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State Corporation Commission
Bureau of Insurance
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BY:

Ashby Ponds

Disclosure Statement

21170 Ashby Ponds Boulevard
Ashburn, Virginia 20147

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

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 2022

ASHBY PONDS
DISCLOSURE STATEMENT

1. Continuing Care Providers. The names of the Providers for Ashby Ponds Retirement Community are (1) Ashby Ponds, Inc. (referred to as "Ashby Ponds"), (2) Erickson Senior Living, LLC (formerly known as Erickson Living Management, LLC) (referred to as "Erickson Senior Living"), and (3) Redwood-ERC Ashburn, LLC (sometimes referred to as "Landowner"). 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 address of the community is 21170 Ashby Ponds Boulevard, Ashburn, Virginia, 20147.

Redwood-ERC Ashburn is the owner of the site. The Landowner has entered into a Master Lease and Use Agreement with Ashby Ponds to operate the retirement community. The Landowner has also entered into a Working Capital Agreement to provide capital to Ashby Ponds and a Community Loan Agreement with Ashby Ponds whereby initial entrance deposits paid to Ashby Ponds are loaned to the Landowner.

Residents will enter into the Residence and Care Agreement (Exhibit 1) with Ashby Ponds which provides services to residents and receives the entrance deposits and Monthly Service Packages. Ashby Ponds has also entered into a Marketing Agreement with Erickson Senior Living to provide certain services for the retirement community. Redwood-ERC Ashburn, LLC, the Landowner, will not be responsible for providing services to residents.

2. Officers, Directors, Trustees, Managing and General Partners, and Certain Persons who Hold Equity or Beneficial Interests. The Providers are owned as follows: Ashby Ponds, Inc. is a non-stock corporation. As such, the corporation has no stockholders. National Senior Communities, Inc. (formerly known as National Senior Campuses, Inc.), a nonprofit corporation ("NSC"), is the sole member of Ashby Ponds, Inc. Erickson Senior Living is a limited liability company owned directly by the following entity acting as a member: Erickson Living Holdings, LLC (100% interest). Redwood-ERC Ashburn, LLC, the Landowner, is wholly owned by Erickson Living Properties, LLC. Erickson Living Properties, LLC, is wholly owned by Erickson Living Holdings, LLC which is itself wholly owned by Redwood Capital Investments, LLC, a Maryland limited liability company.

A list of and biographies for the directors and officers of Ashby Ponds, Inc. and the officers of Erickson Senior Living is attached to this Disclosure Statement in Exhibit 2. The business address for all of the directors and officers of Ashby Ponds and Erickson Senior Living 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 Ashby Ponds and Landowner are entities formed for the purpose of operating and owning this community. The Board of Directors of Ashby Ponds has experience in similar communities since many of its members are also members of the Board of Directors for Greenspring Village in Springfield, Virginia and of other communities affiliated with NSC. NSC, the sole member of Ashby Ponds, is a nonprofit supporting organization which supports other retirement communities.

Provider Erickson Senior Living was formed in 2009 and has managed the community since May 2010. Erickson Senior Living's management team has experience in managing and developing retirement communities including the current 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 the 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, andAvery Point in Short Pump, Virginia.

Executive biographies for the directors of Ashby Ponds, Inc. and the officers of Erickson Senior Living are included in Exhibit 2. A diagram of the community structure is attached as Exhibit 3 to this Disclosure Statement.

3.2 Acquisition of Goods and Services From. Except as discussed herein, 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, the Providers have entered into various documents with each other for the leasing and operation of the community. Ashby Ponds will pay rent to Landowner for community and residential buildings as buildings are completed. The base rent is calculated based upon the debt service for the loan of entrance deposits to Landowner. Please refer to the Ashby Ponds pro forma information on expenses in Exhibit 8. Ashby Ponds will also pay a base management fee to Erickson Senior Living currently calculated at 5% of occupancy fees for

independent living units. The primary terms of these agreements were negotiated during the auction of the former management company and determined to be favorable compared with other bids.

If and when future development is planned, Ashby Ponds 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 future construction will be competitively bid as new buildings are planned.

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 felony 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. The property on which Ashby Ponds is located is currently owned by Redwood-ERC Ashburn, LLC. A mortgage in favor of Ashby Ponds has been placed on the property as security for the loan of entrance deposits to Ashburn Campus.

5. Location and Description of Real Property. The site of Ashby Ponds is located on approximately 123 acres in Ashburn, Virginia located on Loudoun Parkway, near the intersection with Beaumeade Circle. Construction of the community began as of the summer of 2007 and the community opened in the fall of 2008.

Erickson Senior Living communities are designed to emulate a college campus atmosphere for senior citizens. The community is comprised of small clusters of buildings of various sizes and shapes. Currently all of the buildings are interconnected with enclosed air conditioned and heated bridges and walkways but future buildings may not be interconnected.

