ALLEGHENY CHRISTIAN MINISTRIES, INC.
d/b/a LAUREL VIEW VILLAGE

DISCLOSURE STATEMENT

The date of this Disclosure Statement is July 1, 2026

THE ISSUANCE OF A CERTIFICATE OF AUTHORITY DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT OF LAUREL VIEW VILLAGE BY THE PENNSYLVANIA DEPARTMENT OF INSURANCE, NOR IS IT EVIDENCE OF, NOR DOES IT ATTEST TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET OUT IN THE DISCLOSURE STATEMENT.

An index is included on page I.

LAUREL VIEW VILLAGE
2000 Cambridge Drive, Davidsville, PA 15928
(814) 288-2724
www.laurelviewvillage.com

ALLEGHENY CHRISTIAN MINISTRIES, INC.
d/b/a LAUREL VIEW VILLAGE

DISCLOSURE STATEMENT

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ALLEGHENY CHRISTIAN MINISTRIES, INC.
d/b/a LAUREL VIEW VILLAGE

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IMPORTANT INFORMATION TO PROSPECTIVE RESIDENT

Pursuant to the Pennsylvania Continuing Care Provider Registration and Disclosure Act P.S. 3207 et seq., this Disclosure Statement is being delivered to you at the time of or prior to your execution of Laurel View Village's Residence and Care Agreement, or at the time of or prior to your payment of any money to Allegheny Christian Ministries, Inc., d/b/a Laurel View Village. A copy of the Residence and Care Agreement is attached. Your receipt of this Disclosure Statement creates no obligation on your part to execute and deliver a Residence and Care Agreement to the provider, nor does it create any obligation on the part of Allegheny Christian Ministries, Inc., d/b/a Laurel View Village.

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

SUMMARY OF DISCLOSURE STATEMENT

The following is a summary of the information presented in this Disclosure Statement:

1. **THE FACILITY**: Laurel View Village, 2000 Cambridge Drive, Davidsville, PA 15928

2. **THE PROVIDER**: Allegheny Christian Ministries, Inc., d/b/a Laurel View Village, 2000 Cambridge Drive, Davidsville, PA 15928

3. **ADMISSIONS CONTACT**: The contact person for people considering admission to Laurel View Village is Mrs. Christina Gorschak, Lead Sales Counselor, 2000 Cambridge Drive, Davidsville, PA 15928, telephone (814) 288-2724 x4284.

4. **DESCRIPTION OF FACILITY**: Laurel View Village is located on a 69-acre campus in a rural part of the Laurel Highlands, Somerset County, Pennsylvania. The campus facilities provide a variety of senior living options with a total of 180 residential living units. Each residential unit features a fully equipped kitchen, safety-equipped bathroom(s), wall-to-

wall carpeting or customizable flooring options, individually controlled thermostats, and a response call system. The 180 residential living units are comprised of 70 townhome units and two residential apartment buildings, denoted as the Vista Apartments and Cambridge Place - each apartment complex has 55 one or two-bedroom apartment units.

The 70 townhome units are 35, single-story duplex homes, each with two bedrooms and an attached garage. Some larger townhomes also feature a double garage and a third room that can be used as a guest bedroom or den. Cambridge Place is a three-story apartment building that includes private balconies, an attached community center, parking garage, dining room, fitness center, swimming pool and beauty/barber services. The Vista Apartment complex is a two-story apartment building complete with fitness center, library, and activity areas. The Vista units are housed in an apartment structure that is connected via enclosed corridors to Laurel View Village's commons building, Personal Care and Health Care Centers. The main building includes a 63-unit Personal Care facility and a 60-bed Skilled Nursing facility and includes two (2) specialized areas for individuals with memory impairments. Laurel View Village is dually certified as a provider of Medicare and Medicaid services. Laurel View Village also owns the Davidsville Care Center, a comprehensive outpatient health care center located on its campus, providing residents with convenient access to primary care physicians, physical and occupational therapy, and outpatient laboratory services. Within the main building, also includes a chapel, the Village Café, beauty and barber salon, credit union and physical, occupational and speech therapy services.

5. **AGE REQUIREMENTS**: The minimum entrance age for admission to the residential living facility is 55 years of age. Exceptions may be granted upon special request and where certain physical disabilities or circumstances exist. There is no minimum age requirement for the Nursing or Personal Care facilities.

6. **AFFILIATIONS**: Allegheny Christian Ministries, Inc. (d/b/a Laurel View Village) is a Pennsylvania non-profit corporation and an organization exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code of 1986 as amended.

7. **CURRENT RESIDENT POPULATION**: The resident population at Laurel View Village as of June 30, 2026 was 351 residents:

Vista Apartment residents (51 units occupied)	65 residents
Townhome residents (67 units occupied)	102 residents
Cambridge Place Apartment (52 units occupied)	69 residents
Personal Care	57 residents
Skilled Nursing	58 residents

8. **FEES**: The following is a sample of the Entrance Fee and Monthly Service Fee for a typical one-bedroom residential apartment unit (670 square feet) at Laurel View Village as of 7/1/2026:

	Entrance Fee	**Monthly Service Fee**
Single Occupant	7/1/2026	7/1/2026
60% Refundable Option	$163,375	$2,477
30% Refundable Option	$118,125	$2,477
Non-refundable Option	$94,500	$2,477
Double Occupant		
60% Refundable Option	$163,375	$2,995
30% Refundable Option	$118,125	$2,995
Non-refundable Option	$94,500	$2,995

For full details on the various Entrance Fees refer to the Disclosure Statement and Residence and Care Agreement.

LAUREL VIEW VILLAGE
DISCLOSURE STATEMENT

BACKGROUND

Allegheny Christian Ministries, Inc. (d/b/a Laurel View Village) is a Pennsylvania non-profit corporation and an organization exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1986 as amended.

Laurel View Village is located on a 69-acre campus at 2000 Cambridge Drive, Davidsville, Somerset County, Pennsylvania. Laurel View Village comprises 170 residential living units with ten additional under construction, 63 Personal Care units, 60 Skilled Nursing beds and a variety of residential and administrative support services.

The Board of Directors of Allegheny Christian Ministries, Inc., d/b/a Laurel View Village, is vested with the authority to govern the affairs of Laurel View Village. The names and addresses of each Director are attached as Exhibit A.

MANAGEMENT PERSONNEL

Laurel View Village's management personnel have extensive experience with respect to healthcare facilities in general and services and facilities for older adults in particular.

Timothy Mock, BSBA, NHA, CEO

Prior to joining Laurel View Village, Mr. Mock was employed as a staff accountant with the Catanese Group, P.C. in Johnstown where he gained valuable long-term care financial experience in conducting audits and reviews for several regional nursing homes and other commercial companies. Mr. Mock earned his accounting degree at Shippensburg University in 2003. Mr. Mock joined the Laurel View Village business office in April 2004 as a staff accountant and became a member of the administration team in April 2005 when he was promoted to Controller. He was promoted to CFO in December of 2015 and supervised the Accounts Receivable, Accounts Payable, and Payroll personnel and was responsible for all general accounting functions. Mr. Mock

was able to use the experience that he has gained working for Laurel View Village to attain his Nursing Home Administrator license in April of 2012. During 2015 Mr. Mock served as the Interim CEO from February through October and as the Interim Nursing Home Administrator from February through November. Mr. Mock again served as interim CEO of Laurel View Village beginning in July of 2019 and promoted to CEO as of the end of September 2019. As CEO, he oversees all departments and functions of Laurel View Village.

Angela Rizzo, MPA, Senior Director of Independent Living & Community Relations

Angela joined Laurel View Village in November 2016. She has years of diverse experience in non-profit management. She has a Bachelor of Arts with a concentration in Advertising and Public Relations from Pennsylvania State University, and a Master of Public Administration with a focus on Public and Nonprofit Management from the University of Pittsburgh. Angela is also a 2012 graduate of the Greater Johnstown/Cambria County Chamber of Commerce: John B. Gunter Community Leadership Initiative. She is responsible for all Independent Living units throughout the campus, which also includes life enrichment, wellness, transportation, home care, sales/marketing and fundraising.

Dr. Patrick Gray MD

Dr. Patrick Gray was appointed as our Medical Director effective March 1, 2019. Dr. Gray, MD is a practicing Internist in Windber, PA. Dr. Gray graduated from Temple University Lewis Katz School of Medicine in 2001. He currently practices at Gray Medical Associates PC and is affiliated with Windber Medical Center. His background and experience along with his role as Medical Director will continue our commitment to providing a high quality of care for our residents.

“With respect to Allegheny Christian Ministries Inc, officers, directors, trustees, managing or general partners, and any person having a 10% or greater equity or beneficial interest in Allegheny Christian Ministries Inc, no such person has been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; or is subject to a currently effective injunctive or restrictive order of a court of record, or within the past five years had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including, without limitation, actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under this act or a similar act in another state. Allegheny Christian Ministries does not employ a facility manager other than an individual directly employed by the provider.”

CORPORATE AFFILIATION

Allegheny Christian Ministries, Inc. (d/b/a Laurel View Village) was a joint venture of two area non-profit groups, Allegheny Christian Services Corporation (ACSC) and Johnstown Medical Development Corporation (JMDC). As of January 2022, these entities decided to dissolve the joint venture and set up a new governing structure for Laurel View Village, solely ACMI governing board. Laurel View Village now operates with a unified self-sustaining Board of Directors, as most non-profits do.

DESCRIPTION OF PHYSICAL PROPERTY

Laurel View Village is located on a 69-acre campus in the heart of the Laurel Highlands, Somerset County, Pennsylvania. The campus facilities provide a variety of senior living options with a total of 180 residential living units. Each residential unit includes a fully equipped kitchen, safety-equipped bathroom(s), wall-to-wall carpeting or customizable flooring options, individually controlled thermostats, and a response call system. The 180 residential living units are comprised of 70 townhome units and two residential apartment buildings denoted as the Vista

Apartments and Cambridge Place - each apartment complex has 55 one or two-bedroom apartment units.

The 70 townhome units are comprised of 35, single story duplex homes, each with two bedrooms and an attached garage. Cambridge Place is a three-story apartment building that includes an attached community center, parking garage, dining room, fitness center and swimming pool. The Vista Apartment complex is a two-story apartment building complete with fitness center, library, and activity areas. The Vista units are housed in an apartment structure that is connected via enclosed corridors to Laurel View Village's commons building, and Health Care Center. The Health Care Center includes a 63-unit Personal Care facility and 60-bed Skilled Nursing facility and includes two (2) specialized areas for individuals with memory impairments. Laurel View Village is dually certified as a provider of Medicare and Medicaid services. Laurel View Village also owns the Davidsville Care Center, a comprehensive outpatient health care center located on its campus, providing residents with convenient access to primary care physicians, physical and occupational therapy, and outpatient laboratory services.

SERVICES

Services are provided in accordance with the terms of Laurel View Village's Residence and Care Agreement, a copy of which is attached as Exhibit B. Services provided by Laurel View Village in exchange for the payment of a monthly service fee include:

Services	Vista Apartments	Townhomes	Cambridge Place
Water Utility	Yes	Yes	Yes
Sewer Utility	Yes	Yes	Yes
Trash Removal	Yes	Yes	Yes
Other Utilities (except telephone, internet & cable TV)	Yes	No	Yes
In-Unit Laundry Equipment	No	Yes	Yes
Year-Round Building/Grounds/Maintenance	Yes	Yes	Yes

Housekeeping	Yes	No	Common Areas
Snow Removal	Yes	Yes	Yes
Scheduled Medical Transportation	Yes	Yes	Yes
Continental Breakfast	Yes	No	Dining Dollars[1]
One Meal Per Day	Yes	No	Dining Dollars[1]
Administrative Support	Yes	Yes	Yes
Parking	Yes	Yes	Yes
Property Taxes	No	Yes	No
Full Use of Laurel View Village's Facilities	Yes	Yes	Yes
Social & Recreational Activities	Yes	Yes	Yes
Priority Access to Laurel View Village's Personal Care & Health Care Centers	Yes	Yes	Yes

Laurel View Village offers other services at an additional charge beyond the monthly service fee. Such services include, but are not limited to, barber/beauty, physical therapy, occupational therapy, speech therapy, podiatry care, physician services and short-term health care services. Also access to internet, phone and television services is through Laurel View Village. If these additional services are selected, the residents will pay an additional fee.

RESIDENT FEES

Entrance Fees and Monthly Service Fees

Residents of Laurel View Village pay three (3) fees: 1) a one-time, non-refundable Administrative Fee of $250; 2) a one-time Entrance Fee based upon the type and size of residential living unit selected; and 3) a recurring Monthly Service Fee based upon the type and size of residential living unit selected and the number of residents occupying the residential living unit. The Resident shall pay a non-refundable Administrative Fee of $250 at the time signing the Residential Living Unit Agreement. Upon reservation of an apartment or townhome

[1] Reference should be made to the Residence and Care Agreement for more information.

unit, and execution of the Residence and Care Agreement, the Resident pays ten percent (10%) of the Entrance Fee, the sum of $2,000 of which is non-refundable unless the Resident (or residents, if the Resident is a couple) is not capable of taking occupancy of the residential living unit. The balance of the Entrance Fee is due on the designated occupancy date or upon occupancy, whichever is earlier. No interest is paid to the resident on deposits.

Reference should be made to the Residence and Care Agreement for information on Laurel View Village's refund policy prior to occupancy.

