

**FILED**  
**Commonwealth of Virginia**  
**State Corporation Commission**  
**Bureau of Insurance**  
April 30, 2023  
**Commissioner of Insurance**  
**BY:** Kevin McClain

## *Avery Point*

### *Disclosure Statement*

1000 Avery Point Way  
Richmond, Virginia 23233

The filing of a Disclosure Statement with the State Corporation Commission does not constitute approval, recommendation or endorsement by the Commission of Avery Point.

This Disclosure Statement is not a contract and the Providers reserve all rights to amend, revise, update, and otherwise change the Disclosure Statement at any time, in accordance with applicable laws.

April 2023

## **AVERY POINT DISCLOSURE STATEMENT**

**1. Continuing Care Providers.** The names of the Providers for Avery Point Retirement Community are (1) Avery Point, Inc. (referred to as “Avery Point” or “the Community”) (2) ELP Richmond, LLC (“Landowner”), and (3) Erickson Senior Living, LLC (referred to as “Erickson Senior Living”), formerly known as Erickson Living Management, LLC. All of the providers are organized under the laws of the State of Maryland. The corporate address for all Providers is: 701 Maiden Choice Lane, Baltimore, Maryland 21228. The business address for the community will be 1000 Avery Point Way, Richmond, VA 23233.

Avery Point will operate the retirement community. Residents will enter into the Residence and Care Agreement (Exhibit 1) with Avery Point which will provide services to residents and receive the entrance deposits and Monthly Service Packages. Avery Point has also entered into a Management & Marketing Agreement with Erickson Senior Living to provide certain services for the retirement community. Landowner is the owner of the site and will enter into a Master Lease and Use Agreement with Avery Point to operate the retirement community. Landowner will not be responsible for providing services to residents. Exhibit 2 depicts the community structure and relationship of the providers.

**2. Officers, Directors, Trustees, Managing and General Partners, and Certain Persons who Hold Equity or Beneficial Interests.** The Providers are owned as follows: Avery Point, Inc. is a non-stock corporation. As such, the corporation has no stockholders. National Senior Communities, Inc. (“NSC”), a nonprofit corporation, is the sole member of Avery Point. Erickson Senior Living is a limited liability company owned directly by the following entity acting as a member: Erickson Living Holdings, LLC (100% interest). Landowner is wholly owned by Erickson Living Properties, LLC. Erickson Living Properties, LLC, is also wholly owned by Erickson Living Holdings, LLC, a Maryland limited liability company.

A list of the Board of Directors and officers of Avery Point, Board of Directors and officers of NSC, and for selected officers of Erickson Senior Living is attached to this Disclosure Statement in Exhibit 3, including their biographies. The business address for all directors and officers of the providers is 701 Maiden Choice Lane, Baltimore, Maryland 21228.

**3. Business Experience of, Acquisition of Goods and Services from, and Criminal, Civil, or Regulatory Proceedings against Providers, its Officers, Directors, Trustees, Managing and General Partners, Certain Persons who Hold Equity or Beneficial Interests, and the Management.**

### **3.1 Business Experience in the Operation or Management of Similar Facilities.**

The Providers Avery Point and Landowner are single purpose entities formed solely for the purposes of respectively operating and owning this community. The Board of Directors of Avery Point has experience in similar communities since its members are also members of the Board of Directors for Greenspring Village in Springfield, Virginia, Ashby Ponds in Ashburn Virginia, and of other communities affiliated with NSC. NSC, the sole member of Avery Point, is a nonprofit supporting organization which supports other retirement communities. Landowner was also the initial operator of the community prior to formation of Avery Point, Inc. and formerly operated under the name Avery Point, LLC.

Provider Erickson Senior Living was formed in 2009 and has experience in managing and developing retirement communities through an innovative network of communities that combine a maintenance-free active lifestyle with a host of amenities, social activities, and wellness and medical centers.

Erickson Senior Living currently manages Charlestown Retirement Community in Catonsville, Maryland, Oak Crest Village in Parkville, Maryland, Greenspring Village in Springfield, Virginia, Seabrook Village in Tinton Falls, New Jersey, Riderwood Village in Silver Spring, Maryland, Brooksby Village in Peabody, Massachusetts, Cedar Crest Village in Pompton Plains, New Jersey, Ann's Choice in Warminster, Pennsylvania, Fox Run Village in Novi, Michigan, Linden Ponds in Hingham, Massachusetts, Eagle's Trace in Houston, Texas, Highland Springs in Dallas, Texas, Maris Grove in Concordville, Pennsylvania, Wind Crest in Denver, Colorado, Tallgrass Creek in Overland Park, Kansas, Ashby Ponds in Ashburn, Virginia, Lantern Hill in New Providence, New Jersey, Devonshire in West Palm Beach, Florida, Windsor Run in Matthews, North Carolina, Siena Lakes in Naples, Florida, and Woodleigh Chase in Fairfax, Virginia.

**3.2 Acquisition of Goods and Services.** The Providers do not have any interest in any other professional service firm, association, foundation, trust, partnership, or corporation or any business or legal entity which presently intends or may provide goods, or services to the Providers at a value of \$500 or more within any year. As indicated in Section 1 of this Disclosure Statement, Avery Point has entered into a management agreement with Erickson Senior Living and will pay a management fee to Erickson Senior Living currently calculated at 5% of occupancy fees for living units. Avery Point has entered into a lease and management agreement with Creekside Social Club, for liquor license/ food consumption at the campus. Residents become members of the club upon admission. Also as indicated in Section 1, Landowner will enter into a Master Lease and Use Agreement with Avery Point to operate the retirement community. Landowner will also sign a Working Capital Agreement to provide capital to Avery Point and a Community Loan Agreement with Avery Point whereby initial entrance deposits paid to Avery Point are loaned to the Landowner.

The Landowner will engage development services through Erickson Living Development, LLC for the completion of the community. Erickson Living Development, LLC is also a wholly

owned subsidiary of Erickson Living Holdings, LLC, which is the sole member of Erickson Senior Living. The cost of construction will be competitively bid as new buildings are planned. All of the referenced agreements were negotiated on the basis of the relationship between the companies and no other offers were received. These companies will not have equitable or beneficial interests in the Providers.

**3.3 Criminal, Civil, or Regulatory Proceedings Against.** The Providers, their officers, directors, trustees, managing and general partners and persons holding equity or beneficial interests: a) have not been convicted of a felony or pleaded nolo contendere to a criminal charge and have not been held liable or enjoined in a civil action by final judgment in any felony or civil charge involving fraud, embezzlement, fraudulent conversion, or misappropriation of property or moral turpitude; b) are not subject to an injunctive or restrictive order of a court, or within the past five years have not had a 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 healthcare, including without limitation, actions affecting a license to operate a nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state; and c) are not currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

**4. Ownership of Real Property.** Landowner owns the property on which the community is located and purchased the property in 2018. A mortgage in favor of Avery Point will be placed on the property as security for the loan of entrance deposits to Landowner. A deed of trust on the property has been granted to the bank which is financing development (See Section 9).

**5. Location and Description of Real Property.** The site of Avery Point is located on approximately 90 acres in Richmond, Virginia located near the 1500 block of Wilkes Ridge Parkway, near the intersection with Broad Street Road. Construction of the community began in 2020.

Erickson Senior Living communities are designed to emulate a college campus atmosphere for senior citizens. The community will be comprised of small clusters of buildings of various sizes and shapes. The sloped roofs, varying building heights and architecture establish the “campus” feeling. Buildings may be interconnected or freestanding. Residential buildings may have balconies, awnings, and patios and are interspersed with clubhouse-style community centers that feature expansive windows and welcoming entrances.

The independent living component of the Community will be built according to demand and may include up to 1200 independent living apartments, in a variety of styles, attached to a community center. A community center house typically includes options for dining venues such as a restaurant or café and may include classrooms, activity spaces, and other common areas. Certain community centers may include a beauty salon and a pool serving the whole Community. The

Community also will feature an on-site medical center with services provided by both primary care practitioners and sub-specialists.

The community is also planned to include Continuing Care at Avery Point, the healthcare neighborhood for the campus. Continuing Care is initially planned to include up to 120 assisted living units for residents who need additional assistance with the activities of daily living, including memory care units, and approximately 60 private nursing rooms. Additional assisted living units or nursing rooms may be planned. Continuing Care is also planned to include dining rooms, resident lounges, an activity room, a bathing core, space for on-site therapy and a beauty salon. Continuing Care will not open until several years after Community opening.

Until Continuing Care is opened, Avery Point will enter into priority transfer agreements with local facilities for residents who may need assisted living or nursing care in the interim.

As the Community is built, Avery Point will be responsible for maintaining the open spaces and travel ways within the Community. The approximate construction schedule for Avery Point is attached to this Disclosure Statement as Exhibit 4. Construction may be delayed depending upon finalization of plan approvals and permits, market demand, costs, and due to unforeseen weather-related delays. Avery Point will make reasonable efforts to minimize the impact of construction; however, the campus and certain views will change as construction is completed.

**6. *Affiliation with Religious, Charitable, or other Nonprofit Organization, Tax Status of Provider.***

**6.1 *Affiliation with Religious, Charitable, or other Nonprofit Organization.*** Avery Point is a nonprofit corporation which is intended to be exempt from taxation as a 501(c)(3) organization. The sole member of Avery Point is NSC, a non-profit organization. Erickson Senior Living and Landowner are not nor have ever been affiliated with a religious, charitable, or other nonprofit organization.

**6.2 *Tax Status of Provider.*** Avery Point is a nonprofit corporation which is intended to be exempt from taxation as a 501(c)(3) organization. Landowner and Erickson Senior Living are for-profit entities under the Internal Revenue Code.

**7. *Services provided under Continuing Care Contracts.*** The Residence and Care Agreement, attached as Exhibit 1 to this Disclosure Statement, provides full detail on the services included as part of the continuing care contract between Avery Point and the resident. The following sections are brief descriptions of the services included in the Monthly Service Package for each level of care in the community and a brief description of the ancillary services which would be available for an additional fee.

## **7.1 Inclusion Services for Monthly Service Package**

**7.1.1 Independent Living.** In addition to use of the designated apartment, residents in Independent Living will receive the following services: Monthly meal credit plan; 24 hour on-site security staff and emergency alert system; all Living Unit utilities including basic cable television service (premium channels additional charge), local, long-distance, and international landline phone service, and wireless internet service; one reserved parking spot per unit for licensed car registered to resident; on-site Fitness Center basic membership; maintenance and insurance of the buildings, grounds and equipment, Scheduled off-campus shuttle transportation; trash and general snow removal from common areas; use of all public rooms and common areas of the facility. (See Section 4.1 of Residence and Care Agreement (Exhibit 1)).

**7.1.2 Assisted Living.** In addition to use of the designated apartment, residents in Assisted Living will receive the following services: Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating; medication administration; service plan designed by a care team; at least three meals per day; regularly scheduled Registered Nurse review and assessment; linens and personal laundry service; light housekeeping care on a weekly basis; medical appointment scheduling, as needed; social/recreational activities; 24 hour on-site care staff and emergency alert system; all Living Unit utilities including these cable/ telephone/ data services: basic Cable television service (premium channels additional charge); local and long distance landline phone service, wireless internet service; maintenance and insurance of buildings, grounds and equipment; Trash and general snow removal from common areas; and use of all public rooms and common areas of the Community. Avery Point also intends to provide Memory Care within the assisted living facility. Residents within the memory care units will receive the above-listed assisted living services and also memory care programming at the appropriate service level (See Section 4.2 of the Residence and Care Agreement (Exhibit 1)).

**7.1.3 Nursing Care.** In addition to use of the designated Nursing Unit, residents in nursing care will receive the following services: Nursing care; medication administration; service plan designed by a care team; at least three meals per day; regularly scheduled Registered Nurse review and assessment; linens and personal laundry service; daily Housekeeping services; planned recreation; 24 hour on-site care staff and emergency alert system; incontinence care; more frequent involvement of licensed medical personnel to manage chronic conditions; all Living Unit utilities including these cable/ telephone/ data services: Basic Cable television service (premium channels additional charge); local and long distance landline phone service; wireless internet service; maintenance and insurance of buildings, grounds and equipment; trash and general snow removal from common areas; and Use of all public rooms and common areas of the Community. (See Section 4.3 of the Residence and Care Agreement (Exhibit 1)).

**7.2 Ancillary Services.** Avery Point anticipates that the following services will be available to Residents for an additional fee: tray service to residents in Independent Living or Assisted Living; housekeeping and laundry service for residents in Independent Living or Assisted Living; extra meals for residents in an Independent Living Unit; guest meals; lodging in guest rooms on a temporary and space available basis; personal storage space; and catered living services. Services such as guest meals, personal storage space, housekeeping and laundry are intended to be immediately available as residential buildings are opened. Other services, such as reserved parking and guest rooms, will be phased as the community is developed and may not be immediately available when the community is opened. (See Section 5.1 of the Residence and Care Agreement (Exhibit 1)).

Avery Point also expects to contract with outside providers to provide the following services at the community: medical services provided through the on-site Medical Center; laboratory services; medical supplies; prescription drugs; home support and home health; physical, speech and occupational therapy. These services will be provided at an additional fee and will be billed separately by the outside provider. These services will be phased in as the community is developed and some services may not be immediately available when the community is opened. (See Section 5.2 of the Residence and Care Agreement (Exhibit 1)).

**7.3 Services Not Available at Facility.** Except for those listed healthcare services included in the Monthly Service Package for residents in Continuing Care or the ancillary services listed in Section 7.2, Avery Point does not provide advanced medical care such as acute care or psychiatric care. Avery Point is not responsible for making funeral arrangements for residents or for other personal debts of residents.

**8. Fees Required of Residents.** The following fees are required for prospective residents or residents of Avery Point.

**8.1 Application Fee.** Prospective residents will pay a one-time application fee to Avery Point. This fee is used to offset the costs of performing financial and health screenings and other paperwork requirements for the prospective resident. Upon submitting an application for residency in Avery Point, each prospective resident must pay an application fee of \$150.00. Application fees collected from applicants will not be escrowed by Avery Point.

The application fee is refundable only if: 1) the resident rescinds the Residence and Care agreement (Exhibit 1) within seven days of making an initial deposit or executing the Residence and Care Agreement; or 2) the resident dies before occupying the unit or is precluded from occupying the unit through illness, injury, or incapacity.

**8.2 Customized Improvements Charge.** Prospective residents who desire to make customized improvements to a unit prior to moving in will pay a charge to Avery Point for such

improvements. This fee is used to offset the cost of material and labor for installing the specified improvement to the unit. The cost of any customized improvement to a unit will depend upon the improvement desired, including labor charges, and will be payable at the time of signing an agreement to install such improvements with Avery Point. Fees paid for improvements to a unit will not be escrowed and will not be refunded.

**8.3 Entrance Deposit.** Prospective residents will pay a one-time Entrance Deposit to Avery Point. After release from escrow, the initial Entrance Deposits are used by the Providers to pay for the development and construction of the Community, and, in the aggregate, act as the permanent loan for the community. Subsequent entrance deposits for re-occupied units are used by Avery Point for refund purposes, for reserve funds or capital improvements, or for other mission related purposes. For the 80% refundable model agreement, twenty percent (20%) of the Entrance Fee is designated as the non-refundable Community Fee. For the fully declining balance refund model, Avery Point will earn the entrance deposit at a rate of 2% per month of occupancy plus a 4% processing fee. The Entrance Deposit to be paid by residents depends upon the size, features, and level of care provided in the living unit selected. A schedule of the Entrance Deposits is attached to this Disclosure Statement in Exhibit 5.

Prospective residents will pay the Entrance Deposit in a series of deposits as follows: 1) A \$1000.00 Priority Deposit will be due when the prospective resident first submits an application for an actual living unit or to join the waiting list for a living unit at Avery Point; 2) An additional Reservation Deposit will be due when the prospective resident reserves a unit type in a particular residential building; 3) A Signing Deposit of up to 10% of the total Entrance Deposit is due when resident signs the Residence and Care Agreement (Exhibit 1); and 4) A Final Deposit, which is the remainder of the Entrance Deposit after the prior deposits are paid, is due when the resident takes possession of the living unit.

Prior to occupancy, all Entrance Deposits, in excess of the \$1000.00 Priority Deposit, paid by a resident to Avery Point will be placed in an escrow account with a bank or other escrow agent. Funds held in escrow are the property of prospective residents until released to Avery Point. Any interest earned on funds in the escrow account will be for the benefit of Avery Point. On the date that the resident either occupies the unit or the unit is available for immediate occupancy by the resident, the escrow agent may release the Entrance Deposit for that unit from the escrow account to Avery Point.

Prior to occupancy, Deposits in escrow and the \$1000.00 Priority Deposit, will be returned by the escrow agent to the prospective resident in the following circumstances: i) the funds have not been released within 3 years after placement in escrow or within 3 years after construction has started whichever is later (but in any event within six years after placement in escrow unless specifically approved by the Commission) or within such longer period as determined appropriate by the State Corporation Commission in writing; ii) if the prospective resident dies before occupying a



unit; iii) if the construction of the community, not yet operating, is stopped indefinitely before the facility is completed; or iv) upon rescission of the Residence and Care Agreement (Exhibit 1) pursuant to the terms of the Agreement.

If the resident rescinds the Residence and Care Agreement within the 7 day period, Avery Point will refund 100% of the Entrance Deposit to the resident. If the resident or Avery Point terminate the Agreement after the 7 day rescission period and prior to occupancy, the Entrance Deposit is still 100% refundable. After occupancy and the expiration of the right of rescission, the resident will receive the contracted Refund Amount as provided in Section 7.5 and 7.6 of the respective Residence and Care Agreement (Exhibit 1).

The Entrance Deposit paid by a resident will normally not increase or decrease during residency unless the resident moves to a living unit with a higher Entrance Deposit than the unit previously occupied by the resident. If the resident requests a permanent transfer from one Living Unit to another Living Unit with a higher Entrance Deposit and Avery Point approves the transfer, the resident will pay an additional deposit for the new Living Unit. The amount of the additional deposit will vary, depending on market conditions for the resident's current Living Unit and for the desired new Living Unit at the time of the transfer. Avery Point will advise the resident of the additional deposit prior to the transfer and the resident may then decide whether or not to proceed with the transfer. For residents who select the 80% refundable contract model, twenty percent (20%) of the additional deposit paid will be added to the Community Fee and will be non-refundable. See Section 7.3 of the Residence and Care Agreement for discussion of any additional deposit in the event that a resident marries after coming to the community and Section 7.3.3 for discussion of a partial refund in certain circumstances.

**8.4 Monthly Service Packages.** Residents pay a Monthly Service Package during the term of their residency. Monthly Service Packages are used by Avery Point to cover operating expenses of the community. The amount of the Monthly Service Package depends upon the size, features, and level of care provided within the living unit selected. If two or more joint residents occupy a unit together, the joint residents will pay only one (1) Monthly Service Package and one (1) double occupancy fee for each additional joint resident. Joint residents who occupy separate units must each pay the full Monthly Service Package for their respective units. Joint residents include residents who move to the community together as well as residents who marry after moving to the community. If a resident transfers to a different unit within the community, the resident will pay the Monthly Service Packages as described in Sections 8.4 and 8.5 of the Residence and Care Agreement (Exhibit 1). If a resident leaves the community, the resident will pay the Monthly Service Packages for a period of up to 90 days after departure as described in Section 8.6 of the Residence and Care Agreement.

A schedule of the Monthly Service Packages and double occupancy fees is attached to this Disclosure Statement as Exhibit 5. The Monthly Service Package is due in advance for the

month within five days of receipt of the resident's monthly statement. Each resident will receive a monthly statement from Avery Point showing the Monthly Service Package charges and charges for any ancillary services. The Monthly Service Packages may be adjusted by Avery Point upon 30 days written notice to the residents in Independent Living Units and upon 60 days written notice to residents in Continuing Care (except for changes required by state or federal programs). A schedule of the changes in periodic charges for the last five years of operations is included in Exhibit 6.

Monthly Service Packages are not escrowed by Avery Point. In general, the Monthly Service Packages are not refundable. However, if the resident transfers from the living unit to another unit or leaves the community, the resident may receive a non-occupancy credit towards the Monthly Service Package for the days in which the living unit was not occupied during the calendar month.

**8.5 Ancillary Fees.** The resident may be charged fees by Avery Point for ancillary services (see Section 7.2 of this Disclosure Statement). Ancillary fees are used by Avery Point to offset the cost of performing the ancillary services. The amount of the ancillary fee depends upon the additional services selected. A schedule of the proposed ancillary services and fees is attached to this Disclosure Statement in Exhibit 5 (subject to change). Payment for ancillary services is generally due in arrears the month after services are rendered.

Ancillary fees are not escrowed by Avery Point. Fees for ancillary services which are actually rendered are not refundable. The ancillary fees may be adjusted by Avery Point upon 30 days written notice to the residents.

**8.6 Refurbishing Charges.** Each time that a resident permanently vacates an Independent Living Unit or Assisted Living or Memory Care Unit, irrespective of the length of time of occupancy, Avery Point will perform work to clean, refurbish, and restore that Living Unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate work to repair any extraordinary damage, in the sole discretion of Avery Point, to bring the Living Unit back to a like-new condition. The reasonable costs and expenses of this work (the "Refurbishing Charges") are charged to and paid by the resident but in some situations, Avery Point will cover some or all of the Refurbishing Charges for the Living Unit. Please refer to Section 9.4 of the Residence and Care Agreement (Exhibit 1) for the explanation of when the resident is responsible for Refurbishing Charges and what portions are covered by Avery Point. The amount of the refurbishing fee will vary depending on the type of extraordinary damage incurred. Refurbishing Fees are not escrowed and are not refunded by Avery Point and may be adjusted by Avery Point upon written notice to the residents.

**8.7 Miscellaneous Costs.** According to the Residence and Care Agreement (Exhibit 1), residents are also responsible for procuring and maintaining Medicare insurance, Parts A

and B and for Medigap insurance. Residents are also responsible for their own funeral arrangements. Avery Point does not assist with such arrangements. Residents must also purchase renter's insurance to cover their personal property within their designated living unit, including liability insurance.

**9. Reserve Funding.** The start-up operating and capital expenses for Avery Point will be funded through a working capital loan with Landowner. Additionally, Avery Point will use Monthly Service Packages received from residents to cover operating expenses. ELH is the owner of ELP II and Erickson Senior Living. ELH is also developing several other communities concurrently. ELH is using its available liquidity, operating cash flow, equity capital sources and proceeds of a \$1,000,000,000 credit facility, with Truist Securities as lead lender, to provide funds to ELP II for new development, including new development at the Avery Point campus. This new credit facility matures on June 30, 2026. Avery Point entered into a \$46 Million Credit Agreement with Pinnacle Bank related to construction of the first phase of the Community. A deed of trust on the property has been granted to the Bank.

**10. Certified Financial Statements.** Certified financial statements for the Providers are included in Exhibit 7 of this Disclosure Statement. These statements reflect the start-up of the community.

**11. Pro Forma Income Statements.** A pro forma income statement for each of the Providers is attached to this Disclosure Statement as Exhibit 8. The projection for Avery Point is a 10 year projection of community operations. A summary of the community's financial condition is included in Exhibit 9.

**12. Admission of New Residents.** In order to become a resident, an applicant must be 62 years of age or older. From a financial standpoint, Avery Point generally requires that a prospective resident have a net asset value sufficient to pay 35 months of a blended rate based on projected fees in the continuing care units and monthly income of 1.4 times the Monthly Service Package for the resident's living unit. Avery Point will also conduct a pre-residency meeting with the prospective resident. Pre-Residency meetings are meant to assist Avery Point in determining the appropriate care level and services for the prospective resident, whether independent living, assisted living, or nursing care. If Avery Point does not have an appropriate level of care for the individual, it will so inform the applicant and will refund any portions of the Entrance Deposit paid.

**13. Access to Facility by Non-Residents.** Residents are welcome to have family and friends visit their new home. Guests of residents may take meals at the community for an additional fee. The community is planned to have several guest rooms upon completion. All visitors are subject to Avery Point's reasonable rules and regulations for use of the community. Residents may not assign the right to occupy the living unit to any other person and may not have other persons live in the unit on a permanent basis. Avery Point may also make certain meeting rooms and the planned conference center available for public meetings.

**14. Procedure for Residents to File a Complaint or Disclose a Concern.** In general, a resident should first present his or her complaint to the Director of the department which is concerned in the complaint. If the resident is not satisfied with the handling of a complaint or concern by a department Director, the resident may then discuss the concern with the Executive Director for the community. In most cases, the decision of the Executive Director shall be final. Residents may also air concerns with the Residents Council which will be formed by the residents. Residents who need information about community or area services may discuss their questions with any of the Resident Service Coordinators or the Director of Resident Life for the community.

**15. Other Material Information.** Ashby Ponds is an equal housing opportunity provider and is intended as housing for older persons.

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Exhibit 8:	Pro Forma Income Statements of Providers
Exhibit 9:	Summary Financial Condition

**EXHIBIT 1**  
**RESIDENCE AND CARE AGREEMENT**

**Summary:**

Exhibit One, the Residence and Care Agreement, is the most pertinent document in this Disclosure Statement for the prospective resident. The Residence and Care Agreement details the services the resident will receive, the facilities the resident will use, the rights and responsibilities the resident will accept, and the costs associated with living at the community. Avery Point has detailed its policies on a full range of issues, including common every day issues such as meal policies, health care, and available services. In addition to the Residence and Care Agreement, there are various sample forms such as refund forms, note, etc. These are samples only and every form does not necessarily apply to every resident.

Avery Point offers two different refund models: the 80% Refund Agreement and the Fully Declining Refund Agreement. Both models are included in Exhibit 1, with one set of common attachments.

***AVERY POINT  
RESIDENCE AND CARE AGREEMENT  
80% REFUND PLAN***

April 2023

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

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SCHEDULE I - SCHEDULE OF FEES  
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**EVERY POINT**  
**RESIDENCE AND CARE AGREEMENT**

This Residence and Care Agreement (the "Agreement") is made and entered into the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between EVERY POINT, INC. (referred to in this Agreement as "We", "us" or "Every Point") and \_\_\_\_\_ (referred to in this Agreement as "You" or the "Resident(s)").

**RECITALS**

R.1 Every Point retirement community (the "Community") is a continuing care retirement community located in Richmond, Virginia which will be developed in phases to offer various living accommodations and services to seniors, as described herein.

R.2 Every Point is the operator of the Community and is a registered continuing care provider under the laws of the Commonwealth of Virginia. Every Point desires to provide certain services listed in this Agreement to Resident and Resident desires to receive such services.

**AGREEMENT**

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

**Section 1. DESCRIPTION OF COMMUNITY**

We plan to develop this Community in phases over a period of several years, subject to obtaining all necessary or required governmental approvals and licenses. Our Community will consist of Independent Living Units, Assisted Living Units (including Memory Care Units) and Nursing Units.

**1.1 Independent Living Units.** The Community is planned to have approximately 1200 Independent Living Units within one or more residential neighborhoods including community centers. The community centers typically include dining venues, meeting spaces, and other common areas. The Community is planned to include a pool, beauty salon(s), guest room(s), and an outpatient Medical Center. The Community is a non-smoking community and residents agree to abide by the restrictions in Section 13.7.

**1.2 Continuing Care at Every Point.** Continuing Care at Every Point refers to our on-site health care neighborhood. Continuing Care at Every Point will house the Assisted Living Units, Memory Care Units, and the Nursing Units. Each floor of Continuing Care at Every Point is planned to include a dining room, a resident lounge, activity rooms and a bathing core. Continuing Care at Every Point will be built in several phases starting several years after Community opening. All opening dates are approximate and may change according to changing weather conditions, market demands, etc. Until Continuing Care at Every Point is opened, we

will enter into transfer agreements with local facilities for residents who need assisted living or nursing care prior to our opening.

**1.2.1 Assisted Living Units.** Continuing Care at Avery Point is planned to include up to 120 Assisted Living Units with varied service packages or special programming for residents who need additional assistance with the activities of daily living, including Memory Care Units, to be completed in phases. We anticipate that the aggregate number of Assisted Living Units planned for the Community will adequately serve the needs of Community residents. However, in the unusual circumstances that the Assisted Living Units are fully occupied, our Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in your Independent Living Unit and second, if necessary, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer

**1.2.2 Nursing Units.** Continuing Care at Avery Point is planned to include up to 60 Nursing Units, many of which will be private rooms, to be completed in phases. We anticipate that the aggregate number of Nursing Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Nursing Units are fully occupied, our Medical Director, or his or her designee, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer.

## **Section 2. TERM**

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

## **Section 3. LIVING ACCOMMODATIONS**

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

**3.2 Joint Residents.** When two (2) or more residents reside together in a selected Living Unit, they are considered to be Joint Residents. Each Joint Resident is required to meet our financial requirements for entrance into the Community, as well as our health qualifications for occupancy of a selected Living Unit, whether the prospective Joint Residents move to the Community together or on different dates.

**3.3 Rights of New Spouse.** If during the term of residency you marry a person who is not a resident of the Community, your new spouse will be required to meet our financial and health-related qualifications for entrance into the Community. The financial qualifications are

meant to serve as a financial protection for our larger community of residents. We reserve the right to determine the appropriate level of care within the Community for the spouse or to determine that there is not an appropriate level of care within the Community for the spouse. If your spouse is not accepted, you may terminate this Agreement per Section 12.2 hereof. If your spouse is accepted for residency, the fee structure described in Sections 7.3.2 and 8.2 for Joint Residents will apply.

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

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

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

We will make the following services available to you, as applicable, for the appropriate Monthly Service Package, during your residency here, unless the Agreement is terminated earlier per Section 12. We may change your Monthly Service Package or scope of services or care only after we provide you with thirty (30) days advance notice of the change, except for changes required by State or Federal assistance programs.