The independent living component of the community is built according to demand and may include up to 1585 independent living apartments, in a variety of styles, attached to club houses. Each club house contains dining options which include a restaurant and may include a cafe, classrooms, activity spaces, and other common areas. Certain community centers will include beauty salons, banks, convenience or gift stores, a pharmacy, a pool serving the whole community, and an

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

The community includes Continuing Care at Ashby Ponds, the healthcare neighborhood for the campus. The facility includes approximately 90 assisted living apartments with varied service packages or special programming for residents who need additional assistance with the activities of daily living, including memory care. The facility also includes 44 nursing units, many of which are private rooms. Additional assisted living units or nursing rooms may be planned. Continuing Care at Ashby Ponds includes dining rooms, resident lounges, an activity room, a bathing core, space for on-site therapy and a beauty salon.

As the community is built, Ashby Ponds is responsible for maintaining the open spaces and travel ways within the community. The approximate construction schedule for Ashby Ponds is attached to this Disclosure Statement as Exhibit 4. Construction may be delayed depending upon finalization of plan approvals and permits and due to unforeseen weather-related delays. As of 2020, the Community prohibits smoking for new residents who must abide by the Community's rules restricting smoking (See Residence and Care Agreement, Exhibit 1.)

The Landowner, Redwood-ERC Ashburn, LLC, is a subsidiary of Erickson Living Properties, LLC ("ELP"). ELP is a subsidiary of Erickson Living Holdings, LLC (ELH) and 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 fund continued development of existing communities including new development at the Ashby Ponds campus. This new credit facility matures on June 30, 2026.

Ashby Ponds and Erickson Senior Living are also providing full disclosure to prospective residents that portions of the Ashby Ponds project are within or within one mile of certain zones that are considered airport impact districts. Please refer to Exhibit 4 for further details.

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

6.1 Affiliation with Religious, Charitable, or other Nonprofit Organization. Ashby Ponds, Inc. is a nonprofit corporation which is exempt from taxation as a 501(c)(3) organization. The sole member of Ashby Ponds is NSC. Erickson Senior Living and Redwood-ERC Ashburn are not nor have ever been affiliated with a religious, charitable, or other nonprofit organization.

6.2 Tax Status of Provider. Ashby Ponds, Inc. is a not-for-profit corporation and is exempt from taxation as a 501(c)(3) organization. Erickson Senior Living and Redwood-ERC Ashburn, LLC 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 Ashby Ponds 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 Included Services for Monthly Service Package

7.1.1 Independent Living. In addition to use of the designated apartment, residents in Independent Living receive the following services: Monthly Meal plan; 24 hour security system with security officers and emergency alert system; all utilities (except for personal telephone); basic cable television service; pre-wiring for telephone; on-site Fitness Center basic membership; maintenance of the buildings, grounds and equipment; insurance on the buildings, grounds and equipment; insurance of the Independent Living Unit and all items in the unit, except items owned by the resident; campus shuttle transportation and scheduled local transportation; sewage, trash and 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 receive the following services: three meals per day; supervision, verbal cuing, and physical assistance, as appropriate, with the activities of daily living; medicine administration; light housekeeping care; planned activities; social worker services; 24 hour security system with security officers and emergency alert system; all utilities (except for personal telephone); basic cable television service; pre-wiring for telephone; maintenance of the buildings, grounds and equipment; campus shuttle transportation and scheduled local transportation (if medically appropriate); insurance on the buildings, grounds and equipment; insurance of the Assisted Living Unit and all items in the unit, except items owned by the resident; sewage, trash and snow removal from common areas; use of all public rooms and common areas of the facility. (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 receive the following services: three meals a day; tray service, nursing care, medicine administration; individual care plans; housekeeping care; laundry services for linens and towels owned by the Providers; planned activities; social worker services; 24 hour security system with security officers and emergency alert system; all utilities (except for personal telephone); basic cable television service; pre-wiring for telephone; maintenance of the buildings, grounds and equipment; insurance on the buildings, grounds and equipment; insurance of the Nursing Unit and all items in the unit, except items owned by the resident; sewage, trash and snow removal from common areas; and use of all public rooms and common areas of the facility. (See Section 4.3 of the Residence and Care Agreement (Exhibit 1)).

7.2 ***Ancillary Services.*** Ashby Ponds makes the following services 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; on-site Fitness Center premium services or classes; physical, speech and occupational therapy; 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 reserved parking space. Services such as guest meals, personal storage space, and housekeeping and laundry are immediately available as residential buildings are opened. Other services, such as reserved parking and guest rooms, will be phased in as the community is developed. (See Section 5.1 of the Residence and Care Agreement (Exhibit 1)).