Laurel View Village provides three (3) Entrance Fee refund options. If the Residence and Care Agreement is terminated by the Resident of Laurel View Village as provided in the Residence and Care Agreement, prior to the fifty-sixth (56th) month (Option I); or the thirty-second (32nd) month (Option II); or the eightieth (80th) month (Option III) from the designated occupancy date or occupancy, whichever is earlier, Laurel View Village will refund to Resident or Resident's estate an amount equal to:

Entrance Fee Option I (30% Refundable) - the total Entrance Fee paid by Resident less 1.25% of such total Entrance Fee for each full or partial month which has elapsed since the designated occupancy date or occupancy, whichever is earlier. If the Residence and Care Agreement is terminated after the fifty-sixth (56th) month of the designated occupancy date or occupancy, whichever is earlier, then Laurel View Village will refund to Resident or Resident's estate an amount equal to thirty percent (30%) of the total Entrance Fee paid by Resident, less deductions for any financial assistance provided to Resident by Laurel View Village, and/or any amounts necessary to cover costs incurred by Laurel View Village to refurbish, restore or repair the residential living unit in the event of unreasonable wear and tear, and/or costs incurred at Resident's specific request, and/or any unpaid charges due Laurel View Village by Resident.

Entrance Fee Option II (60% Refundable) - the total Entrance Fee paid by Resident less 1.25% of such total Entrance Fee for each full or partial month which has elapsed since the designated occupancy date or occupancy, whichever is earlier. If the Residence and Care Agreement is terminated after the thirty-second (32nd) month of the designated occupancy date or occupancy, whichever is earlier, then Laurel View Village will refund to Resident or Resident's

estate an amount equal to sixty percent (60%) of the total Entrance Fee paid by Resident, less deductions for any financial assistance provided to Resident by Laurel View Village, and/or any amounts necessary to cover costs incurred by Laurel View Village to refurbish, restore or repair the residential living unit in the event of unreasonable wear and tear, and/or costs incurred at Resident's specific request, and/or any unpaid charges due Laurel View Village by Resident.

Entrance Fee Option III (Non-refundable) - the total Entrance Fee paid by Resident less 1.25% of such total Entrance Fee for each full or partial month which has elapsed since the designated occupancy date or occupancy, whichever is earlier, less deductions for any financial assistance provided to Resident by Laurel View Village, and/or any amounts necessary to cover costs incurred by Laurel View Village to refurbish, restore or repair the residential living unit in the event of unreasonable wear and tear, and/or costs incurred at Resident's specific request, and/or any unpaid charges due Laurel View Village by Resident. If the Residence and Care Agreement is terminated after the eightieth (80th) month of the designated occupancy date or occupancy, whichever is earlier, then Laurel View Village will not refund to Resident or Resident's estate any portion of the total Entrance Fee paid by Resident.

Subject to the provisions of Section 8 of the Residence and Care Agreement, any applicable refund shall be paid by Laurel View Village to Resident or Resident's estate within thirty (30) days after all the conditions reflected in the Residence and Care Agreement have been completed. In situations of double occupancy, there will be no refund, partial or otherwise, upon the death, permanent transfer, or voluntary departure from Laurel View Village of only one co-resident. Reference should be made to the Residence and Care Agreement for further information.

A schedule of Entrance Fees and Monthly Service Fees is attached as Exhibit C. It is expected that the Monthly Service Fee will be increased periodically, by the board of directors, to cover increases in the cost of providing services to residents. Residents will receive at least thirty (30) day notice of any increase in the Monthly Service Fee. A chart showing the average percentage increase in Monthly Service Fee is attached as Exhibit D.

Additional Fees for Personal Care and Nursing Care Services

Residents have the right to occupy the residential living unit for so long as they satisfy the health and other conditions of occupancy as set forth in the Residence and Care Agreement. The residents will have priority access to personal care and nursing care services at Laurel View Village. Admission is contingent upon the resident meeting the financial and all other admission criteria. The cost for personal care or nursing care services is not included in the Entrance Fee or Monthly Service Fee. The Residence and Care Agreement signed by residents is a fee-for-service contract. If a resident requires personal care or nursing care services, an admission agreement is signed for that level of care which establishes the basis for charges for personal care and nursing care services. The fees associated with the provision of personal care and nursing care services depend upon the type of room and/or services required. If a resident is permanently transferred to the personal care or nursing care facility, the Residence and Care Agreement for residential living shall remain in full force and effect. An amount equal to the sum of the unamortized portion and, if applicable, the refundable portion of the Entrance Fee (hereinafter called "Health Care Reserve") will be available and applied to cover the charges in the personal care or nursing care facility upon depletion of the resident's resources. Laurel View Village shall apply the Health Care Reserve to pay any outstanding charges incurred by the resident until the termination of the Residence and Care Agreement, or until the Health Care Reserve is exhausted.

Reference should be made to the Residence and Care Agreement for further information.

AVERAGE ANNUAL COST OF PROVIDING SERVICES

The calculation of the average annual cost of providing services is attached as Exhibit E.

ESCROW AND RESERVE FUNDS

An Entrance Fee Escrow Account has been established as required by the Pennsylvania Continuing Care Provider Registration and Disclosure Act (Act 82), with First Commonwealth Bank serving as Escrow Agent. Any money so escrowed will be invested by the Escrow Agent

in accordance with the provisions of Act 82. Interest in the Escrow Account will accrue to the benefit of Laurel View Village. A copy of the Escrow Agreement is attached as Exhibit F.

Act 82 also requires continuing care providers to establish liquid reserves in the amount equal to the greater of either the total of all interest payments due during the next twelve months on account of any mortgage loan or other long-term financing of the facility; or ten percent (10%) of the projected annual operating expenses of the facility. Because not all the residents at Laurel View Village are covered under continuing care agreements, the actual reserve requirement will reflect only that portion attributable to those residents covered under continuing care agreements. The liquid reserve is funded through a combination of Laurel View Village's debt service reserve and investments which are more than sufficient to satisfy the reserve requirement.

FINANCIAL INFORMATION

A copy of the audited consolidated financial statements of Laurel View Village for the periods ending June 30, 2026 and 2025, prepared by Baker Tilly Certified Public Accountants & Advisors are attached as Exhibit G.

The Pro Forma budget, prepared by Laurel View Village's management staff and approved by Laurel View Village's Board of Directors for fiscal year July 1, 2026 through June 30, 2027 is presented in Exhibit H.

RIGHT TO RESCIND

Residents may rescind and terminate their Residence and Care Agreement without penalty or forfeiture within seven (7) days of signing a Residence and Care Agreement. Residents are not required to move into the continuing care facility before the expiration of this seven (7) day period. To rescind their Residence and Care Agreement, Residents must mail or deliver a signed and dated copy of a Rescission Notice, or any other dated written notice, letter or telegram, stating their desire to rescind, to Laurel View Village, 2000 Cambridge Drive, Davidsville, PA 15928. A Notice of Right to Rescind is included in the Residence and Care

Agreement. After the lapse of the seven (7) day rescission period, but prior to the designated occupancy date or actual date of occupancy, any applicable refunds shall be paid in accordance with the refund provisions of the Residence and Care Agreement.

RESIDENCE AND CARE AGREEMENT

The Residence and Care Agreement governs the relationship and explains the mutual obligations between the Resident and Laurel View Village. The Residence and Care Agreement is attached as Exhibit B. All terms of the agreement are reflected in the Residence and Care Agreement. The Residence and Care Agreement also provides a grievance procedure that includes a voluntary mediation provision and a mandatory, binding arbitration provision. Residents should review the Residence and Care Agreement for further explanation.

RESIDENT'S RIGHT TO ASSOCIATE

Residents have the right of self-organization and are encouraged to participate in the affairs of the Resident's Association to represent the welfare and concerns of the Residents. A representative of Laurel View Village will hold at least quarterly meetings with residents for purposes of free discussion of topics related to living at Laurel View Village. Residents will be given at least seven (7) days notice of all such meetings.

RECEIPT

The undersigned hereby acknowledges delivery and receipt of the Laurel View Village's Disclosure Statement dated July 1, 2026 and all the attachments including a copy of the Residence and Care Agreement and the Notice of Right to Rescind.

Signature of Resident _____

Signature of Resident _____

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

Date: _____

EXHIBIT A

BOARD OFFICERS AND DIRECTORS

ALLEGHENY CHRISTIAN MINISTRIES, INC.
d/b/a LAUREL VIEW VILLAGE

BOARD OF DIRECTORS AND OFFICERS

Gerald Baxter, Treasurer
811 Freedom Ave
Johnstown, PA 15904

Mary Borkow
1618 Sunshine Ave
Johnstown, PA 15905

Barry Thomas, Chair
135 Norlin Drive
Davidsville, PA 15928

Rev. David McGee
116 Wheatfield Dr.
Davidsville, PA 15928

Ed Shoemaker, Secretary
1403 Bobwhite Court
Davidsville, PA 15928

Blaine Lester
291 Old Ridge Rd.
Hollsopple, PA 15935

Chris Hoffman
339 Seneca Trail
Davidsville, PA 15928

Jodi Clark
610 Barbara St
Seward, PA 15954

Michael E. Stevens
557 Lost Valley Drive
Holsopple, PA 15935

Mark Sawyer, Vice-Chair
1175 Weaver Rd.
Johnstown, PA 15904

Timothy Mock
CEO
214 Dream Rd
Hollsopple, PA 15935

Jim Vizzini
202 Delta Drive
Johnstown, PA 15904

EXHIBIT B

RESIDENCE AND CARE AGREEMENT

RESIDENCE AND CARE AGREEMENT

FOR

ALLEGHENY CHRISTIAN MINISTRIES, INC.
D/B/A LAUREL VIEW VILLAGE

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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 Residential Living Unit as a Co-Resident.

ADMINISTRATIVE FEE: The non-refundable amount paid for processing of the Residential Living Unit Application.

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 Residential Living Unit.

CO-RESIDENT: One of two individuals who signs a residence and care agreement to initially occupy one residential living unit.

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 Monthly Service Fee to become due, unless the Residential Living Unit is occupied earlier.

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

DOUBLE OCCUPANCY FEE: The fee for an Additional Occupant of an apartment. 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 Residential Living Unit.

HEALTH CARE CENTER: The licensed nursing care facility of Community.

HEALTH CARE RESERVE: An amount equal to the sum of the unamortized portion and, if applicable, the refundable portion of the Entrance Fee, which is established by the Community in the event you transfer permanently to the Health Care Center or Personal Care Center. Upon depletion of your resources, the Health Care Reserve shall be available and applied to cover the charges in the Health Care Center or Personal

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Care Center.

MONTHLY SERVICE FEE: The charge per month for Occupancy of the Residential Living Unit.

OCCUPANCY: The right of possession and use of the Residential Living Unit.

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.

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.

RESIDENTIAL LIVING UNIT: The apartment or townhome designated under this Agreement for Occupancy by you.

RESIDENTIAL LIVING UNIT APPLICATION: The application submitted to Community by those individuals seeking admission to Community.

ROUTINE NURSING CARE SERVICES: The level of Routine Nursing Care Services provided by us in the Health Care 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 residential living unit.

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

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RESIDENCE AND CARE AGREEMENT

THIS RESIDENCE AND CARE AGREEMENT (called "Agreement"), made this ____ day of _____, 20___, between Allegheny Christian Ministries, Inc. d/b/a Laurel View Village, 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 "Residential Living Unit").

RECITALS:

We operate a continuing care retirement community;

You have applied for admission to occupy the Residential Living Unit; and,

We have reviewed and accepted your Residential Living Unit Application subject to the execution of this Agreement, and you have designated the above Residential Living Unit 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: RESIDENTIAL LIVING UNIT 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 Residential Living Unit. We shall provide you with the Residential Living Unit 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 or Monthly Service Fee and are provided at an additional

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cost. If requested 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 Residential Living Unit 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.

1.4 Structural Changes and Redecoration. Any structural or physical change of any kind or redecoration to the interior or exterior of the Residential Living Unit, 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 and Personal 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 Residential Living Unit is available. We reserve the right to extend the Designated Occupancy Date. The obligation to pay the 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.

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SECTION 2: SERVICES

2.1 Utilities. The utilities provided by us and included in the Monthly Service Fee are identified on Exhibit "B" attached to this Agreement. 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 Residential Living Unit with access to telephone service. All telephone service charges, including connection charges, are not included in the Monthly Service Fee and shall be paid by you.

2.3 Cable Television. We shall provide your Residential Living Unit with access to cable television service and at least one cable connection. Basic cable service and expanded pay channel service charges are not included in the 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 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 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 Monthly Service Fee.

2.8 Assessments. Property taxes are included in the Monthly Service Fee for townhomes.

2.9 Meals. Meals are available in accordance with the terms and conditions of Exhibit "B".

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2.10 Housekeeping. Housekeeping services are available in accordance with the terms and conditions of Exhibit "B".

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

2.12 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.

2.13 Parking. We shall provide parking in accordance with our policy reflected in the Resident Handbook. Residents, who own a vehicle, must possess a valid driver's license, register that vehicle with us and provide proof of liability insurance coverage for that vehicle.

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

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

SECTION 3: NURSING AND PERSONAL CARE SERVICES

3.1 Health Care Center and Personal Care Center. We operate a Health Care 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 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 Health Care Center or the Personal Care Center at such time as you may require Routine Nursing Care Services or Personal Care Services. If you are temporarily or permanently transferred to the Health Care Center or Personal Care Center, you shall sign an admission agreement for the provision of Routine Nursing Care Services or Personal Care Services, which agreement shall supplement the

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terms of this Agreement. In the event any provision of the admission agreement is in conflict with or inconsistent with any of the terms or provisions of this Agreement, then this Agreement shall govern and control the relationship between you and us.

