United Church of Christ Homes, Inc.

The Lebanon Valley Home
A
Continuing Care Retirement Community
Of
United Church of Christ Homes, Inc.

Located at:

550 East Main Street
Annville, PA 17003

Phone: (717) 867-4467

DISCLOSURE STATEMENT
April 2022

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

UNITED CHURCH of CHRIST HOMES, INC.

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Important Information to Prospective Residents

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

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

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Summary of Disclosure Statement

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

1. **THE FACILITY**: The Lebanon Valley Home currently provides a continuum of services on its existing campus at 550 East Main Street, Annville, PA 17003. Phone: (717) 867-4467.

2. **LICENSED PROVIDER:** United Church of Christ Homes, Inc. ("UCC Homes") owns and operates The Lebanon Valley Home. UCC Homes' principal office is located at 30 North 31st Street, Camp Hill, Pennsylvania 17011. Phone: (717) 303-1502.

3. **PERSON TO BE CONTACTED TO DISCUSS ADMISSION:** Ms. Lindsay Sheaffer, Director of Social Services is the contact person for those considering admission to The Lebanon Valley Home's skilled nursing, personal care and residential living cottages. Ms. Sheaffer may be contacted at The Lebanon Valley Home located at 550 East Main Street Annville, PA 17003. Phone: (717) 867-4467. Ms. Beth Coatsworth, Apartment Manager, is the contact person for those considering admission to the residential living apartments at Kindred Place at Annville, and may be contacted at Kindred Place at Annville, One Kindred Place Annville, PA 17003. Phone: (717) 867-5572. Ms. Nicole Brandt, Apartment Manager is the contact person for those considering admission to the residential living apartments at Kindred Place at Harrisburg, and may be contacted at Kindred Place at Harrisburg, 4700 Oakhurst Blvd., Harrisburg, PA 17110. Phone (717) 657-7900.

4. **DESCRIPTION OF PROPERTY:** The Lebanon Valley Home campus consists of 12 Residential Living Cottages, a 40 bed licensed Personal Care Facility and a 55 bed Skilled Nursing Facility. The Lebanon Valley Home campus also includes 74 Residential Living Apartments, known as Kindred Place at Annville, which are located at One Kindred Place, Annville, PA 17003. Additionally, The Lebanon Valley Home campus includes 81 Residential Living Apartments, known as Kindred Place at Harrisburg, which are located at Oakhurst Blvd., Harrisburg, PA 17110. All of the

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Residential Living Cottages and Residential Living Apartments contain full baths, kitchen facilities, floor coverings, and individually controlled heat and air conditioning.

5. AGE REQUIREMENTS: Admission to the Residential Living Cottages and Residential Living Apartments is restricted to individuals 65 years of age or older.

6. AFFILIATIONS WITH RELIGIOUS, CHARITABLE, AND OTHER NONPROFIT ORGANIZATIONS: The Lebanon Valley Home is a continuing care retirement community owned and operated by United Church of Christ Homes, Inc., a recognized ministry of the Penn Central Conference of the United Church of Christ. Neither the Penn Central Conference nor the United Church of Christ is responsible for any financial or contractual obligations, debts, or liabilities of UCC Homes.

7. CURRENT RESIDENT POPULATION: As of April 25, 2022, The Lebanon Valley Home provides care to 255 Residents. The Resident population includes:

Residential Living:	174 Residents
Personal Care:	32 Residents
Skilled Nursing:	49 Residents

8. INITIAL ENTRANCE & MONTHLY FEES: Sample fees ***(please see Addendum A of the Residency Agreement for current fees)*** for Residential Living Cottages and Residential Living Apartments at The Lebanon Valley Home are listed below:

Three Year Entrance Fee Plan

Unit	Square Footage	Entrance Fee	Security Deposit	Monthly Rental Fee
Type A - Two Bedroom – One Bathroom Cottage	780	$ 47,340	None	See note*

*There is no Monthly Fee for the first three years. After three years, the plan converts to a Monthly Rental Fee at the then current rate established by the Board of Directors for that Residence. There is no additional charge for a second person.

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The Entrance Fee and Monthly Rental Fee do not include charges for Personal Care and Skilled Nursing services. The fees associated with the Personal Care and Skilled Nursing Facilities depend upon the type of accommodation and level of care.

One Year Entrance Fee Plan (*Applicable to Kindred Place Apartments Only*)

Unit	Square Footage	Entrance Fee	Security Deposit	Monthly Rental Fee
Kindred Place at Annville Type A – One Bedroom/One Bathroom Apartment	543	$28,920	None	See note**
Kindred Place at Annville Type B – One Bedroom/One Bathroom Apartment	639	$31,140	None	See note**
Kindred Place at Annville Type C – One Bedroom/One Bathroom Apartment	602	$29,460	None	See note**
Kindred Place at Annville Type D – One Bedroom/One Bathroom Apartment	652	$32,640	None	See note**
Kindred Place at Harrisburg Type A – One Bedroom/One Bathroom Apartment	607	$31,440	None	See note**
Kindred Place at Harrisburg Type B – One Bedroom/One Bathroom Apartment	606	$32,880	None	See note**
Kindred Place at Harrisburg Type AB – One Bedroom/One Bathroom Apartment	550	$30,180	None	See note**
Kindred Place at Harrisburg Type B – One Bedroom/One Bathroom Apartment	513	$28,500	None	See note**
Kindred Place at Harrisburg Type C – Two Bedroom/One Bathroom Apartment	916	$40,620	None	See note**
Kindred Place at Harrisburg Type D – Two Bedroom/Two Bathroom Apartment	1066	$42,000	None	See note**

**There is no Monthly Fee for the first year. After the first year, the plan converts to a Monthly Rental Fee at the then current rate established by the Board of Directors for that particular Residence. There is no additional charge for a second person.

The Entrance Fee and Monthly Rental Fee do not include charges for Personal Care and Skilled Nursing services. The fees associated with the Personal Care and Skilled Nursing Facilities depend upon the type of accommodation and level of care.

United Church of Christ Homes offers home care and home health care services to residents residing in the Residential Living Apartments, and the costs of such services are an additional fee and are not included in the Entrance Fee or Monthly Rental Fee. Residents residing in the Residential Living Apartments and Residential Living Cottages may utilize the services of an outside home care and/or home health care agency and shall be responsible for the costs of such services. The terms and conditions regarding the availability of home care and home health care services are described in greater detail in the Residency Agreement. Residents should review the Residency Agreement for further explanation.

An alternative Residency Agreement is offered which provides for a Monthly Rental Admissions Plan that is not subject to review and approval by the Department of Insurance.

9. TAX EXEMPT STATUS: United Church of Christ Homes, Inc., owner and operator of The Lebanon Valley Home, is exempt from federal income tax under the provisions of Section 501 (c)(3) of the Internal Revenue Code.

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Disclosure Statement

1. NAME & BUSINESS ADDRESS

United Church of Christ Homes, Inc., d/b/a The Lebanon Valley Home ("TLVH"), is a Pennsylvania not-for-profit retirement community consisting of Residential Housing for the elderly (hereinafter referred to as "Residential Living"), Personal Care, and Nursing Care located at 550 East Main Street, Annville, PA, 17003. Phone: (717) 867-4467. TLVH is owned and operated by United Church of Christ Homes, Inc., ("UCC Homes"), a Pennsylvania not-for-profit corporation, with its principal offices located at 30 North 31st Street, Camp Hill, Pennsylvania 17011. Phone: (717) 303-1502. TLVH provides a continuum of services on its existing campus, which campus also includes Kindred Place at Annville and Kindred Place at Harrisburg.

2. HISTORY & ORGANIZATION

Founded by the Lancaster Synod of the former Evangelical and Reformed Church in 1955 (now the Lancaster, Lebanon, and Harrisburg Associations of the United Church of Christ in Penn Central Conference), UCC Homes is a non-profit corporation that has continuously served older adults in Central Pennsylvania since 1965.

UCC Homes is a recognized ministry of the Penn Central Conference of the United Church of Christ. The United Church of Christ however is not responsible for the financial or contractual obligations of UCC Homes.

A Corporate Organizational Chart for UCC Homes is attached as EXHIBIT "A".

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UCC Homes owns and operates the following facilities, all of which are occupied and currently operating:

Name	Location	Commenced Operation	Nursing Care	Personal Care	Residential Living
The Lebanon Valley Home	550 East Main Street Annville, PA 17003	June 1965	55 Beds	40 Beds	12 Residential Living Cottages
Thornwald Home	442 Walnut Bottom Rd., Carlisle, PA 17013	January 1981	83 Beds	36 Beds	Operated in affiliation with Sarah A. Todd Memorial Home
Ephrata Manor	99 Bethany Road Ephrata, PA 17522	June 1991	120 Beds	48 Beds	60 Apartments
Kindred Place at Annville, which is an expansion of The Lebanon Valley Home campus	One Kindred Place Annville, PA 17003	June 1995			74 Residential Living Apartments affiliated with The Lebanon Valley Home campus
Sarah A. Todd Memorial Home	1000 West South Street Carlisle, PA 17013	December 1997	117 Beds	Operated in affiliation with Thornwald Home	15 Residential Living Apartments 25 Residential Living Cottages
Kindred Place at Harrisburg, which is an expansion of The Lebanon Valley Home campus	Oakhurst Boulevard Harrisburg, PA 17110	February 2003			81 Residential Living Apartments affiliated with The Lebanon Valley Home campus

3. BOARD OF DIRECTORS & GOVERNANCE

The Board of Directors of UCC Homes has oversight authority over the business affairs of TLVH. No Officer, Director, Trustee, or other person holds a 10% or greater equity or beneficial interest in UCC Homes or in an entity that has provided $500 or more in goods or services to TLVH. The officers and directors of UCC

Homes serve on a voluntary basis and receive no remuneration for their activities related to TLVH.

The Members of the Corporation consist of one clergy and one lay delegate from each of UCC Homes' 73 sponsoring churches of the United Church of Christ in the Harrisburg, Lancaster, Lebanon and Mercersburg Associations of the Penn Central Conference. The Members of the Corporation elect new members to the Board of Directors during the Annual Corporation Meeting before May 1 of each calendar year. Interim vacancies may be filled by the affirmative vote of the majority of the remaining Directors.

TLVH, its Officers, and the Board of Directors: (a) have not been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; and (b) are not subject to a currently effective injunctive or restrictive order of a court of record, or within the past five years had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including, but without limitation, actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under the Pennsylvania Continuing Care Provider Registration and Disclosure Act or a similar act in another state.

While UCC Homes is a recognized ministry of the United Church of Christ, the United Church of Christ is not responsible for the financial or contractual obligations or liabilities of UCC Homes.

The name and business address of each officer and director is attached as EXHIBIT "B."

4. MANAGEMENT PERSONNEL

UCC Homes' President/CEO has full-time executive management responsibility for UCC Homes and reports to the Board of Directors. UCC Homes' Vice President of Operations/COO has operational responsibility for the various Retirement Communities owned and operated by UCC Homes and reports to the President/CEO. UCC Homes' Vice President of Finance/CFO has fiscal

responsibility for safeguarding the assets of UCC Homes and reports to the President/CEO. TLVH's Executive Director has full-time operational responsibility for TLVH and reports to the UCCH Vice President of Operations/COO. The Executive Director of Community and Home-based services has full-time operational responsibility for the Kindred Place Residences and reports to the UCCH Vice President of Operations/COO. A description of the background and experience of these management personnel is attached as EXHIBIT "C."

5. AFFILIATIONS WITH RELIGIOUS, CHARITABLE, OR OTHER NONPROFIT ORGANIZATIONS

TLVH is a retirement community offering services to the elderly and infirm which is owned and operated by UCC Homes and is a recognized ministry of the Penn Central Conference of the United Church of Christ. The United Church of Christ is not responsible for any financial or contractual obligations or liabilities of UCC Homes.

6. DESCRIPTION OF PHYSICAL PROPERTY

TLVH's fully constructed campus consists of 12 Residential Living Cottages, a 40 bed licensed Personal Care Facility and a 55 bed Skilled Nursing Facility, which is located at 550 East Main Street, Annville, Pennsylvania. The Lebanon Valley Home campus also includes 74 Residential Living Apartments, known as Kindred Place at Annville, which are located at One Kindred Place, Annville, PA 17003. Additionally, The Lebanon Valley Home campus includes 81 Residential Living Apartments, known as Kindred Place at Harrisburg, which are located at Oakhurst Blvd., Harrisburg, PA 17110. All of the Residential Living Cottages and Residential Living Apartments contain full baths, kitchen facilities, floor coverings, and individually controlled heat and air conditioning.

7. INITIAL ENTRANCE FEE & MONTHLY FEES

A. Entrance Fee Plans

1. Description.

Three Year Entrance Fee Plan

The Entrance Fee Plan is a pre-paid rental plan consisting of one Entrance Fee paid in full at the time of occupancy. Under this prepayment plan, residents pay only the entrance fee, which entitles the resident to occupy the unit for the first 36 months of residency without a monthly rental fee. There is no Monthly Fee associated with this plan during the first 36-month period. After the first 36 months, residents will pay either a Monthly Rental Fee for the unit or enter into another prepaid rental plan. Subsequent prepayment plans and monthly rental plans will reflect any rental increases during the intervening years. A copy of the Residency Agreement is attached as EXHIBIT "D."

There is no additional charge for a second person. UCC Homes may use the Entrance Fee for any purpose consistent with the mission of UCC Homes. Sample fees for Residential Living Cottages are attached as EXHIBIT "E."

One Year Entrance Fee Plan (*Applicable to Kindred Place Apartments Only*)

The Entrance Fee Plan is a pre-paid rental plan consisting of one Entrance Fee paid in full at the time of occupancy. Under this prepayment plan, residents pay only the entrance fee which entitles the resident to occupy the unit for the first 12 months of residency without a monthly rental fee. There is no Monthly Fee associated with this plan during the first 12-month period. After the first 12 months, residents will pay either a Monthly Rental Fee for the unit or enter into another prepaid rental plan. Subsequent prepayment plans and monthly rental plans will reflect any rental increases during the intervening years. A copy of the Residency Agreement is attached as EXHIBIT "D."

There is no additional charge for a second person. UCC Homes may use the Entrance Fee for any purpose consistent with the mission of UCC

Homes. Sample fees for Residential Living Apartments are attached as EXHIBIT "E."

Other

An alternative Residency Agreement is offered which provides for a Monthly Rental Admissions Plan that is not subject to review and approved by the Department of Insurance.

***2. Refund Policy*.**

a. Termination before occupancy. Any Entrance Fee payments will be refunded in full if you rescind the Residency Agreement within seven (7) days of execution in accordance with the Notice of Right to Rescind. In the event of termination of the Residency Agreement for any reason after the lapse of the seven (7) day rescission period, but before the Designated Occupancy Date or actual date of occupancy, whichever is earlier, TLVH will make a full refund of all Entrance Fee payments less any amounts deducted to cover expenses incurred by TLVH at resident's specific written request. Where two or more individuals have signed the agreement, termination by one resident shall not constitute termination of the Agreement, and no refund shall be due.

b. Termination after occupancy.

Three Year Entrance Fee Plan

The Entrance Fee shall be amortized by TLVH over a three-year period at a rate of one-thirty-sixth (1/36) per month from the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. At the conclusion of the 3-year amortization period, there is no refund of any portion of the Entrance Fee. If the residence is surrendered before the conclusion of the 3-year amortization period, the unamortized balance of the Entrance Fee will be refunded to you or your estate, less any amounts deducted to pay any outstanding charges owed to TLVH.

One Year Entrance Fee Plan (*Applicable to Kindred Place Apartments Only*)

The Entrance Fee shall be amortized by TLVH over a one-year period at a rate of one-twelfth (1/12) per month from the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. At the conclusion of the 1-year amortization period, there is no refund of any portion of the Entrance Fee. If the residence is surrendered before the conclusion of the 1-year amortization period, the unamortized balance of the Entrance Fee will be refunded to you or your estate, less any amounts deducted to pay any outstanding charges owed to TLVH.

c. Multiple Occupancy – Limitations on Availability of Refund. Any applicable refund will only be made in accordance with conditions set forth in the Residency Agreement after the last surviving Co-Resident vacates the Residence. The amount of any refund is subject to deductions for any amounts due to TLVH and will be calculated by reference to the Date of Surrender of the Residence.

The terms and conditions of occupancy are described in greater detail in the Residency Agreement. Residents should review the Residency Agreement for further explanation.

Residents may rescind and terminate their Residency Agreement without penalty or forfeiture within seven (7) days of signing a Residency Agreement. Residents are not required to move into the unit before the expiration of this seven (7) day period. To rescind their Residency Agreement, Resident must mail or deliver a signed and dated copy of a Rescission Notice or any other dated written notice, letter, or telegram, stating their desire to rescind the Residency Agreement. A Notice of Right to Rescind is included in the Residency Agreement. After the lapse of the seven (7) day rescission period, but prior to the designated occupancy date or actual date of occupancy, any applicable refunds shall be paid in accordance with the refund provisions of the Residency Agreement.

Residents have the right to occupy the unit for so long as they satisfy the health and other conditions of occupancy as set forth in the Residency Agreement.

B. Other Entrance Fee and Monthly Fee Issues.

A table that shows the frequency and average dollar amount of the increases in the monthly fees over the last five years is attached as EXHIBIT "F."

It is expected that the Monthly Rental Fee for the Residential Living Cottages and Residential Living Apartments will be increased periodically to cover the increases in the cost of providing services to the Residents. Residents will be given at least thirty 30 days advance notice of any increase in Monthly Fees.

The fees associated with the Personal Care and Skilled Nursing Units are based upon the type of accommodation and level of care.

C. Services Included in the Monthly Fee.

The following costs and services are included in the Entrance Fee and Monthly Fee for a Residential Living Cottage and Residential Living Apartment at TLVH:

- Utility charges for water, sewer, and trash removal; If a Resident is residing in a Residential Living Apartment, utility charges for electric services are also included in the Monthly Fee;
- Lawn care, snow removal, and grounds maintenance;
- Maintenance of the residence, major appliances, and HVAC systems;
- Property taxes;
- The use of facilities and access to programs as established by the community;
- Scheduled trips to area shopping centers and sights;
- Scheduled transportation is provided for group activities.

The terms and conditions of occupancy are described in greater detail in the Residency Agreement. Residents should review the Residency Agreement for further explanation.

D. Additional Services & Charges.

All other services, including attendant care, private duty health care, housekeeping and laundry services, beautician and barber services, home care and home health care services, skilled nursing and personal care services are available at an additional charge, but are not included in the Monthly Fee. If residing in a Residential Living Cottage, Electric, Cable Television, and Telephone Service are not included in the Monthly Fee. If residing in a Residential Living Apartment, Cable Television, and Telephone Service are not included in the Monthly Fee. This list is not intended to be all-inclusive. Details regarding the above services are provided in the attached Residency Agreement.

The terms and conditions of occupancy are described in greater detail in the Residency Agreement. Residents should review the Residency Agreement for further explanation.

E. Personal Care and Nursing Care Services.

A Resident may be required to relinquish the Residential Living Cottage or Residential Living Apartment if the Resident no longer satisfies the conditions of occupancy as reflected in the Residency Agreement and may be required to move to an alternative care facility. Health care services for Residents are determined under the supervision of the campus medical director. The Resident is responsible for all charges for Nursing and/or Personal Care.

Residents will have priority access to the Personal Care and Nursing Care Center at TLVH in accordance with TLVH policy. Residents must satisfy all admission criteria as a condition for eligibility to participate in the priority access policy.