Ashby Ponds also contracts 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 health services in an Independent Living Unit and home health services in an Assisted Living Room for one-on-one care by a nursing aide. These services will be provided at an additional fee and will be billed separately by the outside provider. (See Section 5.2 of the Residence and Care Agreement (Exhibit1)).

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, Ashby Ponds does not provide advanced medical care such as acute care or psychiatric care. Ashby Ponds 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 Ashby Ponds.

8.1 ***Processing Fee.*** Prospective residents will pay a one-time processing fee to Ashby Ponds. 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 Ashby Ponds, each prospective resident must pay a processing fee of $150.00. Processing fees collected from applicants will not be escrowed by Ashby Ponds.

The processing 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 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 Ashby Ponds 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 Ashby Ponds. 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 Ashby Ponds. After release from escrow, the Entrance Deposits are loaned by Ashby Ponds to the Landowner to pay down the financing and, in the aggregate, act as the permanent loan for the community but may be used for any mission related purpose. Ten percent (10%) of the Entrance Fee is designated as the non-refundable Community 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 list of the current Entrance Deposits for the basic unit types is attached to this Disclosure Statement as 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 Ashby Ponds; 2) An additional $5000.00 Reservation Deposit will be due when the prospective resident reserves a unit type in a particular residential building which deposit may be paid in two installments; 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 Ashby Ponds 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 Ashby Ponds. Any interest earned on funds in the escrow account will be for the benefit of Ashby Ponds. 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 Ashby Ponds.

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 Care Agreement within the 7 day period, Ashby Ponds will refund 100% of the Entrance Deposit to the resident. If the resident or Ashby Ponds terminate the Care 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 90% Refund Amount as provided in Section 7.5 and 7.6 of the 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 Ashby Ponds 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. Ashby Ponds 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. Ten percent (10%) 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 Ashby Ponds to cover operating expenses of the community but may be used for any mission related purpose. 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 as described in Section 8.6 of the Residence and Care Agreement.

A schedule of proposed 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 by the 10th day of the month. Each resident will receive a monthly statement from Ashby Ponds showing the Monthly Service Package charges and charges for any ancillary services. The Monthly Service Packages may be adjusted by Ashby Ponds upon 30 days written notice for Independent Living residents and upon 60 days written notice for Continuing Care residents. 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 Ashby Ponds. 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 during a month, the resident will receive a non-occupancy, as

applicable, credit towards the Monthly Service Package for the days in which the living unit was not occupied.

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

Ancillary fees are not escrowed by Ashby Ponds. Fees for ancillary services which are actually rendered are not refundable. The ancillary fees may be adjusted by Ashby Ponds 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, Ashby Ponds 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 the sole discretion of Ashby Ponds, 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, Ashby Ponds 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 Ashby Ponds. For residents with an older version of the Care Agreement, the resident is responsible for all costs of refurbishing the Living Unit. 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 Ashby Ponds and may be adjusted by Ashby Ponds 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. Ashby Ponds 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. Ashby Ponds has a working capital loan with Landowner, effective 2010, to cover operating expenses to the extent of shortfalls in revenue. Additionally, Ashby Ponds will use Monthly Service Packages received from residents to cover operating expenses. Ashby Ponds conducts fund-raising among the community's residents, contractors and vendors for the community's benevolent care fund which will provide assistance to residents with

financial difficulties. The benevolent care fund will be used to help residents who have exhausted their financial resources.

10. ***Financial Statements***. The most recent audited financial statements for the Providers are included in Exhibit 7 of this Disclosure Statement.

11. ***Pro Forma Income Statements***. Pro forma income statements for the Providers are attached to this Disclosure Statement as Exhibit 8. 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, Ashby Ponds 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. Ashby Ponds will also conduct a pre-residency meeting with the prospective resident. Pre-Residency meetings are meant to assist Ashby Ponds in determining the appropriate care level and services for the prospective resident, whether independent living, assisted living, or nursing care. If Ashby Ponds does not have the appropriate level of care for the applicant, 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 includes several guest rooms. All visitors are subject to Ashby Ponds' 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. Ashby Ponds 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.

TABLE OF EXHIBITS

Exhibit 1:	Residence and Care Agreement
Exhibit 2:	Executive Biographies
Exhibit 3:	Diagram of Community Structure
Exhibit 4:	Current Construction Schedule for Ashby Ponds and Airport Overlay District Disclosure
Exhibit 5:	Schedule of Entrance Deposits, Monthly Service Packages, and Ancillary Fees
Exhibit 6:	Changes in Periodic Charges
Exhibit 7:	Financial Statements
Exhibit 8:	Pro Forma Income Statements
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. Ashby Ponds has detailed its policies on a full range of issues, including common every day issues such as meal policies, health care, and the procedure for the return of the resident's 90% Refund Amount of the Entrance Deposit. 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.