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

- Monthly Meal Credit Plan (see Section 15);
- 24 hour on-site security staff and emergency alert system;
- All Living Unit utilities including these cable/ telephone/ data services:
  - Basic Cable television service (premium channels additional charge);
  - Local, Long Distance and International landline phone service;
  - Wireless internet service;
- One reserved uncovered parking spot per unit for car registered to resident (2<sup>nd</sup> reserved uncovered spot for double occupancy unit if space is available);
- On-site Fitness Center basic membership;
- Pre-wiring for telephone;

Scheduled off-campus shuttle transportation;  
Maintenance and insurance of buildings, grounds and equipment;  
Trash and general snow removal from common areas; and  
Use of all public rooms and common areas of the Community.

**4.2 Assisted Living Services.** We will provide several packages for Assisted Living residents to serve different care needs. The services listed below are included in most care packages but some services may not be available for certain care packages. Further details on the services available at each level of Assisted Living and additional rights and obligations in Assisted Living will be set forth in the Assisted Living Addendum to the Residence and Care Agreement:

Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;  
Memory care services in designated Memory Care Unit;  
Medication administration;  
Service plan designed by a care team;  
At least three meals per day;  
Regularly scheduled Registered Nurse review and assessment;  
Linens and personal laundry service;  
Light housekeeping care on a weekly basis;  
Medical appointment scheduling, as needed;  
Social/recreational activities;  
24 hour on-site care staff and emergency alert system;  
All Living Unit utilities including these cable/ telephone/ data services:  
    Basic Cable television service (premium channels additional charge);  
    Local and long Distance landline phone service;  
    Wireless internet service;  
Maintenance and insurance of buildings, grounds and equipment;  
Trash and general snow removal from common areas; and  
Use of all public rooms and common areas of the Community.

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

Nursing care;  
Medication administration;  
Service plan designed by a care team;  
At least three meals per day;  
Regularly scheduled Registered Nurse review and assessment;  
Linens and personal laundry service;  
Daily Housekeeping services;  
Planned recreation;

24 hour on-site care staff and emergency alert system;  
Incontinence care;  
More frequent involvement of licensed medical personnel to manage chronic conditions;  
All Living Unit utilities including these cable/ telephone/ data services:  
    Basic Cable television service (premium channels additional charge);  
    Local and long Distance landline phone service;  
    Wireless internet service;  
Maintenance and insurance of buildings, grounds and equipment;  
Trash and general snow removal from common areas; and  
Use of all public rooms and common areas of the Community.

## **Section 5.     ANCILLARY SERVICES**

**5.1     Services Available through Avery Point.** In addition to the Covered Services described earlier in Sections 4.1, 4.2, and 4.3, we also make the following services available to you for an additional fee. These Ancillary Services will be phased in as the Community is developed. Other services that are not currently listed may also be available.

Tray service to Residents in Independent Living or Assisted Living;  
Housekeeping and laundry service for Residents in Independent Living or Assisted Living;  
Extra meals for Residents in an Independent Living Unit (unless covered by Monthly Meal Plan as defined);  
Guest meals (unless covered by Monthly Meal Plan as defined);  
On-site Fitness Center premium services or classes;  
Lodging in guest rooms on a temporary and space available basis;  
Personal storage space;  
Catered living services; and  
Carport parking space or other additional reserved parking space for resident registered cars (if space is available)

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

**5.3     Services Not Provided.** We do not provide hospice care, acute hospital care, or any institutional care other than care that is appropriate in an Assisted Living Unit, Memory Care Unit, and comprehensive care in a Nursing Unit or otherwise covered under the terms of this Agreement. We will assist with any necessary transfers to such facilities; however, you will be responsible for the cost of such care.

**Section 6. OTHER RESIDENT RIGHTS**

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

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

**6.3 Physicians and Other Professionals.** You have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals shall agree to follow our reasonable policies and procedures and applicable federal and state laws, rules and regulations. You are not required to use the on-site Medical Center or the physicians practicing there.

**Section 7. ENTRANCE DEPOSIT**

**7.1 Payment of Entrance Deposit.** You will pay or have paid to us a total Entrance Deposit as shown in Schedule I. The payment of the Entrance Deposit may be made in a series of deposits in order to take occupancy of your Living Unit at the Community. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the Joint Residents with a right of survivorship and may be used for the care of either Joint Resident. We do not require an additional Joint Resident Entrance Deposit if Joint Residents occupy the same Living Unit. Twenty percent (20%) of your Entrance Deposit is designated as the non-refundable Community Fee.

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

When the Entrance Deposit is released in full, we can fully use the Entrance Deposit including the Community Fee. We normally use the Entrance Deposits for financing, operational costs, or future refunds for the Community. Appreciation in new Entrance Deposits is normally used by us generally for capital repairs, improvements to benefit the Community, equity distributions, and for any reserve funds, but we may use the Entrance Deposits for any other mission related purpose. However, you will retain the right to the 80% Refund Amount as discussed in this Section 7. In the case of Joint Residents, the Entrance Deposit shall be deemed

to be a joint asset of the Joint Residents with the right of survivorship and may be used for the care of either Joint Resident. No interest shall be accrued or paid to you on your Entrance Deposit.

Prior to occupancy, deposits in escrow will be returned to a prospective resident only in the following circumstances: i) the funds have not been released within 3 years after placement in escrow or within 3 years after construction has started, whichever is later (but in any event within six years after placement in escrow unless specifically approved by the Commission) or within such longer period as determined appropriate by the State Corporation Commission in writing; ii) if the prospective resident dies before occupying a unit; iii) if the construction of the facility, not yet operating, is stopped indefinitely before the Community is completed; or iv) upon rescission of the Residence and Care Agreement pursuant to the terms of this Agreement.

**7.3 Adjustments to Entrance Deposit.** You will not be required to pay an additional or increased Entrance Deposit as long as you reside in your original Living Unit. You retain the right to the 80% Refund Amount, upon the termination of this Agreement, as discussed in Sections 7.4, 7.5, and 7.6 of this Agreement. Your Entrance Deposit, minus the Community Fee, is also available for your maintenance and support as provided in Section 10.

**7.3.1** If you request a permanent transfer from one Living Unit to another Living Unit with a higher Entrance Deposit and we approve the transfer, you must pay to us an additional deposit for the new Living Unit to which you are transferring. The amount of the additional deposit will vary, depending on market conditions for your current Living Unit and for the desired new Living Unit at the time of the transfer. We will advise you of the additional deposit prior to the transfer and you may then decide whether or not to proceed with the transfer. Twenty percent (20%) of the additional deposit paid will be added to the Community Fee and will be non-refundable.

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

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



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

**7.5 Refund after Occupancy.** After occupancy of the Living Unit and subject to the terms and conditions of this Agreement, we shall pay the 80% Refund Amount as provided in this Section 7.5 and Section 7.6. Your refund will be equal to eighty percent (80%) of the total Entrance Deposit unless: (i) the Entrance Deposit, minus the Community Fee, has been partially or fully spent down for your care and maintenance per Section 10 of this Agreement, or (ii) you or your representative, as the case may be, elect to deduct any outstanding fees and charges from the 80% Refund Amount for your convenience.

**7.5.1 Termination By Resident During Lifetime.** If you terminate the Agreement at any time after the Occupancy Date and the expiration of the right of rescission, we will pay the 80% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per Section 7.6. We will pay the 80% Refund Amount to the duly designated beneficiaries named in your Refund Form or, if there is no Refund Form, then to you as the Resident.

**7.5.2 Termination Due To Death of Resident.** If you die after the Occupancy Date and the expiration of the right of rescission, we will pay the 80% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per Section 7.6. We will pay the 80% Refund Amount to the duly designated beneficiaries named in a Refund Form or, if there is no Refund Form, then to your Estate. If one Joint Resident dies, there will be no refund of any portion of the 80% Refund Amount; instead, so long as a surviving resident continues to reside at the Community, the Entrance Deposit (minus the Community Fee) shall be deemed to have been paid entirely on behalf of the surviving resident to be used for the survivor's care if necessary, and the 80% Refund Amount will eventually be paid to the survivor, to the beneficiaries named in the survivor's Refund Form, or to the survivor's estate.

**7.5.3 Termination by Avery Point.** If we terminate the Agreement for good cause (see subsection 12.3 of this Agreement), we shall pay the 80% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per Section 7.6. We will pay the 80% Refund Amount to the duly designated beneficiaries named in your Refund Form or, if there is no Refund Form, then to you as the Resident.

**7.6 Refund Account & Refund Eligibility.** These provisions describe how we pay the 80% Refund Amount to you, your representative, or beneficiaries, as the case may be:

**7.6.1** We have established a Refund Account for paying the 80% Refund Amount per the terms of this Agreement. The Refund Account is funded by the receipt of all or a portion of new Entrance Deposits from new residents who subscribe participating Independent Living Units. Please see the definition of “Refund Account” in Section 15 for explanation on funding the Refund Account and the definition of Participating Independent Living Units. When the Agreement terminates during your lifetime for any reason or if the Agreement terminates due to your death, you or your representative must promptly vacate and remove all possessions from the Living Unit, turn in the keys, sign a Unit Release for the Living Unit, and pre-approve the final bill. If you occupied any other Living Units at the Community, all previous units also must be vacated and released. When the foregoing steps are completed, we then assign you a Refund Number for the Refund Account.

**7.6.2** We pay the 80% Refund Amount based on assigned Refund Numbers generally proceeding in sequential order. If you have the next assigned Refund Number in sequence, you are eligible for your 80% Refund Amount when: (i) you or your representative pay your final bill, and (ii) the funds in the Refund Account are sufficient to fully pay the 80% Refund Amount to you.

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

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

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

**8.3 Adjustments to the Monthly Service Package.** The Monthly Service Package may be revised from time to time. We normally use the Monthly Service Package to cover the expenses of providing covered services to Residents but we may use the Monthly Service Package for any other mission related purpose. We will generally adjust fees on an annual basis after having evaluated those factors that we perceive to be relevant to the costs associated with

operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next following calendar year. However, except for changes required by State or Federal assistance programs, we reserve the right, at any time, upon thirty (30) days' notice to you, to adjust the Monthly Service Packages in Independent Living and upon sixty (60) days' notice to adjust the Monthly Service Package or daily rates in Continuing Care to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited to, tax liability for real estate taxes relating to the Community, increased operating expenses and inflation. Changes to your Monthly Service Package that are required by State or Federal assistance programs are effective immediately.

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

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

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

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

**8.6 Monthly Service Package in the Event of a Termination of Agreement.** If you terminate this Agreement, or if we terminate this Agreement for good cause in accordance with Section 12.3, or if this Agreement should terminate by reason of your death, then you or your estate, as the case may be, shall be responsible for the payment of the Monthly Service Package for the vacated Living Unit, less the Non-Occupancy Credit as applicable, until and including ninety (90) days from the date that both of these conditions are fulfilled: (i) you vacate the Living Unit and remove all possessions, and (ii) you sign a Unit Release Form for the Living Unit and return your keys. If your vacated Living Unit is re-subscribed by another new resident

in less than 90 days, then the Monthly Service Package will end on the Occupancy Date for that new resident. We do not automatically deduct the remaining Monthly Service Packages, Ancillary Fees, or other fees from the 80% Refund Amount unless you or your representative so direct.

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

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

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

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

**9.4 Refurbishing a Vacated Living Unit and Repairing Extraordinary Damage.** Each time that you permanently vacate an Independent Living Unit or Assisted Living or Memory Care Unit, irrespective of the length of time of occupancy, we will perform work to clean, refurbish, and restore that Living Unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in our sole discretion, to bring the Living Unit back to a like-new condition. The reasonable costs and expenses of this work (the "Refurbishing Charges") are charged as follows:

**9.4.1** If you first entered the Community in an Independent Living Unit and you then permanently transfer from that Independent Living Unit to an Assisted Living Unit, Memory Care Unit, or a Nursing Unit, we will cover any portion of the Refurbishing

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

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

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

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

**9.5 Medical and Other Insurance.** You must procure and maintain in force at your own cost the following insurance coverages:

**9.5.1** You shall maintain the maximum coverage available to you under Medicare, Parts A, B & D. We may accept documented equivalent coverage if you are not eligible for Medicare or are insured under other adequate programs. Supplemental insurance is not provided by us. However, a supplemental (“medigap” type) insurance must be purchased and maintained by you at your expense.

**9.5.2** You must also procure and maintain, at your own expense, insurance coverage against damage of, loss to, or theft of your personal property (contents) maintained at the Community, including general liability coverage for personal liability and medical payments should a claim be made or suit brought against you for damages because of a bodily injury, including death, or property damage caused by you. Such insurance shall include liability coverage for damage caused to the Living Unit or other living units or common areas which arise out of your negligent or intentional acts or

omissions. We shall be responsible for insuring the building structures, common areas and building components, the Living Unit and fixtures in the Living Unit provided by us but not including any of your personal property. You are not included nor considered as an additional insured or co-insured under our policies. We reserve all rights of recovery or subrogation for damages caused to our property.

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

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

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

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

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

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

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

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

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

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

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

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

**10.7** At present, we are not authorized to accept Medicaid for payment of Monthly Service Packages for any Living Units. If in the future we are able to accept Medicaid as a payment source, then you agree to also apply for Medicaid if you can qualify. When you are notified by the Executive Director approximately three months before the projected depletion of your remaining Entrance Deposit (less the Community Fee), you agree to immediately apply for Medicaid if available. You also agree to execute any and all documents necessary to make and perfect such claims or rights.

## **Section 11. TRANSFERS**

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

or to a different, medically appropriate Living Unit at the Community, you will have the right to occupy the Living Unit subject to our approval and to the availability of such Living Unit.

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

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

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

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

**11.4 Transfer at the Election of Avery Point - Emergency.** If your health and safety or the health and safety of other residents require immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Director, may transfer you from your current Living Unit to a different Living Unit or an Off-Site Facility, on a temporary or permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to your health and safety or to the health and safety of other people at the Community. In the event that you are required to be transferred to Continuing Care at Avery



Point during a period that you are suffering from legal incompetency, you agree to be bound by the terms of the Agreement in effect at the time of such transfer.

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

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

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

## **Section 12. TERMINATION**

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

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

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

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

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

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

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

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

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

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

## **Section 13. RIGHTS OF AVERY POINT**

**13.1 Community Rules and Regulations.** We shall have the right to promulgate reasonable rules and regulations governing the conduct of the residents and to thereafter revise such rules and regulations. You agree and acknowledge that you have received such rules and regulations including those in our current Resident Handbook (as they may be further amended). You will enjoy the fullest measure of independence consistent with the accommodation in which you live, subject, however, to the limitations of our reasonable rules and regulations now or hereafter adopted for the conduct and care of all residents. You hereby agree to abide by all such rules and regulations (as in effect from time to time), and generally to conduct yourself in such a manner as to promote the peace and harmony of the Community.

**13.2 Access to Living Units at the Community.** You acknowledge and accept our ability and authority to enter the Living Unit in order to carry out the purpose and intent of this Agreement and you hereby authorize such entry. Such entry includes (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that you are reported missing or have not responded to a call; (5) scheduled maintenance activities; (6) to fix, repair, maintain, or update building elements in common which would include plumbing, drywall, electrical system, HVAC, or similar; and (7) enforcement of the Community's rules and regulations. We acknowledge and respect your right to privacy and agree to limit uninvited entry into the Living Unit at the Community to the situations set forth in this paragraph.

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

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

**13.5 Unauthorized Transfers of Property.** The financial information which you submitted is a material aspect upon which we reasonably relied in determining your qualifications for becoming a resident of the Community. Being able to meet the financial criteria to become a resident helps assure the financial stability of this Community. Furthermore, we are committed to take every reasonable step to assist residents who have depleted those assets through normal living expenditures so that he or she may continue to remain as a resident of the Community. However, in order to protect us from a situation wherein a resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, you hereby agree not to divest yourself of, to sell, or transfer any assets or property interests (excluding expenditures for your normal living expenses) that reduces the assets that you or your representative disclosed as available assets for you on admission, without having first obtained our written consent.

**13.6 Religious Affiliation and Sponsorship.** The sole member of Avery Point is National Senior Communities, Inc. , a nonprofit organization. There is no religious organization which maintains financial control over Avery Point.

**13.7 Non-Smoking Policy.** You agree to abide by our prohibition against smoking, e-smoking or vaping in the Living Unit, including balconies or patios, and in common areas. Your guests, or contractors are also prohibited from smoking, e-smoking or vaping in the Living Unit or in the common areas of the Community. You further understand that we may consider your failure to abide by the non-smoking policy as cause to terminate this Residence and Care Agreement.

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

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

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

**14.3 Non-waiver.** The failure of any party in any one or more instances to insist on the strict performance, observance or compliance by the other party with any of the terms or

provisions of this Agreement shall not be a continuing waiver thereof nor construed to be a waiver or relinquishment by a party of its rights to insist upon strict compliance by the other party with all of the terms and provisions of this Agreement.

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

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

**14.6 Disclosure Statement.** You hereby acknowledge that you received the latest disclosure statement of the Community at least three (3) days before signing this Agreement or before transferring any money to us, whichever is earlier, and have reviewed such statement.

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

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

**14.9 Venue.** All parties to this Agreement, including you, us, and Guarantor(s), if any, for themselves and on behalf of any of their successors, heirs, or beneficiaries, agree that venue for any action for the enforcement, construction, rescission, termination of, or any action arising out of this Agreement or care or services rendered or not rendered pursuant to this Agreement shall solely be in Goochland County, Virginia or , if federal diversity jurisdiction exists, then solely in the U.S. District Court for the Eastern District of Virginia. All parties agree that the filing of any action may include a request for an expedited hearing.

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

**14.11 Taxes.** If local, state or federal law imposes a sales, receipts or similar tax on amounts you pay under this Agreement, you are responsible for paying such taxes.

**14.12 Electronic Signatures & Counter-Parts.** Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Agreement shall have the same legal validity and enforceability as an original, manual

signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Agreement may sign separately in several counter-parts, all of which together shall constitute one and the same Agreement.

## **Section 15. DEFINITIONS**

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

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

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

**Ancillary Services:** Those services specified in Section 5 of this Agreement which either we provide or are provided by approved outside providers, the cost of which is not included in the Monthly Service Package. Periodic charges for Ancillary Services may be changed from time to time by us as specified in Section 9.2 or by the outside providers.

**Avery Point (We/ Us):** Avery Point, Inc.

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

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

**Community Fee:** The Community Fee is defined as twenty percent (20%) of the original Entrance Deposit paid by you at admission. If you later transfer to a Living Unit with a larger Entrance Deposit and paid an additional sum towards the larger Entrance Deposit, then the Community Fee is defined as twenty percent (20%) of your original Entrance Deposit paid at admission plus twenty percent (20%) of the additional Entrance Deposit paid by you on transfer to the Living Unit with the larger Entrance Deposit. The Community Fee does not decrease if you move to a Living Unit with a lower Entrance Deposit.

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

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

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

**(Eighty Percent) 80% Refund Amount:** The refund payable to you or your beneficiaries, as the case may be, upon termination of this Agreement. Your refund will be equal to eighty percent (80%) of the total Entrance Deposit unless: (i) the Entrance Deposit, minus the Community Fee, has been partially or fully spent down for your care per Section 10 of this Agreement, or (ii) you or your representative, as the case may be, elect to deduct the outstanding fees and charges from the 80% Refund Amount for your convenience.

**Entrance Deposit:** The Entrance Deposit required to be paid to us on or before the Occupancy Date as set forth in Section 7.1 of this Agreement, as may be modified, which Entrance Deposit is generally paid in a series of deposits. The 20% Community Fee is deducted from the Entrance Deposit.

**Executive Director:** The chief administrative officer of the Community appointed as such by Avery Point.

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

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

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

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

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

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

**Monthly Meal Credit Plan:** The standard meal plan for residents in Independent Living Units. Residents will have a plan offering a fixed meal credit per month which allows purchase

of one standard meal per day in the calendar month with a declining monetary balance as the credit is used. In addition to offering certain premium meals, the community will also have a selection of meal offerings at the standard daily credit amount. You may use the Monthly Meal Plan on a daily basis or as otherwise desired through the calendar month until the meal credit balance is exhausted for that calendar month. The Monthly Meal Plan may also be used by you for guest meals during the calendar month (some restrictions may apply for designated holiday or special cuisine meals). At the beginning of each calendar month, you receive a new set of credits for that new month. If you do not use the all of the meal credit within the calendar month, any unused portion is forfeited, does not carry over to the next month, and no credit will be due to you.

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

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

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

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

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

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



**Participating Independent Living Unit:** A participating Independent Living Unit is an Independent Living Unit whose prior resident had either: i) a Residence and Care Agreement with a 80% Refund Amount obligation, or ii) a Residence and Care Agreement with a refund obligation of less than 80%. We fund the Refund Account with all or a portion of such Entrance Deposits. A Living Unit that has not been previously occupied with an initial Entrance Deposit is not a participating unit.

**Refund Account:** The balance(s) which we establish to fund the 80% Refund Amount to eligible residents upon termination of the Agreement. The Refund Account is a ledger which is credited/ funded when we receive all or a portion of new Entrance Deposits from new residents who sign a Residence and Care Agreement for Participating Independent Living Units. The new resident's right of rescission must also be expired for the Refund Account to receive all or a portion of the Entrance Deposit. We make continued refunds from the Refund Account as new available funds are received into the Refund Account. We have the right to temporarily suspend refunds if the Refund Account has insufficient funds to pay the next sequential refund that is due. We pay the 80% Refund Amount based on assigned Refund Numbers generally proceeding in sequential order.

**Refund Form:** An agreement signed by you, when accepted by us, designating to whom the 80% Refund Amount shall be made upon termination of this Agreement.

**Refund Number:** The number assigned per Section 7.6 which determines eligibility for a refund of the 80% Refund Amount.

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

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

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

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



Schedule I  
Schedule of Fees

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

Priority List Deposit	\$1,000
Reservation Deposit:	\$ _____
The Signing Deposit:	\$ _____ (bringing total to 10% of Entrance Deposit including previous deposits);
The Final Deposit:	\$ _____ (remaining portion of Entrance Deposit)
<i>Minus the 20% Community Fee:</i>	\$ _____ (non-refundable)

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

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

Current Ancillary Fee Schedule:     See next page

**ANCILLARY FEE SCHEDULE**

<b><u>Department</u></b>	<b><u>Ancillary Service</u></b>	<b><u>2023 Fee</u></b>
<b><u>Administration</u></b>		
Non-Occupancy Credit	<b>Non-Occupancy Credit</b> (Independent Living) Absences per person per day after 30 consecutive days (credit starts on the 31st consecutive day):	\$13.00 per night
<b><u>Information Technology</u></b>		
Computer Technical Services	First half hour ( minimum charge)	\$45.00
	Charge for each additional increment of 1 to 15 minutes Thus, net charge for one hour is \$63.00	\$15.00
<b><u>Dining Services</u></b>		
	Guest Meal	A la carte pricing
	Delivery of meal	\$7.00
	Specialty Menu Items	Additional Fees Apply
<b><u>Parking</u></b>		
	Resident 1st Car Designated Parking Space <sup>1</sup>	No add. fee
	Resident 2 <sup>nd</sup> Car Designated Parking Space <sup>1</sup> (for double occ living unit and subject to availability)	No add. Fee
	Carport Upgrade (1 <sup>st</sup> Car Priority)	\$50/month
<b><u>General Services</u></b>		
Maintenance, Grounds, Housekeeping Service per hour	Services per hour, plus materials <sup>2</sup>	\$47.00
Roll away bed	Roll Away bed per night in Resident Apartment	\$24.00
Guest Suite	Per Night fee	\$140.00
Apartment Badge	Additional Apartment Badge for electronic door lock.	\$21.00
Mailbox Key	Additional Mailbox Key	\$10.00
Press Alert	Install Device	\$100.00
	Pendant monthly charge	\$21.00
Snow Removal	Snow Removal from car after Normal Snowfall (3" or less)	\$15.00

<u>Department</u>	<u>Ancillary Service</u>	<u>2023 Fee</u>
Storage Bin	Additional Storage Bin per month (Independent Living only)	\$15.00
	Custom Interior Work	Additional Fees Apply
<b><u>Resident Life</u></b>		
	Fitness Center – Monthly Membership	Included
	Virtual Fitness Programs (digital)	Included
	Standard Group Fitness Classes	Included
	Specialty Group Fitness Classes per month	\$15.00
	Personal Training Session Rate (30 minutes)	\$32.00

<sup>1</sup> Car must be registered to and insured by resident with valid driver's license.

<sup>2</sup> Materials are extra; specific fees are charged for certain jobs (e.g. TV hookup, picture hanging, etc.)

Schedule III  
Documents Incorporated

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

## APPLICATION FOR CREEKSIDE SOCIAL CLUB

Unless Resident declines by providing written notice to Avery Point, execution of this Residence and Care Agreement also constitutes Resident's application to become a member of Creekside Social Club (the "Club"), a non-profit corporation. Payment of \$120.00 constitutes the Resident's lifetime membership dues for the Club.

The Club is a social club which holds a Private Club license permitting the service of food and alcoholic beverages to its members and their permitted guests for on-premises consumption at certain facilities in the Avery Point retirement community complex.

In accordance with the by-laws and requirements of the Virginia Alcoholic Beverage Control Authority, the application shall be considered by the Club's Membership Committee, which will inform Resident if he or she has been accepted for membership. Copies of the Club's Bylaws shall be provided to Resident upon his or her request.



***AVERY POINT  
RESIDENCE AND CARE AGREEMENT  
FULLY DECLINING REFUND***

April 2023

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

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**EVERY POINT**  
**RESIDENCE AND CARE AGREEMENT**

This Residence and Care Agreement (the "Agreement") is made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between EVERY POINT, INC. (referred to in this Agreement as "We", "us" or "Every Point") and \_\_\_\_\_ (referred to in this Agreement as "You" or the "Resident(s)").

**RECITALS**

R.1 Every Point retirement community (the "Community") is a continuing care retirement community located in Richmond, Virginia which will be developed in phases to offer various living accommodations and services to seniors, as described herein.

R.2 Every Point is the operator of the Community and is a registered continuing care provider under the laws of the Commonwealth of Virginia. Every Point desires to provide certain services listed in this Agreement to Resident and Resident desires to receive such services.

**AGREEMENT**

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

**Section 1. DESCRIPTION OF COMMUNITY**

We plan to develop this Community in phases over a period of several years, subject to obtaining all necessary or required governmental approvals and licenses. Our Community will consist of Independent Living Units, Assisted Living Units (including Memory Care Units) and Nursing Units.

**1.1 Independent Living Units.** The Community is planned to have approximately 1200 Independent Living Units within one or more residential neighborhoods including community centers. The community centers typically include dining venues, meeting spaces, and other common areas. The Community is planned to include a pool, beauty salon(s), guest room(s), and an outpatient Medical Center. The Community is a non-smoking community and residents agree to abide by the restrictions in Section 13.7.

**1.2 Continuing Care at Every Point.** Continuing Care at Every Point refers to our on-site health care neighborhood. Continuing Care at Every Point will house the Assisted Living Units, Memory Care Units, and the Nursing Units. Each floor of Continuing Care at Every Point is planned to include a dining room, a resident lounge, activity rooms and a bathing core. Continuing Care at Every Point will be built in several phases starting several years after Community opening. All opening dates are approximate and may change according to changing weather conditions, market demands, etc. Until Continuing Care at Every Point is opened, we

will enter into transfer agreements with local facilities for residents who need assisted living or nursing care prior to our opening.

**1.2.1 Assisted Living Units.** Continuing Care at Avery Point is planned to include up to 120 Assisted Living Units with varied service packages or special programming for residents who need additional assistance with the activities of daily living, including Memory Care Units, to be completed in phases. We anticipate that the aggregate number of Assisted Living Units planned for the Community will adequately serve the needs of Community residents. However, in the unusual circumstances that the Assisted Living Units are fully occupied, our Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in your Independent Living Unit and second, if necessary, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer.

**1.2.2 Nursing Units.** Continuing Care at Avery Point is planned to include up to 60 Nursing Units, many of which will be private rooms, to be completed in phases. We anticipate that the aggregate number of Nursing Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Nursing Units are fully occupied, our Medical Director, or his or her designee, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer.

## **Section 2. TERM**

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

## **Section 3. LIVING ACCOMMODATIONS**

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

**3.2 Joint Residents.** When two (2) or more residents reside together in a selected Living Unit, they are considered to be Joint Residents. Each Joint Resident is required to meet our financial requirements for entrance into the Community, as well as our health qualifications for occupancy of a selected Living Unit, whether the prospective Joint Residents move to the Community together or on different dates.

**3.3 Rights of New Spouse.** If during the term of residency you marry a person who is not a resident of the Community, your new spouse will be required to meet our financial and health-related qualifications for entrance into the Community. The financial qualifications are

meant to serve as a financial protection for our larger community of residents. We reserve the right to determine the appropriate level of care within the Community for the spouse or to determine that there is not an appropriate level of care within the Community for the spouse. If your spouse is not accepted, you may terminate this Agreement per Section 12.2 hereof. If your spouse is accepted for residency, the fee structure described in Sections 7.3.2 and 8.2 for Joint Residents will apply.

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

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

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

We will make the following services available to you, as applicable, for the appropriate Monthly Service Package, during your residency here, unless the Agreement is terminated earlier per Section 12. We may change your Monthly Service Package or scope of services or care only after we provide you with thirty (30) days advance notice of the change, except for changes required by State or Federal assistance programs.

