARDIANSHIP.

If Resident is or becomes unable to understand or communicate, and is determined prior to or after admission to be partially or completely incapacitated, then, in the absence of Resident's prior designation of an authorized legal representative, or upon the unwillingness or inability of the legal representative to act, Facility shall have the right to commence a legal proceeding to adjudicate Resident incapacitated and to have a court appoint a guardian for Resident. The cost of the legal proceedings, including attorney's fees, shall be paid by Resident or Resident's Estate.

19. NOTICE.

Wherever written notice is required to be given to Facility under this Agreement, it shall be sufficient if notice is provided by personally delivering it or by first-class mail, return receipt requested, addressed to:

Simpson House
2101 Belmont Avenue
Philadelphia, PA 19131

Notice to Resident will be provided by personal delivery to Resident's unit, or where applicable, by first-class mail to Responsible Person, Guarantor or Designated Person.

_____ **(Responsible Person, Guarantor or Designated Person, if any)**

_____

_____

20. INDEMNIFICATION.

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

21. FACILITY'S GRIEVANCE PROCEDURE.

21.1 Reporting Complaints. If Resident or Designated Person, if any, believe(s) that Resident is being mistreated in any way or Resident's rights have been or are being violated by staff or another resident or in any other way, Resident, and/or Designated Person may file a complaint with the Facility. Resident and/or Designated Person may also file a complaint with the Department of Human Services personal care home regional office, local ombudsman or protective services unit in the area agency on aging, Pennsylvania Protection & Advocacy, Inc., or law enforcement agency. The procedure for filing a complaint with Facility or one of the aforementioned entities is described in the Resident Handbook.

21.2 Facility's Obligations. If Facility receives notice of a complaint, Facility shall investigate and address the resolution of the complaint. Facility shall initially provide a complainant with a status report regarding the steps that Facility is taking to investigate and address the complaint. If Resident is not the complainant, Resident and Designated Person shall receive the status report unless the Resident's Support Plan indicates otherwise. Facility also shall give the complainant and Designated Person, if any, a written decision explaining the investigation findings and the action Facility will take to address the complaint. If Resident is not the complainant, then he/she shall be given a copy of the written decision unless Resident's Support Plan indicates otherwise.

21.3 Voluntary Mediation. Mediation is a form of alternative dispute resolution whereby an impartial person facilitates communication between the parties. The goal of mediation is to resolve the dispute promptly, amicably, and without incurring significant time and expense. Mediations are non-binding in nature. This Agreement provides for voluntary mediation whereby the parties may, upon mutual agreement, engage in mediation before resorting to arbitration. If the parties mutually agree to mediate any dispute that may arise between them, then the mediation will be conducted at a site selected by Facility, which shall be at Facility or at a site within a reasonable distance of Facility. The costs of the mediation shall be borne equally by each party, and each party shall be responsible for their own legal fees. If the parties are unable to resolve their dispute through mediation, then the dispute may only be resolved by arbitration as provided in this Agreement. If the parties do not mutually agree to mediate any dispute that may arise between them, then they may proceed directly to arbitration.

21.4 Mandatory, Binding Arbitration. Arbitration is a specific process of dispute resolution utilized instead of the traditional state or federal court system. Instead of a judge and/or jury determining the outcome of a dispute, a neutral third party ("Arbitrator(s)") chosen by the parties to this Agreement renders the decision, which is binding on both parties. Generally an Arbitrator's decision is final and not open to appeal. The Arbitrator will hear both sides of the story and render a decision based on fairness, law, common sense and the rules established by the Arbitration Association selected by the parties. When Arbitration is mandatory, it is the only legal process available to the parties. Mandatory Arbitration has been selected with the goal of reducing the time, formalities and cost of utilizing the court system.

(a) Contractual and/or Property Damage Disputes. Unless resolved or settled by mediation, any controversy, dispute, disagreement or claim of any kind or nature, arising from, or relating to this Agreement, or concerning any rights arising from or relating to an alleged breach of this Agreement, with the exception of (1) guardianship proceedings resulting from the alleged incapacity of the Resident; (2) collection actions initiated by the Facility for nonpayment of stay or failure of Responsible Person or Guarantor to fulfill their obligations under this Agreement, the Responsible Person Agreement or Guaranty and Suretyship Agreement, which results in a financial loss to the Facility; and (3) disputes involving amounts in controversy of less than Two Thousand Dollars ($2,000), shall be settled exclusively by arbitration. This means that the Resident will not be able to file a lawsuit in any court to resolve any disputes or claims that the Resident may have against the Facility. It also means that the Resident is relinquishing or giving up all rights that the Resident may have to a jury trial to resolve any disputes or claims against the Facility. It also

means that the Facility is giving up certain rights that it may have to a jury trial or to bring claims in a court against the Resident. Subject to the provisions of Section 21.4(f), the Arbitration shall be administered by ADR (Alternative Dispute Resolution) Options, Inc., in accordance with the ADR Options Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. Resident and, if applicable, Designated Person and/or Responsible Person or Guarantor acknowledge(s) and understand(s) that there will be no jury trial on any claim or dispute submitted to arbitration, and Resident and, if applicable, Designated Person and/or Responsible Person or Guarantor relinquish and give up their rights to a jury trial on any matter submitted to arbitration under this Agreement.

(b) Personal Injury or Medical Malpractice. Unless resolved or settled by mediation, any claim that the Resident may have against the Facility for any personal injuries sustained by the Resident arising from or relating to any alleged medical malpractice, inadequate care, or any other cause or reason while residing in the Facility, shall be settled exclusively by arbitration. This means that the Resident will not be able to file a lawsuit in any court to bring any claims that the Resident may have against the Facility for personal injuries incurred while residing in the Facility. It also means that the Resident is relinquishing or giving up all rights that the Resident may have to a jury trial to litigate any claims for damages or losses allegedly incurred as a result of personal injuries sustained while residing in the Facility. Subject to the provisions of Section 21.4(f), the Arbitration shall be administered by ADR Options, Inc., in accordance with the ADR Options Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. Resident, and if applicable, Designated Person and/or Responsible Person or Guarantor acknowledge(s) and understand(s) that there will be no jury trial on any claim or dispute submitted to arbitration, and Resident, and if applicable, Designated Person and/or Responsible Person or Guarantor relinquish and give up the Resident's right to a jury trial on any claims for damages arising from personal injuries to the Resident which are submitted to arbitration under this Agreement.

(c) Exclusion From Mandatory Arbitration. Those disputes which have been excluded from

mandatory arbitration (i.e., guardianship proceedings, collection actions initiated by the Facility, and disputes involving amounts in controversy of less than $8,000) may be resolved through the use of the judicial system. In situations involving any of the matters excluded from mandatory arbitration, neither you nor the Facility are required to use the arbitration process. Any legal actions related to those matters may be filed and litigated in any court which may have jurisdiction over the dispute.

(d) Right to Legal Counsel. Resident has the right to be represented by legal counsel in any proceedings initiated under this arbitration provision. Because this arbitration provision addresses important legal rights, the Facility encourages and recommends that Resident obtain the advice and assistance of legal counsel to review the legal significance of this mandatory arbitration provision prior to signing this Agreement.

(e) Location of Arbitration. The Arbitration will be conducted at a site selected by the Facility, which shall be at the Facility or at a site within a reasonable distance of the Facility.

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

Two Commerce Square, Suite 1100
2001 Market Street
Philadelphia, PA 19103-7044
Phone: (215) 564-1775 / (800) 364-6098
Fax: (215) 564-1822
Website: www.adroptions.com

(g) Limitation of Damages for Arbitration. The costs of the arbitration shall be borne equally by each party, and each party shall be responsible for their own legal fees.

(h) Limited Resident Right to Rescind this Mandatory Arbitration Clause (Sections 21.4(a-h) of this Agreement). Resident or, in the event of Resident's incapacity, Resident's authorized representative have the right to rescind this arbitration clause by notifying the

Facility in writing within thirty (30) days. Such notice must be sent via certified mail to the attention of the Administrator of the Facility, and the notice must be post marked within 30 days of the execution of this Agreement. The notice may also be hand-delivered to the Administrator within the same 30-day period. The filing of a claim in a court of law within the 30 days provided for above will automatically rescind the arbitration clause without any further action by Resident or Resident's authorized representative.

22. MISCELLANEOUS PROVISIONS.

22.1Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and shall be binding upon and inure to the benefit of each of the undersigned parties and their respective heirs, personal representatives, successors and assigns.

22.2Severability. The various provisions of this Agreement shall severable one from another. If any provision of this Agreement is found by a court or administrative body of proper jurisdiction and authority to be invalid, the other provisions shall remain in full force and effect as if the invalid provision had not been a part of this Agreement.

22.3Entire Agreement. The Occupancy Agreement for Personal Care consists of this Agreement, the Application Agreement and, if applicable, the Responsible Person Agreement or the Guaranty and Suretyship Agreement. This Admission Agreement represents the entire Agreement between the parties, and it supersedes, merges and replaces, all prior negotiations, offers, warranties and previous representations, understandings or agreements, oral or written, between the parties.

22.4Modifications. Facility reserves the right from time to time to modify unilaterally the terms of this Agreement consistent with law, Facility also reserves the right to request a change in the terms of this Agreement. Facility will give Resident and Resident's Designated Person, if any, thirty (30) days advance written notice of any such modifications or any such proposed modifications.

22.5Waiver of Provisions. Facility reserves the right to waive any obligation of Resident under the provisions of this Agreement in its sole

and absolute discretion. No term, provision or obligation of this Agreement shall be deemed to have been waived by Facility unless such waiver is in writing by Facility. Any such waiver by Facility shall not be deemed a waiver of any other term, provision or obligation of this Agreement, and the other obligations of Resident under this Agreement shall remain in full force and effect.

22.6Rescission Period. Resident or Designated Person, has the right to rescind this Agreement for up to seventy-two (72) hours after the initial dated signature of this Agreement. Resident or Designated Person must notify Facility in writing of the decision to rescind this Agreement. The notice of the rescission must be received by Facility or be postmarked before the lapse of the seventy-two (72) hour rescission period. In the event Resident or Designated Person rescinds this Agreement, Resident shall pay only for services received.

22.7Nondiscrimination. It is the policy of Facility that no person, solely on the grounds of race, color, national origin, ancestry, sexual orientation, age, sex or religious creed, handicap or disability, shall be excluded from residence in Facility,

denied participation in any program or services, be denied any benefits, or otherwise be subject to discrimination in the provision of any care or service. This policy also applies to all employment practices and staff privileges.

23 ACKNOWLEDGMENTS.

23.1□ Fee Schedule. Resident and, if applicable, Designated Person and/or Responsible Person or Guarantor acknowledge(s) the receipt of a copy of the Fee Schedule and the opportunity to ask questions about Facility's charges. The Fee Schedule is attached to this Agreement and incorporated by reference.

23.2□ Resident Rights and Complaint Procedures. Resident and, if applicable, Designated Person acknowledge being informed orally and in writing of Resident's Rights and the right to lodge complaints without intimidation, retaliation or threats of retaliation of Facility or its staff persons against Resident. Resident and Designated Person, if any, acknowledge(s) the receipt of a copy of the Resident Rights and Complaint Procedures and having an opportunity to ask questions about those rights/complaint procedures.

23.3□ Agreement. Resident and, if applicable, Designated Person and/or Responsible Person or Guarantor acknowledge(s) that they have read and understand the terms of this Agreement, that the terms have been explained to them by a representative of Facility, and that they have had an opportunity to ask questions about this Agreement. A copy of the signed Agreement shall be provided to Resident and a copy shall be included in the Resident's record.

23.4□ Resident Handbook. Resident and, if applicable, Designated Person and/or Responsible Person or Guarantor, if any, acknowledge(s) receipt of a copy of the Resident Handbook and the opportunity to ask any questions about Facility's rules, regulations, policies, and procedures. The Facility's Resident Handbook shall not be construed as imposing any contractual obligations on Facility, or granting any contractual rights to Resident, and is subject to change from time to time.

23.5□ Personal Care Regulations. Resident and, if applicable, Designated Person and/or Responsible Person or Guarantor, if any, acknowledge having been informed of the location of the Department of Public Welfare Personal Care Home Regulations posted in the Facility.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have signed this Agreement on the date written below.

Resident	Date
Responsible Person, if any	Date
Guarantor, if any	Date
Designated Person, if any	Date

Simpson House

By_____ Administrator or Designee	Date

SIMPSON HOUSE

A Simpson Community

PERSONAL CARE AGREEMENT
Attachment A
Schedule of Charges | Effective January, 1, 2024

	Studio Carson Commons or Wesley Commons	**Large Studio** Wesley Commons	**One Bedroom** Carson Commons	**Studio** Comfort Haven
Level One Daily Rate				
Level Two Daily Rate				
Level Three Daily Rate				
Level One Monthly Rate (Based on a 30-day month)				
Level Two Monthly Rate (Based on a 30-day month)				
Level 3 Monthly Rate (Based on a 30-day month) **End-Life-Care at Comfort Haven** (Based on a 30-day month)				

Beauty Shop and Ancillary items as charged.
These charges are subject to change upon thirty (30) days written notice.

SIMPSON HOUSE

A Simpson Community

PERSONAL CARE AGREEMENT
LEVEL OF CARE DETERMINATION

On the date of admission, _____, Resident, _____ (NAME) was determined to be in need of the level of care indicated below.

- **Level One** ☐
- **Level Two** ☐
- **Level Three** ☐

The space below will be utilized to document the transition dates from one level of personal care to another, in accordance with the Agreement for personal care services.

Date	Level of Care	Administrator	Resident	Responsible Party

SIMPSON HOUSE

A Simpson Community

Resident's Rights and Responsibilities

Simpson House is responsible to fully inform you of your rights, privileges, and responsibilities prior to the time you come to live here. The management and staff of Simpson House will make every effort to assist you in understanding and exercising your rights. You will be given this copy of the rights and responsibilities statement herein, and you will be asked to sign a statement that you received and saw this information. Questions about your rights or responsibilities may be addressed to the administrative staff.

Resident's Rights

When you become a resident of Simpson House you retain all legal rights, civil rights, human rights, and responsibilities you have as a member of the community.

- *A resident may not be discriminated against because of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin, age or sex.*
- *A resident may not be neglected, intimidated, physically or verbally abused, mistreated, subjected to corporal punishment or disciplined in any way.*
- *A resident shall be treated with dignity and respect.*
- *A resident shall be informed of the rules of the home and given 30 days written notice prior to the effective date of any new home rule.*
- *A resident shall have access to a telephone in the home to make calls in privacy. Non-toll calls shall be without charge to the resident.*
- *A resident has the right to receive and send mail.*
- *Outgoing mail may not be opened or read by staff personals unless the resident requests.*
- *Incoming mail may not be opened or read by staff persons unless upon request of the resident or the resident's designated person.*

- *A resident has the right to communicate privately with and access the local ombudsman.*
- *A resident has the right to practice the religion or faith of the resident's choice or not to practice religion or faith.*
- *A resident shall receive assistance in accessing health services.*
- *A resident shall receive assistance in obtaining and keeping clean, seasonal clothing.*
- *A resident has the right to access, review and request corrections to the resident's record.*
- *A resident has the right to furnish his room and purchase, receive, use and retain personal clothing and possessions.*
- *A resident has the right to leave and return to the home at times consistent with the home rules and the resident's support plan.*
- *A resident has the right to relocate and to request and receive assistance, from the home, in relocating to another facility.*
- *A resident has the right to freely associate, organize and communicate with others privately.*
- *A resident shall be free from restraints.*
- *A resident shall be compensated in accordance with State and Federal labor laws for labor performed on behalf of the home.*
- *A resident has the right to receive visitors for a minimum of 12 hours daily, 7 days per week.*
- *A resident has the right to privacy of self and possessions.*
- *A resident has the right to file complaints with any individual or agency and recommend changes in policies, home rules and services of the home without intimidation, retaliation or threat of discharge.*
- *A resident has the right to remain in the home, as long as it is operating with a license.*
- *A resident has the right to receive services contracted for in the resident-home contract.*
- *A resident has the right to use both the home's procedures and external procedures to appeal involuntary discharge.*

- *A resident has the right to a system to safeguard money and property.*

- *A resident has the right to choose his own health care providers.*
    - *The right to question and or refuse a medication if they believe there may be a medication error.*

Your personal and civil rights include but are not limited to:

- Your right to send and receive mail. Outgoing and Incoming mail may only be opened or read by staff persons by resident request.

