DISCLOSURE STATEMENT

UNDER PENNSYLVANIA ACT 82

October 31, 2025

Landis Homes

1001 E. Oregon Rd
Lititz PA 17543-9206
(717) 569-3271

NOTE: Issuance of a Certificate of Authority by the Pennsylvania Insurance Department does not constitute approval, recommendation or endorsement of Landis Homes Retirement Community by the Department, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set out in this disclosure statement.

Table of Contents

Page

Information Summary 2
1. Facilities 2
2. Licensed Provider 2
3. Admissions 2
4. Facility Description 2
5. Minimum Age for Admission 2
6. Affiliates 2
7. Current Resident Population 3
8. Sample Fees for a One Bedroom Unit for Single or Double Occupancy 3
9. Loan Agreements 3

Responses to Section 7 of PA Act 82 4
1. Address 4
2. Board of Directors 4
3. Board Member Information 4
4. Affiliation 5
5. Facility Description 5
6. List of Services 6
7. Fees 7
8. Reserves 7
9. Budgeted Income Statement vs. Actual with the Pro Forma Income Statement 8

Attachment I – Resident Fee Schedules

Attachment II - Audited Financial Statement

Attachment III - Resident Continuing Care Agreements with Notice of Right to Terminate the Agreement

RESIDENT DISCLOSURE STATEMENT
(Section 151.7 of Regulations)

1) Facilities:

Landis Homes Retirement Community
1001 Oregon Road,
Lititz, PA 17543

2) Licensed Provider:

Landis Homes Retirement Community
1001 Oregon Road,
Lititz, PA 17543

3) Admissions:

Sarah L. Short
Director of Residency Planning
Landis Homes
1001 E. Oregon Road, Lititz, PA 17543
(717) 381-3549
sshort@landishomes.org

4) Facility Description:

Landis Homes is located on a 114-acre campus, surrounded by farmland, 8 miles north of Lancaster, Pennsylvania.

Licensed nursing care and personal care is provided in households located in one and two-story buildings. Residential living includes single-level cottage homes, apartments in one, two and three-story buildings and hybrid-style homes. Hybrid-style homes combine the features of cottage homes (multiple outside walls, garages, no corridors) with those of apartment living (indoor access to common areas, a shared community room).

5) Minimum Age for Admission:

The minimum age is 62. Exceptions may be made for those seeking admission to Heritage Memory Support and for short-term admissions to the skilled nursing area.

6) Affiliation with Other Organizations, Including Religious Organizations:

Landis Homes is affiliated with Landis Communities, which is a conference-related ministry with ties to LMC (previously known as Lancaster Mennonite Conference) and Atlantic Coast Conference of Mennonite Church USA. Landis Communities appoints members to the Board of Directors of Landis Homes. Neither LMC nor the Atlantic Coast Conference of Mennonite Church USA or any other group other than Landis Homes is responsible for the financial and contractual obligations of the Facility.

7) Resident Population:

As of June 30, 2025, there were 628 residents in the residential living area, 91 residents living in personal care, and 98 living in skilled nursing at Landis Homes, for a total of 817 residents.

8) Sample Fees:

Sample Fees for a One Bedroom Residential Living Cottage.

		Single	Double
Entrance Fee: $138,000	Monthly fees:	$1,459	$1,717

9) Loan Agreements:

The details of Landis Homes loan agreements may be found on pages 21 through 23 of the audited financial statements, which are attached to the back of the disclosure statement.

Responses to Section 7 of Pennsylvania Act 82 of June 18, 1984.

The numbers below correspond to the paragraphs of Section 7(a) which list the requirements for this disclosure statement.

1) The Provider:

Landis Homes, not-for-profit Pennsylvania Corporation
1001 E. Oregon Road
Lititz, PA 17543

2) Board of Directors:

No officer, trustee, nor any other person had any equity or beneficial interest in the provider.

Glen Moffett, 1001 E. Oregon Road, Lititz, PA 17543
Gerry Horst, 1001 E. Oregon Road, Lititz, PA 17543
Lisa Clark, 1001 E. Oregon Road, Lititz, PA 17543
Kenneth Moore, 1001 E. Oregon Road, Lititz, PA 17543
Mim Book, 1001 E Oregon Rd, Lititz PA 17543
Bill Davis, 1001 E. Oregon Road, Lititz, PA 17543
Sherwood Lingenfelter, 1001 E. Oregon Road, Lititz, PA 17543
George Stoltfus, 1001 E. Oregon Road, Lititz, PA 17543

3) Further Information Concerning Landis Homes as the Provider Agency and its Board of Directors.

This item requires a listing of the following information for those named in item 2:

(A) A description of the business experience of such persons, if any, in the operation or management of facilities similar to Landis Homes:

The Board of Directors consists of individuals that possess a wide variety of experience in the business community, with some members having specific experience in the healthcare and service-oriented sectors.

(B) The name and address of any entity in which such person has a 10% or greater interest and which it is presently intended will or may provide goods, leases, or services to the facility of a value of $500 or more within any year:

None

(C) Description of certain types of criminal, civil or administrative charges convictions, injunctions, or suspensions of licenses:

None

4) Affiliation of the Provider with a Religious Organization

Landis Homes is affiliated with Landis Communities, which is a conference related ministry with ties to LMC (previously known as Lancaster Mennonite Conference) and Atlantic Coast Conference of Mennonite Church USA. Landis Communities appoints members to the Board of Directors of Landis Homes. Neither LMC nor the Atlantic Coast Conference of Mennonite Church USA or any other group other than Landis Homes is responsible for the financial and contractual obligations of the Facility.

A Board of Directors of not less than six nor more than twelve members governs Landis Homes. The Landis Communities Board of Directors shall appoint up to nine directors for terms of three years (unless a shorter term is designated by the Landis Homes Board of Directors at appointment). The Landis Homes Board of Directors may recommend nominees. The Landis Communities Board of Directors may appoint up to three directors for terms of one year.

Neither the Lancaster Mennonite Conference nor the Atlantic Coast Conference of Mennonite Church USA or any other group other than Landis Homes is responsible for the financial and contractual obligations of the Facility.

Landis Homes is exempt from the payment of federal income tax under Section 501(c)(3) of the Internal Revenue Code.

5) Facility Description

Landis Homes is located on a 114-acre campus, surrounded by farmland, 8 miles north of Lancaster, Pennsylvania.

Licensed nursing care and personal care is provided in households located in one and two-story buildings. Residential living includes single-level cottage homes, apartments in one, two and three-story buildings and hybrid-style homes. Hybrid-style homes combine the features of cottage homes (multiple outside walls, garages, no corridors) with those of apartment living (indoor access to common areas, a shared community room).

6) List of Services

Included in the basic contract for Residential Living

- Utilities, including cable TV and Wi-Fi (telephone services not included)
- Real estate taxes
- Maintenance of building and appliances
- Grounds maintenance
- Scheduled shopping trips
- Pastoral care
- Social and recreational activities
- 24-hour emergency response
- Priority access to healthcare and personal care
- Social services
- Use of all indoor and outdoor common social and recreational facilities
- Security services 24 hours a day
- Three meals per day*
- Laundry*
- Housekeeping services*
- Medical/emergency call system*
- Upgraded Cable TV service
- Internet service

Available at extra cost for Residential Living

- Meals, guest meals, catering
- Personal laundry or dry cleaning
- Housekeeping services
- Beautician and barber services
- Repairs of personal property

Available at extra cost for all residents

- Telephone service

*Included in basic contract only for residents of Residential Suites, however, residents may opt out of laundry and housekeeping services and receive a discounted rate.

7) Fees:

See Attachment I for a listing of entrance and monthly fees.

Rate Changes:

Daily and monthly fees and fees for services not included in the basic agreement are reviewed and adjusted from time to time based on factors, which include but are not limited to: changes in the Consumer Price Index, operating experience, governmental regulations, property taxes, maintenance of reserve funds, and to insure the financial stability of Landis Homes. Under ordinary circumstances, these adjustments are announced annually by May 1 where required by regulation, and by June 1 otherwise, and are effective for July 1. Changes in rates may also occur due to single versus double occupancy.

Fee Increases:

For a single occupant in a one-bedroom apartment at Landis Homes, the most recent monthly fees and fee increases for a sample unit are:

Effective Date	Fee	Increase Amount	Increase Percent
July 1, 2025	$1,563	$67	4.5%
July 1, 2024	$1,496	$90	4.9%
July 1, 2023	$1,426	$104	8.0%
July 1, 2022	$1,322	$74	5.9%
July 1, 2021	$1,248	$48	4.0%
July 1, 2020	$1,200	$46	4.0%

8) Reserves

A reserve fund in the amount of $3,768,090 is established as required by Pennsylvania law (Section 9 of Act 1984-82). This amount is the greater of Landis Homes' annual debt payments or 10% of the budget operating expenditures, with the debt payments comprising the larger of the two. The calculation of this reserve is shown on page 19 of the attached consolidated financial statements.

9) Income Statement – Budget to Actual for 2025 and Pro Forma for 2026

Landis Homes Income Statement				
Rounded in $1,000s	June 30, 2025			June 30, 2026
	Actual	Budgeted	Favorable (Unfavorable) Variance	Budgeted
Operating Revenue				
Net Resident Service Revenues	49,615	50,820	(1,205)	52,919
Other Revenues	7,941	3,097	4,844	3,450
Net Assets Released From Restriction	694	975	(281)	900
Unrestricted Contributions and Bequests	75	0	75	0
Interest and dividend income	1,819	970	849	1,211
Unrestricted Revenues	60,144	55,862	3,358	58,480
Operating Expenses				
Resident Services	18,036	18,061	25	18,668
Dining services	6,427	6,258	(169)	6,586
Campus services, housekeeping, and laundry	2,765	2,743	(22)	2,902
Outcome Mgmt, pastoral services, and life enrichment	2,112	2,193	81	2,272
Plant operations	5,805	5,735	(70)	6,349
General and administrative	9,460	8,769	(691)	9,115
Depreciation	7,732	7,565	(167)	7,915
Interest	4,056	3,981	(75)	3,926
Expenses	56,393	55,304	(1,089)	57,733
OPERATING INCOME (LOSS)	**3,751**	**558**	**2,269**	**747**
Other Income (Loss):				
Net Realized Gain (Loss) on Sales of Investments	905	600	305	600
Net Unrealized Gain (Loss) on Investments	4,360	1,200	3,160	1,200
Loss on Extinguishment of Debt	0		0	0
Loss on Disposal of Property & Equipment	(272)		(272)	0
other income (loss), net	4,992	1,800	3,192	1,800
Revenues in Excess of (Less Than) Expenses	**8,743**	**2,358**	**5,462**	**2,547**
Donor-Restricted Contributions Used for Purchase of Property and Equipment	15	0	15	0
Transfers (To) From Affiliate	(308)	(308)	0	(0)
Increase (Decrease) In Unrestricted Net Assets	**8,450**	**2,050**	**5,477**	**2,547**

Notes to the actual to budget presentation for the 2024/2025 year and the 2025/2026 budget.

Landis Homes finished the 24/25 year well ahead of budget. Almost $4,000,000 was recognized in deferred income from COVID related grants. Expenses for filing for these grants is included in general and administrative costs, pushing that category over budget. Investment income was extremely positive as well, adding to the positive financial year.

The 25/26 year represents a normal year of operations for Landis Homes. Per financial direction by the Board of Directors, the budget for Landis Homes targets the median ratios by Fitch and CARF.

Current Year Audit Presentation

The audited financial statements are included in this disclosure statement as attachment II. Pages 29 through 34 include the balance sheet and income statement for Landis Homes, along with the affiliates.

Resident Agreement Attachment III

The applicable statement(s) below should be checked:

__X__ A Landis Homes Resident Agreement is attached.

_____ No Resident Agreement is attached because:

_____ This disclosure statement is being provided to a person who is already a resident of Landis Homes.

This disclosure statement is being provided to a person who has already received a copy of a previous disclosure statement with a copy of the Resident Agreement attached, and the Agreement has not been changed since.

This disclosure statement is being provided to a person who is not currently making application to Landis Homes and is not making a deposit or payment to Landis Homes with such on application.

Attachment I

Landis Homes Rate Schedules

Landis Homes
Enriching Lives, Together

Resident Rates
Effective July 1, 2025

All Listed Rates Are Daily And Per Person

Residential Suites:	Daily Rate - No Advance Fee
Standard	$ 123.00
Large, occupied by two persons	112.00
Large, occupied by single person	179.00
Apartment, occupied by two persons	122.00
Apartment, occupied by single person	200.00

Personal Care Suites:	Base	Intermediate	Enhanced
Standard	$ 316.00	Base + $42 (Rate $358)	Base + $84 (Rate $400)
Large, occupied by two persons	303.00	Base + $42 (Rate $345)	Base + $84 (Rate $387
Large, occupied by single person	428.00	Base + $42 (Rate $470)	Base + $84 (Rate $512)
Apartment, occupied by two persons	315.00	Base + $42 (Rate $357)	Base + $84 (Rate $399)
Apartment, occupied by single person	448.00	Base + $42 (Rate $490)	Base + $84 (Rate $532)

Personal Care Suites, Memory Support:	Base	Enhanced
Standard	$ 464.00	$ 473.00

Respite Rates - Additional $20

Health Care:	Regular	Memory Support
Private Room	$ 671.00	$ 692.00
Private Room With Shared Bath	645.00	666.00

Landis Homes
Enriching Lives, Together

Residential Living Rate Ranges -Effective – July 1, 2025

*Add $258 for second person/double occupancy

West Cottages (571-1294 sq. ft.)	Entrance Fees	Single Occupancy*
1 Bedroom	$103,000-$138,000	$1,270-$1,436
2 Bedroom	$148,000-$ 237,000	$1,501-$1,208
2 Bedroom w/Family Room	$208,000-$265,000	$1,852-$2,213

South Campus Cottages (1212-1556 sq. ft.)	Entrance Fees	Single Occupancy*
2 Bedroom	$300,000-$327,000	$2,110-$2,146
2 Bedroom/Sunroom	$364,000-$422,000	$2,386-$2,728

Hybrid Homes (862-1636 sq. ft.)	Entrance Fees	Single Occupancy*
1 Bedroom	$205,000-$215,000	$1,819
1 Bedroom/Den	$303,000	$2,446
2 Bedroom	$328,000	$2,510
2 Bedroom/Den	$385,000	$2,840

Crossings Apartments (1115- 1550 sq. ft.)	Entrance Fees	Single Occupancy*
1 Bedroom w/Den	$292,000-$308,000	$2,322
2 Bedrooms	$334,000-$363,000	$2,501-$2,655
2 Bedrooms/Den	$404,000	$2,857

West Apartments (357- 981 sq. ft.)	Entrance Fees	Single Occupancy*
Studios	$61,000-$126,000	$1,097-$1,518
1 Bedroom	$102,000-$154,000	$1,309-$1,390
1 Bedroom/Den	$179,000	$1,769
2 Bedroom	$138,000-$230,000	$1,459-$2,096

Residential Suites: *No Entrance Fee*	**Daily Rate Per Person**
Standard	$123.00
Large, occupied by two persons	$111.00
Large, occupied by single person	$179.00
Apartment, occupied by two persons	$122.00
Apartment, occupied by single person	$200.00

Attachment II

Audited Financial Statements

Landis Communities and Affiliates

Consolidated Financial Statements and
Supplementary Information

June 30, 2025 and 2024

Landis Communities and Affiliates

Table of Contents
June 30, 2025 and 2024

	Page
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations and Changes in Net Assets	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Supplementary Information	
Consolidating Schedule, Balance Sheet	29
Consolidating Schedule, Operations and Changes in Net Assets (Deficit)	31
Consolidating Schedule, Cash Flows	33

Independent Auditors' Report

To the Board of Directors of
Landis Communities and Affiliates

Opinion

We have audited the consolidated financial statements of Landis Communities and Affiliates (the Corporation), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of June 30, 2025 and 2024, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information identified on the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and changes in net assets (deficit) and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Philadelphia, Pennsylvania
October 29, 2025

Landis Communities and Affiliates

Consolidated Balance Sheets
June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 4,280,921	$ 4,564,554
Assets whose use is limited, debt service funds	3,797,357	3,671,705
Accounts receivable:		
Residents, net	3,867,129	3,909,817
Entrance fees	-	219,600
Other	238,048	496,793
Prepaid expenses and other current assets	876,410	592,029
Total current assets	13,059,865	13,454,498
Assets Whose Use is Limited		
Board-designated investments	4,736,858	4,547,919
Statutory minimum liquid reserve	3,768,090	3,768,090
Donor-restricted investments	4,355,830	4,461,153
Debt service reserve fund	7,277,393	7,216,291
Resident deposits	2,905,694	1,642,475
Total assets whose use is limited	23,043,865	21,635,928
Investments	49,654,150	44,833,601
Investment in Limited Partnerships	629,921	629,929
Property and Equipment, Net	143,948,272	137,349,676
Operating Lease, Right-of-Use Assets	1,312,204	1,739,821
Pledges Receivable, Net	124,777	85,659
Split-Interest Agreements	205,082	189,829
Other Assets	1,161,249	1,444,186
Total assets	$ 233,139,385	$ 221,363,127

See notes to consolidated financial statements

Landis Communities and Affiliates

Consolidated Balance Sheets
June 30, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Current portion of:		
Long-term debt	$ 1,959,008	$ 1,894,918
Operating lease obligations	467,364	450,732
Accounts payable:		
Trade	1,073,139	1,268,408
Capital related	2,747,304	888,505
Accrued expenses:		
Salaries and wages	1,044,789	962,811
Paid time off	912,705	845,268
Interest	2,098,033	2,163,214
Other	789,094	721,845
Total current liabilities	11,091,436	9,195,701
Long-Term Debt	127,306,163	123,029,389
Operating Lease Obligations	963,929	1,431,293
Priority Fees and Reservation Deposits	3,366,300	1,944,100
Refundable Entrance Fees and Deposits	486,388	464,087
Deferred Revenues From Nonrefundable Entrance Fees	38,774,192	39,315,830
Refundable Advance, Employee Retention Credit (Note 8)	2,380,846	7,394,180
Total liabilities	184,369,254	182,774,580
Net Assets		
Without donor restrictions	43,766,688	33,482,607
With donor restrictions	5,003,443	5,105,940
Total net assets	48,770,131	38,588,547
Total liabilities and net assets	$ 233,139,385	$ 221,363,127

See notes to consolidated financial statements

Landis Communities and Affiliates

Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	2025	2024
Revenues Without Donor Restrictions		
Net resident service revenues	$ 55,314,193	$ 53,823,769
Other revenues	1,539,947	1,173,472
COVID stimulus revenue	5,563,711	-
Contributions and bequests	273,607	542,232
Donor-restricted contributions used primarily for benevolent care	967,758	895,694
Interest and dividend income	1,929,050	1,938,801
Total revenues without donor restrictions	65,588,266	58,373,968
Expenses		
Resident services	18,516,911	17,935,938
General and administrative	11,387,929	10,328,488
Depreciation	8,784,540	8,546,285
Plant operations	6,040,101	5,555,308
Dining services	6,763,222	6,488,218
Housekeeping, laundry and campus services	2,872,631	2,638,403
Admissions, social services, pastoral services and life enrichment	2,117,871	2,034,865
Interest	4,744,658	4,758,808
Total expenses	61,227,863	58,286,313
Operating income	4,360,403	87,655
Other Income (Loss)		
Net realized gain on sales of investments	907,694	2,147,951
Change in net unrealized gains and losses on investments	4,359,662	2,482,294
Loss on disposal or abandonment of property and equipment	(337,014)	(95,585)
Total other income, net	4,930,342	4,534,660
Revenues in excess of expenses	9,290,745	4,622,315
Donor-Restricted Contributions Used for Purchase of Property and Equipment	993,336	901,784
Change in net assets without donor restrictions	$ 10,284,081	$ 5,524,099

See notes to consolidated financial statements

Landis Communities and Affiliates

Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	2025	2024
Net Assets Without Donor Restrictions		
Change in net assets without donor restrictions	$ 10,284,081	$ 5,524,099
Net Assets With Donor Restrictions		
Contributions	1,548,615	1,969,762
Interest and dividend income	47,731	43,255
Net realized gain on sales of investments	34,798	51,532
Change in net unrealized gains on investments	209,462	185,286
Change in value, split-interest agreements	19,737	25,159
Transfers	(1,746)	-
Donor-restricted contributions used for:		
Resident assistance program	(782,225)	(736,915)
Adult day care program	(52,212)	(48,726)
Other	(133,321)	(110,053)
Purchase of property and equipment	(993,336)	(901,784)
Change in net assets with donor restrictions	(102,497)	477,516
Change in net assets	10,181,584	6,001,615
Net Assets, Beginning	38,588,547	32,586,932
Net Assets, Ending	$ 48,770,131	$ 38,588,547