The Personal Care and Nursing Care contracts signed by Residents of TLVH are fee-for-service contracts. If a Resident needs healthcare within the Personal Care or Skilled Nursing Centers, a new Residency Agreement is signed for that level of care. Residents have priority access to the Personal Care and Skilled Nursing Units. Upon admission to the Personal Care or Skilled Nursing Units, Residents pay the then current daily rate for

the level of care provided and must continue to pay the Monthly Service Fee to reserve their Residential Living Cottage or Residential Living Apartment, if it is their desire to maintain and return to the Residential Living Cottage or Residential Living Apartment. The Residency Agreement establishes the basis for charges for Personal Care and Nursing Care Services. The charges for Nursing and Personal Care are not included in the Monthly Service Fee. The Resident is responsible for the total cost of nursing and/or Personal Care Services. The Fee Schedule is attached as EXHIBIT "G."

The daily rate for the nursing facility includes routine nursing care, private or semi-private accommodations, blankets, bed linens, towels & washcloths, laundering of linens, three meals per day, social services, and activity programs.

The terms and conditions of occupancy are described in greater detail in the Residency Agreement. Residents should review the Residency Agreement for further explanation.

F. Home Care and Home Health Care Services.

Residents residing in a Residential Living Apartment may utilize the services of UCC Homes' home care and/or home health care agency or the services of an outside home care and/or home health care agency, subject to the approval of TLVH and so long as Resident is able to satisfy the Conditions of Occupancy. The costs of home care and/or home health care services are an additional fee and are not included in the Entrance Fee or Monthly Rental Fee. The Resident is responsible for the total cost of home care and/or home health care services. The terms and conditions regarding the availability of home care and home health care services are described in greater detail in the Residency Agreement. Residents should review the Residency Agreement for further explanation. The costs of home care and home health care services provided by TLVH's home care agency and home health care agency are listed on the Fee Schedule attached as EXHIBIT "H".

G. Inability to Pay.

In cases where a Resident's financial resources prove inadequate, the Resident may request special financial consideration by TLVH. It is the policy of TLVH not to ask a Resident to leave TLVH solely because of an inability to pay the full monthly charges in situations where the inability to pay is not attributed to the fault of the Resident. The Residency Agreement provides a full explanation of the policy for financial assistance.

8. ESCROW AND RESERVE FUNDS

Reserve funds are maintained in the Funded Depreciation account in an amount equal to or greater than 10% of the annual operating expenses of the facility, excluding depreciation, as required by the Pennsylvania Insurance Department.

TLVH does not plan to accept Entrance Fee payments in excess of 5% of the total Entrance Fee prior to the date the Resident is permitted to occupy an existing unit. Therefore, no Entrance Fee escrow is currently contemplated. If UCC Homes would engage in future operations requiring an Entrance Fee payment in excess of 5% of the total Entrance Fee prior to occupancy, then UCC Homes will establish an escrow account. TLVH will coordinate with the Department of Insurance to establish an Escrow Agreement at that time.

9. FINANCIAL STATEMENTS

Audited Financial Statements for the fiscal year ending December 31, 2021, and December 31, 2020, are attached as EXHIBIT "I." The Audited Financial Statements were prepared by UCC Homes' Certified Public Accountants, CliftonLarsonAllen, LLP. If you have any questions regarding the Financial Statements, please contact the Vice President of Finance or your own financial advisor.

10. RESIDENCY AGREEMENT

The terms and conditions of occupancy are described in greater detail in the Residency Agreement. Residents should review the Residency Agreement for further explanation. See Exhibit "D."

11. RESIDENT RIGHT TO ORGANIZE

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

12. AVERAGE ANNUAL COST OF PROVIDING SERVICES

The average annual cost of providing residential living services to residents at TLVH is approximately $35,182 per year, or $2,932 per month.

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Acknowledgement Receipt

The undersigned hereby acknowledges delivery and receipt of The Lebanon Valley Home Disclosure Statement dated April 2022 and all attachments including a copy of the Resident Agreement and the Notice of Right to Rescind.

_____

Signature of Resident

_____

Signature of Responsible Party/Resident Representative (if applicable)

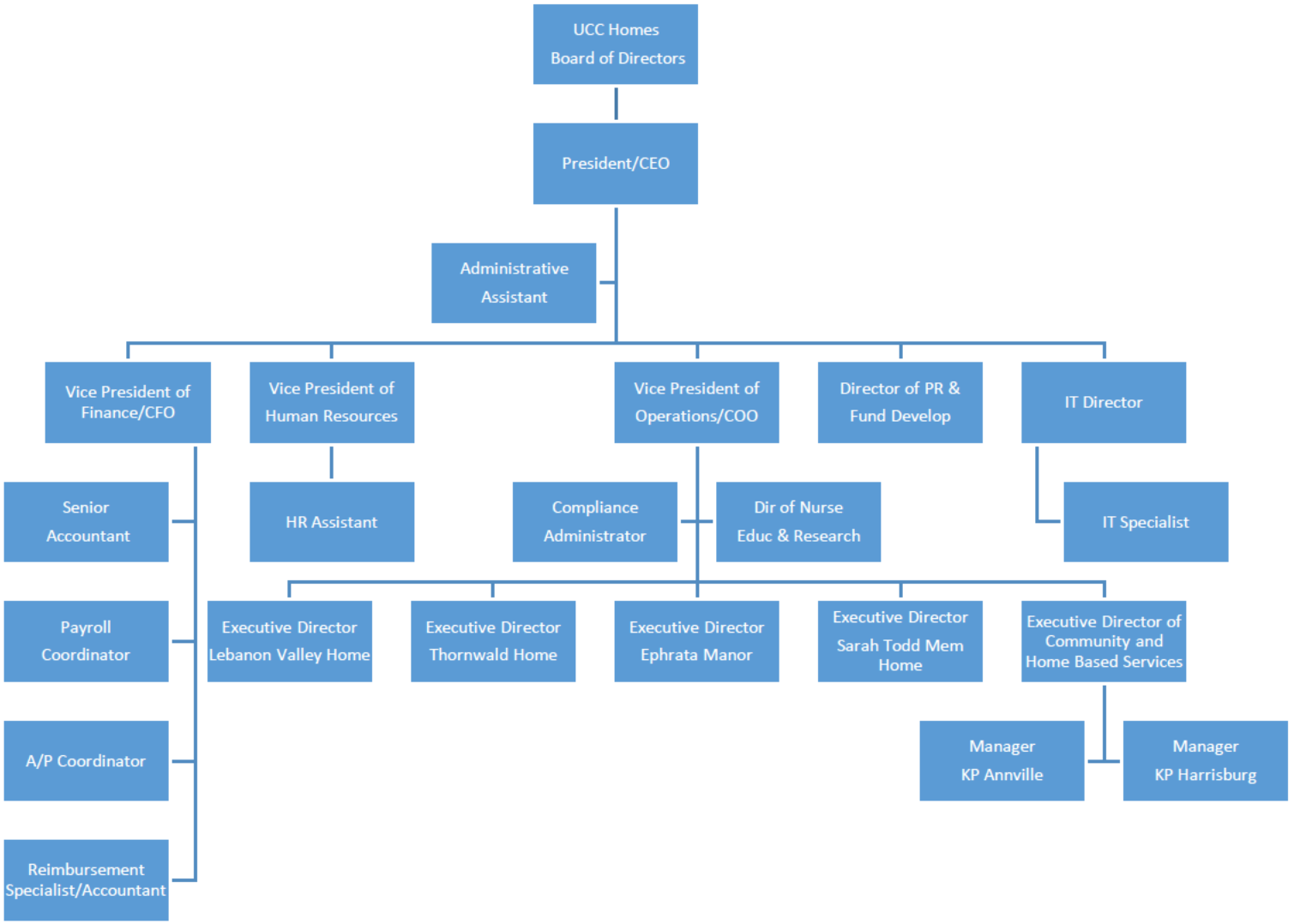
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Date

UNITED CHURCH of CHRIST HOMES, INC.

The Lebanon Valley Home

EXHIBIT A. Corporate Organization Chart



UNITED CHURCH OF CHRIST HOMES

The Lebanon Valley Home

EXHIBIT B. United Church of Christ Homes Board of Directors

Officers

Rev. Dwight Hein [redacted] Chair	Mr Kenneth Womack [redacted] Vice Chair	Mr. Roy Blose [redacted] Member at Large
Mr. Dennis Plymette [redacted] Treasurer	Ms. Rebecca Boone [redacted] Secretary	

Voting Members

Ms. Cynthia Steger [redacted]	Rev. Herbert Bomberger [redacted]	Rev. Dr. Galen Russell [redacted]
Mrs. Mary Jones [redacted]	Rev. Barry Smock [redacted]	Rev. John Rieker [redacted]
Rev. Dan Schmidt [redacted]		

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EXHIBIT C. Management Staff

Stephen D. Horvath, NHA – President/CEO
Mr. Horvath was appointed President/CEO of United Church of Christ Homes on June 1, 2003. In that role, Mr. Horvath is responsible to the Board of Directors for the overall planning and management of the organization. Prior to his appointment as President/CEO, Mr. Horvath served as UCC Homes' Director of Operations for nearly fourteen years, beginning on August 28, 1989. He joined UCC Homes after twelve years of experience in long-term care administration. Mr. Horvath holds a Bachelor's Degree in Public Policy from Pennsylvania State University and is a licensed Nursing Home Administrator.

Beth A. McMaster, NHA, PCHA – Vice President of Operations/COO
Ms. McMaster joined United Church of Christ Homes on April 29, 2013 as VP of Operations/COO. In that role, Ms. McMaster oversees the operations of UCC Homes' long term care facilities, with the Executive Directors of each campus reporting to her. Ms. McMaster came to UCC Homes with thirty eight years of experience in long term care, having worked in various capacities including Director of Activities, Assistant Administrator, Personal Care Home Administrator and Executive Director. Ms. McMaster is a licensed Nursing Home Administrator, and Personal Care Home Administrator. Ms. McMaster has a Bachelor's Degree in Recreation Therapy.

Laurence A. Kilpatrick, CPA – Vice President of Finance/CFO
Mr. Kilpatrick has served UCC Homes as Vice President of Finance/CFO since November 1998. He is responsible for safeguarding the assets of the corporation, working to assure compliance with applicable laws, regulations, and policies, and overseeing the staff and functions of the finance office staff. Mr. Kilpatrick prepares interim financial statements and reviews the financial performance of United Church of Christ Homes with the Finance Committee and the Board of Directors. He reports to the President/CEO. Prior to joining UCC Homes, Mr. Kilpatrick had thirteen years of healthcare accounting experience in non-profit hospital health systems in addition to several years' experience performing Medicare provider audits. Mr. Kilpatrick has a Bachelor's Degree from Moravian College and is a Certified Public Accountant.

UNITED CHURCH of CHRIST HOMES, INC.

The Lebanon Valley Home

Meredith Schell Fields, NHA – Executive Director, The Lebanon Valley Home Ms. Fields joined UCC Homes on June 10, 2010 as the Corporate Compliance Administrator. She moved in to the position of Executive Director at The Lebanon Valley Home in March, 2014. She is licensed in the Commonwealth of Pennsylvania as both a Nursing Home Administrator and a Personal Care Home Administrator. She also holds a national certification in Healthcare Compliance. Prior experience includes employment as Director of Quality Improvement, Risk Management and Corporate Compliance at Messiah Village and as a surveyor for the Pennsylvania Department of Health. She graduated from Indiana University of Pennsylvania with a Bachelor of Science Degree in Dietetics and Nutrition. Ms. Fields reports to the Vice President of Operations.

Lauren B. Clark, MSN, RN, GCNS, NHA – Executive Director, Kindred Place at Annville, Kindred Place at Harrisburg, UCC Home Health Agency, and UCC Home Care Agency. Ms. Clark joined UCC Homes in January of 1992, as the Director of Nursing at The Lebanon Valley Home. She moved into the position of Executive Director of Kindred Place at Annville in April of 1998, licensed our Home Health Agency in January of 2000, and assumed responsibility for Kindred Place at Harrisburg upon completion of its building in February of 2003. She is licensed in the Commonwealth of Pennsylvania as a Nursing Home Administrator and holds a Master's Degree of Nursing in Gerontology. She completed her BSN requirements in nursing at Alvernia College, her BS Requirements in Health Administration at Lebanon Valley College, and obtained her Master’s in Nursing at Gwynned Mercy College. Ms. Clark reports to the Vice President of Operations.

UNITED CHURCH of CHRIST HOMES, INC.

The Lebanon Valley Home

EXHIBIT D. Residency Agreements

Three Year Entrance Fee Plan

One Year Entrance Fee Plan

UNITED CHURCH of CHRIST HOMES, INC.

The Lebanon Valley Home

EXHIBIT E. Entrance Fee and Monthly Fees

Sample fees ***(please see Addendum A of the Residency Agreement for current fees)*** for Residential Living Cottages and Residential Living Apartments at The Lebanon Valley Home are listed below:

Three Year Entrance Fee Plan

Unit	Square Footage	Entrance Fee	Security Deposit	Monthly Rental Fee
Two Bedroom – One Bathroom Cottage	780	$ 50,220	None	See note*

*Note: After the first 36 months, residents will either pay a Monthly Rental Fee for the unit or enter into another prepayment plan. Subsequent prepayment plans will reflect any rental increase during the intervening years. There is no additional charge for a second person.

It is expected that the Monthly Rental will be increased periodically to cover increases in the cost of providing services to residents. Residents will be given at least 30 days advance notice of any increase in monthly fees.

UNITED CHURCH of CHRIST HOMES, INC.

The Lebanon Valley Home

One Year Entrance Fee Plan (*Applicable to Kindred Place Apartments Only*)

Unit	Square Footage	Entrance Fee	Security Deposit	Monthly Rental Fee
Kindred Place at Annville - Type A One Bedroom/One Bathroom Apartment	543	$28,920	None	See note*
Kindred Place at Annville - Type B One Bedroom/One Bathroom Apartment	639	$31,140	None	See note*
Kindred Place at Annville - Type C One Bedroom/One Bathroom Apartment	602	$29,460	None	See note*
Kindred Place at Annville - Type D One Bedroom/One Bathroom Apartment	652	$32,640	None	See note*
Kindred Place at Harrisburg - Type A One Bedroom/One Bathroom Apartment	607	$31,440	None	See note*
Kindred Place at Harrisburg - Type B One Bedroom/One Bathroom Apartment	606	$32,880	None	See note*
Kindred Place at Harrisburg - Type AB One Bedroom/One Bathroom Apartment	550	$30,180	None	See note*
Kindred Place at Harrisburg - Type B One Bedroom/One Bathroom Apartment	513	$28,500	None	See note*
Kindred Place at Harrisburg - Type C Two Bedroom/One Bathroom Apartment	916	$40,620	None	See note*
Kindred Place at Harrisburg - Type D Two Bedroom/Two Bathroom Apartment	1066	$42,000	None	See note*

*Note: After the first 12 months, residents will either pay a Monthly Rental Fee for the unit or enter into another prepayment plan. Subsequent prepayment plans will reflect any rental increase during the intervening years. There is no additional charge for a second person.

It is expected that the Monthly Rental will be increased periodically to cover increases in the cost of providing services to residents. Residents will be given at least 30 days advance notice of any increase in monthly fees.

UNITED CHURCH of CHRIST HOMES, INC.

The Lebanon Valley Home

EXHIBIT F. Selected Unit Price History

Three Year Entrance Fee Plan

Unit Type	Fee Type	2018	2019	2020	2021	2022
2 BR - 1 Bathroom Cottage (780 sq. ft.)	Entrance	$48,420	$50,220	$51,300	$52,380	$53,640
	Monthly	$0*	$0*	$0*	$0*	$0

*Note: After the first 36 months, residents will either pay a Monthly Rental Fee for the unit or enter into another prepayment plan. Subsequent prepayment plans will reflect any rental increase during the intervening years.

One Year Entrance Fee Plan (*Applicable to Kindred Place Apartments Only*)

Unit Type	Fee Type	2018	2019	2020	2021	2022
Type A – 1 BR/1 Bathroom Kindred Place at Annville	Entrance	n/a	$27,000	$27,540	$28,080	$28,920
	Monthly	n/a	$0**	$0**	$0**	$0**
Type B – 1 BR/1 Bathroom Kindred Place at Annville	Entrance	n/a	$29,040	$29,640	$30,240	$31,140
	Monthly	n/a	$0.00	$0**	$0**	$0**
Type C – 1 BR/1 Bathroom Kindred Place at Annville	Entrance	n/a	$27,480	$28,020	$28,620	$29,460
	Monthly	n/a	$0**	$0**	$0**	$0**
Type D – 1 BR/1 Bathroom Kindred Place at Annville	Entrance	n/a	$30,480	$31,080	$31,740	$32,640
	Monthly	n/a	$0**	$0**	$0**	$0**
Type A – 1 BR/1 Bathroom Kindred Place at Harrisburg	Entrance	n/a	$29,340	$30,000	$30,600	$31,440
	Monthly	n/a	$0**	$0**	$0**	$0**
Type A end-1BR/1 Bathroom Kindred Place at Harrisburg	Entrance	n/a	$30,600	$30,600	$31,260	$32,880
	Monthly	n/a	$0**	$0**	$0**	$0**
Type A/B – 1 BR/1 Bathroom Kindred Place at Harrisburg	Entrance	n/a	$28,020	28,020	$28,680	$30,180
	Monthly	n/a	$0**	0**	$0**	$0**
Type B – 1 BR/1 Bathroom Kindred Place at Harrisburg	Entrance	n/a	$26,640	$26,640	$27,180	$28,500
	Monthly	n/a	$0**	$0**	$0**	$0**
Type C – 2 BR/1 Bathroom Kindred Place at Harrisburg	Entrance	n/a	$37,860	$37,860	$38,700	$40,620
	Monthly	n/a	$0**	$0*	$0**	$0**
Type D – 2 BR/2 Bathrooms Kindred Place at Harrisburg	Entrance	n/a	39,120	$39,120	$39,960	$42,000
	Monthly	n/a	$0**	$0**	$0**	$0**

**Note: After the first 12 months, residents will either pay a Monthly Rental Fee for the unit or enter into another prepayment plan. Subsequent prepayment plans will reflect any rental increase during the intervening years.

UNITED CHURCH of CHRIST HOMES, INC.

The Lebanon Valley Home

EXHIBIT G. Fee Schedule for Skilled Nursing and Personal Care Services

Service	Level of Care	Accommodation	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Skilled Nursing	Level I	Semi-private room	$332.00/day	$343.00/day	$353.00/day	$365.00/day	$376.00/day
	Level I	Private room	$348.00/day	$359.00/day	$369.00/day	$381.00/day	$393.00/day
Personal Care	Level I	Private room	$136.00/day	$139.00/day	$142.00 /day	$145.00/day	$150.00/day
	Level II	Private room	$147.00/day	$150.00/day	$153.00 /day	$156.00/day	$161.00/day
	Level III	Private room					$172.00/day
Cottage					$1425/mo.	$1455/mo.	$1490/mo.

UNITED CHURCH of CHRIST HOMES, INC.

The Lebanon Valley Home

EXHIBIT H. Fee Schedule for Home Care and Home Health Services

Home Health / Home Care Aide	$4.10 /5-minute unit	one unit minimum
Registered Nurse	$24.75/15-minute unit	one unit minimum
Home Health / Home Care Aide – private duty	$33.00/hour	

UNITED CHURCH of CHRIST HOMES, INC.

The Lebanon Valley Home

EXHIBIT I. Audited Financial Statements

For Office Use:
Resident Name: _____
Unit Number: _____
Unit Type: _____
Start Date: _____
End Date: _____
Fee Amount: _____

UNITED CHURCH OF CHRIST HOMES, INC.