- Residents shall have access to a telephone in the facility to make calls in privacy. Non-toll calls shall be without charge to the resident.

- The right to vote, own property, marry and enjoy the constitutional protections as any citizen.

- The right to receive visitors for a minimum of 12 hours daily, 7 days per week. The right to immediate access to your spouse, family or relatives and the right to deny or withdraw consent to any visitor at any time.

- The right to immediate access to any representative of the state, a resident advocate, or your personal physician. The right to immediate access by anyone providing health, social, legal, or other services, subject to your right to deny or withdraw consent at any time.

- The right to privacy of self and possessions.

- The right to permit representatives of the state ombudsman (with the written consent of the resident or the resident's legal representative-consistent with state law) to examine a resident's clinical records. The right to communicate with such representation privately.

- The right to keep confidential your personal and clinical information.

- The right to be treated fairly and free from discrimination against race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin, age or sex.

- The right to be treated with kindness, dignity, and respect.

- The right to be free from physical, verbal, psychological, financial or sexual abuse or punishment. The right to be free from neglect, involuntary seclusion or intimidation.

- The right to be free from fear.

- The right to make your own choices about daily living wherever possible.

- Residents shall be informed of the rules of the facility and given 30 days written notice prior to the effective date of a new facility rule.

You have the right to access medical care including:

- The right to choose health care providers.

- The right to be fully informed about your condition, care and treatment.

- The right to receive assistance in accessing health services.

- The right to receive assistance in obtaining and keeping clean, seasonal clothing.

- The right to inspect your records, upon request, by appointment. The right to request corrections to the resident record.

- The right to refuse treatment and to refuse to participate in experimental research. The right to prepare and advanced medical directive stating how you want medical decisions made should you become incapacitated.

- The right to be fully informed in advance to any change in your care or treatment. The right to participate in planning your care and treatment or changes in your care and treatment

- The right to be free of any physical or chemical restraints imposed for purposes of controlling behavior and not required to treat your medical symptoms.

- The right to privacy in accommodations and medical treatment.

- The right to reside and receive services with reasonable accommodations of individual needs and preferences, except where the health or safety of the individual or other residents would be endangered.

- The right to receive reasonable notice if your room or apartment is changed.

- The right to relocate and to request and receive assistance, from the facility, in relocating to another facility.

You have the rights concerning speech, advocacy and grievances including:

- The right to voice grievances without discrimination or reprisal for voicing the grievance.

- The right to prompt efforts by Simpson House to resolve grievances, including those with respect to the behavior of the others.

- The right to contact enforcement and advocate agencies without fear or reprisal from management and staff. The right to information on agencies acting as resident advocates.

- The right to file complaints with any individual or agency and recommend changes in policies, facility rules, and services of the home without intimidation, retaliation or threat of discharge.

- The right to participate in a resident council.

- The right to freely associate, organize and communicate privately, with others, at Simpson House.

- The right to leave, and return to Simpson House with proper notification, and in accordance with facility rules, and the individuals support plan. The right to be free from restraints, and held against your will.

- The right to organize and participate in resident groups at Simpson House. The right to participate in activities, worship services and other events in our facility.

- The right to practice the religion or faith of the resident's choice, or not to practice any religion or faith.

- The right to a high standard of care. The right to expect the facility to meet all standards of federal, state and local regulating bodies.

- The right to remain in the facility as long as it is operating with a license.

- The right to receive services contracted for in the resident-facility contract.

- The right to examine the results of the most recent survey (inspection) of Simpson House conducted by local, state, or federal agencies and any plan of correction in effect for this facility

You have rights regarding your financial obligations to Simpson House including:

- The right to be informed, prior to or upon admission, of services available at Simpson House and the charges for such services. You have the right to receive reasonable notice of any charges in the services or charges

- The right to be informed of any charges for services not covered under Medicare/Medicaid, private insurance carriers, or by Simpson House's basic per diem charge

- The right to retain and use personal clothing and possessions within space allocated by the facility, unless to do so would infringe upon the rights or security of other residents, or violate current health and safety codes. The right to secure storage space,

- The right not to perform services for Simpson House.

- The right to be compensated in accordance with State and Federal Labor Laws for labor performed on behalf of the home.

- The right not to be discharged or transferred without proper notice.

- The right to use both the facilities procedures and external procedures to appeal involuntary discharge.

- The right to choose your source of services and supplies.

- The right to manage your financial affairs.

Resident's Responsibilities

The resident's responsibilities outlined within this section refer to the rules and regulations Governing individual residents in their dealings with the facility, staff, and other residents. They are not intended to limit the rights of the residents, but to provide the resident with Information concerning his/her responsibilities to the facility and to other residents.

Residents are expected to be observant of the rights of others

Residents are expected to be considerate of and act with courtesy to other residents, personnel, and visitors. Verbal or physical abuse will not be tolerated and will be just cause for discharging the resident.

Residents must name an Attorney in Fact and execute a Durable Power of Attorney document upon admission. Residents are requested to create an advanced medical directive upon admission

All required personal, financial, and medical information completed for application must be accurate and complete. A medical examination for admission must be performed by the Simpson House Physician before admission.

Residents are expected to sign out in the lobby area when leaving Simpson House for the day or overnight. Proper identification should be carried when leaving Simpson House

Residents are not expected to pay employees of Simpson House and must not give them gifts or tips for performing either routine or special services

Private long distance phone calls will be at the resident's expense.

Residents are encouraged to maintain only a minimum amount of money in their possession. Simpson House will provide safekeeping for extra money in the administrative suite safe. A representative or legal guardian should take all valuables (i.e., rings, pins, jewelry, etc.) home.

When the resident retains such valuables, the facility cannot be responsible unless they are stored in the Administrative Office for safekeeping.

Residents are expected to maintain good relations with other residents. Problems that arise should be discussed with the proper designated person.

Smoking is permitted by residents, visitors and employees only in designated areas. Offices and public area indoors and out are all smoke free areas. There is no smoking in

any apartment or resident room at any time. All smoking regulations must be followed at all times. Some smoking restrictions may apply to individual residents.

Televisions and radios, including those in the residents' rooms, are not to be played loudly or in such a way to disturb the quiet enjoyment of others. Residents or visitors should not talk loudly or disturb other residents.

Personal assistive devices for ambulation for the private use of residents are the responsibility of the resident or representative. A resident may be required to demonstrate safe use of assistive devices.

Residents are prohibited from keeping any weapons designed to do bodily harm in their possession or on their person.

When fire or other drills are conducted, residents and visitors are expected to follow the instructions issued by the person in charge.

Any electrical device will not be permitted in Simpson House until it has been certified and inspected. Only fire resistant waste containers may be used in designated locations.

Simpson House reserves the right to clean any area and to discard any items not considered to be safe or sanitary and in accordance with established Housekeeping Policies and Procedures. Residents are required to admit maintenance and housekeeping personnel so they may perform necessary duties with reasonable notice. Residents or their representatives must be present when the personnel are performing their duties.

Residents are required to be fully dressed, including street shoes, when out of their apartments.

Residents have the responsibility to report any hazard, disturbance, security concern, maintenance, or housekeeping problems to on-duty personnel as soon as observed.

Residents are to respect and are not to abuse or misappropriate property belonging to Simpson House, other residents, visitors, or employees of Simpson House.

A resident, his/her representative or legal guardian is required to meet the resident's financial obligations to Simpson House in a timely way.

Resident's Rights and Responsibilities

NOTE: In the case of a resident adjudicated incompetent in accordance with state law, found by his/her physician to be medically incapable of understanding his/her rights, or who exhibits a communication barrier, the rights of the resident shall devolve upon his/her guardian, next-of-kin, sponsoring agency, or the representative payee (except when the facility itself is the representative payee), to act on the resident's behalf.

OCCUPANCY AGREEMENT FOR PERSONAL CARE
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SIMPSON HOUSE
A Simpson Community

INDEPENDENT LIVING at Olde Main

Rates & Fees

APARTMENT TYPE	TRADITIONAL	
	Entrance Fee	Monthly Fee*
Studio	$22,000	$2,835
Small 1 Bedroom	$46,000	$2,998
1 Bedroom	$58,000	$3,158
Large 1 Bedroom	$75,000	$3,374
1 Bedroom Deluxe	$86,500	$3,772
2 Bedroom, 1 Bath	$98,000	$3,921
2 Bedroom, 2 Bath	$110,000	$4,141









Double occupancy rates apply, second person fee $842. Rates subject to change. Effective 1/1/2026.

2101 Belmont Avenue | Philadelphia, PA 19131 | 215.452.5051

LGBTQ Leadership Quality First EQUAL HOUSING OPPORTUNITY

SIMPSON HOUSE
A Simpson Community

At Simpson House, It's All Here

From our historic Olde Main building, which has stood as a Philadelphia landmark for well over a century, to our Cornerstone expansion—step out of your front door and discover new dining venues, social fun, and opportunities to learn and grow. Our community features a range of services and modern conveniences to give you the time and freedom to enjoy your active lifestyle.



AMENITIES

- Fine dining
- Bistro
- Private dining room
- Private catering
- Multiple exercise, dance and yoga classes
- Fitness center with state-of-the-art pneumatic equipment
- Area with pool table, shuffle board, and room for other activities
- Community meeting spaces
- Movie theater
- Private outdoor gardening space
- Four large porches
- Hair salon and spa
- Art studio
- Business center
- Gift shop
- Lobby with fireplace

SERVICES

- All utilities
- Basic cable TV
- Local telephone service
- 24-hour emergency response
- Bi-weekly housekeeping services
- Transportation to community activities
- Smoke detector and sprinkler system
- Individual storage space
- Security staff
- Designated parking spaces for residents
- Flexible meal plan
- Library
- Wellness center
- Notary public
- Guest accommodations
- Close to public transportation

RESIDENT CLUBS/PROGRAMS

- Book & Wine Club
- Lunch Bunch
- Writer's Circle
- Art Studio
- Donuts & Dudes
- Game Night
- Ice Cream Social
- Balance Training
- Choir
- Library Committee
- Simpson House Chaplaincy
- Pinochle/Bridge
- Gardening Club

EQUAL HOUSING OPPORTUNITY

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SIMPSON HOUSE
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INDEPENDENT LIVING
Rates & Fees

The Cornerstone

APARTMENT TYPE	TRADITIONAL	
	Entrance Fee	Monthly Fee*
The Adams 1-Bedroom | 650 sq.ft.	$163,000	$3,837
The Washington 1-Bedroom Deluxe | 700 sq.ft.	$177,000	$3,906
The Lincoln 1-Bedroom w/Den (no balcony) | 840 sq.ft.	$196,500	$4,189
The Lincoln 1-Bedroom w/Den | 840 sq.ft.	$208,000	$4,189
The Jefferson 1-Bedroom Deluxe w/Den | 850 sq.ft.	$208,000	$4,189
The Grant 2-Bedroom, 2-Bath | 1,050 sq.ft.	$256,500	$4,474
The Monroe 2-Bedroom, 2-Bath Plus | 1,100 sq.ft.	$268,000	$4,601
The Madison Large 2-Bedroom Deluxe | 1,300 sq.ft.	$315,000	$4,609
The Taylor Large 2-Bedroom Ultra | 1,360 sq.ft.	$329,000	$4.636
The Hamilton 2-Bedroom w/Den | 1,220 sq.ft.	$297,000	$4,569
The Roosevelt 2-Bedroom Deluxe w/Den | 1,450 sq.ft.	$351,000	$4,678
The Kennedy 2-Bedroom Ultra w/Den | 1,550 sq.ft.	$373,000	$4,744
Second person fee		$842

**Double occupancy rates apply.*
Rates subject to change. Effective 1/1/2026.

CARSON & WESLEY COMMONS RATES & FEES

Personal Care

With the choice of a studio or one-bedroom apartment and three levels of care, the Personal Care neighborhoods provide residents with the privacy and comfort they want and the care they need.

Carson & Wesley Commons Fees **$5,000 COMMUNITY FEE**

APARTMENT TYPE	LEVEL	DAILY RATE
Studio, Full Bath	Level 1	$186
	Level 2	$217
	Level 3	$248
Large Studio, Full Bath **One-Bedroom, Full Bath**	Level 1	$230
	Level 2	$260
	Level 3	$293

Double occupancy rates apply. Rates effective 1/01/2026.

Personal Care Level 1 - Minimal Assistance: Includes housing and hospitality services, dining service three times daily, utilities (excluding television and telephone), full linen service, personal laundry, regularly scheduled transportation, emergency call and monitoring system, and social and recreational activities. It also includes (as needed) minimal assistance with bathing, dressing, personal hygiene and assistance with oral medications, as well as regular health monitoring and wellness programs.

Personal Care Level 2 - Moderate Assistance: Includes above services plus moderate assistance with tasks of daily living (bathing, dressing and personal hygiene) and assistance with eye drops, injectables and sliding scale medications.

Personal Care Level 3 - Extensive Assistance: Includes above services plus extensive hands-on assistance with tasks of daily living (bathing, dressing and personal hygiene), incontinence management, addressing cognitive impairments while monitoring behavioral issues.

These levels apply to residents living in the Personal Care areas of Carson Commons and Wesley Commons. Additional charges may be applied for personal care supplies and for personal transportation outside of the community. These charges are subject to change with appropriate notice to residents.

Call 215-871-5211 or visit www.SimpsonHouse.org to schedule a personal tour, ask about upcoming Open House events, or speak with a Senior Living Counselor.

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SIMPSON HOUSE
A Simpson Community

COMFORT HAVEN RATES & FEES

Memory Care

With the choice of a studio or one-bedroom apartment and three levels of care, the Personal Care neighborhoods provide residents with the privacy and comfort they want and the care they need.

$5,000 COMMUNITY FEE

APARTMENT TYPE	LEVEL	DAILY RATE
Studio, Full Bath	Level 1	$343
	Level 2	$365
	Level 3	$390

Double occupancy rates apply. Rates effective 1/01/2026

Memory Care Level 1 - Minimal Assistance: Includes housing and hospitality services, dining service three times daily, utilities (excluding television and telephone), full linen service, personal laundry, regularly scheduled transportation, emergency call and monitoring system, and social and recreational activities. It also includes (as needed) minimal assistance with bathing, dressing, personal hygiene and assistance with oral medications, as well as regular health monitoring and wellness programs.

Memory Care Level 2 - Moderate Assistance: Includes above services plus moderate assistance with tasks of daily living (bathing, dressing and personal hygiene) and assistance with eye drops, injectables and sliding scale medications.

Memory Care Level 3 - Extensive Assistance: Includes above services plus extensive hands-on assistance with tasks of daily living (bathing, dressing and personal hygiene), incontinence management, addressing cognitive impairments while monitoring behavioral issues.

These levels apply to residents living in the Comfort Haven Memory Care.
Additional charges may be applied for personal care supplies and for personal transportation outside of the community. These charges are subject to change with appropriate notice to residents.

Call 215-871-5211 or visit www.SimpsonHouse.org
to schedule a personal tour, ask about upcoming Open House events, or speak with a Senior Living Counselor.

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SIMPSON HOUSE
A Simpson Community

FLANAGAN NURSING CARE

Healthcare and Rehabilitation Services and Fees Schedule

The Flanagan Health and Rehabilitation Center at Simpson House provides short-term nursing and rehabilitative services including a full range of skilled nursing care and specialized therapies.

The Flanagan Health and Rehabilitation Center is a Medicare-licensed facility, and accepts Aetna, Blue Cross/Blue Shield, Medicare, Medicaid and private pay.

SUITE RATES	
Semi-private	$500 per day
Divided Double	$510 per day
Private Occupancy	$525 per day

Incontinence/Ancillary Supplies (personal and medical) Charges are based on actual usage.

Pharmacy

PharMerica Pharmacy provides services for Flanagan Healthcare; most insurance plans are accepted.

Rehabilitation Services

Services are generally billed under insurance coverage; however they can be purchased on a fee-for-service basis.

Transportation

Services are available through various providers and arranged for residents on a fee-for-service basis. Families are encouraged to provide transportation.

Rates subject to change. Effective 1/1/2023.

Call our Transitional Care Coordinator of Director of Admissions at 215-871-5223 or visit SimpsonHouse.org to schedule a personal tour.