3.2 Private Duty Nursing or Companion Services in the Residential Living Unit. Subject to the approval of the Community, you may utilize the services of private duty nurses or companions providing personal or nursing care services in the Residential Living Unit so long as you are able to satisfy the Conditions of Occupancy. Such services must be approved in advance and in writing by us. We reserve the right to review credentials of all nurses and companions, to approve or prohibit the use of or to require the discontinuation of such services. You are responsible to pay for all such services. As a condition of our approval, all private duty nurses or companions must provide us with an appropriate release and indemnification agreement, proof of workers' compensation and liability insurance, as well as proof that such nurses or companions are free of tuberculosis and/or any other contagious or communicable disease, and are subject to a criminal background check. To the extent required, you shall confirm that any approved private duty nurse, companion, or attending individual has workers' compensation insurance coverage. In the absence of such coverage, you are required to provide workers' compensation insurance to the extent required by law. Services of private duty nurses, nurse assistants or companions may be used so long as you are able to satisfy the Conditions of Occupancy. In exchange for our consent to your request for the services of a private duty nurse, companion, or other assistant, you shall execute, if requested by us, an Aging-in-Place Addendum, which shall be attached to this Agreement and incorporated by reference. We reserve the right to terminate your authorization to utilize the services of private duty nurses, nurse assistants or companions in the event that you do not comply with the requirements of this Section or the Aging-in-Place Addendum, or require transfer to another level of care. If transfer to another level of care is required, then we reserve the right to transfer you to another level of care within the Community or to such other external care facility as we deem appropriate.

3.3 Health Care Services and Liability for Health Care Costs. Subject to Section 3.4 below, you remain responsible for your own Routine Nursing Care Services, Personal Care Services and health care services while residing in the Residential Living Unit. 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.

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

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3.5 Future Use of Facilities. Although there is no current plan to discontinue operations of the Health Care Center or Personal Care Center, 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. Should we elect to discontinue operations of the Health Care Center or Personal Care Center, there are no assurances that any replacement facilities will be available at the Community.

3.6 Response Call System. We shall equip your Residential Living Unit with a twenty-four (24) hour response call system. 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 Residential Living Unit. If you utilize the response call system in such an emergency, we will call 911 on your behalf.

SECTION 4: FEES

4.1 Administrative and Entrance Fees.

(a) Administrative Fee. You shall pay to us the sum of $_____ [_____ *initials*] as a non-refundable Administrative Fee at the time of submitting the Residential Living Unit Application.

(b) Entrance Fee. In accordance with the Entrance Fee refund option selected on Exhibit "C", you shall pay to us the sum of $_____ [____ *initials*] as an Entrance Fee in accordance with the following schedule:

(i) Deposit of Ten Percent (10%). You shall pay to us a deposit equal to ten percent (10%) of the Entrance Fee, $_____ [____ *initials*], upon execution of this Agreement.

(ii) Balance of Entrance Fee. You shall pay to us the balance of the Entrance Fee, $_____ [____ *initials*], on the Designated Occupancy Date or Occupancy, whichever is earlier.

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

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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 "C".

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 Residential Living Unit. 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 3.4 above, the Entrance Fee and Monthly Service Fee do not include future health care services.

4.5 Monthly Service Fee.

(a) Amount. You shall pay to us a Monthly Service Fee of $_____ [____ *initials*] for Occupancy of the Residential Living Unit. In the event you reside in an apartment, then 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 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 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.

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

4.6 Other Charges. In addition to the 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-

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Resident transfers to the Health Care 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 thirty (30) days of the date of the statement, shall be subject to a late charge of one percent (1%) per month (or annual rate of twelve percent (12%)), and you are obligated to pay any late charges. In the event we initiate mediation and/or arbitration to collect payments past due in excess of sixty (60) days and the parties, through mediation, mutually agree in favor of us, or if unable to mutually agree, we, through arbitration, are deemed to be the prevailing party, 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. If the parties mutually agree in favor of you or you are the prevailing party in a collection action, you shall be entitled to recover attorneys' fees and costs incurred in defending the collection action.

4.9 Inability to Pay. It is our policy not to terminate this Agreement solely because of your inability to pay the 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 Residential Living Unit Application, 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 Residential Living Unit Application for less than fair market value unless the transfer does not impair your ability to fulfill your financial obligations to us for future Personal 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 other actions that would disqualify you from benefits under the MA Program, then you shall not be considered for financial assistance and this Agreement may be terminated.

Our ability to provide financial assistance is contingent upon a number of factors including the availability of charitable gifts and the financial condition of the Community. If we determine that you qualify for financial assistance, then we may provide such assistance as is necessary to enable you to meet the Monthly 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.

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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 at the request of the Community.

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 Residential Living Unit as a Co-Resident, the proposed Additional Occupant must file a Residential Living Unit Application and meet all age and other requirements for admission to the Residential Living Unit. In the event you allow an Additional Occupant to occupy your Residential Living Unit with you during the term of this Agreement and such Additional Occupant is admitted, then 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. In the event you and the Additional Occupant reside in an apartment, then upon the admission of the Additional Occupant as a Co-Resident, the Monthly Service Fee for Double Occupancy shall be due and payable for Occupancy of the apartment. 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 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 Residence and Care Agreement, and thereafter occupy a single Residential Living Unit, 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 Residential Living Units occupied by you and the other resident shall be thereafter occupied jointly. The Residential Living Unit not designated for joint occupancy must be surrendered on or before the date of the proposed move to the

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designated Residential Living Unit. Any applicable refund shall be paid to the resident surrendering his/her Residential Living Unit upon the termination of the resident's Residence and Care Agreement, but only after the vacated Residential Living Unit has been reoccupied by another resident and the applicable Entrance Fee for the Residential Living Unit 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 Residential Living Unit not then occupied by you or your anticipated co-resident, then subject to our approval and the availability of a larger Residential Living Unit, 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 Residential Living Unit 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. In the event you and your anticipated co-resident transfer to an apartment, then the Monthly Service Fee for Double Occupancy of the designated apartment shall be paid. This Agreement shall be amended to reflect the change in the Residential Living Unit, the change in the Monthly Service Fee, if any, and any other matters reasonably necessary for your transfer to the designated or alternative Residential Living Unit.

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 Residential Living Unit and the other Co-Resident remains in the Residential Living Unit. The Co-Resident who remains at the Community must retain and maintain 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. 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 9.6 of this Agreement, the departing Co-Resident

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will remain jointly and severally liable for the financial obligations of the remaining Co-Resident.

SECTION 7: OPTION TO MOVE TO ANOTHER RESIDENTIAL LIVING UNIT

7.1 Option After Occupancy. After Occupancy, you may request to exercise a limited option to move to another Residential Living Unit on the Community's premises, if and when another Residential Living Unit becomes available, in accordance with our policies, which are subject to change from time to time. In the event you desire to exercise the option to move to another Residential Living Unit, you must notify us in writing of the Residential Living Unit desired. We reserve the right to refuse your request to move to another Residential Living Unit.

7.2 Costs of Election to Move.

(a) To Residential Living Unit With Lesser Entrance Fee. If you elect to move to a Residential Living Unit, which has a lesser Entrance Fee than you paid for Occupancy of the Residential Living Unit initially designated under this Agreement, then no additional payment or refund shall be due. You shall be obligated to pay the applicable Monthly Service Fee for the selected Residential Living Unit.

(b) To Residential Living Unit With Greater Entrance Fee. If you elect to move to a Residential Living Unit, which has a greater Entrance Fee than you paid for Occupancy of the Residential Living Unit initially designated under this Agreement, then you shall pay, prior to moving to the selected Residential Living Unit, an additional amount equal to the difference between the initial Entrance Fee paid and the higher Entrance Fee in effect at the time of the move. The difference shall be immediately amortized in full by us. You shall be obligated to pay the applicable Monthly Service Fee for the selected Residential Living Unit.

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

SECTION 8: HEALTH CARE RESERVE

8.1 Creation of Health Care Reserve.

(a) Single Occupancy. If you are permanently transferred to the Health Care Center or Personal Care Center, no refund of the Entrance Fee will be due or paid to you at that time. Instead, an amount equal to the sum of the unamortized portion and,

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if applicable, the refundable portion of the Entrance Fee will be established as the Health Care Reserve. The Health Care Reserve amount will be calculated at the time of Surrender as reflected in Section 9.5. The Health Care Reserve will be maintained by us until this Agreement is terminated due to your death, discharge or voluntary departure from the Community, or until it is exhausted. Any portion of the Health Care Reserve remaining upon the termination of this Agreement will become available as a refund in accordance with Section 11. The Health Care Reserve will only be established if you are permanently transferred to the Health Care Center or Personal Care Center. If established, the Health Care Reserve will be available upon depletion of your resources as reflected in Section 8.2.

(b) Double Occupancy. If and at such time as the last remaining Co-Resident in the Residential Living Unit is permanently transferred to the Health Care Center or Personal Care Center, no refund of the Entrance Fee will be due or paid to you at that time. Instead, an amount equal to the sum of the unamortized portion and, if applicable, the refundable portion of the Entrance Fee will be established as the Health Care Reserve. The Health Care Reserve amount will be calculated at the time of Surrender as reflected in Section 9.5. The Health Care Reserve will be maintained by us until this Agreement is terminated due to the death, discharge or voluntary departure from the Community of the last surviving Co-Resident, or until it is exhausted. Any portion of the Health Care Reserve remaining upon the termination of this Agreement will become available as a refund in accordance with Section 11. The Health Care Reserve will only be established at such time as the last remaining Co-Resident in the Residential Living Unit is permanently transferred to the Health Care Center or Personal Care Center. If established, the Health Care Reserve will be available upon depletion of both Co-Residents' resources as reflected in Section 8.2.

8.2 Utilization of Health Care Reserve.

(a) Single Occupancy. The Health Care Reserve shall not be available to you until the Health Care Reserve has been established and until you have depleted your resources. Upon depletion of your resources, the Health Care Reserve shall be applied by us to the charges incurred by you in the Health Care Center or Personal Care Center in accordance with the terms and conditions of Section 10.3. We shall continue to apply the Health Care Reserve to pay any outstanding charges incurred by you until the termination of this Agreement, or until the Health Care Reserve is exhausted.

(b) Double Occupancy. The Health Care Reserve shall not be available to you until the Health Care Reserve has been established and until both Co-Residents have depleted their resources. Upon depletion of both Co-Residents' resources, the Health Care Reserve shall be applied by us to the charges incurred by you in the Health Care Center or Personal Care Center in accordance with the terms and conditions of

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Section 10.3. We shall continue to apply the Health Care Reserve to pay any outstanding charges incurred by you until the termination of this Agreement, or until the Health Care Reserve is exhausted.

8.3 Possible Refund of Health Care Reserve.

(a) Single Occupancy. Any portion of the Health Care Reserve remaining upon the termination of this Agreement due to your death, discharge or voluntary departure from the Community shall become available as a refund in accordance with Section 11 of this Agreement.

(b) Double Occupancy. Any portion of the Health Care Reserve remaining upon the termination of this Agreement due to the last surviving Co-Resident's death, discharge or voluntary departure from the Community shall become available as a refund in accordance with Section 11 of this Agreement.

8.4 Eligibility for Financial Assistance. Upon exhaustion of the Health Care Reserve, you, or in situations of Double Occupancy, both Co-Residents, shall be required to look to all other available sources of financial assistance before requesting financial assistance from us, including an application for benefits from the MA Program administered by DHS, in accordance with Section 4.9.

SECTION 9: TERMINATION OF AGREEMENT

9.1 Termination by You.

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

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

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Single Occupancy; except if you reside in a townhome, then in those situations, the Monthly Service Fee shall remain the same.

(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 Residential Living Unit. Termination shall be effective after the lapse of the sixty (60) day notice period and Surrender of the Residential Living Unit. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement.

9.2 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 Residential Living Unit Application 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 Residential Living Unit 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 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

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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.

9.3 Termination Upon Permanent Transfer to an Outside Care Facility. If you are permanently transferred to 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 Residential Living Unit shall continue to pay the Monthly Service Fee. No refund shall be due so long as the remaining Co-Resident continues to reside in the Residential Living Unit and until all other conditions for a refund have been satisfied.

9.4 Termination by Death. Following your death, this Agreement shall terminate when the Residential Living Unit has been surrendered to us. Any applicable refunds shall be paid in accordance with the refund provisions of this Agreement. If the Residential Living Unit 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.

9.5 Surrender. The obligation to pay the Monthly Service Fee shall continue until after the lapse of any mandatory notice period for termination and the Residential Living Unit has been surrendered by you, or in the case of death, by your estate or your family. Surrender of the Residential Living Unit shall be complete when you have ceased to occupy it, have removed all possessions from it, and have turned over the Residential Living Unit keys to us. Amortization of the Entrance Fee shall cease upon Surrender and any applicable refund or Health Care Reserve amount (as the case may be) will be calculated as of that time.

9.6 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 19 survive the termination of this Agreement and shall remain in full force and effect.

9.7 Failure to Vacate and Surrender Residential Living Unit. Upon notice of termination, in the event that you fail to vacate and Surrender the Residential Living

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Unit timely, then we may file a complaint with the applicable District Justice seeking an order to evict you from the Residential Living Unit. 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 10: TRANSFER FOR OTHER SERVICES OR TO ANOTHER OUTSIDE FACILITY

10.1 Conditions of Occupancy. You shall have the right to occupy the Residential Living Unit 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.

10.2 Decision to Transfer. With the concurrence of our Medical Director, we may transfer you from and between the Residential Living Unit and the Health Care 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 Residential Living Unit. If you are transferred permanently to the Health Care Center, Personal Care Center or to any other appropriate care facility, we may declare the Residential Living Unit vacant and reassign the Residential Living Unit 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.

10.3 Charges Related to Transfer.

(a) Single Occupancy.

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

(ii) Permanent Transfer.