THE LEBANON VALLEY HOME

RESIDENCY AGREEMENT FOR KINDRED PLACE AT ANNVILLE

ONE YEAR ENTRANCE FEE

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DEFINITIONS OF WORDS AND PHRASES

CONDITIONS OF OCCUPANCY: The health and safety requirements for continued occupancy of the unit or other accommodation in the Community.

CO-RESIDENT: One of two or more individuals who signs a residency agreement to initially occupy one unit.

DESIGNATED OCCUPANCY DATE: The date designated by us for you to accept occupancy, unless the unit is occupied earlier.

ENTRANCE FEE: The initial charge for admission to the Community. The amount of the entrance fee is based on the model of the unit.

MONTHLY RENTAL FEE: The charge per month for occupancy of the unit, after the first year, which includes costs for maintenance, services, and rent.

MULTIPLE OCCUPANCY: Two or more individuals initially residing in a unit as co-residents.

OCCUPANCY: The right of possession and use of the unit.

PERSONAL CARE UNIT: The licensed personal care facility of the Community.

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

SINGLE OCCUPANCY: One individual initially residing in a unit.

SKILLED NURSING: The licensed nursing care facility of Community.

SURRENDER: To cease occupancy of the unit, to remove all possessions from it, and return all keys to it.

UNIT: The unit designated under this Agreement for occupancy by you.

RESIDENCY AGREEMENT

THIS RESIDENCY AGREEMENT (called "Agreement"), made this ____ day of _____, 20___, between United Church of Christ Homes, Inc., a Pennsylvania non-profit corporation doing business as The Lebanon Valley Home and Kindred Place at Annville, (called "Community," and referred to by the words "we," "us" and "our"), and _____ (called "Resident," and referred to by the words "you" and "your" and when two or more individuals sign this Agreement for Multiple Occupancy, they are called collectively "Resident," "you" and "your" where the context permits, and individually "Co-Resident") for admission of Resident to the Community for Occupancy of _____ (called "Residence").

RECITALS:

We operate a continuing care retirement community; and

You have applied for admission to occupy the Residence at Kindred Place at Annville, which is part of Community's continuing care retirement community; and,

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

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

SECTION 1: RESIDENCE AND FACILITIES

1.1 Living Accommodations and Term.

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

1.2 Description of Residence.

We shall provide a Residence furnished with a kitchen stove, refrigerator, microwave oven, washer and dryer, drapery rods, heating/air conditioning, and floor coverings. You shall provide all other furnishings, which shall remain your property.

1.3 Structural Changes and Redecoration.

Any structural or physical change of any kind or redecoration to the interior or exterior of the Residence, including, but not limited to, wallpaper, painting or floor covering, fixture upgrades, may be made only if they have been approved in writing by us. The cost of any redecoration or structural change requested by you, and restoration to original condition, except that cost due to normal wear and tear, shall be paid by you unless otherwise agreed in writing by us. The selection of a contractor for any structural changes shall be made by us. The charge or value of any physical or structural changes will not be considered in calculating any applicable Entrance Fee refunds and are not considered part of the Entrance Fee. An addendum to this Agreement reflecting all structural changes and their cost shall be signed by you and us.

1.4 Common Facilities.

We shall provide certain common facilities including, but not limited to, activity areas, dining facilities, store and beauty/barber shop. The common facilities are available to you in accordance with our policies and procedures as reflected in the Resident Handbook and any other publications of the Community, which are subject to change from time to time at our discretion.

1.5 Priority Access.

You will receive priority access to nursing and personal care at any of our campuses on a fee for service basis. See Attachment A. Priority access is conditioned on you satisfying the financial and all other requirements for admission.

1.6 Designated Occupancy Date.

We shall establish a date when you must accept Occupancy (the "Designated Occupancy Date"). We will provide notice of the Designated Occupancy Date no later than thirty (30) days before the Residence is available. We reserve the right to extend the Designated Occupancy Date. The Entrance Fee must be paid in full on the date permitted to occupy.

Designated Occupancy Date: _____

SECTION 2: SERVICES

2.1 Utilities.

We shall provide water, sewer, refuse collection, and electric service. These services are included in the Entrance Fee and subsequent Monthly Rental Fee. We reserve the right to establish maximum usage levels on utilities and to charge you for any unreasonably excessive usage due to waste or abuse.

2.2 Telephone.

We shall provide each Residence with access to telephone service. All telephone service charges, including connection charges, are not included in the Entrance Fee or subsequent Monthly Rental Fee and shall be paid by you.

2.3 Cable Television.

We shall provide each Residence with access to cable television service and at least one cable connection. A cable service plan is not included in the Entrance Fee or subsequent Monthly Rental Fee and shall be paid by you.

2.4 Maintenance and Repair of Equipment.

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

2.5 Maintenance of Grounds.

We shall provide grounds keeping, lawn care, and snow removal, in accordance with our policy, which is subject to change from time to time. These services are included in the Entrance Fee and subsequent Monthly Rental Fee.

2.6 Insurance.

We shall provide insurance on our property only. You are responsible to insure against personal property and general liability losses and the cost of such insurance shall be paid by you.

2.7 Administration.

We shall provide administrative support services to implement the provisions of this Agreement. Administrative services are included in the Entrance Fee and subsequent Monthly Rental Fee.

2.8 Scope of Services Included in the Monthly Rental Fee.

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

2.9 Other Services.

Other services, such as meals and barber/beauty services, are available at an additional charge and are not included in the Entrance Fee or subsequent Monthly Rental Fee. The charges for these services are reflected on the Schedule of Charges, which is subject to change from time to time.

SECTION 3: NURSING, PERSONAL CARE, HOME CARE & HOME HEALTH CARE SERVICES

3.1 Skilled Nursing and Personal Care Services.

We operate The Lebanon Valley Home, a Skilled Nursing Facility and Personal Care Unit for the provision of licensed nursing and personal care services, which generally shall be made available on a priority access basis. Skilled care and/or personal care services are available at several of our campuses. See Attachment A. The costs of nursing and personal care services are at an additional charge and are not included in the Entrance Fee or subsequent Monthly Rental Fee. We will exercise our best efforts to accommodate your level of care needs; however, there is no guarantee that space will be immediately available in the Skilled Nursing Facility or Personal Care Unit at such time as you may require nursing or personal care services.

3.2 Permanent Transfer to Nursing or Personal Care.

If you are permanently transferred to a Skilled Nursing Facility or Personal Care Unit, the agreement terminates and you shall sign an admission agreement for the provision of nursing or personal care services.

3.3 Home Care and Home Health Care Services.

We operate a home care agency and a home health care agency for the provision of home care and home health care services. Subject to our approval, you may utilize the services of our home care agency and/or home health care agency or the services of another licensed home care agency and/or licensed home health care agency while residing in the Residence so long as you are able to satisfy the Conditions of Occupancy. The costs of home care and home health care services are at an additional charge and are not included in the Entrance Fee or subsequent Monthly Rental Fee.

Such services must be approved in advance and in writing by us. We reserve the right to review credentials of all nurses and companions, to approve or prohibit the use of or to require the discontinuation of such services. You are responsible to pay for all such services. As a condition of our approval, all private duty nurses or companions from an outside home care and/or home health care agency must provide us with an appropriate release and indemnification agreement, proof of workers' compensation and liability insurance, as well as proof that such nurses or companions are free of tuberculosis and/or any other contagious or communicable disease, and are subject to a criminal background check. To the extent required, you shall confirm that any approved private duty nurse, companion, or attending individual from an outside home care or home health care agency has workers' compensation insurance coverage. In the absence of such coverage, you are required to provide workers' compensation insurance to the extent required by law. Services of private duty nurses, nurse assistants or companions may be used so long as you are able to satisfy the Conditions

of Occupancy. In exchange for our consent to your request for the services of a private duty nurse, companion, or other assistant, you shall execute, if requested by us, an Aging-in-Place Addendum, which shall be attached to this Agreement and incorporated by reference. We reserve the right to terminate your authorization to utilize the services of private duty nurses, nurse assistants or companions in the event that you do not comply with the requirements of this Section or the Aging-in-Place Addendum, or you require transfer to another level of care. If transfer to another level of care is required, then we reserve the right to transfer you to another level of care within the Community or to such other external care facility as we deem appropriate.

3.4 Health Care Services and Liability for Health Care Costs.

You remain responsible for your own health care while residing in the Residence. All health care services provided to you under this Agreement are at an additional charge.

3.5 Liability for Health Care Services.

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

3.6 Future Use of Facilities.

Although there is no current plan to discontinue operations of any of the Skilled Nursing Facilities or Personal Care Units, if deemed to be in the best interests of the perpetuation of our mission by the Board of Directors, we reserve the right at some future point to reduce the availability of the number of beds or to discontinue the operation of these facilities and/or these services. Should we elect to discontinue operations of the Skilled Nursing Facilities or Personal Care Units, there are no assurances that any replacement facilities will be available at the Community.

SECTION 4: FEES

4.1 Entrance Fee.

(a) Amount.

The amount of the Entrance Fee is based on the model of the Residence described in Addendum "A".

(b) Payment and Due Date.

The Entrance Fee must be paid in full on the date permitted to occupy.

Payment of the Entrance Fee in full entitles you to occupy the Residence for the first 12 months occupancy without a monthly rental fee. At the end of the first 12 months of occupancy, the Resident has the option of converting to a Monthly Rental Fee or signing a new One Year Entrance Fee agreement at the rates then in effect. The Resident must provide a thirty (30) day written notice of their intent.

(c) Use of Entrance Fee.

The entire Entrance Fee may be used for the purpose of sustaining and extending our mission.

(d) Limitations on Increases in the Entrance Fee.

After the signing of this Agreement by you, there will be no increase in the Entrance Fee for the Residence during the duration of this Agreement. Charges for care paid in one lump sum shall not be increased or decreased during the duration of the agreed upon care, except for changes required by State or Federal assistance programs. In accordance with Section 3.5 above, the Entrance Fee and Monthly Rental Fee do not include future health care services.

4.2 Monthly Rental Fee.

(a) Amount.

You shall pay to us a Monthly Rental Fee commencing one day after the One Year Entrance Fee agreement expires. The amount of the Monthly Rental Fee is based on the model of the Residence and described in Addendum "A" and is determined by Board of Directors action.

(b) Payment and Due Date.

Payment is due upon receipt of the monthly statement. We reserve the right to change our billing cycle. The Monthly Rental Fee shall be pro-rated if the date of commencement is after the first of the month. If the Monthly Rental Fee or other charges for miscellaneous or ancillary services are not paid within fifteen (15) calendar days of the due date, we may elect to exercise our available rights and remedies under this Agreement including termination.

(c) Adjustments in Monthly Rental Fee.

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

4.3 Other Charges.

The monthly statement shall reflect all other charges for miscellaneous, ancillary, or other services, in addition to the Monthly Rental Fee. Payment for all such other charges is also due upon receipt.

4.4 Co-Resident's Fee Responsibility.

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

4.5 Late Charges and Cost of Collection.

Any charges which are unpaid after twenty-five (25) days of the date of the statement, shall be subject to a late charge of one and one-fourth percent (1.25%) per month (or annual rate of fifteen percent (15%)), and you are obligated to pay any late charges. In the event we initiate any legal actions or proceedings to collect payments past due in excess of sixty (60) days, you shall be responsible to pay all attorneys' fees and costs incurred by us in pursuing the enforcement of your financial obligations under this Agreement.

4.6 Inability to Pay.

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

Our ability to provide financial assistance is contingent upon a number of factors including the availability of charitable gifts and the financial condition of the Community. If we determine that you qualify for financial assistance, then we may provide such assistance as is necessary to enable you to meet the Monthly Rental Fee obligation or other charges, provided that such assistance can be granted or continued without impairing the financial stability of the Community. If financial assistance is initially granted, there is no guarantee that such assistance can or will continue indefinitely or for any specific period of time.

We shall deduct amounts necessary to fulfill all of your financial obligations to us from any remaining balance of the unamortized portion of the Entrance Fee. You hereby authorize such deductions from any remaining balance of the unamortized portion of the Entrance Fee, which otherwise would be due as a refund.

SECTION 5: FINANCIAL DISCLOSURE

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

SECTION 6: MARRIAGE, ADDITIONAL OCCUPANTS, OPTION TO MOVE

In the event that you desire to marry or have another person share your Residence, the proposed additional occupant must file an application for admission and meet all age and other requirements for admission to the Residence consistent with UCC Homes Policies which are subject to change from time to time. In the event that the proposed additional occupant does not satisfy the requirements for admission, then the proposed additional occupant may request admission under such other terms and conditions as may be acceptable to us or you may exercise your option to terminate this Agreement. If admitted, you and the proposed additional occupant must enter into an addendum to the agreement reflecting the joint and severable liability of both occupants. There is no additional charge, in either the Entrance Fee or subsequent Monthly Rental Fee, for the additional occupant.

After Occupancy, you may request to exercise a limited option to move to another Residence on the Community's premises, if and when another Residence becomes available. In the event you desire to exercise the option to move to another Residence, you must notify us in writing of the Residence desired. Requests to move to another Residence on the Community's premises will receive full consideration based on residence availability and adequate resources to meet costs of the requested residence. Any costs and charges related to exercising the option to move are your responsibility. We reserve the right to refuse your request to move to another Residence.

SECTION 7: TERMINATION OF AGREEMENT

7.1 Termination by You.

(a) Rescission Period.

You may terminate this Agreement within seven (7) days of execution by signing the attached Notice of Right to Rescind and delivering it to us.

(b) Prior to Occupancy.

After the lapse of the seven (7) day rescission period, but prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, you may terminate this Agreement by delivering written notice to us prior to Occupancy. In the event of your death, illness, injury or incapacity prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, then this Agreement shall automatically terminate. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

(c) After Occupancy.

After Occupancy, you may terminate this Agreement by delivery of written notice to us at least sixty (60) days prior to termination, and by the Surrender of the Residence. Termination shall be effective after the lapse of the sixty (60) day notice period and Surrender of the Residence. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

7.2 Termination by Us.

(a) Prior to Occupancy.

We may terminate this Agreement at any time prior to Occupancy by providing written notice to you prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. All payments shall be refunded to you.

(b) After Occupancy.

We may terminate this Agreement upon a determination of just cause and delivery of thirty (30) days written notice to you or your representative or such written notice as is reasonable under the circumstances. Just cause shall include but not be limited to, a default in payment; the submission of any materially false information; the failure of you to abide by our rules, regulations, policies, and procedures; the breach of any of the other terms of this Agreement; or a good faith determination in writing by the Medical Director and Administrator that your continued Occupancy in the Residence either creates a serious threat or danger to the life, health, or safety of you or creates a serious threat or danger to

the life, health, safety, or peaceful enjoyment of other residents or persons in the Community. In situations where continued Occupancy threatens the life, health, safety, or peaceful enjoyment of you or other residents, only such notice as is reasonably practicable under the circumstances will be provided to you or your representative, and termination may be effective immediately. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

7.3 Termination upon Permanent Transfer.

If you are permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, this Agreement shall terminate. A new agreement for the provision of nursing or personal care services must be signed. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement. In the case of Multiple Occupancy, this Agreement shall terminate only as to the transferring Co-Resident. The Co-Resident remaining in the Residence shall continue to pay the Monthly Rental Fee if applicable. No refund shall be due so long as the remaining Co-Resident continues to reside in the Residence and until all other refund provisions of this Agreement have been satisfied.

7.4 Termination by Death.

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

7.5 Surrender.

The obligation to pay the Monthly Rental Fee shall continue until after the lapse of any mandatory notice period for termination and the Residence has been Surrendered by you, or in the case of death, by your estate or your family. Surrender of the Residence shall be complete when you have ceased to occupy it, have removed all possessions from it, and have turned over the Residence keys to us.

7.6 Further Obligations and Release Upon Termination.

Upon termination of this Agreement, we are released from any further obligations to you except for the delivery of personal property as limited by this Agreement, and the payment of any refund, which may be due. You are released from any further obligations to the Community after all financial obligations have been met under this Agreement.

SECTION 8: TRANSFER TO OTHER SERVICES OR TO ANOTHER FACILITY

8.1 Conditions of Occupancy.

You shall have the right to occupy the Residence for so long as you satisfy the health and other Conditions of Occupancy as reflected in UCC Homes policies and in the Resident Handbook, both of which are subject to change from time to time. Continued Occupancy of the Residence shall, in general, be controlled by your physical and mental condition. You agree to provide appropriate information regarding your ability to meet the Conditions of Occupancy, upon request.

8.2 Decision to Transfer.

With the concurrence of our Medical Director, we may transfer you from and between the Residence and the Skilled Nursing Facility, Personal Care Unit or any other appropriate care facility if we determine that such a move should be made for your health, safety, or welfare, or for the proper operation of the Community, or because you no longer satisfy the Conditions of Occupancy of the Residence. If you are transferred permanently to the Skilled Nursing Facility, Personal Care Unit, or to any other appropriate facility authorized under this Agreement, we may declare the Residence vacant and reassign the Residence to another resident. The decision as to whether a transfer shall be deemed temporary or permanent shall be made by us at our sole discretion, with the concurrence of our Medical Director, after consideration of your opinion, the advice of your family, and if requested and paid by you, the opinion of your physician. Your opinion and the advice of family and your physician are advisory and shall not be binding on us.

8.3 Charges Related to Transfer.

If you transfer to nursing or personal care services, or another facility, you shall pay all charges related to the transfer to and Occupancy of the Skilled Nursing Facility, Personal Care Unit or other facility.

8.4 Release of or Return to Residence after Transfer.

(a) Temporary Transfer.

If you are temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility during the first year of this Agreement, you shall retain possession of the Residence at no additional charge and you shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. You may return to the Residence at such time as we determine that you can satisfy the Conditions of Occupancy. In situations of Multiple Occupancy where one Co-Resident is temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, the transferred Co-Resident shall be charged and you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

If you are temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility after the lapse of the one-year period, you shall continue to pay the Monthly Rental Fee to retain possession of the Residence and you shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. You may return to the Residence at such time as we determine that you can satisfy the Conditions of Occupancy. In situations of Multiple Occupancy where one Co-Resident is temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, the Monthly Rental Fee shall remain the same, and the transferred Co-Resident shall be charged and you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

(b) <u>Permanent Transfer.</u>

If you are permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility during the first year of this Agreement, you shall Surrender and vacate the Residence within thirty (30) days of written notice of our decision to permanently transfer you and release the Residence. You shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. If in our opinion, you subsequently recover sufficiently to satisfy the Conditions of Occupancy of a Residence, we in the exercise of our discretion, shall make available as soon as reasonably practicable a Residence with a floor plan comparable to the one relinquished. In situations of Multiple Occupancy where one Co-Resident is permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

If you are permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility after the lapse of the 1 year period, the obligation to pay the Monthly Rental Fee will cease, and you shall Surrender and vacate the Residence within thirty (30) days of written notice of our decision to permanently transfer you and release the Residence. You shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. If in our opinion, you subsequently recover sufficiently to satisfy the Conditions of Occupancy of a Residence, we in the exercise of our discretion, shall make available as soon as reasonably practicable a Residence with a floor plan comparable to the one relinquished. In situations of Multiple Occupancy where one Co-Resident is permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, the Monthly Rental Fee shall remain in effect and you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

SECTION 9: REFUND OF ENTRANCE FEE

9.1 Termination before Occupancy.

Any Entrance Fee payments will be refunded in full if you rescind this Agreement within seven (7) days of execution in accordance with the Notice of Right to Rescind. In the event of termination of this Agreement for any reason after the lapse of the seven (7) day rescission period, but before the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, we will make a full refund of all Entrance Fee payments less any amounts deducted to cover expenses incurred by us at your specific written request. Where two or more individuals have signed this Agreement for Multiple Occupancy, the termination of one Resident shall not constitute termination of this Agreement, and no refund shall be due.

