

***ANN'S CHOICE  
RESIDENCE AND CARE AGREEMENT***

December 2019

**THIS MATTER INVOLVES A SUBSTANTIAL FINANCIAL INVESTMENT AND A LEGALLY BINDING CONTRACT. IN EVALUATING THE DISCLOSURE STATEMENT AND THE CONTRACT PRIOR TO ANY COMMITMENT, IT IS RECOMMENDED THAT YOU CONSULT WITH AN ATTORNEY AND FINANCIAL ADVISOR OF YOUR CHOICE, IF YOU SO ELECT, WHO CAN REVIEW THESE DOCUMENTS WITH YOU.**

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**ANN'S CHOICE**  
**RESIDENCE AND CARE AGREEMENT**

This Residence and Care Agreement (the "Agreement") is made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between ANN'S CHOICE, INC. (referred to in this Agreement as "We", "us" or "Ann's Choice") and \_\_\_\_\_ (referred to in this Agreement as "You" or the "Resident(s)").

**RECITALS**

R.1 Ann's Choice (the "Community") is a continuing care retirement community located in Warminster, Pennsylvania developed in phases to offer various living accommodations and services to seniors, as described herein.

R.2 ANN'S CHOICE is the operator of the Community and is a registered continuing care provider under the laws of the Commonwealth of Pennsylvania. Ann's Choice desires to provide certain services listed in this Agreement to Resident and Resident desires to receive such services.

**AGREEMENT**

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**Section 1. DESCRIPTION OF COMMUNITY**

We plan to develop this Community in phases over a period of approximately eight to nine years, subject to obtaining all necessary or required governmental approvals and licenses. Our Community will consist of Independent Living Units, Memory Care Units and Nursing Units. As of 2014, the Community is a tobacco-free campus and you hereby agree to abide by our rules restricting smoking and use of tobacco products.

**1.1 Independent Living Units.** The Community is planned to have approximately 2000 Independent Living Units within four (4) residential neighborhoods. Each residential neighborhood is planned to be comprised of five (5) residential buildings containing Independent Living Units and one (1) community building. Each community building includes a dining room, classrooms, card rooms, lounges and other common areas. Each residential neighborhood is planned to include at least one unique facility, such as the Medical Center, the swimming pool, health club, or the like.

**1.2 Continuing Care at Ann's Choice.** Continuing Care at Ann's Choice refers to the Community's on-site health care neighborhood. Continuing Care at Ann's Choice will house the Assisted Living Units, Memory Care Units and the Nursing Units. Each floor of Continuing Care at Ann's Choice will include a dining room, a resident lounge, activity rooms and a bathing

core. Continuing Care at Ann's Choice is completed as of January 2019. All opening dates are approximate and may change according to changing in weather conditions, market demands, etc.

**1.2.1 Assisted Living Units.** Continuing Care at Ann's Choice includes approximately 61 Assisted Living Units, with varied service packages. We anticipate that the aggregate number of Assisted Living Units planned for the Community will adequately serve the needs of Community residents. However, in the unusual circumstances that the Assisted Living Units are fully occupied, our Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in your Independent Living Unit and second, if necessary, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer

**1.2.2 Memory Care Units.** Continuing Care at Ann's Choice includes approximately 44 Memory Care Units (licensed as personal care) with memory care programming and services. We anticipate that the aggregate number of Memory Care Units planned for the Community will adequately serve the needs of Community residents. However, in the unusual circumstances that the Memory Care Units are fully occupied, our Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in your Independent Living Unit and second, if necessary, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer

**1.2.3 Nursing Units.** Continuing Care at Ann's Choice includes approximately 88 Nursing Units, many of which are private rooms. We anticipate that the aggregate number of Nursing Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Nursing Units are fully occupied, our Medical Director, or his or her designee, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer.

**Section 2. TERM**

The Term of this Agreement shall commence on the date on which this Agreement is executed by both parties and shall continue for your lifetime unless the Agreement is terminated earlier per Section 12 of this Agreement.

**Section 3. LIVING ACCOMMODATIONS**

**3.1 Your Right to Occupy.** You have the right to occupy and to use the following Living Unit: \_\_\_\_\_, as-is, from the Occupancy Date to the Departure Date, subject to provisions for a change in accommodations as provided in Section 11 of this Agreement. You may not assign or sublet the right to occupy a Living Unit to any other person. We will provide the Living Unit, in good condition, with neutral painted walls, and with standard carpeting and/ or floors.

**3.2 Joint Residents.** When two (2) or more residents reside together in a selected Living Unit, they are considered to be Joint Residents. Each Joint Resident is required to meet

our financial requirements for entrance into the Community, as well as our health qualifications for occupancy of a selected Living Unit, whether the prospective Joint Residents move to the Community together or on different dates.

**3.3 Rights of New Spouse.** If during the term of residency you marry a person who is not a resident of the Community, your new spouse will be required to meet our financial and health-related qualifications for entrance into the Community. The financial qualifications are meant to serve as a financial protection for our larger community of residents. We reserve the right to determine the appropriate level of care within the Community for the spouse or to determine that there is not an appropriate level of care within the Community for the spouse. If your spouse is not accepted, you may terminate this Agreement per Section 12.2 hereof. If your spouse is accepted for residency, the fee structure described in Sections 7.3.2 and 8.2 for Joint Residents will apply.

**3.4 Resident's Obligation to Furnish and Maintain Unit.** You are responsible for furnishing the Independent Living Unit and the Memory Care Unit and for procuring insurance for personal possessions and furnishings. We will provide furnishings and equipment, as required by law, for Nursing Units. You are also responsible to maintain any Living Unit in which you reside in a reasonably clean and habitable condition.

**3.5 Customized Improvements.** You may decorate the Living Unit to your personal taste with pictures, window treatments, and the like, so long as such decorations are not permanent fixtures to the Unit or can be easily removed without damaging the structural integrity of the Living Unit. All other customized improvements to any Independent Living Unit or Memory Care Unit that you want to undertake either before or after the Occupancy Date must be approved in writing by the Executive Director. If you contract with an outside contractor, the selection of your contractor and the proposed plans or work must be approved by the Executive Director. If you contract with us to do the work, we will sign a contract to agree upon the extent of work and the charges related to the work to be done. For charges related to the removal of any improvements, please see Section 9.4. We cannot permit structural changes or customized improvements to a Nursing Unit.

#### **Section 4. SERVICES TO RESIDENTS**

We will make the following services available to you, as applicable, for the appropriate Monthly Service Package, during your residency here, unless the Agreement is terminated earlier per Section 12. We may change the Monthly Service Package or scope of services or care to Resident only after providing Resident with thirty (30) days advance notice of the change, except for changes required by State or Federal assistance programs. The average annual cost of providing care to residents is currently estimated at \$32,814 per resident.

**4.1 Independent Living Services.** We provide the following Covered Services included in the Monthly Service Package for Independent Living:

- Monthly Meal Plan (see Section 15);
- All utilities (except personal telephone);

Basic cable/ satellite television service (except premium channels);  
24 hour security system with security officer(s) and emergency alert system;  
On-site Fitness Center basic membership;  
Pre-wiring for telephone;  
On-campus shuttle transportation;  
Scheduled off-campus transportation to local shopping, as determined by us;  
Maintenance and insurance of buildings, grounds and equipment;  
Insurance for the Independent Living Unit and all items in such unit, except items owned by Resident;  
Sewage, trash and general snow removal from common areas; and  
Use of all public rooms and common areas of the Community.