2101 Belmont Avenue | Philadelphia, PA 19131

SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Simpson Senior Services and Subsidiary Organizations
Bala Cynwyd, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of Simpson Senior Services and Subsidiary Organizations (collectively, the "Organization"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and changes in partners' equity (deficit) and net assets (deficit) and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its partners' equity and net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 37 to 45 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

GRASSI & CO., CPAs, P.C.
New York, New York

XXXX, 2026

SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,762,263	$ 2,960,069
Accounts receivable, net of allowance for credit losses of $647,374 and $709,733 in 2025 and 2024, respectively	3,172,616	3,273,901
Prepaid expenses and other current assets	2,098,884	2,098,003
Total current assets	10,033,763	8,331,973
Assets whose use is limited:		
Board-designed	2,665,254	3,595,844
Donor restricted	11,760,036	9,879,391
Statutory liquid reserves	5,801,010	5,485,070
Under indenture agreement, held by trustee	6,546,414	8,409,268
Restricted deposits	890,569	984,509
Total assets whose use is limited	27,663,283	28,354,082
Property and equipment, net	81,611,921	84,080,025
Other assets	629,123	757,199
Beneficial interest in perpetual trusts	7,852,988	7,327,825
TOTAL ASSETS	$ 127,791,078	$ 128,851,104

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The accompanying notes are an integral part of these consolidated financial statements.

SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
LIABILITIES, PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 14,434,224	$ 9,705,355
Accrued salaries and related liabilities	1,263,796	1,195,426
Accrued interest	352,274	363,970
Current portion of deferred revenue from advance fees	7,691,587	5,904,907
Current maturities of long-term debt	1,941,902	1,848,693
Total current liabilities	25,683,783	19,018,351
Noncurrent liabilities:		
Annuities payable	105,592	113,568
Other liabilities	-	280,821
Security and other deposits	452,137	503,675
Funds held for residents	135,331	169,131
Refundable advance fee liability and deposits	67,509,545	63,691,104
Deferred revenue from advance fees, less current portion	25,103,869	26,446,560
Long-term debt, net of current portion	100,582,856	102,505,527
Total liabilities	219,573,113	212,728,737
Commitments and contingencies		
Partners' equity (deficit) and net assets (deficit):		
Partners' equity (deficit) and net assets (deficit) without donor restrictions	(124,049,623)	(114,337,652)
Net assets with donor restrictions	25,565,991	23,301,078
	(98,483,632)	(91,036,574)
Noncontrolling interest	6,701,597	7,158,941
Total partners' equity (deficit) and net assets (deficit)	(91,782,035)	(83,877,633)
TOTAL LIABILITIES AND PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT)	$ 127,791,078	$ 128,851,104

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The accompanying notes are an integral part of these consolidated financial statements.

SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATED STATEMENT OF OPERATIONS AND
CHANGES IN PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenue:				
Net patient service revenue	$ 43,259,265	$ -	$ 43,259,265	$ 39,970,380
Amortization of advance fees	4,783,652	-	4,783,652	5,804,289
Rental income	1,198,506	-	1,198,506	1,170,659
Grant revenue	-	-	-	-
Net assets released from restriction	698,282	(698,282)	-	-
Total operating revenue	49,939,705	(698,282)	49,241,423	46,945,328
Operating expenses:				
Nursing	6,822,074	-	6,822,074	6,835,004
Dietary	8,500,467	-	8,500,467	8,234,762
General and administrative	10,859,638	-	10,859,638	10,864,797
Depreciation	8,975,079	-	8,975,079	9,571,284
Plant operations	9,401,945		9,401,945	8,863,992
Personal care and assisted living	5,227,255		5,227,255	5,140,319
Interest	4,440,730	-	4,440,730	4,485,906
Housekeeping and laundry	1,964,254	-	1,964,254	1,809,900
Rehabilitation	2,922,898	-	2,922,898	2,946,878
Residential care	2,089,445	-	2,089,445	2,091,159
Clinic	247,820	-	247,820	228,961
Provisions for credit losses	734,338	-	734,338	683,174
Total operating expenses	62,185,943	-	62,185,943	61,756,136
Change in net assets from operations	(12,246,238)	(698,282)	(12,944,520)	(14,810,808)
Non-operating activities:				
Contributions	688,185	206,352	894,537	916,861
Investment income	1,016,494	1,404,501	2,420,995	2,806,161
Miscellaneous income	255,685	-	255,685	229,703
Change in unrealized gains and (losses) on investments	116,559	827,179	943,738	(645)
Valuation gain, beneficial interest in perpetual trust	-	525,163	525,163	442,884
Total non-operating activities	2,076,923	2,963,195	5,040,118	4,394,964
Change in partners' equity (deficit) and net assets (deficit)	(10,169,315)	2,264,913	(7,904,402)	(10,415,844)
Partners' equity (deficit) and net assets (deficit), beginning of year	(107,178,711)	23,301,078	(83,877,633)	(74,113,079)
Capital contribution	-	-	-	651,290
PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT), END OF YEAR	$(117,348,026)	$ 25,565,991	$ (91,782,035)	$ (83,877,633)

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The accompanying notes are an integral part of these consolidated financial statements.

SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN PARTNERS' EQUITY
AND NET ASSETS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Net patient service revenue	$ 39,970,380	$ -	$ 39,970,380
Amortization of advance fees	5,804,289	-	5,804,289
Rental income	1,170,659	-	1,170,659
Grant revenue	-	-	-
Net assets released from restriction	290,329	(290,329)	-
Total operating revenue	47,235,657	(290,329)	46,945,328
Operating expenses:			
Nursing	6,835,004	-	6,835,004
Dietary	8,234,762	-	8,234,762
General and administrative	10,864,797	-	10,864,797
Depreciation	9,571,284	-	9,571,284
Plant operations	8,863,992	-	8,863,992
Personal care and assisted living	5,140,319	-	5,140,319
Interest	4,485,906	-	4,485,906
Housekeeping and laundry	1,809,900	-	1,809,900
Rehabilitation	2,946,878	-	2,946,878
Residential care	2,091,159	-	2,091,159
Clinic	228,961	-	228,961
Provisions for credit losses	683,174	-	683,174
Total operating expenses	61,756,136	-	61,756,136
Change in net assets from operations	(14,520,479)	(290,329)	(14,810,808)
Non-operating activities:			
Contributions	555,242	361,619	916,861
Investment income	2,309,975	496,186	2,806,161
Miscellaneous income	229,703	-	229,703
Change in unrealized gains (losses) on investments	(815,807)	815,162	(645)
Valuation gain, beneficial interest in perpetual trust	-	442,884	442,884
Total non-operating activities	2,279,113	2,115,851	4,394,964
Change in partners' equity (deficit) and net assets (deficit)	(12,241,366)	1,825,522	(10,415,844)
Partners' equity (deficit) and net assets (deficit), beginning of year	(95,588,635)	21,475,556	(74,113,079)
Capital contribution	651,290	-	651,290
PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT), END OF YEAR	$(107,178,711)	$ 23,301,078	$ (83,877,633)

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The accompanying notes are an integral part of these consolidated financial statements.

SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in partners' equity (deficit) and net assets (deficit)	$ (7,904,402)	$ (10,415,844)
Adjustments to reconcile change in partners' equity (deficit) and net assets (deficit) to net cash used in operating activities:		
Proceeds from nonrefundable advance fees, existing units	5,227,641	6,896,967
Amortization of deferred financing costs	119,025	119,025
Accretion of bond premium	(154,416)	(154,416)
Amortization of advance fees	(4,783,652)	(5,804,289)
Depreciation	8,975,079	9,571,284
Net realized and unrealized gains on investments	(4,390,722)	(2,993,620)
Valuation gain on beneficial interest in perpetual trusts	(525,163)	(442,884)
Restricted contributions	-	(361,619)
Provision for credit losses	784,338	683,174
Changes in assets:		
Accounts receivable	(633,053)	(1,182,339)
Prepaid expenses and other assets	127,195	145,131
Changes in liabilities:		
Accounts payable and accrued expenses	1,402,601	(364,053)
Accrued salaries and related liabilities	68,370	294,092
Accrued interest	(11,696)	(6,355)
Other liabilities	(280,821)	(89,087)
Security and other deposits	(51,538)	(159,359)
Net used in operating activities	(2,081,214)	(4,264,192)
Cash flows from investing activities:		
Purchase of property and equipment	(6,506,975)	(6,049,735)
Net proceeds from sales of assets whose use is limited	3,116,751	4,193,836
Net cash used in investing activities	(3,390,224)	(1,855,899)
Cash flows from financing activities:		
Payments on long- term debt	(1,794,071)	(1,724,447)
Net proceeds from refundable advance fees, existing units	9,957,390	8,174,942
Change in funds held for residents	(33,800)	(63,191)
Proceeds from restricted contributions	-	361,619
Capital contribution	-	651,290
Refunds of advance fees	(2,812,681)	(3,205,949)
Net cash provided by financing activities	5,316,838	4,194,264
Net change in cash and cash equivalents, including restricted	(154,600)	(1,925,827)
Cash and cash equivalents, including restricted, beginning of year	12,353,846	14,279,673
CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED, END OF YEAR	$ 12,199,246	$ 12,353,846

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The accompanying notes are an integral part of these consolidated financial statements.

SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 4,487,817	$ 4,527,652
Cash paid for taxes	-	$ 120,300
Supplemental disclosure of noncash financing activities:		
Refunds of advance fees included in accounts payable and accrued expenses	$ 3,326,268	$ 4,392,488
Cash and cash equivalents, including restricted, are included in the consolidated statements of financial position at December 31, 2025 and 2024 as follows:		
Cash and cash equivalents	$ 4,762,263	$ 2,960,069
Assets whose use is limited:		
Donor restricted	324	324
Under indenture agreement, held by trustee	6,546,090	8,408,944
Restricted deposits	890,569	984,509
Total	$ 12,199,246	$ 12,353,846

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The accompanying notes are an integral part of these consolidated financial statements.

Note 1 - Nature of Organization

Simpson Senior Services is the sole member of Simpson Retirement Communities, Simpson Management Services, Simpson Foundation, and Simpson Senior Housing and Community Services ("SSHCS") (collectively, "Senior Services"). Simpson Senior Services is also the sole member of Simpson Gardens Housing Corporation ("SGHC"), Simpson Gardens Housing II LLC ("SGH"), Simpson Therapy Services, LLC, and Simpson Glen. Simpson Retirement Communities is the sole member of Simpson House, Inc. ("Simpson House"), Simpson Meadows, and Jenner's Pond, Inc. ("Jenner's Pond").

Simpson House operates a continuing care retirement community providing housing, healthcare and other related services to residents through the operation of 110 residential living units, 56 personal care suites, 9 of which are dedicated to end-of-life-care, and 142 skilled nursing beds. Simpson House's operations are located in Philadelphia, Pennsylvania, and its primary service area includes Philadelphia and surrounding communities. Simpson House is the sole member of Simpson House Foundation (the "Foundation").

The Foundation was organized to receive and administer funds for the support of Simpson House and the other related organizations. During the year ended December 31, 2025, the board of the foundation passed a resolution to transfer its assets, liabilities and net assets to Simpson Senior Services and to cease operations. As of the date of these financial statements a decision has not been made to dissolve the Foundation.

Simpson Meadows operates a continuing care retirement community providing housing, healthcare and other related services to residents through the operation of 94 independent living units and 54 assisted living suites, 18 of which are dedicated to dementia care. Simpson Meadows' operations are located in the Township of East Cain, Chester County, Pennsylvania. Its primary service area includes Chester County and surrounding communities.

Jenner's Pond operates a continuing care retirement community that provides housing, healthcare, and other related services to residents through the operation of 162 residential cottages, 116 apartments, 60 assisted living suites, of which 12 suites have been designated for dementia care, and 36 skilled nursing beds. Jenner's Pond's operations are located in Penn Township, Chester County, Pennsylvania. Its primary service area includes Chester County and surrounding communities.

Senior Services, Simpson House, Simpson Meadows and Jenner's Pond comprise an obligated group (the "Obligated Group") for purposes of debt issuance and related obligations.

Simpson Glen, located in Stroudsburg, Pennsylvania, was expected to be a continuing care retirement community consisting of 42 assisted living units and 108 residential living units. Development of the Simpson Glen facility has been postponed.

Simpson Therapy Services, LLC was established during 2022 to provide therapy services to residents.

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Note 1 - Nature of Organization (cont'd.)

SSHCS is the sole member of Simpson Mid-Town, Inc. ("Simpson Mid-Town"), which operates a 40-unit housing project in Philadelphia, Pennsylvania. Funding for the project was provided under Section 202 Capital Advance Program of the U.S. Department of Housing and Urban Development ("HUD"). Simpson Mid-Town's major program is its Section 202 Direct Loan. Simpson Mid-Town provides housing for low-income elderly and physically disabled elderly persons.

SGHC is the general partner of Simpson Gardens, L.P. ("Simpson Gardens") and is a wholly owned subsidiary of Senior Services. Simpson Gardens is organized as a Pennsylvania limited partnership and operates a 41-unit affordable housing complex located in Lansdowne Borough, Delaware County, Pennsylvania (the "Project"). Simpson Gardens qualified for and has been allocated low-income housing tax credits pursuant to Internal Revenue Code ("IRC") Section 42, which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. The Project must meet the provisions of these regulations during each of 15 consecutive years to remain qualified to receive the credits. The Project's first allocation of tax credits occurred during 2004.

SGH is the general partner of Simpson Senior Housing II, LP ("Simpson Gardens II") and is a wholly owned subsidiary of Senior Services. Simpson Gardens II, a Pennsylvania limited partnership, was formed in 2018 for the purpose of acquiring, financing and developing a 41-unit affordable housing complex in Lansdowne Borough. Simpson Gardens II qualified for and has been allocated low-income housing tax credits pursuant to IRC Section 42. Simpson Gardens II must meet the provisions of these regulations during each of 35 consecutive years to remain qualified to receive the credits.

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Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Obligated Group, the Foundation, Simpson Glen, Simpson Mid-Town, Simpson Gardens and Simpson Gardens II (collectively, the "Organization"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Adoption of ASU No. 2025-05

On January 1, 2025, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standard Update ("ASU") No. 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which amends the guidance in FASB Accounting Standards Codification ("ASC") Subtopic 326-20 to simplify the estimation of expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under FASB ASC Topic 606, *Revenue from Contracts with Customers*. ASU No. 2025-05 introduces 1) a practical expedient allowing entities to assume that current conditions as of the balance sheet date remain unchanged over the remaining life of the asset, and 2) an accounting policy election (available to non-public business entities) permitting consideration of subsequent cash collections after the balance sheet date when estimating expected credit losses.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Adoption of ASU No. 2025-05 (cont'd.)

The Organization elected to apply both the practical expedient and the accounting policy election. As a result, the Company's estimate of expected credit losses for applicable assets reflects collections received through the date disclosed in Note 2. The adoption of ASU No. 2025-05 did not have a material impact on the Organization's consolidated financial statements.

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include investments in highly liquid debt instruments purchased with an original maturity of three months or less.

Accounts Receivable

The accounts receivable balance represents the unpaid amounts billed to residents and third-party payors, which include Medicare, Medicaid, and commercial insurers. The accounts receivable are reported at net realizable value. Receivables are considered to be past due when payments have not been received by the Organization within 90 days of their contractually stated due date. The Organization recognizes an expected allowance for credit losses that is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist, and receivables are evaluated individually when specific balances no longer share those characteristics and are considered at risk or uncollectible. The allowances are estimated by management based on general factors such as payor mix, aging of the receivables and historical collection experience. The Organization does not expect the impact of current and expected future conditions impacting the payor to have a significant impact on the collectability of accounts receivable. Accounts are written off through the allowance for credit losses when the Organization has exhausted all collection efforts and accounts are deemed uncollectible. The Organization applies the practical expedient permitting the assumption that current economic conditions as of the consolidated balance sheet date will remain unchanged over the remaining life of the asset. In addition, the Organization has elected to apply an accounting policy election to incorporate cash collections received after the consolidated balance sheet date when estimating expected credit losses for these assets. The Organization's estimate of expected credit losses for applicable current assets reflects collections received through March 31, 2026.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Assets Whose Use is Limited and Investment Risk

Assets whose use is limited that are held by trustee under a trust indenture agreement relate to assets in a debt service reserve fund. Amounts available to meet current liabilities have been classified as current assets in the consolidated balance sheets.

Assets whose use is limited by the Board of Directors (the "Board") are resources that have been designated by the Board for future capital improvements and to support operations, over which the Board retains control and may, at its discretion, subsequently use for other purposes.