1) Health Care Center or Personal Care Center. Upon permanent transfer to the Health Care Center or Personal Care Center, and after

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Surrender of the Residential Living Unit, the obligation to pay the Monthly Service Fee shall end. This Agreement shall remain in full force and effect upon your permanent transfer. In accordance with the terms and conditions of Section 8, and upon depletion of your resources, the charges incurred by you in the Health Care Center or Personal Care Center shall be deducted from the Health Care Reserve until the termination of this Agreement, or until the Health Care Reserve is exhausted.

2) Another Facility. Upon permanent transfer to another facility, and after Surrender of the Residential Living Unit, the obligation to pay the 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 other facility.

(b) Double Occupancy.

(i) Temporary Transfer. Except as otherwise provided herein, during temporary transfer of one Co-Resident to the Health Care Center, Personal Care Center or another facility, the 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 Health Care Center, Personal Care Center or other facility. In the event one Co-Resident temporarily transfers from an apartment to the Health Care Center, Personal Care Center or other facility, then the Double Occupancy Fee shall be suspended beginning on the fifteenth (15th) day of such Co-Resident's temporary transfer and continuing until the Co-Resident returns to the apartment. In situations where one Co-Resident temporarily transfers to the Health Care 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 Health Care Center, Personal Care Center or another facility, the 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 Health Care Center, Personal Care Center or other facility.

(ii) Permanent Transfer.

1) Health Care Center or Personal Care Center. During permanent transfer of one Co-Resident to the Health Care Center or Personal Care Center, the Monthly Service Fee shall be reduced to the Monthly Service Fee for Single Occupancy, except if you reside in a townhome, then in those situations, the 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 Health Care Center or Personal Care Center. In situations where one Co-Resident permanently transfers to the Health Care Center, this provision shall not be

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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 Health Care Center or Personal Care Center, then, after the Surrender of the Residential Living Unit, the obligation to pay the Monthly Service Fee shall end. This Agreement shall remain in full force and effect upon your permanent transfer. In accordance with the terms and conditions of Section 8, and upon depletion of both Co-Residents' resources, the charges incurred by both Co-Residents in the Health Care Center or Personal Care Center shall be deducted from the Health Care Reserve until the termination of this Agreement, or until the Health Care Reserve is exhausted.

2) Another Facility. During permanent transfer of one Co-Resident to another facility, the Monthly Service Fee shall be reduced to the Monthly Service Fee for Single Occupancy, except if you reside in a townhome, then in those situations, the 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 other facility. In the event both Co-Residents are permanently transferred to another facility, then, after the Surrender of the Residential Living Unit, the obligation to pay the 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 other facility.

10.4 Release of or Return to Residential Living Unit After Transfer.

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

(b) Permanent Transfer. If you are permanently transferred to the Health Care Center, Personal Care Center or another facility, you shall Surrender and vacate the Residential Living Unit within thirty (30) days of written notice of our decision to permanently transfer you and release the Residential Living Unit. If in our opinion, you subsequently recover sufficiently to satisfy the Conditions of Occupancy of a Residential Living Unit, we in the exercise of our discretion, shall make available as soon as reasonably practicable a Residential Living Unit with a floor plan comparable to the one relinquished. In the event you occupy a Residential Living Unit after being permanently transferred to the Health Care Center or Personal Care Center, then you shall execute an addendum with us and pay the then current Monthly Service Fee. If you become eligible to occupy a Residential Living Unit after being permanently transferred to another facility, then you shall execute a new Residence and Care

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Agreement with the Community and pay the then current Entrance Fee for the Residential Living Unit and the then current Monthly Service Fee.

SECTION 11: REFUND OF ENTRANCE FEE

11.1 Termination Before Occupancy. Any payments will be refunded in full, except for the Administrative Fee, 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 payments, except for the Administrative Fee, 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 we will retain Two Thousand Dollars ($2,000) of the Entrance Fee. The balance of 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 payments, except for the Administrative Fee.

11.2 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 "C".

11.3 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 11.6 after the last surviving Co-Resident vacates and surrenders the Residential Living Unit, and this Agreement is terminated. In situations of Double Occupancy where one Co-Resident is transferred to the Health Care 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 11.6 is contrary to law or Medical Assistance eligibility requirements, then we shall make available the amount determined by DHS

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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.

11.4 Possible Exhaustion of Health Care Reserve Prior to Termination. The unamortized portion and, if applicable, the refundable portion of the Entrance Fee are subject to the provisions of Section 8 related to the maintenance of the Health Care Reserve. In such event, all or part of the Health Care Reserve may be utilized for payment for nursing and/or personal care services. In the event the Health Care Reserve has been exhausted prior to termination, then no refund of any kind or amount shall be due to you or your estate.

11.5 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, including the Health Care Reserve, and no interest will be paid on termination.

11.6 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, and subject to the provisions of Section 8, any applicable refund will be made only after the following have been completed: (a) the Residential Living Unit has been vacated and surrendered; (b) keys to the Residential Living Unit and to buildings have been returned to us; (c) all personal furniture and belongings have been removed from the Residential Living Unit; (d) the termination of this Agreement; (e) we have accepted and entered into a Residence and Care Agreement with a new resident for the Residential Living Unit most recently occupied by you and the seven (7) day rescission period has expired; (f) the replacement Entrance Fee has been paid in full for the Residential Living Unit most recently occupied by you; and (g) such new resident has taken Occupancy. Any applicable refund will be paid only after all of the above conditions have been completed. Upon completion of all of the aforementioned conditions, 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 12: ARRANGEMENTS FOR GUARDIANSHIP AND FOR ESTATE

12.1 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

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any liability related to the nomination. All costs of such legal proceedings, including legal fees, shall be paid by you or the legally appointed guardian of your estate.

12.2 Power of Attorney. We encourage you to 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 13: RIGHTS AND OBLIGATIONS OF RESIDENT

13.1 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.

13.2 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.

13.3 Inspection of Residential Living Unit 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 Residential Living Unit 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 Residential Living Unit to perform scheduled housekeeping, routine maintenance, or other reasonably necessary purposes having due regard for your privacy.

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13.4 Housekeeping/Housecleaning Responsibilities. You shall maintain your Residential Living Unit in a clean, sanitary, and orderly condition. If you do not maintain your Residential Living Unit in a reasonable manner as determined by us, after notice to you, we shall have the right to maintain the Residential Living Unit and the cost of such additional cleaning or maintenance shall be charged to you.

13.5 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 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.

13.6 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 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.

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

13.8 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 Residential Living Unit Application, 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.

13.9 Responsibility for Property Damage to Community.

(a) Responsibility for Condition of Residential Living Unit Upon Termination. Upon termination of this Agreement, or at such other time as you shall vacate and Surrender the Residential Living Unit, you must leave it in as good condition as the date of Occupancy except for reasonable wear and tear. If the Residential Living Unit 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 your death, your estate shall be liable for any loss or damage to our property caused by you.

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13.10 Release Regarding Conduct of Other Residents or Guests. We assume no responsibility for your conduct or the conduct of any other residents, and you hereby release and discharge us from any claims for injury or damage to you or 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.

13.11 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 Residential Living Unit 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.

13.12 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.

13.13 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 Residential Living Unit covered by this Agreement unless approved in writing by us.

13.14 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, at a minimum, 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.

13.15 Guests. You shall have the right to entertain guests in the Residential Living Unit for up to thirty (30) consecutive days upon advance written notice to us. Thereafter, no guest may remain in the Residential Living Unit without our advance written approval and the payment of an additional fee per day per guest. Failure to

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abide by this policy shall be considered a violation of this Agreement and therefore, grounds for the termination of this Agreement by us. Guests shall pay menu prices for meals taken while at the Community.

13.16 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.

13.17 Smoking. We are a smoke-free community. We do not permit smoking anywhere on our campus, including your Residential Living Unit, in accordance with our smoking policy described in the Resident Handbook, which is subject to change from time to time.

SECTION 14: CASUALTY LOSS

In the event the Residential Living Unit occupied by you or the building in which the Residential Living Unit is located, is destroyed or is damaged by fire or other casualty so as to render the Residential Living Unit generally unfit for Occupancy, we will endeavor in good faith to rebuild and replace the Residential Living Unit 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 Residential Living Unit 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 Residential Living Unit. Any applicable refund due to you in accordance with Section 11 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 Residential Living Unit unfit for Occupancy, we shall be obligated to rebuild or repair the damage to the Residential Living Unit 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 Residential Living Unit for any period of time during any reasonably necessary period of restoration of the Residential Living Unit, the Monthly Service Fee shall be reduced

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proportionately, unless a vacant Residential Living Unit 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 Residential Living Unit, or the interruption in use of the Residential Living Unit, or the termination of this Agreement by reason of the destruction of the Residential Living Unit or building.

SECTION 15: RENOVATION OF RESIDENTIAL LIVING UNIT

We reserve the right to relocate you to another residential living unit within the Community in the event the Residential Living Unit occupied by you or the building in which the Residential Living Unit is located is subject to renovation. In such event, you shall relocate to a residential living unit that is substantially similar to the Residential Living Unit 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 residential living unit, you shall pay the Monthly Service Fee applicable to that residential living unit. Upon completion of the renovations, you may, subject to our approval, elect to remain in the Residential Living Unit you have occupied on a temporary basis, or return to the renovated Residential Living Unit or the renovated building in which the Residential Living Unit is located. If you, subject to our approval, choose to remain in the residential living unit you have been occupying, then you shall continue to pay the applicable Monthly Service Fee, and any applicable refund due to you upon the termination of this Agreement shall be based on the Surrender of that residential living unit. In the event you, subject to our approval, choose to return to the renovated Residential Living Unit or the building in which the Residential Living Unit is located, then this Agreement shall terminate and you shall receive any applicable refund. You shall execute a new Residence and Care Agreement with us and pay the then current Entrance Fee and the then current Monthly Service Fee. All costs associated with relocation to the renovated Residential Living Unit or the building in which the Residential Living Unit is located shall be paid by you.

SECTION 16: 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 17: 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.

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SECTION 18: ENTIRE AGREEMENT

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

SECTION 19: 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 20: GRIEVANCE PROCEDURE

20.1 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.

20.2 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 may only be resolved by arbitration as provided in this Agreement. If the parties do not mutually agree to mediate any dispute that may arise between them, then they may proceed directly to arbitration. The costs of the mediation shall be borne equally by each party, and each party shall be responsible for their own legal fees, except in collection actions where the parties mutually agree in

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favor of the Community or, if unable to resolve the dispute through mediation, where the Community, through arbitration, is deemed to be the prevailing party, then in that event, the Community shall be entitled to recover attorneys' fees and costs incurred in pursuing the enforcement of your financial obligations. If the parties mutually agree in favor of you or you are the prevailing party, you shall be entitled to recover attorneys' fees and costs incurred in defending the collection action.

20.3 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 ("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 20.3(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; and (3) disputes involving amounts in controversy of less than Twelve Thousand Dollars ($12,000), shall be settled 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 20.3(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

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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 settled 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 20.3(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 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 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 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. ADR Options, Inc., is the designated arbitration agency that shall hear disputes specified in Sections 20.3(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

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within thirty (30) days of receipt of notice or other determination of ADR Options, Inc.'s, unwillingness or inability to serve as a neutral arbitrator. 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) shall operate as a bar to any subsequent request for Arbitration, or for any claim for relief or a remedy, or to any action or legal proceeding of any kind or nature, and the parties will be forever barred from arbitrating or litigating a resolution to any such dispute. Contact information for ADR Options, Inc., is as follows:

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

(g) 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, except in collection actions where the Community is the prevailing party, then in that event, the Community shall be entitled to recover attorneys' fees and costs incurred in pursuing the enforcement of your financial obligations. If you are the prevailing party in a collection action, then you shall be entitled to recover attorneys' fees and costs incurred in defending the collection action.

(h) Limited Resident Right to Rescind this Mandatory, Binding Arbitration Clause (Section 20.3(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.

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(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.

(k) Severability of Arbitration Clause (Section 20.3(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) Applicability of Arbitration Clause (Section 20.3(a-l) of this Agreement). This arbitration clause shall not apply to any stay of yours in the Health Care Center operated by us as part of the Community.

SECTION 21: 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:
CEO
Laurel View Village
2000 Cambridge Drive
Davidsville, PA 15928

To Resident (Before Occupancy): _____

_____

_____

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

SECTION 22: 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.

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SECTION 23: MISCELLANEOUS PROVISIONS

23.1 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 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.

23.2 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.

23.3 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.

23.4 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.

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

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

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

23.8 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

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Disclosure Act of 1984 ("Act") which is intended for the benefit or protection of you or the individual purchasing care for you.

23.9 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.

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SIGNATURES ON FOLLOWING PAGE]

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AGREEMENT AUTHORIZATIONS AND SIGNATURES

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

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

Attest:

_____

Date: _____

Allegheny Christian Ministries, Inc.
d/b/a Laurel View Village

By: _____

Authorized Representative

Date: _____

Witness:

_____

Date: _____

_____

Resident/Co-Resident

Date: _____

Witness:

_____

Date: _____

_____

Co-Resident

Date: _____

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NOTICE OF RIGHT TO RESCIND

Date rescission period begins _____, 20___. You may rescind and terminate your Residence and Care Agreement without penalty or forfeiture within seven (7) days of the above date. You are not required to move into 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 Residence and Care Agreement within this seven (7) day period.