See notes to consolidated financial statements

Landis Communities and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 10,181,584	$ 6,001,615
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,784,540	8,546,285
Amortization of deferred financing costs	117,468	81,774
Amortization of bond premium	(142,814)	(163,504)
Change in operating lease right-of-use assets and obligations	456,413	456,764
Payments on operating lease obligations	(479,528)	(471,477)
Net realized and unrealized gains and losses on investments and assets whose use is limited	(5,511,616)	(4,867,063)
Loss on disposal or abandonment of property and equipment	337,014	95,585
Forgiveness of LPK HOME loan	(52,100)	(52,100)
Proceeds from entrance fees and deposits, existing units	7,507,420	6,480,400
Amortization of nonrefundable entrance fees	(6,920,820)	(7,033,191)
Contributions restricted for long-term purposes	(577,275)	(1,282,238)
Contributions, pledges receivable	(99,499)	(33,457)
Change in value, pledges receivable	2,698	(4,982)
Change in split-interest agreements	(15,253)	16,327
Change in assets and liabilities:		
Accounts receivable	301,433	(1,178,086)
Prepaid expenses and other assets	(1,444)	(567,152)
Accounts payable, trade	(195,269)	161,400
Accrued expenses and other liabilities	151,483	325,774
Refundable advance, employee retention credit	(5,013,334)	-
Net cash provided by operating activities	8,831,101	6,512,674
Cash Flows From Investing Activities		
Net purchases of investments and assets whose use is limited	(3,653,003)	(11,608,657)
Change in value of investment in limited partnerships	8	762,507
Purchase of property and equipment	(13,861,351)	(10,043,465)
Net cash used in investing activities	(17,514,346)	(20,889,615)
Cash Flows From Financing Activities		
Repayment of long-term debt	(1,894,918)	(1,546,468)
Proceeds from long-term debt	6,607,077	1,610,015
Payment of financing costs	(293,849)	(7,717)
Proceeds from entrance fees and deposits, new units	1,126,600	1,452,400
Proceeds from refundable fees and deposits	339,081	46,940
Refunds of entrance fees	(929,818)	(775,213)
Collections, pledges receivable	57,683	140,526
Contributions restricted for long-term purposes	577,275	1,282,238
Net cash provided by financing activities	5,589,131	2,202,721
Net change in cash, cash equivalents and restricted cash and cash equivalents	(3,094,114)	(12,174,220)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	12,038,348	24,212,568
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 8,944,234	$ 12,038,348
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	$ 4,835,186	$ 4,823,844
Noncash Investing and Financing Activities		
Accounts payable, capital related	$ 2,747,304	$ 888,505
Forgiveness of LPK home loan	$ 52,100	$ 52,100
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 4,280,921	$ 4,564,554
Cash and cash equivalents included in assets whose use is limited and investments	4,663,313	7,473,794
Total cash, cash equivalents and restricted cash and cash equivalents	$ 8,944,234	$ 12,038,348

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Landis Communities (LC) is a not-for-profit corporation organized to operate exclusively for the support and benefit of Landis Homes Retirement Community (LHRC), Landis Place on King (LPK), Quality Living Choices (QLC), Welsh Mountain Home (WMH), Landis Quality Living (LQL) and Landis HCBS, LLC (HCBS); to support the mission, operations and residents of LHRC, LPK, QLC, WMH, LQL and HCBS, serving older adults, including the provision of housing, the provision of affordable housing, the promotion of community among the residents and the provision of access to home and community based services, including, but not limited to, home care, home health, continuing care at home, adult day services, respite care, care navigation and concierge services to not only residents but the general public and other retirement community services as elected by the residents and to develop and administer an array of services consistent with Landis Communities' Mennonite/Anabaptist heritage and designed to serve the physical and spiritual needs of aging adults.

LC is the controlling entity and sole member of the following entities, unless otherwise noted below:

- LHRC is a not-for-profit corporation that operates a continuing care retirement community in Lititz, Pennsylvania providing housing, health care and other related services to elderly residents through the operation of a nursing facility and personal care and residential living units.

- HCBS is a not-for-profit limited liability company organized to provide an array of home and community based services including home care, home health, continuing care at home, adult day services, respite care and other programs.

- LQL is a not-for-profit corporation organized to provide affordable low-income and other affordable housing options, including rental units, to meet the needs for senior adults, to promote community among the residents and to provide access to home health services and other retirement community services as elected by the residents. LQL owns and operates QLC and LPK, rental properties in Lancaster, Pennsylvania. QLC opened in 2013 and LPK opened in 2023.

- WMH (whose sole member is LQL) is a not-for-profit corporation that operates a personal care facility in a Christian environment in New Holland, Pennsylvania.

- WMH Inc., (whose sole member is WMH) is a not-for-profit corporation organized to act as a co-general partner in Mountain View Terrace, LP (an affordable housing apartment complex for seniors). WMH, Inc. does not control Mountain View Terrance, LP, therefore the financial statements of Mountainview Terrace, LP are not consolidated in the consolidated financial statements of Landis Communities and Affiliates.

LHRC and LPK comprise the Corporation's Obligated Group (the Obligated Group).

Principles of Consolidation

The consolidated financial statements include the accounts of LC, LHRC, LPK, QLC, WMH, WMH, Inc., LQL and HCBS (collectively, the Corporation). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements of the Corporation.

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

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

Accounts Receivable

The Corporation assesses collectability on all resident accounts prior to providing services. An allowance for credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management during periodic review of individual accounts and based on factors such as aging of the accounts receivable and anticipated collection of the consideration. Accounts are written off through credit loss expense when the Corporation has exhausted all collection efforts and accounts are deemed impaired. The allowance for credit losses is estimated based upon a periodic review of individual accounts. The allowance for credit losses was approximately $24,000 and $50,000 at June 30, 2025 and 2024, respectively. Accounts receivable, residents, net was $2,983,993 at June 30, 2023.

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

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

Assets Whose Use is Limited

Assets whose use is limited includes investments set aside by the Board of Directors which are available for the general use and purposes of the Corporation, assets whose use has been limited by donors to specific purposes, assets to be held in perpetuity, assets designated to meet the statutory minimum liquid reserve requirements of Section 9 of the Commonwealth of Pennsylvania's Continuing Care Provider Registration and Disclosure Act (Act 82), resident escrow deposits and assets held by trustees under trust indentures. Amounts available to meet current liabilities of the Corporation have been classified as current assets in the consolidated balance sheets.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Lease Obligations and Right-of-Use Assets

The Corporation evaluates at contract inception whether a lease exists and recognizes a lease obligation and right-of-use asset for all leases with a term greater than 12 months. Leases are classified as either finance or operating. All lease liabilities are measured at the present value of the future lease payments using a discount rate. The future lease payments used to measure the lease liability include fixed payments, as well as the exercise price of any options to purchase the underlying asset that have been deemed reasonably certain of being exercised, if applicable. Future lease payments for optional renewal periods that are not reasonably certain of being exercised are excluded from the measurement of the lease liability. For all leases, the right-of-use asset is initially derived from the measurement of the lease liability and adjusted for certain items, such as initial direct costs and lease incentives received. Right-of-use assets are subject to long-lived impairment testing.

Operating lease expense is recognized on a straight-line basis over the lease term and is included within general and administrative in the consolidated statements of operations and changes in net assets. The lease term is determined based on the date the Corporation acquires control of the leased premises through the end of the lease term.

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt have been capitalized and are being amortized over the terms of the related debt using the straight-line method, which approximates the effective interest method. Amortization expense related to these costs is included as a component of interest expense.

Split-Interest Agreements

LHRC has received as contributions charitable gift annuities. These arrangements represent contracts between the Mennonite Foundation (the Foundation) and donors. Donors transfer cash or investments to the Foundation and, in turn, receive periodic distributions from the Foundation. The contributions received by LHRC are the unconditional rights to receive the remainder interest of the gift annuities. The amount of the contribution is the difference between the asset received by the Foundation and the present value of the estimated future payments to be distributed by the Foundation to the annuitants. These contributions are recorded to net assets with donor restrictions, in accordance with donor restrictions.

Investment in Limited Partnerships

WMH, Inc. is a co-general partner (.0051% interest) along with Housing Development Corporation MidAtlantic (HDC) (.0049% interest) in Mountain View Terrace, LP (an affordable housing apartment complex for seniors). WMH, Inc. purchased land for $1 from WMH, which was then contributed at a fair value of $630,000 to Mountain View Terrace, LP. HDC is the managing general partner of Mountain View Terrace, LP and has provided certain guarantees. The investment is recorded using the equity method of accounting as an investment in limited partnership on the consolidated balance sheets. The investment is $629,921 and $629,929 at June 30, 2025 and 2024, respectively, including a change in value of $(8) and $(7) which is recorded as a component of net realized gains and losses in the consolidated statements of operations and changes in net assets during the fiscal years ended June 30, 2025 and 2024, respectively.

In FY2023, LQL was a co-general partner (50% interest) along with an unrelated organization (50% interest) in 149 LB Development LLC. Each partner contributed an equal share in the purchase of land to be held for development. The investment was recorded using the equity method of accounting as an investment in limited partnership on the consolidated balance sheets. LQL entered into an agreement to sell its ownership interest to the unrelated organization who holds the other 50% interest. This transaction closed in October 2023 with net proceeds of $762,500. A three year promissory note was entered into with the buyer with a fixed interest rate of 3% payable quarterly. As of June 30, 2025 and 2024, a receivable is on the books for $325,461 and $577,194, respectively, for the remaining proceeds due from the sale of the ownership interest.

Entrance Fees

Under certain entrance fee plans for residential living units, LHRC receives payments in advance. Residential living apartment and cottage residents had two entrance plan options, a "refundable" option and a "nonrefundable" option. The refundable option has a guaranteed refund component, which is 90%, 50% or 25% of the entrance fee paid, with the balance generally refundable on a decreasing basis over 80 months for contracts entered into prior to June 30, 2022. The nonrefundable option had no guaranteed refund component and is generally refundable on a decreasing basis for 80 months for contracts entered into prior to June 30, 2022. Effective July 1, 2022, all new entrance fee contracts (refundable 90%, 50%, 25% and nonrefundable option) are refundable on a decreasing basis of 2% per month. The contracts are fully amortized after 5, 25, 37.5 and 50 months, respectively. All refunds to residents are generally paid upon termination of the resident agreement or transfer to another level of care. At June 30, 2025 and 2024, the gross amount of contractual refund obligations under existing resident agreements approximated $21,200,000 and $21,000,000, respectively.

The guaranteed refund component of entrance fees received is not amortized to income and is classified as refundable entrance fees and deposits in the consolidated balance sheets. The balance of entrance fees received is amortized to income using the straight-line method over the annually adjusted estimated remaining life expectancies of the residents and is classified as deferred revenues from nonrefundable entrance fees in the consolidated balance sheets.

The majority of services provided to LHRC's residential living residents are paid for on a "fee-for-service" basis and are not included under the entrance fee plans.

Net Assets

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

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

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that may be met either by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Net Resident Service Revenues

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

Net resident service revenues are primarily comprised of skilled nursing, personal care and independent living revenue streams, which are primarily derived from providing housing, skilled nursing, personal care and independent living services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Corporation has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer.

Therefore, the Corporation considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled nursing, personal care and independent living revenues are recognized on a daily or month-to-month basis as services are rendered.

The guaranteed refund component of entrance fees is not amortized to income and is classified as refundable entrance fees in the accompanying consolidated balance sheets.

Revenue from nonrefundable entrance fees received is recognized through amortization of the nonrefundable entrance fees using the straight-line method over annually adjusted estimated remaining life expectancies of the residents which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenues from entrance fees in the consolidated balance sheets. Amortization of nonrefundable entrance fees included in independent living revenues was $6,920,820 in 2025 and $7,033,191 in 2024.

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

Donor-Restricted Gifts

The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Contributed Services

Volunteers provide various services that are not recognized as contributions in the consolidated financial statements since the recognition criteria under the authoritative guidance were not met. Approximately 25,700 and 26,800 hours in 2025 and 2024, respectively, were contributed to the Corporation for these services.

Benevolent Care

The Corporation provides services to residents who meet certain criteria at amounts less than its cost of providing care. The Corporation maintains records to identify and monitor the level of benevolent care it provides. The costs associated with the benevolent care services provided to residents include both direct costs and estimated indirect costs. The level of benevolent care provided by the Corporation, which represents the difference between the estimated cost of providing care and the payments received for services rendered, was approximately $1,548,000 and $1,738,000 in 2025 and 2024, respectively. The Corporation received contributions restricted for benevolent care of $531,843 and $629,855 in 2025 and 2024, respectively. These amounts include contributions of charitable gift annuities.

LHRC provides nursing care to Medical Assistance program beneficiaries that are reimbursed at amounts less than its cost of providing care. LHRC maintains records to identify and monitor the difference between the cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered. The costs associated with the services provided to Medical Assistance program beneficiaries include both direct costs and estimated indirect costs, as reported by management on LHRC's internal financial statements. The difference between the estimated cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered was approximately $2,639,000 in 2025 and $2,710,000 in 2024.

Contract Balances

Contract assets represent the Corporation's right to consideration in exchange for goods or services that the Corporation has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Corporation's future performance). Contract liabilities represent the Corporation's obligation to transfer goods or services to a resident for which the Corporation has received consideration (or the amount is due) from the resident.

The Corporation's beginning and ending contract assets and liabilities are separately presented on the consolidated balance sheets as of June 30, 2025 and 2024. There were no contract assets as of June 30, 2023. Contract liabilities as of June 30, 2023 are as follows:

Deferred revenues from entrance fees	$ 41,001,047

Income Taxes

LC, LHRC, LPK, HCBS, LQL, WMH and WMH, Inc. are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (IRC). LHRC, HCBS, LQL, WMH and WMH, Inc. are exempt from federal income taxes on their exempt income under Section 509(a)(2) of the IRC and LC is exempt under Section 509(a)(3) of the IRC. QLC is a taxable corporation subject to federal income taxes.

Measure of Operations

The Corporation's operating income includes all operating revenues and expenses that are an integral part of its program and supporting activities. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be more unusual and nonrecurring in nature.

Performance Indicator

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

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through October 29, 2025, the date the consolidated financial statements were issued.

On September 24, 2025, The Lancaster County Hospital Authority issued, on behalf of the Obligated Group (Note 7), series A, B, C, & D of 2025 Revenue Bonds (2025 Bonds), debt in the maximum principal amount of $11,156,000, $7,500,000, $11,000,000, & $7,500,000, respectively, to fund an expansion project (the Expansion Project). The series A and C are tax-exempt direct placement bonds with interest only payable during the 36-month construction period, at which time the outstanding principal is due. Beginning in October 2025, interest is payable at a rate of 80% of SOFR plus 160 basis points. The Series B & D Bonds are tax-exempt direct placement bonds with interest only payable during the 36-month construction period. Beginning October of 2028, payments of principal and interest are due monthly. Interest is payable at a rate of 80% of SOFR plus 170 basis points.

In July of 2025, LHRC entered into a construction contract of approximately $14,300,000 for the Expansion Project. An additional contract of approximately the same amount will begin in July of 2026 to complete the Expansion Project.

2. Liquidity and Availability of Resources

The following table reflects the Corporation's financial assets available for general expenditures within one year of the consolidated balance sheets date June 30:

	2025	2024
Cash and cash equivalents	$ 4,280,921	$ 4,564,554
Accounts receivable:		
Residents, net	4,017,129	3,909,817
Entrance fees	-	219,600
Other	238,048	496,793
Investments	49,336,396	44,464,302
Total	$ 57,872,494	$ 53,655,066

Investments included in the table above exclude net assets with donor restrictions in excess of assets whose use is limited donor-restricted investments of $317,754 and $369,299 as of June 30, 2025 and 2024, respectively.

The Corporation has board-designated assets whose use is limited of $4,736,858 and $4,547,919 at June 30, 2025 and 2024, respectively, which are excluded from the table above. Although the Corporation does not intend to utilize these funds for general expenditures as part of its annual budget and approval process, amounts designated could be made available, as necessary.

The Corporation designated a portion of its investments "reserved" to comply with the requirements of Act 82 (Note 4) and thus they are not included in the schedule above. Although the Corporation does not intend to utilize the reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available, as necessary. The reserves are separately classified in the consolidated balance sheets and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

As part of the Corporation's liquidity management plan, cash in excess of daily requirements are invested in short-term investments and money market funds. These funds may be drawn upon, if necessary, to meet unexpected liquidity needs.

The Corporation also maintains lines of credit as described in Note 6.

3. Net Resident Service Revenues

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

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

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

The Corporation disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenues and cash flows as affected by economic factors. Other resident service revenues are primarily comprised of therapy and other ancillary services. Net resident service revenues consist of the following for the years ended June 30:

	2025				
	Skilled Nursing	Personal Care	Independent Living	Home & Community Based Services	Total
Self-pay	$ 13,314,082	$ 11,620,315	$ 14,174,094	$ 2,142,787	$ 41,251,278
Medicare and other	1,590,919	-	-	147,545	1,738,464
Medicaid	3,630,825	-	-	-	3,630,825
Amortization of nonrefundable entrance fees	-	-	6,920,820	-	6,920,820
Subtotal	$ 18,535,826	$ 11,620,315	$ 21,094,914	$ 2,290,332	53,541,387
Ancillary service revenues					728,344
Other resident service revenues					1,044,462
Net resident service revenues					$ 55,314,193

	2024				
	Skilled Nursing	Personal Care	Independent Living	Home & Community Based Services	Total
Self-pay	$ 12,812,938	$ 11,400,906	$ 13,312,686	$ 1,982,204	$ 39,508,734
Medicare and other	3,704,724	-	-	125,725	3,830,449
Medicaid	1,503,905	-	-	-	1,503,905
Amortization of nonrefundable entrance fees	-	-	7,033,191	-	7,033,191
Subtotal	$ 18,021,567	$ 11,400,906	$ 20,345,877	$ 2,107,929	51,876,279
Ancillary service revenues					892,737
Other resident service revenues					1,054,753
Net resident service revenues					$ 53,823,769

4. Fair Value Measures, Investments, Assets Whose Use is Limited and Other Financial Instruments

Fair Value Measurements

For financial instruments required to be measured at fair value on a recurring basis, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using a hierarchy prioritizing the inputs used in determining valuations into three levels. The level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Corporation for identical instruments.

Level 2 - Significant inputs, other than Level 1 inputs that are observable either directly or indirectly for substantially the full term of the instruments through corroboration with observable market data.

Level 3 - Significant unobservable inputs.

The following tables present financial instruments measured at fair value by caption on the consolidated balance sheets as of June 30:

	2025				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Reported at Fair Value					
Assets:					
Investments and assets whose use is limited:					
Mutual funds, equity:					
International	$ 12,263,785	$ 12,263,785	$ 12,263,785	$ -	$ -
Large cap	29,624	29,624	29,624	-	-
Small cap	3,484,324	3,484,324	3,484,324	-	-
Tactical	1,415,475	1,415,475	1,415,475	-	-
Mid cap	3,600,021	3,600,021	3,600,021	-	-
Real estate	3,680,298	3,680,298	3,680,298	-	-
Mutual funds, fixed income:					
Intermediate term	10,088,420	10,088,420	10,088,420	-	-
Short-term	2,666,369	2,666,369	2,666,369	-	-
Marketable equity securities:					
Information technology	9,574,910	9,574,910	9,574,910	-	-
Consumer	3,548,751	3,548,751	3,548,751	-	-
Financial	2,630,172	2,630,172	2,630,172	-	-
Healthcare	1,518,618	1,518,618	1,518,618	-	-
Other	3,567,519	3,567,519	3,567,519	-	-
Guaranteed investment contracts	7,115,122	7,115,122	-	-	7,115,122
	65,183,408	$ 65,183,408	$ 58,068,286	$ -	$ 7,115,122
Cash and cash equivalents	11,311,964				
Total investments and assets whose use is limited	$ 76,495,372				
Split-interest agreements	$ 205,082	$ 205,082	$ -	$ -	$ 205,082

	2024				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Reported at Fair Value					
Assets:					
Investments and assets whose use is limited:					
Mutual funds, equity:					
International	$ 10,983,830	$ 10,983,830	$ 10,983,830	$ -	$ -
Large cap	26,392	26,392	26,392	-	-
Small cap	3,048,362	3,048,362	3,048,362	-	-
Tactical	1,262,770	1,262,770	1,262,770	-	-
Mid cap	2,855,683	2,855,683	2,855,683	-	-
Real estate	3,359,070	3,359,070	3,359,070	-	-
Mutual funds, fixed income:					
Intermediate term	9,082,870	9,082,870	9,082,870	-	-
Short-term	2,400,967	2,400,967	2,400,967	-	-
Marketable equity securities:					
Information technology	8,470,128	8,470,128	8,470,128	-	-
Consumer	3,143,958	3,143,958	3,143,958	-	-
Financial	2,049,450	2,049,450	2,049,450	-	-
Healthcare	1,701,321	1,701,321	1,701,321	-	-
Other	3,387,252	3,387,252	3,387,252	-	-
Guaranteed investment contracts	7,054,344	7,054,344	-	-	7,054,344
	58,826,397	$ 58,826,397	$ 51,772,053	$ -	$ 7,054,344
Cash and cash equivalents	11,314,837				
Total investments and assets whose use is limited	$ 70,141,234				
Split-interest agreements	$ 189,829	$ 189,829	$ -	$ -	$ 189,829

Investments and assets whose use is limited are presented together in the tables above as there are various investment and cash accounts that are allocated between the investments and assets whose use is limited lines on the consolidated balance sheets.