Assets whose use is limited also includes donor-restricted funds, restricted deposits (including advance fees and waiting list deposits), restricted amounts related to Simpson Mid-Town, Simpson Gardens and Simpson Gardens II, and assets reserved to meet the requirements of Section 9 of the Commonwealth of Pennsylvania's Continuing Care Provider Registration and Disclosure Act ("Act 82").

Investments

Investments are stated at the readily determinable fair value in accordance with the Not-for-Profit Entities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). All interest, dividends, and realized and unrealized gains and losses are reported in the statements of operations and changes in partners' equity (deficit) and net assets (deficit) as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investments for which fair value is measured using net asset value per share as a practical expedient have not been categorized within the fair value hierarchy.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a framework for measuring fair value is used which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under FASB ASC Topic 820, *Fair Value Measurement*, are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value Measurement (cont'd.)

Level 3 - Valuations based on unobservable inputs reflecting the Organization's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 6 for assets measured at fair value at December 31, 2025 and 2024.

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

Fair Value Measurement (cont'd.)

Beneficial Interest in Perpetual Trusts

Simpson House received as contributions split-interest agreements, which are comprised of various perpetual trusts. Under the perpetual trust arrangements, Simpson House recorded the asset and recognized restricted contribution revenue at the fair value of Simpson House's beneficial interest in the trust assets. Income earned on the trust assets and distributed to Simpson House is recorded as contributions in the accompanying consolidated statements of operations and changes in partners' equity (deficit) and net assets (deficit) unless otherwise restricted by the donor. Subsequent changes in fair value are recorded as valuation gains or losses in net assets with donor restrictions.

Property and Equipment

Property and equipment acquisitions are recorded at cost. The Organization capitalizes all property with a useful life of over one year and a value over $500. Depreciation is computed using the straight-line method based upon the estimated useful life of each class of depreciable asset.

Gifts of long-lived assets such as land, buildings or equipment are reported as an increase in net deficit without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recorded equal to the amount by which the carrying value exceeds the fair value of the assets. There were no impairment losses recognized in 2025 and 2024.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Advance Fees

Simpson House charges an advance fee based on the type of accommodations available and assigned to residents. Under the traditional contracts, the advance fee is fully refundable within three months of occupancy and then the refundable portion decreases at a rate of 5% per month until the 23rd month, at which time the advance fee is no longer refundable. Beginning in 2018, certain contracts provided residents the option for either a 50% refundable contract, or a contract that is amortized at a rate of 2% per month until the 53rd month, at which time the advance fee is no longer refundable. Simpson House also provided, until 2015, a contract where the advance fee is 90% refundable upon resale and reoccupancy of the unit. Contractual refund obligations under resident agreements approximated $685,000 and $612,000 at December 31, 2025 and 2024, respectively.

Simpson Meadows charges a 90% refundable advance fee based on the type of accommodations available and assigned to residents. Contractual refund obligations under resident agreements approximated $13,335,000 and $12,031,000 at December 31, 2025 and 2024, respectively.

Jenner's Pond charges an advance fee based on the type of accommodations available and assigned to residents. For contracts entered into prior to June 1, 2019, advance fees are refundable within three months of occupancy and then the refundable portion decreases at a rate of 1% per month until the 43rd month, at which time the resident is due a refund of at least 50% of the resale value of the unit, less refurbishing expenses. Effective for contracts beginning on June 1, 2019, the advance fee is fully refundable within three months of occupancy and then the refundable portion decreases at a rate of 1% per month until the 44th month, at which time the advance fee is 50% refundable.

Contractual refund obligations under resident agreements approximated $53,489,000 and $63,691,000 December 31, 2025 and 2024, respectively.

The refundable advance fee liability represents an advance fee which is refunded to a resident only upon reoccupancy by a subsequent resident. Deferred revenue from advance fees represents the unamortized portion of the nonrefundable advance fees. The nonrefundable fee is recorded as deferred revenue from advance fees upon receipt and amortized to income using the straight-line method over the annually adjusted estimated remaining life expectancy of the resident occupying the unit. The guaranteed refund component of advance fees is not amortized to income and is classified as refundable advance fee liability in the accompanying consolidated balance sheets.

Charitable Gift Annuities

Liabilities related to charitable gift annuities received by the Organization are recorded at the present value of the future interest payments based on the donor's life expectancy. Amounts donated in excess of the liability are recorded as restricted contributions in the consolidated statements of operations and changes in partners' equity (deficit) and net assets (deficit). The present value of the annuities, discounted at the respective rate under IRC Section 7520(a), is calculated at the time of the contribution.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Partners' Equity (Deficit) and Net Assets (Deficit)

Partners' equity (deficit) and net assets (deficit), revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Partners' Equity (Deficit) and Net Assets (Deficit) Without Donor Restrictions - Net assets (deficit) available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors, and donor-restricted contributions whose restrictions are met in the same period in which they are received, are accounted for in net assets (deficit) without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that may be met either by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

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Contributions and Grants Revenue

Contributions and grants are provided to the Organization either with or without donor restrictions. Revenues and net assets are separately reported to reflect the nature of those gifts, i.e., with or without donor restrictions. The value recorded for each contribution and grant is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts and grants, with or without restrictions	
Gifts and grants that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
Unconditional gifts and grants, with or without restrictions	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions and Grants Revenue (cont'd.)

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and changes in partners' equity (deficit) and net assets (deficit) as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service. Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Functional Expenses

Certain categories of expenses are attributable to more than one program or supporting function. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage, time and effort. The Organization believes substantially all depreciation and amortization and interest are applicable to program services. As such, these expenses are reported in the program services columns.

Rental Revenue

Net rental revenue is recognized using rates established by either PFHA and HUD. All of the units are eligible for rental assistance payments each month on behalf of the qualified tenants in an amount that equals the difference between contract rents, as determined by PHFA and HUD, and the portion paid by the tenants. Rental income is recorded at the gross potential reduced by vacancies. All leases between SGH, SGHC and Midtown and their respective tenants are one-year operating leases. Rental income is recognized on a monthly basis over the term of the lease. Rental payments received in advance are deferred until earned.

Net Resident Service Revenues

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

Net resident service revenues are primarily comprised of skilled nursing ("SN"), assisted living and personal care ("AL/PC") and independent living ("IL") revenue streams, which are primarily derived from providing housing and SN, AL/PC and IL services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Net Resident Service Revenues (cont'd.)

The Organization has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer.

Therefore, the Organization considers the services provided to residents in each level of care to be one performance obligation that is satisfied over time as services are provided. As such, SN, AL/PC and IL revenues are recognized on a daily or month-to-month basis as services are rendered.

Revenue from nonrefundable advance fees received are recognized through amortization of the nonrefundable advance fee using the straight-line method over annually adjusted estimated remaining life expectancies of the residents in independent living, which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenue from advance fees in the consolidated balance sheets. Amortization of nonrefundable advance fees (including termination income) is included as revenues and other support in the consolidated statements of operations and changes in partners' equity (deficit) and net assets (deficit) and was $4,783,652 in 2025 and $5,804,289 in 2024.

Payment terms and conditions for the Organization's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Net resident service revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service revenues for ancillary services are generally billed monthly in arrears. Additionally, nonrefundable advance fees are generally billed and collected in advance of move-ins. Revenues collected from residents in advance are recognized as deferred revenue from advance fees until the performance obligations are satisfied and are included in deferred revenues from advance fees in the accompanying consolidated balance sheets. The amortization income recorded in 2025 is primarily comprised of the amortization of deferred revenue balances outstanding as of December 31, 2024. The Organization applies the practical expedient in FASB ASC Topic 606 and therefore does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

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

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Benevolent Care

The Organization provides services to private pay residents who meet certain criteria at amounts less than its cost of providing care. The Organization maintains records to identify and monitor the level of benevolent care it provides to private pay residents. The costs associated with the benevolent care services provided to personal care residents include both direct costs and estimated indirect costs, as calculated by management. In addition, certain other fees are supplemented at the discretion of management. The level of benevolent care provided by the Organization represents the difference between the estimated cost of providing care and the payments received for services rendered. Benevolent care as of December 31, 2025 and 2024 was $189,898 and $199,095, respectively.

Medical Assistance Reimbursement and Cost of Providing Care

The Organization provides nursing care to Medical Assistance program beneficiaries at amounts less than its cost of providing care. The Organization maintains records to identify and monitor the difference between the cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered. The costs associated with the services provided to Medical Assistance program beneficiaries include both direct costs and estimated indirect costs, as calculated by management. The difference between the estimated cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered was approximately $2,000,000 and $1,954,000 in 2025 and 2024, respectively.

Revenues and Other Support Less Than Expenses

The consolidated statements of operations and changes in partners' equity (deficit) and net assets (deficit) include the determination of revenues and other support less than expenses. Changes in net assets without donor restrictions which are excluded from the determination of revenues and other support less than expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Income Taxes

The Organization is comprised of both not-for-profit corporations and commercial entities.

The not-for-profit corporations are described in Section 501(c)(3) of the IRC and are exempt from federal income taxes pursuant to Section 501(a) of the IRC, and partnerships which are considered pass-through entities for federal, state and local income tax reporting.

For the commercial entities, Simpson Gardens and Simpson Gardens II, taxation related to the partners' share of allocable items is determined separately, outside the limited partnership. Smarter Services, LLC is a single-member limited liability company and considered a disregarded entity for federal income tax purposes. Simpson Therapy LLC is a C-corporation and pays taxes. Taxes for the years ended December 31, 2025 and 2024 were $0 and $51,365 respectively.

The Organization believes it is no longer subject to income tax examinations for years prior to 2022.

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Note 3 - Concentration of Credit Risk

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

Note 4 - Net Resident Service Revenues

The Organization disaggregates revenue from contracts with residents by type of service and payor source, as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Net resident service revenues consisted of the following for the years ended December 31, 2025 and 2024:

	2025			
	Skilled Nursing	Assisted Living and Personal Care	Independent Living	Total
Private Pay	$ 4,498,149	$ 11,338,847	$ 17,570,508	$ 33,407,504
Medicare and other	7,378,533	-	-	7,378,533
Medical assistance	2,473,228	-	-	2,473,228
Total	$ 14,349,910	$ 11,338,847	$ 17,570,508	$ 43,259,265

	2024			
	Skilled Nursing	Assisted Living and Personal Care	Independent Living	Total
Private Pay	$ 2,481,358	$ 10,600,695	$ 16,155,278	$ 29,237,331
Medicare and other	8,423,376	-	-	8,423,376
Medical assistance	2,309,673	-	-	2,309,673
Total	$ 13,214,407	$ 10,600,695	$ 16,155,278	$ 39,970,380

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Note 4 - Net Resident Service Revenues (cont'd.)

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

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

  The Department of Human Services in the Commonwealth of Pennsylvania has implemented its mandatory Medical Assistance managed care program, Community HealthChoices ("CHC"), for skilled nursing facilities across the Commonwealth of Pennsylvania. CHC eliminates the fee for service methodology. The services for which Medical Assistance program beneficiaries are eligible have not changed under CHC.

  CHC became effective for the Organization on January 1, 2019. Under CHC, each Medical Assistance program beneficiary is able to choose a managed care organization ("MCO").

  Effective January 1, 2023, nursing services provided to Medical Assistance program beneficiaries are paid by the MCOs at prospectively determined rates per day. These rates are adjusted quarterly based on a resident classification system that is based on clinical, diagnostic and other factors.

- Medicare - Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors, and the reimbursement methodology is subject to various limitations and adjustments. Reimbursement for therapy services is provided to Medicare Part B beneficiaries at the lesser of a published fee schedule or actual charges. Services related to home health beneficiaries are paid at prospectively determined rates per episode of care. These rates vary according to a patient classification system that is based on clinical, functional, and service utilization and the reimbursement methodology is subject to various limitations and adjustments. Each episode is a period of 60 days. The Organization receives a percentage of the payment at the beginning of the episode and the remainder at the end and is reimbursed for hospice care services based on a published fee schedule.

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

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

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Note 5 - Assets whose Use is Limited, Statutory Liquid Reserves

In compliance with Section 9 of Act 82, Senior Service's Board of Directors designated that a portion of assets whose use is limited be reserved to meet the requirements of Act 82. As required by the Pennsylvania Department of Insurance, the Organization is required to establish and maintain liquid reserves in an amount equal to or exceeding the greater of (1) the total of all principal and interest payments due during the next 12 months on account of any mortgage loan or other long-term financing of the Organization; or (2) 10% of the projected annual operating expenses, applicable to residents under continuing care contracts, of the Organization exclusive of depreciation for the next 12 months.

The statutory liquid reserve for Simpson House, Simpson Meadows and Jenner's Pond as of December 31, 2025 and 2024 is calculated as follows:

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	2025		
	Simpson House	Simpson Meadows	Jenner's Pond
Projected 2026 operating expenses applicable to residents under continuing care contracts for the year, net of depreciation and amortization	$19,765,067	$ 7,100,274	$22,052,560
Minimum rate, 10%	10%	10%	10%
Statutory reserve requirement (a)	$ 1,976,507	$ 710,027	$ 2,205,256
Projected interest expense	$ 202,418	$ 327,522	$ 1,980,156
Principal payments due on long-term debt	572,100	198,581	1,134,320
Statutory reserve requirement (b)	$ 774,518	$ 526,103	$ 3,114,476
Requirement, greater of (a) or (b)	$ 1,976,507	$ 710,027	$ 3,114,476

	2024		
	Simpson House	Simpson Meadows	Jenner's Pond
Projected 2025 operating expenses applicable to residents under continuing care contracts for the year, net of depreciation and amortization	$17,251,875	$ 7,200,029	$20,068,232
Minimum rate, 10%	10%	10%	10%
Statutory reserve requirement (a)	$ 1,725,188	$ 720,003	$ 2,006,823
Projected interest expense	$ 313,522	$ 400,499	$ 1,958,684
Principal payments due on long-term debt	549,654	189,151	1,081,196
Statutory reserve requirement (b)	$ 863,176	$ 589,650	$ 3,039,880
Requirement, greater of (a) or (b)	$ 1,725,188	$ 720,003	$ 3,039,880

Note 6 - Fair Value Measurement

The following table sets forth by level within the fair value hierarchy the Organization's financial assets and liabilities that were accounted for at fair value on a recurring basis at December 31, 2025 and 2024:

	2025			
	Level 1	Level 2	Level 3	Total
Assets whose use is limited:				
Mutual funds:				
Equity	$14,042,766	$ -	$ -	$14,042,766
Fixed income	4,932,292	-	-	4,932,292
Cash and cash equivalents	8,398,719	-	-	8,398,719
Total investments, at fair value	$27,373,777	$ -	$ -	27,373,777
Assets measured at net asset value				289,506
Total assets whose use is limited				$27,663,283
Beneficial interest in perpetual trust	$ -	$ -	$ 7,852,988	$ 7,852,988

	2024			
	Level 1	Level 2	Level 3	Total
Assets whose use is limited:				
Mutual funds:				
Equity	$13,059,716	$ -	$ -	$13,059,716
Fixed income	6,904,905	-	-	6,904,905
Cash and cash equivalents	8,108,448	-	-	8,108,448
Total investments, at fair value	$28,073,069	$ -	$ -	28,073,069
Assets measured at net asset value				281,013
Total assets whose use is limited				$28,354,082
Beneficial interest in perpetual trust	$ -	$ -	$ 7,327,825	$ 7,327,825

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Note 6 - Fair Value Measurement (cont'd.)

Investment income was comprised of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Without donor restrictions:		
Interest and dividend income	$ 980,956	$ 1,296,657
Net realized gains on sale of investments	35,538	1,013,318
Change in net unrealized losses and gains on investments	116,559	(815,807)
With donor restrictions:		
Interest and dividend income	174,610	-
Realized gains on investments	1,229,891	496,186
Change in net unrealized gains on investments	827,179	815,162
Total investment income with donor restrictions	2,231,680	1,311,348
Total investment income	$ 3,364,733	$ 2,805,516

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the Organization's beneficial interest in perpetual trusts:

	2025	2024
Beginning balance	$ 7,327,825	$ 6,884,941
Valuation gain	525,163	442,884
Ending balance	$ 7,852,988	$ 7,327,825

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Valuation Methodologies

The following is a description of the valuation methodologies used for assets and liabilities measured and disclosed at fair value. There have been no changes in methodologies used at December 31, 2025 and 2024.