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

- Monthly Meal Credit Plan (see Section 15);
- 24 hour on-site security staff and emergency alert system;
- All Living Unit utilities including these cable/ telephone/ data services:
  - Basic Cable television service (premium channels additional charge);
  - Local, Long Distance and International landline phone service;
  - Wireless internet service;
- One reserved uncovered parking spot per unit for car registered to resident (2<sup>nd</sup> reserved uncovered spot for double occupancy if space is available);
- On-site Fitness Center basic membership;
- Pre-wiring for telephone;

Scheduled off-campus shuttle transportation;  
Maintenance and insurance of buildings, grounds and equipment;  
Trash and general snow removal from common areas; and  
Use of all public rooms and common areas of the Community.

**4.2 Assisted Living Services.** We will provide several packages for Assisted Living residents to serve different care needs. The services listed below are included in most care packages but some services may not be available for certain care packages. Further details on the services available at each level of Assisted Living and additional rights and obligations in Assisted Living will be set forth in the Assisted Living Addendum to the Residence and Care Agreement:

Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;  
Memory care services in designated Memory Care Unit;  
Medication administration;  
Service plan designed by a care team;  
At least three meals per day;  
Regularly scheduled Registered Nurse review and assessment;  
Linens and personal laundry service;  
Light housekeeping care on a weekly basis;  
Medical appointment scheduling, as needed;  
Social/recreational activities;  
24 hour on-site care staff and emergency alert system;  
All Living Unit utilities including these cable/ telephone/ data services:  
    Basic Cable television service (premium channels additional charge);  
    Local and long Distance landline phone service;  
    Wireless internet service;  
Maintenance and insurance of buildings, grounds and equipment;  
Trash and general snow removal from common areas; and  
Use of all public rooms and common areas of the Community.

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

Nursing care;  
Medication administration;  
Service plan designed by a care team;  
At least three meals per day;  
Regularly scheduled Registered Nurse review and assessment;  
Linens and personal laundry service;  
Daily Housekeeping services;  
Planned recreation;

24 hour on-site care staff and emergency alert system;  
Incontinence care;  
More frequent involvement of licensed medical personnel to manage chronic conditions;  
All Living Unit utilities including these cable/ telephone/ data services:  
    Basic Cable television service (premium channels additional charge);  
    Local and long distance landline phone service;  
    Wireless internet service;  
Maintenance and insurance of buildings, grounds and equipment;  
Trash and general snow removal from common areas; and  
Use of all public rooms and common areas of the Community.

## **Section 5. ANCILLARY SERVICES**

**5.1 Services Available through Avery Point.** In addition to the Covered Services described earlier in Sections 4.1, 4.2, and 4.3, we also make the following services available to you for an additional fee. These Ancillary Services will be phased in as the Community is developed. Other services that are not currently listed may also be available.

Tray service to Residents in Independent Living or Assisted Living;  
Housekeeping and laundry service for Residents in Independent Living or Assisted Living;  
Extra meals for Residents in an Independent Living Unit (unless covered by Monthly Meal Plan as defined);  
Guest meals (unless covered by Monthly Meal Plan as defined);  
On-site Fitness Center premium services or classes;  
Lodging in guest rooms on a temporary and space available basis;  
Personal storage space;  
Catered Living services; and  
Carport parking space or other additional reserved parking space for resident registered cars (if space is available)

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

**5.3 Services Not Provided.** We do not provide hospice care, acute hospital care, or any institutional care other than care that is appropriate in an Assisted Living Unit, Memory Care Unit, and comprehensive care in a Nursing Unit or otherwise covered under the terms of this Agreement. We will assist with any necessary transfers to such facilities; however, you will be responsible for the cost of such care.



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

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

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

**6.3 Physicians and Other Professionals.** You have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals shall agree to follow our reasonable policies and procedures and applicable federal and state laws, rules and regulations. You are not required to use the on-site Medical Center or the physicians practicing there.

## **Section 7. ENTRANCE DEPOSIT**

**7.1 Payment of Entrance Deposit.** You will pay or have paid to us a total Entrance Deposit as shown in Schedule I. The payment of the Entrance Deposit may be made in a series of deposits in order to take occupancy of your Living Unit at the Community. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the Joint Residents with a right of survivorship and may be used for the care of either Joint Resident. We do not require an additional Joint Resident Entrance Deposit if Joint Residents occupy the same Living Unit. .

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

When the Entrance Deposit is released in full, we can fully use the Entrance Deposit. We normally use the Entrance Deposits for financing, operational costs, or future refunds for the Community. Appreciation in new Entrance Deposits is normally used by us generally for capital repairs, improvements to benefit the Community, equity distributions, and for any reserve funds, but we may use the Entrance Deposits for any other mission-related purpose. However, you will retain the right to the Unearned Refund Amount as discussed in this Section 7. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the Joint Residents

with the right of survivorship and may be used for the care of either Joint Resident. No interest shall be accrued or paid to you on your Entrance Deposit.

Prior to occupancy, deposits in escrow will be returned to a prospective resident only in the following circumstances: i) the funds have not been released within 3 years after placement in escrow or within 3 years after construction has started, whichever is later (but in any event within six years after placement in escrow unless specifically approved by the Commission) or within such longer period as determined appropriate by the State Corporation Commission in writing; ii) if the prospective resident dies before occupying a unit; iii) if the construction of the facility, not yet operating, is stopped indefinitely before the Community is completed; or iv) upon rescission of the Residence and Care Agreement pursuant to the terms of this Agreement.

**7.3 Adjustments to Entrance Deposit.** You will not be required to pay an additional or increased Entrance Deposit as long as you reside in your original Living Unit. You retain the right to the Unearned Refund, if any, upon termination of this Agreement as discussed in Sections 7.4, 7.5, and 7.6 of this Agreement.

**7.3.1** If you request a permanent transfer from one Living Unit to another Living Unit with a higher Entrance Deposit and we approve the transfer, you must pay to us an additional deposit for the new Living Unit to which you are transferring. The amount of the additional deposit will vary, depending on market conditions for your current Living Unit and for the desired new Living Unit at the time of the transfer. We will advise you of the additional deposit prior to the transfer and you may then decide whether or not to proceed with the transfer. If you transfer and pay the new deposit, you agree that the new deposit is immediately subject to the original declining balance schedule consistent with the Occupancy Date of your original Living Unit for purposes of Section 7.5.

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

**7.3.3** You will normally not be entitled to a refund or decrease of the Entrance Deposit due to any temporary or permanent transfer, for whatever reason, during the Term of this Agreement. However, we may make a partial refund of the Entrance Deposit, minus the earned portion of the Entrance Deposit, to you in the following circumstances: 1) You transfer to a smaller Independent Living Unit than the Independent Living Unit which you currently occupy; and 2) the Entrance Deposit for the smaller Independent Living Unit is currently lower than the Entrance Deposit that you originally paid for an Independent Living Unit. In these specific circumstances, we may elect to refund the difference between the current Entrance Deposit for your new Independent Living Unit and the original Entrance Deposit paid by you but minus the any portion of the Entrance Deposit that we have earned for each month of your residency pursuant to Section 7.5.

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

**7.5 Refund of Entrance Deposit After Expiration of Right to Rescission and Occupancy Date**

**7.5.1 Refund Amount – Termination Within First 48 Months.** If this Agreement is terminated at the election of all Residents in the Living Unit during their lifetime following the rescission period described in Section 12.1.1 and within and including the first forty-eight (48) months from the original Occupancy Date, we will refund an Unearned Refund amount equal to the Entrance Deposit (i) minus a processing fee of 4% of the Entrance Deposit, and (ii) minus a fee equal to 2% of the Entrance Deposit per month for each month from the original Occupancy Date through the Departure Date (even if such final month is only a partial month). The payment of the refund is subject to the timing described in this Section 7.5 and the off-set described in Section 7.6.

**7.5.2 Refund Amount – Death of Resident(s) or Death of One Resident, and Subsequent Termination Within First 48 Months.** If (a) either a single Resident or both Joint Residents pass away after the expiration of the rescission period described in Section 12.1.1 and within and including the first forty-eight (48) months from the Occupancy Date, or (b) One Joint Resident passes away and the surviving Joint Resident terminates this Agreement after the expiration of the thirty day period described in Section 12.1.1 and within and including the first forty-eight (48) months from the Occupancy Date, we refund an Unearned Refund amount equal to the Entrance Deposit (i) minus a processing fee of 4% of the Entrance Deposit, and (ii) minus a fee equal to 2% of the Entrance Deposit per month for each month following the Occupancy Date, including the final month of the term of this Agreement (even if such final month is only a partial month). The payment of the refund is subject to the timing described in this Section 7.5 and the off-set described in Section 7.6.

**7.5.3 No Refund After First 48 Months.** If this Agreement terminates after the first forty-eight (48) months from the Occupancy Date or later, whether due to your choice, our choice, or your death, you will not be entitled to any refund of the Entrance Deposit.

**7.5.4 Timing of Unearned Refund Payment.**

- a. If you are entitled to an Unearned Refund of a portion of your Entrance Deposit pursuant to Section 7.5.1 or 7.5.2 of this Agreement due to the termination of this Agreement following the Occupancy Date, other than a termination by us under Section 12.3, we will pay the refund within ninety

(90) days after you turn in your keys and vacate any Living Unit(s), including parking or storage spaces, which you were occupying on the Departure Date.

- b. If we terminate this Agreement for just cause as set forth in Section 12.3 and if you are entitled to an Unearned Refund of a portion of your Entrance Deposit pursuant to Section 7.5.1 or 7.5.2 of this Agreement due to the termination of this Agreement following the Occupancy Date, we will pay the Unearned Refund within thirty (30) days after you turn in your keys and vacate any Living Unit(s), including parking or storage spaces, which you were occupying on the Departure Date. We may also offset fees as described in Section 7.6. Any funds that we retain and do not use for such purposes will be refunded to you within 45 days after you turn in your keys and vacate any Living Unit(s), including parking or storage spaces, which you were occupying on the Departure Date.

**7.5.5 How Unearned Refund is Payable.** If an Unearned Refund is due to you, we will pay the appropriate refund to the duly designated beneficiaries named in your refund form. If there is no refund form on file, then we will refund to you if you leave during your lifetime and to your estate if you pass away as a resident. If one joint resident dies, there will be no refund of any portion of the refund; instead, so long as a surviving joint Resident continues to reside at the community, the Entrance Deposit shall be deemed to have been paid entirely on behalf of the surviving resident to be used for the survivor's care if necessary, and the refund will eventually be paid to the survivor, to the beneficiaries named in the survivor's refund form, or the survivor's estate.

**7.6 Offset of Unpaid Fees from Entrance Deposit Refund.** We may withhold from any Unearned Refund that is payable to you, your estate, or other duly designated beneficiaries such amounts as may be required to pay (a) any unpaid fees or charges for services provided to you at the Community, (b) the refurbishing charges as defined in Section 9.4, and (c) any other amounts to which we are entitled under this Agreement.

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

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

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

**8.3 Adjustments to the Monthly Service Package.** The Monthly Service Package may be revised from time to time. We normally use the Monthly Service Package to cover the expenses of providing covered services to Residents but we may use the Monthly Service Package for any other mission-related purpose. We will generally adjust fees on an annual basis after having evaluated those factors that we perceive to be relevant to the costs associated with operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next following calendar year. However, except for changes required by State or Federal assistance programs, we reserve the right, at any time, upon thirty (30) days' notice to you, to adjust the Monthly Service Packages in Independent Living and upon sixty (60) days' notice to adjust the Monthly Service Package or daily rates in Continuing Care to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited to, tax liability for real estate taxes relating to the Community, increased operating expenses and inflation. Changes to your Monthly Service Package that are required by State or Federal assistance programs are effective immediately.

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

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

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

**8.5 Monthly Service Package in the Event of a Permanent Transfer to a Different Living Unit.** If you permanently transfer from one Living Unit to another Living Unit at the Community, you are responsible for payment of the Monthly Service Package, pro-rated

and less the Non-Occupancy Credit as applicable, for the vacated Living Unit until you completely vacate, remove all possessions from the vacated Living Unit, and return the keys for the vacated Living Unit to us.

**8.6 Monthly Service Package in the Event of a Termination of Agreement.** If you terminate this Agreement, or if we terminate this Agreement for good cause in accordance with Section 12.3, or if this Agreement should terminate by reason of your death, then you or your estate, as the case may be, shall be responsible for the payment of the Monthly Service Package for the vacated Living Unit, less the Non-Occupancy Credit as applicable, until and including ninety (90) days from the date that both of these conditions are fulfilled: (i) you vacate the Living Unit and remove all possessions, and (ii) you sign a Unit Release Form for the Living Unit and return your keys. If your vacated Living Unit is re-subscribed by another new resident in less than 90 days, then the Monthly Service Package will end on the Occupancy Date for that new resident.

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

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

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

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

**9.4 Refurbishing a Vacated Living Unit and Repairing Extraordinary Damage.** Each time that you permanently vacate an Independent Living Unit or Assisted Living or Memory Care Unit, irrespective of the length of time of occupancy, we will perform work to

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

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

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

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

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

**9.5 Medical and Other Insurance.** You must procure and maintain in force at your own cost the following insurance coverages:

**9.5.1** You shall maintain the maximum coverage available to you under Medicare, Parts A, B & D. We may accept documented equivalent coverage if you are not eligible for Medicare or are insured under other adequate programs. Supplemental

insurance is not provided by us. However, a supplemental (“medigap” type) insurance must be purchased and maintained by you at your expense.

**9.5.2** You must also procure and maintain, at your own expense, insurance coverage against damage of, loss to, or theft of your personal property (contents) maintained at the Community, including general liability coverage for personal liability and medical payments should a claim be made or suit brought against you for damages because of a bodily injury, including death, or property damage caused by you. Such insurance shall include liability coverage for damage caused to the Living Unit or other living units or common areas which arise out of your negligent or intentional acts or omissions. We shall be responsible for insuring the building structures, common areas and building components, the Living Unit and fixtures in the Living Unit provided by us but not including any of your personal property. You are not included nor considered as an additional insured or co-insured under our policies. We reserve all rights of recovery or subrogation for damages caused to our property.

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

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

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

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

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

**10.1** We require, in the event you claim to be unable to make full monthly payments by reason of financial inability, you must take any or all of the following actions, as directed by the Executive Director. To qualify for assistance, a resident must otherwise be in compliance with



the terms of such resident's Residence and Care Agreement. Our exercise of any rights or remedies under Section 10 due to your failure to pay will not constitute a waiver of any of our other rights or remedies, including our right to terminate this Agreement.

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

10.3 If you have outside assets other than the Entrance Deposit, the Executive Director will establish a Spending Plan for you to spend the outside assets and to obtain assistance from other available means. As part of the Spending Plan, you shall assign to us any health-related insurance benefits and any benefits under any governmental insurance or assistance program (including Medicare) that you receive, until the amount we have received equals the aggregate charges for the care and services that you have received, based upon the Community's standard rates. If you fail to cooperate with the Spending Plan for the outside assets, such failure may constitute just cause for termination of the Agreement due to non-payment of fees in accordance with Section 12.3 of this Agreement.

10.4 Upon completion of the Spending Plan, and when we have fully earned the Entrance Deposit as described in Section 7.5 per each month of your occupancy, you may qualify for assistance from the resident care fund when established, and to the extent that it is financially feasible. If you are approved for such assistance, the Executive Director shall inform you of the amount which the resident care fund will contribute to the monthly fees and the amount which you must contribute to the Monthly Service Package.

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

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

10.7 At present, we are not authorized to accept Medicaid for payment of Monthly Service Packages for any Living Units. If in the future we are able to accept Medicaid as a payment source, then you agree to also apply for Medicaid if you can qualify. You also agree to execute any and all documents necessary to make and perfect such claims or rights.

## **Section 11. TRANSFERS**

**11.1 Temporary and Permanent Transfers.** For purposes of this Agreement, a temporary transfer is a transfer of an anticipated finite duration. During a temporary transfer,

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

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

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

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

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

**11.4 Transfer at the Election of Avery Point - Emergency.** If your health and safety or the health and safety of other residents require immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Director, may transfer you from your current Living Unit to a different Living Unit or an Off-Site Facility, on a temporary or

permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to your health and safety or to the health and safety of other people at the Community. In the event that you are required to be transferred to Continuing Care at Avery Point during a period that you are suffering from legal incompetency, you agree to be bound by the terms of the Agreement in effect at the time of such transfer.

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

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

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

## **Section 12. TERMINATION**

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

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

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

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

If the Agreement is terminated as provided in this Section 12.1, you shall receive a refund of the Entrance Deposit, as described in Section 7.4 and a refund of the Application Fee as described in Section 9.1. You will not receive a refund of the costs of any custom improvements

or other expenses specifically incurred at your request as set forth in a separate written addendum, signed by both parties.

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

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

Except for termination due to non-payment of fees, we will give you thirty (30) days written notice of the termination and the reason for termination. In the event of non-payment of fees, we will give you written notice that you are in default under this Agreement for non-payment of fees. We may charge you interest on the overdue amount of one and one-half percent (1 ½%) per month. If you fail to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, we may, at our election, either terminate the Agreement upon an additional thirty (30) days' notice or offset the overdue fees and charges against the Unearned Refund Amount, if any. Our acceptance of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless we agree to a waiver in writing.

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

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

## **Section 13. RIGHTS OF AVERY POINT**

**13.1 Community Rules and Regulations.** We shall have the right to promulgate reasonable rules and regulations governing the conduct of the residents and to thereafter revise such rules and regulations. You agree and acknowledge that you have received such rules and regulations including those in our current Resident Handbook (as they may be further amended). You will enjoy the fullest measure of independence consistent with the accommodation in which you live, subject, however, to the limitations of our reasonable rules and regulations now or hereafter adopted for the conduct and care of all residents. You hereby agree to abide by all such rules and regulations (as in effect from time to time), and generally to conduct yourself in such a manner as to promote the peace and harmony of the Community.

**13.2 Access to Living Units at the Community.** You acknowledge and accept our ability and authority to enter the Living Unit in order to carry out the purpose and intent of this Agreement and you hereby authorize such entry. Such entry includes (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that you are reported missing or have not responded to a call; (5) scheduled maintenance activities; (6) to fix, repair, maintain, or update building elements in common which would include plumbing, drywall, electrical system, HVAC, or similar; and (7) enforcement of the Community's rules and regulations. We acknowledge and respect your right to privacy and agree to limit uninvited entry into the Living Unit at the Community to the situations set forth in this paragraph.

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

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

**13.5 Unauthorized Transfers of Property.** The financial information which you submitted is a material aspect upon which we reasonably relied in determining your qualifications for becoming a resident of the Community. Being able to meet the financial criteria to become a resident helps assure the financial stability of this Community. Furthermore, we are committed to take every reasonable step to assist residents who have depleted those assets through normal living expenditures so that he or she may continue to remain as a resident of the Community. However, in order to protect us from a situation wherein a resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, you hereby agree not to divest yourself of, to sell, or transfer any assets or property interests (excluding expenditures for your normal living expenses) that reduces the assets that you or your representative disclosed as available assets for you on admission, without having first obtained our written consent.

**13.6 Religious Affiliation and Sponsorship.** The sole member of Avery Point is National Senior Communities, Inc. (formerly National Senior Campuses, Inc.), a nonprofit organization. There is no religious organization which maintains financial control over Avery Point.

**13.7 Non-Smoking Policy.** You agree to abide by our prohibition against smoking, e-smoking or vaping in the Living Unit, including balconies or patios, and in common areas. Your guests, or contractors are also prohibited from smoking, e-smoking or vaping in the Living Unit or in the common areas of the Community. You further understand that we may consider your failure to abide by the non-smoking policy as cause to terminate this Residence and Care Agreement.

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

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

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

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

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

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

**14.6 Disclosure Statement.** You hereby acknowledge that you received the latest disclosure statement of the Community at least three (3) days before signing this Agreement or before transferring any money to us, whichever is earlier, and have reviewed such statement.

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

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

**14.9 Venue.** All parties to this Agreement, including you, us, and Guarantor(s), if any, for themselves and on behalf of any of their successors, heirs, or beneficiaries, agree that venue for any action for the enforcement, construction, rescission, termination of, or any action arising out of this Agreement or care or services rendered or not rendered pursuant to this Agreement shall solely be in Goochland County, Virginia or , if federal diversity jurisdiction exists, then solely in the U.S. District Court for the Eastern District of Virginia. All parties agree that the filing of any action may include a request for an expedited hearing.

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

**14.11 Taxes.** If local, state or federal law imposes a sales, receipts or similar tax on amounts you pay under this Agreement, you are responsible for paying such taxes.

**14.12 Electronic Signatures & Counter-Parts.** Any electronic signature (including

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

## **Section 15. DEFINITIONS**

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

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

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

**Ancillary Services:** Those services specified in Section 5 of this Agreement which either we provide or are provided by approved outside providers, the cost of which is not included in the Monthly Service Package. Periodic charges for Ancillary Services may be changed from time to time by us as specified in Section 9.2 or by the outside providers.

**Avery Point (We/ Us):** Avery Point, Inc.

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

**Community:** The physical site and structures which we operate as a retirement community in Richmond Virginia.

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

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

**Departure Date:** The date on which you or, in the event of your death, your personal representative or family, vacates the Living Unit after providing us with a signed Unit Release Form, removing all possessions from such Living Unit, and turning in the Living Unit keys. If you or your personal representative or family do not timely provide us with a signed Unit Release Form, remove the possessions, or turn in the keys, the Departure Date shall be the date



on which we remove all possessions from the Living Unit and place them in a general storage area at the Community or in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

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

**Executive Director:** The chief administrative officer of the Community appointed as such by Avery Point.

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

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

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

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

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

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

**Monthly Meal Credit Plan:** The standard meal plan for residents in Independent Living Units. Residents will have a plan offering a fixed meal credit per month which allows purchase of one standard meal per day in the calendar month with a declining monetary balance as the credit is used. In addition to offering certain premium meals, the community will also have a selection of meal offerings at the standard daily credit amount. You may use the Monthly Meal Plan on a daily basis or as otherwise desired through the calendar month until the meal credit balance is exhausted for that calendar month. The Monthly Meal Plan may also be used by you for guest meals during the calendar month (some restrictions may apply for designated holiday or special cuisine meals). At the beginning of each calendar month, you receive a new set of credits for that new month. If you do not use the all of the meal credit within the calendar month, any unused portion is forfeited, does not carry over to the next month, and no credit will be due to you.

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

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

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

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

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

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

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

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

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

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

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

**Unearned Refund Amount:** The difference between the total Entrance Deposit paid by you and the amount credited to/earned by Avery Point during your residency per Section 7.5 of this Agreement. For purposes of any Refund, the Unearned Refund Amount will be calculated as of the month of your Departure Date from the Community (even if such final month is only a partial month).

**SIGNATURES**

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

**AVERY POINT, INC.**

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

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

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

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

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

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

Schedule I  
Schedule of Fees

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

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

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

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

Current Ancillary Fee Schedule: See next page

**ANCILLARY FEE SCHEDULE**

<b><u>Department</u></b>	<b><u>Ancillary Service</u></b>	<b><u>2023 Fee</u></b>
<b><u>Administration</u></b>		
Non-Occupancy Credit	<b>Non-Occupancy Credit</b> (Independent Living) Absences per person per day after 30 consecutive days (credit starts on the 31st consecutive day):	\$13.00 per night
<b><u>Information Technology</u></b>		
Computer Technical Services	First half hour ( minimum charge)	\$45.00
	Charge for each additional increment of 1 to 15 minutes Thus, net charge for one hour is \$63.00	\$15.00
<b><u>Dining Services</u></b>		
	Guest Meal	A la carte pricing
	Delivery of meal	\$7.00
	Specialty Menu Items	Additional Fees Apply
<b><u>Parking</u></b>		
	Resident 1st Car Designated Parking Space <sup>1</sup>	No add. fee
	Resident 2 <sup>nd</sup> Car Designated Parking Space <sup>1</sup> (for double occ living unit and subject to availability)	No add. Fee
	Carport Upgrade (1 <sup>st</sup> Car Priority)	\$50/month
<b><u>General Services</u></b>		
Maintenance, Grounds, Housekeeping Service per hour	Services per hour, plus materials <sup>2</sup>	\$47.00
Roll away bed	Roll Away bed per night in Resident Apartment	\$24.00
Guest Suite	Per Night fee	\$140.00
Apartment Badge	Additional Apartment Badge for electronic door lock.	\$21.00
Mailbox Key	Additional Mailbox Key	\$10.00
Press Alert	Install Device	\$100.00
	Pendant monthly charge	\$21.00

<u>Department</u>	<u>Ancillary Service</u>	<u>2023 Fee</u>
Snow Removal	Snow Removal from car after Normal Snowfall (3" or less)	\$15.00
Storage Bin	Additional Storage Bin per month (Independent Living only)	\$15.00
	Custom Interior Work	Additional Fees Apply
<b><u>Resident Life</u></b>		
	Fitness Center – Monthly Membership	Included
	Virtual Fitness Programs (digital)	Included
	Standard Group Fitness Classes	Included
	Specialty Group Fitness Classes per month	\$15.00
	Personal Training Session Rate (30 minutes)	\$32.00

<sup>1</sup> Car must be registered to and insured by resident with valid driver's license.

<sup>2</sup> Materials are extra; specific fees are charged for certain jobs (e.g. TV hookup, picture hanging, etc.)

Schedule III  
Documents Incorporated

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



# Avery Point PRIORITY LIST APPLICATION

I hereby make application for a secured position on the **Avery Point Priority List.**

**Priority Date:** \_\_\_\_\_

*(To be completed by sales counselor. Priority date is determined by the date this application is received at the Sales and Information Office.)*

As you join the Priority List, we ask that you further designate whether you wish to be on the "Standby" or "Futures" part of the Priority List. Both designations maintain your same, all-important priority date. If you would like to review available apartment homes when selections are available for reservation, please designate "Standby Priority." Our sales counselor will call you as soon as the type of apartment home you specify is available. If you are not sure when you would like to move, please designate "Futures Priority."

**RESERVATION**

I am reserving the following apartment home:

Apartment # \_\_\_\_\_

**STANDBY PRIORITY**

I would like to move to the next available apartment home that meets my preferences.

**FUTURES PRIORITY**

I wish to establish my priority status with the intent of moving at a later date.

**My living accommodation preference:**

ONE BEDROOM

ONE BEDROOM & DEN

TWO BEDROOM

OTHER \_\_\_\_\_

NAME \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

MARITAL STATUS \_\_\_\_\_

NAME \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

PHONE \_\_\_\_\_ EMAIL \_\_\_\_\_

WERE YOU REFERRED BY ANYONE? \_\_\_\_\_

**Please sign this application and return it with your check to Avery Point.**

**A copy will be returned to you for your records.**

APPLICANT(S) \_\_\_\_\_ DATE \_\_\_\_\_

APPLICANT(S) \_\_\_\_\_ DATE \_\_\_\_\_

AVERY POINT \_\_\_\_\_ DATE \_\_\_\_\_

Please enclose one check for:

**(1)** The \$1,000 Priority List Deposit. **(2)** A \$150-per-person application fee.

**Make your check payable to:** Avery Point

**Mail to:** Avery Point Sales Center, 12000 Avery Point Way, Richmond, VA 23233

# Avery Point PRIORITY LIST APPLICATION

## Conditions of the Priority List

- 1) Your status on the Priority List is determined by your priority date with earlier dates having higher priority. Paying the refundable Priority List deposit and the application fee will ensure that you are placed on the list based on the day the Sales and Information Office receives your application
- 2) If you wish to move from the Priority List to an apartment home reservation, you will not need to complete another application or pay another Priority List deposit or application fee. You will need to pay an additional reservation deposit, which is always refundable as per the Residence and Care Agreement.
- 3) Prior to moving to Avery Point, applicants must complete the admissions process, which includes financial and health/service screenings. Avery Point reserves the right to determine if the community offers appropriate care and services for the applicant. Avery Point may offer conditional approval or may offer a different residence than the applicant's preference.
- 4) Joining the Priority List does not ensure that the amount of the Entrance Deposit will not change before the applicant enters the community. Reserving an apartment does ensure that the Entrance Deposit for that specific apartment will not change if the applicant enters the community within the requisite time frame.
- 5) Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this application/agreement shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act.

This agreement may be signed in counterparts, all of which together constitute one agreement.

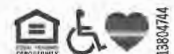
## Entrance Deposit Agreement

- 1) Your \$1,000 Priority List Deposit and any additional deposits will be applied in full toward your Entrance Deposit as you begin your move to Avery Point.
- 2) All deposits will be returned to you before you sign the Residence and Care Agreement: (a) within 30 days of a written request; (b) if you are precluded from moving to the community due to illness, incapacity, or death; or (c) if you are determined to be ineligible for entrance into the community.
- 3) As you complete your move to Avery Point, all of your deposits toward the Entrance Deposit will remain in escrow until either (a) the deposit is returned to you as described in Section 2 above; or (b) the escrow agent releases the Entrance Deposit to Avery Point as permitted by state law and/or the escrow agreement; (c) the construction of the community, not yet operating, is stopped indefinitely before completion; or (d) if the funds have not been released to Avery Point within 3 years of placement in escrow, within 3 years of the start of construction, or within a longer period as deemed appropriate by the State Corporation Commission.
- 4) The Entrance Deposit is also returned to you if you rescind the Residence and Care Agreement within 7 days of making an initial deposit or executing the Agreement, whichever is later and regardless of occupancy.
- 5) Any interest earned on deposits in escrow will be used for the benefit of Avery Point.
- 6) Your \$150-per-person application fee is a one-time, nonrefundable fee. The application fee is refundable only if you exercise the right of rescission described in Section 4 above.