Investments and assets whose use is limited are combined on the above tables and are presented on the consolidated balance sheets as follows:

	2025	2024
Investments	$ 49,654,150	$ 44,833,601
Assets whose use is limited:		
Board-designated investments	4,797,636	4,547,919
Statutory minimum liquid reserve	3,768,090	3,768,090
Donor-restricted investments	4,355,830	4,461,153
Debt service funds, current	3,797,357	3,671,705
Debt service reserve fund	7,216,615	7,216,291
Resident deposits	2,905,694	1,642,475
Total	$ 76,495,372	$ 70,141,234

Pennsylvania Act 82 Reserve

In compliance with Act 82, LHRC "reserved" a portion of assets whose use is limited to meet the requirements of Act 82. The "reserved" funds amounted to $3,768,090 at June 30, 2025 and 2024. The reserve at June 30, 2025 was calculated as follows:

Budgeted resident living operating expenses for the year ending June 30, 2026	$	20,201,060
Less budgeted resident living depreciation and amortization expense		(6,955,046)
Expenses subject to minimum liquidation reserve requirement		13,246,014
Statutory requirement		10%
Statutory minimum liquid reserve requirement	$	1,324,601
Budgeted debt service requirements for the year ending June 30, 2026		
Principal	$	1,360,000
Interest		4,101,000
Total budgeted debt service requirements		5,461,000
Percentage of units subject to entrance fee agreements		69%
Statutory minimum liquid reserve requirement	$	3,768,090
Greater of (a) or (b) above	$	3,768,090

Valuation Methodologies

Investments and assets whose use is limited are valued at fair value based on quoted market prices in active markets for mutual funds and marketable equity securities or estimated using the present value of expected future cash flows for split-interest agreements.

The guaranteed investment contracts are reported at contract value, which approximates fair value, based on the ability of the counterparties to pay the guaranteed claims in accordance with the terms of the contracts. The credit ratings of the counterparties as of the measurement date uphold the guaranteed investment contracts ability to meet obligations set forth in the contracts. Contract value is the aggregation of contributions, plus interest, less withdrawals. Contract value approximates a discounted cash flow value calculated using an appropriate risk-adjusted market discount rate which correlates closely with the counterparties historical credit rates. The guaranteed investment contracts have redemption restrictions based on the terms of the underlying contracts. The redemption restrictions do not have a material impact on the contract value of the guaranteed investment contracts.

5. Property and Equipment

Property and equipment is as follows as of June 30:

	2025	2024
Land	$ 1,985,424	$ 1,985,424
Land improvements	10,836,873	10,829,316
Buildings and building improvements	168,700,755	167,459,456
Major moveable equipment	38,625,144	36,561,857
Furniture and equipment	12,452,196	12,363,741
Total	232,600,392	229,199,794
Less accumulated depreciation	101,563,953	95,190,489
Total	131,036,439	134,009,305
Construction-in-progress	12,911,833	3,340,371
Property and equipment, net	$ 143,948,272	$ 137,349,676

Construction-in-progress at June 30, 2025 and 2024 includes expenditures related to various ongoing capital projects including an independent living expansion on the east campus (Gardens Project). At June 30, 2025, the Corporation had entered into construction contracts of approximately $22,055,000, of which costs incurred were approximately $8,163,000.

6. Lines of Credit

LHRC has an $800,000 unsecured, revolving demand line of credit with a bank. The line of credit bears interest at the SOFR index plus 2.25% per annum (6.70% at June 30, 2025). There were no borrowings at June 30, 2025 or 2024.

WMH has a $25,000 unsecured, revolving demand line of credit with a bank which bears a variable interest rate based on the U.S. Prime Rate (8.00% at June 30, 2025). There were no borrowings outstanding at June 30, 2025 or 2024.

LQL has a $4,000,000 secured demand line of credit with a bank to support property acquisition, project development, working capital and letter of credit needs. The line of credit bears interest at the SOFR index plus 1.95% per annum (6.40% at June 30, 2025). The line of credit is secured by a lien on substantially all assets of LQL. LHRC is a guarantor of this line of credit. There were no borrowings outstanding on this line of credit at June 30, 2025 or 2024. The line of credit was cancelled on July 31, 2025.

On August 29, 2024, the Obligated Group entered into an agreement for a $5,000,000 secured demand line of credit with a bank to support working capital and letter of credit needs. The line of credit bears interest at the SOFR index plus 1.60% per annum (5.16% at June 30, 2025). The line of credit is secured by a lien on substantially all assets of the Obligated Group. There were no borrowings outstanding on this line of credit at June 30, 2025. There are outstanding letters of credit of $4,502,063 as of June 30, 2025.

7. Long-Term Debt

Series 2015A Bonds

On October 1, 2015, the Corporation formed an Obligated Group including LHRC and LAH as co-obligors and the Lancaster County Hospital Authority issued $49,765,000 Series A of 2015 Health Center Revenue Refunding Bonds (the 2015A Bonds) on behalf of the Obligated Group. The 2015A Bonds are tax-exempt and consist of $4,605,000 Serial Bonds, which matured on July 1, 2020 at 2.00 to 3.00%, $5,450,000 10 year term bonds maturing July 1, 2021 to July 1, 2025 at 3.80%, $6,665,000 15 year term bonds maturing July 1, 2026 to July 1, 2030 at 4.25%, $8,400,000 20 year term bonds maturing July 1, 2031 to 2035 at 5.00% and $24,645,000 30 year term bonds maturing July 1, 2036 to July 1, 2045 at 5.00%. As of July 1, 2018, LAH was withdrawn from the Obligated Group leaving LHRC as the sole Obligor. On August 18, 2021, LPK was added to the Obligated Group as part of the bond refinancing.

Series 2021 Bonds

On August 18, 2021, the Lancaster Industrial Development Authority issued, on behalf of the Obligated Group, Series of 2021 Revenue Bonds (2021 Revenue Bonds), debt in the maximum principal amount of $25,000,000 to fund construction of LPK. The 2021 Revenue Bonds are tax-exempt direct placement bonds with interest only payable monthly during the 24-month construction period. Beginning September 2023, payments of principal and interest are due monthly. Interest is payable at a rate of 2.35% through August 2031 at which time the interest rate will be equal to 79% of the SOFR rate plus 158 basis points or a minimum of 2.13%.

On September 1, 2021, the Lancaster Industrial Development Authority issued, on behalf of the Obligated Group, Series of 2021 Refunding Bonds (the 2021 Refunding Bonds) in the principal amount of $53,385,000 to fund various capital projects, refinance the 2015B Bonds, 2015C Bonds and 2017B Bonds and pay the costs of issuance. The 2021 Refunding Bonds are tax-exempt and consist of $1,760,000 10 year term bonds maturing July 1, 2023 to July 1, 2031 at 4.00%, $1,440,000 16 year term bonds maturing July 1, 2032 to July 1, 2037 at 4.00%, $5,905,000 25 year term bonds maturing July 1, 2038 to July 1, 2046 at 4.00%, $19,980,000 30 year term bonds maturing July 1, 2047 to July 1, 2051 at 4.00%, $24,300,000 35 year term bonds maturing July 1, 2052 to July 1, 2056 at 4.00%.

Series 2024 Bonds

On August 29, 2024, the Lancaster County Hospital Authority issued, on behalf of the Obligated Group, Series A of 2024 Revenue Bonds (2024A Revenue Bonds), debt in the maximum principal amount of $14,000,000 to fund construction of the Gardens Project. The 2024A Revenue Bonds are tax-exempt direct placement bonds with interest only payable monthly during the 48-month construction period at which point the outstanding principal will be due in full, which is expected to be repaid with new unit entrance fee proceeds. Interest is payable at a rate equal to 80% of the SOFR rate plus 160 basis points (5.16% at June 30, 2025).

On August 29, 2024, the Lancaster County Hospital Authority issued, on behalf of the Obligated Group, Series B of 2024 Revenue Bonds (2024B Revenue Bonds), debt in the maximum principal amount of $10,000,000 to fund construction of the Gardens Project. The 2024B Revenue Bonds are tax-exempt direct placement bonds with interest only payable monthly during the 36-month construction period. Beginning September 2027, payments of principal and interest are due monthly. Interest is payable at a rate equal to 80% of the SOFR rate plus 170 basis points (5.26% at June 30, 2025).

LPK Loan

On August 18, 2021, LPK received a loan (the LPK Loan) in the maximum principal amount of $1,550,000 to fund construction of LPK. Payments of interest only are due semi-annually at a rate of 5.00% until maturity in August 2031 at which time the outstanding principal and any outstanding interest are due.

HOME Loan

On September 19, 2023, LPK entered into a loan agreement with the City of Lancaster for $1,042,000 in HOME Investment Partner Program funds for the construction of LPK. 5% of the loan amount, $52,100, will be forgiven annually. This loan matures in August 2043.

Interest

Interest expense on all debt totaled $4,744,658 and $4,758,808 (including amortization of deferred financing costs) during 2025 and 2024, respectively, net of $179,239 capitalized during 2025. There was no interest capitalized during 2024.

Security and Covenants

The Series 2015A Bonds, Series 2021 Revenue Bonds, Series 2021 Refunding Bonds, Series 2024A and Series 2024B Bonds are primarily secured by a mortgage lien on and security interest in, the Obligated Group's property and equipment and revenues, as defined in the applicable agreements. The Bonds require the Obligated Group to meet certain financial ratios.

The LPK Loan is secured by a mortgage lien on and security interest in LPK's property and equipment.

Long-Term Debt Summary

Long-term debt is as follows as of June 30:

	2025	2024
2015A Bonds	$ 40,885,000	$ 42,015,000
2021 Revenue Bonds	24,128,614	24,713,532
2021 Refunding Bonds	53,035,000	53,215,000
2024A Revenue Bonds	6,435,665	-
2024B Revenue Bonds	171,412	-
LPK Loan	1,550,000	1,550,000
HOME Loan	937,800	989,900
Total	127,143,491	122,483,432
Less current maturities	(1,959,008)	(1,894,918)
Plus bond premium	3,986,085	4,128,899
Less unamortized deferred financing costs	(1,864,405)	(1,688,024)
Long-term debt	$ 127,306,163	$ 123,029,389

Scheduled principal repayments on long-term debt are as follows:

Years ending June 30:	
2026	$ 1,959,008
2027	2,023,437
2028	8,639,084
2029	2,238,039
2030	2,253,807
Thereafter	110,030,116
Total	$ 127,143,491

8. Employee Retention Credit

The Employee Retention Credit (ERC), which was included part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and amended by the Consolidated Appropriations Act (CAA), American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA), incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees when they might otherwise find it difficult to do so. The fully refundable tax credit is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer.

The Corporation averaged more than 100 full-time employees (FTEs), but less than 500 FTEs, during 2019. Therefore, the Corporation was considered a large employer during 2020 and a small employer during 2021. As a large employer in 2020, only wages paid to employees not providing services were eligible for the ERC, while as a small employer in 2021, all of the Corporation's otherwise qualified wages were eligible. For 2020, the ERC equaled 50% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit for each employee of $5,000. For 2021, the ERC equaled 70% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit of $21,000 for each employee. The Corporation applied for and received credits of $7,875,909 during the year ended June 30, 2022 on amended timely filed Forms 941 for the first, second and third calendar quarters of 2021. The Corporation received $8,181,650, which includes interest of $305,741 during the fiscal year ended June 30, 2023.

The Corporation accounted for this federal funding in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 for conditional contributions and accordingly, revenues are measured and recognized when barriers are substantially met. Management believes that it qualifies for the ERC under the partial suspension provisions. However, given the subjectivity in the eligibility assessment, CFH did not recognize the ERC funds as revenue until the barriers were substantially met, or the statute of limitations expired. During 2025, the statute of limitations expired for the quarters ending March 31, 2021 and June 30, 2021 and accordingly, CFH recognized Employee Retention Credit revenue of $5,546,825 in the consolidated statement of operations as COVID stimulus revenue.

9. Retirement Plan

Landis Communities sponsors a defined contribution retirement plan. Contributions to the plan were $859,545 in 2025 and $747,358 in 2024.

10. Net Assets

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

	2025	2024
Net Assets		
Without donor restrictions:		
Operating reserve	$ 39,276,515	$ 29,578,372
Board-designated, endowment funds	4,490,173	3,904,235
Total net assets without donor restrictions	43,766,688	33,482,607
With donor restrictions:		
Purpose restricted:		
Resident assistance program	118,747	112,392
Endowment funds appreciation	1,139,400	895,138
Capital projects	1,814,022	2,384,420
Other	471,401	267,313
Restricted in perpetuity:		
Endowment funds	1,459,873	1,446,677
Total net assets with donor restrictions	5,003,443	5,105,940
Total net assets	$ 48,770,131	$ 38,588,547

11. Endowment Funds

LHRC's endowment funds consist of two funds established for a variety of purposes. The endowment includes both Board-designated and donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence of or absence of donor-imposed restrictions.

LHRC interprets relevant Pennsylvania state law governing the net asset classification of donor-restricted endowment funds as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result, LHRC classifies as net assets with donor restrictions (a) the original value of all gifts donated as permanent endowments; (b) the original value of subsequent gifts to the permanent endowments; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund not classified in net assets with donor restrictions is classified as either net assets with or without restrictions, depending upon the donor designation.

LHRC has adopted investment and spending policies for its endowment assets that attempt to preserve the capital and achieve sufficient total return to fund the annual expenditures of the endowments in accordance with donor restrictions. To achieve LHRC's overall goals, the primary objectives of the investment policy are to (a) preserve and increase the real value of LHRC's assets, (b) provide a stable source of income for LHRC's programs in accordance with LHRC's spending policy, (c) assure that LHRC's bond covenants are satisfied and (d) invest LHRC's investment funds in a manner consistent with the values formed by LHRC's Anabaptist beliefs and heritage.

To satisfy its long-term rate of return objectives, LHRC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). LHRC targets a diversified asset allocation in order to achieve its long-term return objectives with prudent risk constraints.

LHRC has a policy of appropriating for distribution each year such amounts as are stipulated by the donors upon establishment of the endowment funds. In accordance with the original gifts, each of the endowment funds allows LHRC to appropriate the current yield for distribution each year. LHRC excludes realized capital gains related to the endowment funds from this calculation. LHRC expects the current spending policy to allow its endowment funds to preserve the fair value of the original gifts, which is consistent with LHRC's objective to preserve the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. LHRC's spending policy does not require a minimum payout from its endowment income on an annual basis.

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are composed of the following:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 3,904,235	$ 2,341,815	$ 6,246,050
Investment gain (including interest and dividends and realized and unrealized gains and losses)	510,567	290,809	801,376
Contributions	75,371	8,103	83,474
Change in value, split-interest agreements	-	5,093	5,093
Appropriated for expenditure	-	(46,547)	(46,547)
Endowment net assets, end of year	$ 4,490,173	$ 2,599,273	$ 7,089,446

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 3,566,129	$ 2,100,302	$ 5,666,431
Investment gain (including interest and dividends and realized and unrealized gains and losses)	495,646	280,070	775,716
Contributions	246,460	4,445	250,905
Change in value, split-interest agreements	-	(2,599)	(2,599)
Appropriated for expenditure	(404,000)	(40,403)	(444,403)
Endowment net assets, end of year	$ 3,904,235	$ 2,341,815	$ 6,246,050

12. Insurance

Professional and General Liability Insurance

The Corporation maintains professional and general liability insurance coverage on a claims-made basis through Peace Church Risk Retention Group (PCRRG), a reciprocal insurance company. Other than for premiums paid under these policies, no provision has been made for estimated losses. Management believes no incidents occurred or will be asserted that will exceed the insurance coverage of the Corporation or will have a material adverse effect on the consolidated financial statements.

Employee Health Insurance

Landis Communities self-insures certain of its health insurance benefits. Landis Communities holds a stop-loss policy of $235,000 per eligible employee that limits the maximum liability for benefits payable under such claims. Self-insurance costs incurred under this program were $3,823,702 and $3,932,087 in 2025 and 2024, respectively. On the consolidated balance sheets, accrued expenses, other includes $429,696 and $408,587 at June 30, 2025 and 2024, respectively, for reserves for anticipated health insurance costs. Management believes no instances occurred or will be asserted that will exceed the insurance coverage stated in the policies.

13. Contingencies

Real Estate Taxes

As not-for-profit Corporations in the Commonwealth of Pennsylvania, LHRC and WMH are organizations which qualify for exemption from real property taxes relating to portions of their properties. However, a number of cities, municipalities and school districts in the Commonwealth of Pennsylvania have challenged and continue to challenge not-for-profit corporations' exemption from real estate taxes. The possible future financial effects of this matter on LHRC and WMH, if any, are not determinable.

Senior Living Services Industry

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future effects of this matter on the Corporation, if any, are not determinable.

14. Leases

The Corporation leases office space and equipment used in operations. These leases have initial terms of 10 years and include two options to renew for an additional five years with each option. For leases where the Corporation is reasonably certain to exercise its renewal option, the option periods are included within the lease term, and therefore, measurement of the right-of-use assets and lease obligations. The payment structure for the leases include annual escalation clauses that are fixed. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets and expenses for these leases are recognized on a straight-line basis over the lease term as an operating expense.

Certain leases include an option to purchase the leased assets. The Corporation assesses the likelihood of exercising the purchase option using a "reasonably certain" threshold, which is understood to be a high threshold, and therefore, purchase options are generally accounted for when a compelling economic reason to exercise the option exists. Certain leases include an option to terminate the lease, the terms and conditions of which vary by contract. These options allow the parties to the contract to terminate their obligations typically in return for an agreed-upon financial consideration amount. The Corporation's lease agreements do not contain material residual value guarantees.

The Corporation makes certain assumptions and judgments in determining the discount rate, as most leases do not provide an implicit rate. The Corporation has elected, under its classification of not being considered a public business entity, to use a risk-free discount rate in determining the present value of lease payments for the leases which was determined using a period comparable with that of the remaining lease term.

Subsequent to the lease commencement date, the Corporation reassesses lease classification when there is a contract modification that is accounted for as a separate contract, a change in the lease term or a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or terminate the lease.

Future minimum lease payments under the operating leases obligations were as follows:

Years ending June 30:	
2026	$ 488,081
2027	496,787
2028	483,176
Total	1,468,044
Less:	
Amounts representing present value	36,751
Current portion	467,364
Long-term obligation	$ 963,929

Operating lease costs were $456,769 and $456,764 in 2025 and 2024, respectively, and are included in general and administrative expenses in the accompanying consolidated statements of operations and changes in net assets.

Other supplemental information as of and for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Weighted-average remaining lease term:		
Operating lease obligations	2.96 years	3.96 years
Weighted-average discount rate:		
Operating lease obligations	1.76%	1.76%

15. Concentrations of Credit Risk

The Corporation grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements primarily with Medical Assistance and Medicare.