Assets whose use is limited in the accompanying consolidated balance sheets include an alternative investment (the "Alternative Fund"). The Alternative Fund is measured using the net asset value per share as a practical expedient. The Alternative Fund invests primarily in the funds of other underlying fund managers that are generally focused on investing in emerging healthcare environments. The Organization's investment in the Alternative Fund was $289,606 and $281,013 at December 31, 2025 and 2024, respectively. There were no unfunded commitments related to the Alternative Fund at December 31, 2025 and 2024.

Note 6 - Fair Value Measurement (cont'd.)

Valuation Methodologies (cont'd.)

Equities and mutual funds are stated at fair value using inputs based on quoted market prices of identical securities in active markets.

Fixed income securities are stated at fair value using inputs based on pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Cash - Valued at amortized cost, which approximates fair value.

The fair value of the beneficial interest in perpetual trusts was determined using the fair values of the investments in the trusts, which approximate the present value of the future distributions expected to be received.

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Note 7 - Property and Equipment

Property and equipment consisted of the following at December 31, 2025 and 2024:

	2025	2024
Land	$ 3,474,244	$ 3,474,244
Land improvements	6,426,058	6,374,725
Buildings and fixed equipment	213,380,491	203,787,882
Equipment and furniture	32,286,229	31,785,633
Construction in progress	-	3,637,563
	255,567,022	249,060,047
Less: Accumulated depreciation and amortization	(173,955,101)	(164,980,022)
	$ 81,611,921	$ 84,080,025

Depreciation and amortization expense was $8,975,079 and $9,571,284 for the years ended December 31, 2025 and 2024, respectively.

Note 8 - Long-Term Debt

Long-term debt consisted of the following at December 31, 2025 and 2024:

	2025	2024
Bonds payable	$ 90,830,000	$ 94,395,000
Loans payable	600,000	600,000
HUD capital advance	5,410,300	5,410,300
Mortgages payable	4,555,696	4,517,708
	101,395,996	104,923,008
Plus: Original issue premium, net	4,669,406	3,120,190
Less: Unamortized debt issuance costs	(1,598,742)	(1,840,285)
Less: Current maturities	(1,941,902)	(1,848,693)
Total	$ 102,524,758	$ 104,354,220

Bonds Payable

On December 1, 2015, the Obligated Group entered into a loan agreement with the Chester County Health and Education Facilities Authority (the "Authority"). Under this agreement, the Authority issued $68,516,743 (face value of $68,150,000 and an original issue premium of $386,743) aggregate principal amount of its Revenue Bonds, Series 2015 (the "Series 2015 Bonds"). The Series 2015 Bonds are comprised of $33,130,000 of Series 2015A Bonds, $33,095,000 of Series 2015B Bonds and $1,905,000 of Series 2015C Bonds. Proceeds from the Series 2015 Bonds were used to refund the outstanding balances of the Series 2012, 2010 and 2006 Bonds on December 28, 2015 and finance the Flanagan Renovation Project.

Approximately $6,000,000 of proceeds of the Series 2015 Bonds was applied to the capital project at Simpson House (the "Flanagan Renovation Project"). The Flanagan Renovation Project focused on renovating the two bottom floors of the oldest part of the Flanagan building, which was built in 1976. The ground floor rooms were renovated to update the finishes and fixtures and systems, as well as to add two additional double-occupancy rooms, for a total of 34 skilled nursing beds in 17 double occupancy rooms.

The Series 2015A Bonds bear interest at fixed rates between 4.00% and 5.25% and mature in varying annual principal payment amounts ranging from $870,000 to $1,760,000 through 2045. Simpson House, Simpson Meadows and Jenner's Pond have allocated the liability for payment on the bonds in an amount equal to the proportion of the bonds used to refund debt at each respective facility. The Series 2015B Bonds were refunded with proceeds from the Series 2021 bonds described below. The Series 2015C Bonds matured on December 1, 2017.

The Series 2015 Bonds were issued under a Master Trust Indenture ("MTI") dated December 1 2015. As required by the bond agreements, the Organization established various reserve funds from the proceeds of the bonds. The respective bond agreements require certain funds to be established and maintained by the bond trustee. The Series 2015 Bonds are collateralized by a first lien on any property of any member of the Obligated Group. The Obligated Group is also required to meet certain financial and operational covenants under the terms of the Series 2015 Bonds on a quarterly and annual basis.

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Note 8 - Long-Term Debt (cont'd.)

Bonds Payable (cont'd.)

On December 1, 2019, the Obligated Group entered into a loan agreement with the Authority. Under this agreement, the Authority issued $31,241,052 (face value of $29,060,000 and an original issue premium of $2,181,052) aggregate principal amount of its Facility Authority Revenue Bonds (Simpson Senior Services Project), Series 2019 (the "Series 2019 Bonds"). The proceeds of the Series 2019 Bonds were used to: (i) refund the outstanding balance of the Series 2016 Bonds, including the associated interest rate swap agreement, (ii) finance various capital improvements, including the refurbishment of independent living units at Simpson House, Simpson Meadows and Jenner's Pond, (iii) establish a debt service reserve fund, and (iv) pay costs of issuance related to the Series 2019 Bonds.

The Series 2019 Bonds are collateralized by a first lien on any property of any member of the Obligated Group. The Series 2019 Bonds require the Obligated Group to meet the same financial and operational covenants as required under the terms of the Series 2015 Bonds.

The Series 2019 Bonds are comprised of $305,000 of term bonds, at 4%, due December 1, 2039, and $28,675,000 of term bonds, at 5%, due December 1, 2052. Simpson House, Simpson Meadows and Jenner's Pond have allocated the liability for payment on the bonds in an amount equal to the proportion of the bonds used to refund debt at each respective facility.

On November 4, 2021, the Obligated Group entered into a loan agreement with the Authority. Under this agreement, the Authority issued $40,644,942 (face value of $39,435,000 including an original issue premium of $1,209,942) aggregate principal amount of its Facility Authority Revenue Bonds (Simpson Senior Services Project), Series 2021 (the "Series 2021 Bonds"). The proceeds of the Series 2021 Bonds were used to: (i) refund the outstanding balance of the Series 2015B Bonds, including the associated interest rate swap agreement, (ii) finance various capital improvements, and (iii) pay costs of issuance related to the Series 2021 Bonds.

The Series 2021 Bonds are collateralized by a first lien on any property of any member of the Obligated Group. The Series 2021 Bonds require the Obligated Group to meet the same financial and operational covenants as required under the terms of the Series 2015 Bonds.

The Series 2021 Bonds are comprised of $6,795,000 of term bonds, at 4%, due December 1, 2030, $8,075,000 of term bonds, at 4%, due December 1, 2035, $9,825,000 of term bonds, at 4% due December 1, 2040, $7,895,000 of term bonds, at 4%, due December 1, 2044, and $6,845,000 of term bonds, at 4%, due December 1, 2051. Simpson House, Simpson Meadows and Jenner's Pond have allocated the liability for payment on the bonds in an amount equal to the proportion of the bonds used to refund debt at each respective facility.

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Note 8 - Long-Term Debt (cont'd.)

Mortgages Payable

Mortgages payable related to Simpson Gardens at December 31, 2025 and 2024 are as follows:

PHFA First Mortgage Payable - the loan amortizes at a 6% annual interest rate plus an additional 0.75% insurance premium. Principal and interest payments are due monthly in a manner designed to fully repay principal and interest no later than December 31, 2035. The mortgage balance at December 31, 2025 and 2024 was $55,804 and $59,359, respectively.

PennHOMES Second Mortgage Payable - principal and interest have been deferred for 30 years provided there is no surplus of revenues over expenses generated by Simpson Gardens during any year prior to any repayments of the project financing or distributions to partners. Any unpaid balance will be due in 30 years following the date the project is placed into service. Principal payments are required to be made when there is a surplus of revenues over expenses, as determined solely by PHFA and as provided for in the PHFA regulatory agreement, up to a maximum of $29,595 annually. The mortgage balance at December 31, 2025 and 2024 was $887,860.

Third Mortgage Payable, through the County of Delaware - accrues interest at 3%, compounded annually. Beginning on March 30 immediately following completion of Simpson Gardens and each March 30 thereafter, annual principal payments are payable to the extent of excess revenue, a defined in the mortgage agreement. Final payment of interest and principal is due on December 31 of the 30th year following completion of Simpson Gardens. As of December 31, 2025 and 2024, the mortgage balances were $1,689,759 and $1,640,543, respectively. These balances include cumulative accrued interest of $824,759 and $775,543, of which $49,216 and $47,783 were recognized during the years then ended.

Fourth Mortgage Payable, in accordance with the Affordable Housing Program of the Federal Home Loan Bank of Pittsburgh - bears no interest, with repayment due in September 2031. Principal payments are payable to the extent of available cash, as defined in the mortgage agreement. At December 31, 2025 and 2024, the mortgage balance was $205,000.

Fifth Mortgage Payable - noninterest bearing, with unpaid principal due in December 2034. At December 31, 2025 and 2024, the mortgage balance was $40,000.

Simpson Gardens II obtained a non-interest bearing loan in the amount of $1,000,000 from the County of Delaware to provide financing for the construction of its affordable housing complex. The loan is deferred for 30 years upon completion of construction.

Simpson Gardens II has a PHFA building loan agreement in the amount of $770,000 to assist with the construction of the affordable housing complex. At the end of the construction period (April 2022), the loan converted two separate mortgage agreements. The first mortgage payable in the amount of $190,000 bears interest at a rate of 5% and matures 10 years from the end of the construction term, as defined in the agreement. The second mortgage payable in the amount of $580,000 bears interest at a rate of 5.375% and matures 30 years from the end of the construction term, as defined in the agreement. The balance on the PHFA building loan agreement was $650,344 and $675,701 at December 31, 2025 and 2024 respectively.

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Note 8 - Long-Term Debt (cont'd.)

Mortgages Payable (cont'd.)

As of December 31, 2025, scheduled principal payments on bonds and mortgages are as follows:

	Bonds	Mortgages	Total
Years ending December 31:			
2026	$ 1,905,000	$ 31,903	$ 1,936,903
2027	1,995,000	33,640	2,028,640
2028	2,085,000	35,475	2,120,475
2029	2,180,000	37,410	2,217,410
2030	2,280,000	29,450	2,309,450
Thereafter	80,385,000	4,387,818	84,772,818
	$ 90,830,000	$ 4,555,696	$ 95,385,696

Loan Payable

Simpson Mid-Town obtained a loan in the total amount of $600,000 from the Redevelopment Authority of the City of Philadelphia (the "HOME loan"). This loan is secured by a second mortgage on the property located at 10th and Green Streets in Philadelphia, Pennsylvania. Pursuant to the Home loan agreement dated September 30, 2004, there will be no interest charged on the loan, and payment of principal on the loan will be deferred for 40 years from that date.

In the event of a default which remains uncured after any applicable notice and opportunity to cure, under the HOME loan documents, or upon sale of the property or upon termination of the project, the whole principal sum or any outstanding balance of the loan will become due immediately and payable upon satisfaction of the Section 202 mortgage loan.

HUD Capital Advance

Under the Capital Advance Program, Section 202 of the *National Housing Act*, on September 30, 2004, HUD advanced $5,410,300 (the "Note") to the Project to construct housing for low-income elderly people. The Note bears no interest, and repayment is not required so long as the housing remains available to eligible elderly tenants for a period of 40 years in accordance with Section 202 of the Regulatory Agreement and Regulations. The advances evidenced by the Note may not be prepaid prior to their maturity date without the prior written approval of HUD.

The Note shall be deemed to be paid and discharged on the maturity date, provided that (1) the housing has remained available for occupancy by eligible persons until the maturity date of the Note, and (2) the Note has not otherwise become due and payable by reason of defaults under the Note, mortgage or the Agreement. If default is made by the owner under the terms of the Note, mortgage, the Agreement or the Regulations, at the option of the holder of the Note, the entire principal sum shall at once become due and payable without notice. Interest per annum at a rate equal to 5.375% shall be payable on demand with respect to the payment of principal upon default.

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Note 9 - Net Assets With Donor Restrictions

Net asset presentation in the accompanying consolidated balance sheets with expanded disclosure for the amount and purpose of restrictions or designations is as follows:

	2025	2024
Net assets with donor restrictions:		
Purpose or time restricted for:		
Capital improvements	$ 180	$ 180
Other	2,854,689	3,161,043
Endowment funds	3,776,960	2,243,562
Restricted in perpetuity:		
Beneficial interest in perpetual trusts	7,852,988	7,327,825
Endowment funds	10,568,468	10,568,468
Total net assets with donor restrictions	$ 25,053,285	$ 23,301,078

Note 10 - Endowment Funds

The Organization's endowment funds consist of (i) Simpson House's Flanagan Restricted Endowment Fund (the "Flanagan Fund"), (ii) Simpson Meadow's Caring Friends Fund, and (iii) Jenner's Pond's Benevolent Care Fund (the "JPBCF") (collectively, the "Endowment Funds"). The Endowment Funds consist of donor-restricted funds. As required by U.S. GAAP, net assets associated with the Endowment Funds are classified and reported based on the existence of donor-imposed restrictions. Senior Services has adopted investment and spending policies that provide a stream of funding to programs supported by the Flanagan Fund. The JPBCF Committee has adopted investment and spending policies that provide a stream of funding for the JPBCF. The underlying investments of the Endowment Funds are held in perpetuity for the purposes specified by the donor. Under the investment and spending policies, the endowment assets are invested in a manner that is intended to preserve capital and designed to minimize the risk of large losses.

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Senior Services follows the FASB's issued guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and additional disclosures about an organization's endowment funds. Simpson House, Simpson Meadows and Jenner's Pond operate in the Commonwealth of Pennsylvania and are not required to adopt the provisions related to UPMIFA; however, they are subject to the enhanced disclosure requirements.

Senior Services' Board of Trustees follow the interpretation of Commonwealth of Pennsylvania Act 141 as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Senior Services classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. This is regarded as the historic dollar value of the endowed fund.

Note 10 - Endowment Funds (cont'd.)

Any remaining unspent earnings or net appreciation of the donor-restricted endowment funds is not classified in net assets with donor restrictions and is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by Senior Services in a manner consistent with Senior Services' spending policy.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift amount maintained as net assets with donor restrictions. These deficiencies are reported as change in net assets without donor restrictions. There were no such deficiencies during 2025 and 2024.

During 2020, the Court of Common Pleas of Philadelphia, Orphans' Court Division, granted Simpson House a modification to the Flanagan Endowment Fund, permitting Simpson House to redesignate $3,375,000 of the Flanagan Endowment Fund to assets whose use is limited, board designated, in order to provide Simpson House with additional liquidity. Simpson House must remit the proceeds to the Flanagan Endowment Fund by November 2025, and as a result, these funds are still classified as net assets with donor restrictions on the consolidated balance sheets. During 2023, a portion of the investment balance of the redesignated Flanagan Endowment funds was spent on operations without being released from restriction. The investment balance of the redesignated Flanagan Endowment funds that remained at December 31, 2025 and 2024 was $1,740,741 and $1,480,920, respectively.

Endowment net asset composition by type of fund is as follows:

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	2025		
	With Donor Restrictions		
	Available for Expenditure	Original Donor Gifts	Total
Donor-restricted endowment funds	$ 3,776,960	$ 10,568,468	$ 14,345,428

	2024		
	With Donor Restrictions		
	Available for Expenditure	Original Donor Gifts	Total
Donor-restricted endowment funds	$ 2,243,562	$ 10,568,468	$ 12,812,030

Note 10 - Endowment Funds (cont'd.)