9.2 Termination after Occupancy.

The Entrance Fee shall be amortized by us over a one (1) year period at a rate of one twelfth (1/12) prorated monthly from the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, and is described in Addendum "B". At the conclusion of the 1-year amortization period, the Entrance Fee shall be earned in full by the Community, and you will not be entitled to a refund of any portion of the Entrance Fee after the lapse of the amortization period. If the Residence is Surrendered during the first year of this Agreement, the unamortized portion of the Entrance Fee will cease being amortized. Upon termination of this Agreement, and subject to the conditions in Section 9.5, the unamortized balance of the Entrance Fee will be refunded to you or your estate, less any amounts deducted to pay any outstanding charges owed to us, within sixty (60) days from the date the Residence is cleared of the Resident's personal property.

9.3 Multiple Occupancy – Limitation on Availability of Refund.

It is the intention of the parties that any applicable refund will only be made in accordance with Section 9.5 after the last surviving Co-Resident vacates and surrenders the Residence, and this Agreement is terminated. In situations of Multiple Occupancy where one Co-Resident is transferred to the Skilled Nursing Facility and becomes eligible for Medical Assistance, no potential refund shall be available to pay for nursing care services. If, however, the Department of Human Services ("DHS") construes any potential refund as an available resource, or if any court, administrative agency, or other appropriate tribunal having jurisdiction determines that Section 9.5 is contrary to law or Medical Assistance eligibility requirements, then we shall make available the amount determined by DHS or other appropriate tribunal as an available resource as a refund, and apply such refund to the payment of nursing care services for the particular Co-Resident.

9.4 No Accrual of Interest.

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

9.5 Conditions and Due Date for Refund Payments.

Prior to Occupancy, all applicable refunds will be made within thirty (30) days. After Occupancy, all applicable refunds will be made within sixty (60) days after you have surrendered your Residence. The amount of any refund is subject to deductions for any amounts due to us and will be calculated by reference to the date of Surrender of the Residence. In situations of Multiple Occupancy, any applicable refund will be made to the estate of the last surviving Co-Resident.

SECTION 10: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE

10.1 Legal Guardian.

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

10.2 Power of Attorney.

We recommend that you furnish to us, no later than the actual date of Occupancy, a Power of Attorney executed by you, which shall be maintained in our files.

SECTION 11: RIGHTS AND OBLIGATIONS OF RESIDENT

11.1 Right to Receive Disclosure Statements.

We shall deliver to you prior to or at the time of the execution of this Agreement, and at least annually thereafter, a copy of our disclosure statement required by the Continuing Care Provider Registration and Disclosure Act, Act No. 82 of 1984.

11.2 Rights to Property/Subordination.

The rights and privileges granted to you by this Agreement do not include any right, title, or interest in any part of the personal property, land, buildings, and

improvements owned or administered by us. Your rights are primarily for services, with a contractual right of Occupancy. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between you and us. Any rights, privileges, or benefits under this Agreement, including your right to a full or partial refund, shall be subordinate to any existing or subsequent mortgages or deeds of trust on any of the premises or to any other interest in the real property of the Community and to all amendments, modifications, replacements, or re-financings of any existing or subsequent mortgages or deeds of trust or to any liens or security interests held by secured creditors of Community. This subordination provision means that the claims of secured creditors in the event of Community's bankruptcy or default on its financial obligations shall be paid before you are entitled to receive any applicable refund. Upon request, you shall execute and deliver any document, which is required by us, or by the holder of any such mortgages or deeds of trust or other encumbrances, to effect such subordination or to evidence the same.

11.3 Inspection of Residence and Right of Entry.

You shall permit us, our agents, or any representative of any holder of a mortgage or similar interest on the property, to enter your Residence for the purpose of making reasonable inspections, repairs, and replacements. Such entry will be made only with reasonable advance notice except in emergency situations. We shall have the right to enter your Residence to perform routine maintenance, or other reasonably necessary purposes having due regard for your privacy.

11.4 Housekeeping/Housecleaning Responsibilities.

You shall maintain your Residence in a clean, sanitary, and orderly condition. If you do not maintain your Residence in a reasonable manner, after notice to you, we shall have the right to maintain the Residence and the cost of such additional cleaning or maintenance shall be charged to you.

11.5 Vehicles

(a) Operation.

You may operate a vehicle on our campus if you comply with our rules and policies governing the safe operation of motor vehicles. We reserve the right to revoke your operating privileges and remove your vehicle from our property if you do not abide by our policy as reflected in the Resident Handbook, which is subject to change from time to time.

(b) Registration.

You must register your vehicle with us.

11.6 General Liability and Personal Property Insurance.

You are responsible to obtain at your expense, general liability and personal property (Renter's) insurance.

11.7 Reduction of Income or Other Resources.

You shall make every reasonable effort to meet your financial obligations to us. You shall not transfer control of assets or property or make any gifts subsequent to the date of application for admission, nor shall make any transfers or gifts after Occupancy, which would substantially impair your ability or the ability of your estate to satisfy your financial obligations to us.

11.8 Responsibility for Property Damage to Community.

(a) Responsibility for Condition of Residence upon Termination.

Upon termination of this Agreement, you shall vacate and Surrender the Residence and leave it in as good condition as the date of Occupancy except for reasonable wear and tear. If the Residence is damaged beyond ordinary wear and tear, the costs of repair shall be your obligation and such costs shall be billed directly to you or your estate, or alternatively, deducted from any refund that may be due.

(b) Property Damages Caused by Resident.

Any loss or damage to our real or personal property caused by you or your guests shall be paid by you. In the event of your death, your estate shall be liable for any loss or damage to our property caused by you.

11.9 Release Regarding Conduct of Other Residents or Guests.

We assume no liability for your conduct or any other residents or guests, or for the use, ownership, possession, or control of electric carts or similar mechanized mobile medical or other equipment by other residents or guests. You release and discharge us from any claims for personal injury to you or damages to your personal property caused by the conduct of other residents or guests, or by the use, ownership, possession, or control of electric carts or similar mechanized mobile equipment by other residents or guests. You may bring any claims for personal injury sustained by you from the actions or omissions of other residents directly against the residents and/or guests that are responsible for your injury.

11.10 Responsibility for Your Personal Property.

(a) Responsibility for Loss or Damage.

We shall not be responsible for the loss or damage due to fire, theft, or other causes of any property belonging to you, or your estate, or your guests.

(b) Removal of Personal Property.

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

11.11 Rules, Regulations, Policies, and Procedures.

You shall cooperate, and comply with all rules, regulations, policies, and procedures established by the Community. Rules, regulations, policies, and procedures are set forth in the Resident Handbook, and other publications or documents of the Community, and are subject to change from time to time.

11.12 Your Rights are Personal and Non-transferable.

Your rights and privileges under this Agreement are personal to you and can not be transferred or assigned. No person other than you may occupy or use the Residence covered by this Agreement unless approved in writing by us.

11.13 Rights to Self-Organization.

You, along with other residents of the Community, shall have the rights to self-organization. A representative designated by us, shall hold quarterly meetings during the calendar year with residents of the Community. At least seven (7) days' notice of the meeting shall be given.

SECTION 12: CASUALTY LOSS

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

applicable refund due to you in accordance with Section 9 shall be paid to you in full upon any such termination. If notice of termination is not given, or if the damage does not render the Residence unfit for occupancy, we shall be obligated to rebuild or repair the damage to the Residence as soon as reasonably possible for occupancy by you, and this Agreement shall remain effective unless the parties may otherwise mutually agree. In the event you are unable to occupy the Residence for any period of time during any reasonably necessary period of restoration of the Residence, the Monthly Rental Fee, if applicable, shall be reduced proportionately, unless a vacant Residence is available for temporary occupancy by you. We shall not be liable for any damage, compensation, or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the Residence, or the interruption in use of the Residence, or the termination of this Agreement by reason of the destruction of the Residence or building.

SECTION 13: SEVERABILITY

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

SECTION 14: ACTS OF FORBEARANCE

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

SECTION 15: ENTIRE AGREEMENT

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

SECTION 16: INDEMNIFICATION

We shall not be responsible or liable for, and you shall indemnify, defend, and hold us harmless, from any and all claims, losses, damages, fines, penalties, expenses, judgments, reasonable settlements, or lawsuits, including actual attorneys' fees, and all costs incurred in defending against any such claims arising from or based upon any injury or death to persons or any damages to property caused by, or arising from, or based on, or in any way attributable to or connected with the negligent, reckless, intentional, or other acts, conduct, or omissions of you, including, but not limited to, the use, ownership, possession, or control of motor vehicles, electric carts, or similar mechanized mobile equipment. Your indemnification obligation is payable on demand by us.

SECTION 17: 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: Kindred Place at Annville
One Kindred Place
Annville, PA 17003

To Resident (Before Occupancy): _____

_____

_____

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

SECTION 18: MISCELLANEOUS PROVISIONS

18.1 Your Continuing Disclosure Obligation.

The information regarding your age, health, and financial affairs submitted by you in our admissions forms and related application documents is a material part of this Agreement, and this information is incorporated as a part of this Agreement. You acknowledge that the submission of false information may, in our good judgment, constitute grounds for the termination of this Agreement. You must disclose any

material changes in your financial, physical, or mental condition before and after Occupancy. We may from time to time request verified financial statements and copies of tax returns from you. The failure to make such disclosure may, in our good judgment, constitute grounds to terminate this Agreement.

18.2 Receipt of Disclosure Statement and Resident Handbook.

You acknowledge receiving a copy of our annual Disclosure Statement and 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 us or granting any contractual rights to you.

18.3 Average Annual Cost of Providing Services.

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

18.4 Community's Modification of Agreement and Policies.

We reserve the right to modify unilaterally this Agreement to conform to changes in law or regulation, and to make modifications in our rules, regulations, policies, and procedures.

18.5 Binding Effect.

Except as otherwise provided herein, this Agreement shall extend to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of both you and us.

18.6 Consent to Assignment.

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

18.7 Governing Law.

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

18.8 Headings.

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

18.9 Disclaimer.

None of the following is responsible for any obligations or liabilities of the Community: United Church of Christ.

18.10 Non-waiver of the Continuing Care Provider Registration and Disclosure Act of 1984.

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

AGREEMENT AUTHORIZATIONS AND SIGNATURES

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

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

Attest:

United Church of Christ Homes, Inc., doing business as The Lebanon Valley Home and Kindred Place at Annville:

_____

By: _____
Executive Director/Manager

Date: _____

Date: _____

Witness:

_____

_____
1st Resident

Date: _____

Date: _____

Witness:

_____

_____
2nd Resident

Date: _____

Date: _____

NOTICE OF RIGHT TO RESCIND

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

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

Kindred Place at Annville
One Kindred Place
Annville, PA 17003

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

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

Date: _____

PROSPECTIVE RESIDENT'S SIGNATURE

_____

_____

ATTACHMENT A

Skilled care and/or personal care services are available at the following United Church of Christ Homes' campuses:

The Lebanon Valley Home
550 East Main Street
Annville, PA 17003

Skilled Nursing Care – 55 beds
Personal Care – 40 beds

Ephrata Manor
99 Bethany Road
Ephrata, PA 17522

Skilled Nursing Care – 120 beds
Personal Care – 48 beds

Sarah A. Todd Memorial Home
1000 West South Street
Carlisle, PA 17013

Skilled Nursing Care – 117 beds

Thornwald Home
442 Walnut Bottom Road
Carlisle, PA 17013

Skilled Nursing Care – 83 beds
Personal Care – 36 beds

For Office Use:
Resident Name: _____
Unit Number: _____
Unit Type: _____
Start Date: _____
End Date: _____
Fee Amount: _____

UNITED CHURCH OF CHRIST HOMES, INC.

THE LEBANON VALLEY HOME

RESIDENCY AGREEMENT

3 YEAR ENTRANCE FEE

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DEFINITIONS OF WORDS AND PHRASES

CONDITIONS OF OCCUPANCY: The health and safety requirements for continued occupancy of the unit or other accommodation in the Community.

CO-RESIDENT: One of two or more individuals who signs a residency agreement to initially occupy one unit.

DESIGNATED OCCUPANCY DATE: The date designated by us for you to accept occupancy, and for the monthly fee to become due, unless the unit is occupied earlier.

ENTRANCE FEE: The initial charge for admission to the Community. The amount of the entrance fee is based on the model of the unit.

MONTHLY RENTAL FEE: The charge per month for occupancy of the unit, after the first 3 years, which includes costs for maintenance, services, and rent.

MULTIPLE OCCUPANCY: Two or more individuals initially residing in a unit as co-residents.

OCCUPANCY: The right of possession and use of the unit.

PERSONAL CARE UNIT: The licensed personal care facility of the Community.

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

SINGLE OCCUPANCY: One individual initially residing in a unit.

SKILLED NURSING: The licensed nursing care facility of Community.

SURRENDER: To cease occupancy of the unit, to remove all possessions from it, and return all keys to it.

UNIT: The unit designated under this Agreement for occupancy by you.

RESIDENCY AGREEMENT

THIS RESIDENCY AGREEMENT (called "Agreement"), made this ____ day of _____, 20___, between United Church of Christ Homes, Inc., a Pennsylvania non-profit corporation, doing business as The Lebanon Valley Home, (called "Community," and referred to by the words "we," "us" and "our"), and _____ (called "Resident," and referred to by the words "you" and "your" and when two or more individuals sign this Agreement for Multiple Occupancy, they are called collectively "Resident," "you" and "your" where the context permits, and individually "Co-Resident") for admission of Resident to the Community for Occupancy of _____ (called "Residence").

RECITALS:

We operate a continuing care retirement community;

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

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

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

SECTION 1: RESIDENCE AND FACILITIES

1.1 Living Accommodations and Term.

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

1.2 Description of Residence.

We shall provide a Residence furnished with a kitchen stove, refrigerator, washer and dryer, double drapery rods, wall to wall carpeting, and heating/air conditioning. You shall provide all other furnishings, which shall remain your property.

1.3 Structural Changes and Redecoration.

Any structural or physical change of any kind or redecoration to the interior or exterior of the Residence, including, but not limited to, wallpaper, painting or floor

covering, fixture upgrades, may be made only if they have been approved in writing by us. The cost of any redecoration or structural change requested by you, and restoration to original condition, except that cost due to normal wear and tear, shall be paid by you unless otherwise agreed in writing by us. The selection of a contractor for any structural changes shall be made by us.

1.4 Common Facilities.

We shall provide certain common facilities including, but not limited to, chapel and activity areas, dining facilities, and beauty/barber shop. The common facilities are available to you in accordance with our policies and procedures as reflected in the Resident Handbook and any other publications of the Community, which are subject to change from time to time at our discretion.

1.5 Priority Access.

You will receive priority access to nursing and personal care on a fee for service basis. Priority access is conditioned on you satisfying the financial and all other requirements for admission.

1.6 Designated Occupancy Date.

We shall establish a date when you must accept Occupancy (the "Designated Occupancy Date"). We will provide notice of the Designated Occupancy Date no later than thirty (30) days before the Residence is available. We reserve the right to extend the Designated Occupancy Date. The Entrance Fee must be paid in full on the date permitted to occupy.

SECTION 2: SERVICES

2.1 Utilities.

We shall provide water, sewer, and refuse collection. These services are included in the Entrance Fee and subsequent Monthly Rental Fee. Electric service is individually metered and is not included in the Monthly Rental Fee. We reserve the right to establish maximum usage levels on utilities and to charge you for any unreasonably excessive usage due to waste or abuse.

2.2 Telephone.

We shall provide each Residence with access to telephone service. All telephone service charges, including connection charges, are not included in the Entrance Fee or subsequent Monthly Rental Fee and shall be paid by you.

2.3 Cable Television.

We shall provide each Residence with access to cable television service and at least one cable connection. A cable service plan is not included in the Entrance Fee or subsequent Monthly Rental Fee and shall be paid by you.

2.4 Maintenance and Repair of Equipment.

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

2.5 Maintenance of Grounds.

We shall provide grounds keeping, lawn care, and snow removal, in accordance with our policy, which is subject to change from time to time. These services are included in the Entrance Fee and subsequent Monthly Rental Fee.

2.6 Insurance.

We shall provide insurance on our property only. You are responsible to insure against personal property and general liability losses and the cost of such insurance shall be paid by you.

2.7 Administration.

We shall provide administrative support services to implement the provisions of this Agreement. Administrative services are included in the Entrance Fee and subsequent Monthly Rental Fee.

2.8 Scope of Services Included in the Monthly Rental Fee.

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

2.9 Other Services.

Other services, such as housekeeping and barber/beauty services, are available at an additional charge and are not included in the Entrance Fee or subsequent Monthly Rental Fee. The charges for these services are reflected on the Schedule of Charges, which is subject to change from time to time.

SECTION 3: NURSING, AND PERSONAL CARE SERVICES

3.1 Skilled Nursing and Personal Care Services.

We operate **The Lebanon Valley Home**, a Skilled Nursing Facility and Personal Care Unit for the provision of licensed nursing and personal care services which generally shall be made available on a priority access basis. Skilled care and/or personal care services are available at any of our campuses. See Attachment A. The costs of nursing and personal care services are at an additional charge and are not included in the Entrance Fee or subsequent Monthly Rental Fee. We will exercise our best efforts to accommodate your level of care needs, however, there is no guarantee that space will be immediately available in the Skilled Nursing Facility or Personal Care Unit at such time as you may require nursing or personal care services.

3.2 Permanent Transfer to Nursing or Personal Care.

If you are permanently transferred to the Skilled Nursing Facility or Personal Care Unit, the agreement terminates and you shall sign an admission agreement for the provision of nursing or personal care services.

3.3 Health Care Services and Liability for Health Care Costs.

You remain responsible for your own health care while residing in the Residence. All health care services provided to you under this Agreement are at an additional charge.

3.4 Future Use of Facilities.

Although there is no current plan to discontinue operations of the Skilled Nursing Facility or Personal Care Unit, if deemed to be in the best interests of the perpetuation of our mission by the Board of Directors, we reserve the right at some future point to reduce the availability of the number of beds or to discontinue the operation of these facilities and/or these services. Should we elect to discontinue operations of the Skilled Nursing Facility or Personal Care Unit, there are no assurances that any replacement facilities will be available at the Community.

SECTION 4: FEES

4.1 Entrance Fee.

(a) Amount.

The amount of the Entrance Fee is based on the model of the Residence described in Addendum "A".

(b) Payment and Due Date.

The Entrance Fee must be paid in full on the date permitted to occupy. Payment of the Entrance Fee in full entitles you to occupy the Residence for the

first three (3) years. At the end of three years, the Resident has the option of converting to a Monthly Rental Fee or of signing a new 3 Year Entrance Fee agreement at the rates then in effect. The Resident must provide a thirty (30) day written notice of their intent.

(c) Use of Entrance Fee.

The entire Entrance Fee may be used for the purpose of sustaining and extending our mission.

(d) Limitations on Increases in the Entrance Fee.

After the signing of this Agreement by you, there will be no increase in the Entrance Fee for the Residence.

4.2 Monthly Rental Fee.

(a) Amount.

You shall pay to us a Monthly Rental Fee commencing one day after the 3 Year Entrance Fee agreement expires. The amount of the Monthly Rental Fee is based on the model of the Residence as described in Addendum "A" and is determined by Board of Directors action.

(b) Payment and Due Date.