**4.2 Assisted Living Services.** We provide these Covered Services in Assisted Living Care as listed below. We provide several care packages to serve different care needs and some services may not be available for certain care packages. Further details on the services available at each level of care, including your and our rights and obligations in Assisted Living will be set forth in the Assisted Living Addendum to the Residence and Care Agreement:

Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;  
Medication management;  
Service plan designed by a care team;  
At least three meals per day;  
Regularly scheduled Registered Nurse review and assessment;  
Fresh linens and personal laundry service (1 load per week);  
Light housekeeping care on a weekly basis;  
Medical appointment scheduling, as needed;  
Social/recreational activities;  
24 hour security system with security officer(s) and emergency alert system;  
Incontinence Care;  
Regular social work team services related to cognitive, behavioral and safety issues;  
Licensed nurse management of chronic/ stable conditions on a regular basis;  
All utilities;  
Basic cable television service (except premium channels);  
On-campus shuttle transportation;  
Scheduled local shuttle transportation to local shopping, as determined by Community (if medically appropriate);  
Maintenance and insurance of buildings, grounds and equipment;  
Sewage, trash and general snow removal from common areas; and  
Use of all public rooms and common areas of the Community.

**4.3 Memory Care.** We provide these Covered Services in Memory Care as listed below. We provide several Memory Care packages to serve different care needs and some services may not be available for certain care packages. Further details on the services available

at each level of Memory Care, including your and our rights and obligations in Memory Care will be set forth in the Memory Care Addendum to the Residence and Care Agreement:

- Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;
- Memory Care programming;
- Prescription evaluation and planning;
- Medication administration;
- Service plan designed by a care team;
- At least three meals per day;
- Regularly scheduled Registered Nurse review and assessment;
- Fresh linens and personal laundry service (1 load per week);
- Housekeeping services on a weekly basis;
- Medical appointment scheduling, as needed;
- Social/recreational activities;
- 24 hour security system with security officer(s) and emergency alert system;
- Incontinence Care;
- Licensed nurse management of chronic/ stable conditions on a regular basis;
- All utilities (except personal telephone);
- Basic cable television service (except premium channels);
- Pre-wiring for telephone;
- On-campus shuttle transportation;
- Scheduled local shuttle transportation to local shopping, as determined by Community (if medically appropriate);
- Maintenance and insurance of buildings, grounds and equipment;
- Sewage, trash and general snow removal from common areas; and
- Use of all public rooms and common areas of the Community.

**4.4 Nursing Services.** We provide the following Covered Services included in the Monthly Service Package for Nursing Units. Further details on the services and additional rights and obligations in the Nursing Unit will be set forth in the Nursing Contract Addendum to the Residence and Care Agreement.

- Nursing care; highest level of care;
- Prescription evaluation and planning;
- Medication administration;
- Service plan designed by a care team;
- At least three meals per day;
- 24 hour security system with security officer(s) and emergency alert system;
- Regularly scheduled Registered Nurse review and assessment;
- Fresh linens and personal laundry service;
- Daily Housekeeping services;
- Planned recreation;
- Mental Health Services, as needed;
- Incontinence care;



More frequent involvement of licensed medical personnel to manage chronic conditions;  
All utilities (except personal telephone);  
Basic cable television service (except premium channels);  
Pre-wiring for telephone;  
Campus shuttle transportation;  
Maintenance and insurance of buildings, grounds and equipment;  
Sewage, trash and general snow removal from common areas; and  
Use of all public rooms and common areas of the Community.

## **Section 5. ANCILLARY SERVICES**

**5.1 Services Available through Ann's Choice .** In addition to the Covered Services described earlier in Sections 4.1, 4.2, 4.3 and 4.4, we also make the following services available to you for an additional fee. These Ancillary Services will be phased in as the Community is developed. Other services that are not currently listed may also be available. We may change the scope of or fees charged for such Ancillary Services only after providing thirty (30) days advance notice, except for changes required by State or Federal assistance programs.

Tray service to residents in Independent Living or Memory Care;  
Housekeeping and laundry service for residents in Independent Living or Memory Care;  
Extra meals for residents in Independent Living;  
Guest meals (unless covered by Monthly Meal Plan as defined);  
Lodging in guest rooms on a temporary and space available basis;  
On-site Fitness Center premium services, classes or personalized training;  
Personal storage space;  
Reserved parking space;  
Off-campus shuttle transportation within a radius determined by Ann's Choice;  
Home health services in an Independent Living Unit; and  
Home health services in a Memory Care Unit for one-on-one care by a nursing aide assigned to a resident

**5.2 Services Available through Outside Providers.** We contract with outside providers to provide the following services to you at the Community: medical services through the on-site Medical Center; laboratory services; medical supplies; prescription drugs, physical, speech and occupational therapy. Such services may be covered by Medicare or by Resident's other medical insurance. We do not charge you any additional fee for access to these outside providers. These services will be provided at an additional fee and will be billed separately by the outside provider. These services will be phased in as the Community is developed and some services may not be immediately available.

**5.3 Services Not Provided.** We do not provide hospice care, acute hospital care, or any institutional care other than care that is appropriate in a Memory Care Unit and comprehensive care in a Nursing Unit or otherwise covered under the terms of this Agreement.

We will assist with any necessary transfers to such facilities; however, you will be responsible for the cost of such care.

## **Section 6. OTHER RESIDENT RIGHTS**

**6.1 Residents' Association.** You have the right to participate fully in a Residents' Association, or other organization of residents by whatever name designated and to meet privately to conduct business.

**6.2 Resident Guests.** You have the right to receive guests and visitors at the Community and to allow such guests and visitors to stay in an Independent Living Unit on a temporary basis, subject to our reasonable policies and procedures for use of the Community. Guest meals (unless covered by the Monthly Meal Plan as defined), guest cots, or rental of one of the Community's guest rooms will be treated as an Ancillary Service, the costs of which are chargeable to you.

**6.3 Physicians and Other Professionals.** You have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals shall agree to follow our reasonable policies and procedures and applicable federal and state laws, rules and regulations. You are not required to use the on-site Medical Center or the physicians practicing there. We agree that you will not be responsible for payments for services rendered by any health care providers which are included as a Covered Service under your Monthly Service Package.

## **Section 7. ENTRANCE DEPOSIT**

**7.1 Payment of Entrance Deposit.** You will pay or have paid to us a total Entrance Deposit as shown in Schedule I. The payment of the Entrance Deposit may be made in a series of deposits on or before taking occupancy of your Living Unit at the Community. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the Joint Residents with a right of survivorship and may be used for the care of either Joint Resident. We do not require an additional Joint Resident Entrance Deposit if Joint Residents occupy the same Living Unit. Ten percent (10%) of your Entrance Deposit is designated as the non-refundable Community Fee.

**7.2 Escrow and Release from Escrow.** The deposits made by you towards the total Entrance Deposit, in excess of the \$1000 Priority Deposit, will be held in escrow in a bank authorized in Pennsylvania, acting as an escrow agent, until you either occupy the Living Unit or the Living Unit is available for your immediate occupancy. Entrance Deposits shall be released when you occupy the selected Living Unit or when such Living Unit is ready for you occupancy, whichever first occurs, and when your right of rescission as described in Section 12.1 of this Agreement has expired.

When the Entrance Deposit is released in full, we can fully use the Entrance Deposit including the Community Fee. We normally use the Entrance Deposits for financing, operational costs, or future refunds for the Community. Appreciation in new Entrance Deposits

is normally used by us generally for capital repairs, improvements to benefit the Community, and for any reserve funds, but we may use the Entrance Deposits for any other mission related purpose. However, you will retain the right to the 90% Refund Amount as discussed in this Section 7. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the joint Residents with the right of survivorship and may be used for the care of either joint Resident. No interest shall be accrued or paid to you on your Entrance Deposit.

Prior to occupancy, Entrance Deposits deposited in escrow and the Priority Deposit will be returned by the escrow agent to a prospective resident: (a) upon receiving notice that the prospective resident has requested a return of the Entrance Deposit, (b) the prospective resident dies before occupying the Living Unit or is otherwise precluded from occupying the Living Unit; or (c) if the funds have not been released within three (3) years after placement in escrow, or longer, if so specified by us with the consent of the Insurance Commission of the Commonwealth.