**Avery Point**  
BY ERICKSON SENIOR LIVING™

12000 Avery Point Way  
Richmond, VA 23233  
AveryPointCommunity.com



13804744

**FINANCIAL INFORMATION FORM  
CONFIDENTIAL**

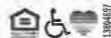
Note: The following questions will be discussed at the financial appointment. If you would like to answer below, please feel free to do so.

Additional Questions	Detailed Answer (Name, Amount, Valuation Date, Etc.)
1. Please provide details for joint account holders/joint asset holders (such as children, POA, other family members) for assets listed in "Assets" section.	
2. Other than personal liabilities listed above, have you cosigned/guaranteed anyone else's debts?	
3. In the last 5 years, have you transferred any of your assets worth more than \$20,000 to others? If so, please describe the circumstances and the value received by others. Also, what is the value, if any, you received back?	
4. Do you regularly make monetary gifts or provide regular monetary support to family members, friends, favorite charities, or other programs?	
5. Do you plan on making significant future monetary gifts in addition to the above?	
6. In the last 10 years, have you filed for protection from creditors or been judged bankrupt?	
7. In the last 5 years, have you loaned money to family/friends and have money owed back to you as the lender?	

# Financial Information Form

Resident Name: \_\_\_\_\_ Current Date: \_\_\_\_\_

Page 4 of 4



**FINANCIAL INFORMATION FORM  
CONFIDENTIAL**

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Marital Status: \_\_\_\_\_

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Note: Please ensure that below amounts are as current as possible and please bring support for stated amounts to financial appointment.

Assets	Name (Bank, Location, Description)	Value as of Date	Amount
A) Checking Account	_____	___/___/___	\$ _____
B) Savings Account	_____	___/___/___	\$ _____
C) Savings Account	_____	___/___/___	\$ _____
D) Certificate of Deposit	_____	___/___/___	\$ _____
E) Certificate of Deposit	_____	___/___/___	\$ _____
F) Mutual Funds	_____	___/___/___	\$ _____
G) Stocks and Bonds	_____	___/___/___	\$ _____
H) Stocks and Bonds	_____	___/___/___	\$ _____
I) Real Estate—Plan to Sell	_____	___/___/___	\$ _____
J) Real Estate—Plan to Hold	_____	___/___/___	\$ _____
K) Other Financial Assets <small>(e.g., Trusts available for resident use, life insurance, long-term care insurance)</small>	_____	___/___/___	\$ _____
			\$ _____
		<b>Total Assets</b>	<b>\$ _____</b>
<b>Liabilities</b>			
A) Home Mortgage	_____	___/___/___	\$ _____
B) Loan on Autos	_____	___/___/___	\$ _____
C) Credit Cards	_____	___/___/___	\$ _____
D) Other Debts/Liabilities	_____	___/___/___	\$ _____
E) Other Debts/Liabilities	_____	___/___/___	\$ _____
		<b>Total Liabilities</b>	<b>\$ _____</b>
		<b>(Assets minus Liabilities) Total Net Worth</b>	<b>\$ _____</b>

Resident Name \_\_\_\_\_ Current Date \_\_\_\_\_

**FINANCIAL INFORMATION FORM  
CONFIDENTIAL**

Sources of Monthly Income:	Resident Name	Term of Income (# of months, whole life, etc.)	Survivor Benefits (Yes or No)	Amount
A) Social Security	_____	_____	_____	\$ _____
B) Social Security	_____	_____	_____	\$ _____
C) Pension	_____	_____	_____	\$ _____
D) Pension	_____	_____	_____	\$ _____
E) Annuity	_____	_____	_____	\$ _____
F) Annuity	_____	_____	_____	\$ _____
G) IRA	_____	_____	_____	\$ _____
H) IRA	_____	_____	_____	\$ _____
I) Investment Income	_____	_____	_____	\$ _____
Source:	_____	_____	_____	\$ _____
J) Other Income	_____	_____	_____	\$ _____
K) Other Income	_____	_____	_____	\$ _____
				\$ _____
		<b>Total Monthly Income</b>		<b>\$ _____</b>

If we have additional financial questions, whom should we contact?

You  Your Financial Advisor

Financial advisor's information (if applicable):

Name \_\_\_\_\_  
Street \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_  
Phone \_\_\_\_\_  
Email \_\_\_\_\_

Who will be responsible for your bills?

You  Other

If Other, please give information (if applicable):

Name \_\_\_\_\_  
Street \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_  
Phone \_\_\_\_\_  
Email \_\_\_\_\_

I hereby certify that the information supplied herein is complete and accurate to the best of my knowledge, and I agree to provide whatever information Avery Point deems necessary to verify my financial position. I also understand that my approval for residency is predicated upon the accuracy of this information and said approval may be revoked at any time should any of the information prove to be substantially false.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, sexual orientation, or national origin.

Resident Name \_\_\_\_\_ Current Date \_\_\_\_\_

Thank you for completing this form.

We are looking forward to getting to know you when you come to Avery Point for your pre-residency meeting. Please bring the following to your appointment:

- This completed form
- The Financial Information Form and related documents
- All health insurance cards
- Power of attorney for finances
- Advance directives for health care to include your power of attorney for health care and/or living will
- Document indicating the executor of estate
- Long-term care insurance

My signature confirms that I understand the information I provide on the Resident Profile and at the pre-residency meeting will be treated with confidentiality and that it is accurate as signed and dated. The information will be used only by authorized employees or agents of the community. The information may also be subject to disclosure as provided by applicable laws.

\_\_\_\_\_  
(Applicant's Signature)

\_\_\_\_\_  
(Date)

If this form was completed by someone other than the applicant, please have that person state the reason and sign below.

Form completed by \_\_\_\_\_

Reason \_\_\_\_\_

Relationship to applicant \_\_\_\_\_

\_\_\_\_\_  
(Applicant's Signature)

\_\_\_\_\_  
(Date)

  
**Avery Point**  
BY ERICKSON SENIOR LIVING®  
1549 Wilkes Ridge Parkway  
Richmond, VA 23233  
AveryPointCommunity.com



## Resident Profile

We are excited you have chosen Avery Point, managed by Erickson Senior Living® as your next home! As you proceed with your planning, one of your next steps is to come in for a pre-residency meeting. During this session, you will meet with an Avery Point staff member and begin to understand how the community can help support a successful transition to your new home, while also learning more about the amenities that are available to you. This dedicated time is an opportunity for us to learn more about you and for you to continue to develop relationships with the rest of the Avery Point team.

In preparation for your pre-residency meeting, we ask that you please complete the pages that follow this letter; this information will be used to start your unique Resident Profile. During this meeting, we will be happy to answer any questions you have and to provide you with any additional amenity information you may desire.

We look forward to partnering with you as you begin this new chapter of your life; we view this pre-residency meeting as the beginning of a lasting relationship.

Best regards,

The Avery Point Team

  
**Avery Point**  
BY ERICKSON SENIOR LIVING®

## RESIDENT PROFILE

### PERSONAL & DEMOGRAPHIC INFORMATION

First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_ Title \_\_\_\_\_

Maiden Name \_\_\_\_\_ Preferred Name \_\_\_\_\_

Sex:  Male  Female

Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Email \_\_\_\_\_

Date of Birth \_\_\_\_\_ Place of Birth \_\_\_\_\_  
(City, State, Country)

### WORK INFORMATION

If retired, what was your main occupation? \_\_\_\_\_

Are you currently working?  Yes  No

If Yes:  Full-Time  Part-Time

Company \_\_\_\_\_ Occupation \_\_\_\_\_

Military Service:  Veteran  Nonveteran

### RELIGIOUS PREFERENCE (Optional)

Please Specify (Example: Buddhist, Catholic, Jewish, Muslim, Protestant):  
\_\_\_\_\_

### ADDITIONAL DEMOGRAPHICS

Primary Language \_\_\_\_\_

Marital Status:  Single  Married  Widowed  Separated

Divorced  Domestic Partner  Other \_\_\_\_\_

WILL YOU BE BRINGING A DOG OR CAT TO CAMPUS?  Yes  No

Dog Breed? \_\_\_\_\_ Cat Breed? \_\_\_\_\_

Who would take care of your pet if you could not?

Name \_\_\_\_\_ Phone \_\_\_\_\_

(Home or Mobile)

WILL YOU BE BRINGING A MOTOR VEHICLE TO CAMPUS?  Yes  No

We will help you to register your vehicle.

### NOTIFY IN CASE OF EMERGENCY (List three contacts, if possible.)

1. Name \_\_\_\_\_ Relationship \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_

Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Work \_\_\_\_\_

2. Name \_\_\_\_\_ Relationship \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_

Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Work \_\_\_\_\_

3. Name \_\_\_\_\_ Relationship \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_

Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Work \_\_\_\_\_

### ADVANCE DIRECTIVES

Have you completed an advance directive for health care or a living will?  Yes  No

Have you completed a financial power of attorney?  Yes  No

### END-OF-LIFE-PROVISIONS (Optional)

Funeral Home \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_

### EXECUTOR OF ESTATE

Name \_\_\_\_\_ Relationship \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_

Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Work \_\_\_\_\_

### INSURANCE INFORMATION (Please bring all of your health insurance cards to the pre-residency meeting.)

1. Primary \_\_\_\_\_ Policy # \_\_\_\_\_

Secondary \_\_\_\_\_ Policy # \_\_\_\_\_

2. Do you have long-term care insurance?  Yes  No

Insurance Company Name \_\_\_\_\_

Policy # \_\_\_\_\_

AVERY POINT  
REFUND FORM

Name of Resident(s): \_\_\_\_\_  
Living Unit: \_\_\_\_\_  
Date of Receipt by  
AVERY POINT: \_\_\_\_\_

**Preliminary Statements and Directions**

1. Pursuant to the Residence and Care Agreement (the "Care Agreement") with AVERY POINT, Resident is entitled to the contracted refund (if any) of the Entrance Deposit paid to AVERY POINT under certain specified conditions during Resident's lifetime or upon Resident's death based upon termination of the applicable Care Agreement (referred to as the "Refund"). Resident's right to the Refund is set forth in the Care Agreement. This Refund Form is only for the purpose of designating the beneficiaries and does not change the terms and conditions for the Refund. Resident and Resident's beneficiaries are subject to all terms and conditions for the Refund and should review the same carefully. For the purpose of these Refund Forms, the term "Resident" includes the plural.

2. Resident understands that the purpose and effect of this Refund Form is to designate the beneficiary(ies) of the right to the Refund. By signing this Refund Form, Resident is hereby revoking any previously executed Refund Forms.

3. If the Entrance Deposit is being paid on behalf of two (or more) Joint Residents, both Joint Residents understand that the Entrance Deposit of the first Joint Resident to pass on will be treated as though it has been paid by the survivor, to be used for the survivor's care if necessary (minus the Community Fee if applicable), and that the Refund will eventually be paid to the survivor or the survivor's beneficiary(ies).

4. **Resident understands that it is Resident's responsibility to review the terms of this Refund Form to make sure that its terms are coordinated with Resident's current will or other trusts and estate plan. AVERY POINT strongly recommends that Resident review this Refund Form with an attorney or other estate planning professional prior to execution to ensure such coordination and to review potential tax liability in making these designations or in the eventual payment of the refund. AVERY POINT reserves the right to review and approve the forms so that the right to the refund is clearly delineated for AVERY POINT's staff.**

5. AVERY POINT will make the Refund only as specified in the most recent duly executed and approved Refund Form. Resident may revise the right to the Refund by duly executing a new Refund Form.

6. Please sign one of the following forms designating the right to the Refund. Be sure to read all of the forms before making a selection. If you do not understand the forms, please consult with your estate planning professional. If you do not understand the directions, please consult with the Sales and Admissions Staff. **You may select and sign only one form.**

7. If Resident is designating the Refund to more than 1 beneficiary, percentages must add up to 100%. Please do not fill in cash amounts. AVERY POINT can only refund based upon percentages of the Refund, due to the possibility of a spend-down or partial spend-down of the Entrance Deposit.

8. It is the responsibility of Resident or Resident's representative, if applicable, to give AVERY POINT the most recent addresses for all listed beneficiaries.

9. There are no third-party beneficiaries to this agreement between AVERY POINT and Resident. AVERY POINT is not responsible for notifying or advising any beneficiaries of changes in the designation of the Refund.

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

**11. Resident hereby acknowledges that he or she has read the preliminary statements and instructions, reviewed the attached options for a Refund, and understands the purpose and consequences of this Refund Form.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.): \_\_\_\_\_

Received by AVERY POINT:

By: \_\_\_\_\_  
AVERY POINT Representative

\_\_\_\_\_  
Date



**REFUND FORM 1**

1. Refund during Lifetime - In the event that a Refund becomes payable during Resident's lifetime under the terms of the Care Agreement, Resident hereby designates that the Refund be paid to the Resident. If the Entrance Deposit was paid on behalf of Joint Residents, the Refund will be paid to both joint residents.

2. Refund Upon Death - In the event that a Refund becomes payable upon Resident's death under the terms of the Care Agreement, Resident hereby designates that the Refund be made payable to the Estate of Resident. In the case of Joint Residents, the Refund will be made payable to the Estate of the final surviving Joint Resident. The check payable to the Estate of Resident or the Estate of the surviving Joint Resident should be mailed to the duly qualified personal representative, Executor, or Executrix, as the case may be, of the Estate. (Note: The person representing to be the "duly qualified" executor/representative of the Estate must present official letters of administration/appointment from the probate office, probate court, or other appropriate legal forum. A will or copy of a will is not qualification. Resident should consult with resident's legal counsel/estate planner to understand the requirements.)

\_\_\_\_\_

Resident

\_\_\_\_\_

Date

\_\_\_\_\_

Resident

\_\_\_\_\_

Date

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.): \_\_\_\_\_

This Refund Form was signed by the above-named Resident(s) in our presence and in the presence of each other and the above-named Resident(s) has acknowledged this Refund Form as Resident's own act.

\_\_\_\_\_

Witness

\_\_\_\_\_

Address

\_\_\_\_\_

Witness

\_\_\_\_\_

Address

Received by AVERY POINT:

By: \_\_\_\_\_

AVERY POINT Representative

\_\_\_\_\_

Date

**REFUND FORM 2**

1. Refund during Lifetime - In the event that a Refund becomes payable during Resident's lifetime under the terms of the Care Agreement, Resident hereby designates that the Refund be paid to: **(please check one option)**

Resident \_\_\_\_\_ Beneficiaries as designated below \_\_\_\_\_

2. Refund Upon Death - In the event that a Refund becomes payable upon Resident's death under the terms of the Care Agreement, Resident hereby designates that the Refund be paid directly for convenience to the beneficiaries listed below, *per stirpes*, in the percentages indicated.

Percentage Interest, Name & Address of Beneficiary

1. _____ % _____ _____ _____	2. _____ % _____ _____ _____
3. _____ % _____ _____ _____	4. _____ % _____ _____ _____
5. _____ % _____ _____ _____	6. _____ % _____ _____ _____

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.): \_\_\_\_\_

This Refund Form was signed by the above-named Resident(s) in our presence and in the presence of each other and the above-named Resident(s) has acknowledged this Refund of Form as Resident's own act.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
\_\_\_\_\_  
Address

\_\_\_\_\_  
Witness

\_\_\_\_\_  
\_\_\_\_\_  
Address

Received by AVERY POINT:

By: \_\_\_\_\_  
AVERY POINT Representative

\_\_\_\_\_  
Date

Note 1 - Per stirpes generally means that if a named person is not living at the time the Refund is to be distributed, his or her children will share that person's share of the Refund equally. A pattern of children substituting for and sharing equally in their deceased parent's share continues through succeeding generations existing as of the date of the Resident's passing or, in the case of Joint Residents, the last Resident's passing.



**AVERY POINT  
KEY RECEIPT FORM**

Resident Name(s): \_\_\_\_\_

Apartment/ Unit #: \_\_\_\_\_

I/We have received the following items on the date shown next to signature(s):

# \_\_\_\_\_ Apartment Keys

# \_\_\_\_\_ Resident Key Badges

# \_\_\_\_\_ Exterior Door Keys

# \_\_\_\_\_ Mailbox Keys

For purposes of the Residence & Care Agreement, taking apartment keys is considered the Occupancy Date and the Monthly Service Package fees start as of the take keys date.

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

\_\_\_\_\_  
Resident/Representative Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident/Representative Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Community Representative Signature

\_\_\_\_\_  
Date

## APPLICATION FOR CREEKSIDE SOCIAL CLUB

Unless Resident declines by providing written notice to Avery Point, execution of this Residence and Care Agreement also constitutes Resident's application to become a member of Creekside Social Club (the "Club"), a non-profit corporation. Payment of \$120.00 constitutes the Resident's lifetime membership dues for the Club.

The Club is a social club which holds a Private Club license permitting the service of food and alcoholic beverages to its members and their permitted guests for on-premises consumption at certain facilities in the Avery Point retirement community complex.

In accordance with the by-laws and requirements of the Virginia Alcoholic Beverage Control Authority, the application shall be considered by the Club's Membership Committee, which will inform Resident if he or she has been accepted for membership. Copies of the Club's Bylaws shall be provided to Resident upon his or her request.

**EVERY POINT  
UNIT RELEASE ADDENDUM**

Resident(s): \_\_\_\_\_  
Storage bin: \_\_\_\_\_  
Departure Date: \_\_\_\_\_

Unit: \_\_\_\_\_  
Parking Space/Covered Parking: \_\_\_\_\_

This form is used to release the current Living Unit in the event of a termination of the Residence and Care Agreement. The term "Community" refers to Avery Point.

1. I/We hereby release the referenced Unit for resettlement. I/We will vacate the Unit no later than indicated Departure Date and will also relinquish the keys to the Community. I/We also relinquish the referenced storage bin and parking space as of the same Departure Date.

2. To expedite receipt of the next Entrance Deposit, the Community has my/our permission to show this Unit as of \_\_\_\_\_. If I/We are still living in the Unit, the Community will show the Unit only on mutually agreeable dates and times.

3. Per Section 8.6 of the Residence and Care Agreement, I/We will be responsible for the monthly service package, minus the non-occupancy credit as applicable, up to and including a maximum of ninety days from the Departure Date.

4. Per Section 9.4 of the Residence and Care Agreement, I/We will be responsible for the Refurbishing Charges as defined in Section 9.4 to be evaluated post-occupancy; however, depending on the circumstances of release or transfer, all or a portion of the Refurbishing Charges may be covered by the Community (see Section 9.4 for details). This release is for (check one option):

ILU Release     ALF/Memory Care Release     Nursing Unit Release

5. The Community will provide the Refund, if any, per the terms and conditions of Section 7 of the Residence and Care Agreement. After the conditions are met, the Community will generate the Refund within the 60 day period. The full 60 day period may be needed to generate the Refund. The Community also offers these options (*please initial one*):

a. To expedite the Refund, I/We direct the Community to deduct the amount of the final bill from the Refund and to send a copy of the final bill with the Refund check(s) depending on the designation of beneficiaries per the Refund Form. I/We will still have a reasonable opportunity to review the final bill and discuss charges deducted from the Refund. The Community will refund charges that were deducted in error. **Initialing this option constitutes pre-approval of the final bill per the terms of Section 7.6.**

b. I/We direct the Community to send the final bill for approval before any Refund. I/We understand that this may extend the processing for the Refund to the full 60 day

period. **Initialing this option does not constitute pre-approval of the final bill and thus the resident does not receive the Refund Number.**

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

This Addendum is incorporated into the Residence and Care Agreement. All other provisions of the Residence and Care Agreement remain in full force and effect, except as specifically modified in this Addendum and any inconsistency between this Addendum and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Resident or Resident's Representative

If signed by a Representative, Name, Address and Phone #  
of Representative:

\_\_\_\_\_  
\_\_\_\_\_

Staff Member: \_\_\_\_\_



**EVERY POINT  
UNIT RELEASE - TRANSFER ADDENDUM**

Resident(s): \_\_\_\_\_ Unit: \_\_\_\_\_  
Storage bin: \_\_\_\_\_ Parking Space/Covered Parking: \_\_\_\_\_  
Departure Date: \_\_\_\_\_

This form is used to release the current Living Unit in the event of a transfer and to modify the Residence and Care Agreement for changes in the Resident's new Living Unit, monthly service package, and Entrance Deposit, if any. The term "Community" refers to Avery Point.

1. I/We hereby release the referenced Unit for resettlement. I/We will vacate the Unit no later than indicated Departure Date and will also relinquish the keys to the Community. I/We also relinquish the referenced storage bin and parking space as of the same Departure Date.

2. To expedite receipt of the next Entrance Deposit, the Community has my/our permission to show this Unit as of \_\_\_\_\_. If I/We are still living in the Unit, the Community will show the Unit only on mutually agreeable dates and times.

3. Per Section 8.5 of the Residence and Care Agreement, I am responsible for payment of the Monthly Service Package, pro-rated and less the Non-Occupancy Credit as applicable, for the vacated Living Unit until I completely vacate, remove all possessions from the vacated Living Unit, and return the keys for the vacated Living Unit to Avery Point.

4. Per Section 9.4 of the Residence and Care Agreement, I/We will be responsible for the Refurbishing Charges as defined in Section 9.4 to be evaluated post-occupancy; however, depending on the circumstances of release or transfer, all or a portion of the Refurbishing Charges may be covered by the Community (see Section 9.4 for details). This release is for (check one option):

- \_\_\_\_\_ ILU to ILU
- \_\_\_\_\_ ILU to ALF/Memory Care/Nursing
- \_\_\_\_\_ ALF/Memory Care to any unit
- \_\_\_\_\_ Nursing Unit to any unit
- \_\_\_\_\_ Any unit to another Erickson campus

5. I/We are making the following transfer:

\_\_\_\_\_ a. I am/We are moving to Unit \_\_\_\_\_ at the Community. The new monthly fee shall be \$ \_\_\_\_\_ and the Entrance Deposit (*circle one*): remains the same/ is changed to \$ \_\_\_\_\_. I/We have the right to occupy the new Unit from the Occupancy Date for such new Unit to the Departure Date for such new Unit.

\_\_\_\_\_ b. I am/We are moving to \_\_\_\_\_, an Erickson managed community. The Community will provide the Refund, if any, per the terms and

conditions of Section 7 of the Residence and Care Agreement. I/We direct the Community to send the Refund to \_\_\_\_\_ after the final bill at this Community is settled.

- i. I/We direct the Community to automatically deduct the final bill at this Community from the Refund. **Initialing this option constitutes pre-approval of the final bill per the terms of Section 7.6.**
- ii. I/We do not want the final bill automatically deducted. I/We understand that the final bill must be paid separately before any Refund is made to the new community and that this may extend the time for move-in to the new community. **Initialing this option does not constitute pre-approval of the final bill and thus the resident does not receive the Refund Number.**

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

This Addendum is incorporated into the Residence and Care Agreement. All other provisions of the Residence and Care Agreement remain in full force and effect, except as specifically modified in this Addendum, and any other inconsistency between this Addendum and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement.

\_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_  
Signature of Resident or Resident's Representative  
If signed by a Representative, Name, Address and Phone #  
of Representative:

\_\_\_\_\_  
\_\_\_\_\_  
( ) \_\_\_\_\_

Staff Member: \_\_\_\_\_

AVERY POINT  
GUARANTY AGREEMENT

This Guaranty Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between Avery Point, Inc. ("Avery Point") and \_\_\_\_\_ (herein collectively referred to as "Guarantor").

WHEREAS, \_\_\_\_\_ ("Beneficiary") desires to become a resident at the Avery Point Retirement Community and has entered or will enter into a Residence and Care Agreement with Avery Point;

WHEREAS, Beneficiary's current financial status does not meet Avery Point's standard qualifications, and Avery Point cannot allow Beneficiary to become a resident without additional assurances;

WHEREAS, Guarantor desires to give Avery Point additional assurances in order to induce Avery Point to accept the Beneficiary as a resident;

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

1. Guarantor agrees to voluntarily and unconditionally guarantee payment (the "Guaranty") of Beneficiary's obligations which are due or may become due to Avery Point incurred relative to Beneficiary's residence at Avery Point pursuant to the terms of the Residence and Care Agreement. This Guaranty shall continue in effect from the date of this Agreement until the Guarantor is released by Avery Point pursuant to Section 8 of this Agreement. The Guaranty is unlimited as to amount.

2. Guarantor understands that this is an unconditional Guaranty of payment, not collection. If Avery Point believes, in its sole discretion, that an attempt to collect from the Beneficiary may be detrimental to the Beneficiary's health or would not be reasonable considering Beneficiary's economic condition, Avery Point will not attempt to collect from the Beneficiary first.

3. Avery Point will use its sole discretion in determining whether or not to proceed to collect amounts from Guarantor or other sources. In exercising that discretion, as a matter of policy but not obligation, generally Avery Point will first determine if Beneficiary has any readily available source of funds to pay his/her obligations and if Beneficiary does, seek to obtain the funds from such source; second, seek to obtain payment from Guarantor; third, from spending down the Entrance Deposit paid to Avery Point; and finally, seek to obtain funds from any remaining source of available funds.

4. Subject to verification of Beneficiary's financial qualifications and health-related status, Avery Point agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

5. Guarantor hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantor further agrees that all arrangements concerning Beneficiary's financial obligations to Avery Point shall be made and decided solely between Avery Point and the Beneficiary. However, Guarantor shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

6. Guarantor will be deemed to have defaulted under this Guaranty Agreement in the event that Guarantor fails to pay to Avery Point all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Avery Point for payment pursuant to the Guaranty.

7. In the event of a Default, in addition to any amounts due pursuant to the Guaranty, Guarantor shall also be responsible for any court costs, including reasonable attorneys' fees, that might be incurred by Avery Point in enforcing the Agreement. The parties agree that this agreement shall be interpreted under the laws of the State of Virginia and that venue for any claim arising out of this Guaranty Agreement shall be in Goochland County, Virginia.

8. In the event that Beneficiary terminates the Residence and Care Agreement during his/ her lifetime or dies during residence at Avery Point, Avery Point agrees that Guarantor shall be released from its obligations under this Guaranty Agreement upon satisfaction of all of Beneficiary's outstanding charges.

9. This Guaranty is incorporated into the Residence and Care Agreement. The Residence and Care Agreement remains in full force and effect, and, if there is any inconsistency between this Guaranty and the Residence and Care Agreement, the Residence and Care Agreement shall govern.

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

IN WITNESS WHEREOF, the parties have executed this Agreement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Guarantor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Guarantor

EVERY POINT, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

AVERY POINT  
LIMITED GUARANTY AGREEMENT

This Guaranty Agreement is made as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between AVERY POINT, INC. (herein referred to as "Avery Point") and \_\_\_\_\_ (herein collectively referred to as "Guarantors").

WHEREAS, \_\_\_\_\_ ("Beneficiary") desires to become a resident of the Avery Point Retirement Community (the "Community"), operated by Avery Point and has entered or will enter into a Residence and Care Agreement with Avery Point;

WHEREAS, Beneficiary's current financial status does not meet Avery Point's standard qualifications, and Avery Point cannot allow Beneficiary to become a resident without additional assurances;

WHEREAS, Guarantors desire to give Avery Point additional assurances in order to induce Avery Point to accept the Beneficiary as a resident;

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

1. Guarantors agrees to voluntarily and unconditionally guarantee payment (the "Guaranty") of Beneficiary's obligations which are due or may become due to Avery Point incurred relative to Beneficiary's residence at the Facility pursuant to the terms of the Residence and Care Agreement. This Guaranty shall continue in effect from the date of this Agreement until the Guarantor is released by Avery Point pursuant to Section 8 of this Agreement. The Guaranty is limited in the amount of \_\_\_\_\_. All of the Guarantors are jointly and severally liable for this obligation.

2. Guarantors understand that this is an unconditional Guaranty of payment, not collection.

3. Avery Point will use its sole discretion in determining whether or not to proceed to collect amounts from Guarantors or other sources. In exercising that discretion, as a matter of policy but not obligation, generally Avery Point will first determine if Beneficiary has any readily available source of funds to pay his/her obligations and if Beneficiary does, seek to obtain the funds from such source; second, seek to obtain payment from Guarantors; third, from spending down the Entrance Deposit paid to Avery Point; and finally, seek to obtain funds from any remaining source of available funds.

4. Subject to verification of Beneficiary's financial qualifications and health-related status, Avery Point agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

5. Guarantors hereby waive their rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantors further agree that all arrangements concerning Beneficiary's financial obligations to Avery Point shall be made and decided solely between Avery Point and the Beneficiary. However, Guarantors shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

6. Guarantors will be deemed to have defaulted under this Guaranty Agreement in the event that any Guarantor fails to pay to Avery Point all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Avery Point for payment pursuant to the Guaranty.

7. In the event of a Default, in addition to any amounts due pursuant to the Guaranty, Guarantors shall also be jointly and severally responsible for any court costs, including reasonable attorneys' fees, that might be incurred by Avery Point in enforcing the Agreement. The parties agree that this Agreement shall be interpreted under the laws of the Commonwealth of Virginia, and venue for any claim arising out of this Guaranty Agreement shall be in Goochland County, Virginia.

8. In the event that Beneficiary terminates the Residence and Care Agreement during his/her lifetime, dies during residence at the Community, or Beneficiary becomes a permanent resident of the nursing facility to be located at Avery Point, Avery Point agrees that Guarantors shall be released from their obligations under this Guaranty Agreement upon satisfaction of all of Guarantors' obligations pursuant to this Guaranty Agreement.

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

IN WITNESS WHEREOF, the parties have executed this Agreement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Guarantor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Guarantor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Guarantor

\_\_\_\_\_  
AVERY POINT, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_



AVERY POINT  
LIMITED GUARANTY/MONTHLY CONTRIBUTION AGREEMENT

This Guaranty Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between AVERY POINT, INC. (herein referred to as "Avery Point") and \_\_\_\_\_  
\_\_\_\_\_ (herein collectively referred to as "Guarantor").