Payment is due upon receipt of the monthly statement. We reserve the right to change our billing cycle. The Monthly Rental Fee shall be pro-rated if the date of commencement is after the first of the month. If the Monthly Rental Fee or other charges for miscellaneous or ancillary services are not paid within fifteen (15) calendar days of the due date, we may elect to exercise our available rights and remedies under this Agreement including termination.

(c) Adjustments in Monthly Rental Fee.

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

4.3 Other Charges.

The monthly statement shall reflect all other charges for miscellaneous, ancillary, or other services, in addition to the Monthly Rental Fee. Payment for all such other charges is also due upon receipt.

4.4 Co-Resident's Fee Responsibility.

In situations of Multiple Occupancy, you shall be jointly and severally liable for all payments due under this Agreement. If one Co-Resident dies or leaves the Residence, the

remaining Co-Resident shall be responsible for payment of the applicable Monthly Rental Fee and any other charges.

4.5 Late Charges and Cost of Collection.

Any charges which are unpaid after twenty-five (25) days of the date of the statement, shall be subject to a late charge of one and one-fourth percent (1.25%) per month (or annual rate of fifteen percent (15%)), and you are obligated to pay any late charges. In the event we initiate any legal actions or proceedings to collect payments past due in excess of sixty (60) days, you shall be responsible to pay all attorneys' fees and costs incurred by us in pursuing the enforcement of your financial obligations under this Agreement.

4.6 Inability to Pay.

The financial information provided in your application for admission, in documents subsequently requested by us, or with your request for financial assistance, must not contain any material misrepresentations or omissions. It is your responsibility to look to all other available sources of financial assistance such as family, church, Pennsylvania Department of Public Welfare, which administers the Medical Assistance program, and other agencies, before requesting financial assistance from us. You may not transfer assets represented as available in your application for less than fair market value unless the transfer does not impair your ability to fulfill your financial obligations to us for future personal or nursing care services. If you impair your ability to pay your financial obligations by transferring assets for less than fair market value, you shall not be considered for financial assistance and this Agreement may be terminated.

Our ability to provide financial assistance is contingent upon a number of factors including the availability of charitable gifts and the financial condition of the Community. If we determine that you qualify for financial assistance, then we may provide such assistance as is necessary to enable you to meet the Monthly Rental Fee obligation or other charges, provided that such assistance can be granted or continued without impairing the financial stability of the Community. If financial assistance is initially granted, there is no guarantee that such assistance can or will continue indefinitely or for any specific period of time.

We shall deduct amounts necessary to fulfill all of your financial obligations to us from any remaining balance of the unamortized portion of the Entrance Fee. You hereby authorize such deductions from any remaining balance of the unamortized portion of the Entrance Fee, which otherwise would be due as a refund.

SECTION 5: FINANCIAL DISCLOSURE

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

SECTION 6: MARRIAGE, ADDITIONAL OCCUPANTS, OPTION TO MOVE

In the event that you desire to marry or have another person share your Residence, the proposed additional occupant must file an application for admission and meet all age and other requirements for admission to the Residence consistent with UCC Homes policies, which are subject to change from time to time. In the event that the proposed additional occupant does not satisfy the requirements for admission, then the proposed additional occupant may request admission under such other terms and conditions as may be acceptable to us, or you may exercise your option to terminate this Agreement. If admitted, you and the proposed additional occupant must enter into an addendum to the agreement reflecting the joint and severable liability of both occupants. There is no additional charge, in either the Entrance Fee or subsequent Monthly Rental Fee, for the additional occupant.

After Occupancy, you may request to exercise a limited option to move to another Residence on the Community's premises, if and when another Residence becomes available. In the event you desire to exercise the option to move to another Residence, you must notify us in writing of the Residence desired. Requests to move to another Residence on the Community's premises will receive full consideration based on residence availability and adequate resources to meet costs of the requested residence. Any costs and charges related to exercising the option to move are your responsibility. We reserve the right to refuse your request to move to another Residence.

SECTION 7: TERMINATION OF AGREEMENT

7.1 Termination by You.

(a) Rescission Period.

You may terminate this Agreement within seven (7) days of execution by signing the attached Notice of Right to Rescind and delivering it to us.

(b) Prior to Occupancy.

After the lapse of the seven (7) day rescission period, but prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, you may terminate this Agreement by delivering written notice to us prior to Occupancy. In the event of your death, illness, injury or incapacity prior to the

Designated Occupancy Date or actual date of Occupancy, whichever is earlier; then this Agreement shall automatically terminate. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

(c) After Occupancy.

After Occupancy, you may terminate this Agreement by delivery of written notice to us at least sixty (60) days prior to termination, and by the Surrender of the Residence. Termination shall be effective after the lapse of the sixty (60) day notice period and Surrender of the Residence. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

7.2 Termination by Us.

(a) Prior to Occupancy.

We may terminate this Agreement at any time prior to Occupancy by providing written notice to you prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. All payments shall be refunded to you.

(b) After Occupancy.

We may terminate this Agreement upon a determination of just cause and delivery of thirty (30) days written notice to you or your representative or such written notice as is reasonable under the circumstances. Just cause shall include but not be limited to, a default in payment; the submission of any materially false information; the failure of you to abide by our rules, regulations, policies, and procedures; the breach of any of the other terms of this Agreement; or a good faith determination in writing by the Medical Director and Administrator that your continued Occupancy in the Residence either creates a serious threat or danger to the life, health, or safety of you or creates a serious threat or danger to the life, health, safety, or peaceful enjoyment of other residents or persons in the Community. In situations where continued Occupancy threatens the life, health, safety, or peaceful enjoyment of you or other residents, only such notice as is reasonably practicable under the circumstances will be provided to you or your representative, and termination may be effective immediately. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

7.3 Termination Upon Permanent Transfer.

If you are permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, this Agreement shall terminate. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement. In the case of Multiple Occupancy, this Agreement shall terminate only as to the transferring Co-Resident. The Co-Resident remaining in the Residence shall continue to pay the Monthly Rental Fee if applicable. No refund shall be due so long as the remaining Co-Resident continues to

reside in the Residence and until all other refund provisions of this Agreement have been satisfied.

7.4 Termination by Death.

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

7.5 Surrender.

The obligation to pay the Monthly Rental Fee shall continue until after the lapse of any mandatory notice period for termination and the Residence has been Surrendered by you, or in the case of death, by your estate or your family. Surrender of the Residence shall be complete when you have ceased to occupy it, have removed all possessions from it, and have turned over the Residence keys to us.

7.6 Further Obligations and Release Upon Termination.

Upon termination of this Agreement, we are released from any further obligations to you except for the delivery of personal property as limited by this Agreement, and the payment of any refund, which may be due. You are released from any further obligations to the Community after all financial obligations have been met under this Agreement.

SECTION 8: TRANSFER TO OTHER SERVICES OR TO ANOTHER FACILITY

8.1 Conditions of Occupancy.

You shall have the right to occupy the Residence for so long as you satisfy the health and other Conditions of Occupancy as reflected in UCC Homes policies and in the Resident Handbook, both of which are subject to change from time to time. Continued Occupancy of the Residence shall, in general, be controlled by your physical and mental condition. You agree to provide appropriate information regarding your current medical condition, upon request.

8.2 Decision to Transfer.

Personal decisions are yours to make. When, in our opinion, those decisions or the inability to make decisions jeopardize the health and safety of others, we may, in concurrence with the Medical Director, require your transfer to other available campus services or any other appropriate care facility. If you are transferred permanently to the Skilled Nursing Facility, Personal Care Unit or to any other appropriate facility authorized under this Agreement, we may declare the Residence vacant and reassign the Residence to another resident. Your opinion and the advice of family and your physician are advisory and shall not be binding on us.

8.3 Charges Related to Transfer.

If you transfer to nursing or personal care services, or another facility, you shall pay all charges related to the transfer to and Occupancy of the Skilled Nursing Facility, Personnel Care Unit or other facility.

8.4 Release of or Return to Residence After Transfer.

(a) Temporary Transfer.

If you are temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility during the first 3 years of this agreement, you shall retain possession of the Residence at no extra charge and you shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. You may return to the Residence at such time as we determine that you can satisfy the Conditions of Occupancy. In situations of Multiple Occupancy where one Co-Resident is temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, the transferred Co-Resident shall be charged and you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

If you are temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility after the lapse of the 3 year period, you shall continue to pay the Monthly Rental Fee to retain possession of the Residence and you shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. You may return to the Residence at such time as we determine that you can satisfy the Conditions of Occupancy. In situations of Multiple Occupancy where one Co-Resident is temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, the Monthly Rental Fee shall remain the same, and the transferred Co-Resident shall be charged and you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

(b) Permanent Transfer.

If you are permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility during the first 3 years of this agreement, you shall Surrender and vacate the Residence within thirty (30) days of written notice of our decision to permanently transfer you and release the Residence. You shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. If in our opinion, you subsequently recover sufficiently to satisfy the Conditions of Occupancy of a Residence, we in the exercise of our discretion, shall make available as soon as reasonably practicable a Residence with a floor plan comparable to the one relinquished. In situations of Multiple Occupancy where one Co-Resident is permanently transferred to the Skilled Nursing Facility, Personal Care Unit or

another facility, you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

If you are permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility after the lapse of the 3 year period, the obligation to pay the Monthly Rental Fee will cease, and you shall Surrender and vacate the Residence within thirty (30) days of written notice of our decision to permanently transfer you and release the Residence. You shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. If in our opinion, you subsequently recover sufficiently to satisfy the Conditions of Occupancy of a Residence, we in the exercise of our discretion, shall make available as soon as reasonably practicable a Residence with a floor plan comparable to the one relinquished. In situations of Multiple Occupancy where one Co-Resident is permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, the Monthly Rental Fee shall remain in effect and you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

SECTION 9: REFUND OF ENTRANCE FEE

9.1 Termination before Occupancy.

Any Entrance Fee payments will be refunded in full if you rescind this Agreement within seven (7) days of execution in accordance with the Notice of Right to Rescind. In the event of termination of this Agreement for any reason after the lapse of the seven (7) day rescission period, but before the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, we will make a full refund of all Entrance Fee payments less any amounts deducted to cover expenses incurred by us at your specific written request. Where two or more individuals have signed this Agreement for Multiple Occupancy, the termination of one Resident shall not constitute termination of this Agreement, and no refund shall be due.

9.2 Termination after Occupancy.

The Entrance Fee shall be amortized by us over a three year period at a rate of one thirty-sixth (1/36) prorated monthly from the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, and is described in Addendum "B". At the conclusion of the 3-year amortization period, the Entrance Fee shall be earned in full by the Community, and you will not be entitled to a refund of any portion of the Entrance Fee after the lapse of the amortization period. If the Residence is Surrendered during the first three years of the agreement, the unamortized portion of the Entrance Fee will cease being amortized. Upon termination of this Agreement, and subject to the conditions in Section 9.5, the unamortized balance of the Entrance Fee will be refunded to you or your estate,

less any amounts deducted to pay any outstanding charges owed to us, within sixty (60) days from the date the Residence is cleared of the Resident's personal property.

9.3 Multiple Occupancy – Limitation on Availability of Refund.

It is the intention of the parties that any applicable refund will only be made in accordance with Section 9.5 after the last surviving Co-Resident vacates and surrenders the Residence, and this Agreement is terminated. In situations of Multiple Occupancy where one Co-Resident is transferred to the Skilled Nursing Facility and becomes eligible for Medical Assistance, no potential refund shall be available to pay for nursing care services. If, however, the Department of Public Welfare ("DPW") construes any potential refund as an available resource, or if any court, administrative agency, or other appropriate tribunal having jurisdiction determines that Section 9.5 is contrary to law or Medical Assistance eligibility requirements, then we shall make available the amount determined by DPW or other appropriate tribunal as an available resource as a refund, and apply such refund to the payment of nursing care services for the particular Co-Resident.

9.4 No Accrual of Interest.

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

9.5 Conditions and Due Date for Refund Payments.

Prior to Occupancy, all applicable refunds will be made within thirty (30) days. After Occupancy, all applicable refunds will be made within sixty (60) days after you have Surrendered your Residence. The amount of any refund is subject to deductions for any amounts due to us and will be calculated by reference to the date of Surrender of the Residence. In situations of Multiple Occupancy, any applicable refund will be made to the estate of the last surviving Co-Resident.

SECTION 10: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE

10.1 Legal Guardian.

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

10.2 Power of Attorney.

We recommend that you furnish to us, no later than the actual date of Occupancy, a Power of Attorney executed by you, which shall be maintained in our files.

SECTION 11: RIGHTS AND OBLIGATIONS OF RESIDENT

11.1 Right to Receive Disclosure Statements.

We shall deliver to you prior to or at the time of the execution of this Agreement, and at least annually thereafter, a copy of our disclosure statement required by the Continuing Care Provider Registration and Disclosure Act, Act No. 82 of 1984.

11.2 Rights to Property/Subordination.

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

11.3 Inspection of Residence and Right of Entry.

You shall permit us, our agents, or any representative of any holder of a mortgage or similar interest on the property, to enter your Residence for the purpose of making reasonable inspections, repairs, and replacements. Such entry will be made only with reasonable advance notice except in emergency situations. We shall have the right to enter your Residence to perform scheduled housekeeping, routine maintenance, or other reasonably necessary purposes having due regard for your privacy.

11.4 Housekeeping/Housecleaning Responsibilities.

You shall maintain your Residence in a clean, sanitary, and orderly condition. If you do not maintain your Residence in a reasonable manner, after notice to you, we shall have the right to maintain the Residence and the cost of such additional cleaning or maintenance shall be charged to you.

11.5 Vehicles.

(a) Operation.

You may operate a vehicle on our campus if you comply with our rules and policies governing the safe operation of motor vehicles. We reserve the right to revoke your operating privileges and remove your vehicle from our property if you do not abide by our policy as reflected in the Resident Handbook, which is subject to change from time to time.

(b) Registration.

You must register the vehicle with us.

11.6 General Liability and Personal Property Insurance.

You are responsible to obtain at your expense, general liability and personal property (Renter's) insurance.

11.7 Reduction of Income or Other Resources.

You shall make every reasonable effort to meet your financial obligations to us. You shall not transfer control of assets or property or make any gifts subsequent to the date of application for admission, nor shall make any transfers or gifts after Occupancy, which would substantially impair your ability or the ability of your estate to satisfy your financial obligations to us.

11.8 Responsibility for Property Damage to Community.

(a) Responsibility for Condition of Residence Upon Termination.

Upon termination of this Agreement, you shall vacate and Surrender the Residence and leave it in as good condition as the date of Occupancy except for reasonable wear and tear. If the Residence is damaged beyond ordinary wear and tear, the costs of repair shall be your obligation and such costs shall be billed directly to you or your estate, or alternatively, deducted from any refund that may be due.

(b) Property Damages Caused by Resident.

Any loss or damage to our real or personal property caused by you or your guests shall be paid by you. In the event of your death, your estate shall be liable for any loss or damage to our property caused by you.

11.9 Release Regarding Conduct of Other Residents or Guests.

We assume no liability for your conduct or any other residents or guests, or for the use, ownership, possession, or control of electric carts or similar mechanized mobile medical or other equipment by other residents or guests. You release and discharge us from any claims for personal injury to you or damages to your personal property caused

by the conduct of other residents or guests, or by the use, ownership, possession, or control of electric carts or similar mechanized mobile equipment by other residents or guests. You may bring any claims for personal injury sustained by you from the actions or omissions of other residents directly against the residents and/or guests that are responsible for your injury.

11.10 Responsibility For Your Personal Property.

(a) Responsibility for Loss or Damage.

We shall not be responsible for the loss or damage due to fire, theft, or other causes of any property belonging to you, or your estate, or your guests.

(b) Removal of Personal Property.

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

11.11 Rules, Regulations, Policies, and Procedures.

You shall cooperate, and comply with all rules, regulations, policies, and procedures established by the Community. Rules, regulations, policies, and procedures are set forth in the Resident Handbook, and other publications or documents of the Community, and are subject to change from time to time.

11.12 Your Rights are Personal and Non-transferable.

Your rights and privileges under this Agreement are personal to you and can not be transferred or assigned. No person other than you may occupy or use the Residence covered by this Agreement unless approved in writing by us.

11.13 Rights to Self-Organization.

You, along with other residents of the Community, shall have the rights to self-organization. A representative designated by us, shall hold quarterly meetings during the calendar year with residents of the Community. At least seven (7) days notice of the meeting shall be given.

SECTION 12: CASUALTY LOSS

In the event the Residence occupied by you or the building in which the Residence is located, is destroyed or is damaged by fire or other casualty so as to render the Residence generally unfit for Occupancy, we will endeavor in good faith to rebuild and

replace the Residence and/or building with substantially similar accommodations unless doing so would threaten our financial viability. In the unlikely event that we determine that rebuilding threatens our financial viability so as to preclude replacement of the Residence or building, then we will strive to develop an alternative restoration plan in which we will exercise our best efforts to locate, identify or provide, if financially feasible as determined by us, reasonable alternative accommodations for any resident affected by such a catastrophic loss. We will provide notice to the Insurance Department of such a catastrophic loss prior to a decision to terminate any agreements, and subject to the rights of the Insurance Commissioner to intervene on your behalf, if we elect to terminate this Agreement, written notice of termination shall be given to you as soon as is reasonably possible from the date of the damage to the Residence. Any applicable refund due to you in accordance with Section 9 shall be paid to you in full upon any such termination. If notice of termination is not given, or if the damage does not render the Residence unfit for occupancy, we shall be obligated to rebuild or repair the damage to the Residence as soon as reasonably possible for occupancy by you, and this Agreement shall remain effective unless the parties may otherwise mutually agree. In the event you are unable to occupy the Residence for any period of time during any reasonably necessary period of restoration of the Residence, the Monthly Rental Fee, if applicable, shall be reduced proportionately, unless a vacant Residence is available for temporary occupancy by you. We shall not be liable for any damage, compensation, or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the Residence, or the interruption in use of the Residence, or the termination of this Agreement by reason of the destruction of the Residence or building.

SECTION 13: SEVERABILITY

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

SECTION 14: ACTS OF FORBEARANCE

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

SECTION 15: ENTIRE AGREEMENT

This Agreement along with applicable addendum(s), constitute the entire Agreement between you and us. We shall not be responsible or liable for any statements,

representations, or promises made by any person representing or purporting to represent us, unless such statements, representations, or promises are set forth in this Agreement. Any brochures or advertisements describing us are for the purpose of inviting inquiries only and are not to be relied upon as legally or contractually binding. This Agreement may not be amended except by a subsequent written addendum approved by us and executed by the parties.

SECTION 16: INDEMNIFICATION

We shall not be responsible or liable for, and you shall indemnify, defend, and hold us harmless, from any and all claims, losses, damages, fines, penalties, expenses, judgments, reasonable settlements, or lawsuits, including actual attorneys' fees, and all costs incurred in defending against any such claims arising from or based upon any injury or death to persons or any damages to property caused by, or arising from, or based on, or in any way attributable to or connected with the negligent, reckless, intentional, or other acts, conduct, or omissions of you, including, but not limited to, the use, ownership, possession, or control of motor vehicles, electric carts, or similar mechanized mobile equipment. Your indemnification obligation is payable on demand by us.

SECTION 17: 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: The Lebanon Valley Home
550 East Main Street
Annville, PA 17003

To Resident (Before Occupancy): _____

_____

_____

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

SECTION 18: MISCELLANEOUS PROVISIONS

18.1 Your Continuing Disclosure Obligation.

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

18.2 Receipt of Disclosure Statement and Resident Handbook.

You acknowledge receiving a copy of our annual Disclosure Statement and 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 us or granting any contractual rights to you.