**7.3 Adjustments to Entrance Deposit.** You will not be required to pay an additional or increased Entrance Deposit as long as you reside in your original Living Unit. You retain the right to the 90% Refund Amount, upon the termination of this Agreement, as discussed in Sections 7.4, 7.5, and 7.6 of this Agreement. Your Entrance Deposit, minus the Community Fee, is also available for your maintenance and support as provided in Section 10.

**7.3.1** If you request a permanent transfer from one Living Unit to another Living Unit with a higher Entrance Deposit and we approve the transfer, you must pay to us an additional deposit for the new Living Unit to which you are transferring. The amount of the additional deposit will vary, depending on market conditions for your current Living Unit and for the desired new Living Unit at the time of the transfer. We will advise you of the additional deposit prior to the transfer and you may then decide whether or not to proceed with the transfer. Ten percent (10%) of the additional deposit paid will be added to the Community Fee and will be non-refundable.

**7.3.2** If your new spouse is accepted as a resident in the Community and is placed in a Living Unit other than your current Living Unit (see Section 3.2 of this Agreement), you and your new spouse must pay us an additional Entrance Deposit for the spouse's Living Unit and the new spouse must sign a separate Residence and Care Agreement for the new Living Unit.

**7.3.3** You will normally not be entitled to a refund or decrease of the Entrance Deposit due to any temporary or permanent transfer, for whatever reason, during the Term of this Agreement. However, we may make a partial refund of the Entrance Deposit, minus the Community Fee, to you in the following circumstances: 1) You transfer to a smaller Independent Living Unit than the Independent Living Unit which you currently occupy; and 2) the Entrance Deposit for the smaller Independent Living Unit is currently lower than the Entrance Deposit that the one you originally paid for an Independent Living Unit. In these specific circumstances, we may elect to refund the difference between the current Entrance Deposit for your new Independent Living Unit and the original Entrance Deposit paid by you but minus the Community Fee.

**7.3.4** We offer the Flexible Payment Program that reduces the Entrance Deposit together with an increase in the Monthly Service Package. The Entrance Deposit is reduced to the specific amount described in the Flexible Payment Program Addendum, attached and incorporated hereto as Schedule III. The fees, terms and conditions of, and eligibility for participation in the Flexible Payment Program are determined by us in our sole discretion. If we and you agree that you may participate in the Flexible Payment Program, then you must sign the Flexible Payment Program Addendum, a copy of which is included in Schedule III.

**7.4 Refund Within Rescission Period or Prior to Occupancy.** We shall pay a refund of the Entrance Deposit to you or your representative, as appropriate, if the Agreement is terminated within the rescission period as described in Section 12.1 hereof or if the Agreement is terminated after the rescission right expires but prior to the Occupancy Date as described in Section 12.1. We will refund the Entrance Deposit within thirty (30) days following the rescission or termination, as the case may be, pre-occupancy. If one joint resident dies prior to occupancy, the remaining resident may, but is not required to, rescind this Agreement. The surviving resident may request a different living unit and we will refund or charge any difference in the Entrance Deposit between the living units; provided, however, that this election is made in writing at least thirty (30) days prior to occupancy.

**7.5 Refund after Occupancy.** After occupancy of the Living Unit and subject to the terms and conditions of this Agreement, we shall pay the 90% Refund Amount as provided in this Section 7.5 and Section 7.6. Your refund will be equal to ninety percent (90%) of the total Entrance Deposit unless: (i) the Entrance Deposit, minus the Community Fee, has been partially or fully spent down for your care and maintenance per Section 10 of this Agreement, or (ii) you or your representative, as the case may be, elect to deduct any outstanding fees and charges from the 90% Refund Amount for your convenience.

**7.5.1 Termination By Resident During Lifetime.** If you terminate the Agreement at any time after the Occupancy Date and the expiration of the right of rescission, we will pay the 90% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per section 7.6. We will pay the 90% Refund Amount to the duly designated beneficiaries named in your Refund Form or, if there is no Refund Form, then to you as the Resident.

**7.5.2 Termination Due To Death of Resident.** If you die after the Occupancy Date and the expiration of the right of rescission, we will pay the 90% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per section 7.6. We will pay the 90% Refund Amount to the duly designated beneficiaries named in a Refund Form or, if there is no Refund Form, then to your Estate. If one joint resident dies, there will be no refund of any portion of the 90% Refund Amount; instead, so long as a surviving resident continues to reside at the Community, the Entrance Deposit (minus the Community Fee) shall be deemed to have been paid entirely on behalf of the surviving resident to be used for the survivor's care if necessary, and the 90% Refund Amount will eventually be paid to the survivor, to the beneficiaries named in the survivor's Refund Form, or to the survivor's estate.

**7.5.3 Termination by Ann's Choice.** If we terminate the Agreement for good cause (see subsection 12.3 of this Agreement), we shall pay the 90% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per section 7.6. We will pay the 90% Refund Amount to the duly designated beneficiaries named in your Refund Form or, if there is no Refund Form, then to you as the Resident.

**7.6 Refund Account & Refund Eligibility.** These provisions describe how we pay the 90% Refund Amount to you, your representative, or beneficiaries, as the case may be:

**7.6.1** We have established a Refund Account for paying the 90% Refund Amount per the terms of this Agreement. The Refund Account is funded by the receipt of all or a portion of new Entrance Deposits from new residents who subscribe participating Independent Living Units. Please see the definition of "Refund Account" in Section 15 for explanation on funding the Refund Account and participating Independent Living Units. When the Agreement terminates during your lifetime for any reason or if the Agreement terminates due to your death, you or your representative must promptly vacate and remove all possessions from the Living Unit, turn in the keys, sign a Unit Release for the Living Unit, and pre-approve the final bill. If you occupied any other Living Units at the Community, all previous units also must be vacated and released. When the foregoing steps are completed, we then assign you a Refund Number for the Refund Account.

**7.6.2** We pay the 90% Refund Amount based on assigned Refund Numbers generally proceeding in sequential order. If you have the next assigned Refund Number in sequence, you are eligible for your 90% Refund Amount when: (i) you or your representative pay your final bill, and (ii) the funds in Refund Account are sufficient to fully pay the 90% Refund Amount to you.

## **Section 8. MONTHLY SERVICE PACKAGES**

**8.1 Monthly Service Package.** During the term of this Agreement, you must pay the applicable Monthly Service Package for the Living Unit. As of the date of this Agreement, the applicable Monthly Service Package for Resident's current Living Unit is shown in Schedule I. Monthly Service Package The Monthly Service Package is due and payable each month, in advance, within five (5) days of the monthly statement; provided, however, that the Monthly Service Package for the month during which you first take occupancy of the Living Unit shall be payable in arrears on a pro-rated basis with the payment of the Monthly Service Package for the first full calendar month occurring during the term of this Agreement. Our acceptance of partial payment of the Monthly Service Package does not constitute a waiver of such outstanding fees and charges unless we agree to a waiver in writing. We may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

**8.2 Monthly Service Package for Joint Residents.** Joint Residents occupying the same Living Unit shall pay the appropriate Monthly Service Package for double occupancy of

the Living Unit. If Joint Residents occupy different Living Units, both Residents shall each pay the full Monthly Service Package for their respective Living Unit. This fee structure applies to Joint Residents who move to the Community together and to a Resident and a non-resident who are accepted to the Community on different dates.