WHEREAS, \_\_\_\_\_ ("Beneficiary") desires to become a resident of the Avery Point Retirement Community (the "Community"), operated by Avery Point and has entered or will enter into a Residence and Care Agreement with Avery Point;

WHEREAS, Beneficiary's current financial status does not meet Avery Point's standard qualifications, and Avery Point cannot allow Beneficiary to become a resident without additional assurances;

WHEREAS, Guarantor desires to give Avery Point additional assurances in order to induce Avery Point to accept the Beneficiary as a resident;

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

1. Guarantor agrees to voluntarily and unconditionally guarantee payment (the "Guaranty") of a portion of Beneficiary's obligations which are due or may become due to Avery Point incurred relative to Beneficiary's residence at the Community pursuant to the terms of the Residence and Care Agreement. Specifically, Guarantor agrees to voluntarily and unconditionally pay to the order of Avery Point, Inc. \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) per month towards Beneficiary's Monthly Service Package which will assist Beneficiary to continue payment of the remaining monthly balance without depleting Beneficiary's stated assets verified during the admission process. This Guaranty shall continue in effect from the date of this Agreement until the Guarantor is released by Avery Point pursuant to Section 8 of this Agreement.

2. Guarantor understands that this is an unconditional Guaranty of payment, not collection.

3. Until the total limit of the guaranty is reached, Guarantor will remit monthly payment by the 15<sup>th</sup> day of each month to Avery Point at the following address: \_\_\_\_\_  
\_\_\_\_\_. Payments are due in advance for each month.

4. Subject to verification of Beneficiary's financial qualifications and health-related status, Avery Point agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

5. Guarantor hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantor further agrees that all arrangements concerning Beneficiary's financial obligations to Avery Point shall be made and decided solely between Avery Point and the Beneficiary. However, Guarantor shall be entitled, upon request, to receive a copy of Beneficiary's

monthly statement.

6 Guarantor will be deemed to have defaulted under this Guaranty Agreement in the event that Guarantor fails to pay to Avery Point all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Avery Point for payment pursuant to the Guaranty.

7. In the event of a Default, in addition to any amounts due pursuant to the Guaranty, Guarantor shall also be responsible for any court costs, including reasonable attorneys' fees, that might be incurred by Avery Point in enforcing the Agreement. The parties agree that this Agreement shall be interpreted under the laws of the State of Virginia, and venue for any claim arising out of this Guaranty Agreement shall be in Goochland County, Virginia.

8. In the event that Beneficiary terminates the Residence and Care Agreement during his/her lifetime, dies during residence at the Community, or Beneficiary becomes a permanent resident of the nursing facility to be located at Avery Point, Avery Point agrees that Guarantor shall be released from its obligations under this Guaranty Agreement upon satisfaction of all of Guarantor's obligations pursuant to this Guaranty Agreement. In addition, Avery Point agrees that Guarantor shall be released from its obligations when and if Guarantor has paid the total limit of the guaranty as stated in Section 1 hereof.

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

IN WITNESS WHEREOF, the parties have executed this Agreement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Guarantor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Guarantor

\_\_\_\_\_  
AVERY POINT, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

AVERY POINT  
LIMITED GUARANTY AGREEMENT (JOINT ASSETS)

This Guaranty Agreement is made as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between Avery Point, Inc. ("Avery Point") and \_\_\_\_\_ (herein collectively referred to as "Guarantor").

Recitals

R.1 \_\_\_\_\_ ("Beneficiary") desires to become a resident at the Avery Point Retirement Community and will enter into a Residence and Care Agreement with Avery Point;

R.2 Beneficiary and Guarantor own jointly the assets (the "Joint Assets") set forth in Exhibit A, attached to and incorporated in this Agreement which Joint Assets have the value set forth in Exhibit A as of the date of this Agreement;

R.3 Due to the ownership of the Joint Assets, Beneficiary's individual financial status does not meet Avery Point's standard qualifications for residency;

R.4 Guarantor desires to give Avery Point additional assurances as to the Joint Assets in order to induce Avery Point to accept the Beneficiary as a resident;

Agreement

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

1. Subject to the limitations set forth in Section 2 hereof, Guarantor agrees to voluntarily and unconditionally guarantee payment (the "Guaranty") of Beneficiary's obligations which are due or may become due to Avery Point incurred relative to Beneficiary's residence at Avery Point pursuant to the terms of the Residence and Care Agreement. This Guaranty shall continue in effect from the date of this Agreement until the Guarantor is released by Avery Point pursuant to Section 9 of this Agreement.

2. Unless Guarantor has committed a Default under this Guaranty as defined in Section 5 hereof, the Guaranty is limited to payment from the Joint Assets as set forth in Exhibit A. Guarantor understands that this is an unconditional Guaranty of payment, not collection.

3. Subject to Avery Point's verification of Beneficiary's financial qualifications other than the Joint Assets and to Avery Point's determination of the appropriate level of care for

Beneficiary, Avery Point agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

4. In the event that Beneficiary is unable to meet his/her obligations under the Residence and Care Agreement without use of the Joint Assets, Avery Point will use its sole discretion in determining whether or not to proceed to collect amounts from the Beneficiary, the Joint Assets, the Guarantor, or other sources. In exercising that discretion, as a matter of policy but not obligation, generally Avery Point will take the following steps:

- 4.1. Upon Beneficiary's or Beneficiary's duly authorized representative's request for assistance pursuant to the Residence and Care Agreement, Avery Point shall review the Beneficiary's then-current financial status, including but not limited to the balance of the Joint Assets. Avery Point may request further documentation to show that any changes in the value of the Joint Assets, as shown in Exhibit A, were either expenditures made for the direct benefit of the Beneficiary or market fluctuations in the value of the Joint Assets.
- 4.2. If Avery Point believes in its sole discretion that any expenditures from the Joint Assets were spent for the benefit of Beneficiary and that Beneficiary is not otherwise in breach of the Residence and Care Agreement, Avery Point may then initiate a spend-down plan with the Beneficiary or the duly authorized representative for Beneficiary's assets, including the Joint Assets, other than the entrance deposit. Avery Point may require that Resident seek to obtain funds from outside sources such as medical assistance. If Avery Point believes in its sole discretion that any expenditures from the Joint Assets were due to a Default by Guarantor, Avery Point shall proceed as provided in Section 5 hereof.
- 4.3. After spend-down of Beneficiary's assets, including the Joint Assets, Avery Point shall release the Guaranty and shall initiate a spend-down of the entrance deposit.

5. Guarantor will be in Default under this Guaranty Agreement in the event that Guarantor withdraws, spends, distributes, pledges, assigns, or otherwise uses the Joint Assets for any purpose other than for the direct benefit of the Beneficiary. In the event of a Default, as a matter of policy but not obligation, Avery Point shall normally proceed as follows:

- 5.1. Prior to initiating a spend-down plan as described in Section 4.2, Avery Point shall first enforce the Guaranty. Avery Point shall have the right to enforce payment of the Guaranty against any and all of Guarantor's personal assets in any form whatsoever and shall not be limited to payment from the Joint Assets. The Guaranty shall be limited to the amount of the Joint Assets withdrawn, spent, distributed, pledged, assigned, or otherwise used by the

Guarantor other than for the direct benefit of the Beneficiary, which amount shall be determined by Avery Point in its sole discretion.

- 5.2. In the event that Avery Point is required to hire a collection agency or to initiate legal proceedings to enforce the Guaranty, in addition to any amounts due pursuant to the Guaranty, Guarantor shall also be responsible for any and all interest, collection costs, and court costs, including reasonable attorneys' fees, that might be incurred by Avery Point in enforcing the Guaranty.
- 5.3. After payment to Avery Point of all sums due pursuant to the Guaranty and any interest, collection costs, court costs, including reasonable attorney's fees, which may be due pursuant to Section 5.2, Avery Point will work with the Beneficiary or the Beneficiary's duly authorized representative to initiate the steps listed in Section 4.2 and 4.3 hereof with regard to the spend-down program.

6. The parties agree that venue for any claim, conflict, enforcement, or other action arising out of this Guaranty Agreement shall be in Goochland County, Virginia.

7. Guarantor hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantor further agrees that all arrangements concerning Beneficiary's financial obligations to Avery Point shall be made and decided solely between Avery Point and the Beneficiary. However, Guarantor shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

8. In addition to all rights available to Avery Point under this Agreement, Avery Point shall also have all of the rights and remedies enumerated in the Residence and Care Agreement, up to and including termination of residency, for non-payment of fees.

9. Avery Point agrees that it will release Guarantor from the obligations under this Guaranty Agreement upon the sooner of:

- a. The termination of the Residence and Care Agreement either during his/her lifetime or due to Beneficiary's death, upon satisfaction of all Guarantor's obligation under this Guaranty Agreement and ninety (90) days following Beneficiary's Departure Date or resale of the Continuing Care Unit, whichever event shall occur first;
- b. The completion of the steps listed in Sections 4.1, 4.2 and 4.3 hereof; or
- c. The payment of all sums due to Avery Point, as enumerated in Section 5.3, in the event of a Default.

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

IN WITNESS WHEREOF, the parties have executed this Guaranty Agreement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Guarantor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Guarantor

AVERY POINT, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

EXHIBIT A

Joint Assets

Value as of Date of Agreement

\$ \_\_\_\_\_  
Richmond, Virginia

Date of Note: \_\_\_\_\_, 20\_\_\_\_

**AVERY POINT  
PROMISSORY NOTE**

Now, therefore, the undersigned, \_\_\_\_\_, (the "Maker"), hereby promises to pay to the order of Avery Point, Inc. at its offices located at 12000 Avery Point Way, Richmond, Virginia 23233, or at such other place as the holder (the person or entity who is holder of this promissory note (the "Note") from time to time will be referred to as the "Holder") of this Note may, from time to time designate, the principal sum of: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), plus all accrued interest, payable on or before the Maturity Date as defined in Section 2 hereof.

1. Interest Rate. Interest on the unpaid principal balance shall begin accruing on the **DATE OF THIS NOTE** which appears in the upper right hand corner of this Note, at the rate of nine percent (9%) per annum (360 days per year). In the event that the Maker of this Note pays the entire balance principal due on or before the Maturity Date, the interest for that period shall be **waived**. In the event that the **entire** balance is not paid on or before the Maturity Date, **accrued interest will be charged every month from the Maturity Date on the unpaid principal balance until satisfaction and termination of this Note.**

2. Maturity Date. The Maturity Date of this Note shall be: the earlier of (i) \_\_\_\_\_, 20\_\_ or (ii) five business days from the sale and settlement of the Maker's property located at \_\_\_\_\_.

3. Repayment. The entire principal balance shall be due and payable on or before the Maturity Date. In addition to payment of the principal balance, Maker agrees to pay any assessed interest as provided in Section 1.

4. Application of Payments. All payments made hereunder shall be applied first to accrued interest, before being applied to principal, unless the interest is waived under Section 1.

5. Prepayment. The undersigned may prepay this Note in whole or in part at any time before the Maturity Date without any penalty.

6. Default. Upon a default in the payment of any installment of principal or interest due hereunder which has continued for a period of thirty (30) days after written notice of default, the Holder may, in addition to any other remedy provided by law, recover attorneys fees and costs, and in its sole discretion and without further notice or demand, declare that the Residence and Care Agreement of the Maker/Resident is terminated for non-payment.



7. Assignment. The Holder of this Note may assign or transfer this Note for value to a subsequent Holder who may be a holder in due course. If assigned, the Maker/Resident agrees to recognize the new Holder of the Note to the extent of such assignment.

8. Waiver. Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers of this Note. This Note shall be the joint and several obligation of all makers, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

9. Notice. Any notice provided for in the Note shall be in writing and shall be given and be deemed to have been given and received (i) when personally delivered against a signed receipt or (ii) three (3) days after being mailed by both registered or certified mail, return receipt requested and also by first-class mail, addressed to the maker or Holder at the appropriate address first above set forth or to such other address as may be hereinafter specified by written notice by the Maker or Holder.

10. Miscellaneous. This Note shall be construed and governed according to the laws of the Commonwealth of Virginia. Venue for any action arising out of the making of this Note shall be in Goochland County, Virginia.

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

IN WITNESS WHEREOF, the Maker has caused this Note to be executed and sealed the day and year first above written.

WITNESS(ES):

\_\_\_\_\_  
\_\_\_\_\_

MAKER:

\_\_\_\_\_  
\_\_\_\_\_

Unit: \_\_\_\_\_

**ALLONGE TO PROMISSORY NOTE**

**THIS ALLONGE TO PROMISSORY NOTE** (the "Allonge") is effective as of \_\_\_\_\_, 20\_\_ by and between Avery Point, Inc. ("Holder"), and \_\_\_\_\_ ("Maker").

**Recitals**

R.1. Maker executed that certain Promissory Note in favor of Holder in the principal sum of \$ \_\_\_\_\_, dated as of \_\_\_\_\_ (the "Note").

R.2 Maker and Holder have agreed to amend the Note per the terms and conditions stated herein.

**Agreement**

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

1. **Amendment.** The Note is hereby amended as follows (**initial only one as applicable**):

\_\_\_\_\_ a. Each reference in the Note to the Maturity Date is hereby amended to mean and refer to \_\_\_\_\_, 20\_\_ (the "Revised Maturity Date"). Maker agrees to pay an additional \$ \_\_\_\_\_ (the "10% Deposit") in principal on the date of this Allonge and agrees to continue paying equal 10% Deposit payments every thirty (30) days from the date of this Allonge until the Revised Maturity Date. On the Revised Maturity Date, Maker agrees to pay all outstanding principal to Holder.

If Maker pays each required 10% Deposit payment when due and also pays the outstanding principal by the Revised Maturity Date, then Holder will waive interest on the principal. However, if Maker fails to make any of the required 10% Deposit payments on each due date or if Maker fails to pay the outstanding principal by the Revised Maturity Date, then Maker agrees and acknowledges that Holder will assess interest at the rate provided in the Note from the date of default of payment until full payment of the principal and accrued interest.

OR,

\_\_\_\_\_ b. Maker acknowledges that payment was not made by the Maturity Date and that Maker cannot make additional principal payments. Holder agrees to permit Maker to extend payment of the principal until \_\_\_\_\_, 20\_\_ (the "Extension Date"). However,

Maker will be assessed and must pay interest of 9% *per annum* on the unpaid principal until the Extension Date when all outstanding principal and interest are due and payable.

2. **Affirmation.** The representations of Maker contained in the Note are true and correct as of this date and Maker represents to Holder the accuracy of each representation as if they have been made on this date. This Allonge (a) is being physically attached to the Note simultaneously with the entry into this Allonge by the parties hereto, to evidence the modification of the provisions of the Note effected hereby, and (b) shall upon such attachment be deemed to be a part of the Note, as fully and completely as if its provisions were set forth in the body of the Note.

3. **Definition.** The term “this Note” as used in the Note, shall mean the Note as modified herein unless the context clearly indicates or dictates a contrary meaning. Other defined terms in this Allonge were previously defined in the Note and have the same meaning as defined in the Note.

4. **Default.** In the event of a default in the payment of any installment of interest or principal due hereunder, Holder may, in addition to any other remedy provided by law, recover attorneys’ fees and costs, and in its sole discretion and without further notice or demand, declare that the Residence and Care Agreement of the Maker/Resident is terminated for non-payment.

5. **Liability and Obligations; No Novation.** Maker ratifies and confirms all of its liabilities and obligations under the Note and agrees that, except as expressly modified in this Allonge, the Note continues in full force and effect as if set forth specifically herein. Maker and Holder agree that this Allonge shall not be construed as an agreement to extinguish the original obligations under the Note and shall not constitute a novation as to the obligations of Maker under the Note.

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

7. **Prior Consent.** This Allonge may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of Holder.

**Maker(s):**

**Holder: Avery Point, Inc.**

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

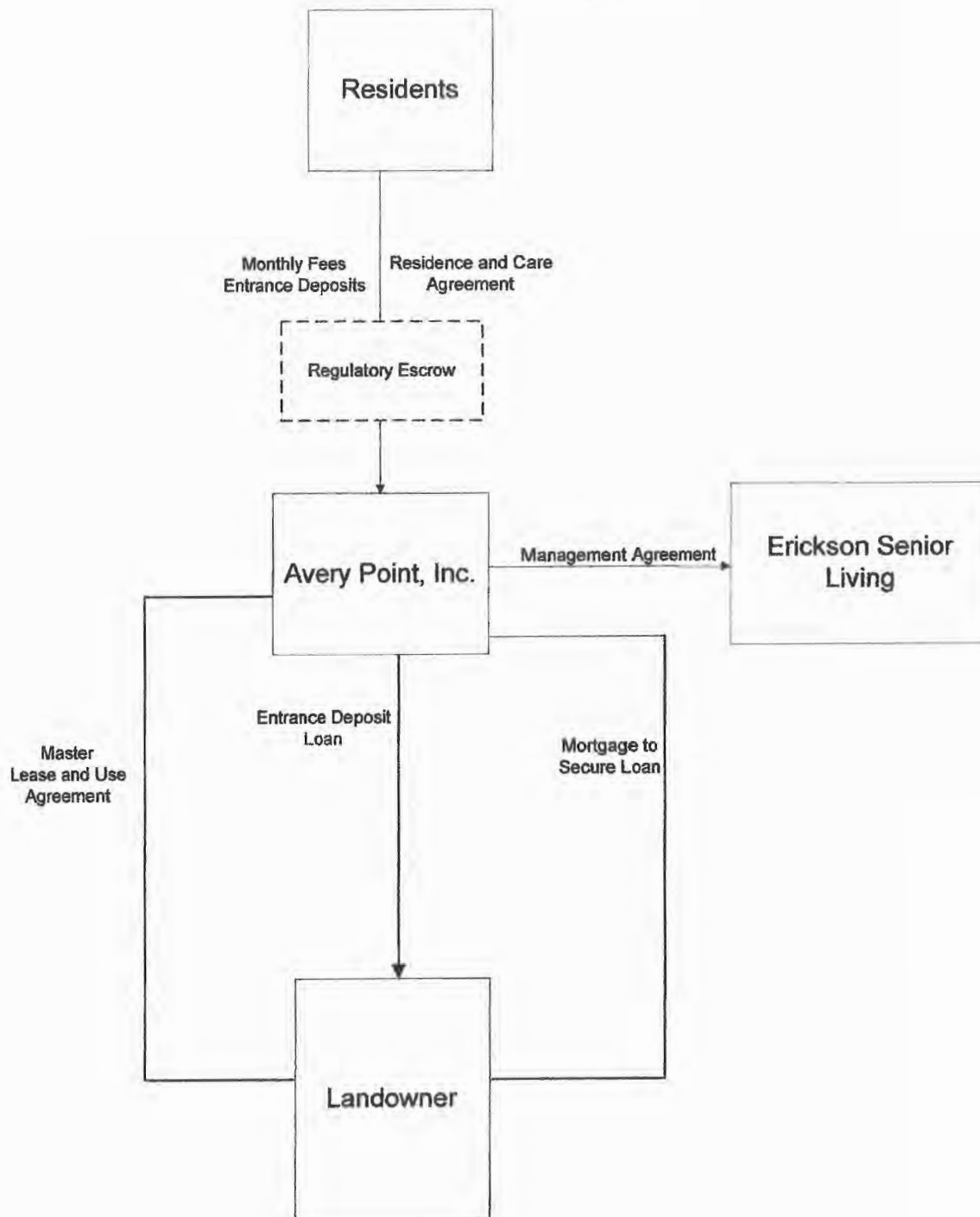
Living Unit: \_\_\_\_\_

**EXHIBIT 2**  
**DIAGRAM OF COMMUNITY STRUCTURE**

Summary:

Exhibit Two visually represents the contractual relationship between the business entities associated with the operation of the Community.

# Avery Point Community Structure



**EXHIBIT 3**  
**OWNERSHIP & EXECUTIVE BIOGRAPHIES**

Summary:

Exhibit Three lists the directors and officers of Avery Point, the directors and officers of NSC, and the officers of Erickson Senior Living along with short executive biographies.

**EXHIBIT 3**  
**OWNERSHIP & EXECUTIVE BIOGRAPHIES**

**Directors of Avery Point, Inc.**

Rev. Zina Jacque, Chair  
Mary Colins  
Eileen Erstad  
Stephanie Reel

**Officers of Avery Point, Inc.**

Zina Jacque: President  
Stephanie Reel: Vice-President  
Mary Colins: Secretary  
Eileen Erstad: Treasurer

**Executive Director:** Todd Delaney

**Directors of National Senior Communities, Inc.**

Eileen Erstad  
Barbara Bisgaier  
Rev. Zina Jacque  
Stephanie Reel  
Mary Colins  
Michael Roskiewicz  
Patricia Brown  
Monty Leonard  
Pamela Paulk  
Ian Brown  
Russell Sharp

**Officers of National Senior Communities, Inc.**

Rev. Zina Jacque, Chair and President  
Stephanie Reel, Vice Chair and Vice President  
Mary Colins, Secretary  
Eileen Erstad, Treasurer

**Selected Officers of Erickson Senior Living**

Jim Davis:	Chairman
Alan Butler:	Chief Executive Officer
Debra Doyle:	Chief Operating Officer
Christian Sweetser:	Chief Financial Officer
Susan Oliveri:	Secretary, General Counsel
John Hall:	Treasurer

**BIOGRAPHIES:**

**Avery Point Board of Directors:**

**Zina Jacque, Chair**

Reverend Jacque joined the NSC Board in 2017 and was appointed as chair of the NSC Board in 2022. Reverend Jacque also serves as chair of the Linden Ponds and Tallgrass Creek Boards of Directors.

Reverend Jacque comes to the work of senior living and wellness from a community engagement background. Reverend Jacque is a minister at the Alfred Street Baptist Church in Alexandria, Virginia.

Previously, Reverend Jacque served on the staffs of multicultural, urban, and suburban churches and performed extensive work in the areas of higher education, counseling, and faith-based not-for-profits. Reverend Jacque sits on the Board of Directors of the American Baptist Churches USA, JourneyCare Palliative Care and Hospice Center, and the Samaritan Counseling Center of the Northwest Suburbs.

Additionally, Reverend Jacque served as a regional director of NSC’s west region, beginning in 2009.

Reverend Jacque holds a doctorate of theology and a master of divinity degree summa cum laude from Boston University, an M.A. from Columbia University, and a B.A. from Northwestern University.

**Mary Colins**

Judge Colins serves as the secretary of NSC and was appointed to the NSC Board in 2018. Judge Colins serves as chair of the Governance and Internal Affairs Committee and is a member of the Operations and Risk Management Advisory Committee and the Strategic Planning Committee of NSC. Judge Colins also serves as chair of the Board of Directors for Brooksby Village and Wind Crest. Judge Colins previously served as a member of the Diversity, Inclusion, and Corporate Social Responsibility Committee.



In October of 2010, Judge Colins became a member of the Pennsylvania and New Jersey Regional Boards of Directors, which by 2016 included five Supported Organizations.

Judge Colins served as a senior trial judge in Philadelphia, Pennsylvania. Judge Colins also served as the chairman and was a founding member of the Pennsylvania Gaming Control Board.

Judge Colins taught trial advocacy and gaming and casino law at numerous law schools and universities. She lectured and taught at American Bar Association and International Association of Gaming Attorneys and Regulators conferences throughout the country as well as continuing legal education programs.

Judge Colins holds a B.A. in English Literature from the University of Pennsylvania, a J.D. from Villanova University, a master's in labor law from Temple University Beasley School of Law, and a mediation certification from Pepperdine University School of Law.

#### **Eileen Erstad**

Ms. Erstad joined the NSC Board in 2014 and currently serves as treasurer of NSC, chair of the Budget and Finance Committee, and is a member of the Audit, Investment, and Treasury Committee and the Strategic Planning Advisory Committee. Ms. Erstad is a member and past chair of the Operations and Risk Management Committee. Ms. Erstad also Chairs the Board of Directors of Riderwood Village and Ashby Ponds.

She joined the Regional Board of Directors for the Maryland and Virginia communities in 2007. Ms. Erstad is a senior executive consultant and has been the chief financial officer for organizations in the health care, hospitality, and financial services industries.

Ms. Erstad developed and implemented strategic plans, growth and reorganization strategies, and also participated in new product development. Ms. Erstad's most recent position was chief operating officer for ResortQuest.

Ms. Erstad's previous positions include chief financial officer and senior vice president of Symphony Health Services, LLC; and director of financial planning and analysis at PHH Corporation.

Ms. Erstad graduated from Loyola College in Maryland and is a licensed C.P.A.

#### **Stephanie Reel**

Ms. Reel joined the NSC Board in 2017 and serves as chair of the NSC Operations and Risk Management Committee and is a member of the Budget and Finance Committee. Ms. Reel is also chair of the Board of Directors for Oak Crest Village.

She served as the chief information officer for all divisions of the Johns Hopkins University and Health System for nearly 30 years. She served as the senior vice president for information services for Johns Hopkins Medicine, a post she held since 1994. She was appointed vice provost for information technology and CIO for the Johns Hopkins University in 1998. Ms. Reel retired from Johns Hopkins in November 2020.

Ms. Reel has recently agreed to serve as the interim vice chancellor for information technology for Washington University in St. Louis, Missouri, while a search is conducted.

In 2019, Ms. Reel was appointed to the board of the NIH Clinical Center, an appointment for which she is incredibly proud and grateful. Ms. Reel graduated from the University of Maryland Baltimore County with a degree in information systems management and holds an M.B.A. from Loyola College in Maryland.

Ms. Reel is most proud of her children and grandchildren, all of whom, thankfully, live in the area.

### **Erickson Senior Living**

#### **James Davis, Chairman**

In 1983, Jim Davis co-founded a specialized staffing company that has grown into Allegis Group, the country's largest private staffing firm.

More than a decade ago, Jim Davis met John Erickson, founder of Erickson Retirement Communities, a leader in developing and managing full-service retirement communities. They came to realize they shared a passion for service, particularly to seniors; an insistence on mission-driven company cultures; and a strong sense of giving back to the community. When an opportunity to take a leadership role in the company presented itself, Jim visited every Erickson campus to see for himself, and hear from the residents, what the Erickson lifestyle meant.

Today, the company, now known as Erickson Senior Living, matches its delivery of outstanding service and resident satisfaction with a strong financial position. The company is the strongest capitalized company in the industry and has built a solid platform for growth and innovation.

Mr. Davis, a native of suburban Philadelphia, graduated from Villanova University. He lives outside Baltimore with his wife and children.

### **R. Alan Butler, Chief Executive Officer**

Mr. Butler joined Erickson Senior Living in 2010 as Chief Operating Officer and assumed his current position in 2011. As CEO, he focuses on the company's strategic growth. He spent 14 years as Treasurer of Allegis Group, Inc., the largest provider of staffing in the United States with 8,000 employees and 2009 revenue of \$6 billion. Mr. Butler was responsible for all debt placement and syndicated credit facilities, cash management activities, and advised on all mergers and acquisitions. He is currently CEO of Erickson Senior Living and President of Redwood Capital Investments, LLC, a private investment company.

Prior to joining Allegis Group and Redwood, Mr. Butler held various credit and lending positions at Bank of America and its predecessor banks from 1986 to 1996.

Mr. Butler currently serves on the Board of Redwood portfolio companies and on the Executive Board of the Boy Scouts of America. He graduated magna cum laude from the University of Maryland, College Park with a bachelor's degree in finance and received his master's degree in business administration from Loyola College in Maryland.

### **Debra B. Doyle, Chief Operating Officer**

Ms. Doyle is the Chief Operating Officer for Erickson Senior Living. She is responsible for community operations and for developing and defining standards for new program initiatives, productivity and process improvement standards for all campuses. Ms. Doyle's current roles and responsibilities include delivering high-quality services to more than 23,000 residents with the support of twelve thousand employees, who deliver through the Erickson Way Values the core programs and services that comprise the Erickson Senior Living Lifestyle.

Previous positions at Erickson Senior Living include Executive Vice President of Health and Operations and Associate Executive Director of Oak Crest in Parkville, Maryland. She also served as Senior Regional Health Services Director for the following Erickson Senior Living communities: Oak Crest, Charlestown, Riderwood, and Greenspring. Before coming to Erickson Senior Living, she was Chief Nursing Officer and executive director of medical services for the Greater Baltimore Medical Center.

Ms. Doyle earned an M.B.A. and a B.S. in business administration from Loyola College. She received her R.N. from St. Joseph's Hospital School of Nursing and a certification in senior living care from Johns Hopkins University. She is a member of the American College of Healthcare Executives and the American Nurses Association.

Ms. Doyle also serves as the Chairman of the Board for Franklin Square Hospital Center Operating Board and the Medstar Health – Quality, Safety and Professional Affairs Committee.

### **Dr. Matt Narrett, Chief Medical Officer**

Dr. Narrett is the Chief Medical Officer for Erickson Senior Living. He is responsible for directing the provision of medical care and Erickson Senior Living's unique Health Plan, Erickson Advantage, at all Erickson Senior Living communities nationwide. The Medical Centers that Dr. Narrett directs are recognized as being among America's leading geriatric health care facilities.

Prior to his current position at Erickson Senior Living, Dr. Narrett has served as Vice President and Regional Medical Director and Medical Director for Charlestown Community. Before joining Erickson Senior Living, he was in private practice in Derry, N.H., where he also served as director of medical quality assurance at Parkland Medical Center. He has extensive experience in adult and geriatric medicine having seen and treated thousands of seniors throughout his twenty-five year career.