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

16. Functional Expenses

The Corporation's primary program service relates to providing housing, health care and other related services to residents within its geographic location. Expenses by functional classification consist of the following in 2025 and 2024:

	2025			
	Resident Services	General and Administrative	Fundraising	Consolidated Total
Salaries and wages	$ 20,138,345	$ 4,293,768	$ 296,323	$ 24,728,436
Employee benefits and payroll taxes	6,147,467	1,227,733	92,742	7,467,942
Professional fees and purchased services	2,068,083	1,736,725	15,767	3,820,575
Nursing home assessment	-	308,520	-	308,520
Depreciation	8,643,650	140,890	-	8,784,540
Interest	4,703,278	41,380	-	4,744,658
Supplies and other expenses	8,106,841	3,206,030	60,321	11,373,192
Total expenses	$ 49,807,664	$ 10,955,046	$ 465,153	$ 61,227,863

	2024			
	Resident Services	General and Administrative	Fundraising	Consolidated Total
Salaries and wages	$ 18,822,990	$ 4,541,389	$ 276,787	$ 23,641,166
Employee benefits and payroll taxes	5,994,130	1,134,726	76,257	7,205,113
Professional fees and purchased services	2,501,711	686,004	17,783	3,205,498
Nursing home assessment	-	318,225	-	318,225
Depreciation	8,409,216	137,069	-	8,546,285
Interest	4,717,305	41,503	-	4,758,808
Supplies and other expenses	7,333,901	3,199,470	77,847	10,611,218
Total expenses	$ 47,779,253	$ 10,058,386	$ 448,674	$ 58,286,313

Certain categories of expenses are attributable to more than one program or supporting function. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage, time and effort.

Landis Communities and Affiliates

Consolidating Schedule, Balance Sheet

June 30, 2025

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated 2024
Assets											
Current Assets											
Cash and cash equivalents	$ 2,595,323	$ 318,921	$ -	$ 2,914,244	$ 281,197	$ 882,915	$ 101,945	$ 18,219	$ 82,401	$ -	$ 4,280,921
Assets whose use is limited, debt service fees	3,797,357	-	-	3,797,357	-	-	-	-	-	-	3,797,357
Accounts receivable:											
Residents, net	3,667,262	579	-	3,667,841	196,138	1,676	-	1,474	-	-	3,867,129
Other	(37,272)	13,399	-	(23,873)	1,381	1,150	259,390	-	-	-	238,048
Due from affiliates	1,418,187	-	(664,103)	754,084	500,429	3,958,192	229,313	10,490	27,923	(5,480,431)	-
Prepaid expenses and other current assets	547,813	4,456	-	552,269	-	272,118	-	41,433	10,590	-	876,410
Total current assets	11,988,670	337,355	(664,103)	11,661,922	979,145	5,116,051	590,648	71,616	120,914	(5,480,431)	13,059,865
Assets Whose Use is Limited											
Board-designated investments	4,490,173	49,375	-	4,539,548	-	-	-	-	197,310	-	4,736,858
Statutory minimum liquid reserve	3,768,090	-	-	3,768,090	-	-	-	-	-	-	3,768,090
Donor-restricted investments	2,927,501	-	-	2,927,501	-	918,535	-	-	509,794	-	4,355,830
Debt service reserve fund	7,277,393	-	-	7,277,393	-	-	-	-	-	-	7,277,393
Resident deposits	2,693,723	156,812	-	2,850,535	-	-	-	55,159	-	-	2,905,694
Total assets whose use is limited	21,156,880	206,187	-	21,363,067	-	918,535	-	55,159	707,104	-	23,043,865
Investments	49,654,150	-	-	49,654,150	-	-	-	-	-	-	49,654,150
Investment in Limited Partnerships	-	-	-	-	-	-	100,325	-	629,921	(100,325)	629,921
Property and Equipment, Net	113,073,470	26,126,285	-	139,199,755	18,872	132,681	81,397	155,246	4,360,321	-	143,948,272
Operating Lease, Right-of-Use Assets	-	-	-	-	-	-	-	1,312,204	-	-	1,312,204
Pledges Receivable, Net	114,611	-	-	114,611	-	-	-	-	10,166	-	124,777
Split-Interest Agreements	199,471	-	-	199,471	-	5,611	-	-	-	-	205,082
Other Assets	1,044,374	-	-	1,044,374	-	50,805	66,070	-	-	-	1,161,249
Total assets	$ 197,231,626	$ 26,669,827	$ (664,103)	$ 223,237,350	$ 998,017	$ 6,223,683	$ 838,440	$ 1,594,225	$ 5,828,426	$ (5,580,756)	$ 233,139,385

Landis Communities and Affiliates

Consolidating Schedule, Balance Sheet
June 30, 2025

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated 2024
Liabilities and Net Assets (Deficit)											
Current Liabilities											
Current portion of:											
Long-term debt	$ 1,360,000	$ 599,008	$ -	$ 1,959,008	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,959,008
Operating lease obligations	-	-	-	-	-	-	-	467,364	-	-	467,364
Accounts payable:											
Trade	183,089	-	-	183,089	233	886,297	-	-	3,520	-	1,073,139
Due to affiliate	2,309,966	1,081,219	(664,103)	2,727,082	179,586	133,516	1,461,235	340,427	510,463	(5,352,309)	-
Capital related	1,447,111	-	-	1,447,111	-	1,300,193	-	-	-	-	2,747,304
Accrued expenses:											
Salaries and wages	866,249	-	-	866,249	67,232	160,130	-	-	18,410	(67,232)	1,044,789
Paid time off	642,986	-	-	642,986	51,784	253,325	-	-	16,394	(51,784)	912,705
Interest	2,050,781	47,252	-	2,098,033	-	-	-	-	-	-	2,098,033
Other	737,833	207	-	738,040	8,827	43,831	-	(1,938)	9,440	(9,106)	789,094
Total current liabilities	9,598,015	1,727,686	(664,103)	10,661,598	307,662	2,777,292	1,461,235	805,853	558,227	(5,480,431)	11,091,436
Long-Term Debt	101,518,328	25,787,835	-	127,306,163	-	-	-	-	-	-	127,306,163
Operating Lease Obligations	-	-	-	-	-	-	-	963,929	-	-	963,929
Priority Fees and Reservation Deposits	3,366,300	-	-	3,366,300	-	-	-	-	-	-	3,366,300
Refundable Entrance Fees and Deposits	271,410	156,805	-	428,215	-	-	-	58,173	-	-	486,388
Deferred Revenues from Nonrefundable Entrance Fees	38,774,192	-	-	38,774,192	-	-	-	-	-	-	38,774,192
Refundable Advance, Employee Retention Credit (Note 8)	1,905,144	-	-	1,905,144	162,904	273,099	-	-	39,699	-	2,380,846
Total liabilities	155,433,389	27,672,326	(664,103)	182,441,612	470,566	3,050,391	1,461,235	1,827,955	597,926	(5,480,431)	184,369,254
Net Assets (Deficit)											
Without donor restrictions	38,383,796	(1,003,805)	-	37,379,991	406,837	2,216,376	(723,120)	(233,730)	4,720,334	-	43,766,688
With donor restrictions	3,414,441	1,306	-	3,415,747	120,614	956,916	100,325	-	510,166	(100,325)	5,003,443
Total net assets (deficit)	41,798,237	(1,002,499)	-	40,795,738	527,451	3,173,292	(622,795)	(233,730)	5,230,500	(100,325)	48,770,131
Total liabilities and net assets (deficit)	$ 197,231,626	$ 26,669,827	$ (664,103)	$ 223,237,350	$ 998,017	$ 6,223,683	$ 838,440	$ 1,594,225	$ 5,828,426	$ (5,580,756)	$ 233,139,385

Landis Communities and Affiliates

Consolidating Schedule, Operations and Changes in Net Assets (Deficit)
Year Ended June 30, 2025

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated 2024
Revenues Without Donor Restrictions											
Resident service revenues:											
Nursing	$ 18,535,826	$ -	$ -	$ 18,535,826	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,535,826
Personal care	10,602,003	-	-	10,602,003	-	-	-	-	1,018,312	-	11,620,315
Residential living:											
Monthly fees	11,855,950	1,623,452	-	13,479,402	-	-	-	694,692	-	-	14,174,094
Amortization of entrance fees	6,920,820	-	-	6,920,820	-	-	-	-	-	-	6,920,820
Ancillary service revenues	728,344	-	-	728,344	-	-	-	-	-	-	728,344
Home and community based services	-	-	-	-	2,373,680	-	-	-	-	(83,348)	2,290,332
Other resident service revenues	972,425	49,722	-	1,022,147	-	-	-	22,240	75	-	1,044,462
Net resident service revenues	49,615,368	1,673,174	-	51,288,542	2,373,680	-	-	716,932	1,018,387	(83,348)	55,314,193
Other revenues	3,520,886	289,781	(28,536)	3,782,131	266,857	6,746,292	289,432	2,835	126,922	(9,674,522)	1,539,947
Covid stimulus revenue	4,419,994	-	-	4,419,994	360,473	587,027	-	-	196,217	-	5,563,711
Contributions and bequests	75,371	-	-	75,371	-	58,981	-	-	139,255	-	273,607
Donor-restricted contributions used primarily for benevolent care	693,891	12,972	-	706,863	63,202	36,556	-	-	161,137	-	967,758
Interest and dividend income, net	1,818,689	7,160	-	1,825,849	-	67,863	14,538	-	34,502	(13,702)	1,929,050
Total revenues without donor restrictions	60,144,199	1,983,087	(28,536)	62,098,750	3,064,212	7,496,719	303,970	719,767	1,676,420	(9,771,572)	65,588,266
Expenses											
Resident services	18,035,703	-	-	18,035,703	2,475,606	-	-	-	551,817	(2,546,215)	18,516,911
General and administrative	9,459,983	613,260	(28,536)	10,044,707	147,952	7,043,412	393,398	630,217	339,898	(7,211,655)	11,387,929
Depreciation	7,731,657	774,190	-	8,505,847	3,689	47,346	-	19,395	208,263	-	8,784,540
Plant operations	5,805,428	22,068	-	5,827,496	-	-	-	-	212,605	-	6,040,101
Dining services	6,426,656	-	-	6,426,656	-	-	-	-	336,566	-	6,763,222
Housekeeping, laundry and campus services	2,765,442	-	-	2,765,442	-	-	-	-	107,189	-	2,872,631
Admissions, social services, pastoral services and life enrichment	2,112,327	-	-	2,112,327	-	-	-	-	5,544	-	2,117,871
Interest	4,056,027	688,631	-	4,744,658	-	-	-	13,702	-	(13,702)	4,744,658
Total expenses	56,393,223	2,098,149	(28,536)	58,462,836	2,627,247	7,090,758	393,398	663,314	1,761,882	(9,771,572)	61,227,863
Operating income (loss)	3,750,976	(115,062)	-	3,635,914	436,965	405,961	(89,428)	56,453	(85,462)	-	4,360,403

Landis Communities and Affiliates

Consolidating Schedule, Operations and Changes in Net Assets (Deficit)
Year Ended June 30, 2025

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated 2024
Other Income (Loss)											
Net realized gain on sales of investments	$ 904,694	$ -	$ -	$ 904,694	$ -	$ -	$ -	$ -	$ 3,000	$ -	$ 907,694
Change in net unrealized gains and losses on investments	4,360,075	-	-	4,360,075	-	-	-	-	(413)	-	4,359,662
Loss on disposal or abandonment of property and equipment	(272,407)	(64,607)	-	(337,014)	-	-	-	-	-	-	(337,014)
Total other income (loss), net	4,992,362	(64,607)	-	4,927,755	-	-	-	-	2,587	-	4,930,342
Revenues in excess of (less than) expenses	8,743,338	(179,669)	-	8,563,669	436,965	405,961	(89,428)	56,453	(82,875)	-	9,290,745
Donor-Restricted Contributions Used for Purchase of Property and Equipment	15,000	26,065	-	41,065	8,480	-	-	-	943,791	-	993,336
Transfer (to) From Affiliate	(308,000)	-	-	(308,000)	-	308,000	-	-	-	-	-
Change in net assets (deficit) without donor restrictions	8,450,338	(153,604)	-	8,296,734	445,445	713,961	(89,428)	56,453	860,916	-	10,284,081
Net Assets With Donor Restrictions											
Contributions	1,153,861	(790)	-	1,153,071	121,463	55,055	-	-	218,236	790	1,548,615
Interest and dividend income	47,731	-	-	47,731	-	-	-	-	-	-	47,731
Net realized gain on sales of investments	34,798	-	-	34,798	-	-	-	-	-	-	34,798
Change in net unrealized gains and losses on investments	209,462	-	-	209,462	-	-	-	-	-	-	209,462
Change in value, split-interest agreements	19,163	-	-	19,163	-	574	-	-	-	-	19,737
Transfers	29,176	-	-	29,176	-	(84,910)	(3,000)	-	27,923	29,065	(1,746)
Donor-restricted contributions used for:											
Resident assistance program	(666,937)	-	-	(666,937)	(250)	-	-	-	(115,038)	-	(782,225)
Adult day care program	-	-	-	-	(52,212)	-	-	-	-	-	(52,212)
Other	(26,954)	(12,972)	-	(39,926)	(10,740)	(36,556)	-	-	(46,099)	-	(133,321)
Purchase of property and equipment	(15,000)	(26,065)	-	(41,065)	(8,480)	-	-	-	(943,791)	-	(993,336)
Change in net assets with donor restrictions	785,300	(39,827)	-	745,473	49,781	(65,837)	(3,000)	-	(858,769)	29,855	(102,497)
Change in net assets (deficit)	9,235,638	(193,431)	-	9,042,207	495,226	648,124	(92,428)	56,453	2,147	29,855	10,181,584
Net Assets (Deficit), Beginning	32,562,599	(809,068)	-	31,753,531	32,225	2,525,168	(530,367)	(290,183)	5,228,353	(130,180)	38,588,547
Net Assets (Deficit), Ending	$ 41,798,237	$ (1,002,499)	$ -	$ 40,795,738	$ 527,451	$ 3,173,292	$ (622,795)	$ (233,730)	$ 5,230,500	$ (100,325)	$ 48,770,131

Landis Communities and Affiliates

Consolidating Schedule, Cash Flows

Year Ended June 30, 2025

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated 2024
Cash Flows From Operating Activities											
Change in net assets (deficit)	$ 9,235,638	$ (193,431)	$ -	$ 9,042,207	$ 495,226	$ 648,124	$ (92,428)	$ 56,453	$ 2,147	$ 29,855	$ 10,181,584
Adjustments to reconcile change in net assets (deficit) to net cash provided by (used in) operating activities:											
Depreciation	7,731,657	774,190	-	8,505,847	3,689	47,346	-	19,395	208,263	-	8,784,540
Amortization of deferred financing costs	97,279	20,189	-	117,468	-	-	-	-	-	-	117,468
Amortization of bond premium	(142,814)	-	-	(142,814)	-	-	-	-	-	-	(142,814)
Change in operating lease right-of-use assets and obligations	-	-	-	-	-	-	-	456,413	-	-	456,413
Payments on operating lease obligations	-	-	-	-	-	-	-	(479,528)	-	-	(479,528)
Net realized and unrealized gains and losses on investments and assets whose use is limited	(5,509,029)	-	-	(5,509,029)	-	-	-	-	(2,587)	-	(5,511,616)
Loss on disposal or abandonment of property and equipment	272,407	64,607	-	337,014	-	-	-	-	-	-	337,014
Forgiveness of LPK HOME loan	-	(52,100)	-	(52,100)	-	-	-	-	-	-	(52,100)
Proceeds from entrance fees and deposits, existing units	7,507,420	-	-	7,507,420	-	-	-	-	-	-	7,507,420
Amortization of entrance fees	(6,920,820)	-	-	(6,920,820)	-	-	-	-	-	-	(6,920,820)
Contributions restricted for long-term purposes	(442,526)	-	-	(442,526)	(8,480)	(5,500)	-	-	(120,769)	-	(577,275)
Contributions, pledges receivable	(99,499)	-	-	(99,499)	-	-	-	-	-	-	(99,499)
Change in value, pledges receivable	2,745	-	-	2,745	-	790	-	-	(837)	-	2,698
Change in split-interest agreements	(14,679)	-	-	(14,679)	-	(574)	-	-	-	-	(15,253)
Change in assets and liabilities:											
Accounts receivable	264,321	1,212	-	265,533	27,402	175	(7,657)	575	15,405	-	301,433
Due from/to affiliates	1,764,871	84,923	-	1,849,794	(610,296)	(1,615,727)	(71,533)	37,947	395,869	13,946	-
Prepaid expenses and other current assets	(189,094)	(528)	-	(189,622)	-	(106,856)	259,389	(712)	36,357	-	(1,444)
Accounts payable, trade	(45,761)	-	-	(45,761)	(1,844)	(110,109)	-	-	(37,555)	-	(195,269)
Accrued expenses and other liabilities	208,468	(40,649)	-	167,819	13,250	(8,367)	-	(6,627)	(646)	(13,946)	151,483
Refundable advance, Employee Retention Credit	(4,468,107)	-	-	(4,468,107)	162,904	(530,516)	-	-	(177,615)	-	(5,013,334)
Net cash provided by (used in) operating activities	9,252,477	658,413	-	9,910,890	81,851	(1,681,214)	87,771	83,916	318,032	29,855	8,831,101
Cash Flows From Investing Activities											
Net purchases of investments and assets whose use is limited	(3,599,212)	(49,375)	-	(3,648,587)	-	-	-	(1)	(4,415)	-	(3,653,003)
Change in value of investment in limited partnerships	-	26,855	-	26,855	-	-	3,000	-	8	(29,855)	8
Purchase of property and equipment	(12,782,334)	(80,388)	-	(12,862,722)	(8,480)	428,617	(57,165)	(86,203)	(1,275,398)	-	(13,861,351)
Net cash (used in) provided by investing activities	(16,381,546)	(102,908)	-	(16,484,454)	(8,480)	428,617	(54,165)	(86,204)	(1,279,805)	(29,855)	(17,514,346)
Cash Flows From Financing Activities											
Repayment of long-term debt	(1,309,999)	(584,919)	-	(1,894,918)	-	-	-	-	-	-	(1,894,918)
Proceeds from long-term debt	6,607,077	-	-	6,607,077	-	-	-	-	-	-	6,607,077
Payment of financing costs	(293,849)	-	-	(293,849)	-	-	-	-	-	-	(293,849)
Proceeds from entrance fees and deposits, new units	1,126,600	-	-	1,126,600	-	-	-	-	-	-	1,126,600
Proceeds from refundable fees and deposits	315,932	20,710	-	336,642	-	-	-	2,439	-	-	339,081
Refunds of entrance fees	(929,818)	-	-	(929,818)	-	-	-	-	-	-	(929,818)
Collections, pledges receivable	15,600	-	-	15,600	-	5,500	-	-	36,583	-	57,683
Contributions restricted for long-term purposes	442,526	-	-	442,526	8,480	5,500	-	-	120,769	-	577,275
Net cash (used in) provided by financing activities	5,974,069	(564,209)	-	5,409,860	8,480	11,000	-	2,439	157,352	-	5,589,131
Net change in cash, cash equivalents and restricted cash and cash equivalents	(1,155,000)	(8,704)	-	(1,163,704)	81,851	(1,241,597)	33,606	151	(804,421)	-	(3,094,114)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	6,773,336	484,437	-	7,257,773	199,346	3,043,047	68,339	73,227	1,396,616	-	12,038,348
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 5,618,336	$ 475,733	$ -	$ 6,094,069	$ 281,197	$ 1,801,450	$ 101,945	$ 73,378	$ 592,195	$ -	$ 8,944,234

Landis Communities and Affiliates

Consolidating Schedule, Cash Flows
Year Ended June 30, 2025

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated 2024
Supplemental Disclosure of Cash Flow Information											
Interest paid, net of amounts capitalized	$ 4,126,632	$ 708,554	$ -	$ 4,835,186	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,835,186
Noncash Investing and Financing Activities											
Accounts payable, capital related	$ 1,447,111	$ -	$ -	$ 1,447,111	$ -	$ 1,300,193	$ -	$ -	$ -	$ -	$ 2,747,304
Forgiveness of LPK home loan	$ -	$ 52,100	$ -	$ 52,100	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,100
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents											
Cash and cash equivalents	$ 2,595,323	$ 318,921	$ -	$ 2,914,244	$ 281,197	$ 882,915	$ 101,945	$ 18,219	$ 82,401	$ -	$ 4,280,921
Cash and cash equivalents included in assets whose use is limited and investments	3,023,013	156,812	-	3,179,825	-	918,535	-	55,159	509,794	-	4,663,313
Total cash, cash equivalents and restricted cash and cash equivalents	$ 5,618,336	$ 475,733	$ -	$ 6,094,069	$ 281,197	$ 1,801,450	$ 101,945	$ 73,378	$ 592,195	$ -	$ 8,944,234

Attachment III

Resident Contract

(If Not Previously Provided)

RESIDENCY AGREEMENT

FOR

LANDIS HOMES RETIREMENT COMMUNITY

TABLE OF CONTENTS

DEFINITIONS OF WORDS AND PHRASES ..... **v**

SECTION 1: RESIDENCE AND FACILITIES **1**
1.1 Living Accommodations and Term 1
1.2 Description of Residence 1
1.3 Optional Furnishings or Fixtures 1
1.4 Structural Changes and Redecoration 2
1.5 Common Facilities 2
1.6 Priority Access 2
1.7 Designated Occupancy Date 2

SECTION 2: SERVICES **3**
2.1 Utilities 3
2.2 Telephone 3
2.3 Cable Television 3
2.4 Maintenance and Repair of Equipment 3
2.5 Maintenance of Grounds 3
2.6 Property Insurance 3
2.7 Administration 3
2.8 Assessments 3
2.9 Meals 3
2.10 Transportation 4
2.11 Activities 4
2.12 Scope of Services Included in the Daily Fee or Monthly Service Fee 4
2.13 Other Services 4

SECTION 3: NURSING, PERSONAL CARE, ADULT DAY AND HOME CARE SERVICES **4**
3.1 Healthcare Center and Personal Care Center 4
3.2 Adult Day Services 4
3.3 Home Care Services 5
3.4 Health Care Services and Liability for Health Care Costs 5
3.5 Liability for Health Care Services 5
3.6 Future Use of Facilities 5
3.7 Response Call System 5

SECTION 4: FEES **5**

© 2022 LATSHA DAVIS & MARSHALL, P.C.