18.3 Average Annual Cost of Providing Services.

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

18.4 Community's Modification of Agreement and Policies.

We reserve the right to modify unilaterally this Agreement to conform to changes in law or regulation, and to make modifications in our rules, regulations, policies, and procedures.

18.5 Binding Effect.

Except as otherwise provided herein, this Agreement shall extend to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of both you and us.

18.6 Consent to Assignment.

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

18.7 Governing Law.

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

18.8 Headings.

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

18.9 Disclaimer.

None of the following is responsible for any obligations or liabilities of the Community: United Church of Christ.

18.10 Non-waiver of the Continuing Care Provider Registration and Disclosure Act of 1984.

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

AGREEMENT AUTHORIZATIONS AND SIGNATURES

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

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

Attest:

_____

Date: _____

United Church of Christ Homes, Inc., doing business as: The Lebanon Valley Home:

By: _____
Community Designee

Date: _____

Witness:

_____

Date: _____

_____
1st Resident

Date: _____

Witness:

_____

Date: _____

_____
2nd Resident

Date: _____

NOTICE OF RIGHT TO RESCIND

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

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

The Lebanon Valley Home
550 East Main Street
Annville, PA 17003

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

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

Date:_____

PROSPECTIVE RESIDENT'S SIGNATURE

_____

_____

ATTACHMENT A

Skilled care and/or personal care services are available at the following United Church of Christ Homes' campuses:

The Lebanon Valley Home
550 East Main Street
Annville, PA 17003

Skilled Nursing Care – 55 beds
Personal Care – 40 beds

Ephrata Manor
99 Bethany Road
Ephrata, PA 17522

Skilled Nursing Care – 120 beds
Personal Care – 48 beds

Sarah A. Todd Memorial Home
1000 West South Street
Carlisle, PA 17013

Skilled Nursing Care – 117 beds

Thornwald Home
442 Walnut Bottom Road
Carlisle, PA 17013

Skilled Nursing Care – 83 beds
Personal Care – 36 beds

For Office Use:
Resident Name: _____
Unit Number: _____
Unit Type: _____
Start Date: _____
End Date: _____
Fee Amount: _____

UNITED CHURCH OF CHRIST HOMES, INC.

THE LEBANON VALLEY HOME

RESIDENCY AGREEMENT FOR KINDRED PLACE AT HARRISBURG

ONE YEAR ENTRANCE FEE

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ATTACHMENT A ..... A

DEFINITIONS OF WORDS AND PHRASES

CONDITIONS OF OCCUPANCY: The health and safety requirements for continued occupancy of the unit or other accommodation in the Community.

CO-RESIDENT: One of two or more individuals who signs a residency agreement to initially occupy one unit.

DESIGNATED OCCUPANCY DATE: The date designated by us for you to accept occupancy, unless the unit is occupied earlier.

ENTRANCE FEE: The initial charge for admission to the Community. The amount of the entrance fee is based on the model of the unit.

MONTHLY RENTAL FEE: The charge per month for occupancy of the unit, after the first year, which includes costs for maintenance, services, and rent.

MULTIPLE OCCUPANCY: Two or more individuals initially residing in a unit as co-residents.

OCCUPANCY: The right of possession and use of the unit.

PERSONAL CARE UNIT: The licensed personal care facility of the Community.

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

SINGLE OCCUPANCY: One individual initially residing in a unit.

SKILLED NURSING: The licensed nursing care facility of Community.

SURRENDER: To cease occupancy of the unit, to remove all possessions from it, and return all keys to it.

UNIT: The unit designated under this Agreement for occupancy by you.

RESIDENCY AGREEMENT

THIS RESIDENCY AGREEMENT (called "Agreement"), made this ____ day of _____, 20___, between United Church of Christ Homes, Inc., a Pennsylvania non-profit corporation doing business as The Lebanon Valley Home and Kindred Place at Harrisburg, (called "Community," and referred to by the words "we," "us" and "our"), and _____ (called "Resident," and referred to by the words "you" and "your" and when two or more individuals sign this Agreement for Multiple Occupancy, they are called collectively "Resident," "you" and "your" where the context permits, and individually "Co-Resident") for admission of Resident to the Community for Occupancy of _____ (called "Residence").

RECITALS:

We operate a continuing care retirement community; and

You have applied for admission to occupy the Residence at Kindred Place at Harrisburg, which is part of Community's continuing care retirement community; and,

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

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

SECTION 1: RESIDENCE AND FACILITIES

1.1 Living Accommodations and Term.

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

1.2 Description of Residence.

We shall provide a Residence furnished with a kitchen stove, refrigerator, microwave oven, washer and dryer, drapery rods, heating/air conditioning, and floor coverings. You shall provide all other furnishings, which shall remain your property.

1.3 Structural Changes and Redecoration.

Any structural or physical change of any kind or redecoration to the interior or exterior of the Residence, including, but not limited to, wallpaper, painting or floor covering, fixture upgrades, may be made only if they have been approved in writing by us. The cost of any redecoration or structural change requested by you, and restoration to original condition, except that cost due to normal wear and tear, shall be paid by you unless otherwise agreed in writing by us. The selection of a contractor for any structural changes shall be made by us. The charge or value of any physical or structural changes will not be considered in calculating any applicable Entrance Fee refunds and are not considered part of the Entrance Fee. An addendum to this Agreement reflecting all structural changes and their cost shall be signed by you and us.

1.4 Common Facilities.

We shall provide certain common facilities including, but not limited to, activity areas, dining facilities, store and beauty/barber shop. The common facilities are available to you in accordance with our policies and procedures as reflected in the Resident Handbook and any other publications of the Community, which are subject to change from time to time at our discretion.

1.5 Priority Access.

You will receive priority access to nursing and personal care at any of our campuses on a fee for service basis. See Attachment A. Priority access is conditioned on you satisfying the financial and all other requirements for admission.

1.6 Designated Occupancy Date.

We shall establish a date when you must accept Occupancy (the "Designated Occupancy Date"). We will provide notice of the Designated Occupancy Date no later than thirty (30) days before the Residence is available. We reserve the right to extend the Designated Occupancy Date. The Entrance Fee must be paid in full on the date permitted to occupy.

Designated Occupancy Date: _____

SECTION 2: SERVICES

2.1 Utilities.

We shall provide water, sewer, refuse collection, and electric service. These services are included in the Entrance Fee and subsequent Monthly Rental Fee. We reserve the right to establish maximum usage levels on utilities and to charge you for any unreasonably excessive usage due to waste or abuse.

2.2 Telephone.

We shall provide each Residence with access to telephone service. All telephone service charges, including connection charges, are not included in the Entrance Fee or subsequent Monthly Rental Fee and shall be paid by you.

2.3 Cable Television.

We shall provide each Residence with access to cable television service and at least one cable connection. A cable service plan is not included in the Entrance Fee or subsequent Monthly Rental Fee and shall be paid by you.

2.4 Maintenance and Repair of Equipment.

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

2.5 Maintenance of Grounds.

We shall provide grounds keeping, lawn care, and snow removal, in accordance with our policy, which is subject to change from time to time. These services are included in the Entrance Fee and subsequent Monthly Rental Fee.

2.6 Insurance.

We shall provide insurance on our property only. You are responsible to insure against personal property and general liability losses and the cost of such insurance shall be paid by you.

2.7 Administration.

We shall provide administrative support services to implement the provisions of this Agreement. Administrative services are included in the Entrance Fee and subsequent Monthly Rental Fee.

2.8 Scope of Services Included in the Monthly Rental Fee.

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

2.9 Other Services.

Other services, such as meals and barber/beauty services, are available at an additional charge and are not included in the Entrance Fee or subsequent Monthly Rental Fee. The charges for these services are reflected on the Schedule of Charges, which is subject to change from time to time.

SECTION 3: NURSING, PERSONAL CARE, HOME CARE & HOME HEALTH CARE SERVICES

3.1 Skilled Nursing and Personal Care Services.

We operate The Lebanon Valley Home, a Skilled Nursing Facility and Personal Care Unit for the provision of licensed nursing and personal care services, which generally shall be made available on a priority access basis. Skilled care and/or personal care services are available at several of our campuses. See Attachment A. The costs of nursing and personal care services are at an additional charge and are not included in the Entrance Fee or subsequent Monthly Rental Fee. We will exercise our best efforts to accommodate your level of care needs; however, there is no guarantee that space will be immediately available in the Skilled Nursing Facility or Personal Care Unit at such time as you may require nursing or personal care services.

3.2 Permanent Transfer to Nursing or Personal Care.

If you are permanently transferred to a Skilled Nursing Facility or Personal Care Unit, the agreement terminates and you shall sign an admission agreement for the provision of nursing or personal care services.

3.3 Home Care and Home Health Care Services.

We operate a home care agency and a home health care agency for the provision of home care and home health care services. Subject to our approval, you may utilize the services of our home care agency and/or home health care agency or the services of another licensed home care agency and/or licensed home health care agency while residing in the Residence so long as you are able to satisfy the Conditions of Occupancy. The costs of home care and home health care services are at an additional charge and are not included in the Entrance Fee or subsequent Monthly Rental Fee.

Such services must be approved in advance and in writing by us. We reserve the right to review credentials of all nurses and companions, to approve or prohibit the use of or to require the discontinuation of such services. You are responsible to pay for all such services. As a condition of our approval, all private duty nurses or companions from an outside home care and/or home health care agency must provide us with an appropriate release and indemnification agreement, proof of workers' compensation and liability insurance, as well as proof that such nurses or companions are free of tuberculosis and/or any other contagious or communicable disease, and are subject to a criminal background check. To the extent required, you shall confirm that any approved private duty nurse, companion, or attending individual from an outside home care or home health care agency has workers' compensation insurance coverage. In the absence of such coverage, you are required to provide workers' compensation insurance to the extent required by law. Services of private duty nurses, nurse assistants or companions may be used so long as you are able to satisfy the Conditions

of Occupancy. In exchange for our consent to your request for the services of a private duty nurse, companion, or other assistant, you shall execute, if requested by us, an Aging-in-Place Addendum, which shall be attached to this Agreement and incorporated by reference. We reserve the right to terminate your authorization to utilize the services of private duty nurses, nurse assistants or companions in the event that you do not comply with the requirements of this Section or the Aging-in-Place Addendum, or you require transfer to another level of care. If transfer to another level of care is required, then we reserve the right to transfer you to another level of care within the Community or to such other external care facility as we deem appropriate.

3.4 Health Care Services and Liability for Health Care Costs.

You remain responsible for your own health care while residing in the Residence. All health care services provided to you under this Agreement are at an additional charge.

3.5 Liability for Health Care Services.

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

3.6 Future Use of Facilities.

Although there is no current plan to discontinue operations of any of the Skilled Nursing Facilities or Personal Care Units, if deemed to be in the best interests of the perpetuation of our mission by the Board of Directors, we reserve the right at some future point to reduce the availability of the number of beds or to discontinue the operation of these facilities and/or these services. Should we elect to discontinue operations of the Skilled Nursing Facilities or Personal Care Units, there are no assurances that any replacement facilities will be available at the Community.

SECTION 4: FEES

4.1 Entrance Fee.

(a) Amount.

The amount of the Entrance Fee is based on the model of the Residence described in Addendum "A".

(b) Payment and Due Date.

The Entrance Fee must be paid in full on the date permitted to occupy.

Payment of the Entrance Fee in full entitles you to occupy the Residence for the first 12 months occupancy without a monthly rental fee. At the end of the first 12 months of occupancy, the Resident has the option of converting to a Monthly Rental Fee or signing a new One Year Entrance Fee agreement at the rates then in effect. The Resident must provide a thirty (30) day written notice of their intent.

(c) Use of Entrance Fee.

The entire Entrance Fee may be used for the purpose of sustaining and extending our mission.

(d) Limitations on Increases in the Entrance Fee.

After the signing of this Agreement by you, there will be no increase in the Entrance Fee for the Residence during the duration of this Agreement. Charges for care paid in one lump sum shall not be increased or decreased during the duration of the agreed upon care, except for changes required by State or Federal assistance programs. In accordance with Section 3.5 above, the Entrance Fee and Monthly Rental Fee do not include future health care services.

4.2 Monthly Rental Fee.

(a) Amount.

You shall pay to us a Monthly Rental Fee commencing one day after the One Year Entrance Fee agreement expires. The amount of the Monthly Rental Fee is based on the model of the Residence and described in Addendum "A" and is determined by Board of Directors action.

(b) Payment and Due Date.

Payment is due upon receipt of the monthly statement. We reserve the right to change our billing cycle. The Monthly Rental Fee shall be pro-rated if the date of commencement is after the first of the month. If the Monthly Rental Fee or other charges for miscellaneous or ancillary services are not paid within fifteen (15) calendar days of the due date, we may elect to exercise our available rights and remedies under this Agreement including termination.

(c) Adjustments in Monthly Rental Fee.

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

4.3 Other Charges.

The monthly statement shall reflect all other charges for miscellaneous, ancillary, or other services, in addition to the Monthly Rental Fee. Payment for all such other charges is also due upon receipt.

4.4 Co-Resident's Fee Responsibility.

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

4.5 Late Charges and Cost of Collection.

Any charges which are unpaid after twenty-five (25) days of the date of the statement, shall be subject to a late charge of one and one-fourth percent (1.25%) per month (or annual rate of fifteen percent (15%)), and you are obligated to pay any late charges. In the event we initiate any legal actions or proceedings to collect payments past due in excess of sixty (60) days, you shall be responsible to pay all attorneys' fees and costs incurred by us in pursuing the enforcement of your financial obligations under this Agreement.

4.6 Inability to Pay.

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

Our ability to provide financial assistance is contingent upon a number of factors including the availability of charitable gifts and the financial condition of the Community. If we determine that you qualify for financial assistance, then we may provide such assistance as is necessary to enable you to meet the Monthly Rental Fee obligation or other charges, provided that such assistance can be granted or continued without impairing the financial stability of the Community. If financial assistance is initially granted, there is no guarantee that such assistance can or will continue indefinitely or for any specific period of time.

We shall deduct amounts necessary to fulfill all of your financial obligations to us from any remaining balance of the unamortized portion of the Entrance Fee. You hereby authorize such deductions from any remaining balance of the unamortized portion of the Entrance Fee, which otherwise would be due as a refund.

SECTION 5: FINANCIAL DISCLOSURE

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

SECTION 6: MARRIAGE, ADDITIONAL OCCUPANTS, OPTION TO MOVE

In the event that you desire to marry or have another person share your Residence, the proposed additional occupant must file an application for admission and meet all age and other requirements for admission to the Residence consistent with UCC Homes Policies which are subject to change from time to time. In the event that the proposed additional occupant does not satisfy the requirements for admission, then the proposed additional occupant may request admission under such other terms and conditions as may be acceptable to us or you may exercise your option to terminate this Agreement. If admitted, you and the proposed additional occupant must enter into an addendum to the agreement reflecting the joint and severable liability of both occupants. There is no additional charge, in either the Entrance Fee or subsequent Monthly Rental Fee, for the additional occupant.

After Occupancy, you may request to exercise a limited option to move to another Residence on the Community's premises, if and when another Residence becomes available. In the event you desire to exercise the option to move to another Residence, you must notify us in writing of the Residence desired. Requests to move to another Residence on the Community's premises will receive full consideration based on residence availability and adequate resources to meet costs of the requested residence. Any costs and charges related to exercising the option to move are your responsibility. We reserve the right to refuse your request to move to another Residence.

SECTION 7: TERMINATION OF AGREEMENT

7.1 Termination by You.

(a) Rescission Period.

You may terminate this Agreement within seven (7) days of execution by signing the attached Notice of Right to Rescind and delivering it to us.

(b) Prior to Occupancy.

After the lapse of the seven (7) day rescission period, but prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, you may terminate this Agreement by delivering written notice to us prior to Occupancy. In the event of your death, illness, injury or incapacity prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, then this Agreement shall automatically terminate. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

(c) After Occupancy.

After Occupancy, you may terminate this Agreement by delivery of written notice to us at least sixty (60) days prior to termination, and by the Surrender of the Residence. Termination shall be effective after the lapse of the sixty (60) day notice period and Surrender of the Residence. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

7.2 Termination by Us.

(a) Prior to Occupancy.

We may terminate this Agreement at any time prior to Occupancy by providing written notice to you prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. All payments shall be refunded to you.

(b) After Occupancy.

We may terminate this Agreement upon a determination of just cause and delivery of thirty (30) days written notice to you or your representative or such written notice as is reasonable under the circumstances. Just cause shall include but not be limited to, a default in payment; the submission of any materially false information; the failure of you to abide by our rules, regulations, policies, and procedures; the breach of any of the other terms of this Agreement; or a good faith determination in writing by the Medical Director and Administrator that your continued Occupancy in the Residence either creates a serious threat or danger to the life, health, or safety of you or creates a serious threat or danger to

the life, health, safety, or peaceful enjoyment of other residents or persons in the Community. In situations where continued Occupancy threatens the life, health, safety, or peaceful enjoyment of you or other residents, only such notice as is reasonably practicable under the circumstances will be provided to you or your representative, and termination may be effective immediately. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

7.3 Termination upon Permanent Transfer.

If you are permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, this Agreement shall terminate. A new agreement for the provision of nursing or personal care services must be signed. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement. In the case of Multiple Occupancy, this Agreement shall terminate only as to the transferring Co-Resident. The Co-Resident remaining in the Residence shall continue to pay the Monthly Rental Fee if applicable. No refund shall be due so long as the remaining Co-Resident continues to reside in the Residence and until all other refund provisions of this Agreement have been satisfied.

7.4 Termination by Death.

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

7.5 Surrender.

The obligation to pay the Monthly Rental Fee shall continue until after the lapse of any mandatory notice period for termination and the Residence has been Surrendered by you, or in the case of death, by your estate or your family. Surrender of the Residence shall be complete when you have ceased to occupy it, have removed all possessions from it, and have turned over the Residence keys to us.

7.6 Further Obligations and Release Upon Termination.

Upon termination of this Agreement, we are released from any further obligations to you except for the delivery of personal property as limited by this Agreement, and the payment of any refund, which may be due. You are released from any further obligations to the Community after all financial obligations have been met under this Agreement.

SECTION 8: TRANSFER TO OTHER SERVICES OR TO ANOTHER FACILITY

8.1 Conditions of Occupancy.

You shall have the right to occupy the Residence for so long as you satisfy the health and other Conditions of Occupancy as reflected in UCC Homes policies and in the Resident Handbook, both of which are subject to change from time to time. Continued Occupancy of the Residence shall, in general, be controlled by your physical and mental condition. You agree to provide appropriate information regarding your ability to meet the Conditions of Occupancy, upon request.

8.2 Decision to Transfer.

With the concurrence of our Medical Director, we may transfer you from and between the Residence and the Skilled Nursing Facility, Personal Care Unit or any other appropriate care facility if we determine that such a move should be made for your health, safety, or welfare, or for the proper operation of the Community, or because you no longer satisfy the Conditions of Occupancy of the Residence. If you are transferred permanently to the Skilled Nursing Facility, Personal Care Unit, or to any other appropriate facility authorized under this Agreement, we may declare the Residence vacant and reassign the Residence to another resident. The decision as to whether a transfer shall be deemed temporary or permanent shall be made by us at our sole discretion, with the concurrence of our Medical Director, after consideration of your opinion, the advice of your family, and if requested and paid by you, the opinion of your physician. Your opinion and the advice of family and your physician are advisory and shall not be binding on us.

8.3 Charges Related to Transfer.

If you transfer to nursing or personal care services, or another facility, you shall pay all charges related to the transfer to and Occupancy of the Skilled Nursing Facility, Personal Care Unit or other facility.

8.4 Release of or Return to Residence after Transfer.

(a) Temporary Transfer.