Dr. Narrett graduated summa cum laude from Yale University with a B.S. degree in molecular biochemistry and biophysics. He received his medical degree from Harvard Medical School's Harvard-M.I.T. Division of Health Sciences and Technology. He completed his internship and residency at Beth Israel Hospital in Boston. He is board-certified in internal medicine and holds a certificate of added qualifications in geriatric medicine.

Dr. Narrett currently serves on the Clinical Practice and Models of Care Committee for the American Geriatric Society and the Advisory Board of the Practice Change Fellows Program supported by the Atlantic Philanthropies and the John A. Hartford Foundation. He is also a member of the American College of Physicians and the American Geriatrics Society.

He has spoken frequently on issues affecting seniors in a number of settings including conferences, media events, health leadership summits and congressional forums.

### **Christian Sweetser, Chief Financial Officer**

Christian Sweetser plans, develops, implements, and directs Erickson Senior Living's fiscal function and performance. He participates in the development of the company's strategic plans and programs, evaluates and advises on long-range plans, and provides financial and trending analysis.

Previously, Christian was chief financial officer at Silverado Senior Living in Irvine, California. Under his leadership, Silverado enjoyed its most profitable financial performance in consolidated company history. Before joining Silverado, Christian was a vice president at Welltower, the world's largest health care real estate investment trust.

Mr. Sweetser holds a bachelor of science degree in economics from Cornell University and an MBA from the University of Chicago. He is also a chartered financial analyst and a member of the CFA Institute.

**Susan Oliveri, General Counsel & Secretary**

Ms. Oliveri is the corporate secretary and General Counsel at Erickson Senior Living. In this role, she is responsible for oversight of all legal functions, including acquisitions, construction, development, finance, information technology, health care, employment, and operations.

Ms. Oliveri has over twenty years of experience as a real estate, construction, development, and finance attorney. Prior to joining Erickson Senior Living, Susan was a corporate and real estate attorney at Miles & Stockbridge, a regional law firm in Maryland. She also served as a law clerk for the Honorable Lawrence Rodowsky at the Court of Appeals of Maryland.

Ms. Oliveri earned a J.D. from the University of Baltimore and a B.B.A. in finance and marketing from the University of Texas at Austin.

**John Hall**

Mr. Hall has worked for Erickson Senior Living since 2009 and currently serves as Treasurer and Vice-President of Finance.

**Todd Delaney, Executive Director**

Mr. DeLaney started with Erickson Living in 2005 and has held positions at five different communities in four different states, over the seventeen years spent with the company. Prior to joining the team at Avery Point, Mr. DeLaney served as the Executive Director for Cedar Crest in Pompton Plains and Seabrook Village in Tinton Falls, both communities in New Jersey. Other past positions ranged from associate executive director, director of continuing care to several leadership roles supporting independent living operations. Todd became a licensed nursing home administrator in July 2010 and is dually licensed in both Massachusetts and New Jersey. He completed a master of business administration degree with a focus in health care administration from Seton Hall University in 2009.

**EXHIBIT 4**  
**ANTICIPATED PROJECT SCHEDULE**

Exhibit Four presents the anticipated construction schedule of the Community, reflecting the process of adding amenities over a period of time as the resident population increases. Avery Point will be built in response to market demand and may be delayed or revised depending on required approvals, costs, demand, and weather related delays or other business delays. The following schedule is estimated only:

<b>Project</b>	<b>Start Date</b>	<b>Substantial Completion</b>
Marketing Center	September 1, 2019	April 1, 2020
Community Building 1.0	January 1, 2021	June 1, 2022
Residential Building 1.1	January 1, 2021	September 1, 2022
Residential Building 1.2	January 1, 2021	February 1, 2023
Residential Building 1.3	October 1, 2021	June 1, 2023
Residential Building 1.4	March 1, 2022	December 1, 2023
Residential Building 1.5	June 1, 2022	February 1, 2024
Residential Building 1.6	June 1, 2023	April 1, 2025
Residential Building 1.7	August 1, 2023	July 1, 2025
Residential Building 8	August 1, 2024	May 1, 2026
Residential Building 2.2	February 1, 2025	October 1, 2026
Residential Building 9 Community Building 3.0	November 1, 2024	August 1, 2026
Residential Building 10	November 1, 2025	August 1, 2027
Continuing Care	October 1, 2026	September 1, 2028
Residential Building 11	February 1, 2026	November 1, 2027

## **EXHIBIT 5**

### **CURRENT ENTRANCE DEPOSIT SCHEDULE, MONTHLY SERVICE PACKAGES AND PERIODIC CHARGES FOR ANCILLARY SERVICES**

**Summary:**

Exhibit Five records the current projected Entrance Deposits for the different contract models and the Monthly Service Packages which include the services listed in Section 4 of the Residence and Care Agreement (Exhibit 1). Also included in this Exhibit is the current list of estimated periodic charges for ancillary services.

**EXHIBIT 5**  
**CURRENT ENTRANCE DEPOSIT SCHEDULE, MONTHLY SERVICE PACKAGES, AND PERIODIC CHARGES FOR ANCILLARY SERVICES –**

The Community will offer various floor plans of one and two bedroom units. The units will include either one bath, one and one-half baths, or two baths. The community will offer two entrance deposit options.

<b>Type Apartment</b>	<b>Declining Balance Entrance Deposit* –2023</b>	<b>80% Refundable Entrance Deposit* –2023</b>	<b>Monthly Fees –2023</b>
1Bedroom 1.5Bath	\$180,600 to \$215,600	\$258,000 to \$308,000	\$2,068 to \$2,317
1Bedroom with Den 1.5Bath	\$232,400	\$332,000	\$2,559
2Bedroom 2Bath	\$238,000 to \$352,100	\$340,000 to \$503,000	\$2,559 to \$3,679
2Bedroom 2Bath with Den	\$365,400 to \$382,200	\$522,000 to \$546,000	\$3,679 to \$3,933
2 Bedroom 2.5Bath with Den	\$460,600	\$658,000	\$4,689
Joint Resident Monthly Fee			\$930

\*Additional fees for specific views or location may apply.



**ANCILLARY FEE SCHEDULE**

<b><u>Department</u></b>	<b><u>Ancillary Service</u></b>	<b><u>2023 Fee</u></b>
<b><u>Administration</u></b>		
Non-Occupancy Credit	<b>Non-Occupancy Credit</b> (Independent Living) Absences per person per day after 30 consecutive days (credit starts on the 31st consecutive day):	\$13.00 per night
<b><u>Information Technology</u></b>		
Computer Technical Services	First half hour ( minimum charge)	\$45.00
	Charge for each additional increment of 1 to 15 minutes Thus, net charge for one hour is \$63.00	\$15.00
<b><u>Dining Services</u></b>		
	Guest Meal	A la carte pricing
	Delivery of meal	\$7.00
	Specialty Menu Items	Additional Fees Apply
<b><u>Parking</u></b>		
	Resident 1st Car Designated Parking Space <sup>1</sup>	No add. fee
	Resident 2 <sup>nd</sup> Car Designated Parking Space <sup>1</sup> (for double occ living unit and subject to availability)	No add. Fee
	Carport Upgrade (1 <sup>st</sup> Car Priority)	\$50/month
<b><u>General Services</u></b>		
Maintenance, Grounds, Housekeeping Service per hour	Services per hour, plus materials <sup>2</sup>	\$47.00
Roll away bed	Roll Away bed per night in Resident Apartment	\$24.00
Guest Suite	Per Night fee	\$140.00
Apartment Badge	Additional Apartment Badge for electronic door lock.	\$21.00

<u>Department</u>	<u>Ancillary Service</u>	<u>2023 Fee</u>
Mailbox Key	Additional Mailbox Key	\$10.00
Press Alert	Install Device	\$100.00
	Pendant monthly charge	\$21.00
Snow Removal	Snow Removal from car after Normal Snowfall (3" or less)	\$15.00
Storage Bin	Additional Storage Bin per month (Independent Living only)	\$15.00
	Custom Interior Work	Additional Fees Apply
<b><u>Resident Life</u></b>		
	Fitness Center – Monthly Membership	Included
	Virtual Fitness Programs (digital)	Included
	Standard Group Fitness Classes	Included
	Specialty Group Fitness Classes per month	\$15.00
	Personal Training Session Rate (30 minutes)	\$32.00

<sup>1</sup> Car must be registered to and insured by resident with valid driver's license.

<sup>2</sup> Materials are extra; specific fees are charged for certain jobs (e.g. TV hookup, picture hanging, etc.)

**EXHIBIT 6**  
**CHANGES IN PERIODIC CHARGES**

Summary:

As required by Virginia law, Exhibit Six reflects the changes in Monthly Fees for the last five years of operation.

**EXHIBIT 6**  
**CHANGES IN PERIODIC CHARGES**

<b>Independent Living Unit Type</b>	<b>2022 Monthly Fees</b>	<b>2023 Monthly Fees</b>	<b>Dollar Amount of Change for last year</b>
1Bedroom 1.5Bath	\$1,970 to \$2,207	\$2,068 to \$2,317	\$98 to \$110
1Bedroom with Den 1.5Bath	\$2,438	\$2,559	\$121
2Bedroom 2Bath	\$2,438 to \$3,504	\$2,559 to \$3,679	\$121 to \$175
2Bedroom 2Bath with Den	\$3,504 to \$3,746	\$3,679 to \$3,933	\$175 to \$187
2 Bedroom 2.5Bath with Den	\$4,466	\$4,689	\$223
Joint Resident fee	\$886	\$930	\$44

\*Prices reflect starting point of range fees

**EXHIBIT 7**  
**CERTIFIED FINANCIAL STATEMENTS OF PROVIDERS**

Summary:

As a form of consumer protection for prospective residents, the Virginia Department of Insurance has required the Providers to include audits from an independent accounting firm, expressing that firm's opinion on the Providers' financial statements.

Note: Avery Point, Inc., the community operator, was formerly named Richmond NSC Retirement Community Inc. The Landowner, ELP Richmond LLC, formerly was known as Avery Point, LLC. The corporate names were revised as part of the change in operating structure for the community. The audited statements may still reflect the prior entity names.

# **RICHMOND NSC RETIREMENT COMMUNITY, INC.**

**Financial Statements**

**For the period from July 28, 2022 (inception) through  
September 30, 2022**



## Independent Auditor's Report

To the Board of Directors  
Richmond NSC Retirement Community, Inc.:

### ***Opinion***

We have audited the accompanying financial statements of Richmond NSC Retirement Community, Inc. (the "Community"), which comprise the balance sheet as of September 30, 2022, and the related statement of operations, statement of changes in net assets (deficit), and statement of cash flows for the period from July 28, 2022 (inception) to September 30, 2022, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Community as of September 30, 2022 and the results of its operations and its cash flows for the period from July 28, 2022 (inception) to September 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US 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 Community and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

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

In performing an audit in accordance with US 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 Community'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 Community'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.

A handwritten signature in cursive script, appearing to read "Pricewaterhousecoopers US".

Baltimore, Maryland  
December 19, 2022



**Richmond NSC Retirement Community, Inc.**  
**Balance Sheet**  
**as of September 30, 2022**

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ASSETS

Total assets \$           -

LIABILITIES AND NET ASSETS (DEFICIT)

Current liabilities

Accounts payable and accrued expenses           7,227

Total current liabilities           7,227

Total liabilities           7,227

Net deficit

Without donor restrictions           (7,227)

Total net deficit           (7,227)

Total liabilities and net deficit           \$          -

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

**Richmond NSC Retirement Community, Inc.**  
**Statement of Operations**  
**for the period from July 28, 2022 (inception) through September 30, 2022**

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Operating revenue and other support	
Total operating revenue and other support	<u>\$ -</u>
Operating expenses	
Professional and contracted services	<u>7,227</u>
Total operating expenses	<u>7,227</u>
Operating loss	<u>(7,227)</u>
Excess of expenses over revenue	<u>\$ (7,227)</u>

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

**Richmond NSC Retirement Community, Inc.**  
**Statement of Changes in Net Assets (Deficit)**  
**for the period from July 28, 2022 (inception) through September 30, 2022**

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Net assets (deficit) July 28, 2022	\$ <u>-</u>
Excess of expenses over revenues	<u>(7,227)</u>
Change in net deficit	<u>(7,227)</u>
Net assets (deficit) September 30, 2022	\$ <u>(7,227)</u>

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

**Richmond NSC Retirement Community, Inc.**  
**Statement of Cash Flows**  
**for the period from July 28, 2022 (inception) through September 30, 2022**

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Cash flows from operating activities	
Change in net assets (deficit)	\$ (7,227)
Adjustments to reconcile change in net assets (deficit) to net cash and restricted cash and cash equivalents provided by operating activities	
Increase in accounts payable and accrued expenses	<u>7,227</u>
Net cash provided by operating activities	<u>-</u>
Increase in cash and restricted cash and cash equivalents	-
Cash and restricted cash and cash equivalents, beginning of period	<u>-</u>
Cash and restricted cash and cash equivalents, end of period	<u>\$ -</u>

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

**Richmond NSC Retirement Community, Inc.**  
**Notes to Financial Statements**  
**for the period from July 28, 2022 (inception) through September 30, 2022**

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**1. Organization**

Richmond NSC Retirement Community, Inc. (the "Community" or "APR") was established on July 28, 2022 as a Maryland non-stock corporation. APR is intended to operate a not-for-profit continuing care retirement community in Richmond, Virginia. APR expects to commence operations during calendar year 2023 and report financial results based on a calendar year end. The financial statement period represents a stub period for which financial statements were requested to comply with the regulatory filing. APR is currently expected to include 1,154 independent living units and 170 continuing care units as follows: 94 assisted living units, 38 memory care units and 38 skilled nursing units.

National Senior Communities, Inc. ("NSC"), a not-for-profit organization, was organized to support APR and 16 other not-for-profit organizations that operate retirement communities. NSC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and the applicable state income tax regulations. NSC is the sole member of the Community and appoints all directors of the Community's Board.

The Community plans to contract with Erickson Senior Living, LLC ("ESL"), to provide management services. There are various agreements associated with the management of the Community whereby ESL is considered a related party, one of which will be a working capital loan to support the future growth of the Community.

Subsequent events have been evaluated by management through December 19, 2022 which is the date the financial statements were available to be issued.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

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

**Net Assets (Deficit) Without Donor Restrictions**

Net assets (deficit) without donor restrictions would represent resources that are not restricted by donor-imposed stipulations. They are available for the support of all Community operations and services. Net assets (deficit) without donor restrictions are free of donor imposed restrictions and include all revenue, expenses, gains and losses that are not changes in net assets (deficit) with donor restrictions.

**Excess of Expenses Over Revenue**

The Statement of Operations include excess of expenses over revenue, which includes all revenue and expenses that are an integral part of the Community's activities.

**Income Taxes**

APR intends to apply for exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and the applicable state income tax regulations.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management, where necessary, 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Richmond NSC Retirement Community, Inc.**  
**Notes to Financial Statements**  
**for the period from July 28, 2022 (inception) through September 30, 2022**

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**Going Concern**

In accordance with ASC 205-40, *Going Concern*, the Company has evaluated whether there are conditions and events – considered in aggregate, which might raise substantial doubt about the entity's ability to continue as a going concern through December 31, 2023. Management believes that the Company will successfully meet any cash flow obligations through the evaluation period. The principal conditions and events considered in management's review included the Company's cash outflows since inception and expected costs to be incurred in the next year.

The Company expects to incur insignificant costs through December 31, 2023. The Parent of the Company, NSC, has provided a \$25,000 letter of support, which would provide additional liquidity to address any cash flow needs through December 31, 2023. In the event the Company does not achieve the expected results, the amounts provided under NSC support letter are sufficient to provide Management comfort that it will be able to maintain positive cash through at least December 31, 2023. Therefore, the Company's plans have alleviated substantial doubt and these consolidated financial statements have been prepared on the basis that the Company will continue as a going concern.

# **Avery Point, LLC**

**Financial Statements**

**For the Years Ended December 31, 2022 and 2021**



RSM US LLP

## Independent Auditor's Report

Members  
Avery Point, LLC

### Opinion

We have audited the financial statements of Avery Point, LLC (the Company) which comprise the balance sheets as of December 31, 2022 and 2021, the related statements of operations and changes in members' equity 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 Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's 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 auditor's 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 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.

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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 Company'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 Company'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.

*RSM US LLP*

Baltimore, Maryland  
April 24, 2023

Avery Point, LLC  
Balance Sheets  
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 594,740	\$ 144,158
Accounts receivable	37,217	-
Prepaid expenses and other current assets	226,807	33,369
Promissory notes receivable	2,794,901	-
Restricted cash - current	128	-
Total current assets	<u>3,653,793</u>	<u>177,527</u>
Non-current assets		
Resident capital cash	4,413,156	1,509,886
Property and equipment, net	171,588,678	84,030,579
Deferred financing costs, net	458,242	-
Total non-current assets	<u>176,460,076</u>	<u>85,540,465</u>
Total assets	<u>\$ 180,113,869</u>	<u>\$ 85,717,992</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 19,829,957	\$ 8,931,575
Claims reserve (insurance related)	17,834	7,544
Credit facility - current	2,680,204	-
Other current liabilities	14,184	-
Total current liabilities	<u>22,542,179</u>	<u>8,939,119</u>
Non-current liabilities		
Advance deposits	3,812,500	1,474,000
Resident entrance fees, net of accumulated amortization	35,200,637	-
Working capital loan and accrued interest	8,953,099	2,714,320
Total non-current liabilities	<u>47,966,236</u>	<u>4,188,320</u>
Total liabilities	<u>70,508,415</u>	<u>13,127,439</u>
Commitments (Note 10)		
Members' equity	<u>109,605,454</u>	<u>72,590,553</u>
Total liabilities and members' equity	<u>\$ 180,113,869</u>	<u>\$ 85,717,992</u>

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

Avery Point, LLC  
 Statements of Operations and Changes in Members' Equity  
 for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue:		
Resident occupancy revenue	\$ 577,597	\$ -
Ancillary fee revenue	86,484	-
Amortization of non-refundable resident entrance fees	273,363	-
Other revenue	28,760	3,700
Total operating revenue	<u>966,204</u>	<u>3,700</u>
Operating expenses:		
Salaries, wages and benefits	3,111,021	661,178
Professional and contracted services	2,994,744	1,935,004
Supplies	387,386	49,393
General and administrative	689,435	106,271
Management fees	28,880	-
Interest	275,580	64,851
Real estate taxes	235,724	229,601
Depreciation	785,403	145,033
Total operating expenses	<u>8,508,173</u>	<u>3,191,331</u>
Operating loss	(7,541,969)	(3,187,631)
Non-operating income:		
Investment return, net	38,318	-
Non-operating income	<u>38,318</u>	<u>-</u>
Net loss	(7,503,651)	(3,187,631)
Members' equity, beginning	72,590,553	37,827,963
Contributions from member	69,617,745	37,950,221
Distributions to member	<u>(25,099,193)</u>	<u>-</u>
Members' equity, ending	<u>\$ 109,605,454</u>	<u>\$ 72,590,553</u>

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

Avery Point, LLC  
 Statements of Cash Flows  
 for the years ended December 31, 2022 and 2021

	2022	2021
<b>Cash flows from operating activities:</b>		
Net loss	\$ (7,503,651)	\$ (3,187,631)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation	785,403	145,033
Amortization of deferred financing costs	212,697	-
Amortization of non-refundable resident entrance fees	(273,363)	-
Proceeds from non-refundable entrance fees	14,339,600	-
Increase in accounts receivable	(37,217)	-
Increase in prepaid expenses and other current assets	(193,438)	(33,369)
Increase in accounts payable and accrued expenses	2,427,977	316,720
Increase in claims reserve (insurance related)	10,290	7,342
Increase in other current liabilities	14,184	-
Increase in accrued interest on working capital loan	275,580	64,851
Net cash provided by (used in) operating activities:	<u>10,058,062</u>	<u>(2,687,054)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	<u>(79,873,097)</u>	<u>(36,407,991)</u>
Net cash used in investing activities:	<u>(79,873,097)</u>	<u>(36,407,991)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from working capital loan	5,963,199	1,199,811
Proceeds from credit facility	34,818,503	-
Repayments of credit facility	(32,138,299)	-
Deferred financing costs	(670,939)	-
Proceeds from refundable resident entrance fees	18,339,499	-
Increase in advance deposits	2,338,500	1,225,000
Contributions from member	69,617,745	37,950,221
Distributions to member	(25,099,193)	-
Net cash provided by financing activities:	<u>73,169,015</u>	<u>40,375,032</u>
Increase in cash, restricted cash and resident capital cash	3,353,980	1,279,987
Cash, restricted cash and resident capital cash, beginning of year	<u>1,654,044</u>	<u>374,057</u>
Cash, restricted cash and resident capital cash, end of year	<u>\$ 5,008,024</u>	<u>\$ 1,654,044</u>
<b>Supplemental disclosures of cash flow information and non-cash financing activities:</b>		
Acquisitions of property and equipment financed through accounts payable and accrued expenses	<u>\$ 16,783,749</u>	<u>\$ 8,313,344</u>
Cash paid for interest on credit facility	<u>\$ 573,319</u>	<u>\$ -</u>

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

## Avery Point, LLC

### Notes to Financial Statements

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#### 1. Organization

Avery Point, LLC (the "Company"), is a Maryland limited liability company, originally formed in 2018, to own, acquire, and develop real property in Richmond, Virginia. The Company operates a continuing care retirement community there and reports financial results based on a calendar year-end. The Company is currently expected to build 1,200 independent living units, 120 assisted living units, 36 skilled nursing units and 48 memory care units. The first residents took occupancy during calendar year 2022. As of December 31, 2022, there were 120 independent living units available.

The Company is a majority owned subsidiary of Erickson Living Properties, LLC ("ELP"), whose purpose is to develop and lease continuing care retirement communities ("CCRCs"). ELP is a wholly owned subsidiary of Erickson Living Holdings, LLC ("ELH"), whose purpose is to develop, manage and lease or operate CCRCs. ELH also owns other entities that have economic relationships with the Company:

- Erickson Living Properties II, LLC ("ELP II") whose purpose is to develop and lease or operate CCRCs.
- Erickson Senior Living, LLC ("ESL") whose purpose is to provide management services to large scale CCRCs throughout the United States.
- EA Campus Care, LLC ("EA"), whose purpose is to manage Health Care delivery systems that support CCRCs managed by ESL and provides physician practice management services and medical management services to those CCRCs.
- Erickson Living Development, LLC ("ELD"), whose purpose is to provide land and construction development services and construction management oversight to large scale CCRCs throughout the United States.

These financial statements present the operations of the Company for the years ended December 31, 2022 and 2021.

On April 30, 2020, the Company's Operating Agreement was amended and restated to admit a new member of the Company, NSC – Avery Point, LLC ("NSCAP"), and provided for one class of outstanding membership interests of the Company. NSCAP is a subsidiary of National Senior Communities, Inc. ("NSC"), a not-for profit organization that provides governance oversight, supervision and strategic planning for numerous CCRCs that are managed by ESL. ELP was designated as the Manager of the Company and the initial capital percentages are 90% held by ELP and 10% held by NSCAP. Both members have a right of first offer to purchase the other member's interest in the Company if that member decides to dispose of it. Additionally, NSCAP has an option to purchase the property in the future once certain conditions are met.

ELP made an initial capital contribution and will continue to make additional capital contributions to fund further development of the Company. Distributions of net operating cash flow from operations are made to each member based on their respective net operating cash flow percentages, as defined in the agreement. No distributions of net cash flows are permitted while there is an outstanding balance under the Working Capital Loan (see Note 4). Distributions of all resident entrance fees, net of refunds paid and advance deposits ("entrance fee cash flow"), as well as proceeds from any debt financing may only be distributed to ELP. Distributions of net cash from capital transactions are first made to members pro rata until the capital contributions are returned and then to the members in proportion to their respective capital percentages.

During the year ended December 31, 2022, ELP made contributions of \$69,617,745 and received distributions of \$25,099,193 from the Company. During the year ended December 31, 2021, ELP made contributions of \$37,950,221 and received no distributions from the Company. During the years ended December 31, 2022 and 2021, NSCAP made no contributions and received no distributions from the Company.

## Avery Point, LLC

### Notes to Financial Statements

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#### 2. Summary of Significant Accounting Policies

##### Basis of Presentation

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

##### Pooled Accounts

The Company participates in a pooled cash account with ELP and ELP II. Cash receipts and cash disbursements of the Company, along with other ELP and ELP II related parties' cash receipts and cash disbursements, are deposited and disbursed through one bank account. During 2022 and 2021, the Company's allocable portion of the pooled cash account fluctuated daily based on the Company's respective daily activity within the account. As of December 31, 2022 and 2021, the Company's allocable share of the pooled cash account was \$32,200 and \$144,158, respectively. Additionally, the Company began participating in a controlled disbursement account owned by ESL with other related parties and CCRCs that ESL manages, in June 2022. The account funds checks as they are presented for payment and may result in a book overdraft due to timing. There was no book overdraft as of December 31, 2022.

##### Concentration of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk consist of cash. The Company maintains its cash in financial institutions that are federally insured under the Federal Deposit Insurance Corporation ("FDIC"). Total deposits at these institutions at times exceed the FDIC insurance limits and, therefore, bear the risk of loss. The Company has not experienced any losses to date, and believes it is not exposed to any significant credit risk related to cash.

##### Advance Deposits

Prospective residents are required to make certain installment payments prior to the final settlement of the given unit. These amounts are included in resident capital cash and advance deposits on the balance sheets. Timing differences may cause escrow cash equivalents not to be equal to advance deposits.

##### Cash, Restricted Cash and Resident Capital Cash

Resident capital cash consists mostly of advance deposits received from prospective residents to reserve apartment units prior to settlement.

The following table provides a reconciliation of cash, restricted cash, and resident capital cash reported within the balance sheets that sum to the total of the same amounts shown within the statements of cash flows as of December 31:

	<u>2022</u>	<u>2021</u>
Cash	\$ 594,740	\$ 144,158
Restricted cash - current	128	-
Resident capital cash	4,413,156	1,509,886
Cash, restricted cash and resident capital cash	<u>\$ 5,008,024</u>	<u>\$ 1,654,044</u>

##### Accounts Receivable

The accounts receivable are comprised of billed occupancy and ancillary charges that are still outstanding. The Company writes off uncollectible accounts receivable after all collection efforts have been exhausted and management determines they will not be collected. There was no provision for bad debt recorded for the year ended December 31, 2022.

## Avery Point, LLC

### Notes to Financial Statements

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#### **Promissory Notes Receivable**

Promissory notes receivable consist of short-term receivables from residents related to payment of the final installment of their entrance fee or advance deposit. Often, there is a timing difference between when the sale of a prospective resident's home will be finalized, and the due date of the final installment on their resident entrance fee. In these cases, a short-term promissory note is issued by the resident. If the resident pays the note on or before the agreed upon due date, no interest is charged. If the resident does not pay the note by the agreed upon due date, interest may be charged from the day the note was issued, through the date of payment. Promissory notes receivable were \$2,794,901 and \$-0- at December 31, 2022 and 2021, respectively.

#### **Compensated Absences**

The Company records a liability for amounts due to employees for future absences that are attributable to services performed in the current and prior periods, which is included in accounts payable and accrued expenses on the balance sheets.

#### **Employee Health Plan**

The Company participates in a self-funded employee health plan. A specific stop loss policy has been purchased to reduce a portion of the plan risk. The specific stop loss reimbursement policy covers medical and prescription drug claims totaling more than \$600,000 per member per calendar year. Symetra Life Insurance Company provides the excess coverage and reimburses the plan for amounts over the specific stop loss deductible/retention. The liability for health claims is included in claims reserve (insurance related) on the balance sheets. The Company also has a self-funded employee dental plan, and the liability for future claims is also included in claims reserve (insurance related) on the balance sheets.

#### **Professional and General Liability Insurance**

The Company participates in a high deductible/retention professional and general liability insurance plan. For the years ended December 31, 2022 and 2021, the Company plan has a \$5 million per claim retention with a \$5 million professional and general liability aggregate. Continental Casualty Company provides the lead excess coverage. The liability for the anticipated payment for future professional and general liability was \$8,148 and \$-0- at December 31, 2022 and 2021, respectively, and is included in claims reserve (insurance related) on the balance sheets.

#### **Workers' Compensation**

The Company participates in a pooled commercial workers' compensation policy with other affiliated entities of the member, issued by a third party insurance carrier. The policy has a deductible/retention per occurrence of \$250,000. Premiums paid, net of administrative expenses on the policy, are applied against policy claims. The policy term extends from November to November of each year, and premiums are paid by ESL. The expenses for premiums are allocated to the Company from ESL through the central services agreement (see Note 9).

#### **Accounts Payable and Accrued Expenses**

In addition to payables due to unrelated parties and other accrued expenses, accounts payable and accrued expenses includes amounts due to EA, ESL and ELD (see Note 9).

#### **Property and Equipment**

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the individual items, as shown below:

Buildings	40 years
Land improvements	15 years
Furniture, fixtures and equipment	3 to 15 years

## Avery Point, LLC

### Notes to Financial Statements

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Construction in progress includes the direct and indirect costs associated with the acquisition, development and construction of specific real estate development projects.

Gains or losses on the disposition of property, plant and equipment are reported at the time of the disposition.

#### **Valuation of Long-Lived Assets**

The Company accounts for the valuation of long-lived assets under the Accounting Standards Codification guidance for the *Impairment or Disposal of Long-Lived Assets*. This guidance requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. Management has reviewed and no events of impairment occurred during the years ended December 31, 2022 and 2021.