4.1 Entrance Fee 5
4.2 Use of Entrance Fee 6
4.3 Amortization of Entrance Fee 6
4.4 Limitations on Increases in the Entrance Fee 6
4.5 Daily Fee or Monthly Service Fee 6
4.6 Other Charges 7
4.7 Co-Resident's Fee Responsibility 7
4.8 Late Charges and Cost of Collection 7
4.9 Inability to Pay 7

SECTION 5: FINANCIAL DISCLOSURE **8**

SECTION 6: MARRIAGE AND/OR ADDITIONAL OCCUPANTS **8**
6.1 Non-Resident 8
6.2 Other Resident 9
6.3 Divorce/Separation of Married Co-Residents 9
6.4 Separation of Unmarried Co-Residents 10

SECTION 7: OPTION TO MOVE TO ANOTHER RESIDENCE **10**
7.1 Option After Occupancy 10
7.2 Costs of Election to Move 10
7.3 Option to Move Addendum 10

SECTION 8: TERMINATION OF AGREEMENT **10**
8.1 Termination by You 10
8.2 Termination by Us 11
8.3 Termination Upon Permanent Transfer 12
8.4 Termination by Death 12
8.5 Surrender 12
8.6 Further Obligations and Release Upon Termination 12
8.7 Failure to Vacate and Surrender Residence 13

SECTION 9: TRANSFER FOR OTHER SERVICES OR TO ANOTHER OUTSIDE FACILITY **13**
9.1 Conditions of Occupancy 13
9.2 Decision to Transfer 13
9.3 Charges Related to Transfer 13
9.4 Release of or Return to Residence After Transfer 15

SECTION 10: REFUND OF ENTRANCE FEE **15**
10.1 Termination Before Occupancy 15

© 2022 LATSHA DAVIS & MARSHALL, P.C.

10.2 Termination After Occupancy 16
10.3 Double Occupancy – Limitation on Availability of Refund 16
10.4 No Accrual of Interest 16
10.5 Conditions and Due Date for Refund Payments 16

SECTION 11: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE 16
11.1 Legal Guardian 16
11.2 Power of Attorney 17

SECTION 12: RIGHTS AND OBLIGATIONS OF RESIDENT 17
12.1 Right to Receive Disclosure Statements 17
12.2 Rights to Property/Subordination 17
12.3 Inspection of Residence and Right of Entry 17
12.4 Housekeeping/Housecleaning Responsibilities 18
12.5 Health Insurance 18
12.6 Vehicle Registration and Insurance 18
12.7 Insurance Requirements 19
12.8 Reduction of Income or Other Resources 19
12.9 Responsibility for Property Damage to Community 19
12.10 Release Regarding Conduct of Other Residents or Guests 20
12.11 Responsibility For Your Personal Property 20
12.12 Rules, Regulations, Policies, and Procedures 20
12.13 Your Rights are Personal and Non-transferable 20
12.14 Right of Self-Organization 20
12.15 Pets 21
12.16 Tobacco and Vaping 21

SECTION 13: CASUALTY LOSS 21

SECTION 14: RENOVATION OF RESIDENCE 22

SECTION 15: SEVERABILITY 22

SECTION 16: ACTS OF FORBEARANCE 22

SECTION 17: ENTIRE AGREEMENT 22

SECTION 18: INDEMNIFICATION 23

SECTION 19: GRIEVANCE PROCEDURE 23
19.1 Reporting Complaints 23

© 2022 LATSHA DAVIS & MARSHALL, P.C.

19.2 Voluntary Mediation 23
19.3 Mandatory, Binding Arbitration 23

SECTION 20: NOTICE **27**

SECTION 21: AVERAGE ANNUAL COST OF PROVIDING SERVICES **27**

SECTION 22: MISCELLANEOUS PROVISIONS **27**
22.1 Your Continuing Disclosure Obligation 27
22.2 Receipt of Disclosure Statement and Resident Handbook 28
22.3 Community's Modification of Agreement and Policies 28
22.4 Binding Effect 28
22.5 Consent to Assignment 28
22.6 Governing Law 28
22.7 Headings 28
22.8 Non-waiver of the Continuing Care Provider Registration and Disclosure Act of 1984 28
22.9 Limitations on Private Cause of Action 29

AGREEMENT AUTHORIZATIONS AND SIGNATURES **30**

NOTICE OF RIGHT TO RESCIND **31**

EXHIBIT "A" **32**

EXHIBIT "B" **33**

EXHIBIT "C" **38**

© 2022 LATSHA DAVIS & MARSHALL, P.C.

DEFINITIONS OF WORDS AND PHRASES

ADDITIONAL OCCUPANT: An individual who, after you take Occupancy, applies and is accepted for admission to Community to occupy the Residence as a Co-Resident.

APPLICATION FOR RESIDENCY: The application submitted to Community by those individuals seeking admission to Community.

CERTIFICATE OF INSURANCE: A document issued by an insurance carrier reflecting the coverage available under the policy.

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

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

DAILY FEE: The charge per day for Occupancy of a residential suite.

DAILY RATE: The daily charge for Routine Nursing Care Services or Personal Care Services. The Daily Rate does not include charges for additional or miscellaneous services.

DESIGNATED OCCUPANCY DATE: The date designated by us for you to accept Occupancy, and for the Daily Fee or Monthly Service Fee to become due, unless the Residence is occupied earlier.

DOUBLE OCCUPANCY: Two individuals initially residing in a residence as Co-Residents.

DOUBLE OCCUPANCY FEE: The fee for an Additional Occupant of an apartment, cottage or hybrid home. This charge is added to the Monthly Service Fee.

ENTRANCE FEE: The initial charge for admission to the Community. The amount of the Entrance Fee is based on the model of the apartment, cottage or hybrid home.

HEALTHCARE CENTER: The licensed nursing care facility of Community.

MONTHLY SERVICE FEE: The charge per month for Occupancy of an apartment, cottage or hybrid home.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

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

PERSONAL CARE CENTER: The licensed personal care facility of Community.

PERSONAL CARE SERVICES: Assistance with or supervision in activities of daily living and/or instrumental activities of daily living in the Personal Care Center in exchange for the Daily Rate.

RESIDENCE: The apartment, cottage, hybrid home or residential suite designated under this Agreement for Occupancy by you.

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.

ROUTINE NURSING CARE SERVICES: The level of Routine Nursing Care Services provided by us in the Healthcare Center in exchange for the Daily Rate. The following types of services are not included in routine nursing care: one-on-one companion or CNA services when required by your care plan; care for certain high acuity conditions, such as ventilator dependent care; dialysis services; treatment for drug and alcohol conditions; or psychiatric care. Generally, services not included in routine nursing care are not available at the Community; and, if such services become or are available, then such services are only provided for an additional fee.

SINGLE OCCUPANCY: One individual initially residing in a residence.

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

© 2022 LATSHA DAVIS & MARSHALL, P.C.

RESIDENCY AGREEMENT

THIS RESIDENCY AGREEMENT (called "Agreement"), made this ____ day of _____, 20___, between Landis Homes Retirement Community, a Pennsylvania non-profit corporation, (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 individuals sign this Agreement for Double 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 for Residency subject to the execution of this Agreement, and you have designated the above Residence for Occupancy.

In consideration of the mutual promises contained in this Agreement, and intending to be legally bound, we and you 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 you with the Residence designated under this Agreement furnished with the items identified in Exhibit "A." You may provide other furnishings, subject to our approval, which shall remain your property.

1.3 Optional Furnishings or Fixtures. At your request, and subject to our approval, we shall provide optional furnishings or fixtures identified in an addendum(s) attached to this Agreement. Optional furnishings or fixtures are not included in the Entrance Fee, Daily Fee or Monthly Service Fee and are provided at an additional cost. If requested

© 2022 LATSHA DAVIS & MARSHALL, P.C.

prior to Occupancy, the cost of any optional furnishings or fixtures shall be paid prior to Occupancy. At our discretion, the costs of any optional furnishings or fixtures requested after Occupancy shall be paid prior to or at the time of installation. Upon installation, all additional furnishings or fixtures immediately become our property and shall remain in the Residence after the termination of this Agreement. An addendum to this Agreement reflecting all optional furnishings or fixtures and their cost shall be signed by you and us and attached as Exhibit "C."

1.4 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, may be made only after obtaining written approval from 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.

1.5 Common Facilities. We shall provide certain common facilities including, but not limited to, outdoor recreational and activity areas, a community center, walkways, dining facilities, beauty/barber shop, exercise equipment, and meeting accommodations. 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.

1.6 Priority Access. You will receive priority access to Routine Nursing Care Services, Personal Care Services, adult day, and home care services on a fee-for-service basis. Priority access is conditioned on you satisfying the financial and all other requirements for admission.

1.7 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 obligation to pay the Daily Fee or Monthly Service Fee shall begin on the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. The Entrance Fee shall be paid in full on the Designated Occupancy Date or upon actual Occupancy, whichever is earlier.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

SECTION 2: SERVICES

2.1 Utilities. We shall provide water, heat, air conditioning, electricity, sewer, and refuse collection. These services are included in the Daily Fee or Monthly Service 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 your Residence with access to telephone service. All telephone service charges, including connection charges, are not included in the Daily Fee or Monthly Service Fee and shall be paid by you.

2.3 Cable Television. We shall provide your Residence with access to cable television service and at least one cable connection. Standard cable service, as explained in the Resident Handbook, is included in the Daily Fee or Monthly Service Fee. Expanded pay channel service charges are not included in the Daily Fee or Monthly Service 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 are your responsibility and are not included in the Daily Fee or Monthly Service Fee. Maintenance and repair of our property, equipment or appliances 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 Daily Fee or Monthly Service Fee.

2.6 Property Insurance. We shall provide insurance on our property only. You are responsible to insure against personal property and general liability losses and for the cost of such insurance.

2.7 Administration. We shall provide administrative support services to implement the provisions of this Agreement. Administrative services are included in the Daily Fee or Monthly Service Fee.

2.8 Assessments. Property taxes are included in the Daily Fee or Monthly Service Fee.

2.9 Meals. Meals are served in the Community's dining room and are available in accordance with the posted meal prices which are subject to change.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

2.10 Transportation. We shall provide local transportation for shopping in accordance with the policy and schedule established by us, which are subject to change from time to time. Routine, scheduled transportation service for shopping is included in the Daily Fee or Monthly Service Fee. Other transportation services such as to medical appointments, airports, and other destinations may be available on a fee-for-service basis.

2.11 Activities. We, in our discretion, shall provide recreational, educational, and social services. Access to, participation in, and fees, if any, associated with activities are governed by our policy, which is subject to change from time to time.

2.12 Scope of Services Included in the Daily Fee or Monthly Service Fee. We reserve the right to add or delete certain services and to adjust the Daily Fee or Monthly Service Fee appropriately. We will provide thirty (30) days advance notice of any changes in services.

2.13 Other Services. Other services, such as barber/beauty services, are available at an additional charge and are not included in the Daily Fee or Monthly Service Fee. The charges for these services are reflected on the Fee Schedules as posted in the salon, which are subject to change from time to time.

SECTION 3: NURSING, PERSONAL CARE, ADULT DAY AND HOME CARE SERVICES

3.1 Healthcare Center and Personal Care Center. We operate a Healthcare Center and a Personal Care Center for the provision of licensed Routine Nursing Care Services and Personal Care Services which shall be available to you on a priority access basis so long as you meet the financial and all other criteria for admission. The costs of Routine Nursing Care Services and Personal Care Services are at an additional charge and are not included in the Daily Fee or Monthly Service 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 Healthcare Center or the Personal Care Center at such time as you may require Routine Nursing Care Services or Personal Care Services. If you are permanently transferred to the Healthcare Center or Personal Care Center, this Agreement shall terminate and you shall sign an admission agreement for the provision of Routine Nursing Care Services or Personal Care Services.

3.2 Adult Day Services. Adult day services are available to you on a priority access basis and at an additional charge. The charges for adult day services are not included in the Daily Fee or Monthly Service Fee.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

3.3 **Home Care Services.** Homes care services are available to you on a priority access basis and at an additional charge. The charges for home care services are not included in the Daily Fee or Monthly Service Fee.

3.4 **Health Care Services and Liability for Health Care Costs.** Subject to Section 3.5 below, you remain responsible for your own Routine Nursing Care Services, Personal Care Services and health care services while residing in the Residence. All Routine Nursing Care Services, Personal Care Services and health care services of any kind 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, Daily Fee or Monthly Service Fee.

3.6 **Future Use of Facilities.** Although there is no current plan to discontinue operations of the Healthcare Center or Personal Care Center or the provision of adult day or home care services, 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 Healthcare Center or Personal Care Center, there are no assurances that any replacement facilities will be available at the Community.

3.7 **Response Call System.** We may equip your Residence with a twenty-four (24) hour response call system for an additional charge. We do not provide Emergency Medical Services (EMS) or Emergency Medical Technicians (EMT). In the event of a medical emergency, you are required to contact 911 to obtain medical assistance. While the response call system may be used to inform us of a medical emergency, we disclaim any and all responsibility for providing emergency medical care services in your Residence. If you utilize the response call system in such an emergency, we will call 911 on your behalf.

SECTION 4: FEES

4.1 **Entrance Fee.** In accordance with the Entrance Fee refund option selected on Exhibit "B", you shall pay the sum of $_____ [_____ *initials*] as an

© 2022 LATSHA DAVIS & MARSHALL, P.C.

Entrance Fee on the Designated Occupancy Date or the date of actual Occupancy, whichever is earlier.

4.2 Use of Entrance Fee. If applicable, the entire Entrance Fee shall be used for the purpose of sustaining and extending our mission.

4.3 Amortization of Entrance Fee. The amortization of the Entrance Fee shall be determined by the Entrance Fee refund option selected by you as reflected on Exhibit "B."

4.4 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. 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, Daily Fee and Monthly Service Fee do not include future health care services.

4.5 Daily Fee or Monthly Service Fee.

(a) Amount.

(i) Daily Fee for Residential Suite. You shall pay to us a Daily Fee of $_____ [_____ *initials*] for Occupancy of the Residence. In situations of Double Occupancy, each Co-Resident shall pay to us a Daily Fee of $_____ [_____ *initials*].

(ii) Monthly Service Fee for Apartment, Cottage or Hybrid Home. You shall pay to us a Monthly Service Fee of $_____ [_____ *initials*] for Occupancy of the Residence. In situations of Double Occupancy, the Double Occupancy Fee in the amount of $_____ [_____ *initials*], which is based on the number of occupants, is added to and included in the Monthly Service Fee.

(b) Payment and Due Date. Your responsibility to pay the Daily Fee or Monthly Service Fee begins on the Designated Occupancy Date or actual date of Occupancy, whichever is earlier. Payment is due upon receipt of the monthly statement. We reserve the right to change our billing cycle. The Monthly Service Fee shall be pro-rated if you assume Occupancy after the first of the month. If any Daily Fee or Monthly Service 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.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

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

4.6 Other Charges. In addition to the Daily Fee or Monthly Service Fee, the monthly statement shall reflect all other charges for miscellaneous, ancillary, or other services. Payment for all such other charges is also due upon receipt.

4.7 Co-Resident's Fee Responsibility. In situations of Double Occupancy, you shall be jointly and severally liable for each other's financial obligations and for all payments due under this Agreement. If one Co-Resident dies or leaves the Community or if this Agreement is terminated as to one Co-Resident for any reason, then both Co-Residents and/or their estates shall remain jointly and severally liable for all financial obligations incurred by either Co-Resident under this Agreement. In the event one Co-Resident transfers to the Healthcare Center, this provision shall not be construed as a third party guarantee nor shall it impair such Co-Resident's eligibility for Medicare or Medical Assistance benefits.

4.8 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-half percent (1.5%) per month (or annual rate of eighteen percent (18%)), 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.

4.9 Inability to Pay. It is our policy not to terminate this Agreement solely because of your inability to pay the Daily Fee or Monthly Service 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 Residency, 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 and other agencies, including the Pennsylvania Department of Human Services ("DHS") which administers the Medical Assistance Program (called "MA Program"), before requesting financial assistance from us. You may not transfer assets represented as available in your Application for Residency for less than fair market value unless the transfer does not impair your ability to fulfill your financial obligations to us for future Personal Care Services or Routine 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

© 2022 LATSHA DAVIS & MARSHALL, P.C.

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 Daily Fee or Monthly Service 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 and/or refundable portion of the Entrance Fee. You hereby authorize such deductions from any remaining balance of the unamortized and/or refundable portion of the Entrance Fee, which otherwise would be due as a refund.

SECTION 5: FINANCIAL DISCLOSURE

You agree to provide updated financial information every three (3) years and prior to transfer to the Healthcare Center or Personal Care Center.

SECTION 6: MARRIAGE AND/OR ADDITIONAL OCCUPANTS

6.1 **Non-Resident.** In the event that you desire to marry or have another person enter the Community and share your Residence as a Co-Resident, the proposed Additional Occupant must file an Application for Residency and meet all age and other requirements for admission to the Residence. In the event you allow an Additional Occupant to occupy your Residence with you during the term of this Agreement and such Additional Occupant is admitted, then, if applicable, the Additional Occupant shall pay an Entrance Fee equivalent to the then current lowest Entrance Fee for a studio residence. The amount paid by the Additional Occupant as an Entrance Fee will be immediately amortized in full, and shall not be available as a refund. The parties to this Agreement and the proposed Additional Occupant shall execute an addendum so that the Additional Occupant shall become a Co-Resident under this Agreement. Upon the admission of the Additional Occupant as a Co-Resident, the Daily Fee or Monthly Service Fee for Double Occupancy shall be due and payable for Occupancy of the Residence. The Additional Occupant and you shall be jointly and severally liable for each other's financial obligations and for all payments due under the addendum and this Agreement as

© 2022 LATSHA DAVIS & MARSHALL, P.C.

described in Section 4.7 of this Agreement. 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.

6.2 Other Resident. In the event that you desire to marry or cohabit with another resident admitted under a separate Residency Agreement, and thereafter occupy a single Residence, then you and the other resident shall select and designate in writing at least sixty (60) days in advance of the proposed move, which one of the two Residences occupied by you and the other resident shall be thereafter occupied jointly. The Residence not designated for joint occupancy must be surrendered on or before the date of the proposed move to the designated Residence. Any applicable refund shall be paid to the resident surrendering his/her Residence upon the termination of the resident's Residency Agreement, but only after the vacated Residence has been reoccupied by another resident and the applicable Entrance Fee for the Residence has been paid in full by the reoccupying resident. Each resident shall then be treated as a Co-Resident and each Co-Resident shall become jointly and severally liable for each other's financial obligations and for all payments due under this Agreement and any applicable addenda, and any subsequent refund shall be paid in accordance with the refund provisions of this Agreement relating to Double Occupancy, unless otherwise agreed upon in writing. In the event you request to move to a larger Residence not then occupied by you or your anticipated co-resident, then subject to our approval and the availability of a larger Residence, you and such other person shall pay an additional fee, which shall be equal to the amount, if any, by which the then current Entrance Fee for Double Occupancy of the selected Residence exceeds the sum of the initial Entrance Fee paid by you and your anticipated co-resident. The additional fee shall be immediately amortized by us. Upon transfer, the Daily Fee or Monthly Service Fee for Double Occupancy of the designated Residence shall be paid. This Agreement shall be amended to reflect the change in the Residence, the change in the Daily Fee or Monthly Service Fee, and any other matters reasonably necessary for your transfer to the designated or alternative Residence.