**8.3 Adjustments to the Monthly Service Package.** The Monthly Service Package may be revised from time to time. We normally use the Monthly Service Package to cover the expenses of providing covered services to Residents but we may use the Monthly Service Package for any other mission related purpose. We generally adjust fees on an annual basis after having evaluated those factors that we perceive to be relevant to the costs associated with operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next following calendar year. However, except for changes required by State or Federal assistance programs, we reserve the right, at any time, upon thirty (30) days' notice to you and upon amendment to the Disclosure Statement, to adjust the Monthly Service Packages to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited to, tax liability for real estate taxes relating to the Community, increased operating expenses and inflation. If we and you agree that you may participate in the Flexible Payment Program, then your Monthly Service Package will be increased effective upon the execution of the Flexible Payment Program Addendum, a copy of which is included in Schedule III.

**8.4 Monthly Service Package in the Event of a Temporary Transfer.** In the event that you temporarily transfer to another Living Unit in the Community or to an Off-Site Facility, you must pay the Monthly Service Package for your permanent Living Unit in addition to the Monthly Service Package for the temporary Living Unit or the Off-Site Facility, as the case may be. Payment of the Monthly Service Package for your permanent Living Unit assures that such permanent Living Unit will remain available to you during the time of the temporary transfer. The Monthly Service Package for a temporary Living Unit at the Community shall be prorated on a daily basis for the period of the temporary transfer.

During the period of the temporary transfer, your Monthly Service Package for the permanent Living Unit shall be adjusted as follows: (1) if a single Resident or one Joint Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit as applicable 2) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the two-person Non-Occupancy Credit, as applicable, (3) if both Joint Residents transfer, one from a Living Unit and one from another Living Unit, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit as applicable.

Upon your return to the permanent Living Unit, you must continue to pay the current Monthly Service Package associated with such Living Unit.

**8.5 Monthly Service Package in the Event of a Permanent Transfer to a Different Living Unit.** If you permanently transfer from one Living Unit to another Living Unit at the Community, you are responsible for payment of the Monthly Service Package, pro-rated and less the Non-Occupancy Credit as applicable, for the vacated Living Unit until you

completely vacate, remove all possessions from the vacated Living Unit, and return the keys for the vacated Living Unit to us.

**8.6 Monthly Service Package in the Event of a Termination of Agreement.** If you terminate this Agreement, or if we terminate this Agreement for good cause in accordance with Section 12.3, or if this Agreement should terminate by reason of your death, then you or your estate, as the case may be, shall be responsible for the payment of the Monthly Service Package for the vacated Living Unit, less the Non-Occupancy Credit as applicable, until and including ninety (90) days from the date that both of these conditions are fulfilled: (i) you vacate the Living Unit and remove all possessions, and (ii) you sign a Unit Release Form for the Living Unit and return your keys. If your vacated Living Unit is re-subscribed by another new resident in less than 90 days, then the Monthly Service Package will end on the Occupancy Date for that new resident. We do not automatically deduct the remaining Monthly Service Packages, Ancillary Fees, or other fees from the 90% Refund Amount unless you or your representative so direct.

## **Section 9. OTHER FEES, PERIODIC CHARGES, AND COSTS**

**9.1 Processing Fee.** You shall pay or have paid us a Processing Fee, as indicated in Schedule I, in connection with your application for residence at the Community. Such Processing Fee is refundable only if (1) you rescind the Residence and Care Agreement within seven (7) days of making an initial deposit toward the Entrance Deposit or executing the Agreement, or (2) you pass away before occupying the Living Unit or are precluded from occupying the Living Unit because of illness, injury or incapacity.

**9.2 Ancillary Services.** During the term of this Agreement, you must pay us the periodic charges for any Ancillary Services (as described in Section 5) which we provide to you. The current periodic charges for Ancillary Services are attached in Schedule I. The charges for Ancillary Services are normally used by us to cover the expense of providing such Ancillary Services but we may use the Ancillary Services charges for any other mission related purpose. We may revise the periodic charges for Ancillary Services that we provide from time to time, and such change shall take effect upon our giving you thirty (30) days' notice of such increase in accordance with the rules and regulations of the Department. The charges which are based on published rates for State or Federal assistance programs (for example, Medicare rates) shall be revised upon the effectiveness of changes to such rates. All Ancillary Services which we provide to you shall be billed on your monthly statement, and payment is due within five (5) days of your receipt of the monthly statement. Our acceptance of partial payment of the charges shall not constitute a waiver of the outstanding charges unless we agree to a waiver in writing. We may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

**9.3 Other Services.** Ancillary Services not provided by us and any other services that you arrange independently shall be billed directly to you, and we are not responsible for payment of or collecting payment for such services.

**9.4 Refurbishing a Vacated Living Unit and Repairing Extraordinary Damage .** Each time that you permanently vacate an Independent Living Unit or Memory Care or memory

care Unit, irrespective of the length of time of occupancy, we will perform work to clean, refurbish, and restore that Living Unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in our sole discretion, to bring the Living Unit back to a like-new condition. The reasonable costs and expenses of this work (the “Refurbishing Charges”) are charged as follows:

**9.4.1** If you first entered the Community in an Independent Living Unit and you then permanently transfer from that Independent Living Unit to an Assisted Living Unit, Memory Care unit, or a Nursing Unit, we will cover any portion of the Refurbishing Charges for work that is due to ordinary wear and tear. You will only be responsible to pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident.

**9.4.2** If you first entered the Community in an Independent Living Unit and you then permanently leave the Community from an Independent Living Unit, we will cover the Refurbishing Charges for work that is due to ordinary wear and tear. You will only be responsible to pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit, or removing customized improvements. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident.

**9.4.3** If your last residence at the Community is a Nursing Unit and you either permanently leave the Community from that unit or you pass away, we will cover the full Refurbishing Charges for the Nursing Unit.

**9.4.4** If you transfer from one Independent Living Unit to another Independent Living Unit, or if you transfer from an Assisted Living or Memory Care Unit to any other Living Unit, or if you permanently leave the Community from an Assisted Living or Memory Care Unit, you are responsible to pay the full Refurbishing Charges.

**9.5 Medical and Other Insurance.** You must procure and maintain in force at your own cost, the maximum coverage available under Medicare Parts A and B. We may accept documented equivalent coverage if you are not qualified for Medicare or are insured under other adequate programs. However you must maintain, at your expense, a supplemental (“Medigap”) type insurance. We do not provide supplemental insurance. You must also shall procure and



maintain, at your own expense, sufficient renter's insurance coverage against damage or, loss to, or theft of, your personal property maintained at the Community and coverage for personal liability and medical payments should a claim be made or suit brought against you for damages because of a bodily injury or property damage caused. You must provide evidence of such insurance prior to occupancy or at our request.

**9.6 Funeral Arrangements and Burial Expenses.** Funeral arrangements and burial expenses are your responsibility. We will not make such arrangements or provide such services.

**9.7 Non-Solicitation of Employees.** We expend significant resources on the hiring, training and development of their employees. Recognizing this expenditure, during the Term of the Agreement, you agree not to employ any person currently employed by us, either directly or indirectly by hiring the services of any such person through a third party. You also agree not to employ any person formerly employed by us, either directly or indirectly by hiring the services of any such person through a third party, until two years have elapsed from the employee's last date of employment with us. You further agree not to solicit any person employed by us to terminate his or her employment in order to work for you directly or indirectly through a third party.

## **Section 10. FINANCIAL INABILITY TO PAY**

It is our policy not to terminate a resident's occupancy for the resident's financial inability to pay provided that the resident is otherwise in compliance with the terms of such resident's Residence and Care Agreement. To the extent that it is financially feasible, we will assist residents who are unable to pay full Monthly Service Packages by providing financial assistance as described in this Section 10.

To insure that our charitable intentions are equitably allocated for the benefit of as many residents as possible, we require that, in the event that you claim to be unable to make full monthly payment by reason of financial inability, you must take any or all of the following actions, as directed by the Executive Director. We have the right, but not the obligation, to initiate financial assistance if we independently determine that you need financial assistance.