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

Laurel View Village
2000 Cambridge Drive
Davidsville, PA 15928

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

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

Date:_____

PROSPECTIVE RESIDENT'S SIGNATURE

_____

_____

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EXHIBIT "A"

(Vista Apartments)

The following items will be provided by Community as part of the Residential Living Unit:

- Kitchen stove
- Refrigerator
- Microwave
- Garbage disposal
- Smoke detector & fire protection
- Individually-controlled heat and air conditioning
- Mini blinds
- Floor coverings

(Vista Patio Apartments)

The following items will be provided by Community as part of the Residential Living Unit:

- Kitchen stove
- Refrigerator
- Microwave
- Garbage disposal
- Smoke detector & fire protection
- Individually-controlled heat and air conditioning
- Mini blinds
- Floor coverings
- Washer and Dryer

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EXHIBIT "A"

(Cambridge Place Apartments)

The following items will be provided by Community as part of the Residential Living Unit:

- Kitchen stove
- Refrigerator
- Microwave
- Garbage disposal
- Smoke detector & fire protection
- Individually-controlled heat and air conditioning
- Washer and dryer
- Mini blinds
- Floor coverings

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EXHIBIT "A"

(Townhomes)

The following items will be provided by Community as part of the Residential Living Unit:

- Kitchen stove
- Refrigerator
- Microwave
- Garbage disposal
- Smoke detector
- Individually-controlled heat and air conditioning
- Washer and dryer
- Mini blinds
- Floor coverings

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EXHIBIT "B"

(Vista Apartments)

The charges for utilities, meals, housekeeping and laundry services at the Community are as follows:

Utilities. We shall provide water, heat, electricity, air conditioning, sewer and refuse collection. These services are included in the Monthly Service Fee.

Meals. As part of the Monthly Service Fee, you will receive continental breakfast and one (1) meal per day. Additional meals are available at an additional charge. In the event you will be away from the Community for a period of fourteen (14) consecutive days or more, you may receive a raw food credit in an amount as reflected in the Fee Schedule. In order to receive this credit, you must provide us with notice of your intended absence at least three (3) days in advance of the first day you will be absent from the Community, except for the case of hospitalization.

Housekeeping. We shall provide light housekeeping services on a bi-weekly basis. Housekeeping services are included in the Monthly Service Fee.

Laundry. You shall have access to laundry rooms or washer and dryer for personal laundry as part of your Monthly Service Fee. The use of other laundry or dry cleaning services or facilities available from an outside source shall be paid by you.

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EXHIBIT "B"

(Cambridge Place Apartments)

The charges for utilities, meals and housekeeping services at the Community are as follows:

Utilities. We shall provide water, heat, electricity, air conditioning, sewer and refuse collection. These services are included in the Monthly Service Fee.

Meals. As part of the Monthly Service Fee, you will receive Dining Dollars based on the meal plan chosen by you. At the time of execution of this Agreement, you have selected the following meal plan: ____ Meal Plan A [_____ *initials*]; or ____ Meal Plan B [_____ *initials*]. You will receive Dining Dollars equal to $_____ [_____ *initials*] per month and $_____ [_____ *initials*] per month for a Co-Resident which may be used for meals, groceries and other items available through the Community's dining program and for your guests. Dining Dollars may be used in any dining room on the campus. Dining Dollars do not have any actual cash value and the amount may be revised periodically as determined by us. Any balance remaining on the last day of each calendar month expires and does not carry forward to the next calendar month. If you exhaust your Dining Dollars prior to the end of the same calendar month of issue, then you may purchase additional meals at an additional charge as set forth in the Fee Schedule.

In the event you will be away from the Community for a period of fourteen (14) consecutive days or more, you may receive a raw food credit in an amount as reflected in the Fee Schedule. In order to receive this credit, you must provide us with notice of your intended absence at least three (3) days in advance of the first day you will be absent from the Community, except for the case of hospitalization.

Housekeeping. Housekeeping services are available at an additional charge.

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EXHIBIT "B"

(Townhomes)

The charges for utilities, meals and housekeeping services at the Community are as follows:

Utilities. We shall provide water, sewer and refuse collection. These services are included in the Monthly Service Fee. Gas heat, electricity and air conditioning are not included in the Monthly Service Fee and shall be paid by you.

Meals. Meals are available at an additional charge.

Housekeeping. Housekeeping services are available at an additional charge.

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EXHIBIT "C"

SELECTION OF ENTRANCE FEE REFUND OPTION

THIS ADDENDUM, effective this _____ day of _____, 20____, amends the Residence and Care Agreement (called "Agreement"), and any other addenda or amendments to the Agreement entered into between Allegheny Christian Ministries, Inc. d/b/a Laurel View Village, 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 three Entrance Fee refund options: (a) a sixty percent (60%) refundable option; (b) a thirty percent (30%) refundable option; and (c) 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) Sixty Percent (60%) Refundable Option.** Under this option, you or your estate, subject to the conditions of Section 11 of the Agreement, will be entitled to a refund of sixty percent (60%) of the Entrance Fee.

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[____ *initials*] **(b)** **Thirty Percent (30%) Refundable Option.** Under this option, you or your estate, subject to the conditions of Section 11 of the Agreement, will be entitled to a refund of thirty percent (30%) of the Entrance Fee.

[____ *initials*] **(c)** **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 11 of the Agreement, you will be entitled to a refund of the unamortized portion of the Entrance Fee.

2. **Amortization of Entrance Fee.**

(a) **Sixty Percent (60%) Refundable Option.** The Entrance Fee shall be amortized at the rate of one and one-quarter percent (1.25%) per month over a period of thirty-two (32) months beginning in the month of the Designated Occupancy Date or of Occupancy, whichever is earlier. At the conclusion of the amortization period, forty percent (40%) of the Entrance Fee shall be earned in full by us, and you will not be entitled to a refund of forty percent (40%) of the Entrance Fee. The other sixty percent (60%) of the Entrance Fee shall not be subject to amortization.

(b) **Thirty Percent (30%) Refundable Option.** The Entrance Fee shall be amortized at the rate of one and one-quarter percent (1.25%) per month over a period of fifty-six (56) months beginning in the month of the Designated Occupancy Date or of Occupancy, whichever is earlier. At the conclusion of the amortization period, seventy percent (70%) of the Entrance Fee shall be earned in full by us, and you will not be entitled to a refund of seventy percent (70%) of the Entrance Fee. The other thirty percent (30%) of the Entrance Fee shall not be subject to amortization.

(c) **Non-refundable Option.** The Entrance Fee shall be amortized at the rate of one and one-quarter percent (1.25%) per month over a period of eighty (80) 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) **Sixty Percent (60%) Refundable Option.** Subject to the provisions of Section 8 of the Agreement, in the event of termination during the amortization period, you will be entitled to a refund of sixty percent (60%) of the Entrance Fee plus the unamortized portion. After the lapse of the amortization period, you will be eligible for

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a refund of sixty percent (60%) 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 Residential Living Unit 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 11.6 of the Agreement.

(b) Thirty Percent (30%) Refundable Option. Subject to the provisions of Section 8 of the Agreement, in the event of termination during the amortization period, you will be entitled to a refund of thirty percent (30%) of the Entrance Fee plus the unamortized portion. After the lapse of the amortization period, you will be eligible for a refund of thirty percent (30%) 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 Residential Living Unit 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 11.6 of the Agreement.

(c) Non-refundable Option. Subject to the provisions of Section 8 of the Agreement, 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 Residential Living Unit 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 11.6 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.

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SIGNATURES ON FOLLOWING PAGE]

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

Witness:

Allegheny Christian Ministries, Inc.
d/b/a Laurel View Village

_____

By: _____

_____
Title

Witness:

_____

_____
Resident/Co-Resident

_____

_____
Co-Resident

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EXHIBIT C

ENTRANCE FEES and MONTHLY SERVICE FEES

SCHEDULE OF ENTRANCE FEES AND MONTHLY SERVICE FEES

Vista Apartments - Entrance Fee Option

Type Unit	Entrance Fee (As of 7/1/2026)			Monthly Service Fee (As of 7/1/2026)	
	30% Refundable Option (1)	60% Refundable Option (2)	Non-refundable Option (3)	Service Fee Single Occupant	Service Fee Double Occupant
1 BR (578 Sq. Ft.)	$103,125	$144,375	$82,500	$2,442	$2,960
1 BR (650 Sq. Ft.)	$117,500	$164,500	$94,000	$2,477	$2,995
1 BR (670 Sq. Ft.)	$118,125	$163,375	$94,500	$2,477	$2,995
2 BR (850 Sq. Ft.)	$146,875	$205,625	$117,500	$2,934	$3,452
Patio One Bedroom	$173,750	$243,250	$139,000	$2,996	$3,514

Note: 1). 30% Refundable Option - Amortized over 56 months to minimum refund of 30%
2). 60% Refundable Option - Amortized over 32 months to minimum refund of 60%
3). Non-refundable Option - Amortized over 80 months down to zero

Townhomes

Type Unit	Entrance Fee (As of 7/1/2026)			Monthly Service Fee (As of 7/1/2026)
	30% Refundable Option (1)	60% Refundable Option (2)	Non-refundable Option (3)	Single/Double Occupant
2 BR (1,000 Sq. Ft.)	$192,500	$269,500	$154,000	$1,165
2 BR (1,245 Sq. Ft.)	$236,875	$331,625	$189,500	$1,218
2 BR (1,588 Sq. Ft.)	$295,625	$413,875	$236,500	$1,296
2BR (1,640 Sq. Ft.)	$303,750	$425,250	$243,000	$1,313
2 BR (1,776 Sq. Ft.)	$315,000	$441,000	$252,000	$1,329
2 BR (1,874 Sq. Ft.)	$319,375	$447,125	$255,500	$1,363

Note: 1). 30% Refundable Option - Amortized over 56 months to minimum refund of 30%
2). 60% Refundable Option - Amortized over 32 months to minimum refund of 60%
3). Non-refundable Option - Amortized over 80 months down to zero

SCHEDULE OF ENTRANCE FEES AND MONTHLY SERVICE FEES

Cambridge Place Apartments

Type Unit	Entrance Fee (As of 7/1/2026)			Monthly Service Fee (As of 7/1/2026)	
	30% Refundable Option (1)	60% Refundable Option (2)	Non-refundable Option (3)	Service Fee Single Occupant	Service Fee Double Occupant
1 BR (995 Sq. Ft.)	$191,875	$268,625	$153,500	$2,017	$2,209
2 BR (1,142 Sq. Ft.)	$220,000	$308,000	$176,000	$2,245	$2,437
2 BR (1,242 Sq. Ft.)	$251,875	$352,625	$201,500	$2,531	$2,723
2 BR (1,416 Sq. Ft.)	$270,625	$378,875	$216,500	$2,762	$2,954

Note: 1). 30% Refundable Option - Amortized over 56 months to minimum refund of 30%
2). 60% Refundable Option - Amortized over 32 months to minimum refund of 60%
3), Non-refundable Option - Amortized over 80 months down to zero

EXHIBIT D

AVERAGE ANNUAL INCREASE IN MONTHLY SERVICE FEES

AVERAGE PERCENTAGE INCREASE IN MONTHLY SERVICE FEES

Percentage Increase in Fees Over Past 5 Years

Increase was implemented on July 1 of respective year. August 1 for HC Rates

Venue	2022	2023	2024	2025	2026
Townhome Monthly Service Fee	5.99%	7.02%	5.49%	4.75%	5.76%
Vista Monthly Service Fee	5.91%	5.76%	4.49%	4.75%	5.02%
Cambridge Monthly Service Fee	5.99%	6.38%	4.99%	4.75%	5.24%
Health Care Per Diem Fee	6.01%	9.74%	9.75%	4.75%	5.38%
Personal Care Per Diem Fee	6.00%	7.49%	6.51%	4.75%	4.21%

EXHIBIT E

AVERAGE COST OF PROVIDING CARE & SERVICES DURING THE MOST RECENT 12 MONTHS

AVERAGE COST OF PROVIDING CARE & SERVICES DURING THE MOST RECENT 12 MONTHS

(residential living)

Fiscal Year Ending 06/30/2026

Expenses:	
Salaries & Wages	2,094,109.50
Employee Benefits	489,192.25
Other Expenses	1,184,298.50
Depreciation & Amortization	1,377,706.00
Interest	674,816.00
Total Expenses	5,820,122.25

Resident Days	84,599.00
Average Annual Cost per Resident Day	68.80
Times 365 Days	365
Average Cost Per Residents	25,110.75

EXHIBIT F

ENTRANCE FEE ESCROW AGREEMENT

ENTRANCE FEE ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made this 26 day of June, 2017, by and between ALLEGHENY CHRISTIAN MINISTRIES, INC., d/b/a/LAUREL VIEW VILLAGE, hereinafter referred to as the "Provider", with an address of 2000 Cambridge Drive, Davidsville, Pennsylvania 15928-9220 and First Commonwealth Bank – Trust, hereinafter referred to as the "Bank".

BACKGROUND

Provider is required by the Pennsylvania Continuing Care Provider Registration and Disclosure Act (Act 1984-82), and the regulations promulgated thereunder (the "Act") to establish an entrance fee escrow account with a bank, trust company or other escrow agent authorized to do business in the Commonwealth of Pennsylvania.

Provider wishes to have Bank serve as escrow agent of its Entrance Fee Escrow Account and Bank is willing to serve as escrow agent.

TERMS

The parties, intended to be legally bound, agree as follows:

1. Bank will receive into a separate account (the "Entrance Fee Escrow Account"), all Entrance Fees deposited to such account by Provider.

2. Bank will invest the funds in the Entrance Fee Escrow Account in accordance with the instructions of the Provider and subject to the limitations on investments imposed by the Act.

3. Bank will release funds constituting principal which are in the Entrance Fee Escrow Account to Provider upon Provider's certification, in writing, that the funds may be released in accordance with the Act.

4. Interest of other income earned on the Entrance Fee Escrow Account shall be the exclusive property of Provider and shall be paid to Provider upon its request.

5. Bank will release an entrance fee to the person or persons who paid the entrance fee upon receipt of notice from Provider that such person is entitled to a refund of the entrance fee.