#### **Revenue Recognition**

##### **Resident occupancy revenue**

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

Under the Company's Resident and Care Agreements ("RCA's"), which are generally for the resident's lifetime, but can be terminated at any time by the resident with 60 days' notice, the Company provides continuing care services to residents for a stated daily or monthly fee. The Company recognizes revenue for continuing care services under the RCA for independent living in accordance with the provisions of ASC 842, Leases ("ASC 842"). The Company recognizes revenue for assisted living services, skilled nursing residency and care, memory care residency and therapy services in accordance with the provisions of ASC Topic 606. The Company has determined that the continuing care services included under the daily or monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation, which is satisfied over time.

All resident occupancy revenue that qualified under the provisions of lease guidance was related to independent living for the year ended December 31, 2022.

##### **Ancillary fees**

Ancillary fees, which include housekeeping, dining room sales and other services provided to the residents of the Community are reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing these services. The Company recognizes revenue for these ancillary services in accordance with the provisions of ASC 606. Each service provided under the contract is capable of being distinct, therefore, the services are considered individual and separate performance obligations, which are satisfied as services are provided, and revenue is recognized as services are provided.



## Avery Point, LLC

### Notes to Financial Statements

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#### Income Taxes

The Company is a limited liability company that is treated as a partnership for all federal and state income tax purposes. No provision has been made for federal or state income taxes in the accompanying financial statements, since these taxes are the responsibility of the members. Management has evaluated the Company's tax positions and has concluded that the Company has taken no uncertain tax positions that would require disclosure.

#### Financial Instruments

The Company's financial instruments, including cash, accounts receivable, prepaid expenses and other current assets, restricted cash, accounts payable and other accrued expenses, claims reserve (insurance related), and other current liabilities are carried at cost, which approximates their fair value because of the short-term nature of these instruments.

#### Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management, where necessary, 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.

#### Advertising

Advertising costs are charged to operations when incurred. Advertising expense for the years ended December 31, 2022 and 2021, was \$3,228,435 and \$2,668,454, respectively.

#### Recently Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to contracts (i.e., lessees and lessors). The standard requires lessees to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing and operating leases. The Company implemented the accounting standard in 2022 and determined that it has no material leases for the year ended December 31, 2022.

#### Reclassification

Certain 2021 amounts were reclassified to conform to 2022 presentation. These reclassifications had no effect on the previously reported members' equity or net loss.

### 3. Property and Equipment

As of December 31, property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 29,935,470	\$ 27,623,930
Buildings	50,309,315	4,088,888
Furniture, fixtures, and equipment	3,747,929	238,235
Construction in progress	88,626,892	52,325,051
	<u>172,619,606</u>	<u>84,276,104</u>
Accumulated depreciation	(1,030,928)	(245,525)
Property and equipment, net	<u>\$ 171,588,678</u>	<u>\$ 84,030,579</u>

Depreciation expense of \$785,403 and \$145,033 was recorded for the years ended December 31, 2022 and 2021, respectively.

## Avery Point, LLC

### Notes to Financial Statements

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#### 4. Working Capital Loan

The Company's Operating Agreement was amended and restated as described in Note 1. In the event the Company's operating expenses exceed the revenues, income, receipts and cash flows of the Company for a given period, the terms of the amendment require ELP to make a Working Capital Loan ("WCL") to the Company in the amount of such operating deficit. There was \$8,595,295 plus accrued interest of \$357,804 outstanding under the WCL as of December 31, 2022. There was \$2,632,096 plus accrued interest of \$82,224 outstanding under the WCL as of December 31, 2021.

Interest accrues monthly on the WCL balance at the prime rate less 0.25%. The prime rate was 7.50% and 3.25% as of December 31, 2022 and 2021, respectively. Total interest expense was \$275,580 and \$64,851 for the years ended December 31, 2022 and 2021, respectively.

#### 5. Resident Capital Cash, Advance Deposits and Resident Entrance Fees

Residents are required to remit entrance fees, which may vary in amount depending upon the unit to be occupied. Entrance fees on settled units are shown as resident entrance fees on the balance sheets and are reported net of amortization.

The Company currently offers two types of RCA's. The RCA's provide for either a refundable amount of 80% of the total entrance fee and a 20% non-refundable portion ("80% contracts") or a non-refundable option ("0% contracts"). Eligibility for a refund under the 80% contracts is established when the RCA has terminated, the unit has been vacated and released, all outstanding obligations have been paid and funds are available in the Refund Account. The Refund Account is funded from new residents who have settled an independent living unit with a new 80% contract. The refunds are made in sequential order, based on when a former resident has met eligibility for a refund and funds are available in the Refund Account. The refund on these units is not tied to the resettlement of the former resident's specific unit. Once these requirements have been met, the refund is due to the resident within 60 days. For the 80% contracts, when the unit is released the amount of the fully refundable portion of the resident entrance fee is reclassified from resident entrance fees, a non-current liability, to resident refunds payable, a current liability on the balance sheets.

The non-refundable portion of the entrance deposits is treated as deferred revenue and amortized into revenue on a straight-line basis over an 8.5-year period, which approximates the estimated average length of time a resident resides at the community based on community and industry data. Amortization of resident entrance fees is included in revenue on the statements of operations and changes in members' equity. The amount of amortization related to the non-refundable portion of resident entrance deposits was \$273,363 for the year ended December 31, 2022, and is included in amortization of non-refundable resident entrance fees on the statements of operations and changes in members' equity.

#### 6. Credit Agreement

The Company was a guarantor on a credit facility that ELH had with Bank of America that was paid off and terminated in March 2021.

On February 25, 2022, the Company closed on a construction loan (the "Loan") with Pinnacle Bank and Oceanfirst Bank, with a maximum commitment of \$46 million. The Loan is collateralized by the current buildings under construction as well as the specific land upon which they are being built. The Loan bears interest at the Secured Overnight Financing Rate, which was 4.30% as of December 31, 2022, plus a spread of 2.02%, and is payable monthly. Repayments on the Loan will be made from entrance fees no longer subject to statutory escrow requirements. Interest costs on the loan were \$586,059 for the year ended December 31, 2022, and is capitalized as part of ongoing construction costs. The Loan matures on February 25, 2025.

## **Avery Point, LLC**

### **Notes to Financial Statements**

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The Loan contains certain restrictive and financial covenants on the Company that are customary for similar credit arrangements. For example, there are covenants relating to financial reporting and notification, compliance with laws, preserving existence, maintenance of books and records, how the Company uses proceeds from borrowings, maintenance of properties and insurance, and completion of the development of the property.

Legal fees and certain other costs incurred in connection with obtaining the Loan have been capitalized and are being amortized over the term of the Loan. Amortization of deferred financing cost was \$212,697 for the year ended December 31, 2022, and is capitalized as part of ongoing construction costs.

As of December 31, 2022, there was \$2,680,204 outstanding on the Loan.

#### **7. Management and Marketing Agreement**

The Company and ESL have a Management and Marketing Agreement, whereby ESL will provide management and marketing services to the Company during the term of this agreement which expires on December 31, 2028. The agreement provides for the Company to pay ESL a monthly management fee of 5% of facility revenue. Other corporate services as required by the Company are also reimbursed to ESL as defined in the management agreement. The total management fee for the year ended December 31, 2022, was \$28,880.

#### **8. Defined Contribution Plan**

The Company's employees, meeting certain requirements, are eligible to participate in a defined contribution plan maintained by a company related through common ownership. The Company matches a maximum of 3% of the participating employees' eligible earnings. The Company incurred expenses of \$44,198 and \$16,455 related to the plan for the years ended December 31, 2022 and 2021, respectively, which are included in salaries, wages and benefits on the statements of operations and changes in members' equity.

#### **9. Related Party Transactions**

The Company has a central services agreement with ESL. The central services agreement allows for the allocation of general and administrative expenses for all companies under common ownership, and CCRC entities for which ESL provides management services. During the years ended December 31, 2022 and 2021, the Company incurred expenses of \$1,209,502 and \$537,886, respectively, related to the central services agreement. During the years ended December 31, 2022 and 2021, the Company made payments of \$1,168,030 and \$532,249, respectively, related to the central services agreement.

The Company has an agreement with ELD to pay for certain development services provided by employees of ELD. The agreement requires the Company to pay to ELD a 5% development fee on hard and soft construction costs incurred by the Company. The development fee totaled \$4,032,175 and \$2,119,136 for the years ended December 31, 2022 and 2021, respectively, and is capitalized as part of ongoing construction costs. During the years ended December 31, 2022 and 2021, the Company made payments of \$3,706,518 and \$1,595,216, respectively, related to the development fee agreement.

**Avery Point, LLC**  
**Notes to Financial Statements**

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The amounts due to/from ESL, ELD and EA on the accompanying balance sheets are comprised of the following items as of December 31:

	<u>2022</u>	<u>2021</u>
(Payable to) receivable from ESL:		
General reimbursement	\$ (1,540,301)	\$ (94,240)
Central services	58,202	99,674
Total (payable to) receivable from ESL	<u>\$ (1,482,099)</u>	<u>\$ 5,434</u>
Payable to ELD	<u>\$ (865,373)</u>	<u>\$ (539,716)</u>
Payable to EA	<u>\$ (7,754)</u>	<u>\$ -</u>

**10. Commitments**

As of December 31, 2022, the Company is committed under several construction related contracts. Commitments for the portions of the contracts not completed as of December 31, 2022, totaled \$49,644,867.

**11. Subsequent Events**

The Company has evaluated subsequent events through April 24, 2023, the date which the financial statements were available to be issued. In February 2023, the Richmond NSC Retirement Community, Inc. filed an application to be qualified as a CCRC in Virginia, which was officially approved on March 21, 2023. Management expects that certain assets and liabilities will be transferred to this new entity in July 2023. Management is currently assessing the extent of and impact of this transaction.

# **Erickson Senior Living, LLC**

**Financial Statements**

**For the Years Ended December 31, 2022 and 2021**



RSM US LLP

## Independent Auditor's Report

Member  
Erickson Senior Living, LLC

### Opinion

We have audited the financial statements of Erickson Senior Living, LLC (the Company) which comprise the balance sheets as of December 31, 2022 and 2021, the related statements of operations and changes in member's equity 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 Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's 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 auditor's 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 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.

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 Company'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 Company'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.

*RSM US LLP*

Baltimore, Maryland  
April 27, 2023

Erickson Senior Living, LLC  
Balance Sheets  
December 31, 2022 and 2021

(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 8,697	\$ 10,066
Accounts receivable	3,452	4,381
Prepaid expenses and other current assets	13,707	7,706
Restricted cash - current	308	275
Total current assets	<u>26,164</u>	<u>22,428</u>
Non-current assets		
Restricted cash - non-current	466	740
Property and equipment, net	13,994	13,523
Intangible assets, net	1,500	1,500
Right of use assets	7,404	-
Total non-current assets	<u>23,364</u>	<u>15,763</u>
Total assets	<u>\$ 49,528</u>	<u>\$ 38,191</u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 18,939	\$ 16,529
Deferred compensation plans - current	2,115	2,381
Claims reserve (insurance related)	1,192	994
Operating lease obligation - current	1,231	-
Total current liabilities	<u>23,477</u>	<u>19,904</u>
Non-current liabilities		
Deferred compensation plans - non-current	3,340	4,559
Operating lease obligation - non-current	6,264	-
Total non-current liabilities	<u>9,604</u>	<u>4,559</u>
Total liabilities	<u>33,081</u>	<u>24,463</u>
Member's equity	<u>16,447</u>	<u>13,728</u>
Total liabilities and member's equity	<u>\$ 49,528</u>	<u>\$ 38,191</u>

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



Erickson Senior Living, LLC  
 Statements of Operations and Changes in Member's Equity  
 for the years ended December 31, 2022 and 2021

(in thousands of dollars)	2022	2021
Operating revenue:		
Management fee revenue	\$ 55,200	\$ 49,683
Central services revenue	99,961	90,413
Commercial rent revenue	195	182
Other revenue	5,486	6,829
Total operating revenue	160,842	147,107
Operating expenses:		
Salaries, wages and benefits	82,989	75,429
Professional and contracted services	6,146	8,099
Supplies	956	758
General and administrative	20,986	15,883
Real estate taxes	105	100
Depreciation	2,459	3,052
Total operating expenses	113,641	103,321
Net income	47,201	43,786
Member's equity, beginning	13,728	7,588
Contributions from member	135,612	86,571
Distributions to member	(180,094)	(124,217)
Member's equity, ending	\$ 16,447	\$ 13,728

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

Erickson Senior Living, LLC  
 Statements of Cash Flows  
 for the years ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net income	\$ 47,201	\$ 43,786
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	2,459	3,052
Lease expense	1,274	-
Decrease in deferred compensation plan	(1,485)	(2,256)
Decrease (increase) in accounts receivable	929	(1,178)
Increase in prepaid expenses and other current assets	(6,001)	(3,317)
Increase in accounts payable and accrued expenses	1,800	635
Increase in claims reserve (insurance related)	198	94
Decrease in non-current liabilities	-	(1,504)
Decrease in operating lease obligation	(1,183)	-
Net cash and cash equivalents provided by operating activities:	<u>45,192</u>	<u>39,312</u>
Cash flows from investing activities:		
Purchase of property and equipment	(2,320)	(599)
Net cash and cash equivalents used in investing activities:	<u>(2,320)</u>	<u>(599)</u>
Cash flows from financing activities:		
Contributions from member	135,612	86,571
Distributions to member	(180,094)	(124,217)
Net cash and cash equivalents used in financing activities:	<u>(44,482)</u>	<u>(37,646)</u>
(Decrease) increase in cash and cash equivalents	(1,610)	1,067
Cash, cash equivalents and restricted cash, beginning of year	11,081	10,014
Cash, cash equivalents and restricted cash, end of year	<u>\$ 9,471</u>	<u>\$ 11,081</u>
Supplemental disclosures of cash flow information and non-cash financing activities:		
Acquisitions of property and equipment financed through accounts payable and accrued expenses	\$ 761	\$ 151
Supplemental disclosures of cash flow information related to leases:		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows - payments for operating leases	\$ 1,274	\$ -
Right of use assets obtained in exchange for existing lease obligations:		
Operating leases	\$ 8,678	\$ -

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

# Erickson Senior Living, LLC

## Notes to Financial Statements

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### 1. Organization

Erickson Senior Living, LLC (the "Company") is a Maryland limited liability company, formed in October 2009, to provide management services to large scale continuing care retirement communities ("CCRCs") throughout the United States. The Company is a wholly owned subsidiary of Erickson Living Holdings, LLC ("ELH"), whose purpose is to develop, manage and lease or operate CCRCs.

ELH also owns other entities that have economic relationships with the Company:

- Erickson Living Properties, LLC ("ELP"), whose purpose is to develop and lease or operate CCRCs.
- Erickson Living Properties II, LLC ("ELP II"), whose purpose is to develop and lease or operate CCRCs.
- EA Campus Care, LLC ("EA"), whose purpose is to manage Health Care delivery systems that support CCRCs managed by ESL and provides physician practice management services and medical management services to those CCRCs.
- Erickson Living Development, LLC ("ELD"), whose purpose is to provide land and construction development services and construction management oversight to large scale CCRCs throughout the United States.

### 2. Summary of Significant Accounting Policies

#### Basis of Presentation

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

#### Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less.

#### Concentration of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk consist of cash and cash equivalents. The Company maintains its cash and cash equivalents in financial institutions that are federally insured under the Federal Deposit Insurance Corporation ("FDIC"). Total deposits at these institutions at times exceed the FDIC insurance limits and, therefore, bear the risk of loss. The Company has not experienced any losses to date, and believes it is not exposed to any significant credit risk related to cash.

#### Cash, Cash Equivalents and Restricted Cash

Restricted cash and investments consist of cash equivalents and investments held to collateralize letters of credit as required by the letter of credit provider.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that sum to the total of the same amounts shown within the statements of cash flows as of December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 8,697	\$ 10,066
Restricted cash - current	308	275
Restricted cash - non-current	466	740
	<u>\$ 9,471</u>	<u>\$ 11,081</u>

# Erickson Senior Living, LLC

## Notes to Financial Statements

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### Accounts Receivable

Accounts receivable represent balances for management fees recognized for services provided under management agreements with CCRCs. Management reviews accounts receivable to determine if any receivables will potentially be uncollectible and, after all attempts to collect the receivable have failed, the receivable is written off.

### Property and Equipment

Property and equipment were recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the individual items, as shown below:

Buildings	40 years
Land and improvements	15 years
Furniture, fixtures and equipment	3 to 7 years

Gains or losses on the disposition of property, plant and equipment are reported at the time of the disposition.

### Valuation of Long-Lived Assets

The Company accounts for the valuation of long-lived assets under the guidance for *Accounting for the Impairment or Disposal of Long-Lived Assets*. This guidance requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

### Intangible Assets

Intangible assets are comprised of trade name, with an indefinite life. Costs incurred to renew or extend the term of recognized intangible assets are capitalized and amortized over the useful life of the asset. The Company's trade name was recorded at fair value of \$1.5 million. The Company tests indefinite-lived intangibles for impairment annually as of December 31. The Company performed its testing as of December 31, 2022 and 2021, and did not identify an impairment.

### Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets include amounts due from related parties (see Note 7).

### Accounts Payable and Accrued Expenses

In addition to payables due to unrelated parties and other accrued expenses, accounts payable and accrued expenses include accrued payroll and compensated absences which represent liability for amounts due to employees for future absences that are attributable to services performed in the current period.

### Employee Health Plan

The Company participates in a self-funded employee health plan. A specific stop loss policy has been purchased to reduce a portion of the plan risk. The specific stop loss reimbursement policy covers medical and prescription drug claims totaling more than \$0.6 million per member per calendar year. Symetra Life Insurance Company provides the excess coverage and reimburses the plan for amounts over the specific stop loss deductible/retention. The liability for health claims was \$0.9 million at December 31, 2022 and 2021, and is included in claims reserve (insurance related) on the balance sheets. The Company also has a self-funded employee dental plan, and the liability for future claims was \$0.1 million at December 31, 2022 and 2021, and is also included in claims reserve (insurance related) on the balance sheets.

## **Erickson Senior Living, LLC**

### **Notes to Financial Statements**

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#### **Professional and General Liability Insurance**

The Company participates in a high deductible/retention professional and general liability insurance plan. For the years ended December 31, 2022 and 2021, the Company plan has a \$5.0 million deductible/retention with a \$5.0 million professional and general liability aggregate. Continental Casualty Company ("CNA") provides the excess coverage. The liability for the anticipated payment for future professional and general liability claims was \$0.1 million at both December 31, 2022 and 2021, and is included in claims reserve (insurance related) on the balance sheets. The Company follows the accounting policy of establishing reserves for all unpaid claims at year-end. These reserves have been established by management through consultation with actuaries and are recorded at the expected value to be paid.

#### **Workers' Compensation**

The Company participates in a pooled commercial workers' compensation policy with other affiliated entities of the member, issued by a third party insurance carrier. The policy has a deductible/retention per occurrence of \$0.3 million. Premiums paid, net of administrative expenses on the policy, are applied against policy claims.

The liability for workers' compensation liability claims is included in claims reserve (insurance related) on the balance sheets. The Company follows the accounting policy of establishing reserves for all unpaid losses. These reserves have been established by management through consultation with actuaries and are recorded at the expected value to be paid.

#### **Income Taxes**

The Company is a single member limited liability company and has elected to be disregarded for all federal and state income tax purposes and generally is not subject to federal and state income taxes. Accordingly, income taxes are not provided for in the accompanying financial statements, since taxable income is reported by the member. Management has evaluated the Company's tax positions and has concluded that the Company has taken no uncertain tax positions that would require disclosure.

#### **Financial Instruments**

The Company's financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, restricted cash, accounts payable and accrued expenses, are carried at cost, which approximates their fair value because of the short-term nature of these instruments.

#### **Reclassification**

Certain 2021 amounts were reclassified to conform to 2022 presentation. These reclassifications had no effect on the previously reported member's equity or net income.

#### **Management Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management, where necessary, 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Revenue Recognition – Management Fees, Medical Practice Management Fees, Central Service Fees**

Management fees are recognized as revenue at a point in time. Management fees are calculated based on the revenue and occupancy of the related community as defined in the related management agreement.

Central services revenue is recognized as revenue at a point in time. Central services revenue is the reimbursement of costs incurred by the Company for the performance of management and marketing services under management agreements between the Company and the CCRCs and the reimbursement of costs from related parties under informal shared services agreements.

## **Erickson Senior Living, LLC**

### **Notes to Financial Statements**

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Medical practice management fees are recognized as revenue at a point in time. The Company is entitled to a fee from the medical centers at the CCRCs that the Company manages, contingent on the centers' profitability. The fee is the lesser of the net income of the medical centers, or a percentage of their revenues. Medical practice management fee revenue was \$0.8 million and \$2.9 million for the years ended December 31, 2022 and 2021, respectively, and is included in other revenue on the statements of operations and changes in member's equity.

Realty service revenue is recognized as revenue at a point in time. Realty service revenue is generated through a program offered to prospective residents of the communities the Company manages, to assist them in selling their homes and provide assistance in downsizing and moving, whereby the Company receives a commission from the firms they utilize for these services. Realty services revenue was \$3.0 million and \$2.8 million for the years ended December 31, 2022 and 2021, respectively, and is included in other revenue on the statements of operations and changes in member's equity.

#### **Recently Adopted Accounting Pronouncement**

ASU 2016-02 amends the existing accounting principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. ASU 2016-02 requires a lessee to recognize a right-of-use (ROU) asset and a lease liability on the balance sheets for most leases. Additionally, ASU 2016-02 makes targeted changes to lessor accounting, including changes to align certain aspects with the revenue recognition model, and requires enhanced disclosure of lease arrangements. The Company adopted ASU 2016-02 as of January 1, 2022 and utilized the modified retrospective transition method with no adjustments to comparative periods presented. Prior period results will continue to be presented under legacy guidance based on the accounting standards originally in effect for such period. The Company elected the package of practical expedients available under the transition and discount provisions of the new lease standard, including (i) not reassessing whether expired or existing contracts contain leases, (ii) carrying forward lease classification under legacy guidance, (iii) not revaluing initial direct costs for existing leases, and (iv) using a risk-free discount rate for the leases. The Company did not elect the use-of hindsight practical expedient and, therefore, will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on January 1, 2022.

The Company determines if an arrangement is/or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is/or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date, and are reduced by any lease incentives. To determine the present value of lease payments, the Company utilized a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

## Erickson Senior Living, LLC

### Notes to Financial Statements

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The Company has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate asset classes. The non-lease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Leases as described in Note 4 were originally classified as operating leases under ASC 840 and continue to be classified as operating leases upon adoption of ASC 842. Adoption of Topic 842 resulted in the recording of additional ROU assets and corresponding operating lease obligation related to the Company's operating leases of approximately \$8.7 million, respectively, at January 1, 2022. The adoption of the new lease standard did not materially impact net earnings or cash flows, and did not result in a cumulative-effect adjustment to the opening balance of member's equity. The Company determined there were no other material leases for the year ended December 31, 2022.

### 3. Property and Equipment

As of December 31, property and equipment consist of the following (in thousands):

	<u>2022</u>	<u>2021</u>
Land and land improvements	\$ 2,387	\$ 2,387
Buildings	13,788	13,775
Furniture, fixtures and equipment	34,758	31,842
	<u>50,933</u>	<u>48,004</u>
Accumulated depreciation	(36,939)	(34,481)
Property and equipment, net	<u>\$ 13,994</u>	<u>\$ 13,523</u>

Depreciation expense of \$2.5 million and \$3.1 million was recorded for the years ended December 31, 2022 and 2021, respectively.

### 4. Real Estate Leases

The Company leases real estate under operating lease agreements that have initial terms ranging from 10 to 15 years. Certain leases contain termination options, where the rights to terminate are held by either the Company, the lessor or both parties. The Company does not consider any renewal periods to be reasonably certain of being exercised, as comparable office space is available in the same general area for comparable lease rates. The Company's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

The Company leases office and data center space from a related party. The lease term is through April 30, 2025. The Company subleases part of this space to an affiliated entity of the member. The sublease was renewed effective February 9, 2023, to extend the lease term to April 30, 2024. Sublease revenue received from the affiliated entities for the years ended December 31, 2022 and 2021, was less than \$0.1 million.

The Company leases office space from an unrelated party. The lease terms are through December 31, 2030.

Operating lease cost is recognized on a straight-line basis over the lease term.

## Erickson Senior Living, LLC

### Notes to Financial Statements

The components of lease expense are as follows for the year ended December 31, 2022 (in thousands):

Components of lease expense:	
Operating lease cost	\$ 1,400
Variable lease cost	830
Total lease cost	<u>\$ 2,230</u>

Total rent expense for operating leases was \$2.2 million for the year ended December 31, 2022.

The weighted average interest rate associated with these operating leases as of December 31, 2022, is 1.58% and the remaining weighted average lease term is 6.96 years.

The following is a schedule of future undiscounted cash flows for each of the next 5 years and a reconciliation to lease liabilities recognized on the balance sheet are as follows as of December 31, 2022 (in thousands):

2023	\$ 1,339
2024	1,370
2025	988
2026	806
2027	826
Thereafter	<u>2,604</u>
Total lease payments	7,933
Less imputed interest	<u>(438)</u>
Total present value of operating lease obligation	<u>\$ 7,495</u>

The following is a schedule of future minimum lease payments, as determined under Topic 840, for all noncancelable operating leases at December 31, 2022 (in thousands):

2023	\$ 1,339
2024	1,370
2025	988
2026	806
2027	826
Thereafter	<u>2,604</u>
	<u>\$ 7,933</u>

Total minimum future lease payments above have not been reduced by minimum future sublease rentals which amounted to \$0.2 million as of December 31, 2022.

#### 5. Commitments

The Company manages and participates in pooled certificates of deposit ("CD") and a pooled cash account with the CCRCs. The CDs totaled \$0.5 million and \$0.6 million as of December 31, 2022 and 2021, respectively. The CDs are used to collateralize letters of credit with certain health, general liability and workers' compensation insurance programs. The total letters of credit totaled \$0 and \$0.6 million, as of December 31, 2022 and 2021, respectively. The pooled cash account totaled \$5.2 million and \$5.4 million as of December 31, 2022 and 2021, respectively, and was used to pay claims under these insurance programs. The CDs and pooled cash account are in the Company's name acting as an agent for the CCRCs. The Company's allocable portion of these accounts is included in restricted cash on the balance sheets.



## **Erickson Senior Living, LLC**

### **Notes to Financial Statements**

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The Company has multiple management contracts which obligate the Company to perform management and marketing services for the CCRCs. The terms of the agreements, which were amended effective January 1, 2023, expire at various dates through 2050.

The Company is subject to legal proceedings and claims which arise from the normal course of business. In the opinion of management, the amount of ultimate liability with respect to these proceedings and claims will not materially affect the financial position, cash flow, or results of operations of the Company.

The Company was a guarantor on a credit facility that ELH had with Bank of America that was paid off and terminated in March 2021. The Company then became, and remains, a guarantor on a \$1 billion credit facility that ELH entered into with Truist Bank in June 2021.

This arrangement includes a \$400 million term loan and a \$600 million revolving line of credit. Interest on the credit arrangement is LIBOR plus a varying spread (based on outstanding loan to EBITDA). Repayment of the term loan is quarterly based on a 25-year amortization schedule with a balloon payment due June 30, 2026. The revolving credit facility has no repayment terms other than it must be paid in full on June 30, 2026. As of December 31, 2022, borrowings under the term loan were \$387 million and borrowings under the revolving line of credit were \$119 million. As of December 31, 2021, borrowings under the term loan were \$396 million and there were no borrowings under the revolving line of credit.

The credit facility contains certain restrictive and financial covenants on ELH that are customary for similar credit arrangements. For example, there are covenants that limit ELH's ability to incur additional debt, make certain investments, merge, or sell all or substantially all of ELH's assets, as well as various financial covenant ratios that ELH had satisfied during the years ended and as of December 31, 2022 and 2021.

#### **6. Deferred Compensation Plans**

##### **Defined Contribution Plan**

The Company's employees, meeting certain requirements, are eligible to participate in a defined contribution plan maintained by a company related through common ownership. The Company matches contributions to a maximum of 3% of the participating employee's eligible earnings. The Company incurred expenses of \$1.6 and \$1.5 million related to the plan for the years ended December 31, 2022 and 2021, respectively, which are included in salaries, wages and benefits on the statements of operations and changes in member's equity. As of December 31, 2022 and 2021, the Company had accrued \$1.5 million for Company matching contributions under accounts payable and accrued expenses on the balance sheets.

##### **Deferred Compensation Plan**

In 2016, the Company adopted the 2016 Value Appreciation Plan ("2016 VAP"), for key employees of the Company. Each participant is allocated plan units which were valued based on the performance of the Company as determined by the Board of Directors. All units in this plan matured on December 31, 2021 and the share price was frozen. Periodic payments on the 2016 VAP commence within 90 days following the maturity date of the 2016 VAP. Upon the termination, retirement or death of a participant, the vested portion of the participants account will be paid within 90 days of such event. In addition to the units, there is a cash component of this plan which may be paid out yearly at the Company's discretion. The accrued liability related to the 2016 VAP was \$5.4 million and \$6.9 million as of December 31, 2022 and 2021, respectively, and is included in deferred compensation plans on the balance sheets. The expense related to the share-based component of this plan was \$-0- and \$1.0 million December 31, 2022 and 2021, respectively. The expense related to cash component of this plan was \$1.0 million and \$0.5 million as of December 31, 2022 and 2021, respectively.