**10.1** If your sources of funds, including expenditures of principal and the guaranty, if any, are inadequate for you to make the payments required under this Agreement, you must file with the Executive Director, on appropriate forms provided by the Executive Director, a Statement of Financial Inability to Pay. As part of the Statement of Financial Inability, you must disclose your remaining available assets and income. The Executive Director will review your financial position to determine the existence of any outside assets, including any guaranty agreements, which may first be spent for your care.

**10.2** If you have outside assets other than the Entrance Deposit, the Executive Director will establish a Spending Plan for you to spend the outside assets and to obtain assistance from other available means. If you can qualify, you will take the necessary steps to obtain county, state, and federal aid or assistance including Medicare, public assistance and any other public benefit program. You agree to execute any and all documents necessary to make and perfect

such claims or rights. If you fail to cooperate with the Spending Plan for the outside assets, such failure may constitute good cause for termination of the Agreement due to non-payment of fees in accordance with Section 12.3 of this Agreement.

**10.3** After you complete the Spending Plan or if you have no available assets other than the Entrance Deposit, we will spend-down an amount up to the Entrance Deposit minus the Community Fee. After depletion of outside assets, the Entrance Deposit (less the Community Fee) is considered available to you for your maintenance and support. You may access these amounts, without moving from the Community, to pay any and all fees at the Community including any Monthly Service Packages or to pay another provider for support and maintenance if your income and other resources are insufficient to pay for support and maintenance. The Executive Director will notify you when spend-down is available and will give the effective date. You will receive periodic statements reflecting the remaining balance of the Entrance Deposit (less the Community Fee).

**10.4** Upon completion of the spend-down, you may qualify for assistance from the resident benevolent care fund established by us to the extent that it is financially feasible. If you are approved for such assistance, the Executive Director shall inform you of the amount which the resident benevolent care fund will contribute to the monthly fees and the amount which you must contribute to the Monthly Service Package.

**10.5** If requested by us, you will transfer to an alternate Living Unit at the Community if and when available.

**10.6** You will provide periodic statements of financial condition and copies of income tax returns as the same may be requested from time to time by us. You will notify us of any and all assets acquired by you through any means thereafter, and you will assign or pay such property received to us in an amount equivalent to the total outstanding charges and fees, owed by you.

**10.7** When you are notified by the Executive Director approximately three months before the projected depletion of your remaining Entrance Deposit (less the Community Fee), you agree to immediately apply for Medicaid if available. You also agree to execute any and all documents necessary to make and perfect such claims or rights.

## **Section 11. TRANSFERS**

**11.1 Temporary and Permanent Transfers.** For purposes of this Agreement, a temporary transfer is a transfer of an anticipated finite duration. During a temporary transfer, your permanent Living Unit shall remain available to you as long as you continue to pay the Monthly Service Package in accordance with Section 8.4. A permanent transfer is a transfer of indeterminate duration. During a permanent transfer, you will be requested to release the Living Unit. After a permanent transfer, if you are able to qualify to return to your previous Living Unit or to a different, medically appropriate Living Unit at the Community, you will have the right to occupy the Living Unit subject to our approval and to the availability of such Living Unit.

**11.2 Transfer at the Election of Resident.** You may elect to transfer, on a temporary or permanent basis, to an alternate Independent Living Unit, an Assisted Living Unit, or a Memory Care Unit, Nursing Unit or an Off-Site Facility by giving notice to us. All transfers within the Community shall be subject to the availability of the elected alternate Living Unit and to subject to our approval.

**11.3 Transfer at the Election of Ann's Choice - Non-Emergency.** All decisions regarding a transfer of any resident, except for emergency transfers, shall be made by a committee consisting of the Executive Director (or his or her designee) and the Medical Director (or his or her designee) (collectively referred to as the "Committee"). The Committee will consult with you or your legal representative. If you have a Guarantor or ombudsman, such person also will be consulted if you so request. We attempt to interact with you or your representative with the goal of achieving a consensus on the need for a transfer although a consensus is not always achieved.

You will not be transferred, temporarily or permanently, to a different Living Unit unless (1) in the opinion of the Committee, such transfer is deemed appropriate for the protection of your health and/or safety or the general and/or economic welfare of other residents, (2) in the opinion of the Committee, the transfer is deemed necessary due to financial inability to pay the Monthly Service Package, or (3) in the case of a permanent transfer to an Off-Site Facility that provides treatment for mental disorders, the need for such transfer is certified by two physicians or one physician and one psychologist. If you are transferring due to event (1) or (3) listed above and the Living Unit is occupied by a Joint Resident, the remaining Joint Resident may continue to occupy the Living Unit.

The Committee shall give you thirty (30) days advance written notice of the proposed transfer. You or your representative shall notify us of any objection to the permanent transfer within ten (10) days of receipt of the notice. If you or your representative do not consent to the transfer, the Committee may, in its discretion and in lieu of a transfer, require Ancillary Services be provided to you if a higher level of care is deemed appropriate in the opinion of the Committee for the protection of your health and safety or the welfare of other residents. If you or your representative do not consent to either the transfer or the provision of Ancillary Services, we may consider such refusal to constitute good cause to terminate the Agreement in accordance with Section 12.3 hereof.

**11.4 Transfer at the Election of Ann's Choice - Emergency.** If your health and safety or the health and safety of other residents require immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Director, may transfer you from your current Living Unit to a different Living Unit or an Off-Site Facility, on a temporary or permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to your health and safety or to the health and safety of other people at the Community. In the event that you are required to be transferred to Continuing Care at Ann's Choice during a period that you are suffering from legal incompetency, you agree to be bound by the terms of the Agreement in effect at the time of such transfer.

**11.5 Use of Living Unit.** In the event of a temporary transfer, whether at your election or at our election, your prior Living Unit will remain available to you as long as you continue to pay the Monthly Service Package for the permanent Living Unit in accordance with Section 8.4 hereof.

In the event of a permanent transfer, whether at your election or our election, you or your representative shall sign Living Unit Release Transfer form unless you are one of Joint Residents and the other Joint Resident remains in the Living Unit. After receipt of notice of permanent transfer, you shall take all reasonable steps to vacate the Living Unit before the date set for the transfer. You or your representative shall then be responsible for vacating the Living Unit and removing all personal possessions from the Living Unit. We shall have the right to show the Living Unit to interested applicants as of the Departure Date indicated in the Unit Release Form.

If you fail to vacate the Living Unit by the indicated Departure Date or, in the event of a transfer by us, within sixty (60) days from the notice of transfer, we shall have the right to store your possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

## **Section 12. TERMINATION**

**12.1 Termination Within Rescission Period or Prior to Occupancy.** Either party may terminate the Agreement in the following circumstances:

12.1.1 You may rescind this Agreement within seven (7) days of making an initial deposit or executing the Agreement. You are not required to move into the Living Unit until the expiration of this seven (7) day period. However, should you elect to occupy the Living Unit prior to the expiration of the seven (7) day rescission period, such occupancy shall not be considered a waiver of the rescission period;

12.1.2 You die before occupying the living unit or are precluded from occupying the Living Unit as a result of illness, injury or incapacity; or

12.1.3 We elect to terminate the Agreement if it is determined that you are ineligible for entrance into the Community.

If the Agreement is terminated as provided in this Section 12.1, you shall receive a refund of the Entrance Deposit, as described in Section 7.4 and a refund of the processing fee as described in Section 9.1. You will not receive a refund of the costs of any custom improvements or other expenses specifically incurred at your request as set forth in a separate written addendum, signed by both parties.

**12.2 Termination by Resident.** After the Occupancy Date and after the expiration of the rescission period described in Section 12.1, you may terminate this Agreement at any time and for any reason by giving thirty (30) days' notice to us of your intention to terminate.