If you are temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility during the first year of this Agreement, you shall retain possession of the Residence at no additional charge and you shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. You may return to the Residence at such time as we determine that you can satisfy the Conditions of Occupancy. In situations of Multiple Occupancy where one Co-Resident is temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, the transferred Co-Resident shall be charged and you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

If you are temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility after the lapse of the one-year period, you shall continue to pay the Monthly Rental Fee to retain possession of the Residence and you shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. You may return to the Residence at such time as we determine that you can satisfy the Conditions of Occupancy. In situations of Multiple Occupancy where one Co-Resident is temporarily transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, the Monthly Rental Fee shall remain the same, and the transferred Co-Resident shall be charged and you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

(b) Permanent Transfer.

If you are permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility during the first year of this Agreement, you shall Surrender and vacate the Residence within thirty (30) days of written notice of our decision to permanently transfer you and release the Residence. You shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. If in our opinion, you subsequently recover sufficiently to satisfy the Conditions of Occupancy of a Residence, we in the exercise of our discretion, shall make available as soon as reasonably practicable a Residence with a floor plan comparable to the one relinquished. In situations of Multiple Occupancy where one Co-Resident is permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

If you are permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility after the lapse of the 1 year period, the obligation to pay the Monthly Rental Fee will cease, and you shall Surrender and vacate the Residence within thirty (30) days of written notice of our decision to permanently transfer you and release the Residence. You shall pay all charges for care in the Skilled Nursing Facility, Personal Care Unit or other facility. If in our opinion, you subsequently recover sufficiently to satisfy the Conditions of Occupancy of a Residence, we in the exercise of our discretion, shall make available as soon as reasonably practicable a Residence with a floor plan comparable to the one relinquished. In situations of Multiple Occupancy where one Co-Resident is permanently transferred to the Skilled Nursing Facility, Personal Care Unit or another facility, the Monthly Rental Fee shall remain in effect and you shall collectively be responsible to pay the charges for care and services in the Skilled Nursing Facility, Personal Care Unit or other facility.

SECTION 9: REFUND OF ENTRANCE FEE

9.1 Termination before Occupancy.

Any Entrance Fee payments will be refunded in full if you rescind this Agreement within seven (7) days of execution in accordance with the Notice of Right to Rescind. In the event of termination of this Agreement for any reason after the lapse of the seven (7) day rescission period, but before the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, we will make a full refund of all Entrance Fee payments less any amounts deducted to cover expenses incurred by us at your specific written request. Where two or more individuals have signed this Agreement for Multiple Occupancy, the termination of one Resident shall not constitute termination of this Agreement, and no refund shall be due.

9.2 Termination after Occupancy.

The Entrance Fee shall be amortized by us over a one (1) year period at a rate of one twelfth (1/12) prorated monthly from the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, and is described in Addendum "B". At the conclusion of the 1-year amortization period, the Entrance Fee shall be earned in full by the Community, and you will not be entitled to a refund of any portion of the Entrance Fee after the lapse of the amortization period. If the Residence is Surrendered during the first year of this Agreement, the unamortized portion of the Entrance Fee will cease being amortized. Upon termination of this Agreement, and subject to the conditions in Section 9.5, the unamortized balance of the Entrance Fee will be refunded to you or your estate, less any amounts deducted to pay any outstanding charges owed to us, within sixty (60) days from the date the Residence is cleared of the Resident's personal property.

9.3 Multiple Occupancy – Limitation on Availability of Refund.

It is the intention of the parties that any applicable refund will only be made in accordance with Section 9.5 after the last surviving Co-Resident vacates and surrenders the Residence, and this Agreement is terminated. In situations of Multiple Occupancy where one Co-Resident is transferred to the Skilled Nursing Facility and becomes eligible for Medical Assistance, no potential refund shall be available to pay for nursing care services. If, however, the Department of Human Services ("DHS") construes any potential refund as an available resource, or if any court, administrative agency, or other appropriate tribunal having jurisdiction determines that Section 9.5 is contrary to law or Medical Assistance eligibility requirements, then we shall make available the amount determined by DHS or other appropriate tribunal as an available resource as a refund, and apply such refund to the payment of nursing care services for the particular Co-Resident.

9.4 No Accrual of Interest.

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

9.5 Conditions and Due Date for Refund Payments.

Prior to Occupancy, all applicable refunds will be made within thirty (30) days. After Occupancy, all applicable refunds will be made within sixty (60) days after you have surrendered your Residence. The amount of any refund is subject to deductions for any amounts due to us and will be calculated by reference to the date of Surrender of the Residence. In situations of Multiple Occupancy, any applicable refund will be made to the estate of the last surviving Co-Resident.

SECTION 10: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE

10.1 Legal Guardian.

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

10.2 Power of Attorney.

We recommend that you furnish to us, no later than the actual date of Occupancy, a Power of Attorney executed by you, which shall be maintained in our files.

SECTION 11: RIGHTS AND OBLIGATIONS OF RESIDENT

11.1 Right to Receive Disclosure Statements.

We shall deliver to you prior to or at the time of the execution of this Agreement, and at least annually thereafter, a copy of our disclosure statement required by the Continuing Care Provider Registration and Disclosure Act, Act No. 82 of 1984.

11.2 Rights to Property/Subordination.

The rights and privileges granted to you by this Agreement do not include any right, title, or interest in any part of the personal property, land, buildings, and

improvements owned or administered by us. Your rights are primarily for services, with a contractual right of Occupancy. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between you and us. Any rights, privileges, or benefits under this Agreement, including your right to a full or partial refund, shall be subordinate to any existing or subsequent mortgages or deeds of trust on any of the premises or to any other interest in the real property of the Community and to all amendments, modifications, replacements, or re-financings of any existing or subsequent mortgages or deeds of trust or to any liens or security interests held by secured creditors of Community. This subordination provision means that the claims of secured creditors in the event of Community's bankruptcy or default on its financial obligations shall be paid before you are entitled to receive any applicable refund. Upon request, you shall execute and deliver any document, which is required by us, or by the holder of any such mortgages or deeds of trust or other encumbrances, to effect such subordination or to evidence the same.

11.3 Inspection of Residence and Right of Entry.

You shall permit us, our agents, or any representative of any holder of a mortgage or similar interest on the property, to enter your Residence for the purpose of making reasonable inspections, repairs, and replacements. Such entry will be made only with reasonable advance notice except in emergency situations. We shall have the right to enter your Residence to perform routine maintenance, or other reasonably necessary purposes having due regard for your privacy.

11.4 Housekeeping/Housecleaning Responsibilities.

You shall maintain your Residence in a clean, sanitary, and orderly condition. If you do not maintain your Residence in a reasonable manner, after notice to you, we shall have the right to maintain the Residence and the cost of such additional cleaning or maintenance shall be charged to you.

11.5 Vehicles

(a) Operation.

You may operate a vehicle on our campus if you comply with our rules and policies governing the safe operation of motor vehicles. We reserve the right to revoke your operating privileges and remove your vehicle from our property if you do not abide by our policy as reflected in the Resident Handbook, which is subject to change from time to time.

(b) Registration.

You must register your vehicle with us.

11.6 General Liability and Personal Property Insurance.

You are responsible to obtain at your expense, general liability and personal property (Renter's) insurance.

11.7 Reduction of Income or Other Resources.

You shall make every reasonable effort to meet your financial obligations to us. You shall not transfer control of assets or property or make any gifts subsequent to the date of application for admission, nor shall make any transfers or gifts after Occupancy, which would substantially impair your ability or the ability of your estate to satisfy your financial obligations to us.

11.8 Responsibility for Property Damage to Community.

(a) Responsibility for Condition of Residence upon Termination.

Upon termination of this Agreement, you shall vacate and Surrender the Residence and leave it in as good condition as the date of Occupancy except for reasonable wear and tear. If the Residence is damaged beyond ordinary wear and tear, the costs of repair shall be your obligation and such costs shall be billed directly to you or your estate, or alternatively, deducted from any refund that may be due.

(b) Property Damages Caused by Resident.

Any loss or damage to our real or personal property caused by you or your guests shall be paid by you. In the event of your death, your estate shall be liable for any loss or damage to our property caused by you.

11.9 Release Regarding Conduct of Other Residents or Guests.

We assume no liability for your conduct or any other residents or guests, or for the use, ownership, possession, or control of electric carts or similar mechanized mobile medical or other equipment by other residents or guests. You release and discharge us from any claims for personal injury to you or damages to your personal property caused by the conduct of other residents or guests, or by the use, ownership, possession, or control of electric carts or similar mechanized mobile equipment by other residents or guests. You may bring any claims for personal injury sustained by you from the actions or omissions of other residents directly against the residents and/or guests that are responsible for your injury.

11.10 Responsibility for Your Personal Property.

(a) Responsibility for Loss or Damage.

We shall not be responsible for the loss or damage due to fire, theft, or other causes of any property belonging to you, or your estate, or your guests.

(b) Removal of Personal Property.

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

11.11 Rules, Regulations, Policies, and Procedures.

You shall cooperate, and comply with all rules, regulations, policies, and procedures established by the Community. Rules, regulations, policies, and procedures are set forth in the Resident Handbook, and other publications or documents of the Community, and are subject to change from time to time.

11.12 Your Rights are Personal and Non-transferable.

Your rights and privileges under this Agreement are personal to you and can not be transferred or assigned. No person other than you may occupy or use the Residence covered by this Agreement unless approved in writing by us.

11.13 Rights to Self-Organization.

You, along with other residents of the Community, shall have the rights to self-organization. A representative designated by us, shall hold quarterly meetings during the calendar year with residents of the Community. At least seven (7) days' notice of the meeting shall be given.

SECTION 12: CASUALTY LOSS

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

applicable refund due to you in accordance with Section 9 shall be paid to you in full upon any such termination. If notice of termination is not given, or if the damage does not render the Residence unfit for occupancy, we shall be obligated to rebuild or repair the damage to the Residence as soon as reasonably possible for occupancy by you, and this Agreement shall remain effective unless the parties may otherwise mutually agree. In the event you are unable to occupy the Residence for any period of time during any reasonably necessary period of restoration of the Residence, the Monthly Rental Fee, if applicable, shall be reduced proportionately, unless a vacant Residence is available for temporary occupancy by you. We shall not be liable for any damage, compensation, or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the Residence, or the interruption in use of the Residence, or the termination of this Agreement by reason of the destruction of the Residence or building.

SECTION 13: SEVERABILITY

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

SECTION 14: ACTS OF FORBEARANCE

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

SECTION 15: ENTIRE AGREEMENT

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

SECTION 16: INDEMNIFICATION

We shall not be responsible or liable for, and you shall indemnify, defend, and hold us harmless, from any and all claims, losses, damages, fines, penalties, expenses, judgments, reasonable settlements, or lawsuits, including actual attorneys' fees, and all costs incurred in defending against any such claims arising from or based upon any injury or death to persons or any damages to property caused by, or arising from, or based on, or in any way attributable to or connected with the negligent, reckless, intentional, or other acts, conduct, or omissions of you, including, but not limited to, the use, ownership, possession, or control of motor vehicles, electric carts, or similar mechanized mobile equipment. Your indemnification obligation is payable on demand by us.

SECTION 17: 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: Kindred Place at Harrisburg
4700 Oakhurst Boulevard
Harrisburg, PA 17110

To Resident (Before Occupancy): _____

_____

_____

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

SECTION 18: MISCELLANEOUS PROVISIONS

18.1 Your Continuing Disclosure Obligation.

The information regarding your age, health, and financial affairs submitted by you in our admissions forms and related application documents is a material part of this Agreement, and this information is incorporated as a part of this Agreement. You acknowledge that the submission of false information may, in our good judgment, constitute grounds for the termination of this Agreement. You must disclose any

material changes in your financial, physical, or mental condition before and after Occupancy. We may from time to time request verified financial statements and copies of tax returns from you. The failure to make such disclosure may, in our good judgment, constitute grounds to terminate this Agreement.

18.2 Receipt of Disclosure Statement and Resident Handbook.

You acknowledge receiving a copy of our annual Disclosure Statement and 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 us or granting any contractual rights to you.

18.3 Average Annual Cost of Providing Services.

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

18.4 Community's Modification of Agreement and Policies.

We reserve the right to modify unilaterally this Agreement to conform to changes in law or regulation, and to make modifications in our rules, regulations, policies, and procedures.

18.5 Binding Effect.

Except as otherwise provided herein, this Agreement shall extend to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of both you and us.

18.6 Consent to Assignment.

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

18.7 Governing Law.

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

18.8 Headings.

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

18.9 Disclaimer.

None of the following is responsible for any obligations or liabilities of the Community: United Church of Christ.

18.10 Non-waiver of the Continuing Care Provider Registration and Disclosure Act of 1984.

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

AGREEMENT AUTHORIZATIONS AND SIGNATURES

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

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

Attest:

United Church of Christ Homes, Inc., doing business as The Lebanon Valley Home and Kindred Place at Harrisburg:

_____

By: _____
Executive Director/Manager

Date: _____

Date: _____

Witness:

_____

_____
1st Resident

Date: _____

Date: _____

Witness:

_____

_____
2nd Resident

Date: _____

Date: _____

NOTICE OF RIGHT TO RESCIND

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

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

Kindred Place at Harrisburg
4700 Oakhurst Boulevard
Harrisburg, PA 17110

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

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

Date: _____

PROSPECTIVE RESIDENT'S SIGNATURE

_____

_____

ATTACHMENT A

Skilled care and/or personal care services are available at the following United Church of Christ Homes' campuses:

The Lebanon Valley Home
550 East Main Street
Annville, PA 17003

Skilled Nursing Care – 55 beds
Personal Care – 40 beds

Ephrata Manor
99 Bethany Road
Ephrata, PA 17522

Skilled Nursing Care – 120 beds
Personal Care – 48 beds

Sarah A. Todd Memorial Home
1000 West South Street
Carlisle, PA 17013

Skilled Nursing Care – 117 beds

Thornwald Home
442 Walnut Bottom Road
Carlisle, PA 17013

Skilled Nursing Care – 83 beds
Personal Care – 36 beds

CliftonLarsonAllen LLP
CLAconnect.com

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

Dear Acting Commissioner Humphreys:

We have audited, in accordance with U.S. generally accepted accounting principles, the financial statements of United Church of Christ Homes, Inc. for the year ended December 31, 2021, and have issued our report thereon dated March 23, 2022 . In connection therewith, we advise you as follows:

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

b. The engagement partner, who is a certified public accountant, has 19 years of experience in public accounting and is experienced in auditing continuing care retirement communities. Members of the engagement team, all of whom have had experience in auditing continuing care retirement communities and 50% of whom are certified public accountants, were assigned to perform tasks commensurate with their training and experience.

c. We understand that United Church of Christ Homes, Inc. intends to file its audited financial statements and our report thereon with the Commonwealth of Pennsylvania Insurance Department (the Insurance Department) and that the Commonwealth of Pennsylvania Insurance Commissioner (the Insurance Commissioner) will be relying on that information in monitoring and regulating the financial condition of United Church of Christ Homes, Inc.

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

A member of Nexia International

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

This report is intended solely for the information and use of the board of directors and management of United Church of Christ Homes, Inc. and the Insurance Department, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

James D. Watson, CPA, CIA

Plymouth Meeting, Pennsylvania

United Church of Christ Homes
Statement of Activities and Changes in Net Assets
Proforma Income Statement
for the Year Ended December 31, 2022

	Proforma 2022
Revenues, Gains, and Other Support:	
Net resident service revenue	$ 56,859,869
Investment Income (including unrealized gains & losses)	1,332,683
Contributions	107,150
Other revenue (loss)	0
Total Revenues, Gains, and Other Support	58,299,702
Operating Expenses:	
Salaries and Wages	30,601,692
Employee Benefits and Payroll Taxes	11,409,280
Interest and Related Expense	318,548
Plant Costs	3,536,880
Depreciation and amortization	3,165,559
Contracted Services	4,195,380
Supplies	4,118,185
Administrative Expenses	482,043
Other Staff Expenses	125,944
Total Operating Expenses	57,953,511
Excess (deficiency) of revenue, gains and other support over expenses	346,191
Other Income (Expense)	0
Increase (decrease) in net assets	346,191
Net Assets at beginning of year	116,598,774
Net Assets at end of year	$ 116,944,965

UNITED CHURCH OF CHRIST HOMES

30 N. 31st Street, Camp Hill, PA 17011
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Statement of Material Differences of Actual vs. Proforma Income Statement For the year ended December 31, 2021

Summary:

Although individual categories of income and expense each had budgetary variances, the overall increase in net assets was a positive variance of $6,575,925 for the year. This was primarily related to favorable Investment Income gains driven by stock market increases in 2021. The investment gain variance was offset by unfavorable reductions in net resident service revenues and increased expenses related to the Covid-19 pandemic. Reduced occupancy levels and increased costs for staff wages and personal protective equipment contributed to these unfavorable variances when compared to the expected budgetary amounts.

Listed below are explanations of some of the more significant budgetary variances with references to the income statement comparison attached.

Ref.	*Explanation*
1.	Due to the ongoing impact of the Covid-19 pandemic lower than expected occupancies caused Net Service Revenues to be significantly below what was budgeted for the year.
2.	Increases in stock market investment returns and market values caused significant realized gains on investment performance and the year ended with overall gains that were higher than the gains budgeted for the year.
3.	Contributions received from donors were larger than budgeted for the year.
4.	Some capital assets were replaced or disposed of at a loss as they were not fully depreciated.
5.	Employee Benefits and Payroll Taxes were less than budgeted in the areas of Medical Insurance, Life Insurance, Retirement, and State Unemployment Tax expenses.
6.	Depreciation expense was less than the budgeted amount because some capital asset purchases occurred later in the year than expected resulting in fewer months of depreciation expense.