6.3 Divorce/Separation of Married Co-Residents. In the event that Co-Residents, who were married to each other at the time of the execution of this Agreement, subsequently divorce and a dispute arises between the Co-Residents over rights to any applicable refund, such refund shall be held by us until a legally binding property settlement is available or until the court with jurisdiction over the divorce proceeding shall issue an order to release such funds. The refund shall not be paid at the time one Co-Resident permanently vacates the Residence and the other Co-Resident remains in the Residence. The Co-Resident who remains at the Community must retain and maintain sufficient assets/resources to provide for his/her future care. Consultation

© 2022 LATSHA DAVIS & MARSHALL, P.C.

with the Community shall be necessary to determine the amount of resources needed for future care. The departing Co-Resident shall remain jointly and severally liable for the remaining Co-Resident's financial obligations under this Agreement.

6.4 Separation of Unmarried Co-Residents. In the event that one Co-Resident terminates this Agreement for any reason, the terminating Co-Resident must ensure that the Co-Resident who remains at the Community retains and maintains sufficient assets/resources to provide for his/her future care. Consultation with the Community shall be necessary to determine the amount of resources needed for future care. As described in Section 4.7 and Section 8.6 of this Agreement, the departing Co-Resident will remain jointly and severally liable for the financial obligations of the remaining Co-Resident.

SECTION 7: OPTION TO MOVE TO ANOTHER RESIDENCE

7.1 Option After Occupancy. 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 accordance with our Internal Move Policy, which is subject to change from time to time. In the event you desire to exercise the option to move to another Residence, you must notify us in writing of the Residence desired. We reserve the right to refuse your request to move to another Residence.

7.2 Costs of Election to Move. The costs and charges related to exercising the option to move are reflected in the Internal Move Policy.

7.3 Option to Move Addendum. In the event you receive approval from us to move to another Residence, you shall sign an addendum to this Agreement reflecting all costs and charges related to exercising the option to move, including the Daily Fee or Monthly Service Fee for the selected Residence.

SECTION 8: TERMINATION OF AGREEMENT

8.1 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

© 2022 LATSHA DAVIS & MARSHALL, P.C.

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. In situations of Double Occupancy where one Co-Resident is precluded from taking Occupancy due to death, illness, injury or incapacity, the other Co-Resident may elect to terminate this Agreement. If such Co-Resident elects to take Occupancy of the Residence, then, such Co-Resident shall pay the applicable Daily Fee or Monthly Service Fee for Single Occupancy.

(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.

8.2 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. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

(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, including a change in the liquidity of your assets, such as the purchase of an annuity that impairs your ability to fulfill timely your current financial obligations to us as explained further below, or a transfer of assets to an irrevocable trust or any other transfer whereby assets disclosed in your Application for Residency are no longer available in whole or in part to pay for your care and services; or a good faith determination in writing signed by our Medical Director and Administrator that your continued Occupancy in the Residence either creates a serious threat or danger to your life, health, or safety or creates a serious threat or danger to the life, health, safety, or peaceful enjoyment of other residents or persons in the Community. If you substantially impair your ability to fulfill timely your financial obligations to us due to a change in the liquidity of your assets or a transfer of assets to an irrevocable trust or any other transfer, then we may terminate this Agreement

© 2022 LATSHA DAVIS & MARSHALL, P.C.

following an opportunity to cure. If you fail to cure or correct the non-compliance within a period as determined by us and to our satisfaction, then we may terminate this Agreement for just cause upon thirty (30) days written notice to you or your representative. 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.

8.3 Termination Upon Permanent Transfer. If you are permanently transferred to the Healthcare Center, Personal Care Center 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 Double Occupancy, this Agreement shall terminate only as to the transferring Co-Resident. The Co-Resident remaining in the Residence shall continue to pay the Daily Fee or Monthly Service Fee. No refund shall be due so long as the remaining Co-Resident continues to reside in the Residence and until all other conditions for a refund have been satisfied.

8.4 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.

8.5 Surrender. The obligation to pay the Daily Fee or Monthly Service 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.

8.6 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, if any refund is due. You are released from any further obligations to the Community after all of your financial and indemnification obligations have been met under this Agreement. The provisions of Section 4.7 addressing joint and several liability for the financial obligations of Co-Residents and the indemnification provision reflected in Section 18 survive the termination of this Agreement and shall remain in full force and effect.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

8.7 Failure to Vacate and Surrender Residence. Upon notice of termination, in the event that you fail to vacate and Surrender the Residence timely, then we may file a complaint with the applicable District Justice seeking an order to evict you from the Residence. You shall be obligated to pay us reasonable attorneys' fees and costs in the event we commence legal proceedings against you to evict you for your non-compliance with or breach of the terms of this Agreement.

SECTION 9: TRANSFER FOR OTHER SERVICES OR TO ANOTHER OUTSIDE FACILITY

9.1 Conditions of Occupancy. You shall have the right to occupy the Residence for so long as you satisfy the Conditions of Occupancy, which may be subject to change from time to time due to regulatory or related changes in the law, or operating requirements or conditions. You agree to provide appropriate information regarding your ability to meet the Conditions of Occupancy, upon request.

9.2 Decision to Transfer. With the concurrence of our Medical Director, we may transfer you from and between the Residence and the Healthcare Center, Personal Care Center 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 Healthcare Center, Personal Care Center or to any other appropriate care facility, 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 your family and your physician are advisory only and shall not be binding on us.

9.3 Charges Related to Transfer.

(a) Single Occupancy.

(i) Temporary Transfer. During any temporary transfer to the Healthcare Center, Personal Care Center or another facility, you shall continue to pay the Daily Fee or Monthly Service Fee and additionally all costs and charges related to the transfer to and occupancy of the Healthcare Center, Personal Care Center or other facility.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

(ii) Permanent Transfer. Upon permanent transfer to the Healthcare Center, Personal Care Center or another facility, and after Surrender of the Residence, the obligation to pay the Daily Fee or Monthly Service Fee shall end and this Agreement shall terminate. You shall pay all costs and charges related to the transfer to and occupancy of the Healthcare Center, Personal Care Center or other facility.

(b) Double Occupancy.

(i) Temporary Transfer. During temporary transfer of one Co-Resident to the Healthcare Center, Personal Care Center or another facility, the Daily Fee or Monthly Service Fee shall remain the same, and the transferred Co-Resident shall be charged and both Co-Residents shall collectively be responsible to pay the charges for care and services in the Healthcare Center, Personal Care Center or other facility. In situations where one Co-Resident temporarily transfers to the Healthcare Center, this provision shall not be construed as a third party guarantee nor shall it impair such Co-Resident's eligibility for Medicare or Medical Assistance benefits. In the event both Co-Residents are temporarily transferred to the Healthcare Center, Personal Care Center or another facility, the Daily Fee or Monthly Service Fee shall remain the same, and both Co-Residents shall be charged and shall collectively be responsible to pay the charges for care and services in the Healthcare Center, Personal Care Center or other facility.

(ii) Permanent Transfer. During permanent transfer of one Co-Resident to the Healthcare Center, Personal Care Center or another facility, the Daily Fee for the transferred Co-Resident shall cease or the Monthly Service Fee shall be reduced to the Monthly Service Fee for Single Occupancy, and the transferred Co-Resident shall be charged and both Co-Residents shall collectively be responsible to pay the charges for care and services in the Healthcare Center, Personal Care Center or other facility. In situations where one Co-Resident permanently transfers to the Healthcare Center, this provision shall not be construed as a third party guarantee nor shall it impair such Co-Resident's eligibility for Medicare or Medical Assistance benefits. In the event both Co-Residents are permanently transferred to the Healthcare Center, Personal Care Center or another facility, then, after the Surrender of the Residence, the obligation to pay the Daily Fee or Monthly Service Fee shall end and this Agreement shall terminate. Both Co-Residents shall be charged and shall collectively be responsible to pay the charges for care and services in the Healthcare Center, Personal Care Center or other facility.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

9.4 Release of or Return to Residence After Transfer.

(a) Temporary Transfer. If you are temporarily transferred to the Healthcare Center, Personal Care Center or another facility, you may return to the Residence at such time as we determine that you can satisfy the Conditions of Occupancy.

(b) Permanent Transfer. If you are permanently transferred to the Healthcare Center, Personal Care Center or another facility, 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. 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. You shall execute a new Residency Agreement with us and pay, if applicable, the then current Entrance Fee and the then current Daily Fee or Monthly Service Fee.

SECTION 10: REFUND OF ENTRANCE FEE

10.1 Termination Before Occupancy. Any Entrance Fee payments will be refunded in full if you rescind this Agreement within seven (7) days in accordance with the Notice of Right to Rescind. In the event of termination of this Agreement by your death before the Designated Occupancy Date or actual date of Occupancy, whichever is earlier; or in the event you are precluded from taking Occupancy because of illness, injury, or incapacity prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier; then 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. If you do not terminate this Agreement within the seven (7) day rescission period, but do terminate prior to the Designated Occupancy Date or actual date of Occupancy, whichever is earlier, while not precluded from taking Occupancy by illness, injury, incapacity, or death; then any Entrance Fee payments will be refunded to you, less any amounts deducted to cover expenses incurred by us at your specific written request, in accordance with the refund provisions of this Agreement. Where two individuals have signed this Agreement for Double Occupancy, the death of one Co-Resident shall not constitute termination of this Agreement, and no refund shall be due. In the event of the termination of this Agreement by us before the Designated Occupancy Date or actual date of Occupancy, whichever is earlier; then we shall make a full refund of all Entrance Fee payments.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

10.2 Termination After Occupancy. Any applicable refund due to you or your estate after Occupancy shall be determined by the Entrance Fee refund option selected by you as reflected on Exhibit "B."

10.3 Double 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 10.5 after the last surviving Co-Resident vacates and surrenders the Residence, and this Agreement is terminated. In situations of Double Occupancy where one Co-Resident is transferred to the Healthcare Center and becomes eligible for Medical Assistance, no potential future refund shall be available to pay for Routine Nursing Care Services. If, however, DHS construes any potential future refund as an available resource, or if any court, administrative agency, or other appropriate tribunal having jurisdiction determines that Section 10.5 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 Routine Nursing Care Services for the particular Co-Resident.

10.4 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.

10.5 Conditions and Due Date for Refund Payments. Prior to Occupancy, any applicable refund will be made within thirty (30) days of the termination of this Agreement. After Occupancy, any applicable refund will be made upon the earlier of: (a) receipt of the replacement Entrance Fee in full for the Residence most recently occupied by you; or (b) six (6) months after the termination of this Agreement and the Surrender of the Residence. Any applicable refund shall be paid to you or your estate within thirty (30) days thereafter. In situations of Double Occupancy, there will be no refund, partial or otherwise, upon the death, permanent transfer, or voluntary departure from the Community of only one Co-Resident.

SECTION 11: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE

11.1 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 you or your estate or both. You authorize us to nominate a legal guardian to serve, subject to court approval, and you release us from any liability related

© 2022 LATSHA DAVIS & MARSHALL, P.C.

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.

11.2 Power of Attorney. We require 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 12: RIGHTS AND OBLIGATIONS OF RESIDENT

12.1 Right to Receive Disclosure Statements. We shall deliver to you prior to or at the time of the execution of this Agreement, and make available to you 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.

12.2 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, leased 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.

12.3 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 under what we consider to be exigent circumstances as deemed necessary and appropriate by us. We shall have the right to enter your Residence to perform routine maintenance, or for other reasonably necessary purposes having due regard for your privacy.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

12.4 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 as determined by us, 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.

12.5 Health Insurance. We expect that some of the cost of medicines, medical or nursing services or equipment provided for you under this Agreement will be paid by present or future federal, state, municipal, or private plans or programs of medical/surgical insurance, including, without limitation, the benefits available through Social Security programs (commonly known as "Medicare A, B and D"). Prior to Occupancy, you shall secure medical and surgical insurance for protection from medical risks, and when eligible, shall secure and maintain in force at your expense maximum coverage available under the federal government social security health insurance programs known as "Medicare A, B and D" or an equivalent policy approved in writing by us, and at least one Medicare supplemental health insurance policy (commonly known as Medigap insurance, which must include coverage for nursing care co-insurance) such as those offered by the Blue Cross and Blue Shield Plans, or an equivalent policy as approved in writing by us, which provides coverage for Medicare deductibles and co-insurance. Acquisition of equivalent Medicare benefits from a managed care organization ("MCO") will not satisfy the insurance requirement under this Agreement unless the MCO is approved by us in writing as an equivalent policy. Proof of such insurance must be provided at the time of application and prior to admission. In the event you fail to maintain in force, because of failure to make premium payments, such health care insurance after Occupancy, we reserve the right to make such payments for purposes of maintaining such insurance in force for your benefit. You are obligated to reimburse us for such payments made on your behalf and the cost of such premium shall be added to and included in the Daily Fee or Monthly Service Fee. The payment by us of any premium due on the required policies does not constitute a waiver of our right to terminate this Agreement upon your failure to make such premium payments and we have no obligation or liability to provide or pay for your health insurance. The Community may require you to provide proof of health insurance from time to time after Occupancy.

12.6 Vehicle Registration and Insurance. You may operate a vehicle on our campus only if you have a valid driver's license and a valid state registration. You must register the vehicle with us, and comply with our rules and policies governing the safe operation of motor vehicles. We reserve the right to revoke your operating privileges and remove

© 2022 LATSHA DAVIS & MARSHALL, P.C.

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.

12.7 Insurance Requirements. We recommend that you obtain at your expense, personal property and general liability insurance in such amounts as we may deem appropriate, and, if requested, you shall provide us with Certificates of Insurance verifying coverage. If you obtain personal property and general liability insurance, then such policies shall be endorsed so as to provide that we shall receive thirty (30) days prior written notice of cancellation or non-renewal.

12.8 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 for less than fair market value or make any gifts subsequent to the date of the Application for Residency, nor make any transfers or gifts after Occupancy, including a transfer of assets to an irrevocable trust, or change the liquidity of your assets in any manner, including the purchase of an annuity, which would substantially impair your ability to fulfill timely your financial obligations to us or the ability of your estate to satisfy your financial obligations to us. In the event you substantially impair your ability to fulfill timely your financial obligations to us, we may terminate this Agreement for just cause following an opportunity to cure. If you fail to cure or correct the non-compliance within a period as determined by us and to our satisfaction, then we may terminate this Agreement for just cause upon thirty (30) days written notice to you or your representative. If you fail to cure within the afforded time and we decide not to terminate this Agreement, then you shall not have access to or the ability to transfer to another level of care within the Community, and you shall not be eligible for financial assistance. Our decision not to terminate this Agreement shall not be construed as a waiver of our right to terminate at a later date.

12.9 Responsibility for Property Damage to Community.

(a) Responsibility for Condition of Residence Upon Termination. Upon termination of this Agreement, or at such other time as you shall vacate and Surrender the Residence, you must 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, as reasonably determined by us, 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

© 2022 LATSHA DAVIS & MARSHALL, P.C.

your death, your estate shall be liable for any loss or damage to our property caused by you.

12.10 Release Regarding Conduct of Other Residents or Guests. We assume no liability for your conduct or any other residents or guests, and you hereby release and discharge us from any claims for personal injury to you or damage to your personal property caused by the conduct of 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.

12.11 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 sixty (60) days following Surrender shall become our property.

12.12 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 they are subject to change from time to time.

12.13 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.

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

© 2022 LATSHA DAVIS & MARSHALL, P.C.

12.15 Pets. Under limited circumstances as approved by us, you may have a pet so long as it meets the requirements of our pet policy. You shall assume financial responsibility and any obligations for any damage caused by the pet and shall pay an additional fee as set by us in accordance with our policy, which is subject to change from time to time. We reserve the right to rescind approval of the pet if we determine that the pet constitutes a nuisance or danger to Community, or threatens the quiet enjoyment of other residents.

12.16 Tobacco and Vaping. We are a smoke-free, tobacco-free community. We do not permit smoking, vaping or tobacco anywhere on our campus, including your Residence, in accordance with our tobacco policy described in the Resident Handbook, which is subject to change from time to time.

SECTION 13: 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, which will provide an opportunity for 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 10 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 Daily Fee or Monthly Service Fee 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.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

SECTION 14: RENOVATION OF RESIDENCE

We reserve the right to relocate you to another residence within the Community in the event the Residence occupied by you or the building in which the Residence is located is subject to renovation. In such event, you shall relocate to a residence that is substantially similar to the Residence designated under this Agreement. In the event of such relocation, we shall assume responsibility for your reasonable moving costs. During temporary occupancy of the other residence, you shall pay the Daily Fee or Monthly Service Fee applicable to that residence. Upon completion of the renovations, you may, subject to our approval, elect to remain in the residence you have occupied on a temporary basis, or return to the renovated Residence or the renovated building in which the Residence is located. If you, subject to our approval, choose to remain in the residence you have been occupying, then you shall continue to pay the applicable Daily Fee or Monthly Service Fee, and any applicable refund due to you upon the termination of this Agreement shall be based on the Surrender of that residence. In the event you, subject to our approval, choose to return to the renovated Residence or the building in which the Residence is located, then this Agreement shall terminate and you shall receive any applicable refund. You shall execute a new Residency Agreement with us and pay the then current Entrance Fee and the then current Daily Fee or Monthly Service Fee. All costs associated with relocation to the renovated Residence or the building in which the Residence is located shall be paid by you.

SECTION 15: 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 16: 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 17: 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

© 2022 LATSHA DAVIS & MARSHALL, P.C.

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 18: INDEMNIFICATION

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

SECTION 19: GRIEVANCE PROCEDURE

19.1 Reporting Complaints. If you believe that you are being mistreated in any way or your rights have been or are being violated by staff or another resident, you shall make your complaint known to us. You must first notify us of any such complaints, and provide us with sixty (60) days to resolve the complaint satisfactorily to you before you may pursue mediation and/or arbitration.

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

19.3 Mandatory, Binding Arbitration. Arbitration is a specific process of dispute resolution utilized instead of the traditional state or federal court system. Instead of a judge and/or jury determining the outcome of a dispute, a neutral third party

© 2022 LATSHA DAVIS & MARSHALL, P.C.

("Arbitrator(s)") chosen by the parties to this Agreement renders the decision, which is binding on both parties. Generally an Arbitrator's decision is final and not open to appeal. The Arbitrator will hear both sides of the story and render a decision based on fairness, law, common sense and the rules established by the Arbitration Association selected by the parties. When Arbitration is mandatory, as it is under this Agreement, it is the only legal process available to the parties. Mandatory Arbitration has been selected with the goal of reducing the time, formalities and cost of utilizing the court system. You or, in the event of your incapacity, your authorized representative have the right to rescind this arbitration clause in accordance with the terms and conditions specified in Section 19.3(h) of this Agreement.

(a) Contractual and/or Property Damage Disputes. Unless resolved or settled by mediation, any controversy, dispute, disagreement or claim of any kind or nature, arising from, or relating to this Agreement, or concerning any rights arising from or relating to an alleged breach of this Agreement, with the exception of (1) guardianship proceedings resulting from your alleged incapacity; (2) eviction proceedings initiated by us; (3) collection actions initiated by us for non-payment of stay which results in a financial loss to us; and (4) disputes involving amounts in controversy of less than Twelve Thousand Dollars ($12,000), shall be resolved exclusively by arbitration. This means that you will not be able to file a lawsuit in any court to resolve any disputes or claims that you may have against us. It also means that you are relinquishing or giving up all rights that you may have to a jury trial to resolve any disputes or claims against us. It also means that we are giving up any rights we may have to a jury trial or to bring claims in a court against you. Subject to Section 19.3(f), the Arbitration shall be administered by ADR Options, Inc., in accordance with the ADR Options Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. You acknowledge and understand that there will be no jury trial on any claim or dispute submitted to arbitration, and you relinquish and give up your rights to a jury trial on any matter submitted to arbitration under this Agreement.

(b) Personal Injury or Medical Malpractice. Unless resolved or settled by mediation, any claim that you may have against us for any personal injuries sustained by you arising from or relating to any alleged medical malpractice, inadequate care, or any other cause or reason while residing in Community, shall be resolved exclusively by arbitration. This means that you will not be able to file a lawsuit in any court to bring any claims that you may have against us for personal injuries incurred while residing in Community. It also means that you are relinquishing or giving up all rights that you may have to a jury trial to litigate any claims for damages or losses allegedly incurred as a result of personal injuries sustained while residing in Community. Subject to Section 19.3(f), the Arbitration shall be administered by ADR Options, Inc., in accordance with

© 2022 LATSHA DAVIS & MARSHALL, P.C.

the ADR Options Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. You acknowledge and understand that there will be no jury trial on any claim or dispute submitted to arbitration, and you relinquish and give up your right to a jury trial on any claims for damages arising from personal injuries to you which are submitted to arbitration under this Agreement.