**12.3 Termination by Ann's Choice .** A decision by Ann's Choice to terminate this Agreement shall be made by the Executive Director of the Community. We may not terminate this Agreement without good cause. "Good cause" is defined as: (i) Non-payment of Fees; (ii) A good faith determination in writing, signed by the Executive Director and Medical Director of the Community, that you are a danger to yourself or others while remaining in the Community; (iii) Repeated conduct by you that interferes with other residents' quiet enjoyment of the Community; (iv) Persistent refusal to comply with reasonable written rules and regulations of the Community; (v) A material misrepresentation made intentionally or recklessly by you in your application for residency, or related materials, regarding information which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of providing care and service to you under the Agreement; or (vi) Your material breach of the terms and conditions of this Agreement.

Except for termination due to non-payment of fees, we will give you thirty (30) days written notice of the termination and the reason for termination. In the event of non-payment of fees, we will give you written notice that you are in default under this Agreement for non-payment of fees. We may charge you interest on the overdue amount of one and one-half percent (1 ½%) per month. If you fail to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, we may, at our election, either terminate the Agreement upon an additional thirty (30) days' notice or may require a spend-down of the Entrance Deposit (less the Community Fee), in accordance with our spend-down procedures as generally set forth in Section 10 of this Agreement, to offset the overdue fees and charges. Our acceptance of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless we agree to a waiver in writing.

**12.4 Vacating the Living Unit.** Upon termination of the Agreement either at your election, our election, or due to your death, you or your representative, shall sign and give to us Unit Release Form advising of your Departure Date. You or your representative shall then be responsible to vacate the Living Unit and to remove all personal possessions from the Living Unit. We shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If you fail to vacate the Living Unit by the indicated Departure Date or, in the event of a termination by us within the required time for the notice of termination as provided in Section 12.3, we shall have the right to store your possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

## **Section 13. RIGHTS OF ANN'S CHOICE**

**13.1 Community Rules and Regulations.** We shall have the right to promulgate reasonable rules and regulations governing the conduct of the residents and to thereafter revise such rules and regulations. You agree and acknowledge that you have received such rules and regulations including those in our current Resident Handbook (as they may be further amended). You will enjoy the fullest measure of independence consistent with the accommodation in which you live, subject, however, to the limitations of our reasonable rules and regulations now or

hereafter adopted for the conduct and care of all residents. You hereby agree to abide by all such rules and regulations (as in effect from time to time), and generally to conduct yourself in such a manner as to promote the peace and harmony of the Community.

**13.2 Access to Living Units at the Community.** You acknowledge and accept our ability and authority to enter the Living Unit in order to carry out the purpose and intent of this Agreement and you hereby authorize such entry. Such entry includes (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that you are reported missing or have not responded to a call; (5) scheduled maintenance activities; and (6) enforcement of the Community's rules and regulations. We acknowledge and respect your right to privacy and agree to limit uninvited entry into the Living Unit at the Community to the situations set forth in this paragraph.

**13.3 Property Rights.** You acknowledge that, except as expressly set forth in this Agreement, the rights and privileges granted by this Agreement do not include any right, title, lease, or any other interest in any part of the personal property or real property - including land, buildings and improvements - owned, leased or administered by us. Your rights are limited to the rights provided in this Agreement for services and the occupancy of the Living Units. Except for your right to occupy the Living Unit, any rights, privileges or benefits under this Agreement shall be subordinate to any mortgage or deed of trust or leasehold interest on any of the premises or interest in our real and personal property, to all amendments, modifications, replacement or refunding, of any such mortgage or deed of trust or leasehold interest, and to such reasonable rules and regulations governing the use of the property as shall from time to time be imposed by us. You hereby agree, upon our request, to execute and deliver any document which is required to this effect by us, or by the holder of such mortgage or deed of trust or leasehold interest to effect such subordination or to evidence the same, and appoint Ann's Choice as your attorney-in-fact to accomplish that purpose.

**13.4 Limitation of Liability.** You agree that we, along with our sole member/owner, any subsidiaries, our management company, and all of their members, directors, officers, and employees, are not responsible for the loss of any of your personal property due to theft or any other cause. Liability for damage to or loss of your personal property shall be limited to damage or loss caused by negligent acts or omissions of Ann's Choice's employees acting within the scope of their employment.

**13.5 Unauthorized Transfers of Property.** The financial information which you submitted is a material aspect upon which we reasonably relied in determining your qualifications for becoming a resident of the Community. Being able to meet the financial criteria to become a resident helps assure the financial stability of this Community. Furthermore, we are committed to take every reasonable step to assist residents who have depleted those assets through normal living expenditures so that he or she may continue to remain as a resident of the Community. However, in order to protect us from a situation wherein a resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, you hereby agree not to divest yourself of, to sell, or transfer any assets or property interests (excluding expenditures for your normal living expenses) that reduces the

assets that you or your representative disclosed as available assets for you on admission, without having first obtained our written consent.

**13.6 Religious Affiliation and Sponsorship.** The sole member of Ann's Choice, Inc. is National Senior Campuses, Inc., a nonprofit organization. There is no religious organization which maintains financial control over Ann's Choice.

**13.7 Non-Smoking Policy.** You agree to abide by our prohibition against smoking, e-smoking or vaping in the Living Unit and in common areas as designated. You and your guests, or contractors, are also prohibited from smoking, e-smoking or vaping in the Living Unit or in the common areas of the Community. You understand that certain prior residents will be permitted to continue smoking in their living units. You further understand that we may consider your failure to abide by the non-smoking policy as cause to terminate the Residence and Care Agreement.

#### **Section 14. MISCELLANEOUS PROVISIONS**

**14.1 Documents Incorporated by Reference.** This Agreement includes the Priority List Application for residence, the Financial Information Form, the Resident History/Information Form, including Resident's medical records, if any, a Key Receipt Form, and the Refund Form. This Agreement may include a Promissory Note, a Guaranty Agreement, a Power of Attorney for property disposition, an Advance Directive, Appointment of Health Care Agent, or Living Will, and your medical insurance documentation, all of which documents are incorporated by reference and made a part of this Agreement (see Schedule III attached hereto). You acknowledge that we will rely on your statements in these documents and you warrant that all statements are true and complete to the best of your knowledge and information.

**14.2 Rules of Construction.** In this Agreement, the masculine, feminine and neuter genders shall be construed to be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Similarly, the singular and plural shall be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Section captions are for ease of reference only.

**14.3 Non-waiver.** The failure of any party in any one or more instances to insist on the strict performance, observance or compliance by the other party with any of the terms or provisions of this Agreement, shall not be a continuing waiver thereof nor construed to be a waiver or relinquishment by a party of its rights to insist upon strict compliance by the other party with all of the terms and provisions of this Agreement.

**14.4 Entire Agreement.** This Agreement and the documents referenced in Section 14.1 represent the entire Agreement between us, you and Guarantor, if any, and supersede all prior Agreements and negotiations. Except as contained herein or in any contemporaneous, written agreements, there are no promises or agreements between the parties.

**14.5 Amendment.** This Agreement shall be amended only in writing, signed by all parties.

**14.6 Severability.** The invalidity or unenforceability of any provision of this Agreement or the application of any such provision, shall not affect or impair any other provisions or the validity or enforceability of the remainder of this Agreement, or any application of any other provision of the remainder of this Agreement; however, the Resident, to the extent provided by law, retains the right to rescind this Agreement if any provision is in violation of the laws of the Commonwealth of Pennsylvania, as amended from time to time.

**14.7 Paragraph Headings.** Paragraph headings are added solely to aid in the review of this Agreement and are not to be construed to affect the interpretation of this Agreement.