United Church of Christ Homes
Statement of Material Differences of
Actual vs. Proforma Income Statement
for the Year Ended December 31, 2021

	Actual 2021	Proforma 2021	Variance	Statement Reference
Revenues, Gains, and Other Support:				
Net resident service revenue	$ 52,260,334	$ 54,981,715	$ (2,721,381)	1
Investment Income (including unrealized gains & losses)	9,779,096	1,422,649	8,356,447	2
Contributions	388,138	111,800	276,338	3
Other revenue (loss)	(72,794)	0	(72,794)	4
Total Revenues, Gains, and Other Support	62,354,774	56,516,164	5,838,610	
Operating Expenses:				
Salaries and Wages	29,155,307	29,267,588	(112,281)	
Employee Benefits and Payroll Taxes	10,181,856	10,953,373	(771,517)	5
Interest and Related Expense	394,621	371,013	23,608	
Plant Costs	3,448,628	3,429,144	19,484	
Depreciation and amortization	3,068,517	3,110,492	(41,975)	6
Contracted Services	3,690,744	4,266,862	(576,118)	7
Supplies	4,661,058	4,140,604	520,454	8
Administrative Expenses	642,724	499,169	143,555	9
Other Staff Expenses	163,486	106,011	57,475	
Total Operating Expenses	55,406,941	56,144,256	(737,315)	
Excess (deficiency) of revenue, gains and other support over expenses	6,947,833	371,908	6,575,925	
Other Income (Expense)	0	0	0	
Increase (decrease) in net assets	6,947,833	371,908	6,575,925	
Net Assets at beginning of year	109,650,941	109,650,941	0	
Net Assets at end of year	$ 116,598,774	$ 110,022,849	$ 6,575,925	

UNITED CHURCH OF CHRIST HOMES, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Church of Christ Homes, Inc.
Camp Hill, Pennsylvania

Opinion

We have audited the accompanying financial statements of United Church of Christ Homes, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Church of Christ Homes, Inc. as of December 31, 2021 and 2020, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 United Church of Christ Homes, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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Board of Directors
United Church of Christ Homes, Inc.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues and expenses – operating fund (budget and actual) and the calculation of statutory liquid reserves are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited" on the schedules of revenue and expenses – operating fund (budget and actual), 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 presented, in all material respects, in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2022, on our consideration of United Church of Christ Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Church of Christ Homes, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Church of Christ Homes, Inc.'s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
March 23, 2022

UNITED CHURCH OF CHRIST HOMES, INC.
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS		
Revenue, Gains, and Other Support:		
Net Service Revenue	$ 50,773,642	$ 50,835,534
Government Stimulus - DHHS Provider Relief Funds	306,862	2,762,942
Government Stimulus - PA Act 24	1,103,090	1,197,943
Government Stimulus - Lancaster County	73,456	-
Government Stimulus - PA CMP Grants	3,284	8,495
Investment Income, Net of Investment Fees	11,318,863	4,429,250
Loss on Sale of Property and Equipment	(72,794)	(30,074)
Contributions	388,138	656,443
Total Revenue, Gains, and Other Support Without Donor Restrictions	63,894,541	59,860,533
EXPENSES		
Salaries and Wages	29,155,307	29,681,511
Benefits and Taxes	10,181,856	10,547,097
Interest and Related Expense	394,621	447,141
Plant Costs	3,448,628	3,372,575
Depreciation	3,068,517	3,172,661
Contracted Services	3,690,744	3,456,081
Supplies	4,661,058	4,632,509
Administrative Expenses	642,724	791,287
Other Staff Expenses	163,486	111,080
Total Expenses	55,406,941	56,211,942
OPERATING INCOME	8,487,600	3,648,591
OTHER GAINS (LOSSES)		
Change in Unrealized (Losses) Gains on Investments	(1,539,767)	5,668,796
INCREASE IN NET ASSETS	6,947,833	9,317,387
Net Assets - Beginning of Year	109,650,941	100,333,554
NET ASSETS - END OF YEAR	$ 116,598,774	$ 109,650,941

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Church of Christ Homes, Inc. (UCCH) is a nonprofit Organization that provides housing, healthcare, and other related services through the operation of its continuing care retirement community facilities located in the Pennsylvania counties of Lebanon, Lancaster, and Cumberland. Additionally, UCCH owns and operates independent rental facilities in Lebanon and Dauphin counties. UCCH derives the majority of its revenue from fees charged to its individual residents who pay directly, through third-party insurance, Medicaid, or Medicare.

Basis of Accounting

The financial statements of UCCH have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates used in preparing these financial statements include those assumed in determining the allowance for doubtful accounts, calculating the nursing home provider assessment, and determining the short-term disability related retirement benefit. Accordingly, actual results could differ from those estimates.

Performance Indicator

The statements of operations and changes in net assets include excess of revenues, gains, and other support over expenses and losses known as the performance indicator. Changes in net assets without donor restrictions, which are excluded from the performance indicator, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Cash, Cash Equivalents, and Restricted Cash

UCCH considers all unrestricted and highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Amounts included in restricted cash include assets required to be reserved by the PA Insurance Department, apartment security deposits held in escrow, and patient trust funds and are considered restricted in nature.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the statements of cash flows at December 31, 2021 and 2020.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Financing Costs

Costs incurred in issuing notes or bonds are amortized over the term of the notes using the straight-line method, which approximates the effective interest method. Interest expense attributable to the expensing of deferred financing costs was approximately $22,000 in 2021 and 2020.

Advance Fees

Advance fees received under residency agreements are amortized to income over the term of the individual residency agreement on a straight-line basis. Unamortized portions of the residency agreement fees are refundable as specified in the agreement.

The opening and closing balances in Advance Fees were as follows:

	Advance Fees
Balance as of January 1, 2020	$ 996,765
Balance as of December 31, 2020	1,424,675
Balance as of December 31, 2021	2,191,565

Net Assets

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

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes. At December 31, 2021 and 2020, the governing board has designated certain net assets without donor restrictions for specific purposes.

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both. At December 31, 2021 and 2020, the Organization had no net assets with donor restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Service Revenue (Continued)

Medicaid (Continued)

The Commonwealth of Pennsylvania updated payment rates to nursing homes on July 1 of each year. The rates were scheduled to be updated each quarter for the most recent case-mix index for a facility's Pennsylvania Medicaid residents and rebased annually on July 1 of each year. UCCH utilized those actual rates in the preparation of the financial statements in 2019.

The capital component is based upon the facilities' fair rental value. Typically, the daily rate paid to the nursing facility is considered payment in full with no end-of-year settlements.

In 2020, the Commonwealth of Pennsylvania placed responsibility for managing Medical Assistance patient care and reimbursement with the Community Health Choice (CHC) program. Each Medical Assistance patient is assigned to one of three CHC providers who are billed for the services rendered to their respective patients.

Contracted payment rates with the three CHC providers for each nursing facility is based on the average 2019 Medical Assistance daily payment rate in effect under the prior Commonwealth of Pennsylvania MA payment methodology. These daily payment rates are fixed for the first three years of the CHC agreements through December 31, 2022. The Organization has utilized actual payment rates in the preparation of the financial statements.

Medicare

The licensed nursing facility participates in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). Effective October 2019, the nursing facility is paid under the Medicare Patient Driven Payment Model (PDPM) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing facility services. The PDPM is a per diem price-based system. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

Nursing facilities licensed for participation in the Medicare program are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

Other

Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Service Revenue (Continued)

The composition of Net Service Revenue based on the region of the country UCCH operates in, its lines of business, method of reimbursement, and timing of revenue recognition are as follows for the years ended December 31:

	2021	2020
Service Lines		
Independent Living	$ 6,719,504	$ 7,635,729
Personal Care	6,422,996	6,006,891
Skilled Nursing Facility	37,631,142	37,192,914
Total	$ 50,773,642	$ 50,835,534
Method of Reimbursement		
Fee for Service	$ 50,768,834	$ 50,820,718
Other	4,808	14,816
Total	$ 50,773,642	$ 50,835,534
Timing of Revenue and Recognition		
Services Transferred Over Time	$ 50,768,834	$ 50,820,718
Sales at a Point in Time	4,808	14,816
Total	$ 50,773,642	$ 50,835,534

The opening and closing balances in Accounts Receivable were as follows:

	Accounts Receivable
Balance as of January 1, 2020	$ 5,540,482
Balance as of December 31, 2020	4,018,697
Balance as of December 31, 2021	5,754,033

Benevolent Care

It is UCCH's policy to track the revenue for residents in its facilities who cannot pay for all or a portion of their care and defines this revenue as benevolent care. Benevolent care is not reflected as revenue on the accompanying financial statements.

NOTE 2 LIQUIDITY AND AVAILABILITY

As of December 31, 2021 and 2020, UCCH has a working capital of $11,348,308 and $13,579,310 and days cash on hand of 725 and 675, respectively.

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

	2021	2020
Financial Assets at Year-End:		
Cash and Cash Equivalents	$ 1,276,947	$ 1,658,755
Accounts Receivable	5,754,033	4,018,697
Investments	102,869,674	96,903,095
Total Financial Assets	109,900,654	102,580,547
Less: Amounts Not Available to be Used within One Year:		
Board-Designated with Liquidity Horizons Greater than One Year	35,626,262	32,000,536
Total Financial Assets Available within One Year	$ 74,274,392	$ 70,580,011

UCCH has certain board-designated assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. Additionally, certain other board-designated assets are designated for future use. These assets limited to use, which are more fully described in Note 11, are not available for general expenditure within the next year however, these amounts could be made available, if necessary.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable are net of an allowance for doubtful accounts of $464,125 at December 31, 2021 and $430,779 at December 31, 2020.

NOTE 4 INVESTMENTS (CONTINUED)

The following schedule summarizes the investment income and its classification in the statements of operations and changes in net assets for the years ended December 31:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividend Income	$ 3,151,685	$ -	$ 3,151,685
Net Realized Gains	8,167,178	-	8,167,178
Total Investment Income	$ 11,318,863	$ -	$ 11,318,863

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividend Income	$ 2,613,031	$ -	$ 2,613,031
Net Realized Gains	1,816,219	-	1,816,219
Total Investment Income	$ 4,429,250	$ -	$ 4,429,250

Under the provisions of the Pennsylvania Continuing Care Provider Registration and Disclosure Act (the Act), UCCH must maintain a statutory minimum liquid reserve that is equal to the greater of 10% of the total projected operating expenses for the next 12 months, exclusive of depreciation and amortization, or the total of all debt service (principal and interest) due during the upcoming 12 months debt service requirements. The statutory minimum liquid reserve requirements as of December 31, 2021 and 2020 are $190,681 and $139,228, respectively, and are based on 2021 and 2020 projected operation expenses and debt service, respectively. Under the provisions and related amendments of the Act, cash and cash equivalents, and investments of UCCH satisfy this requirement. Management believes that UCCH is in compliance with all other requirements of the Act as of December 31, 2021 and 2020.

NOTE 5 FAIR VALUE MEASUREMENTS

ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. ASC 820-10 defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets may include securities that are traded in an active exchange market, or actively traded over-the-counter markets.

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level within the fair value hierarchy, UCCH's financial assets classified as "Investments" that were accounted for at fair value as of December 31:

December 31, 2021	Level 1	Level 2	Level 3	Total Fair Value
Insured Cash Sweep Agreement	$ -	$ 8,950,413	$ -	$ 8,950,413
Money Market	-	1,936,144	-	1,936,144
Mutual Funds:				
Growth	12,804,853	-	-	12,804,853
Index	16,172,563	-	-	16,172,563
Value	2,977,917	-	-	2,977,917
International	19,923,257	-	-	19,923,257
Fixed income	34,149,836	-	-	34,149,836
Real Estate	5,954,691	-	-	5,954,691
Total	$ 91,983,117	$ 10,886,557	$ -	$ 102,869,674

December 31, 2020	Level 1	Level 2	Level 3	Total Fair Value
Insured Cash Sweep Agreement	$ -	$ 11,521,154	$ -	$ 11,521,154
Money Market	-	3,042,221	-	3,042,221
Mutual Funds:				
Growth	9,492,888	-	-	9,492,888
Index	14,298,112	-	-	14,298,112
Value	5,161,383	-	-	5,161,383
International	19,110,195	-	-	19,110,195
Fixed income	29,400,374	-	-	29,400,374
Real Estate	4,876,768	-	-	4,876,768
Total	$ 82,339,720	$ 14,563,375	$ -	$ 96,903,095

NOTE 8 DEBT (CONTINUED)

The Authority notes are collateralized by a pledge of and security interest in the gross revenues of UCCH and other assets. In addition, UCCH agreed not to pledge or place a lien on any portion of the property during the term of the facility. Covenants related to certain financial metrics are reported to the note holder as a requirement to maintain existing provisions of the note including the interest rate.

Annual principal payment requirements of the Authority note at December 31, 2021 are as follows:

Year Ending December 31,	Amount
2022	$ 2,244,897
2023	2,298,507
2024	2,352,988
2025	2,409,581
2026	2,239,421
Thereafter	2,965,035
Total	14,510,429
Less: Unamortized Debt Issuance Costs	(80,688)
Total Bonds Payable, Net	14,429,741
Less: Current Portion of Bonds Payable	(2,244,897)
Total Long-Term Debt, Net of Current Portion	$ 12,184,844

NOTE 9 RETIREMENT PLAN

In 2009, UCCH adopted the United Church of Christ Homes Retirement Plan. The plan is contributory and includes all eligible employees who have attained the age of 21 and have completed two years of eligibility services. Employer contributions are computed on a fixed percentage of each participant's salary and an individual account is maintained for each participant. All contributions are immediately vested. Contributions to the plan amounted to $2,557,008 in 2021 and $2,436,121 in 2020.

NOTE 11 ENDOWMENT FUND (CONTINUED)

Interpretation of Relevant Law (Continued)

These funds are classified as net assets with donor restrictions until appropriated for expenditure by UCCH's board or until the donor's restrictions have been met.

Return Objectives and Risk Parameters

All endowment funds are invested consistent with an investment policy statement that is monitored by the finance committee of the board of directors on a routine basis. To satisfy the long-term rate of return objectives, UCCH relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and income (interest and dividends.) The investment policy includes target asset allocations, diversification of asset classes, and differing rates of return and volatility to manage risks.

Strategies Employed for Achieving Objective

Funds in the endowments are primarily invested in domestic equities, international equities, and fixed income instruments through mutual funds. The investment policy sets investment ranges at 56% equities, 38% fixed income securities, and 6% other investments with an allowable 5% variance between the asset classes. UCCH has established a rebalancing policy that is done on a regular basis if variances exceed the predefined limits between asset classes or sub-classes. UCCH feels that this investment strategy meets their objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

Spending Policy

UCCH annually makes a determination of the level of funding that will be provided toward residents' benevolent care from the Endowment and Benevolent Funds. The board of directors also has the ability to release additional funding for specially identified purposes upon its review and approval. The board has not currently identified any such additional funding needs, nor has it approved any additional funding for the past three years.

If the spending policy causes the investment to fall below principal, then the principal may be invaded for the then current year only. Any further consideration of invading principal will be presented to the full board for discussion and vote.

NOTE 11 ENDOWMENT FUND (CONTINUED)

Spending Policy (Continued)

The changes in endowment net assets for 2021 and 2020 were as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - January 1, 2021	$ 32,000,536	$ -	$ 32,000,536
Investment Return:			
Investment Income	1,208,378	-	1,208,378
Net Appreciation	2,525,182	-	2,525,182
Other	6,000	-	6,000
Total Investment Return	3,739,560	-	3,739,560
Contributions	183,076	-	183,076
Distributions to UCCH for Expenditure	(296,910)	-	(296,910)
Endowment Net Assets - December 31, 2021	$ 35,626,262	$ -	$ 35,626,262

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - January 1, 2020	$ 27,899,818	$ -	$ 27,899,818
Investment Return:			
Investment Income	997,599	-	997,599
Net Depreciation	3,005,775	-	3,005,775
Other	6,000	-	6,000
Total Investment Return	4,009,374	-	4,009,374
Contributions	422,309	-	422,309
Distributions to UCCH for Expenditure	(330,965)	-	(330,965)
Endowment Net Assets - December 31, 2020	$ 32,000,536	$ -	$ 32,000,536

NOTE 12 CLASSIFICATION OF EXPENSES (CONTINUED)

	2020			
	Care and Service To Elders	Management Services	Fundraising Expenses	Total Expenses
Salaries and Wages	$ 28,112,534	$ 1,519,277	$ 49,700	$ 29,681,511
Payroll Taxes and Fringe Benefits	10,077,203	449,365	20,529	10,547,097
Other Staff Expenses	108,721	2,356	-	111,077
Medical Supplies	2,303,035	227	-	2,303,262
General Supplies	2,328,053	1,146	49	2,329,248
Professional Fees	206,554	220,056	10	426,620
Purchased Services	412,214	20,835	-	433,049
Purchased Therapy Services	2,596,406	-	-	2,596,406
Administrative Expenses	353,692	71,742	10,072	435,506
Utilities	1,462,811	19,296	-	1,482,107
Repairs and Maintenance	868,816	22,038	-	890,854
Insurance	382,792	54,223	-	437,015
Real Estate Taxes	530,109	12,173	-	542,282
Miscellaneous Plant Costs	100	-	-	100
Rent and Lease Expense	16,738	3,480	-	20,218
Bad Debt Recoveries	355,788	-	-	355,788
Depreciation	3,133,944	38,626	91	3,172,661
Bond Related Expense	2,085	-	-	2,085
Interest Expense	418,948	-	-	418,948
Amortization	26,108	-	-	26,108
Total Expenses	$ 53,696,651	$ 2,434,840	$ 80,451	$ 56,211,942

All costs are directly attributable to their respective functions. Management services expenses are attributable to expenses related to the corporate office located in Camp Hill, Pennsylvania. Fundraising expenses are attributable to an employee who works in the corporate office.

NOTE 13 UNCOMPENSATED CARE AND COMMUNITY BENEFIT

UCCH provides services to other medically indigent patients under certain government-reimbursed public aid programs. Such programs pay providers amounts which are less then established charges for the services provided to the recipients and many times the payments are less than the cost of rendering the services provided.

NOTE 15 GOVERNMENT STIMULUS

During fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to UCCH, COVID-19 has impacted various parts of its operations for the year ended December 31, 2021 and financial results including but not limited to, additional costs for emergency preparedness, disease control and containment, additional testing, potential shortages of health care and other personnel, and loss of revenue due to reductions in certain revenue streams. Management believes UCCH continues to take appropriate actions to mitigate the negative impact of this pandemic.

Provider Relief Funds

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF).

Total grant funds approved and received by UCCH in 2021 were $306,862. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At December 31, 2021, UCCH recognized $306,862 as operating revenue in the statement of operations and changes in net assets. Management believes the amounts have been recognized appropriately as of December 31, 2021.

Total grant funds approved and received by UCCH in 2020 were $2,762,942. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At December 31, 2020, UCCH recognized $2,762,942 as operating revenue in the statement of operations and changes in net assets. Management believes the amounts have been recognized appropriately as of December 31, 2020.

UNITED CHURCH OF CHRIST HOMES, INC.
SCHEDULES OF REVENUES AND EXPENSES – OPERATING FUND
(BUDGET AND ACTUAL)
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)
(SEE INDEPENDENT AUDITORS' REPORT)

	(Unaudited) 2021 Budget	2021 Actual	2020 Actual
OPERATING REVENUES			
Routine Services	$ 39,791,771	$ 36,236,470	$ 36,678,574
Therapy Services	4,813,903	4,158,294	4,271,339
Independent Living Services	7,208,914	6,719,504	6,845,885
Other Revenue	3,144,884	2,637,149	2,655,070
Prior Year Settlements and Provider Assessment	924,822	1,432,060	967,398
Total	55,884,294	51,183,477	51,418,266
Less: Benevolent Fund Subsidy	(908,576)	(488,614)	(618,796)
Total Revenues	54,975,718	50,694,863	50,799,470
OPERATING EXPENSES			
Salaries and Wages	29,267,588	29,155,307	29,681,511
Benefits and Taxes	10,953,373	10,181,844	10,547,098
Interest and Related Expense	397,121	394,621	447,139
Plant Costs	3,408,544	3,628,247	3,347,646
Depreciation	3,084,384	3,068,517	3,172,659
Contracted Services	4,243,057	3,642,475	3,432,417
Supplies	4,140,604	4,683,727	4,632,510
Administrative Expenses	499,169	441,963	791,311
Other Staff Expenses	106,011	163,483	111,077
Total Expenses	56,099,851	55,360,184	56,163,368
REVENUES GREATER (LESS THAN) THAN EXPENSES BEFORE NONOPERATING GAINS	(1,124,133)	(4,665,321)	(5,363,898)
NONOPERATING GAINS			
Benevolent Fund Subsidy	600,605	481,362	544,372
Contributions	-	29,533	35,230
Investment Income on Assets:			
By Board for Capital Improvements	817,731	5,750,067	5,764,999
Other Investment Income	23,890	3,218	18,403
Net Nonoperating Gains	1,442,226	6,264,180	6,363,004
REVENUES AND GAINS IN EXCESS (LESS THAN) OF EXPENSES - OPERATING FUND	$ 318,093	$ 1,598,859	$ 999,106

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
United Church of Christ Homes, Inc.
Camp Hill, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of United Church of Christ Homes, Inc., as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the United Church of Christ Homes, Inc.'s basic financial statements, and have issued our report thereon March 23, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Church of Christ Homes, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Church of Christ Homes, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Church of Christ Homes, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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