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

(d) Right to Legal Counsel. You have the right to be represented by legal counsel, at your own cost, in any proceedings initiated under this arbitration provision. Because this arbitration provision addresses important legal rights, we encourage and recommend that you obtain the advice and assistance of legal counsel to review the legal significance of this mandatory arbitration provision prior to signing this Agreement.

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

(f) Time Limitation for Arbitration. Any request for arbitration of a dispute must be requested and submitted to ADR Options, Inc., with notice to the other party, prior to the lapse of two (2) years from the date on which the event giving rise to the dispute occurred or before the expiration of the applicable statute of limitations for the dispute, whichever is earlier. Determination of the lapse of two (2) years from the date on which the event giving rise to the dispute occurred and determination of the applicable statute of limitations shall be made by the arbitrator as part of the arbitration process. ADR Options, Inc., is the designated arbitration agency that shall hear disputes specified in Sections 19.3(a-b) of this Agreement. ADR Options, Inc., is an impartial alternative dispute resolution organization that provides a panel of neutral third party arbitrators from which you and Community, upon mutual agreement, shall select an arbitrator to facilitate dispute resolution. In the event ADR Options, Inc., is unable or unwilling to serve, then the request for Arbitration must be submitted to us within thirty (30) days of receipt of notice or other determination of ADR Options, Inc.'s, unwillingness

© 2022 LATSHA DAVIS & MARSHALL, P.C.

or inability to serve as a neutral arbitrator. We shall select an alternative neutral arbitration service within thirty (30) days thereafter and the selected Arbitration Agency's procedural rules shall apply to the arbitration proceeding. The failure to submit a request for Arbitration to ADR Options, Inc., or an alternate neutral arbitration service selected by us, within the designated time (i.e., two (2) years or the applicable statute of limitations, whichever is earlier) shall operate as a bar to any subsequent request for Arbitration, or for any claim for relief or a remedy, or to any action or legal proceeding of any kind or nature, and the parties will be forever barred from arbitrating or litigating a resolution to any such dispute. Contact information for ADR Options, Inc., is as follows:

1800 John F. Kennedy Blvd.
Suite 1110
Philadelphia, PA 19103
Phone: (215) 564-1775/ (800) 364-6098
Fax: (215) 564-1822
Website: www.adroptions.com

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

(h) Limited Resident Right to Rescind this Mandatory, Binding Arbitration Clause (Section 19.3(a-l) of this Agreement). You or, in the event of your incapacity, your authorized representative have the right to rescind this arbitration clause by notifying us in writing within thirty (30) days of the execution of this Agreement. Such notice must be sent via certified mail to the Community, and the notice must be post-marked within thirty (30) days of the execution of this Agreement. The notice may also be hand-delivered to the Community within the same thirty (30) day period. The filing of a claim in a court of law within the thirty (30) days provided for above will automatically rescind the arbitration clause without any further action by you or your authorized representative.

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

(j) Confidentiality. You agree that, at all times, you will keep any information regarding the arbitration proceeding, including rulings, decisions and awards by the arbitrator, confidential and will not disclose voluntarily to any third party, except to the extent required by law. You are permitted to disclose that the matter has been resolved, without disclosing the results of the arbitration proceeding.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

(k) Severability of Arbitration Clause (Section 19.3(a-l) of this Agreement). If any provision of this arbitration clause is determined by a judicial or administrative tribunal of proper jurisdiction to be invalid or unenforceable, such provision shall be severed and the balance of this arbitration clause shall remain in full force and effect.

(l) Law Governing Arbitration Clause. This arbitration clause shall be governed by and interpreted under the Federal Arbitration Act, 9 U.S.C. Sections 1-16.

SECTION 20: 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 post-marked, postage prepaid, and addressed as follows:

To Community:

Director of Residency Planning
Landis Homes Retirement Community
1001 East Oregon Road
Lititz, PA 17543

To Resident (Before Occupancy): _____

_____

_____

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

SECTION 21: 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 made available to you on an annual basis.

SECTION 22: MISCELLANEOUS PROVISIONS

22.1 Your Continuing Disclosure Obligation. The information regarding your age and financial affairs and your ability to meet the Conditions of Occupancy submitted by you in our admissions forms and related application documents is a material part of this

© 2022 LATSHA DAVIS & MARSHALL, P.C.

Agreement, and this information is incorporated as a part of this Agreement. You acknowledge that the submission of false information may, in our judgment, constitute grounds for the termination of this Agreement. You must disclose any material changes in your financial situation or your ability to meet the Conditions of Occupancy 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 judgment, constitute grounds to terminate this Agreement.

22.2 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.

22.3 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 as we deem reasonably appropriate for the safe and efficient operation of the Community.

22.4 Binding Effect. Except as otherwise provided herein, this Agreement shall bind and serve to benefit our successors and assigns, and your heirs, executors, administrators and assigns.

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

22.6 Governing Law. Unless otherwise provided herein, this Agreement shall be interpreted according to the laws of the Commonwealth of Pennsylvania.

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

22.8 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 ("Act") which is intended for the benefit or protection of you or the individual purchasing care for you.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

22.9 **Limitations on Private Cause of Action.** You may not file or maintain an action under the Act if you, before filing the action, received an offer, approved by the Insurance Commissioner, to refund all amounts paid by you to us, the facility or person alleged to have violated the Act together with interest from the date of payment, less the reasonable value of care and lodging provided prior to receipt of the offer and you failed to accept the offer within thirty (30) days of its receipt.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURES ON FOLLOWING PAGE]

© 2022 LATSHA DAVIS & MARSHALL, P.C.

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.

Landis Homes Retirement Community

By: _____
Authorized Representative
Date: _____

Witness:

_____ _____
Resident/Co-Resident
Date: _____ Date: _____

Witness:

_____ _____
Co-Resident
Date: _____ Date: _____

© 2022 LATSHA DAVIS & MARSHALL, P.C.

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 Residency 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:

Landis Homes Retirement Community
1001 East Oregon Road
Lititz, PA 17543

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

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

Date:_____

PROSPECTIVE RESIDENT'S SIGNATURE

_____

_____

© 2022 LATSHA DAVIS & MARSHALL, P.C.

EXHIBIT "A"

The following items will be provided by Community as part of the Residence:

- ☐ Kitchen stove
- ☐ Refrigerator
- ☐ Garbage disposal
- ☐ Washer and dryer
- ☐ Microwave

© 2022 LATSHA DAVIS & MARSHALL, P.C.

EXHIBIT "B"

SELECTION OF ENTRANCE FEE REFUND OPTION

THIS ADDENDUM, effective this _____ day of _____, 20____, amends the Residency Agreement (called "Agreement"), and any other addenda or amendments to the Agreement entered into between Landis Homes Retirement Community, a Pennsylvania non-profit corporation, (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 where two individuals sign the Agreement for Double Occupancy, they are called collectively "Resident," "you" and "your" where the context permits, and individually "Co-Resident").

RECITALS:

Contemporaneously with this Addendum, you entered into the Agreement with us;

We offer four Entrance Fee refund options: (a) a ninety percent (90%) refundable option; (b) a fifty percent (50%) refundable option; (c) a twenty-five percent (25%) refundable option; and (d) an option whereby the Entrance Fee amortizes down to zero;

You desire to select one of the above Entrance Fee refund options; and

We and you desire to enter into this Addendum to specify the Entrance Fee refund option selected by you.

In consideration of the mutual promises contained in this Addendum, and intending to be legally bound, we and you agree as follows:

1. Selection of Entrance Fee Refund Option. You may select one of the following Entrance Fee refund options, and your initials next to the description of a particular option shall indicate the option selected by you:

[_____ *initials*] **(a) Ninety Percent (90%) Refundable Option.** Under this option, you or your estate, subject to the conditions of Section 10 of the Agreement, will be entitled to a refund of ninety percent (90%) of the Entrance Fee.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

[_____ *initials*] **(b)** **Fifty Percent (50%) Refundable Option.** Under this option, you or your estate, subject to the conditions of Section 10 of the Agreement, will be entitled to a refund of fifty percent (50%) of the Entrance Fee.

[_____ *initials*] **(c)** **Twenty-five Percent (25%) Refundable Option.** Under this option, you or your estate, subject to the conditions of Section 10 of the Agreement, will be entitled to a refund of twenty-five percent (25%) of the Entrance Fee.

[_____ *initials*] **(d)** **Non-refundable Option.** Under this option, you or your estate generally will not be entitled to a refund of the Entrance Fee following the termination of the Agreement. If, however, you withdraw from the Community and terminate the Agreement before your Entrance Fee is fully amortized, then subject to the conditions of Section 10 of the Agreement, you will be entitled to a refund of the unamortized portion of the Entrance Fee.

2. Amortization of Entrance Fee.

(a) **Ninety Percent (90%) Refundable Option.** The Entrance Fee shall be amortized at the rate of two percent (2%) per month over a period of five (5) consecutive months beginning in the month of the Designated Occupancy Date or of Occupancy, whichever is earlier. At the conclusion of the amortization period, ten percent (10%) of the Entrance Fee shall be earned in full by us, and you will not be entitled to a refund of ten percent (10%) of the Entrance Fee. The other ninety percent (90%) of the Entrance Fee shall not be subject to amortization.

(b) **Fifty Percent (50%) Refundable Option.** The Entrance Fee shall be amortized at the rate of two percent (2%) per month over a period of twenty-five (25) consecutive months beginning in the month of the Designated Occupancy Date or of Occupancy, whichever is earlier. At the conclusion of the amortization period, fifty percent (50%) of the Entrance Fee shall be earned in full by us, and you will not be entitled to a refund of fifty percent (50%) of the Entrance Fee. The other fifty percent (50%) of the Entrance Fee shall not be subject to amortization.

(c) **Twenty-five Percent (25%) Refundable Option.** The Entrance Fee shall be amortized at the rate of two percent (2%) per month over a period of thirty-seven and one-half (37.5) consecutive months beginning in the month of the Designated Occupancy Date or of Occupancy, whichever is earlier. At the conclusion of the amortization period, seventy-five percent (75%) of the Entrance Fee shall be earned in full by us, and you will not be entitled to a refund of seventy-five percent (75%) of the Entrance Fee. The other twenty-five percent (25%) of the Entrance Fee shall not be subject to amortization.

© 2022 LATSHA DAVIS & MARSHALL, P.C.

(d) **Non-refundable Option.** The Entrance Fee shall be amortized at the rate of two percent (2%) per month over a period of fifty (50) consecutive months beginning in the month of the Designated Occupancy Date or of Occupancy, whichever is earlier. At the conclusion of the amortization period, the Entrance Fee shall be earned in full by us, and you will not be entitled to a refund of any portion of the Entrance Fee.

3. **Termination After Occupancy.** In the event of termination after Occupancy for any reason, the following refund provisions shall apply depending on the Entrance Fee option selected by you:

(a) **Ninety Percent (90%) Refundable Option.** In the event of termination during the amortization period, you will be entitled to a refund of ninety percent (90%) of the Entrance Fee plus the unamortized portion. After the lapse of the amortization period, you will be eligible for a refund of ninety percent (90%) of the Entrance Fee. All refunds are subject to deductions for the amount of any financial assistance provided to you by us, and/or any amounts necessary to cover costs incurred by us to refurbish, restore or repair the Residence in the event of unreasonable wear and tear, and/or costs incurred at your specific request, and/or any unpaid charges. All refunds shall be paid to you or your estate in accordance with Section 10.5 of the Agreement.

(b) **Fifty Percent (50%) Refundable Option.** In the event of termination during the amortization period, you will be entitled to a refund of fifty percent (50%) of the Entrance Fee plus the unamortized portion. After the lapse of the amortization period, you will be eligible for a refund of fifty percent (50%) of the Entrance Fee. All refunds are subject to deductions for the amount of any financial assistance provided to you by us, and/or any amounts necessary to cover costs incurred by us to refurbish, restore or repair the Residence in the event of unreasonable wear and tear, and/or costs incurred at your specific request, and/or any unpaid charges. All refunds shall be paid to you or your estate in accordance with Section 10.5 of the Agreement.

(c) **Twenty-five Percent (25%) Refundable Option.** In the event of termination during the amortization period, you will be entitled to a refund of twenty-five percent (25%) of the Entrance Fee plus the unamortized portion. After the lapse of the amortization period, you will be eligible for a refund of twenty-five percent (25%) of the Entrance Fee. All refunds are subject to deductions for the amount of any financial assistance provided to you by us, and/or any amounts necessary to cover costs incurred by us to refurbish, restore or repair the Residence in the event of unreasonable wear and tear, and/or costs incurred at your specific request, and/or any unpaid charges. All

© 2022 LATSHA DAVIS & MARSHALL, P.C.

refunds shall be paid to you or your estate in accordance with Section 10.5 of the Agreement.

(d) Non-refundable Option. In the event of termination during the amortization period, you will be entitled to a refund of the unamortized portion of the Entrance Fee less deductions for any financial assistance provided to you by us, and/or any amounts necessary to cover costs incurred by us to refurbish, restore or repair the Residence in the event of unreasonable wear and tear, and/or costs incurred at your specific request, and/or any unpaid charges. All refunds shall be paid to you or your estate in accordance with Section 10.5 of the Agreement. After the lapse of the amortization period, you will not be entitled to a refund of any portion of the Entrance Fee.

4. Other Terms and Conditions. All other terms and conditions of the Agreement, to the extent not inconsistent with this Addendum, shall remain in full force and effect and shall govern the terms and conditions of the relationship between you and us.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURES ON FOLLOWING PAGE]

© 2022 LATSHA DAVIS & MARSHALL, P.C.

IN WITNESS WHEREOF, the parties, intending to be legally bound hereby, have signed this Addendum on this _____ day of _____, 20____.

Landis Homes Retirement Community

_____ By: _____

_____
Title

Witness:

_____ _____
Resident/Co-Resident

_____ _____
Co-Resident

© 2022 LATSHA DAVIS & MARSHALL, P.C.

EXHIBIT "C"

ADDENDUM REGARDING OPTIONS

The following optional products, services, or charges have been requested by you. You will be responsible for all costs.

Product, Service, Change	Costs (including installation)	Included in Entrance Fee:

_____ _____

Resident/Co-Resident Date

_____ _____

Co-Resident Date

Landis Homes Retirement Community

_____ _____

Name: Date

_____

Title:

© 2022 LATSHA DAVIS & MARSHALL, P.C.

LANDIS HOMES RETIREMENT COMMUNITY

AMENDMENT TO DISCLOSURE STATEMENT

June 30, 2025

The Disclosure Statement is hereby amended to include the following:

In early August of 2024, Landis Homes Retirement Community began an expansion project which will add 35 new residential living units to its campus. Specifically, these 35 units will include 14 units in duplexes, one standalone home, and three small over/under buildings with six units in each building. All of these buildings will include garages and outside entrances for residents. The anticipated completion of this project is late 2025.

There will be six floor plans ranging from 1,094 to 1,613 square feet. The applicable entry fees for the apartments range from $323,000 to $484,000. The monthly fees for the apartments range from $2,133 to $3,226 for single occupancy. Double occupancy will incur an additional fee of $258 based on today's rate.

Similarly, Landis Homes Retirement Community will start another expansion called the Meadows in July 2025. This project will include 52 new residential units in four hybrid home-style buildings. Each unit will also have an indoor parking space. The first two buildings are expected to begin construction in July 2025, with completion planned for late 2026. The construction of the remaining two buildings will be evaluated over the next 12 to 24 months.

There will be five floor plans ranging from 1,196 to 1,685 square feet. The applicable entry fees for the apartments range from $335,000 to $513,000. The monthly fees for the apartments range from $2,631 to $3,876 for single occupancy. Double occupancy will incur an additional fee of $258 based on today's rate.

Reference should be made to the attached pricing reflected in Exhibit "A" for further information. Similar to prospective residents of the existing residential living units, prospective residents of the new apartments and cottages may choose from four refund plans: 2% Declining Balance Plan, 25% Refundable Plan, 50% Refundable Plan, and 90% Refundable Plan. Reference should be made to the Residency Agreement for further information. Landis Homes only offers Type C, Fee for Service Contracts.

For both expansion projects, prospective residents pay a refundable $1,000 deposit at the time of placement on the Priority List. When offered a unit, a prospective resident will make a deposit equal to 10% of the applicable entry fee. The remaining balance is due at the time of occupancy or three months after the unit is available for occupancy, whichever is earlier. The 10% deposit is refundable upon cancelation minus a $2,500 fee.

An Entrance Fee Escrow Account is maintained as required by the Continuing Care Provider Registration and Disclosure Act (Act 82). Any funds placed in escrow will be invested in accordance with the provisions of Act 82. A copy of the executed Entrance Fee Escrow Agreement is attached as Exhibit "B."

Pursuant to 40 P.S. § 3207(a)(10), as of the date of this Amendment to Disclosure Statement, Landis Homes Retirement Community has yet to commence operations of the on-campus expansion projects, and thus is providing the following information.

(i) An estimate of the cost of purchasing or constructing and equipping the facility including such related costs as financing expense, legal expense, land costs, occupancy development costs, and all other similar costs which the provider expects to incur or become obligated for prior to the commencement of operations.

Meadows and Gardens	**Uses**			**Sources**
Construction	48,671,267		Entrance Fees	35,960,000
Contingency 4%	1,877,910		Debt	25,192,908
Barn and Facilities Buildings	3,090,000		Owner Equity	5,000,000
Total Construction	53,639,177			
Soft Costs	8,132,641			
Additional Contingency	4,381,090			
Total Costs	**66,152,908**		**Total Sources**	**66,152,908**

As reflected above, the total construction cost is $66,000,000. Soft costs, including capitalized interest, architect and engineering fees, insurance, and township fees, are estimated at $8,000,000. Contingencies are substantial with an estimated $6,200,000, or over 10% of the construction costs.

Such costs will be funded through short-term construction loans of up to $61,000,000 and a $5,000,000 equity contribution from Landis Homes Retirement Community. The construction loan is anticipated to be a non-taxable bank loan. Landis Homes Retirement Community anticipates paying down the loan to a permanent loan amount of approximately $25,000,000 after receiving and releasing the entrance fees.

E.G. Stoltzfus Construction has begun construction on the Gardens, and Warfel Construction will commence with the Meadows in the very near future. The financing for the entire project was bid in the spring of 2024 and awarded to Fulton Bank. Landis Homes uses HJ Sims as the investment banker, with Pearl Creek Advisors acting as the financial advisor.

(iii) An estimate of the total entrance fees to be received from or on behalf of residents at or prior to commencement of operation of the facility.

Total estimated entry fees expected to be collected at or before the time of commencement of operations are:

Gardens: $1,400,000.
Meadows Phase 1: $1,100,000
Meadows Phase 2: $1,100,000

(iv) An estimate of the funds, if any, which are anticipated to be necessary to fund start-up losses and provide reserve funds to assure full performance of the obligations of the provider under contracts for the provision of continuing care.

Landis Homes Retirement Community does not anticipate any start-up losses related to the expansion project.

(v) A projection of estimated income from fees and charges other than entrance fees, showing individual rates presently anticipated to be charged and including a description of the assumptions used for calculating the estimated occupancy rate of the facility and the effect on the income of the facility of government subsidies for health care services, if any, to be provided pursuant to the contracts for continuing care.

Reference should be made to the 5-year Pro Forma specific to the expansion project attached as Exhibit "C."

(vi) A projection of estimated operating expenses of the facility, including a description of the assumptions used in calculating the expenses and separate allowances, if any, for the replacement of equipment and furnishings and anticipated major structural repairs or additions.

Reference should be made to Exhibit "C."

(vii) Identification of any assets pledged as collateral for any purpose.

Collateral pledge will be a first mortgage on the campus based on the Master Trust Indenture approved and executed with the 2015 Landis Homes Bond Issue.

(viii) An estimate of annual payments of principal and interest required by any mortgage loan or other long-term financing.

The construction loans have interest-only payments for the estimated 12-month time frame to complete the expansion projects. Landis Homes Retirement Community anticipates paying off the construction loans by the end of the 12-month period, utilizing the equity contribution and entry fee funds referenced in subsection (ii) above.

All construction plans are contingent on acceptable market demands and financing requirements, and all designated occupancy dates are approximate and may vary according to changes in approvals, weather conditions, market demands, and other factors that are beyond Landis Homes Retirement Community's control. There are no assurances or guarantees that the entire project will be completed or that the scope of the project will not change. All future dates are approximate and assume Residency Agreements were entered into for all of the proposed apartments and cottages.