**14.8 Venue.** All parties to this Agreement, including any permitted assignees or guarantor(s), if any, agree that venue for any action for the enforcement, construction, rescission, termination of, or any action arising out of this Agreement shall be in Bucks County, Pennsylvania. All parties agree that the filing of any action may include a request for an expedited hearing.

**14.9 Assignment.** In the event that we or any of our successors or assigns shall give you notice that any or all of the rights, duties and obligations of Ann's Choice have been assigned to a new person or entity registered as a continuing care provider under the laws of the Commonwealth of Pennsylvania to provide services at the Community, you agree to recognize such new person or entity as the provider under this Agreement, to the extent of such assignment.

**14.10 Electronic Signatures & Counter-Parts.** Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Agreement shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Agreement may sign separately in several counter-parts, all of which together shall constitute one and the same Agreement.

## **Section 15. DEFINITIONS**

Whenever the following words or phrases appear in this Agreement beginning with a capital letter, these definitions shall apply:

**Act:** The Pennsylvania Continuing-Care Provider Registration and Disclosure Act, as the same shall be amended and in effect from time to time hereunder.

**Agreement:** This document, including all exhibits, supplements, amendments or addenda, as signed by us, you, and Guarantor, if any.

**Ancillary Services:** Those services specified in Section 5 of this Agreement which either we provide or are provided by approved outside providers, the cost of which is not



included in the Monthly Service Package. Periodic charges for Ancillary Services may be changed from time to time by us as specified in Section 9.2 or by the outside providers.

**Ann's Choice (We/ Us):** Ann's Choice, Inc.

**Assisted Living Unit:** Accommodations for residents who need a higher level of care and more daily assistance than is available in an Independent Living Unit, but who need a lesser degree of medical care, personal care and service than is provided in the Nursing Units.

**Community:** The physical site and structures which we operate as a retirement community in Warminster, Pennsylvania.

**Community Fee:** The Community Fee is defined as ten percent (10%) of the original Entrance Deposit paid by you at admission. If you later transfer to a Living Unit with a larger Entrance Deposit and paid an additional sum towards the larger Entrance Deposit, then the Community Fee is defined as ten percent (10%) of your original Entrance Deposit paid at admission plus ten percent (10%) of the additional Entrance Deposit paid by you on transfer to the Living Unit with the larger Entrance Deposit. The Community Fee does not decrease if you move to a Living Unit with a lower Entrance Deposit.

**Continuing Care at Ann's Choice:** The Community building in which the Assisted Living Units, Memory Care Units and the Nursing Units are situated. The Continuing Care facility is licensed for assisted living, memory care, skilled and intermediate nursing care but will not be licensed to provide chronic or acute hospital care or other institutional care. Such services, if required by you, are not services covered under the scope of this Agreement.

**Covered Services:** Those services specified in Section 4 of this Agreement which we make available for the applicable Monthly Service Package.

**Department:** The Insurance Department of the Commonwealth of Pennsylvania.

**Departure Date:** The date on which you or, in the event of your death, your personal representative or family, vacates the Living Unit after providing us with a signed Unit Release Form, removing all possessions from such Living Unit, and turning in the Living Unit keys. If you or your personal representative or family do not timely provide us with a signed Unit Release Form, remove the possessions, or turn in the keys, the Departure Date shall be the date on which we remove all possessions from the Living Unit and places them in a general storage area at the Community or in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

**Entrance Deposit:** The Entrance Deposit required to be paid to us on or before the Occupancy Date as set forth in Section 7.1 of this Agreement, as may be modified, which Entrance Deposit is generally paid in a series of deposits. The 10% Community Fee is deducted from the Entrance Deposit.

**Executive Director:** The chief administrative officer of the Community appointed as such by Ann's Choice.

**Flexible Payment Program:** The alternate payment program which we offer in which a resident pays a reduced Entrance Deposit with a corresponding increase in the Monthly Service Package.

**Guarantor:** Any person or persons who guarantee your obligations to pay the Monthly Service Package or any other fees or periodic charges payable by you under the terms of this Agreement.

**Independent Living Unit:** Living accommodations at the Community for a resident who is able to live independently within our guidelines.

**Joint Residents:** Two or more residents who reside together in a particular Living Unit.

**Living Unit:** An Independent Living Unit, Assisted Living Unit, Memory Care Unit or Nursing Unit.

**Medical Director:** A licensed physician whom we officially designate as the person responsible for the direction and control of medical services offered at the Community.

**Memory Care Unit:** Accommodations for residents who need memory care services and more daily assistance than is available in an Independent Living Unit, but who need a lesser degree of medical care, personal care and service than is provided in the Nursing Units.

**Monthly Meal Plan:** The standard meal plan for residents in Independent Living Units. Residents will have a plan offering either: (i) a fixed number of standard meals per month, equal to the number of days in the calendar month; or (ii) a fixed meal credit per month which allows purchase of one standard meal per day in the calendar month with a declining monetary balance as the credit is used. We will advise residents at least 60 days in advance if the Community phases from one plan to another. You may use the Monthly Meal Plan on a daily basis or as otherwise desired through the calendar month until either the number of meal allowance or the meal credit balance is exhausted for that calendar month. The Monthly Meal Plan may also be used by you for guest meals during the calendar month (some restrictions may apply for designated holiday or special cuisine meals). At the beginning of each calendar month, you receive a new set of meals or meal credits for that new month. If you do not use the all of the meal allowance or meal credit within the calendar month, any unused portion is forfeited, does not carry over to the next month, and no credit will be due to you.

**Monthly Service Package:** The fee payable with respect to a particular Living Unit as specified in Section 8.1 hereof, which fee includes the Covered Services specified in Section 4 hereof. Monthly Service Packages may be adjusted as provided in Section 8.3 hereof.

**(Ninety Percent) 90% Refund Amount:** The refund payable to you or your beneficiaries, as the case may be, upon termination of this Agreement. Your refund will be equal

to ninety percent (90%) of the total Entrance Deposit unless: (i) the Entrance Deposit, minus the Community Fee, has been partially or fully spent down for your care per Section 10 of this Agreement, or (ii) you or your representative, as the case may be, elect to deduct the outstanding fees and charges from the 90% Refund Amount for your convenience.

**Non-Occupancy Credit:** You may receive a Non-Occupancy Credit to reduce your Monthly Service Package when you are, or if one of Joint Residents, then the Joint Residents are, transferred temporarily to a different Living Unit. You may receive a Non-Occupancy Credit upon request in other circumstances in the sole discretion of the Executive Director. The current Non-Occupancy Credit is provided on Schedule I, Fee Schedule. Adjustments to and policies concerning the Non-Occupancy Credit are made by us in our sole discretion. Credit is given based on the required consecutive days of absence.

**Notice:** For the purposes of this Agreement, notice shall be deemed to have been given to you when deposited in your community mailbox or personally delivered to you, and given to Ann's Choice when either personally delivered or delivered with return receipt to the office of the Executive Director at the Community and to General Counsel at the corporate office situated at 701 Maiden Choice Lane, Baltimore, Maryland 21228. If you have not yet taken possession of the Living Unit, then notice to you shall be given by first-class mail, postage pre-paid, to your last known address and such notice shall be deemed to be effective on the third day following such mailing. If you have been transferred to an Off-Site Facility, notice shall be given by first-class mail, postage pre-paid, to you at such Off-Site Facility and shall be deemed to be effective on the third day following such mailing.

**Nursing Unit:** Accommodations for residents who are unable to perform those functions necessary to live in an Independent Living Unit and who need the degree of medical care, personal care, and service that is provided in the Nursing Center.

**Occupancy Date:** The date on which you are authorized by Ann's Choice to take possession of a Living Unit. On this date, you are allowed access to move belongings or to personally inhabit the Living Unit pursuant to this Agreement. Delivery of keys to you shall be deemed authorization to take possession.