6. Funds not released within a period of 36 months, or such greater time as may have been specified by the Provider with the consent of the commissioner, will be returned directly to the person or persons who paid the entrance fee to the Provider.

7. Bank shall have the right to resign as escrow agent by giving not less than thirty (30) days written notice to Provider and the Insurance Commissioner, Pennsylvania Insurance Department ("Commissioner"). Prior to the effective date of the resignation, Provider shall appoint a successor escrow agent acceptable to the Commissioner.

8. Provider may require Bank to resign as escrow agent by giving not less than thirty (30) days notice to bank and to the Commissioner, Pennsylvania Insurance Department "Commissioner"). Prior to the effective date of the resignation, Provider shall appoint a successor escrow agent acceptable to the Commissioner.

9. This escrow Agreement and the Entrance Fee Escrow Account shall, in all respects, be governed by the provisions of the Act. Bank, as escrow agent, shall serve as fiduciary in carrying out its obligations under this Escrow Agreement.

10. Bank is not liable for actions taken in accordance with instructions from the Provider.

11. Bank is not responsible for interpretation and/or enforcement of policy and procedure within the Act; instead Bank shall rely solely on the instructions of the provider.

12. Bank will be indemnified against all claims, legal costs and expenses, and liabilities resulting from its administration as escrow agent, excepting in the event of the bank's own gross negligence or willful misconduct.

13. The Entrance Fee Escrow Account and this Agreement shall automatically terminate hen Provider is no longer required to maintain an entrance fee escrow account under the Act. At that time, Bank shall release all remaining funds to Provider.

14. Bank, for its services hereunder, shall receive a fee in accordance with Custody Services as outlined in their Standard Compensation Schedule then in effect. Current Compensation Schedule is included as "Attachment A".

15. This agreement may be amended by written agreement signed by parties provided that ten (10) days advance notice of the proposed amendment shall have been given to the Commissioner.

IN WITNESS WHEREOF, the parties hereto have duly executed this Entrance Fee Escrow Agreement the day and year first above written

WITNESS:

ALLEGHENY CHRISTIAN MINISTRIES, INC.
d/b/a LAUREN VIEW VILLAGE

Michelle M Rasely

By _____ CFO

WITNESS

FIRST COMMONWEALTH BANK – TRUST

Nadine Cinco

By _____ Estate Settlement Officer

ENTRANCE FEE ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made this 14th day of March, 2024, by and between ALLEGHENY CHRISTIAN MINISTRIES, INC., d/b/a/LAUREL VIEW VILLAGE, hereinafter referred to as the "Provider", with an address of 2000 Cambridge Drive, Davidsville, Pennsylvania 15928-9220 and Somerset Trust Company, hereinafter referred to as the "Bank".

BACKGROUND

Provider is required by the Pennsylvania Continuing Care Provider Registration and Disclosure Act (Act 1984-82), and the regulations promulgated thereunder (the "Act") to establish an entrance fee escrow account with a bank, trust company or other escrow agent authorized to do business in the Commonwealth of Pennsylvania.

Provider wishes to have Bank serve as escrow agent of its Entrance Fee Escrow Account and Bank is willing to serve as escrow agent.

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The parties, intended to be legally bound, agree as follows:

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2. Bank will invest the funds in the Entrance Fee Escrow Account in accordance with the instructions of the Provider and subject to the limitations on investments imposed by the Act.

3. Bank will release funds constituting principal which are in the Entrance Fee Escrow Account to Provider upon Provider's certification, in writing, that the funds may be released in accordance with the Act.

4. Interest of other income earned on the Entrance Fee Escrow Account shall be the exclusive property of Provider and shall be paid to Provider upon its request.

5. Bank will release an entrance fee to the person or persons who paid the entrance fee upon receipt of notice from Provider that such person is entitled to a refund of the entrance fee.

6. Funds not released within a period of 36 months, or such greater time as may have been specified by the Provider with the consent of the commissioner, will be returned directly to the person or persons who paid the entrance fee to the Provider.

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9. This escrow Agreement and the Entrance Fee Escrow Account shall, in all respects, be governed by the provisions of the Act. Bank, as escrow agent, shall serve as fiduciary in carrying out its obligations under this Escrow Agreement.

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11. Bank is not responsible for interpretation and/or enforcement of policy and procedure within the Act; instead Bank shall rely solely on the instructions of the provider.

12. Bank will be indemnified against all claims, legal costs and expenses, and liabilities resulting from its administration as escrow agent, excepting in the event of the bank's own gross negligence or willful misconduct.

13. The Entrance Fee Escrow Account and this Agreement shall automatically terminate hen Provider is no longer required to maintain an entrance fee escrow account under the Act. At that time, Bank shall release all remaining funds to Provider.

14. Bank, for its services hereunder, shall receive a fee in accordance with Custody Services as outlined in their Standard Compensation Schedule then in effect. Current Compensation Schedule is included as "Attachment A".

15. This agreement may be amended by written agreement signed by parties provided that ten (10) days advance notice of the proposed amendment shall have been given to the Commissioner.

EXHIBIT G

AUDITED FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 2025 and 2026

Being supplied in draft form as delays in governmental guidance have delayed our ability to finalize the statements. Final Audit statements will be supplied when they are available.

Allegheny Christian Ministries, Inc.
d/b/a Laurel View Village

Financial Statements

June 30, 2026 and 2025

Allegheny Christian Ministries, Inc.
d/b/a Laurel View Village

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June 30, 2026 and 2025

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Independent Auditors' Report

To the Board of Trustees of
Allegheny Christian Ministries, Inc. d/b/a Laurel View Village

Opinion

We have audited the financial statements of Allegheny Christian Ministries, Inc. d/b/a Laurel View Village (the Organization), which comprise the balance sheets as of June 30, 2026 and 2025, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2026 and 2025, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (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 Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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.

Baker Tilly US, LLP

New Castle, Pennsylvania
October 23, 2026

Allegheny Christian Ministries, Inc.
d/b/a Laurel View Village

Balance Sheets
June 30, 2026 and 2025

	2026	2025
Assets		
Current Assets		
Cash and cash equivalents	$ 925,306	$ 631,745
Accounts receivable, residents	677,459	938,129
Prepaid expenses and other current assets	566,770	613,951
Total current assets	2,169,535	2,183,825
Property and Equipment, Net	29,612,967	30,109,714
Investments	3,376,579	2,441,212
Assets Whose Use is Limited		
Statutory minimum liquid reserves	1,132,333	1,673,786
Funds held by third parties	412,546	373,665
Restricted deposits	360	360
Assets whose use is limited	1,545,239	2,047,811
Derivative Financial Instruments	140,532	55,994
Total assets	$ 36,844,852	$ 36,838,556
Liabilities and Net Assets		
Current Liabilities		
Long-term debt, current portion	$ 1,263,839	$ 1,459,001
Accounts payable, trade	666,393	632,730
Accrued liabilities	893,568	715,599
Deposits from prospective residents	237,750	596,540
Total current liabilities	3,061,550	3,403,870
Refundable Entrance Fees	13,329,267	12,750,744
Deferred Revenue From Entrance Fees	5,020,133	4,664,412
Long-Term Debt	12,817,126	14,167,929
Total liabilities	34,228,076	34,986,955
Net Assets		
Without donor restrictions	2,204,230	1,477,936
With donor restrictions	412,546	373,665
Total net assets	2,616,776	1,851,601
Total liabilities and net assets	$ 36,844,852	$ 36,838,556

See notes to financial statements

Allegheny Christian Ministries, Inc.
d/b/a Laurel View Village

Statements of Operations and Changes in Net Assets
Years Ended June 30, 2026 and 2025

	2026	2025
Changes in Net Assets Without Donor Restrictions		
Operating revenue:		
Net resident service revenue	$ 19,426,123	$ 17,899,095
Other operating revenue	887,640	808,996
Total operating revenue	20,313,763	18,708,091
Operating expenses:		
Salaries and benefits	11,832,279	10,695,165
Supplies and utilities	3,985,127	3,603,332
Depreciation	1,781,890	1,721,001
Interest	715,336	727,273
Professional services	1,155,115	1,198,514
Insurance	295,935	300,270
Other expense	1,310,031	1,116,820
Total operating expenses	21,075,713	19,362,375
Operating loss	(761,950)	(654,284)
Other income (expenses):		
Investment income, net of fees	21,107	27,142
Contributions and other income	774,869	666,238
Change in fair value of derivative financial instruments	84,538	(303,174)
Unrealized and realized gains on investments	607,730	451,126
Total other income	1,488,244	841,332
Revenue and other income in excess of expenses and change in net assets without donor restrictions	726,294	187,048
Changes in Net Assets With Donor Restrictions		
Change in value of beneficial interest in assets held by Community Foundation	19,044	4,452
Change in value of beneficial interest in perpetual trust	19,837	12,187
Change in net assets with donor restrictions	38,881	16,639
Change in net assets	765,175	203,687
Net Assets, Beginning	1,851,601	1,647,914
Net Assets, Ending	$ 2,616,776	$ 1,851,601

See notes to financial statements

Allegheny Christian Ministries, Inc.
d/b/a Laurel View Village

Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows From Operating Activities		
Change in net assets	$ 765,175	$ 203,687
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,781,890	1,721,001
Loss on disposal of property and equipment	183,757	-
Amortization of deferred financing costs	35,868	36,135
Provision for credit losses	62,078	(69,035)
Amortization of nonrefundable entrance fees	(2,074,250)	(1,622,287)
Proceeds from nonrefundable entrance fees	46,779	1,398,618
Net realized and unrealized gain on investments	(607,730)	(451,126)
Change in fair value of derivative financial instruments	(84,538)	303,174
Change in value of funds held by others	(38,881)	(16,639)
Changes in assets and liabilities:		
Accounts receivable, residents	198,592	426,059
Prepaid expenses and other current assets	47,181	(189,001)
Accounts payable, trade	33,663	(80,710)
Accrued liabilities	177,969	(112,652)
Deposits from prospective residents	(358,790)	(232,981)
Net cash provided by operating activities	168,763	1,314,243
Cash Flows From Investing Activities		
Purchases of property and equipment	(1,468,900)	(4,993,102)
Net sale of investments and assets whose use is limited	213,816	325,248
Net cash used in investing activities	(1,255,084)	(4,667,854)
Cash Flows From Financing Activities		
Payments on long-term debt	(1,459,185)	(4,444,497)
Deferred financing costs incurred	(122,648)	-
Proceeds from long-term debt	-	3,744,932
Proceeds from refundable entrance fees	4,021,550	4,371,857
Refund of refundable entrance fees	(1,059,835)	(1,158,614)
Net cash provided by financing activities	1,379,882	2,513,678
Net increase (decrease) in cash and cash equivalents	293,561	(839,933)
Cash and Cash Equivalents, Beginning	631,745	1,471,678
Cash and Cash Equivalents, Ending	$ 925,306	$ 631,745
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 683,468	$ 804,533

See notes to financial statements

1. Nature of Organization and Summary of Significant Accounting Policies

Organization

Allegheny Christian Ministries, Inc. d/b/a Laurel View Village (the Organization) is a not-for-profit corporation organized to operate a continuing care retirement community (CCRC) on a 46-acre site in Davidsville, Pennsylvania. The CCRC includes 60 skilled nursing (SN) beds; 63 personal care (PC) units, 15 of which are dedicated PC memory care (MC) units; and 180 independent living (IL) units. The Organization's primary service area includes Davidsville, Pennsylvania and surrounding communities in Somerset County, Pennsylvania.

Use of Estimates

The preparation of financial statements in accordance 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Accounts Receivable, Residents

The Organization assesses collectability on all resident accounts prior to providing services. Resident accounts receivable are reported net of an allowance for credit losses, which represents the Organization's estimate of expected losses as of the balance sheet date. The adequacy of the allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analysis of receivables portfolios by payor source and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends and adjustments are made to the allowance, as necessary. The allowance for credit losses was approximately $93,000 and $50,000 at June 30, 2026 and 2025, respectively. Accounts receivable, residents was $1,295,153 as of June 30, 2024.

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 balance sheets. Investment income (including realized and unrealized gains on investments, interest and dividends, and fees) is included in revenue and other income in excess of expenses unless the income is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Organization's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the 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 balance sheets could change materially in the near term.

Assets Whose Use is Limited

Assets whose use is limited include 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); assets with donor restriction held by third parties for the benefit of the Organization; and restricted deposits.

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 which range from 3 to 39 years. Generally, all property and equipment purchases that exceed $500 are capitalized.

Donations of property and equipment are reported at fair value as a change in net assets without donor restrictions unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted income. Net assets with donor restrictions are reclassified and reported as a change in net assets without donor restrictions when an asset is purchased with the donated funds and placed in service.

Property and equipment will be evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. No impairment losses were recognized in 2026 or 2025.

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt are amortized over the term of the related debt using the straight-line method, which approximates the effective interest method, and are presented in the Organization's balance sheets as a direct reduction of long-term debt. Amortization expense approximating $36,000 in 2026 and 2025 is included as a component of interest expense.

Residence and Care Agreement and Entrance Fees

IL residents are required to enter into a Residence and Care Agreement (the Agreement) upon admission to one of the Organization′s IL units. Under the Agreement, the resident agrees to pay an entrance fee for the IL unit selected, which varies based on the type and size of the IL unit and the refund option selected by the resident.

Upon payment of the full entrance fee, plus payment of a monthly fee, the resident is entitled to possession of the IL unit for the duration of the resident's life or until the resident's physical or cognitive condition requires transfer to another level of care.

In the event a prospective resident for an IL unit terminates the Agreement prior to occupancy, all monies paid toward the entrance fee will generally be refunded within 60 days. After occupancy, residents may be entitled to a refund of a portion of the entrance fee paid, as defined in the Agreement; any applicable entrance fee refund shall be made after the Organization receives an entrance fee from a successor resident for the IL unit vacated.