ASHBY PONDS
RESIDENCE AND CARE AGREEMENT

December 2021

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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ASHBY PONDS
RESIDENCE AND CARE AGREEMENT

This Residence and Care Agreement (the "Agreement") is made and entered into the ____ day of _____, _____ by and between ASHBY PONDS, INC. (referred to in this Agreement as "We", "us" or "Ashby Ponds") and _____ (referred to in this Agreement as "You" or the "Resident(s)").

RECITALS

R.1 Ashby Ponds (the "Community") is a continuing care retirement community located in Ashburn, Virginia developed in phases to offer various living accommodations and services to seniors, as described herein.

R.2 Ashby Ponds is the operator of the Community and is a registered continuing care provider under the laws of the Commonwealth of Virginia. Ashby Ponds 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, subject to obtaining all necessary or required governmental approvals and licenses. Our Community consists of Independent Living Units, Assisted Living Units and Nursing Units. As of 2020, the Community is a smoke-free campus for new residents and you hereby agree to abide by our rules restricting smoking (please see Section 13.8).

1.1 Independent Living Units. The Community is planned to have approximately 1585 Independent Living Units within 3 residential neighborhoods with community buildings. The community buildings include a dining room, classrooms, cardrooms, lounges, and other common areas. The Community is planned to include banks, beauty salons, convenience stores, guest rooms, an auditorium, a conference center, a full-service outpatient Medical Center, and a pool. Each residential neighborhood is planned to include at least one unique facility, such as the Medical Center, the swimming pool, health club, or the like.

1.2 Continuing Care at Ashby Ponds. Continuing Care at Ashby Ponds refers to our on-site health care neighborhood. Continuing Care at Ashby Ponds houses both the Assisted Living Units and the Nursing Units. Each floor of Continuing Care at Ashby Ponds includes a dining room, a resident lounge, activity rooms and a bathing core. Continuing Care at Ashby

Ponds will be built in several phases. All opening dates are approximate and may change according to changing weather conditions, market demands, etc.

1.2.1 Assisted Living Units. Continuing Care at Ashby Ponds currently includes approximately 90 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, 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 Ashby Ponds currently includes approximately 44 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 Plan (see Section 15);
24 hour security system with security officer(s) and emergency alert system;
All utilities (except personal telephone);
Basic cable/ satellite television service (except premium channels);
On-site Fitness Center basic membership;
Pre-wiring for telephone;
On-campus shuttle transportation;
Scheduled off-campus transportation to local shopping and metro, as determined by us;
Maintenance and insurance of buildings, grounds and equipment;

Insurance for the Independent Living Unit and all items in such unit, except items owned by Resident;
Sewage, trash and general common area snow removal from common areas; and
Use of all public rooms and common areas of the Community.

4.2 Assisted Living Services. We 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;
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;
Emergency communications system;
24 hour security system with security officer(s) and emergency alert system;
All utilities (except personal telephone);
Basic cable/satellite television service (except premium channels);
Pre-wiring for telephone;
On-campus shuttle transportation;
Scheduled off-campus transportation to local shopping and metro, as determined by us (if medically appropriate);
Maintenance and insurance of buildings, grounds and equipment;
Sewage, trash and general snow removal from common areas; and
Use of all public rooms and common areas of the Community.

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

Nursing care; highest level of care;
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 security system with security officer(s) and emergency alert system;
Mental Health Services, as needed;
Incontinence care;
More frequent involvement of licensed medical personnel to manage chronic conditions;
All utilities (except personal telephone);
Basic cable/satellite television service (except premium channels);
Pre-wiring for telephone;
Campus shuttle transportation;
Maintenance and insurance of buildings, grounds and equipment;
Sewage, trash and general snow removal from common areas; and
Use of all public rooms and common areas of the Community.

Section 5. ANCILLARY SERVICES

5.1 Services Available through Ashby Ponds. 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;
Physical, Speech and Occupational Therapy;
Lodging in guest rooms on a temporary and space available basis;
Personal storage space; and
Reserved parking space

5.2 Services Available through Outside Providers. We contract with outside providers to provide the following services to you at the Community: medical services through the on-site Medical Center; laboratory services; medical supplies; prescription drugs; home health services in an Independent Living Unit; and home health services in an Assisted Living Room for one-on-one care by nursing aide assigned to Resident. 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.

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 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 on or before taking occupancy of your Living Unit at the Community. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the Joint Residents with a right of survivorship and may be used for the care of either Joint Resident. We do not require an additional Joint Resident Entrance Deposit if Joint Residents occupy the same Living Unit. Ten percent (10%) of your Entrance Deposit is designated as the non-refundable Community Fee.