EXHIBIT "A"

ENTRY FEES AND MONTHLY FEES

PRICING SUMMARY

Reflects 2026-2027 pricing

	COUNT	TOTAL SQUARE FEET	ENTRANCE FEE *(first and second floor)*	ENTRANCE FEE* *(third floor)*	MONTHLY FEE
Chickadee: 1 BR, Den	4	1,196	$335,000	$352,000	$2,631
Sparrow: 2BR, Den	4	1,488	$424,000	$445,000	$3,348
Bluebird: 2 BR	6	1,420	$405,000	$425,000	$3,195
Goldfinch: 2 BR, Den	6	1,515	$439,000	$461,000	$3,485
Robin: 2 BR, Den	6	1,685	$489,000	$513,000	$3,876

**Top floor homes feature up to 9' 6" ceilings, larger windows and panoramic views.*

Standard Finishes and Features

INCLUDED IN YOUR NEW HOME

- Luxury vinyl plank floors in living, dining and kitchen spaces
- Choice of painted or stained wood cabinets with soft-close doors and drawers
- Tall pantry cabinets with roll-out shelves
- Quartz kitchen counters with tile backsplash
- Kitchen island or peninsula with seating space
- Electric stainless steel kitchen appliance package including bottom-freezer refrigerator
- Tile walls in all showers
- Glass shower door in primary bathroom
- Luxury vinyl tile bathroom floors
- Ample closets and storage space
- Patio or balcony
- High energy efficiency design
- Individual garage parking
- Additional storage area on first floor
- Gathering rooms on second and third floors
- Close proximity to many campus amenities

PRICING SUMMARY

Reflects 2025-2026 pricing

	COUNT	TOTAL SQUARE FEET	GARAGE SQUARE FEET	ENTRANCE FEE	MONTHLY FEE
WILDFLOWER HOMES					
Poppy: 2 BR	7	1,333	361	$400,000	$2,665
Primrose: 2BR, Sunroom	2	1,478	491	$451,000	$2,956
CREEKSIDE VILLAS					
Bumblebee: 1 BR, Den	6	1,094	280	$323,000	$2,133
Butterfly: 2 BR	6	1,261	346	$372,000	$2,459
Firefly: 2 BR, Den	6	1,613	460	$484,000	$3,226
SUNRISE COTTAGES					
Sunrise: 2 BR	8	1,562	440	$469,000	$3,124

Standard Finishes and Features

INCLUDED IN YOUR NEW HOME

- Luxury vinyl plank floors in living, dining and kitchen spaces
- Choice of painted or stained wood cabinets with soft-close doors and drawers
- Tall pantry cabinets with roll-out shelves
- Quartz kitchen counters with tile backsplash
- Kitchen island or peninsula with seating space
- Electric stainless steel kitchen appliance package including bottom-freezer refrigerator
- Tile walls in all showers
- Luxury vinyl tile bathroom floors
- Ample closets and storage space
- High energy efficiency design

EXHIBIT "B"

ENTRANCE FEE ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") dated as of 10/17, 2024, is made by and between LANDIS HOMES RETIREMENT COMMUNITY, a Pennsylvania nonprofit corporation (the "Company"), and FULTON BANK, N.A., a national banking association (the "Escrow Agent").

The Company has entered into agreements ("Agreements") with prospective residents ("Residents") for its independent living units in continuing care retirement communities ("CCRC"), the terms of which require Entrance Fee payments ("Entrance Fees") prior to the date the resident is permitted to occupy the living unit in the CCRCs.

As a condition of receiving a certificate of authority from the Pennsylvania Department of Insurance for its CCRCs, the Company is required to establish an interest-bearing escrow account with a bank, trust company or other escrow agent for any Entrance Fees or payments that are in excess of 5% of the then existing Entrance Fee for the independent living unit.

The Company desires the Escrow Agent to hold in escrow the Entrance Fees until such time as the Company satisfies the conditions to the release of the Escrow as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein, after good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and intending to be legally bound, the parties hereby agree as follows:

1. Appointment of Escrow Agent. The Company hereby appoints and designates the Escrow Agent to hold all Escrowed Assets (hereinafter defined) with the Escrow Agent, and the Escrow Agent hereby accepts such appointment and designation, to serve as such in accordance with the terms and conditions hereinafter set forth.

2. Creation of Escrow Account. Promptly following the receipt by the Company of any Entrance Fees, the Company shall deposit such payments with the Escrow Agent. An escrow account (the "Escrow Account") for these funds, together with the earnings thereon (the "Escrowed Assets"), shall be established by the Escrow Agent and designated as "[Name of Retirement Community] - Escrow Account." Within the Escrow Account, the Escrow Agent shall establish separate accounts for each Resident. The Escrow Agent shall receive all Entrance Fees and hold such funds in the Escrow Account, to be released or distributed in accordance with the terms hereof. No funds deposited into or held in the Escrow Account shall be disbursed to either the Company or any Resident, except as provided herein. The Escrowed Assets shall be invested by the Escrow Agent, pursuant to investment instructions by the Company to the Escrow Agent, in federally-insured, interest-bearing deposit accounts, or obligations of the United States Government or its agencies, or investments guaranteed by the United States Government or its agencies, or mutual funds investing in any of the foregoing. In the absence of written instructions from the Company, the Escrow Agent shall invest any portion of the Escrowed Assets in the Goldman Sachs Financial Square Treasury Obligations Fund Administrative Shares or a comparable fund available from the Escrow Agent.

3. Disbursement of Funds.

(a) Satisfaction of the Release Conditions Upon satisfaction of the conditions described in this Section 3(a) ("Release Conditions"), prior to the Escrow End Date (defined below), the Company may give notice to the Escrow Agent ("Release Notice") and direct the Escrow Agent to disburse Escrowed Assets to the Company. The Escrow Agent shall disburse Escrowed Assets to the Company at any time, and from time to time, in accordance with a Release Notice received from the Company prior to the Escrow End Date. A Release Notice shall state that the Release Conditions are satisfied for the Entrance Fees paid by one or more specified Residents. Any such notice shall, in addition, contain wiring instructions or an address to which a check shall be sent.

(i) If the Entrance Fee applies to a living unit which has been previously occupied, the Release Condition is satisfied at such time as the living unit becomes available for occupancy by the new resident.

(ii) If the Entrance Fee applies to a living unit which has not been previously occupied, the Release Condition is satisfied at such time as:

(A) Aggregate Entrance Fees received or receivable by the Company pursuant to executed continuing-care agreements equal not less than 50% of the sum of the Entrance Fees due at full occupancy of the portion of the facility under construction. For purposes of this paragraph 3(a)(ii)(A), Entrance Fees receivable pursuant to an agreement shall be counted only if the Company has received a deposit of 35% or more of the total Entrance Fee under the Agreement; and

(B) The amount of Entrance Fees received or receivable pursuant to the preceding paragraph, plus anticipated proceeds of any first mortgage loan or other long-term financing commitment, plus funds from other sources in the actual possession of the Company is not less than the sum of: (A) 50% of the aggregate cost of constructing or purchasing, equipping and furnishing the facility, and (B) 50% of the funds, estimated in the statement of anticipated source and application of funds submitted by the Company, as part of its application for a certificate of authority to be necessary to fund start-up losses of the facility; and

(C) A commitment has been received by the Company for any permanent mortgage loan or other long-term financing described in the statement of anticipated source and application of funds submitted by the Company as part of its application for certificate of authority, and any conditions of the commitment prior to disbursement of funds thereunder, other than completion of the construction or closing of the purchase of the facility, have been substantially satisfied.

(iii) All Entrance Fees and interest earned thereon shall thereupon be the property of the Company and the Escrow Agent shall promptly disburse all such funds upon the written instructions of the Company. In such case, the Company shall be liable for all taxes due in respect of interest earned on such funds. No Release Notice shall be effective hereunder unless the Company shall have delivered such notice to the Escrow Agent on or before the date

which is 36 months after the date on which Escrowed Assets are deposited or such later date as the Company may have specified, with consent of the Pennsylvania Insurance Commissioner, in a notice to the Escrow Agent ("Escrow End Date").

(b) Failure to Satisfy the Release Conditions. If the Company fails to provide to Escrow Agent, by the Escrow End Date, a Release Notice for any Entrance Fee, then Escrow Agent shall return such Entrance Fee, and shall disburse the amount of earnings attributable thereto, to the Residents on whose account the Entrance Fee had been paid. Promptly following the Escrow End Date, the Company shall provide to Escrow Agent the names, addresses, social security numbers, Entrance Fee and such other information as Escrow Agent may require in order to make such disbursements to Residents and for purposes of Section 8(d) hereof.

(c) Earnings on Escrow Investments.

(i) The Escrow Agent shall compute the amount of earnings attributable to the investment of each Resident's funds held in the Escrow Account, such computation to be made on a monthly basis.

(ii) Except as otherwise provided in Section 3(b), all earnings on the investment of Escrowed Assets shall be credited to the Company and reported for tax purposes as income of the Company in the year when earned. If the Escrow Agent returns to any Resident an Entrance Fee, and disburses the amount of earnings attributable thereto, in accordance with Section 3(b), then the amount of earnings so disbursed to such Resident shall be reported for tax purposes as income of such Resident in the year when disbursed.

4. Fees and Expenses. The Company shall compensate Escrow Agent for its services hereunder in accordance with Schedule A attached hereto and, in addition, shall reimburse Escrow Agent for all of its reasonable out-of-pocket expenses, including attorneys' fees, travel expenses, telephone and facsimile transmission costs, postage (including express mail and overnight delivery charges), copying charges and the like. The additional provisions and information set forth on Schedule A are hereby incorporated by this reference, and form a part of this Escrow Agreement. All of the compensation and reimbursement obligations set forth in this Section 4 shall be payable by Company upon demand by Escrow Agent. The obligations of Company under this Section 4 shall survive any termination of this Escrow Agreement and the resignation or removal of Escrow Agent.

5. Liabilities and Duties.

(a) Liability of Escrow Agent. The parties to this Agreement understand and agree that the Escrow Agent is not a principal, participant, or beneficiary of the underlying transaction which necessitates this Agreement. The Escrow Agent shall be obligated only for the performance of such duties as are specifically set forth herein and may rely on and shall be protected in acting or refraining from acting on any instrument believed by it to be genuine and to have been signed or presented by the proper party or parties, their officers, representatives or agents. The Escrow Agent shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized hereby. The Escrow Agent may consult with its counsel or other counsel satisfactory to it concerning any questions relating to its duties or responsibilities

hereunder or otherwise in connection herewith and shall not be liable for any action taken, suffered or omitted by it in good faith upon the advice of such counsel.

(b) Standard of Care. The Escrow Agent shall have no liability under, or duty to inquire beyond, the terms and provisions of the Agreement, and it is agreed that its duties are purely ministerial in nature, and that the Escrow Agent shall incur no liability whatsoever except for willful misconduct or gross negligence so long as it has acted in good faith. Notwithstanding any contrary provision of this Agreement, the Escrow Agent shall have no responsibility to investigate or to verify any notice or other statement given by the Company in compliance with the terms of this Agreement.

(c) Indemnification. The Escrow Agent shall have no liability whatsoever under this Agreement except for its gross negligence or willful misconduct in the performance of Escrow Agent's duties hereunder. The Company hereby agrees to indemnify, defend and hold harmless the Escrow Agent and its past and present employees and agents from and against any and all costs, damages, claims, liabilities, suits, proceedings, judgments and expenses (including reasonable attorneys' fees and costs) suffered or incurred by them in connection with or arising out of the performance of Escrow Agent's obligations under this Agreement, or the enforcement of this Agreement, or any default under this Agreement, except in the event of Escrow Agent's gross negligence or willful misconduct in the performance of Escrow Agent's duties hereunder. The obligations of the Company under this Section 5(c) shall survive any termination of this Agreement and the resignation or removal of Escrow Agent.

6. Resignation. The Escrow Agent may at any time resign hereunder by giving written notice of its resignation to the Company at least ninety (90) days prior to the date specified for such resignation to take effect. Upon the effective date of such resignation, the Escrowed Assets hereunder shall be delivered to such person as may be designated in writing by the Company. If the Company fails to designate a substitute Escrow Agent within ninety (90) days after the giving of such notice, the Escrow Agent may institute a bill of interpleader as contemplated by this Agreement. The Escrow Agent's sole responsibility during the notice period shall be to keep safely all Escrowed Assets and to deliver the same to a person designated by the Company or in accordance with the directions of a final order or judgment of a court of competent jurisdiction, at which time Escrow Agent's obligations hereunder shall cease and terminate.

7. Termination. Upon disbursement of all of the Escrowed Assets, this Agreement shall terminate. In addition, this Agreement may be terminated at any time on at least fifteen (15) days written notice to the Escrow Agent by the Company for cause (as hereinafter defined), or on at least thirty (30) days written notice to the Escrow Agent for any reason whatsoever. "Cause," as used herein, shall mean the willful misconduct or gross negligence of the Escrow Agent or its agents.

8. Miscellaneous

(a) Entire Escrow Agreement. This Escrow Agreement constitutes the complete agreement of the Company and the Escrow Agent with respect to the subject matter

hereof, and may not be modified or amended except by written instrument executed by all parties.

(b) Severability. If one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect under applicable law, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision has never been contained herein.

(c) Successors. This Escrow Agreement shall be binding upon the Company and the Escrow Agent, their respective successors and assigns, and shall inure to the benefit of the Company and the Escrow Agent, their respective heirs, legal representatives, successors and assigns.

(d) Tax and Regulatory Compliance. The Escrow Agent may require, as a condition to making any disbursement of earnings on funds held in the Escrow Account, that the intended recipient provide a correct taxpayer identification number on IRS Form W-9 (or successor or substitute form) and indicate thereon that he or she is not subject to backup withholding. The Escrow Agent is authorized to withhold tax from any such disbursement to a recipient who has failed to satisfy such requirement. The Company agrees to furnish to the Escrow Agent any information reasonably requested by the Escrow Agent for compliance with tax laws, the USA Patriot Act, Pub.L.107-56, or any other law or regulation to which the Escrow Agent is or may become subject.

(e) Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania.

(f) Notices. Any notice, statement, direction or other communication which is required hereunder, including Release Notices, shall be in writing and shall be sufficient in all respects if delivered to a party personally, by courier service, or by certified United States mail, postage prepaid, return receipt requested, to the addresses listed in Schedule A, or to such other address as such party may have established by giving notice to the other party in accordance herewith.

(g) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall be effective when counterparts which, when taken together, bear the signature of all parties hereto and have been delivered to all such parties. Delivery of executed signature pages by facsimile or other electronic transmission will constitute effective and binding execution and delivery of this Agreement.

IN WITNESS WHEREOF, the Company and the Escrow Agent have executed this Escrow Agreement as of the date first above written.

LANDIS HOMES RETIREMENT COMMUNITY

By: Corey Hamilton

Name: Corey Hamilton
Title: CFO

FULTON BANK, N.A.

By: _____ 11.23.2024

Name: MICHAEL S. SAMUEL
Title: EVP

SCHEDULE A

1. Escrow Funds.

Escrow Funds wiring instructions:	Fulton Bank, National Association One Penn Square, Lancaster PA 17602 ABA# 031301422 Account # 013-196-864 ATTN: LANDISHOMESENTFEE Re: Landis Home Entrance Fee Escrow

2. Escrow Agent Fees.

Acceptance Fee:	$2,000.00
Annual Escrow Fee:	$2,000.00
Out-of-Pocket Expenses:	As incurred
Investment and Custody Fees:	Per current schedule in effect
Other Fees/Attorney, etc. :	As incurred

The Acceptance Fee and the Annual Escrow Fee are payable upon execution of the escrow documents. In the event the Escrow Account is not funded, the Acceptance Fee and all related expenses, including attorneys' fees, remain due and payable, and if paid, will not be refunded. Annual fees cover a full year in advance, or any part thereof, and thus are not pro-rated in the year of termination.

The fees quoted in this schedule apply to services ordinarily rendered in the administration of an Escrow Account and are subject to reasonable adjustment based on final review of documents, or when the Escrow Agent is called upon to undertake unusual duties or responsibilities, or as changes in law, procedures, or the cost of doing business demand. Services in addition to and not contemplated in this Agreement, including, but not limited to, document amendments and revisions, non-standard cash and/or investment transactions, calculations, notices and reports, and legal fees, will be billed as extraordinary expenses.

Unless otherwise indicated, the above fees relate to the establishment of one escrow account. Additional sub-accounts governed by the same Escrow Agreement may incur an additional charge. Transaction costs include charges for wire transfers, checks, internal transfers and securities transactions.

Pursuant to the Agreement the Provider hereby directs the Escrow Agent to invest all uninvested balances in a Commercial IntraFi Network Deposits – Money Market Option account with Fulton Bank, N.A.

3. Taxpayer Identification Numbers.

Company: **-***4364

4. Notice Addresses.

If to Company at:

LANDIS HOMES RETIREMENT COMMUNITY
1001 East Oregon Road
Lititz, PA 17543
ATTENTION: Corey Hamilton, VP of Finance and CFO
Facsimile: (___) ___-____
Phone (717)381-3532

If to the Escrow Agent at:

Fulton Bank, National Association, as Escrow Agent
Corporate Trust Services
One Penn Square
Lancaster, PA 17602
Attention: Stuart Juppenlatz
Fax (717) 393-9786
Phone (717) 291-2562

Gardens & Meadows Reservation Agreement

Name(s): _____

Number and Type: _____

1. **Reservation Fee.**
   The Reservation fee is ten percent (10%) of the entrance fee which is $_____. If you have already paid a $1,000 priority deposit, that amount is credited toward the Reservation Fee. The current amount due is $_____. You will have the opportunity to select finishes for your new home and any upgrades will be an additional cost.

2. **Reservation of Preferred Residence**.
   Landis Homes hereby acknowledges receipt of the Reservation Fee that will be applied toward the entrance fee at the time of occupancy. This reservation may not be assigned to someone else.

3. **Occupancy**.
   This Reservation Agreement is not a guarantee of future residency at Landis Homes. The Articles of Occupancy must be met as outlined in the resident handbook. The remaining balance or (90%) is due and the monthly fees will begin at the time of move-in or sixty (60) days after the home is available for occupancy, whichever occurs first.

4. **Priority Status**.
   The Reservation Agreement will not change your position on the list of people interested in residential living accommodations already constructed at Landis Homes, if applicable. However, once the option Selection Phase begins, you will be removed from all other priority lists.

5. **Refund.**
   You may terminate this Reservation Agreement at any time for any reason prior to occupancy and receive a full refund of the Reservation fee less a $2,500 cancellation fee and the costs of any upgrades. The $2,500 is waived for those who no longer meet the Articles of Occupancy. If reserving an existing accommodation at Landis Homes, the $2,500 may be applied to that entrance fee.

Construction of the Gardens and Meadows neighborhoods depends on factors such as governmental approvals and financing arrangements. The proposed construction may be modified in size and scope based on these factors; therefore, Landis Homes cannot guarantee the availability of the residence noted in this Reservation Agreement. The Reservation Fee, less any upgrade costs will be refunded if Landis Homes does not build the selected residence. Landis Homes' liability under this agreement is otherwise limited to the Reservation Fee.

I, We _____ agree to the terms and conditions indicated herein.

_____ _____
Future Resident Date

_____ _____
Future Resident Date

_____ _____
Landis Homes Representative Date

EXHIBIT "C"

PRO FORMA

Gradens and Meadows Expansion	2026	2027	2028	2029	2030
Add: Revenue	3,252,783	3,350,367	3,450,878	3,554,404	3,661,036
Less: Expense	1,575,372	1,622,633	1,671,312	1,721,452	1,773,095
Less: Debt Payments	1,638,835	1,638,835	1,638,835	1,638,835	1,638,835
Operating Cashflow	**38,576**	**88,899**	**140,731**	**194,118**	**249,106**
Add: Cash from Entrance Fees	77,812	273,387	480,626	700,053	932,214
Less: Capital Additions	21,750	44,805	69,224	95,067	122,399
Less: Replacement Reserve	66,153	136,275	210,545	289,148	372,278
Final Cashflow	**28,485**	**181,205**	**341,588**	**509,955**	**686,642**
Cashflow Before Debt Service	1,755,223	2,001,120	2,260,191	2,533,006	2,820,155
Debt Service Coverage Ratio	**1.07**	**1.22**	**1.38**	**1.55**	**1.72**

Landis Homes currently has an operating budget of nearly $58,000,000 and a balance sheet approaching $180,000,000. The current resident population fluctuates between 850 and 900. The experience on our existing campus was used in developing the pro-forma assumptions.

These expansion projects will add approximately 125 residents to campus, $3,500,000 in revenue, along with $65,000,000 in assets and liabilities. The projects are large enough to be accretive to the organization but not large enough to substantially impact the overall financial picture.