The Organization offers three entrance fee plans to prospective residents, a nonrefundable plan and two refundable plans. The refundable plans have a guaranteed refund component, which is either 30% or 60% of the entrance fee paid. The nonrefundable plan has no guaranteed refund component and is refundable on a decreasing basis at a rate of 1.25% per month for each month or portion thereof of occupancy; after 80 months of occupancy, no refund is due or payable. Entrance fees received under the refundable plans are also refundable on a decreasing basis at a rate of 1.25% per month for each month or portion thereof of occupancy; after 56 months of occupancy, 30% of the entrance fee will be due or payable upon termination of the 30% refundable plan Agreement, and after 32 months of occupancy, 60% of the entrance fee will be due or payable upon termination of the 60% refundable plan Agreement.

The guaranteed refund component of entrance fees is not amortized to income and is classified as refundable entrance fees and deposits in the balance sheets. The balance of entrance fees received is classified as deferred revenue from entrance fees in the balance sheets and is amortized to income over the annually adjusted actuarially determined life expectancy of the residents using the straight-line method, which approximates the period of time that goods and services under the Agreements are expected to be transferred to residents.

Amortization of nonrefundable entrance fees was $2,074,250 in 2026 and $1,622,287 in 2025. A significant portion of amortization revenue in 2026 and 2025 was included in deferred revenue from entrance fees as of the beginning of each year.

Contractual refund obligations under the Agreements approximate $14,756,000 and $12,910,000 at June 30, 2026 and 2025, respectively.

The majority of services provided to IL residents are paid for on a fee-for-service basis and are not included under the Agreements. A description of the services not covered or included in the entrance fee and monthly fee is provided to IL residents upon admission.

Derivative Financial Instruments

The Organization entered into interest-rate swap agreements, which are considered derivative financial instruments, to manage its interest rate risk on certain components of its long-term debt. The interest rate swap agreements are reported at fair value and classified as derivative financial instruments in the balance sheets. Related changes in fair value are reported in the statements of operations and changes in net assets.

Net Assets

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

Net Assets Without Donor Restrictions - This classification includes 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 - This classification includes net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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 Revenue

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

Payment terms and conditions for the Organization's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Net resident service revenues for recurring and routine monthly services due from private pay residents are generally billed monthly in advance. Net resident service fee revenues for ancillary services due from private pay residents are generally billed monthly in arrears. Net resident service revenues due from Medicare, Medicaid and other third-party payor programs are billed monthly in arrears.

Net resident service revenues are primarily comprised of SN, PC and IL revenue streams, which are primarily derived from providing housing and SN, PC and IL services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Organization has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, the Organization considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, SN, PC and IL revenues are recognized on a daily or month-to-month basis as services are rendered.

The Organization receives revenue for SN 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 Organization estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends. Retroactive adjustments are recognized in future periods as final settlements are determined.

Contract Balances

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

The Organization's beginning and ending contract liabilities are separately presented on the balance sheets as of June 30, 2026 and 2025 as deferred revenues from entrance fees. Deferred revenues from entrance fees were $4,888,081 as of June 30, 2024. The Organization has no contract assets.

Income Tax Status

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on its exempt income under Section 509(a) of the IRC.

Revenue and Other Income in Excess of Expenses

The statements of operations and changes in net assets include the determination of revenue and other income in excess of expenses (the performance indicator). Operating loss includes only those operating revenues and expenses that are an integral part of the Organization's program activities and net assets released from donor restrictions to support operating expenditures. Revenue and other income in excess of expenses include all operating activities, as well as investment income, contributions, the change in fair value of derivative financial instruments and other nonoperating revenues and expenses.

Reclassifications

Reclassifications have been made to the 2025 financial statements to conform to the presentation used in 2026.

Subsequent Events

In preparing these financial statements, the Organization evaluated events that occurred through October 23, 2026, the date the financial statements were issued, for potential recognition or disclosure.

2. Liquidity and Available Resources

Financial assets available for general expenditure within one year of the balance sheet dates consist of the following as of June 30:

	2026	2025
Cash and cash equivalents	$ 925,306	$ 631,745
Accounts receivable, residents	677,459	938,129
Investments	3,376,579	2,441,212
Total	$ 4,979,344	$ 4,011,086

The Organization's assets whose use is limited are generally not available for general expenditure within the next year and are not reflected in the amounts above.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Organization designated a portion of its investments "reserved" to comply with the requirements of Act 82. Although the Organization does not intend to utilize the reserves for general expenditures as part of its annual budget and approval process, amounts designated as the reserves could be made available as necessary. The Statutory Minimum Liquid Reserves in Note 4 do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

3. Net Resident Service Revenues

The Organization disaggregates revenue from contracts with residents by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors.

Net resident service revenues consist of the following for the years ended June 30:

	2026			
	IL	PC	SN	Total
Self-pay	$ 3,996,193	$ 5,196,924	$ 4,057,668	$ 13,250,785
Medicare	-	-	939,987	939,987
Medical Assistance	-	-	1,942,763	1,942,763
Commercial and other	-	-	1,218,338	1,218,338
Amortization of nonrefundable entrance fees	2,074,250	-	-	2,074,250
Total	$ 6,070,443	$ 5,196,924	$ 8,158,756	$ 19,426,123

	2025			
	IL	PC	SN	Total
Self-pay	$ 3,653,452	$ 5,068,409	$ 3,782,123	$ 12,503,984
Medicare	-	-	600,698	600,698
Medical Assistance	-	-	2,118,301	2,118,301
Commercial and other	-	-	1,053,825	1,053,825
Amortization of nonrefundable entrance fees	1,622,287	-	-	1,622,287
Total	$ 5,275,739	$ 5,068,409	$ 7,554,947	$ 17,899,095

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

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.

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.

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

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

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 dispose of 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 Organization 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 instrument through corroboration with observable market data.

Level 3 - Significant unobservable inputs.

The following tables present assets measured at fair value on a recurring basis as of June 30:

	2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments and assets whose use is limited:				
Cash and cash equivalents **	$ -	$ -	$ -	$ 215,104
Mutual funds:				
Fixed income	1,420,838	-	-	1,420,838
Domestic equity	2,167,359	-	-	2,167,359
International equity	593,714	-	-	593,714
Mutual funds, other	81,698	-	-	81,698
Exchange traded funds, equity	30,559	-	-	30,559
Interest in assets held by others	-	-	412,546	412,546
Total	$ 4,294,168	$ -	$ 412,546	$ 4,921,818
Derivative financial instruments	$ -	$ 140,532	$ -	$ 140,532

** Cash and cash equivalents are included in the above table so it can be reconciled to total investments and assets whose use is limited reported in the balance sheets.

	2025			
	Level 1	Level 2	Level 3	Total
Investments and assets whose use is limited:				
Cash and cash equivalents **	$ -	$ -	$ -	$ 261,943
Mutual funds:				
Fixed income	1,284,415	-	-	1,284,415
Domestic equity	1,974,727	-	-	1,974,727
International equity	496,779	-	-	496,779
Mutual funds, other	73,247	-	-	73,247
Exchange traded funds, equity	24,247	-	-	24,247
Interest in assets held by others	-	-	373,665	373,665
Total	$ 3,853,415	$ -	$ 373,665	$ 4,489,023
Derivative financial instruments	$ -	$ 55,994	$ -	$ 55,994

** Cash and cash equivalents are included in the above table so it can be reconciled to total investments and assets whose use is limited reported in the balance sheets.

The Organization has no financial assets or financial liabilities measured at fair value on a nonrecurring basis.

Valuation Methodologies

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2026 and 2025.

Investments and assets whose use is limited are valued at fair value based on quoted market prices in active markets for mutual funds and exchange traded funds;

Interest in assets held by others represent the interest in funds held by the Foundation and a beneficial interest in perpetual trust, which approximates the present value of the future distributions expected to be received.

The Organization measures its derivative financial instruments (interest rate swap agreements) at fair value using information provided by the counterparty to the agreements. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instruments. The method used to determine the fair value calculates the estimated future payments required by the derivative financial instruments and discounts these payments using an appropriate discount rate. The value represents the estimated exit price the Organization would pay to terminate the agreements.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment returns are comprised of the following for the years ended June 30:

	2026	2025
Interest income, net fees	$ 21,107	$ 27,142
Net unrealized gain on investments	368,193	213,479
Net realized gain on sales of investments	239,537	237,647
Total investment return	$ 628,837	$ 478,268

Statutory Minimum Liquid Reserve

As a continuing care provider, the Organization is required to maintain a minimum liquid reserve to be in compliance with Section 9 of the Continuing Care Provider Registration and Disclosure Act (Act 82). The reserve at June 30, 2026 was calculated as follows:

Budgeted annual operating expenses for the year ending June 30, 2026	$ 20,690,080
Less budgeted depreciation and amortization expense	1,926,000
Expenses subject to minimum liquid reserve requirement	18,764,080
Percentage of residents subject to entrance fee agreements	10%
Subtotal	1,876,408
Statutory requirement	59.79%
Statutory minimum liquid reserve requirement (a)	$ 1,121,908
Principal and interest payments due within the next 12 months	$ 1,893,843
Percentage of residents subject to entrance fee agreements	59.79%
Statutory minimum liquid reserve requirement (b)	$ 1,132,333
Statutory liquid reserve - greater of (a) or (b) above	$ 1,132,333

5. Property and Equipment

Property and equipment consist of the following as of June 30:

	2026	2025
Land	$ 516,467	$ 516,467
Buildings and improvements	54,444,192	53,437,680
Equipment, furniture and fixtures	6,154,665	6,628,489
Transportation equipment	443,920	466,529
Construction in progress	366,005	1,195,691
	61,925,249	62,244,856
Less accumulated depreciation	32,312,282	32,135,142
	$ 29,612,967	$ 30,109,714

Construction in progress as of June 30, 2025 primarily consisted of costs related to the construction of 10 new independent living townhomes. During 2026, the townhomes were completed and placed into service and there were no significant contractual commitments related to the project as of June 30, 2026 and 2025, respectively. Interest costs of approximately $4,000 and $113,000 were capitalized as part of the cost of construction projects during the years ended June 30, 2026 and 2025, respectively.

6. Long-Term Debt and Derivative Financial Instruments

2024 Construction Loan

In March 2024, the Organization entered into loan agreements with a bank to finance the construction and equipping of 10 new independent living units on the Organization's campus. The 2024 Construction Loan consists of two components: a $3,748,250 Intermediate Term Loan (ITL) and a $650,000 Permanent Term Loan (PTL). The ITL and PTL were available on a draw-down basis during the construction period. Borrowings under the ITL totaled $3,744,932 during fiscal 2025. Together with $3,318 drawn in fiscal 2024, total outstanding borrowings under the ITL were $3,748,250 as of fiscal year-end 2025. The outstanding balance was repaid in full on January 22, 2026, using proceeds from entrance fees received in connection with the new independent living units. During fiscal 2024, the Organization borrowed $650,000 under the PTL.

The ITL and PTL bore interest during the construction period at the one-month Term Secured Overnight Financing Rate (SOFR) plus 2.50%. Following the construction period, the PTL bears interest at the greater of 5.00% or the five-year Treasury Index plus 3.00%, with the interest rate subject to adjustment every five years. The interest rate on the PTL was 6.68% and 6.95% at June 30, 2026 and 2025, respectively. The PTL is repayable in monthly installments of principal and interest of approximately $5,800 and matures in March 2041.

Series 2016 Bonds

In December 2016, the Organization restructured a portion of its long-term debt, which resulted in the Somerset County Hospital Authority (the Authority) issuing $4,535,000 of Mortgage Revenue Bonds, Series 2016 (Series 2016 Bonds). Proceeds from the Series 2016 Bonds were used to refinance existing long-term debt and fund certain capital improvements.

The Series 2016 Bonds are payable in varying annual installments through November 2035, with interest payable monthly at a variable rate equal to 75% of SOFR plus 2.00%. The interest rate on the Series 2016 Bonds was 4.74% and 5.25% at June 30, 2026 and 2025, respectively.

Series 2008 Revenue Notes

In November 2008, the Somerset County Hospital Authority (the Authority) issued a $10,000,000 Senior Mortgage Revenue Note, Series A of 2008, and the Geistown Borough Municipal Authority issued a $10,000,000 Senior Mortgage Revenue Note, Series B of 2008 (collectively, the Series 2008 Revenue Notes). Proceeds from the Series 2008 Revenue Notes were used to finance the development and construction of Cambridge Place, a 55-unit independent living apartment building, and related amenities, including a community center, dining room, restaurant and fitness center on the Organization's campus.

The Series 2008 Revenue Notes are payable in varying annual installments through November 2035, with interest payable monthly at a variable rate equal to 75% of SOFR plus 2.00%. The interest rate on the Series 2008 Revenue Notes was 4.74% and 5.25% at June 30, 2026 and 2025, respectively.

Security for Long-Term Debt

The Organization's long-term debt is secured on a parity basis by mortgages on certain real property and improvements and security interests in other assets of the Organization, including substantially all gross receipts.