7.2 Escrow and Release from Escrow. The deposits made by you towards the total Entrance Deposit, in excess of the $1000 Priority Deposit, will be held in escrow in a 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, and for any reserve funds, but we may use the Entrance Deposits for any other mission related

purpose. However, you will retain the right to the 90% Refund Amount as discussed in this Section 7. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the Joint Residents with the right of survivorship and may be used for the care of either Joint Resident. No interest shall be accrued or paid to you on your Entrance Deposit.

Prior to occupancy, 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 90% Refund Amount, upon the termination of this Agreement, as discussed in Sections 7.4, 7.5, and 7.6 of this Agreement. Your Entrance Deposit, minus the Community Fee, is also available for your maintenance and support as provided in Section 10.

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

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

7.3.3 You will normally not be entitled to a refund or decrease of the Entrance Deposit due to any temporary or permanent transfer, for whatever reason, during the Term of this Agreement. However, we may make a partial refund of the Entrance Deposit, minus the Community Fee, to you in the following circumstances: 1) You transfer to a smaller Independent Living Unit than the Independent Living Unit which you currently occupy; and 2) the Entrance Deposit for the smaller Independent Living Unit is currently lower than the Entrance Deposit that 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 90% Refund Amount as provided in this Section 7.5 and Section 7.6. Your refund will be equal to ninety percent (90%) of the total Entrance Deposit unless: (i) the Entrance Deposit, minus the Community Fee, has been partially or fully spent down for your care and maintenance per Section 10 of this Agreement, or (ii) you or your representative, as the case may be, elect to deduct any outstanding fees and charges from the 90% Refund Amount for your convenience.

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

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

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

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

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

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

Section 8. MONTHLY SERVICE PACKAGES

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

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

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

operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next following calendar year. However, except for changes required by State or Federal assistance programs, we reserve the right, at any time, upon thirty (30) days' notice to you, to adjust the independent living Monthly Service Packages 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.

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 90% Refund Amount unless you or your representative so direct.

Section 9. OTHER FEES, PERIODIC CHARGES, AND COSTS

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

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

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

9.4 Refurbishing a Vacated Living Unit and Repairing Extraordinary Damage. Each time that you permanently vacate an Independent Living Unit or 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 maximum coverage available under Medicare Parts A and B. We may accept documented equivalent coverage if you are not qualified for Medicare or are insured under other adequate programs. However you must maintain, at your expense, a supplemental ("Medigap") type insurance. We do not provide supplemental insurance. You must also procure and maintain, at your own expense, sufficient renter's insurance coverage against damage, or loss to, or theft of, your personal property maintained at the Community and coverage for personal liability and medical payments should a claim be made or suit brought against you for damages because of a bodily injury or property damage caused. You must provide evidence of such insurance prior to occupancy or at our request.

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

9.7 Non-Solicitation of Employees. We expend significant resources on the hiring, training and development of employees. Recognizing this expenditure, during the Term of the Agreement, you agree not to employ any person currently employed by us, either directly or

indirectly, by hiring the services of any such person through a third party. You also agree not to employ any person formerly employed by us, either directly or indirectly by hiring the services of any such person through a third party, until two years have elapsed from the employee's last date of employment with us. You further agree not to solicit any person employed by us to terminate his or her employment in order to work for you directly or indirectly through a third party.

Section 10. FINANCIAL INABILITY TO PAY

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

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

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

10.2 If you have outside assets other than the Entrance Deposit, the Executive Director will establish a Spending Plan for you to spend the outside assets and to obtain assistance from other available means. If you can qualify, you will take the necessary steps to obtain county, state, and federal aid or assistance including Medicare, public assistance and any other public benefit program. You agree to execute any and all documents necessary to make and perfect such claims or rights. If you fail to cooperate with the Spending Plan for the outside assets, such failure may constitute good cause for termination of the Agreement due to non-payment of fees in accordance with Section 12.3 of this Agreement.

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

You will receive periodic statements reflecting the remaining balance of the Entrance Deposit (less the Community Fee).

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

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

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

10.7 Pursuant to current regulatory restrictions for the Community, we may not accept Medicaid for payment of Monthly Service Packages for the Community's Nursing Units or other Living Units. If these regulatory restrictions are revised, you will 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.

11.3 Transfer at the Election of Ashby Ponds - 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 Ashby Ponds - 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 Ashby Ponds 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 processing fee as described in Section 9.1. You will not receive a refund of the costs of any custom improvements or other expenses specifically incurred at your request as set forth in a separate written addendum, signed by both parties.

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

12.3 Termination by Ashby Ponds. A decision by Ashby Ponds 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 ASHBY PONDS

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 Ashby Ponds 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 Ashby Ponds' 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 Ashby Ponds, Inc. is National Senior Communities, Inc. (formerly National Senior Campuses, Inc.), a nonprofit organization. There is no religious organization which maintains financial control over Ashby Ponds.