**Off-Site Facility:** Any housing or health care facility not located within the Community and which is neither owned nor operated by Ann's Choice.

**Processing Fee:** The fee payable when you submit an application for residency at the Community or for a position on the futures or standby list.

**Refund Account:** The balance(s) which we establish to fund the 90% Refund Amount to eligible residents upon termination of the Agreement. The Refund Account is funded only when we receive all or a portion of new Entrance Deposits from new residents who sign a Residence and Care Agreement with a 90% Refund Amount obligation for participating Independent Living Units. A participating Independent Living Unit is one whose prior resident also had a Residence and Care Agreement with a 90% Refund Amount obligation. The new resident's right of rescission must also be expired for the Refund Account to receive all or a portion of the Entrance

Deposit. We make continued refunds from the Refund Account as new available funds are received into the Refund Account. We have the right to temporarily suspend refunds if the Refund Account has insufficient funds to pay the next sequential refund that is due. We pay the 90% Refund Amount based on assigned Refund Numbers generally proceeding in sequential order.

**Refund Form:** An agreement signed by you, when accepted by us, designating to whom the 90% Refund Amount shall be made upon termination of this Agreement.

**Refund Number:** The number assigned per Section 7.6 which determines eligibility for a refund of the 90% Refund Amount.

**Refurbishing Charges:** The reasonable costs and expenses of work performed to clean, refurbish, and restore that Living Unit after a resident permanently vacates the unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in our sole discretion, to bring the Living Unit back to a like-new condition. It is intended that the Living Unit shall be restored to the condition that it was in before it was occupied by the recent resident. The determination as to the extent of refurbishment shall be established by the Executive Director.

**Repairing Extraordinary Damage:** By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident. The extent of refurbishing is determined by Ann's Choice, in our sole discretion to put the Living Unit into like-new condition.

**Resident/You:** Each person designated by name in the first paragraph of this Agreement, who is a party to this Agreement.

**Spending Plan:** A plan set forth by the Executive Director of the Community in the event that you are financially unable to pay your Monthly Service Packages.

**SIGNATURES**

IN WITNESS WHEREOF the parties have hereunto set their hands on the date appearing next to their respective signatures.

**ANN'S CHOICE, INC.**

\_\_\_\_\_ By: \_\_\_\_\_  
Witness Date

**NOTICE TO RESIDENT: YOU MAY RESCIND AND TERMINATE YOUR RESIDENT'S 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 THE SEVEN (7) DAY PERIOD.**

\_\_\_\_\_ Resident \_\_\_\_\_  
Witness Date

\_\_\_\_\_ Resident \_\_\_\_\_  
Witness Date

If applicable: Guarantors: I (We) \_\_\_\_\_ have read and understand the provisions of this Agreement and by signing my (our) name(s) below, agree to guaranty Resident's obligations incurred under this Agreement in accordance with the Guaranty Agreement.

\_\_\_\_\_ Guarantor \_\_\_\_\_  
Witness Date

\_\_\_\_\_ Guarantor \_\_\_\_\_  
Witness Date

Schedule I  
Schedule of Fees

Total Entrance Deposit for Unit:     \$ \_\_\_\_\_ consisting of:

Priority List Deposit	\$1,000
Reservation Deposit 1:	\$ _____
Reservation Deposit 2:	\$ _____
The Signing Deposit:	\$ _____ (bringing total to 10% of Entrance Deposit including previous deposits);
The Final Deposit:	\$ _____ (remaining portion of Entrance Deposit)

*Minus the 10% Community Fee:*             \$ \_\_\_\_\_ (non-refundable)

Current Monthly Service Package for Unit: \$ \_\_\_\_\_ per month

Current Processing Fee:             \$ \_\_\_\_\_ per applicant

Current Ancillary Fee Schedule:     See next page

### 2020 Periodic Charges for Ancillary Services

SERVICE	2020 CHARGE
Non-Occupancy Credits - Credit for Absences per day (Credit starts on 11th consecutive night)	
Single Occupancy	\$14.00
Double Occupancy	\$22.00
Guest Meal	\$17.50
Guest Meal – Sunday Brunch	\$17.50
Guest Meal – Holiday	\$18.50
Guest Meal – Child under 11	\$6.00
Tray Service	\$2.50
Additional Apartment Key	\$7.00
Additional Exterior Door Key	\$50.00
Additional Mailbox Key	\$5.50
Padlock for Storage Bin	\$10.00
Reserved Parking per month (resident registered car only)	\$22.00
Storage Bin per month	\$9.00*
Guest Room per night (Single)	\$90.00*
Efficiency Guest Room per night	\$95.00*
Roll Away Bed	\$10.00
Roll Away Bed With Linen	\$15.00
Maintenance Service per hour plus materials (1/2 hour minimum)	\$32.00
Car Battery Jump Start	\$10.00
Grounds service per hour (hour minimum)	\$20.00
Snow removal from car	\$20.00
Snow removal from car – same day request	\$25.00
Housekeeping per hour (hour minimum)	\$26.00*
Wheel Chair Rental	\$10.00
Wheel Chair Escort	\$15.00
Transportation	Destination Dependent
Emergency Pendent Installation (one time fee)	\$140.00
Emergency Pendent Monthly Fee	\$10.00
Enhanced Fitness Membership	\$17.00
Waterproof Watch	\$160.00
Ongoing Individual Assistance –Personal Trainer – 5 ½ hour sessions (minimum)	\$75.00
Balance and Mobility Classes	\$100.00
Memory Fitness Class (12 classes)	\$49.50
Erickson Resident Computer Services – 30 Minute Minimum Appointment	\$39.00
Erickson Resident Computer Services – Additional 15 Minute Increment	\$13.00
Ann’s Club	\$47 Per 4 Hour Session

\* For these services, a 6% Sales Tax will also be charged as required by the state of PA.

### Ann's Choice Home Support Services – 2020 Fee Schedule

<u>Aide Services</u>	<u>Price</u>
Per Hour	\$31.00
>/= 4 Hours (per hour)	\$27.00
>/= 12 Hours (per hour)	\$26.00
24 Hours (per hour)	\$26.00
Medication Reminder (per visit)	\$18.00
Meal Service (per visit)	\$12.00
Pet Care (per visit)	\$15.00
Wheelchair Escort One Way (round trip is double)	\$16.00
<u>RN Services</u>	
Assessment	No Charge
Nurse Visit (per visit)	\$85.00
Nurse Service (per hour)	\$85.00

Note: Holiday fees are 1.5 times the regular rate and are in effect on: New Year's Day, Martin Luther King Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.



Schedule II  
Notice of Right to Rescind

\_\_\_\_\_

Date rescission period begins

You may rescind and terminate your Residence and Care Agreement, without penalty or forfeiture, within seven (7) days of the above date. You are not required to move into Ann's Choice, Inc. 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 the seven (7) day period.

To rescind your Residence and Care Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to Ann's Choice, Inc. at 10000 Ann's Choice Way, Warminster, Pennsylvania 18974 not later than midnight of \_\_\_\_\_.

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

\_\_\_\_\_

DATE

\_\_\_\_\_

RESIDENT'S SIGNATURE

Schedule III  
Documents Incorporated

- A. Priority List Application
- B. Financial Information Form
- C. Resident History Profile
- D. Refund Form
- E. Key Receipt Form
- F. Unit Release and Unit Release-Transfer Forms
- G. Guaranty Agreement (if any)
- H. Power of Attorney for property disposition (if any)
- I. Advance Directive, Appointment of Health Care Agent, or Living Will (if any)
- J. Resident's medical insurance documentation (if any)
- K. Promissory Note (if any)
- L. Allonge to Promissory Note
- M. Flexible Payment Program Addendum (if any)