Changes in endowment net assets for the years ended December 31, 2025 and 2024 consisted of the following:

	2025		
	With Donor Restrictions		
	Available for Expenditure	Original Donor Gifts	Total
Endowment net assets, beginning of year	$ 2,243,562	$ 10,568,468	$ 12,812,030
Investment income	2,231,680	-	2,231,680
Amounts appropriated for expenditure	(698,282)		(698,282)
Endowment net assets, end of year	$ 3,776,960	$ 10,568,468	$ 14,345,428

	2024		
	With Donor Restrictions		
	Available for Expenditure	Original Donor Gifts	Total
Endowment net assets, beginning of year	$ 2,168,946	$ 10,568,468	$ 12,737,414
Investment income	711,487	-	711,487
Amounts appropriated for expenditure	(636,871)	-	(636,871)
Endowment net assets, end of year	$ 2,243,562	$ 10,568,468	$ 12,812,030

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Note 11 - Functional Expenses

The Organization's primary program service relates to providing housing, health care and other related services to residents within its geographic location. Expenses by functional classification consisted of the following for the years ended December 31, 2025 and 2024:

	2025				
		Supporting Services			
	Program Services	Administrative and General	Fundraising	Total Supporting Services	Total
Salaries and wages	$16,796,183	$ 3,873,292	$ 172,960	$ 4,046,252	$20,842,435
Employee benefits and payroll taxes	4,995,324	696,043	44,152	740,195	5,735,519
Professional fees and purchased services	3,596,049	5,171,753	196,692	5,368,445	8,964,494
Supplies and other expenses	11,835,065	683,851	9,286	693,137	12,528,202
Provision for credit losses	722,729	11,609	-	11,609	734,338
Depreciation	8,940,963	-	-	-	8,940,963
Interest	4,439,992	-	-	-	4,439,992
Total expenses	$51,326,305	$10,436,548	$ 423,090	$10,859,638	$62,185,943

	2024				
		Supporting Services			
	Program Services	Administrative and General	Fundraising	Total Supporting Services	Total
Salaries and wages	$17,710,180	$ 4,095,492	$ 325,112	$ 4,420,604	$22,130,784
Employee benefits and payroll taxes	3,414,297	718,785	59,408	778,193	4,192,490
Professional fees and purchased services	11,155,142	5,202,435	128,292	5,330,727	16,485,869
Supplies and other expenses	3,826,642	311,623	68,364	379,987	4,206,629
Provision for credit losses	683,174	-	-	-	683,174
Depreciation	9,571,284	-	-	-	9,571,284
Interest	4,485,906	-	-	-	4,485,906
Total expenses	$50,846,625	$10,328,335	$ 581,176	$10,909,511	$61,756,136

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Note 12 - Retirement Plans

Senior Services, Simpson House and Simpson Meadows participate in a single define contribution plan sponsored by Simpson Senior Services. Contributions to the plan amounted to $209,220 in 2025 and $327,424 in 2024.

Jenner's Pond participates in a separate defined contribution plan. Contributions were $137,489 in 2025 and $134,419 in 2024.

Note 13 - Medical Malpractice Claims Coverage

Simpson House, Simpson Meadows and Jenner's Pond maintain professional liability insurance on a claims-made basis. Other than for premiums paid under this policy, no provision has been made for estimated losses. Management believes no incidents have occurred or will be asserted that will exceed insurance coverages or will have a material adverse effect on the consolidated financial statements.

Note 14 - Commitments and Contingencies

Regulators

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations, and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Organization, if any, are not determinable.

Energy Services Agreement

In 2015, the Obligated Group entered into an Energy Services Agreement (the "ESA") with a third party (the "Energy Contractor") to develop an energy management facility (the "Facility") at Simpson House. The ESA expires in 2037 and includes provisions for the Energy Contractor to provide all equipment and systems relating to the project. Title to the cogeneration equipment, as defined, remains with Energy Contractor at all times. Title to all other project equipment transfers to the Obligated Group upon completion of the Facility. The ESA also contains an option for the Obligated Group to purchase the cogeneration equipment at the Facility from the Energy Contractor at fair market value, as defined.

Simpson House entered into a lease with the Energy Contractor for $1 to grant access to the project equipment described above. The lease term began in 2015 and terminates 180 days after the termination of the ESA. The lease may also be terminated by Simpson House or the Energy Contractor simultaneously with any termination of the ESA, as defined.

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Note 14 - Commitments and Contingencies (cont'd.)

Energy Services Agreement (cont'd.)

The ESA requires Simpson House to consume and pay for (or pay for it if not consumed) not less than the minimum quarterly quantity of electricity, as defined in the ESA. The minimum quarterly payment is approximately $104,000 over the term of the ESA. The agreement also contains an annual escalation clause for energy costs and guaranteed savings provisions.

The ESA contains provisions for payment to the Energy Contractor in the event of contract termination. The payments decrease ratably during the ESA term.

Affordable Housing

Simpson Gardens and Simpson Gardens II have low-income housing credits that are contingent on their ability to maintain compliance with applicable provisions of IRC Section 42. Failure to maintain compliance with occupant eligibility or unit gross rent requirements, or to correct noncompliance within a specified time period, could result in a recapture of previously claimed tax credits plus interest.

Simpson Gardens and Simpson Gardens II's sole assets are rental housing projects, and their operations are concentrated in the multifamily real estate market. In addition, the projects operate in a heavily regulated environment. The operations of the projects are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the Internal Revenue Service and PHFA. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by a regulatory agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Simpson Gardens has a land lease for 75 years. A lease payment of $100,000 was paid for the first 50-year lease term and is capitalized as land on the accompanying consolidated balance sheets.

Simpson Gardens II has a building lease for 75 years. A payment of $205,000 was made in 2019 and is included in other assets on the accompanying consolidated balance sheets. Simpson Gardens II received equity contributions from its limited partner of $1,001,474 during 2021.

Simpson Mid-Town's sole asset is a 40-unit apartment project, and its operations are concentrated in the multifamily real estate market. In addition, the project operates in a heavily regulated environment.

The operations of the project are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or funding to pay for the related costs to comply with the changes in the regulations.

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Note 14 - Commitments and Contingencies (cont'd.)

Litigation

The Organization, from time to time may be involved with certain legal actions arising in the ordinary course of business. Management believes that the outcome of such litigation and claims will not have a material adverse effect on the Organization's financial position and results of operations.

Employee Retention Credit

The Internal Revenue Service may undertake a review of the Employee Retention Credit ("ERC") for a period of three years from the date the amended return was filed. In March 2022, the Organization filed for refunds of $229,252 for the second quarter of 2020, $248,913 for the third quarter of 2020, and $229,468 for the fourth quarter of 2020. In July 2023, the Organization filed for refunds of $2,204,767 for the first quarter of 2021, $2,136,089 for the second quarter of 2021, and $2,350,601 for the third quarter of 2021.

Note 15 - Liquidity and Availability of Resources

The following table reflects the Organization's financial assets available for general expenditure within one year of the balance sheet date. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	2025	2024
Cash and cash equivalents	$ 4,762,263	$ 2,960,069
Accounts receivable, net	3,172,616	3,273,901
Financial assets available to meet cash needs for general expenditures within one year	$ 7,934,879	$ 6,233,970

As stated in Note 5, the Organization designated a portion of its investments as a statutory minimum liquid reserve to comply with the requirements of Act 82 and thus they are not included in the schedule above. Although the Organization does not intend to utilize the Act 82 Reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available as necessary. The Act 82 reserves are separately classified in the consolidated balance sheets and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

As stated in Note 10, during 2020 Simpson House redesignated funds from the Flanagan Endowment Fund to assets whose use is limited, board-designated. Simpson House must remit the proceeds to the Flanagan Endowment Fund by November 2025. As such, these amounts have been excluded from the above table.

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Note 16 - Management's Plans and Intentions and Consideration of Ability to Continue as a Going Concern

The Organization has experienced operating losses of $12,944,520 and $14,810,808 during the years ended December 31, 2025 and 2024, respectively.

Prior to the end of 2024 and continuing into 2025, Simpson developed a series of plans to mitigate the Going Concern Opinion, including, but not limited to:

- Engaging a marketing consultant to assist in increasing Entrance Fee sales and census levels
- Consolidating vendor relationships across the Obligated Group to capitalize on pricing and service efficiency
- Implementing an aggressive hiring plan to mitigate the use of third-party direct care agency expenses
- Engaging a consultant to explore selling Simpson House (Note 17)

The results of these and other actions during 2025 and 2024 have allowed the Organization to achieve the required covenants outlined in the Master Trust Indenture. Implementation of the turnaround plan is expected to result in cash surpluses from operations in 2026.

Management continues to uncover savings and improve operating results, increase its working capital and repay its obligations. It is believed that the Organization will continue to achieve and maintain profitability and improved financial stability.

Note 17 - Subsequent Events

The Organization has evaluated all events or transactions that occurred after December 31, 2025 through XXXX, which is the date that the consolidated financial statements were issued. During this period, there were no material subsequent events requiring disclosure, except as follows:

Letter of intent and Asset Purchase Agreement

In January 2026, Simpson House entered into an letter of intent to sell its operations and real property to an unrelated entity. In February 2026, Simpson House finalized negotiations and entered into an asset purchase agreement with the unrelated entity. The sale is subject to regulatory and court approvals, including the Pennsylvania Office of Attorney General and the Orphans' Court, as well as licensing matters (including Medicaid/Medicare enrollment) to be completed by the buyer. The final purchase price is subject to adjustments at closing, and the transaction is anticipated to close by the end of Q2 2026.

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SUPPLEMENTARY INFORMATION

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
COMBINING BALANCE SHEET - OBLIGATED GROUP
DECEMBER 31, 2025

	Simpson House, Inc. and Affiliate	Simpson Meadows	Jenner's Pond, Inc.	Simpson Senior Services	Eliminations	Total Obligated Group
		ASSETS				
Current assets:						
Cash and cash equivalents	$ 776,017	$ 580,231	$ 3,112,867	$ 249,986	$ -	$ 4,721,101
Accounts receivable, net of allowance for credit losses of $709,733	1,738,219	31,088	952,511	-	-	2,721,818
Prepaid expenses and other current assets	69,037	129,119	1,783,586	90,327	-	2,072,069
Total current assets	2,585,273	740,438	5,848,964	340,313	-	9,514,988
Assets whose use is limited:						
Board-designated	-	-	1,930,246	735,008	-	2,665,254
Donor restricted	4,385,215	1,747,990	5,620,066	-	-	11,753,271
Statutory liquid reserves	1,976,507	710,027	3,114,476	-	-	5,801,010
Under indenture agreement, held by trustee	162,379	150,541	655,690	5,577,804	-	6,546,414
Total assets whose use is limited	6,524,101	2,608,558	11,320,478	6,312,812	-	26,765,949
Due from affiliates	-	5,599,807	25,113,072	21,723,746	(50,425,526)	2,011,099
Property and equipment, net	23,862,819	5,837,109	39,050,318	336,256	-	69,086,502
Other assets	191,090	-	-	425,324	-	616,414
Beneficial interest in perpetual trusts	7,852,988	-	-	-	-	7,852,988
TOTAL ASSETS	$ 41,016,271	$ 14,785,912	$ 81,332,832	$ 29,138,451	$ (50,425,526)	$ 115,847,940
		LIABILITIES AND NET ASSETS (DEFICIT)				
Current liabilities:						
Accounts payable and accrued expenses	$ 1,823,314	$ 2,860,160	$ 10,469,438	$ 103,748	$ -	$ 14,256,660
Accrued salaries and related liabilities	531,102	201,426	458,005	73,263	-	1,263,796
Accrued interest	163,951	26,059	162,264	-	-	352,274
Current portion of deferred revenue from advance fees	296,614	915,074	6,479,899	-	-	7,691,587
Current maturities of long-term debt	576,145	198,697	1,135,157	-	-	1,909,999
Total current liabilities	3,391,126	3,201,416	18,704,763	177,011	-	25,474,316
Noncurrent liabilities:						
Annuities payable	105,592	-	-	-	-	105,592
Other liabilities	-	-	-	-	-	-
Securities and other deposits	19,671	145,207	221,797	-	-	386,675
Funds held for residents	135,331	-	-	-	-	135,331
Refundable advance fee liability and deposits	685,280	13,335,451	53,488,814	-	-	67,509,545
Deferred revenue from advance fees, less current portion	4,850,414	906,733	19,346,722	-	-	25,103,869
Due to affiliates	29,107,979	232,272	-	21,085,275	(50,425,526)	-
Long-term debt, net of current portion	41,913,359	6,620,115	41,544,405	-	-	90,077,879
Total liabilities	80,208,752	24,441,194	133,306,501	21,262,286	(50,425,526)	208,793,207
Commitments and contingencies						
Net assets (deficit):						
Net assets (deficit) without donor restrictions	(54,583,242)	(11,617,654)	(59,932,346)	7,621,984	-	(118,511,258)
Net assets with donor restrictions	15,390,761	1,962,372	7,958,677	254,181	-	25,565,991
Total net assets (deficit)	(39,192,481)	(9,655,282)	(51,973,669)	7,876,165	-	(92,945,267)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 41,016,271	$ 14,785,912	$ 81,332,832	$ 29,138,451	$ (50,425,526)	$ 115,847,940

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) - OBLIGATED GROUP
FOR THE YEAR ENDED DECEMBER 31, 2025

	Simpson House, Inc. and Affiliate			Simpson Meadows			Jenner's Pond, Inc.			Simpson Senior Services			Eliminations	Total Obligated Group		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:																
Net patient service revenue	$ 13,632,901	$ -	$ 13,632,901	$ 6,589,148	$ -	$ 6,589,148	$ 22,265,347	$ -	$ 22,265,347	$ 279,015	$ -	$ 279,015	$ -	$ 42,766,411	$ -	$ 42,766,411
Amortization of advance fees	1,102,443	-	1,102,443	381,936	-	381,936	3,299,273	-	3,299,273	-	-	-	-	4,783,652	-	4,783,652
Management fees	-	-	-	-	-	-	-	-	-	3,546,324	-	3,546,324	(3,444,228)	102,096	-	102,096
Net assets released from restriction	330,840	(330,840)	-	83,081	(83,081)	-	284,361	(284,361)	-	-	-	-	-	698,282	(698,282)	-
Total operating revenue	15,066,184	(330,840)	14,735,344	7,054,165	(83,081)	6,971,084	25,848,981	(284,361)	25,564,620	3,825,339	-	3,825,339	(3,444,228)	48,350,441	(698,282)	47,652,159
Operating expenses:																
Nursing	4,213,322	-	4,213,322	-	-	-	2,608,752	-	2,608,752	-	-	-	-	6,822,074	-	6,822,074
Dietary	3,376,401	-	3,376,401	1,396,325	-	1,396,325	3,727,741	-	3,727,741	-	-	-	-	8,500,467	-	8,500,467
General and administrative	3,163,087	-	3,163,087	2,054,890	-	2,054,890	4,590,188	-	4,590,188	3,765,145	-	3,765,145	(3,444,228)	10,129,082	-	10,129,082
Depreciation and amortization	2,402,102	-	2,402,102	931,480	-	931,480	4,666,825	-	4,666,825	6,347	-	6,347	-	8,006,754	-	8,006,754
Plant operations	2,522,106	-	2,522,106	1,313,800	-	1,313,800	4,968,853	-	4,968,853	-	-	-	-	8,804,759	-	8,804,759
Personal care and assisted living	1,311,859	-	1,311,859	1,727,465	-	1,727,465	2,187,931	-	2,187,931	-	-	-	-	5,227,255	-	5,227,255
Interest	1,995,103	-	1,995,103	339,520	-	339,520	2,011,068	-	2,011,068	-	-	-	-	4,345,691	-	4,345,691
Housekeeping and laundry	1,014,207	-	1,014,207	233,973	-	233,973	716,074	-	716,074	-	-	-	-	1,964,254	-	1,964,254
Rehabilitation	1,051,873	-	1,051,873	-	-	-	1,368,818	-	1,368,818	-	-	-	-	2,420,691	-	2,420,691
Residential care	655,785	-	655,785	417,294	-	417,294	714,289	-	714,289	302,077	-	302,077	-	2,089,445	-	2,089,445
Clinic	82,451	-	82,451	-	-	-	165,369	-	165,369	-	-	-	-	247,820	-	247,820
Provisions for credit losses	602,338	-	602,338	12,000	-	12,000	120,000	-	120,000	-	-	-	-	734,338	-	734,338
Total operating expenses	22,390,634	-	22,390,634	8,426,747	-	8,426,747	27,845,908	-	27,845,908	4,073,569	-	4,073,569	(3,444,228)	59,292,630	-	59,292,630
Change in net assets from operations	(7,324,450)	(330,840)	(7,655,290)	(1,372,582)	(83,081)	(1,455,663)	(1,996,927)	(284,361)	(2,281,288)	(248,230)	-	(248,230)	-	(10,942,189)	(698,282)	(11,640,471)
Non-operating activities:																
Contributions	539,448	-	539,448	12,864	-	12,864	135,873	206,352	342,225	-	-	-	-	688,185	206,352	894,537
Investment income	225,317	509,046	734,363	34,287	174,610	208,897	525,283	720,845	1,246,128	217,801	-	217,801	-	1,002,688	1,404,501	2,407,189
Miscellaneous income	36,328	-	36,328	20,173	-	20,173	43,499	-	43,499	61,110	-	61,110	-	161,110	-	161,110
Change in unrealized gains and losses on investments	96,864	171,030	267,894	9,424	156,644	166,068	(635)	499,505	498,870	10,906	-	10,906	-	116,559	827,179	943,738
Valuation gain, beneficial interest in perpetual trust	-	525,163	525,163	-	-	-	-	-	-	-	-	-	-	-	525,163	525,163
Total non-operating activities	897,957	1,205,239	2,103,196	76,748	331,254	408,002	704,020	1,426,702	2,130,722	289,817	-	289,817	-	1,968,542	2,963,195	4,931,737
Change in net assets (deficit)	(6,426,493)	874,399	(5,552,094)	(1,295,834)	248,173	(1,047,661)	(1,292,907)	1,142,341	(150,566)	41,587	-	41,587	-	(8,973,647)	2,264,913	(6,708,734)
Net assets (deficit), beginning of year	(48,156,749)	14,516,362	(33,640,387)	(10,321,820)	1,714,199	(8,607,621)	(58,639,439)	6,816,336	(51,823,103)	7,287,140	50,000	7,337,140	-	(109,830,868)	23,096,897	(86,733,971)
Transfer of net assets	-	-	-	-	-	-	-	-	-	293,257	204,181	497,438	-	293,257	204,181	497,438
NET ASSETS (DEFICIT), END OF YEAR	$ (54,583,242)	$ 15,390,761	$ (39,192,481)	$ (11,617,654)	$ 1,962,372	$ (9,655,282)	$ (59,932,346)	$ 7,958,677	$ (51,973,669)	$ 7,621,984	$ 254,181	$ 7,876,165	$ -	$ (118,511,258)	$ 25,565,991	$ (92,945,267)