13.7 Airport Impact Overlay District. Ashby Ponds is also providing full disclosure to Resident that portions of the Ashby Ponds project are within or within one mile of certain zones that are considered airport impact districts. Please refer to Schedule II for further details.

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

Section 14. MISCELLANEOUS PROVISIONS

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

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

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

14.4 Entire Agreement. This Agreement and the documents referenced in Section 14.1 represent the entire Agreement between us, you and Guarantor, if any, and 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 any permitted assignees or guarantor(s), if any, agree that venue for any action for the enforcement, construction, rescission, termination of, or any action arising out of this Agreement shall be in Loudoun County, 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 Ashby Ponds 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 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.

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.

Ashby Ponds (We/ Us): Ashby Ponds, 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, Assisted Living and service than is provided in the Nursing Units.

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

Community Fee: The Community Fee is defined as ten percent (10%) of the original Entrance Deposit paid by you at admission. If you later transfer to a Living Unit with a larger Entrance Deposit and paid an additional sum towards the larger Entrance Deposit, then the Community Fee is defined as ten percent (10%) of your original Entrance Deposit paid at admission plus ten percent (10%) of the incremental 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 Ashby Ponds: The Community building in which the Assisted Living Units and the Nursing Units are situated. The Continuing Care facility is licensed for assisted living, memory care, skilled and intermediate nursing care but will not be licensed to provide chronic or acute hospital care or other institutional care. Such services, if required by you, are not services covered under the scope of this Agreement.

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

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. The 10% Community Fee is deducted from the Entrance Deposit.

Executive Director: The chief administrative officer of the Community appointed as such by Ashby Ponds.

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.

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

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

(Ninety Percent) 90% Refund Amount: The refund payable to you or your beneficiaries, as the case may be, upon termination of this Agreement. Your refund will be equal to ninety percent (90%) of the total Entrance Deposit unless: (i) the Entrance Deposit, minus the

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

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

Notice: For the purposes of this Agreement, notice shall be deemed to have been given to you when deposited in your community mailbox or personally delivered to you, and given to Ashby Ponds 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, Assisted Living and service that is provided in the Nursing Center.

Occupancy Date: The date on which you are authorized by Ashby Ponds 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 Ashby Ponds.

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

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

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

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

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

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

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

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

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

SIGNATURES

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

ASHBY PONDS, INC.

_____	By:_____	_____
Witness		Date
_____	_____	_____
Witness	Resident	Date
_____	_____	_____
Witness	Resident	Date

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

_____	_____	_____
Witness	Guarantor	Date
_____	_____	_____
Witness	Guarantor	Date

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)
Minus the 10% Community Fee:	$_____ (non-refundable)

Current Monthly Service Package for Unit: $ _____ per month

Current Processing Fee: $ _____ per applicant

Current Ancillary Fee Schedule: See next page

ANCILLARY FEE SCHEDULE

Department	**Ancillary Service**	**2022 Fee**
Administration		
Non-Occupancy Credit	**Non-Occupancy Credit** (Independent Living) Credit for Absences per day (credit starts on the 11th consecutive night or more): Single Occupancy: Double Occpancy:	$13.50 per night (1st occupant) $20.00 per night (second occupant)
New Non-Occupancy Credit	**New Non-Occupancy Credit (Assisted Living / Memory Care)**	No Service / Care Package Fee wll be charged starting 1st day of absence for duration of consecutive absence. Room base fee still applies in full. Note: if resident is already at lowest care package for Asst. Living or for Memory Care, no credit is applied.
Information Technology		
Computer Technical Services	First half hour (minimum charge) Charge for each additional increment of 1 to 15 minutes. Thus, net charge for one hour is $67.00	$41.00 $13.00
Dining Services		
	Guest Meal (Mon-Sat)	$21.00
	Guest Meal (Buffet & Holiday)	$26.00
	Child Buffet & Holiday Meal (age 11 and under)	$13.00
	Child Guest Meal (age 11 and under)	$11.00
	Delivery of meal	$6.50
	Flex Meal Plan Credit (20 meals)	$62.00
	Specialty Menu Items	Additional Fees Apply
General Services		