## Erickson Senior Living, LLC

### Notes to Financial Statements

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#### 7. Related Party Transactions

The Company has central services agreements with affiliated subsidiaries of ELH. The central services agreements allow for allocation of general and administrative expenses for all companies under common ownership, and CCRC entities for which the Company provides management services. The Company recognizes central services, management fee, and other revenue for services provided to these entities. The following is a schedule of the amounts recorded for the years ended December 31 for services provided to entities related to the Company by common ownership (in thousands):

	<u>2022</u>	<u>2021</u>
Central services	\$ 13,325	\$ 10,452
Management fees	2,573	1,751
Other revenue	424	192
	<u>\$ 16,322</u>	<u>\$ 12,395</u>

During the years ended December 31, 2022 and 2021, the Company was reimbursed \$13.0 million and \$10.6 million, respectively, as part of the central services agreements with parties related through common ownership. The amounts due to affiliated subsidiaries of ELH under the central services agreements are \$0.5 million and \$0.4 million as of December 31, 2022 and 2021, respectively. The amounts due from affiliated subsidiaries of ELH from general reimbursement advances are \$4.9 million and \$4.6 million, as of December 31, 2022 and 2021, respectively.

The Company uses services of an affiliated entity of ELH for recruiting and information technology related services. Expenses incurred and paid during each year ended December 31, 2022 and 2021, for the use of those services was \$1.6 million.

As of December 31, 2022 and 2021, \$0.2 million and \$1.2 million was due to other related parties, respectively.

The amounts due from/to related parties on the accompanying balance sheets are comprised of the following items as of December 31 (in thousands):

	<u>2022</u>	<u>2021</u>
Due from (to) related parties		
General reimbursement	\$ 4,696	\$ 3,379
Central services	(536)	(440)
Total due from related parties	<u>\$ 4,160</u>	<u>\$ 2,939</u>

As a result of ELH's joint venture agreements entered into in January 2021 with the National Senior Campuses, Inc. ("NSC"), NSC and all its affiliates became related parties. As such, all activities disclosed in the notes to these financial statements with respect to these entities qualify as related party activities. The Company recognizes central services, management fee, and other revenue for services provided to these entities.

## Erickson Senior Living, LLC

### Notes to Financial Statements

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The following is a schedule of the amounts recorded for the years ended December 31 for services provided to the NSC communities (in thousands):

	<u>2022</u>	<u>2021</u>
Central services	\$ 80,444	\$ 74,186
Management fees	49,250	44,977
Other revenue	4,298	6,015
	<u>\$ 133,992</u>	<u>\$ 125,178</u>

Included on the Company's balance sheets in accounts receivable as of December 31, 2022 and 2021, is \$2.5 million and \$2.2 million, respectively, for management fees charged to NSC communities. Included in prepaid expenses and other current assets are receivables from NSC Communities totaling \$4.3 million and \$0.2 million as of December 31, 2022 and 2021, respectively. Additionally, during each of the years ended December 31, 2022 and 2021, the Company made charitable contributions of \$1.8 million and \$0.6 million to NSC communities.

#### 8. Subsequent Events

The Company has evaluated subsequent events through April 27, 2023, the date which the financial statements were available to be issued. The Management Fee Agreements were amended effective January 1, 2023. The relevant terms that changed have been provided in these notes, were applicable. No other subsequent events were noted.

**EXHIBIT 8**  
**PRO FORMA INCOME STATEMENTS OF PROVIDERS**

Summary:

Exhibit Eight provides a detailed description for the Virginia Department of Insurance showing the projected income statements, including assumptions, for the Providers. When applicable, Exhibit Eight also includes an explanation of any variance between the forecasted income statement from the prior fiscal year and the audited financial statements.

Note: Avery Point, Inc., the community operator, was formerly named Richmond NSC Retirement Community Inc. The Landowner, ELP Richmond LLC, formerly was known as Avery Point, LLC and operated the community from opening to Q1 of 2023. The corporate names were revised as part of the change in operating structure for the community. The 2021 variance explanation for the Landowner still reflect assumptions for the Landowner as the operating company.

## EXHIBIT 8 - PROFORMA INCOME STATEMENTS

Avery Point, LLC is anticipating a change of ownership transaction with an assumed effective date of April 1, 2023 (Effective Date). Avery Point, LLC (to be known as ELP Richmond after the Effective Date) will be transferring its interests in the operations of the continuing care retirement community known as "Avery Point" to Richmond NSC Retirement Community, Inc. (to be known as Avery Point, Inc. (APR) after the Effective Date).

After the Effective Date, the land and buildings will still be held by ELP Richmond, LLC (acting as Landowner) and will be leased to Avery Point, Inc. (which will act as the Operator).

### Avery Point, Inc (Operator) Pro Forma Assumptions

#### INFLATION

##### **Income**

A 3.0% increase in fees were projected for all levels of care.

##### **Expenses**

Expenses were inflated at a rate of 3.0% throughout the projection period, reflecting historical information available from existing communities.

#### P & L PROJECTION ASSUMPTIONS

Below are the assumptions used in projecting the community operations for Avery Point. Initial move-ins began in October 2022.

#### INCOME

##### **Net Occupancy Fees – Independent Living**

<b>Unit Type</b>	<b>Monthly Fee</b>
Average ILU Monthly Fee: (single occupancy 2023 \$'s)	\$2,840
ILU Monthly Fee: (double occupancy 2023 \$' s)	\$913

- Opening date: 2022
- Total Independent Living units: 1,160
- Occupancy Rate after build out: 93.0%
- Double Occupancy percentage: 38.0%
- Net Occupancy billed: 93.0%
- Annual inflation rate on ILU monthly fee: 3.0%
- Absorption rate: average of 13.8 units per month as determined by EL Marketing

**Net Occupancy Fees -Assisted Living and Memory Care**

<b>Unit Type</b>	<b>Monthly Fee</b>
ALF Monthly Fee Level One: (single occupancy) (year 2023 \$'s)	\$5,135
Memory Care Monthly Fee Level One: (single occupancy) (year 2023 \$'s)	\$6,504

- Opening Date Phase 2: 2030 (120 Assisted Living and 60 Memory Care)
- Occupancy Rate after build out: 93.0%
- Non occupancy credit rate: 0.5%
- Annual inflation rate on monthly fee: 3.0%
- Absorption rate: average of 7 units per month as determined by EL Marketing

**Net Occupancy Fees - Nursing**

<b>Unit Type</b>	<b>Daily Fee</b>
Daily Rate for Fully Deposited Residents, (year 2023 \$'s)	\$259

- Opening Date Phase 2 (60 units): 2030
- Total nursing units: 60
- Occupancy Rate after build out: 93.0%
- Annual inflation rate on daily rate: 3.0%
- Absorption rate: average of 1.9 units per month as determined by EL Marketing

### **Ancillary Income**

Ancillary income is projected at 9.5% of independent living monthly fees. The income is derived from the following departments:

- Administration - Marketing processing fees
- Dining Services - Guest meals, catering, delivery or tray service, beverage stations, and dining room rentals.
- General Services - storage, maintenance, supplies, carpet, painting, reoccupancy charges, copier/fax, parking, grounds maintenance, housekeeping, laundry, security, transportation, cable, and construction utilities.
- Activity Fees – Specialty classes, personal training.

### **Escrow Interest Income and Operating Interest Income**

- The projections utilized information from historic trends from other Erickson Senior Living Communities at a rate of 1%.

### **Community Loan Receivable Interest Income**

Operator is expected to enter into a Community Loan Agreement with Landowner, whereby Operator will lend Landowner all initial entrance fees paid by residents.

- Equal monthly installments of principal and interest from Landowner is assumed at an annual interest rate of 5% of total entrance fees advanced and amortized over a 30-year period

## **EXPENSES**

### **Property Taxes**

- Assessed value of the property: 56.5% of Fair Market Value
- Fair Market Value is defined as the construction costs of the project.
- Total tax - \$2,178 per unit in 2023 \$'s

### **General Insurance**

- Property insurance rate: \$176 per unit for ILU and \$114 per unit for ALF and SNF
- Liability insurance is \$176 per ILU unit, \$199 per unit for ALF and SNF
- Worker Comp Rate are assumed to be 2.23% of payroll
- Other insurance expenses include: cars and other transportation, crime, inland marine, accounts receivables, and other contents.

### **Department Expenses - Administration, Dining Services, General Services, Health Services**

Actual operating information from other Erickson managed communities was used as the basis for projecting operating departmental expenses.

- Payroll Inflation rate: 3.0% depending on work area
- Location Adjustment on wages for Northern Virginia: 8%
- All other expenses inflation rate 3.0%.

**Management Fee**

- The management fee is calculated at 4.5% of net occupancy fees

**Building Rent and Depreciation**

Operator will be leasing the land and buildings from the Landowner under a finance lease arrangement.

- Base rent (identified as capital lease asset interest expense on the statement of operations) is to be paid by Operator to Landowner each month is equal to the monthly principal and interest that Landowner pays to Operator under the Community Loan Agreement, described above.
- Depreciation expense for assets under the finance lease is projected on a straight-line basis over a 30-year period.



and Retirement Community, INC. (To be known as Avery Point, INC.)  
 Company  
 Sheets  
 (in thousands)

	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Assets</b>									
and cash equivalents	\$ 3,078	\$ 1,602	\$ 3,412	\$ 3,870	\$ 4,233	\$ 4,776	\$ 5,285	\$ 6,708	\$ 8,095
Accounts receivable, residents, net	310	557	733	797	913	1,075	1,198	1,234	1,338
Prepaid expenses	32	48	62	66	75	88	95	97	106
Other current assets	276	332	434	447	513	654	674	859	1,013
Total Assets	\$ 3,696	\$ 2,539	\$ 4,641	\$ 5,180	\$ 5,734	\$ 6,593	\$ 7,252	\$ 8,898	\$ 10,552
<b>Liabilities and Member's Equity</b>									
Accounts payable	1,272	990	335	600	735	425	25	450	610
Contractual obligations	99,263	181,134	237,937	255,211	283,577	327,518	357,308	354,779	370,833
Other current liabilities	406,883	393,430	380,968	369,270	357,840	347,094	337,219	327,957	320,289
Reserve	-	-	-	-	-	-	-	-	502
Total Liabilities	\$ 9,169	\$ 9,169	\$ 9,169	\$ 9,169	\$ 9,169	\$ 9,169	\$ 9,169	\$ 9,169	\$ 9,169
Member's Equity	\$ 520,283	\$ 587,262	\$ 633,050	\$ 639,430	\$ 657,055	\$ 690,799	\$ 710,973	\$ 701,253	\$ 711,955
Member's Equity	\$ 875	\$ 1,269	\$ 1,623	\$ 1,724	\$ 1,948	\$ 2,293	\$ 2,477	\$ 3,024	\$ 3,317
Retained earnings	192	268	357	405	-	74	117	286	386
Other equity	1,272	990	335	600	735	425	25	450	610
Total Member's Equity	\$ 2,339	\$ 2,527	\$ 2,315	\$ 2,729	\$ 2,683	\$ 2,792	\$ 2,619	\$ 3,760	\$ 4,313
Lease obligation	417,595	417,049	415,984	414,305	412,016	409,012	405,190	400,536	394,943
Capital loan payable	16,519	19,587	25,594	28,391	30,762	31,320	29,723	29,820	26,035
Entrance fees	79,532	145,648	192,356	208,300	234,028	273,336	302,640	307,480	328,672
Revenue from Entrance Fees	18,886	32,600	40,284	39,464	40,798	44,946	46,031	41,009	40,420
Total Liabilities	\$ 534,871	\$ 617,411	\$ 676,533	\$ 693,189	\$ 720,287	\$ 761,406	\$ 786,203	\$ 792,605	\$ 794,383
Members' Equity	\$ (14,588)	\$ (30,149)	\$ (43,483)	\$ (53,759)	\$ (63,232)	\$ (70,607)	\$ (75,230)	\$ (81,352)	\$ (82,428)
Total Liabilities and members' equity	\$ 520,283	\$ 587,262	\$ 633,050	\$ 639,430	\$ 657,055	\$ 690,799	\$ 710,973	\$ 701,253	\$ 711,955

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World NSC Retirement Community, INC. (To be known as Avery Point, INC.)  
 Statement of Operations and Changes in Members' Equity  
 (in thousands)

	Prior to Transaction		2024 - 2031								
	1/1/2023 Through 3/31/2023	4/1/2023 Through 12/31/2023	2024	2025	2026	2027	2028	2029	2030	2031	
Dependent living expenses	\$ 675	\$ 5,600	\$ 16,077	\$ 21,977	\$ 26,855	\$ 29,648	\$ 34,628	\$ 39,573	\$ 48,605	\$ 64,218	
Monthly fees	87	1,052	3,547	5,220	6,734	7,522	8,792	10,289	11,102	11,543	
Portion of entrance fees	64	532	1,527	2,088	2,551	2,817	3,290	3,759	4,117	4,551	
Library and other resident service revenues	-	3,285	9,364	12,614	14,825	15,678	17,612	19,443	19,518	18,836	
Community loan receivable interest income	-	-	-	-	-	-	-	-	-	-	
Total revenues	826	10,469	30,515	41,899	50,965	55,665	64,322	73,064	83,342	99,148	
Salaries	1,014	4,911	8,550	10,461	11,345	12,137	13,145	14,009	20,923	27,997	
Retirees, wages and benefits	199	1,432	3,914	5,258	6,327	6,969	8,114	9,184	10,308	11,529	
Professional and contracted services	33	164	385	492	563	621	709	784	1,168	1,515	
Supplies	84	594	1,614	2,165	2,600	2,865	3,333	3,770	4,488	5,412	
Library and other supplies	52	347	924	1,232	1,472	1,622	1,883	2,124	2,341	2,606	
Building grounds and maintenance	138	628	1,364	1,744	1,997	2,188	2,486	2,751	3,348	3,815	
Administrative and other	695	1,433	2,508	3,068	3,378	3,778	4,297	4,761	5,216	4,904	
Management fees	37	308	885	1,211	1,481	1,636	1,914	2,189	2,654	3,452	
Ident relations	14	60	133	167	186	205	232	254	287	311	
Insurance	45	165	308	363	394	429	473	508	593	648	
Real estate taxes	150	569	1,214	1,516	1,651	1,887	2,261	2,530	3,082	3,467	
Lease and amortization	732	11,178	14,929	14,988	15,075	15,180	15,302	15,451	15,626	15,840	
Total expenses	3,193	21,789	36,748	42,665	46,469	49,517	54,149	58,315	70,034	81,496	
Operating income (loss)		(11,320)	(6,233)	(766)	4,496	6,148	10,173	14,749	13,308	17,652	
Operating income (expense)	7	17	36	46	53	57	64	71	88	108	
Net income	-	(3,285)	(9,364)	(12,614)	(14,825)	(15,678)	(17,612)	(19,443)	(19,518)	(18,836)	
Total lease asset interest expense	7	(3,268)	(9,328)	(12,568)	(14,772)	(15,621)	(17,548)	(19,372)	(19,430)	(18,728)	
Total non-operating income (expense)	7	(14,588)	(15,561)	(13,334)	(10,276)	(9,473)	(7,375)	(4,623)	(6,122)	(1,076)	
Changes in excess of (less than) expenses											
Initial Contributions (Withdrawals)											
Change in Members' Equity	7	(14,588)	(15,561)	(13,334)	(10,276)	(9,473)	(7,375)	(4,623)	(6,122)	(1,076)	
Members' Equity, Beginning		-	(14,588)	(30,149)	(43,483)	(53,759)	(63,232)	(70,607)	(75,230)	(81,352)	
Members' Equity, Ending		\$ (14,588)	\$ (30,149)	\$ (43,483)	\$ (53,759)	\$ (63,232)	\$ (70,607)	\$ (75,230)	\$ (81,352)	\$ (82,428)	

and NSC Retirement Community, INC. (To be known as Avery Point, INC.)  
 ng Company  
 nt of Cash Flows  
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	4/1/2023 Through 12/31/2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Flows from Operating Activities</b>									
es in excess of (less than) expenses	\$ (14,588)	\$ (15,561)	\$ (13,334)	\$ (10,276)	\$ (9,473)	\$ (7,375)	\$ (4,623)	\$ (6,122)	\$ (1,076)
than) expenses and change in Members' Equity									
cash (used in) provided by operating activities:									
reciation	11,178	14,929	14,988	15,075	15,180	15,302	15,451	15,626	15,840
ortization of entrance fees	(1,052)	(3,547)	(5,220)	(6,734)	(7,522)	(8,792)	(10,289)	(11,102)	(11,543)
anges in assets and liabilities:									
counts receivable, residents'	(208)	(247)	(176)	(64)	(116)	(162)	(123)	(36)	(104)
entory	(18)	(16)	(14)	(4)	(9)	(13)	(7)	(2)	(9)
spaid expenses	(109)	(56)	(102)	(13)	(66)	(141)	(20)	(185)	(154)
counts payable	376	394	354	101	224	345	184	547	293
cluded expenses	192	76	89	48	(405)	74	43	169	100
ash (used in) provided by operating activities	(4,229)	(4,028)	(3,415)	(1,867)	(2,187)	(762)	616	(1,105)	3,347
<b>Flows from Investing Activities</b>									
in reserve funds	430	282	655	(265)	(135)	310	400	(425)	(662)
se of property and equipment	(353)	(1,476)	(2,526)	(3,377)	(3,750)	(4,556)	(5,576)	(6,364)	(8,172)
e in community loan receivable	(67,564)	(81,871)	(56,803)	(17,274)	(28,366)	(43,941)	(29,790)	2,529	(16,054)
ash (used in) provided by investing activities	(67,487)	(83,065)	(58,674)	(20,916)	(32,251)	(48,187)	(34,966)	(4,260)	(24,888)
<b>Flows from Financing Activities</b>									
le in working capital loan	4,030	3,068	6,007	2,797	2,371	558	(1,597)	97	(3,785)
ments of finance lease obligation	(113)	(546)	(1,065)	(1,679)	(2,289)	(3,004)	(3,822)	(4,654)	(5,593)
ads from entrance fees, initial sales	67,677	82,417	57,868	18,953	30,655	46,945	33,612	2,125	21,647
ads from refundable entrance fees, resales	843	3,890	6,652	10,618	13,620	17,769	23,250	28,277	33,120
is of entrance fees and deposits	(644)	(2,930)	(4,908)	(7,713)	(9,691)	(12,466)	(16,184)	(19,482)	(22,621)
e in advance deposits	(430)	(282)	(655)	265	135	(310)	(400)	425	160
ash provided by financing activities	71,363	85,617	63,899	23,241	34,801	49,492	34,859	6,788	22,928
crease (decrease in) cash and cash equivalents	(353)	(1,476)	1,810	458	363	543	509	1,423	1,387
<b>End Cash Equivalents, beginning of year</b>	3,431	3,078	1,602	3,412	3,870	4,233	4,776	5,285	6,708
<b>End Cash Equivalents, end of year</b>	\$ 3,078	\$ 1,602	\$ 3,412	\$ 3,870	\$ 4,233	\$ 4,776	\$ 5,285	\$ 6,708	\$ 8,095

## **ELP Richmond, LLC (Landowner) Pro Forma Assumptions**

### **INCOME**

#### **Rental Revenue**

Operator will be leasing the land and buildings from the Landowner under a finance lease arrangement.

- Annual rent to be paid by Operator to Landowner each month is equal to the monthly principal and interest that Landowner pays to Operator under the Community Loan Agreement.

### **EXPENSES**

#### **Department Expenses – Administration**

Operating information from other Erickson Senior Living landowners was used for projecting operating departmental expenses.

- Inflation rate of 3%.

#### **Interest**

Landowner is expected to enter into a Community Loan Agreement with Operator, whereby Operator will lend Landowner all initial entrance fees paid by residents.

- Equal monthly installments of principal and interest is assumed at an annual interest rate of 5% of total entrance fees received and amortized over a 30-year period.

#### **Depreciation**

Depreciation expense on property and equipment is projected on a straight-line basis using estimated useful lives of 35 years and 7 years for building and equipment, respectively.

ery Point LLC. (To be know as ELP Richmond LLC.)  
 operty Company  
 lance Sheets  
 Thousands)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
sets										
urrent Assets										
ash and cash equivalents	\$ 660	\$ 3,398	\$ 4,476	\$ 1,951	\$ 2,056	\$ 2,288	\$ 2,520	\$ 2,530	\$ 2,446	\$ 7,408
re from AVP	16,519	19,587	25,594	28,391	30,762	31,320	29,723	29,820	26,035	15,898
roperty and Equipment, net	233,673	263,695	275,203	309,562	336,460	391,219	431,566	454,649	470,900	452,878
<b>Total assets</b>	<b>\$ 250,852</b>	<b>\$ 286,680</b>	<b>\$ 305,273</b>	<b>\$ 339,904</b>	<b>\$ 369,278</b>	<b>\$ 424,827</b>	<b>\$ 463,809</b>	<b>\$ 486,999</b>	<b>\$ 499,381</b>	<b>\$ 476,184</b>
Liabilities and Member's Equity										
orrowings under Community Loan Agreement due to APR	99,263	181,134	237,937	255,211	283,577	327,518	357,308	354,779	370,833	417,708
<b>Total liabilities</b>	<b>99,263</b>	<b>181,134</b>	<b>237,937</b>	<b>255,211</b>	<b>283,577</b>	<b>327,518</b>	<b>357,308</b>	<b>354,779</b>	<b>370,833</b>	<b>417,708</b>
Members' Equity	\$ 151,589	\$ 105,546	\$ 67,336	\$ 84,693	\$ 85,701	\$ 97,309	\$ 106,501	\$ 132,220	\$ 128,548	\$ 58,476
<b>Total liabilities and members' equity</b>	<b>\$ 250,852</b>	<b>\$ 286,680</b>	<b>\$ 305,273</b>	<b>\$ 339,904</b>	<b>\$ 369,278</b>	<b>\$ 424,827</b>	<b>\$ 463,809</b>	<b>\$ 486,999</b>	<b>\$ 499,381</b>	<b>\$ 476,184</b>

Very Point LLC. (To be know as ELP Richmond LLC.)  
 Property Company  
 Statement of Cash Flows  
 (Thousands)

	4/1/2023 Through 12/31/2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Cash Flows from Operating Activities</b>										
Revenues less than expenses	\$ (4,000)	\$ (7,456)	\$ (8,921)	\$ (8,740)	\$ (9,596)	\$ (10,694)	\$ (10,962)	\$ (13,058)	\$ (11,762)	\$ (12,466)
Adjustments to reconcile revenues less than expenses and change in Members' Equity to net cash (used in) provided by operating activities:										
Depreciation	3,381	7,039	9,033	9,472	10,943	12,763	13,856	16,801	16,464	18,022
Net cash (used in) provided by operating activities	(619)	(417)	112	732	1,347	2,069	2,894	3,743	4,702	5,556
<b>Cash Flows from Investing Activities</b>										
Purchase of property and equipment	(48,156)	(37,061)	(20,541)	(43,831)	(37,841)	(67,522)	(54,203)	(39,884)	(32,715)	-
Net cash used in investing activities	(48,156)	(37,061)	(20,541)	(43,831)	(37,841)	(67,522)	(54,203)	(39,884)	(32,715)	-
<b>Cash Flows from Financing Activities</b>										
Repayments on short term loan due to APR	(18,301)	-	-	-	-	-	-	-	-	-
Proceeds of borrowings under community loan agreement	67,677	82,417	57,868	18,953	30,655	46,945	33,612	2,125	21,847	53,316
Principal payments on community loan	(113)	(546)	(1,065)	(1,679)	(2,289)	(3,004)	(3,822)	(4,654)	(5,593)	(6,441)
Change in working capital	(4,030)	(3,068)	(6,007)	(2,797)	(2,371)	(558)	1,597	(97)	3,785	10,137
Capital contributions (withdrawals)	4,202	(38,587)	(29,289)	26,097	10,604	22,302	20,154	38,777	8,090	(57,606)
Net cash provided by financing activities	49,435	40,216	21,507	40,574	36,599	65,685	51,541	36,151	27,929	(594)
Net increase (decrease in) cash and cash equivalents	660	2,738	1,078	(2,525)	105	232	232	10	(84)	4,962
<b>Cash and Cash Equivalents, beginning of year</b>	-	660	3,398	4,476	1,951	2,056	2,288	2,520	2,530	2,446
<b>Cash and Cash Equivalents, end of year</b>	\$ 660	\$ 3,398	\$ 4,476	\$ 1,951	\$ 2,056	\$ 2,288	\$ 2,520	\$ 2,530	\$ 2,446	\$ 7,408

**ERICKSON SENIOR LIVING, LLC**  
**PROFIT & LOSS GENERAL ASSUMPTIONS**  
**JANUARY 1 – DECEMBER 31, 2023**

**Revenue**

**Management Fees:**

Management Fees are calculated based on resident fees collected by the communities. Erickson Senior Living charges the developing communities 4.5% of the total resident fees collected on a monthly basis. The mature communities management fee rate varies based on occupancy level. The management fees expected in 2023 for Avery Point are expected to be \$345,000. The projected management fees from all other communities are \$58,209,511.

**Central Service Revenue:**

Central service is the reimbursement of costs from managed communities and related parties. These costs are incurred in direct support of these entities and are allocated based on time spent and utilization of services.

**Expenses**

**General and Administrative Expenses:**

General and Administrative Expenses consists of all centralized costs of managing CCRC's as well as managing the development of new CCRC's. All of the costs of operations and management services are reimbursed per the management contract by managed or other related entities.

**Depreciation:**

Depreciation is estimated based on the useful life of the related asset.

**ERICKSON SENIOR LIVING, LLC**  
**PROJECTED JANUARY 1 – DECEMBER 31, 2023**

	<b>FY23</b>
	<b>Budget</b>
<b>Operating Revenues</b>	
Management fees	\$ 58,209,511
Central Services	109,602,962
Other Revenue	<u>5,394,032</u>
Total Operating Revenue	<u>173,206,505</u>
<b>Expenses</b>	
General & Administrative	122,643,958
Depreciation	<u>1,610,000</u>
Total Operating Expenses	<u>124,253,958</u>
<b>Net Income (Loss)</b>	<u>\$ 48,952,547</u>



**ERICKSON SENIOR LIVING, LLC**

**JANUARY 1 – DECEMBER 31, 2022**

Erickson Senior Living, LLC Comparison to 2022 Actual Performance

Erickson Senior Living, LLC

January 1 - December 31, 2022

Budget vs. Actual

	FY22 <u>Budget</u>	FY22 <u>Actual</u>
<b>Operating Revenues</b>		
Management fees	\$ 53,833,641	\$ 55,200,398
Central Services	100,816,906	99,960,964
Other Revenue	<u>5,070,317</u>	<u>5,686,026</u>
Total Operating Revenue	<u>159,720,864</u>	<u>160,847,388</u>
<b>Expenses</b>		
General & Administrative	109,108,681	111,187,822
Depreciation	<u>3,330,000</u>	<u>2,459,107</u>
Total Operating Expenses	<u>112,438,681</u>	<u>113,646,929</u>
<b>Non-Operating Revenue (Expenses)</b>		
Interest Income	<u>-</u>	<u>22</u>
Total Non-Operating	<u>-</u>	<u>22</u>
<b>Net Income (Loss)</b>	<u>\$ 47,282,183</u>	<u>\$ 47,200,481</u>

**EXHIBIT 9**  
**SUMMARY FINANCIAL CONDITION**

Summary:

Exhibit Nine includes a summary of the community's financial condition, as required by the Virginia State Corporation Commission.

Note: Avery Point, Inc., the community operator, was formerly named Richmond NSC Retirement Community Inc. The Landowner, ELP Richmond LLC, formerly was known as Avery Point, LLC and operated the community from opening to Q1 of 2023. The 2020 and 2021<sup>1</sup> summary financial condition reflect the combined entities.

## Avery Point/ ELP Richmond Summary of Financial Information

### Avery Point Summary of Financial Information

	12/31/2022	12/31/2021
Total Assets	\$ 180,113,869	\$ 85,717,992
Total Liabilities	\$ 70,508,415	\$ 13,127,439
Total Net Assets (Deficit)	\$ 109,605,454	\$ 72,590,553
Total Revenue	\$ 966,204	\$ 3,700
Total Expenses	\$ 8,508,173	\$ 3,191,331
Operating Income (Loss)	\$ (7,541,969)	\$ (3,187,631)
Net Income (Loss)	\$ (7,503,651)	\$ (3,187,631)

Avery Point began operations in November 2022.

Occupancy Information	Capacity of Units	Average Occupancy	Percentage Occupancy
Independent Living	216	213	99%
Assisted Living	n/a		%
Memory Care	n/a		%
Nursing	n/a		%

Avery Point  
Comparison of 2022 Audit to 2022 Projection  
(000s Omitted)

	Audit 2022	Projection 2022	Variance	
Operating revenue				
Resident occupancy revenue	\$ 578	\$ 224	\$ 354	Community opened sooner than originally projected
Ancillary fee revenue	86		86	
Amortization of non-refundable entrance fees	273		273	
Other revenue	29		29	
Total operating revenue	<u>966</u>	<u>224</u>	<u>742</u>	
Operating expenses				
Salaries, wages and benefits	3,111	1,188	1,923	Community opened sooner than originally projected
Supplies	387	17	370	Community opened sooner than originally projected
Professional and contracted services	2,995	73	2,922	} Classification variance and community opened sooner than originally projected
General and administrative	689	2,957	(2,268)	
Management fees	29	10	19	
Interest	276	-	276	
Real estate taxes	236	283	(47)	
Depreciation	785	922	(137)	
Total operating expenses	<u>8,508</u>	<u>5,450</u>	<u>3,058</u>	
Operating loss	(7,542)	(5,226)	(2,316)	
Non-operating income				
Investment return, net	<u>38</u>	<u>14</u>	<u>24</u>	
Net loss	<u>\$ (7,504)</u>	<u>\$ (5,212)</u>	<u>\$ (2,292)</u>	