Long-Term Debt Summary

The following is a summary of long-term debt as of June 30:

	2026	2025
2024 Construction Loan	$ 643,600	$ 1,007,294
Series 2016 Bonds	1,326,000	1,772,000
Series 2008 Revenue Notes	12,540,199	13,189,690
Total	14,509,799	15,968,984
Less:		
Deferred financing costs, net	428,834	342,054
Current maturities	1,263,839	1,459,001
Long-term debt	$ 12,817,126	$ 14,167,929

Scheduled annual principal payments required on long-term debt as of June 30, 2026, are as follows:

Years ending June 30:	
2027	$ 1,263,839
2028	1,208,724
2029	1,257,292
2030	1,308,913
2031	1,362,676
Thereafter	8,108,355
Total	$ 14,509,799

Derivative Financial Instruments

In December of 2016, the Organization entered into three 12-year interest rate swap agreements with First Commonwealth Bank to manage interest rate risk associated with the Organization's variable-rate debt. The swap agreements were modified on May 2023 and expire in November 2028. The total notional amount under the three swap agreements approximates 95% of the outstanding balances of the Series 2016 Bonds and Series 2008 Revenue Notes. Under the terms of the swap agreements, the Organization will pay interest at an average fixed rate of 4.13% (across all three swap agreements) and the swap counterparty will make payments based upon a floating rate equal to 75% of the 1-month term Secured Overnight Financing Rate (SOFR) plus 2%.

The interest rate swap agreements are not designated as a hedging instrument and thus the change in fair value of the interest rate swaps of $84,538 and $(303,174) during the years ended June 30, 2026 and 2025, respectively, are included in revenues and other income in excess of expenses on the statements of operations and changes in net assets. The interest rate swap agreements reduced interest payments by approximately $64,000 and $176,000 during the years ended June 30, 2026 and 2025, respectively.

The following tables summarize the interest rate swap agreements as of June 30:

	2026 Notional Amount	Interest Rate	Maturity Date	2026 Fair Value
Series A of 2008	$ 5,917,386	4.41 %	11/01/2028	$ 63,495
Series B of 2008	6,622,813	4.43	11/01/2028	70,778
Series 2016 Bonds	619,000	3.83	11/01/2028	6,259
Total				$ 140,532

	2025 Notional Amount	Interest Rate	Maturity Date	2025 Fair Value
Series A of 2008	$ 6,343,440	4.41 %	11/01/2028	$ 22,955
Series B of 2008	6,846,250	4.43	11/01/2028	21,945
Series 2016 Bonds	1,004,000	3.83	11/01/2028	11,094
Total				$ 55,994

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for, or related to, the following at June 30:

	2026	2025
Investments to be held in perpetuity with the Foundation, the income from which is expendable for financial assistance to residents	$ 177,942	$ 158,898
Beneficial interest in perpetual trust, the income from which is expendable for operations	234,604	214,767
Total	$ 412,546	$ 373,665

8. Employee Benefit Plan

The Organization sponsors a defined contribution retirement plan which covers all full-time eligible employees. Contributions to the plan were approximately $201,000 in 2026 and $182,000 in 2025.

9. Medical Malpractice Claims Coverage

The Organization maintains primary professional liability coverage, on a claims-made basis, through an insurance group with limits of $1,000,000 per occurrence and $3,000,000 in the aggregate. The Organization has no knowledge of any asserted or unasserted claims which would exceed its insurance coverages. The Organization has evaluated claims incurred but not reported and has deemed it not necessary to record a liability based on the Organization's history of claims.

10. Concentrations of Credit Risk

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

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

11. Classification of Expenses

The Organization provides housing and services to its residents. Expenses related to providing these services were as follows for the years ended June 30:

	2026		
	Program Services	Administrative Support	Total
Salaries and benefits	$ 10,174,038	$ 1,658,241	$ 11,832,279
Supplies and utilities	3,499,672	485,455	3,985,127
Depreciation	1,781,890	-	1,781,890
Interest	715,336	-	715,336
Professional services	896,265	258,850	1,155,115
Insurance	17,758	278,177	295,935
Other expense	818,479	491,552	1,310,031
Total operating expenses	$ 17,903,438	$ 3,172,275	$ 21,075,713

	2025		
	Program Services	Administrative Support	Total
Salaries and benefits	$ 9,293,328	$ 1,401,837	$ 10,695,165
Supplies and utilities	3,167,561	435,771	3,603,332
Depreciation	1,721,001	-	1,721,001
Interest	727,273	-	727,273
Professional services	962,669	235,845	1,198,514
Insurance	17,108	283,162	300,270
Other expense	651,605	465,215	1,116,820
Total operating expenses	$ 16,540,545	$ 2,821,830	$ 19,362,375

Certain expense categories above, including employee benefits, utilities, depreciation and interest, are attributable to more than one program service or support function. Employee benefits are generally allocated based on a percentage of salaries and wages applicable to the program service or support function to total salaries and wages. The Organization believes substantially all utilities, depreciation and interest are applicable to program services. As such, these expenses were reported in the program services columns above.

12. Contingencies

Senior Living 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 financial effects of this matter, if any, cannot be known with certainty.

Litigation

The Organization operates in an industry where various suits and claims arise in the normal course of business. The Organization maintains general and professional liability coverage on a claims-made basis through a commercial insurance carrier. Management is not currently aware of any claims that have been or will be asserted that will, after consideration of applicable insurance coverages, have a material adverse effect on the financial statements.

Real Estate Taxes

As a not-for-profit corporation in the Commonwealth of Pennsylvania, the Organization is an organization which qualifies for an exemption from real property taxes. However, a number of cities, municipalities, and school districts in the Commonwealth of Pennsylvania have challenged and continue to challenge the real estate tax exemption of not-for-profit corporations. The possible future financial effect of this matter on the Organization, if any, is not determinable.

EXHIBIT H

COMPARISON 2026 BUDGET WITH 2026 OPERATING RESULTS
and
FINANCIAL PRO FORMA FOR PERIOD ENDING JUNE 30, 2027

Allegheny Christian Ministries
d/b/a Laurel View Village
Fiscal year ending June 30, 2026
Pro-forma (budget) to actual comparison.

Operating Revenue finished the year at $400,961, or 6.81%, above budget. Health Care Center finished the fiscal year 3.28% above budget. Other operating revenue came in 18.36% above budget; this overage was due to changes in miscellaneous income and Village Café sales. Personal Care finished the fiscal year at 4.06%, below budget, due to slightly more than usual increase in facility assistance and lower resident count for the start of the fiscal year.

Operating expenses were above budget by $959,325, or 5.48%, due to increased costs of maintenance, nursing staff and administrative adjustments. Administration saw an increase in advertising, audit costs, taxes and computers. Maintenance saw an increase in minor equipment and general repair supplies. Health Care saw an increase in over budget in contract labor.

In total 2026 fiscal year net income was $671,054, which was higher than budget by $434,516. Major contributing factor was investments and donations.

Independent Living
Operating Statement Summary
6/1/2026 to 6/30/2026

Include Adjustment Periods: NO **Include Closing Periods:** NO

	CURRENT PERIOD			YEAR TO DATE			
	Budget $	Actual $	Var $	Budget $	Actual $	Var $	% of Revenue
Operating Revenue							
Operating Revenue							
Independent Living	336,537	335,145	(1,391)	4,094,531	3,996,194	(98,337)	(18.28)
Health Care Center	654,735	608,763	(45,972)	7,965,947	8,223,556	257,609	(37.61)
Personal Care Center	444,485	419,010	(25,475)	5,407,901	5,189,178	(218,723)	(23.73)
Other Operating Revenue	206,014	208,646	2,632	2,506,500	2,966,912	460,412	(13.57)
TOTAL Operating Revenue	1,641,771	1,571,565	(70,206)	19,974,879	20,375,840	400,961	(93.19)
TOTAL Operating Revenue	1,641,771	1,571,565	(70,206)	19,974,879	20,375,840	400,961	(93.19)
Operating Expenses							
Administration	231,636	295,383	(63,747)	2,818,234	3,117,433	(299,199)	(14.26)
Maintenance	165,836	260,703	(94,867)	2,017,677	2,385,196	(367,519)	(10.91)
Housekeeping	73,529	66,458	7,071	894,605	843,667	50,938	(3.86)
Dining	265,489	275,213	(9,724)	3,230,117	3,355,062	(124,945)	(15.35)
Fresh Harvest	0	0	0	0	0	0	0.00
Resident Services	25,797	32,889	(7,092)	313,867	369,332	(55,465)	(1.69)
Social Services	8,839	9,501	(661)	107,543	111,317	(3,774)	(0.51)
Activities	45,835	53,995	(8,160)	557,664	546,156	11,508	(2.50)
Home Care	10,989	8,583	2,406	133,702	115,111	18,591	(0.53)
HCC Nursing	358,127	410,502	(52,375)	4,357,213	4,677,498	(320,285)	(21.39)
HCC Ancillaries	59,096	70,275	(11,179)	719,000	670,924	48,076	(3.07)
PCC Nursing	167,702	173,108	(5,405)	2,040,380	1,958,527	81,853	(8.96)
PCC Ancillaries	3,452	679	2,773	42,000	3,476	38,525	(0.02)
Beauty Shop	5,589	5,262	327	68,000	65,437	2,563	(0.30)
Village Cafe	14,628	14,789	(162)	177,970	154,797	23,173	(0.71)
Other Operating Expenses	0	2,095	(2,095)	0	63,365	(63,365)	(0.29)
TOTAL Operating Expenses	1,436,546	1,679,436	(242,890)	17,477,973	18,437,298	(959,325)	(84.33)
Net Operating Income	205,225	(107,871)	(313,097)	2,496,906	1,938,542	(558,364)	(8.87)
Non Operating Revenue	33,942	348,995	315,052	412,966	1,488,245	1,075,279	(6.81)
Non Operating Expenses							
Fund Developent	5,245	5,158	87	63,818	60,218	3,600	(0.28)
Other Non Operating Expenses	214,481	280,958	(66,477)	2,609,517	2,695,515	(85,998)	(12.33)
TOTAL Non Operating Expenses	219,726	286,116	(66,390)	2,673,335	2,755,734	(82,399)	(12.60)
Net Non Operating Income	(185,784)	62,878	248,662	(2,260,369)	(1,267,488)	992,881	5.80
Net Income	19,441	(44,993)	(64,435)	236,538	671,054	434,516	(3.07)

Allegheny Christian Ministries Inc.
Laurel View Village
2027
Combined Operating Budget

	2027 Total Budget	2026 Total Budget	$ Change	% Change
Operating Revenue				
Independent Living	**$4,320,237**	$4,094,531	$225,706	5.51%
Independent Living Amortization	**$1,720,000**	$1,550,000	$170,000	10.97%
Health Center	**$8,398,138**	$7,965,947	$432,191	5.43%
Personal care	**$4,299,435**	$4,129,945	$169,490	4.10%
Personal Care Dementia	**$1,264,798**	$1,277,956	-$13,158	-1.03%
Other Operating Revenue	**$1,028,874**	$956,500	$72,374	7.57%
Total Operating revenue	**$21,031,482**	$19,974,879	$1,056,603	5.29%
Operating Expenses				
Wage	**$10,523,896**	$9,915,661	$608,235	6.13%
Benefits	**$2,162,543**	$1,913,825	$248,718	13.00%
Wages & Benefits	**$12,686,439**	$11,829,486	$856,953	7.24%
Apt Activities	**$41,500**	$29,300	$12,200	41.64%
Administration	**$1,409,000**	$1,341,178	$67,823	5.06%
HC Activities	**$18,745**	$16,850	$1,895	11.25%
Maintenance	**$738,350**	$543,440	$194,910	35.87%
Utilities	**$637,570**	$637,570	$0	0.00%
Environmental	**$120,390**	$99,155	$21,235	21.42%
Fresh Harvest	**$188,250**	$317,790	-$129,540	-40.76%
Dining	**$959,148**	$1,349,327	-$390,179	-28.92%
Resident Services	**$2,500**	$4,750	-$2,250	-47.37%
Home Care	**$1,000**	$1,000	$0	0.00%
Health Center	**$310,750**	$371,900	-$61,150	-16.44%
Health Center Ancillaries	**$721,000**	$719,000	$2,000	0.28%
Social Services	**$300**	$300	$0	0.00%
PC Activities	**$21,000**	$18,200	$2,800	15.38%
Personal Care	**$12,550**	$12,460	$90	0.72%
PC Ancillaries	**$37,000**	$42,000	-$5,000	-11.90%
Barber Beauty	**$72,000**	$68,000	$4,000	5.88%
Village Café	**$77,050**	$76,264	$786	1.03%
Total Operating Expenses	**$18,054,542**	$17,477,970	$576,573	3.30%
Net Operating Income	**$2,976,940**	$2,496,909	$480,031	19.22%
Non-Operating Income				
Gifts & Contributions	**$250,000**	$250,000	$0	0.00%
Equity Investment Income	**$162,966**	$162,966	$0	0.00%
Total Non-Operating Income	**$412,966**	$412,966	$0	0.00%
Non-Operating Expenses				
Fund Development Wage and Related	**$79,534**	$63,819	$15,715	24.63%
Amortization Expense	**$56,000**	$56,000	$0	0.00%
Depreciation Expense	**$1,870,000**	$1,870,000	$0	0.00%
Interest Expense	**$630,004**	$683,517	-$53,513	-7.83%
Total Non-Operating Expenses	**$2,635,538**	$2,673,336	-$37,798	-1.41%
Net Non-Operating Income/(Loss)	**-$2,222,572**	-$2,260,370	$37,798	1.67%
Net Income	**$754,368**	$236,540	$517,828	218.92%

NOTICE OF RIGHT TO RESCIND

Date Rescission Period Begins: _____

You may rescind and terminate your Residence and Care Agreement with Laurel View Village without penalty or forfeiture, within seven (7) days of the above date. You are not required to move into Laurel View Village before the expiration of the seven (7) day period.

To rescind your Residence and Care Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to Laurel View Village, 2000 Cambridge Drive, Davidsville, PA 15928, no later than midnight of _____ .

Pursuant to this notice, I hereby cancel my Residence and Care Agreement with Laurel View Village.

_____

(Name)

_____

(Date)