Department	**Ancillary Service**	**2022 Fee**
Grounds	Grounds Services per hour, plus materials	$43.00
Guest Room	Roll Away bed per night in Resident Apartment	$25.00
Housekeeping	Housekeeping per hour (1 hour min.)	$43.00
	Laundry per load	$18.00
Keys	Additional Apartment Key	$10.00
	Additional Exterior Door Key	$26.00
	Additional Mailbox Key	$8.00
Maintenance	Maintenance Service per hour, plus materials (1/2 hour min.)*	$43.00
Snow Removal	Snow Removal from car after Normal Snowfall (3" or less)	$16.00
Storage Bin	Padlock for Storage Bin	$9.00
	Storage Bin per month (Independent Living only)	$12.25
Transportation	Taxi Service*	Destination Dependent
	Custom Interior Work	Additional Fees Apply
Parking	Reserved Parking Spot for First Vehicle	Included
	Reserved Parking Spot for Second Vehicle	$50.00
Resident Life		
	Health Club – Monthly Membership	Included
	Specialty Classes	Additional Fees Apply
	Personal Training Session Rate (30 minutes)	$31.00
	Unlimited Group Fitness Classes per month	$35.00

[1] Materials are extra; specific fees are charged for certain jobs (e.g. TV hookup, picture hanging, etc.)
[2] Percent of local taxi fares.

Ancillary fees in continuing care are available on request.

SCHEDULE II

Airport Overlay District Disclosure

Portions of the Ashby Ponds project are within the Ldn 60-65 or within one mile of the Ldn 60 contour Airport Impact ("A-1") Overlay District as defined in the Revised 1993 Loudoun County Zoning Ordinance. These areas will be impacted by aircraft overflights and aircraft noise.

Schedule III

Documents Incorporated

A. Priority List Application

B. Financial Information Form

C. Resident History Profile

D. Refund Form

E. Key Receipt Form

F. Unit Release and Unit Release-Transfer Forms

G. Guaranty Agreement (if any)

H. Power of Attorney for property disposition (if any)

I. Advance Directive, Appointment of Health Care Agent, or Living Will (if any)

J. Resident's medical insurance documentation (if any)

K. Promissory Note (if any)

L. Allonge to Promissory Note

Ashby Ponds PRIORITY LIST APPLICATION

I hereby make application for a secured position on the **Ashby Ponds 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 Ashby Ponds.
A copy will be returned to you for your records.

APPLICANT(S) _____ DATE _____

APPLICANT(S) _____ DATE _____

ASHBY PONDS _____ DATE _____

Please enclose one check for:
(1) The fully refundable $1,000 deposit. **(2)** A $150-per-person application fee.

Make your check payable to: Ashby Ponds

Mail to: Ashby Ponds Sales and Information Office, 21170 Ashby Ponds Boulevard, Ashburn, VA 20147

Ashby Ponds PRIORITY LIST APPLICATION

Conditions of the Priority List Agreement

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 Ashby Ponds, applicants must complete the admissions process, which includes financial and health/service screenings. Ashby Ponds reserves the right to determine if the community offers appropriate care and services for the applicant. Ashby Ponds 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 Ashby Ponds.

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 not able to move 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 Ashby Ponds, 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; (b) the escrow agent releases the Entrance Deposit to Ashby Ponds 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 Ashby Ponds 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 Ashby Ponds.

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.

Ashby Ponds
BY ERICKSON SENIOR LIVING®

21170 Ashby Ponds Boulevard
Ashburn, VA 20147
AshbyPonds.com

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?	
Do you plan on making significant future monetary gifts in addition to the above?	
In the last 10 years, have you filed for protection from creditors or been judged bankrupt?	
In the last 5 years, have you loaned money to family/friends and have money owed back to you as the lender?	

Resident Name: _____ Current Date: _____

21170 Ashby Ponds Boulevard
Ashburn, VA 20147
AshbyPonds.com

Financial
Information Form

Ashby Ponds
BY ERICKSON SENIOR LIVING®

FINANCIAL INFORMATION FORM
CONFIDENTIAL

me: _____ Date of Birth: _____

rital Status: _____

me: _____ Date of Birth: _____

dress: _____

/: _____ State: _____ Zip: _____

me: _____ Email: _____

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

sets	Name (Bank, Location, Description)	Value as of Date	Amount
Checking Account		___/___/___	$
Savings Account		___/___/___	$
Savings Account		___/___/___	$
Certificate of Deposit		___/___/___	$
Certificate of Deposit		___/___/___	$
Mutual Funds		___/___/___	$
Stocks and Bonds		___/___/___	$
Stocks and Bonds		___/___/___	$
Real Estate—Plan to Sell		___/___/___	$
Real Estate—Plan to Hold		___/___/___	$
Other Financial Assets		___/___/___	$
g., Trusts available for resident use, fe insurance, long-term care insurance)		___/___/___	$
		___/___/___	$
		___/___/___	$
		Total Assets	$

ilities			
Home Mortgage		___/___/___	$
Loan on Autos		___/___/___	$
Credit Cards		___/___/___	$
Other Debts/Liabilities		___/___/___	$
Other Debts/Liabilities		___/___/___	$
		Total Liabilities	$
		(Assets minus Liabilities) Total Net Worth	$

ent 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				$
				$
			Total Monthly Income	$

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 Ashby Ponds 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_____

ıank you for completing this form.