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
COMBINING BALANCE SHEET - OBLIGATED GROUP
DECEMBER 31, 2024

	Simpson House, Inc. and Affiliate	Simpson Meadows	Jenner's Pond, Inc.	Simpson Senior Services	Eliminations	Total Obligated Group
		ASSETS				
Current assets:						
Cash and cash equivalents	$ 470,519	$ 356,813	$ 1,811,329	$ 181,000	$ -	$ 2,819,661
Accounts receivable, net of allowance for credit losses of $703,733	1,574,878	119,420	1,109,818	-	-	2,804,116
Prepaid expenses and other current assets	105,472	143,027	1,726,666	98,306	-	2,073,471
Total current assets	2,150,869	619,260	4,647,813	279,306	-	7,697,248
Assets whose use is limited:						
Board-designated	-	-	2,901,698	579,749	-	3,481,447
Donor restricted	3,585,671	1,371,471	4,915,490	-	-	9,872,632
Statutory liquid reserves	1,725,188	720,002	3,039,880	-	-	5,485,070
Under indenture agreement, held by trustee	348,566	788,129	1,882,991	5,389,582	-	8,409,268
Total assets whose use is limited	5,659,425	2,879,602	12,740,059	5,969,331	-	27,248,417
Due from affiliates	-	4,187,272	19,230,676	15,769,118	(37,884,732)	1,302,334
Property and equipment, net	25,710,754	6,357,077	38,685,404	314,965	-	71,068,200
Other assets	224,890	-	-	510,585	-	735,475
Beneficial interest in perpetual trusts	7,327,825	-	-	-	-	7,327,825
TOTAL ASSETS	$ 41,073,763	$ 14,043,211	$ 75,303,952	$ 22,843,305	$ (37,884,732)	$ 115,379,499
		LIABILITIES AND NET ASSETS (DEFICIT)				
Current liabilities:						
Accounts payable and accrued expenses	$ 1,549,147	$ 1,793,192	$ 6,042,606	$ 144,167	$ -	$ 9,529,112
Accrued salaries and related liabilities	497,300	129,259	469,862	99,005	-	1,195,426
Accrued interest	170,079	26,718	167,173	-	-	363,970
Current portion of deferred revenue from advance fees	935,927	410,271	4,558,709	-	-	5,904,907
Current maturities of long-term debt	549,630	189,188	1,081,182	-	-	1,820,000
Total current liabilities	3,702,083	2,548,628	12,319,532	243,172	-	18,813,415
Non-current liabilities:						
Annuities payable	113,568	-	-	-	-	113,568
Other liabilities	-	-	-	280,821	-	280,821
Securities and other deposits	22,371	144,442	266,917	-	-	433,730
Funds held for residents	169,131	-	-	-	-	169,131
Refundable advance fee liability and deposits	611,587	12,030,989	51,048,528	-	-	63,691,104
Deferred revenue from advance fees, less current portion	4,536,516	1,109,728	20,800,316	-	-	26,446,560
Due to affiliates	23,049,433	-	-	14,982,172	(37,884,732)	146,873
Long-term debt, net of current portion	42,509,461	6,817,045	42,691,762	-	-	92,018,268
Total liabilities	74,714,150	22,650,832	127,127,055	15,506,165	(37,884,732)	202,113,470
Commitments and contingencies						
Net assets (deficit):						
Net assets (deficit) without donor restrictions	(48,156,749)	(10,321,820)	(58,639,439)	7,287,140	-	(109,830,868)
Net assets with donor restrictions	14,516,362	1,714,199	6,816,336	50,000	-	23,096,897
Total net assets (deficit)	(33,640,387)	(8,607,621)	(51,823,103)	7,337,140	-	(86,733,971)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 41,073,763	$ 14,043,211	$ 75,303,952	$ 22,843,305	$ (37,884,732)	$ 115,379,499

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) - OBLIGATED GROUP
FOR THE YEAR ENDED DECEMBER 31, 2024

	Simpson House, Inc. and Affiliate			Simpson Meadows			Jenner's Pond, Inc.			Simpson Senior Services			Eliminations	Total Obligated Group		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:																
Net patient service revenue	$ 11,792,012	$ -	$ 11,792,012	$ 5,800,121	$ -	$ 5,800,121	$ 21,361,308	$ -	$ 21,361,308	$ 356,395	$ -	$ 356,395	$ -	$ 39,309,836	$ -	$ 39,309,836
Amortization of advance fees	1,467,447	-	1,467,447	307,284	-	307,284	4,029,558	-	4,029,558	-	-	-	-	5,804,289	-	5,804,289
Management fees	-	-	-	-	-	-	-	-	-	3,984,075	-	3,984,075	(3,889,059)	95,016	-	95,016
Net assets released from restriction	-	-	-	-	-	-	225,395	(225,395)	-	-	-	-	-	225,395	(225,395)	-
Total operating revenue	13,259,459	-	13,259,459	6,107,405	-	6,107,405	25,616,261	(225,395)	25,390,866	4,340,470	-	4,340,470	(3,889,059)	45,434,536	(225,395)	45,209,141
Operating expenses:																
Nursing	4,169,525	-	4,169,525	-	-	-	2,665,379	-	2,665,379	-	-	-	-	6,835,004	-	6,835,004
Dietary	3,264,395	-	3,264,395	1,322,181	-	1,322,181	3,648,186	-	3,648,186	-	-	-	-	8,234,762	-	8,234,762
General and administrative	3,192,792	-	3,192,792	1,883,545	-	1,883,545	4,811,860	-	4,811,860	4,274,719	-	4,274,719	(3,889,059)	10,273,857	-	10,273,857
Depreciation and amortization	2,431,809	-	2,431,809	906,694	-	906,694	5,177,127	-	5,177,127	126,453	-	126,453	-	8,642,083	-	8,642,083
Plant operations	2,318,085	-	2,318,085	1,273,016	-	1,273,016	4,773,707	-	4,773,707	-	-	-	-	8,364,808	-	8,364,808
Personal care and assisted living	1,049,072	-	1,049,072	1,808,555	-	1,808,555	2,282,692	-	2,282,692	-	-	-	-	5,140,319	-	5,140,319
Interest	2,034,168	-	2,034,168	330,082	-	330,082	2,027,140	-	2,027,140	-	-	-	-	4,391,390	-	4,391,390
Housekeeping and laundry	990,134	-	990,134	223,164	-	223,164	596,602	-	596,602	-	-	-	-	1,809,900	-	1,809,900
Rehabilitation	997,929	-	997,929	-	-	-	1,474,758	-	1,474,758	-	-	-	-	2,472,687	-	2,472,687
Residential care	599,395	-	599,395	437,410	-	437,410	651,023	-	651,023	403,331	-	403,331	-	2,091,159	-	2,091,159
Clinic	61,023	-	61,023	-	-	-	167,938	-	167,938	-	-	-	-	228,961	-	228,961
Provisions for credit losses	287,174	-	287,174	26,000	-	26,000	370,000	-	370,000	-	-	-	-	683,174	-	683,174
Total operating expenses	21,395,601	-	21,395,601	8,210,647	-	8,210,647	28,646,412	-	28,646,412	4,804,503	-	4,804,503	(3,889,059)	59,168,104	-	59,168,104
Change in net assets from operations	(8,136,142)	-	(8,136,142)	(2,103,242)	-	(2,103,242)	(3,030,151)	(225,395)	(3,255,546)	(464,033)	-	(464,033)	-	(13,733,568)	(225,395)	(13,958,963)
Non-operating activities:																
Contributions	488,245	-	488,245	2,750	-	2,750	18,112	92,504	110,616	-	-	-	-	509,107	92,504	601,611
Investment income	269,549	361,036	630,585	274,079	17,324	291,403	1,445,864	117,826	1,563,690	297,741	-	297,741	-	2,287,233	496,186	2,783,419
Miscellaneous income	36,328	-	36,328	20,173	-	20,173	43,499	-	43,499	58,135	-	58,135	-	158,135	-	158,135
Change in unrealized gains and losses on investments	(8,723)	25,193	16,470	(215,418)	216,522	1,104	(593,232)	573,447	(19,785)	1,324	-	1,324	-	(816,049)	815,162	(887)
Valuation gain, beneficial interest in perpetual trust	-	442,884	442,884	-	-	-	-		-	-	-	-	-	-	442,884	442,884
Total non-operating activities	785,399	829,113	1,614,512	81,584	233,846	315,430	914,243	783,777	1,698,020	357,200	-	357,200	-	2,138,426	1,846,736	3,985,162
Change in net assets (deficit)	(7,350,743)	829,113	(6,521,630)	(2,021,658)	233,846	(1,787,812)	(2,115,908)	558,382	(1,557,526)	(106,833)	-	(106,833)	-	(11,595,142)	1,621,341	(9,973,801)
Net assets (deficit), beginning of year	(40,806,006)	13,687,249	(27,118,757)	(8,300,162)	1,480,353	(6,819,809)	(56,523,531)	6,257,954	(50,265,577)	7,393,973	50,000	7,443,973	-	(98,235,726)	21,475,556	(76,760,170)
NET ASSETS (DEFICIT), END OF YEAR	$ (48,156,749)	$ 14,516,362	$ (33,640,387)	$ (10,321,820)	$ 1,714,199	$ (8,607,621)	$ (58,639,439)	$ 6,816,336	$ (51,823,103)	$ 7,287,140	$ 50,000	$ 7,337,140	$ -	$ (109,830,868)	$ 23,096,897	$ (86,733,971)

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
COMBINING STATEMENTS OF CASH FLOWS - OBLIGATED GROUP
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets (deficit)	$ (6,708,734)	$ (9,973,801)
Adjustments to reconcile change in net assets (deficit) to net cash used in operating activities:		
Proceeds from nonrefundable advance fees, existing units	5,227,641	6,896,967
Amortization of deferred financing costs	119,025	119,025
Accretion of bond premium	(154,416)	(154,416)
Amortization of advance fees	(4,783,652)	(5,804,289)
Depreciation	8,006,754	8,642,083
Net realized and unrealized gains on investments	(2,195,361)	(1,496,810)
Valuation gains on beneficial interest in perpetual trusts	(525,163)	(442,884)
Restricted contributions	-	(92,504)
Provision for credit losses	734,338	683,174
Changes in assets:		
Accounts receivable	(652,040)	(978,758)
Due from affiliate	(855,638)	311,080
Prepaid expenses and other assets	120,463	760,208
Changes in liabilities:		
Accounts payable and accrued expenses	1,401,280	(407,384)
Accrued salaries and related liabilities	68,370	294,092
Accrued interest	(11,696)	(6,355)
Security and other deposits	(47,055)	(166,963)
Net cash used in operating activities	(255,884)	(1,817,535)
Cash flows from investing activities:		
Purchase of property and equipment	(6,025,056)	(5,832,807)
Net proceeds from sales of assets whose use is limited	806,999	2,720,129
Net cash used in by investing activities	(5,218,057)	(3,112,678)
Cash flows from financing activities:		
Payments on long-term debt	(2,095,820)	(1,834,087)
Net proceeds from refundable advance fees, existing units	9,957,390	8,174,942
Change in funds held for residents	(33,800)	(63,191)
Proceeds from restricted contributions	-	92,504
Transfer of net assets	497,438	-
Refunds of advance fees	(2,812,681)	(3,205,949)
Net cash provided by financing activities	5,512,527	3,164,219
Net change in cash and cash equivalents, including restricted	38,586	(1,765,994)
Cash and cash equivalents, including restricted, beginning of year	11,228,929	12,994,923
CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED, END OF YEAR	$ 11,267,515	$ 11,228,929
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 4,345,691	$ 4,391,390
Supplemental disclosure of noncash financing activities:		
Refunds of advance fees included in accounts payable and accrued expenses	$ 3,326,268	$ 4,392,488
Cash and cash equivalents, including restricted, are included in the combined balance sheets - Obligated Group at December 31, 2025 and 2024 as		
Cash and cash equivalents	$ 4,721,101	$ 2,819,661
Assets whose use is limited:		
Donor restricted	324	324
Under indenture agreement, held by trustee	6,546,090	8,408,944
	$ 11,267,515	$ 11,228,929

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2025

	Obligated Group	Simpson Therapy Services, LLC	Simpson Mid-Town, Inc.	Simpson Gardens, L.P.	Simpson Senior Housing II, LP	Eliminations	Consolidated Total
ASSETS							
Current assets:							
Cash and cash equivalents	$ 4,721,101	$ 8,958	$ 16,593	$ 6,010	$ 9,601	$ -	$ 4,762,263
Accounts receivable, net of allowance for credit losses of $647,374	2,721,818	424,523	17,190	4,502	4,583	-	3,172,616
Assets whose use is limited, under indenture agreement, held by trustee	-	-	-	-	-	-	-
Prepaid expenses and other current assets	2,072,069	-	6,564	16,797	3,454	-	2,098,884
Total current assets	9,514,988	433,481	40,347	27,309	17,638	-	10,033,763
Assets whose use is limited:							
Board-designated	2,665,254	-	-	-	-	-	2,665,254
Donor restricted	11,753,271	-	6,765	-	-	-	11,760,036
Statutory liquid reserves	5,801,010	-	-	-	-	-	5,801,010
Under indenture agreement, held by trustee	6,546,414	-	-	-	-	-	6,546,414
Restricted deposits	-	-	117,444	190,999	582,126	-	890,569
Total assets whose use is limited	26,765,949	-	124,209	190,999	582,126	-	27,663,283
Due from affiliates	2,011,099	-	-	-	-	(2,011,099)	-
Property and equipment, net	69,086,502	3,517	2,452,044	2,424,654	8,656,785	(1,011,551)	81,611,921
Other assets	616,414	-	-	-	229,640	(216,931)	629,123
Beneficial interest in perpetual trusts	7,852,988	-	-	-	-		7,852,988
TOTAL ASSETS	$ 115,847,940	$ 436,998	$ 2,616,570	$ 2,642,962	$ 9,486,189	$ (3,239,581)	$ 127,791,078
LIABILITIES AND PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT)							
Current liabilities:							
Accounts payable and accrued expenses	$ 14,256,660	$ 31,981	$ 54,781	$ 43,978	$ 263,755	$ (216,931)	$ 14,434,224
Accrued salaries and related liabilities	1,263,796	-	-	-	-	-	1,263,796
Accrued interest	352,274	-	-	-	-	-	352,274
Current portion of deferred revenue from advance fees	7,691,587	-	-	-	-	-	7,691,587
Current maturities of long-term debt	1,909,999	-	-	4,158	27,745	-	1,941,902
Total current liabilities	25,474,316	31,981	54,781	48,136	291,500	(216,931)	25,683,783
Non-current liabilities:							
Annuities payable	105,592	-	-	-	-	-	105,592
Other liabilities	-	-	-	-	-	-	-
Securities and other deposits	386,675	-	9,983	25,583	29,896	-	452,137
Funds held for residents	135,331	-	-	-	-	-	135,331
Refundable advance fee liability and deposits	67,509,545	-	-	-	-	-	67,509,545
Deferred revenue from advance fees, less current portion	25,103,869	-	-	-	-	-	25,103,869
Due to affiliates	-	328,217	405,735	436,356	840,791	(2,011,099)	-
Long-term debt, net of current portion	90,077,879	-	6,010,300	2,872,078	1,622,599	-	100,582,856
Total liabilities	208,793,207	360,198	6,480,799	3,382,153	2,784,786	(2,228,030)	219,573,113
Commitments and contingencies							
Partners' equity (deficit) and net assets (deficit):							
Partners' equity (deficit) and net assets (deficit) without donor restrictions	(118,511,258)	76,800	(3,864,229)	(739,191)	(194)	(1,011,551)	(124,049,623)
Net assets with donor restrictions	25,565,991	-	-	-	-	-	25,565,991
	(92,945,267)	76,800	(3,864,229)	(739,191)	(194)	(1,011,551)	(98,483,632)
Noncontrolling interest	-	-	-	-	6,701,597	-	6,701,597
Total partners' equity (deficit) and net assets (deficit)	(92,945,267)	76,800	(3,864,229)	(739,191)	6,701,403	(1,011,551)	(91,782,035)
TOTAL LIABILITIES AND PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT)	$ 115,847,940	$ 436,998	$ 2,616,570	$ 2,642,962	$ 9,486,189	$ (3,239,581)	$ 127,791,078

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATING STATEMENT OF STATEMENT OF OPERATIONS AND CHANGES IN PARTNERS' EQUITY(DEFICIT) AND NET ASSETS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Obligated Group			Simpson House Foundation			Simpson Therapy Services, LLC	Simpson Mid-Town, Inc.	Simpson Gardens, L.P.	Simpson Senior Housing II, LP	Eliminations	Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:														
Net patient service revenue	$ 42,766,411	$ -	$ 42,766,411	$ -	$ -	$ -	$ 492,854	$ -	$ -	$ -	$ -	$ 43,259,265	$ -	$ 43,259,265
Amortization of advance fees	4,783,652	-	4,783,652	-	-	-	-	-	-	-	-	4,783,652	-	4,783,652
Rental income	-	-	-	-	-	-	-	406,847	377,748	413,911		1,198,506	-	1,198,506
Management fees	102,096	-	102,096	-	-	-	-	-	-	-	(102,096)	-	-	-
Net assets released from restriction	698,282	(698,282)	-	-	-	-	-	-	-	-	-	698,282	(698,282)	-
Total operating revenue	48,350,441	(698,282)	47,652,159	-	-	-	492,854	406,847	377,748	413,911	(102,096)	49,939,705	(698,282)	49,241,423
Operating expenses:														
Nursing	6,822,074	-	6,822,074	-	-	-	-	-	-	-	-	6,822,074	-	6,822,074
Dietary	8,500,467	-	8,500,467	-	-	-	-	-	-	-	-	8,500,467	-	8,500,467
General and administrative	10,129,082	-	10,129,082	-	-	-	140,199	165,702	292,139	233,612	(102,096)	10,859,638	-	10,859,638
Depreciation and amortization	8,006,754	-	8,006,754	-	-	-	-	279,088	144,818	544,419	-	8,975,079	-	8,975,079
Plant operations	8,804,759	-	8,804,759	-	-	-	-	316,749	136,122	144,315	-	9,401,945	-	9,401,945
Personal care and assisted living	5,227,255	-	5,227,255	-	-	-	-	-	-	-	-	5,227,255	-	5,227,255
Interest	4,345,691	-	4,345,691	-	-	-	-	-	54,479	40,560	-	4,440,730	-	4,440,730
Housekeeping and laundry	1,964,254	-	1,964,254	-	-	-	-	-	-	-	-	1,964,254	-	1,964,254
Rehabilitation	2,420,691	-	2,420,691	-	-	-	502,207	-	-	-	-	2,922,898	-	2,922,898
Residential care	2,089,445	-	2,089,445	-	-	-	-	-	-	-	-	2,089,445	-	2,089,445
Clinic	247,820	-	247,820	-	-	-	-	-	-	-	-	247,820	-	247,820
Provisions for credit losses	734,338	-	734,338	-	-	-	-	-	-	-	-	734,338	-	734,338
Total operating expenses	59,292,630	-	59,292,630	-	-	-	642,406	762,539	627,558	962,906	(102,096)	62,185,943	-	62,185,943
Change in net assets from operations	(10,942,189)	(698,282)	(11,640,471)	-	-	-	(149,552)	(355,692)	(249,810)	(548,995)	-	(12,246,238)	(698,282)	(12,944,520)
Non-operating activities:														
Contributions	688,185	206,352	894,537	-	-	-	-	-	-	-	-	688,185	206,352	894,537
Investment income	1,002,688	1,404,501	2,407,189	-	-	-	-	24	7,044	6,738	-	1,016,494	1,404,501	2,420,995
Miscellaneous income	161,110	-	161,110	-	-	-	-	9,708	-	84,867	-	255,685	-	255,685
Change in unrealized gains and losses on investments	116,559	827,179	943,738	-		-	-	-	-	-	-	116,559	827,179	943,738
Valuation gain, beneficial interest in perpetual trust	-	525,163	525,163	-	-	-	-	-	-	-	-	-	525,163	525,163
Total non-operating activities	1,968,542	2,963,195	4,931,737	-	-	-	-	9,732	7,044	91,605	-	2,076,923	2,963,195	5,040,118
Change in partners' equity (deficit) and net assets (deficit)	(8,973,647)	2,264,913	(6,708,734)	-	-	-	(149,552)	(345,960)	(242,766)	(457,390)	-	(10,169,315)	2,264,913	(7,904,402)
Partners' equity (deficit) and net assets (deficit), beginning of year	(109,830,868)	23,096,897	(86,733,971)	293,257	204,181	497,438	226,352	(3,518,269)	(496,425)	7,158,793	(1,011,551)	(107,178,711)	23,301,078	(83,877,633)
Transfer of net assets	293,257	204,181	497,438	(293,257)	(204,181)	(497,438)	-	-	-	-	-	-	-	-
PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT), END OF YEAR	$ (118,511,258)	$ 25,565,991	$ (92,945,267)	$ -	$ -	$ -	$ 76,800	$ (3,864,229)	$ (739,191)	$ 6,701,403	$ (1,011,551)	$ (117,348,026)	$ 25,565,991	$ (91,782,035)

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2024

	Obligated Group	Simpson House Foundation	Simpson Therapy Services, LLC	Simpson Mid-Town, Inc.	Simpson Gardens, L.P.	Simpson Senior Housing II, LP	Eliminations	Consolidated Total
ASSETS								
Current assets:								
Cash and cash equivalents	$ 2,819,661	$ 71,146	$ 36,126	$ 8,420	$ 859	$ 23,857	$ -	$ 2,960,069
Accounts receivable, net of allowance for credit losses of $709,733	2,804,116	-	410,231	49,164	7,359	3,031	-	3,273,901
Assets whose use is limited, under indenture agreement, held by trustee	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	2,073,471	250	-	5,869	17,120	1,293	-	2,098,003
Total current assets	7,697,248	71,396	446,357	63,453	25,338	28,181	-	8,331,973
Assets whose use is limited:								
Board-designated	3,481,447	114,397	-	-	-	-	-	3,595,844
Donor restricted	9,872,632	-	-	6,759	-	-	-	9,879,391
Statutory liquid reserves	5,485,070	-	-	-	-	-	-	5,485,070
Under indenture agreement, held by trustee	8,409,268	-	-	-	-	-	-	8,409,268
Restricted deposits	-	-	-	274,313	194,906	515,290	-	984,509
Total assets whose use is limited	27,248,417	114,397	-	281,072	194,906	515,290	-	28,354,082
Due from affiliates	1,302,334	311,645	-	-	-	-	(1,613,979)	-
Property and equipment, net	71,068,200	-	2,505	2,478,046	2,491,229	9,051,596	(1,011,551)	84,080,025
Other assets	735,475	-	-	-	-	238,655	(216,931)	757,199
Beneficial interest in perpetual trusts	7,327,825	-	-	-	-	-	-	7,327,825
TOTAL ASSETS	$ 115,379,499	$ 497,438	$ 448,862	$ 2,822,571	$ 2,711,473	$ 9,833,722	$ (2,842,461)	$ 128,851,104
LIABILITIES AND PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT)								
Current liabilities:								
Accounts payable and accrued expenses	$ 9,529,112	$ -	999	$ 102,396	$ 35,167	$ 254,612	$ (216,931)	$ 9,705,355
Accrued salaries and related liabilities	1,195,426	-	-	-	-	-	-	1,195,426
Accrued interest	363,970	-	-	-	-	-	-	363,970
Current portion of deferred revenue from advance fees	5,904,907	-	-	-	-	-	-	5,904,907
Current maturities of long-term debt	1,820,000	-	-	-	3,649	25,044	-	1,848,693
Total current liabilities	18,813,415		999	102,396	38,816	279,656	(216,931)	19,018,351
Non-current liabilities:								
Annuities payable	113,568	-	-	-	-	-	-	113,568
Other liabilities	280,821	-	-	-	-	-	-	280,821
Securities and other deposits	433,730	-	-	10,332	28,175	31,438	-	503,675
Funds held for residents	169,131	-	-	-	-	-	-	169,131
Refundable advance fee liability and deposits	63,691,104	-	-	-	-	-	-	63,691,104
Deferred revenue from advance fees, less current portion	26,446,560	-	-	-	-	-	-	26,446,560
Due to affiliates	246,873	-	221,511	217,812	314,605	713,178	(1,613,979)	-
Long-term debt, net of current portion	92,018,268	-	-	6,010,300	2,826,302	1,650,657	-	102,505,527
Total liabilities	202,213,470	-	222,510	6,340,840	3,207,898	2,674,929	(1,830,910)	212,728,737
Commitments and contingencies								
Partners' equity (deficit) and net assets (deficit):								
Partners' equity (deficit) and net assets (deficit) without donor restrictions	(109,830,868)	293,257	226,352	(3,518,269)	(496,425)	(148)	(1,011,551)	(114,337,652)
Net assets with donor restrictions	23,096,897	204,181	-	-	-	-	-	23,301,078
	(86,733,971)	497,438	226,352	(3,518,269)	(496,425)	(148)	(1,011,551)	(91,036,574)
Noncontrolling interest	-	-	-	-	-	7,158,941	-	7,158,941
Total partners' equity (deficit) and net assets (deficit)	(86,733,971)	497,438	226,352	(3,518,269)	(496,425)	7,158,793	(1,011,551)	(83,877,633)
TOTAL LIABILITIES AND PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT)	$ 115,379,499	$ 497,438	$ 448,862	$ 2,822,571	$ 2,711,473	$ 9,833,722	$ (2,842,461)	$ 128,851,104

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SIMPSON SENIOR SERVICES AND SUBSIDIARY ORGANIZATIONS
CONSOLIDATING STATEMENT OF STATEMENT OF OPERATIONS AND CHANGES IN PARTNERS' EQUITY(DEFICIT) AND NET ASSETS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Obligated Group			Simpson House Foundation			Smarter Services	Simpson Therapy Services, LLC	Simpson Mid-Town, Inc.	Simpson Gardens, L.P.	Simpson Senior Housing II, LP	Eliminations	Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:															
Net patient service revenue	$ 39,309,836	$ -	$ 39,309,836	$ -	$ -	$ -	$ -	$ 660,544	$ -	$ -	$ -	$ -	$ 39,970,380	$ -	$ 39,970,380
Amortization of advance fees	5,804,289	-	5,804,289	-	-	-	-	-	-	-	-	-	5,804,289	-	5,804,289
Rental income	-	-	-	-	-	-	-	-	384,958	383,268	402,423	-	1,170,659	-	1,170,659
Management fees	95,016	-	95,016	-	-	-	-	-	-	-	-	(95,016)	-	-	-
Grant revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restriction	225,395	(225,395)	-	64,934	(64,934)	-	-	-	-	-	-	-	290,329	(290,329)	-
Total operating revenue	45,434,536	(225,395)	45,209,141	64,934	(64,934)	-	-	660,544	384,958	383,268	402,423	(95,016)	47,235,657	(290,329)	46,945,328
Operating expenses:															
Nursing	6,835,004	-	6,835,004	-	-	-	-	-	-	-	-	-	6,835,004	-	6,835,004
Dietary	8,234,762	-	8,234,762	-	-	-	-	-	-	-	-	-	8,234,762	-	8,234,762
General and administrative	10,273,857	-	10,273,857	85,939	-	85,939	18,785	10,465	129,853	223,535	217,379	(95,016)	10,864,797	-	10,864,797
Depreciation and amortization	8,642,083	-	8,642,083	-	-	-	-	278	255,398	143,899	529,626	-	9,571,284	-	9,571,284
Plant operations	8,364,808	-	8,364,808	-	-	-	-	-	240,270	128,271	130,643	-	8,863,992	-	8,863,992
Personal care and assisted living	5,140,319	-	5,140,319	-	-	-	-	-	-	-	-	-	5,140,319	-	5,140,319
Interest	4,391,390	-	4,391,390	-	-	-	-	-	-	52,800	41,716	-	4,485,906	-	4,485,906
Housekeeping and laundry	1,809,900	-	1,809,900	-	-	-	-	-	-	-	-	-	1,809,900	-	1,809,900
Rehabilitation	2,472,687	-	2,472,687	-	-	-	-	474,191	-	-	-	-	2,946,878	-	2,946,878
Residential care	2,091,159	-	2,091,159	-	-	-	-	-	-	-	-	-	2,091,159	-	2,091,159
Clinic	228,961	-	228,961	-	-	-	-	-	-	-	-	-	228,961	-	228,961
Provisions for credit losses	683,174	-	683,174	-	-	-	-	-	-	-	-	-	683,174	-	683,174
Total operating expenses	59,168,104	-	59,168,104	85,939	-	85,939	18,785	484,934	625,521	548,505	919,364	(95,016)	61,756,136	-	61,756,136
Change in net assets from operations	(13,733,568)	(225,395)	(13,958,963)	(21,005)	(64,934)	(85,939)	(18,785)	175,610	(240,563)	(165,237)	(516,941)	-	(14,520,479)	(290,329)	(14,810,808)
Non-operating activities:															
Contributions	509,107	92,504	601,611	46,135	269,115	315,250	-	-	-	-	-	-	555,242	361,619	916,861
Investment income	2,287,233	496,186	2,783,419	11,273	-	11,273	-	-	64	6,707	4,698	-	2,309,975	496,186	2,806,161
Miscellaneous income	158,135	-	158,135	-	-	-	-	-	-	71,568	-	-	229,703	-	229,703
Change in unrealized gains and losses	(816,049)	815,162	(887)	242	-	242	-	-	-	-	-	-	(815,807)	815,162	(645)
Valuation gain, beneficial interest in perpetual trust	-	442,884	442,884	-	-	-	-	-	-	-	-	-	-	442,884	442,884
Total non-operating activities	2,138,426	1,846,736	3,985,162	57,650	269,115	326,765	-	-	64	78,275	4,698	-	2,279,113	2,115,851	4,394,964
Change in partners' equity (deficit) and net assets (deficit)	(11,595,142)	1,621,341	(9,973,801)	36,645	204,181	240,826	(18,785)	175,610	(240,499)	(86,962)	(512,243)	-	(12,241,366)	1,825,522	(10,415,844)
Partners' equity (deficit) and net assets (deficit), beginning of year	(98,235,726)	21,475,556	(76,760,170)	256,612	-	256,612	18,785	50,742	(3,277,780)	(409,463)	7,019,746	(1,011,551)	(95,588,635)	21,475,556	(74,113,079)
Capital Contribution	-	-	-	-	-	-	-	-	-	-	651,290	-	651,290	-	651,290
PARTNERS' EQUITY (DEFICIT) AND NET ASSETS (DEFICIT), END OF YEAR	$ (109,830,868)	$ 23,096,897	$ (86,733,971)	$ 293,257	$ 204,181	$ 497,438	$ -	$ 226,352	$ (3,518,269)	$ (496,425)	$ 7,158,793	$ (1,011,551)	$ (107,178,711)	$ 23,301,078	$ (83,877,633)

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