'e are looking forward to getting to know you when you come to Ashby Ponds for your pre-residency eeting. 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

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

_____ _____

(Applicant's Signature) (Date)

ıis form was completed by someone other than the applicant, please have that person state the reason l sign below.

m completed by _____

ıson _____

ationship to applicant _____

_____ _____

(Applicant's Signature) (Date)

Ashby Ponds
BY ERICKSON SENIOR LIVING®

21170 Ashby Ponds Boulevard
Ashburn, VA 20147
AshbyPonds.com

Resident Profile

We are excited you have chosen Ashby Ponds, 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 Ashby Ponds 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 Ashby Ponds 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 Ashby Ponds Team

Ashby Ponds
BY ERICKSON SENIOR LIVING®

RESIDENT PROFILE

ONAL & DEMOGRAPHIC INFORMATION

Name _____ MI _____ Last Name _____ Title _____

n Name _____ Preferred Name _____

☐ Male ☐ Female

_____ Mobile _____ Email _____

of Birth _____ Place of Birth _____

(City, State, Country)

INFORMATION

ed, what was your main occupation? _____

u currently working? ☐ Yes ☐ No

☐ Full-Time ☐ Part-Time

any _____ Occupation _____

Service: ☐ Veteran ☐ Nonveteran

IOUS PREFERENCE (Optional)

Specify (Example: Buddhist, Catholic, Jewish, Muslim, Protestant):

_____

IONAL DEMOGRAPHICS

Language _____

Status: ☐ Single ☐ Married ☐ Widowed ☐ Separated

☐ Divorced ☐ Domestic Partner ☐ Other _____

OU BE BRINGING A DOG OR CAT TO CAMPUS? ☐ Yes ☐ No

eed? _____ Cat Breed? _____

ould take care of your pet if you could not?

_____ Phone _____

(Home or Mobile)

OU BE BRINGING A MOTOR VEHICLE TO CAMPUS? ☐ Yes ☐ No

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 # _____

ASHBY PONDS
REFUND FORM

Name of Resident(s): _____
Living Unit: _____
Date of Receipt by
ASHBY PONDS: _____

Preliminary Statements and Directions

1. Pursuant to the Residence and Care Agreement (the "Care Agreement") with ASHBY PONDS, Resident is entitled to a full refund or a 90% refund, as the case may be, of the Entrance Deposit paid to ASHBY PONDS 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, whether full or 90% as applicable, 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. ASHBY PONDS 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.** ASHBY PONDS reserves the right to review and approve the forms so that the right to the refund is clearly delineated for ASHBY PONDS's staff.

5. ASHBY PONDS 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. ASHBY PONDS 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 ASHBY PONDS the most recent addresses for all listed beneficiaries.

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

10. If Resident desires to assist Ashby Ponds to support other residents who have exhausted their financial resources, Resident may choose to designate the Ashby Ponds Benevolent Care Fund as a beneficiary by using Refund Form # 2. Such a designation is **completely optional** on Resident's part.

11. 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.

12. 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 ASHBY PONDS:
By:_____ _____
ASHBY PONDS Representative Date

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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.

_____ _____
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 ASHBY PONDS:

By:_____ _____
ASHBY PONDS Representative Date

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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.): _____

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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 ASHBY PONDS:

By:_____ _____

ASHBY PONDS 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.

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REFUND FORM 3

1. Refund During Lifetime or Upon Death - If a Refund becomes due during Resident's Lifetime or upon Resident's death under the Residence and Care Agreement, Resident hereby designates that the Refund be made payable to the Resident's Trust designated below. In the event that the Trust is revoked, Resident understands and agrees that he/ she must provide to ASHBY PONDS proof of the revocation of the trust and a new, duly executed Refund Form disposing of the right to a Refund. If a new Refund Form is not executed, the Refund will be paid by ASHBY PONDS to the Resident or to the Resident's Estate.

_____% The _____ Trust dated _____
Mail to Trustee or qualified Successor Trustee

_____% The _____ Trust dated _____
Mail to Trustee or qualified Successor Trustee

_____ _____
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 ASHBY PONDS:
By:_____ _____
ASHBY PONDS Representative Date

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ASHBY PONDS
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 counter-parts, all of which together shall constitute one and the same form.

_____ _____
Resident/Representative Signature Date

_____ _____
Resident/Representative Signature Date

_____ _____
Community Representative Signature Date

ASHBY PONDS
UNIT RELEASE 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 termination of the Residence and Care Agreement. The term "Community" refers to Ashby Ponds, Inc.

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, for (check applicable option depending on Resident's specific Care Agreement):

____ *(100% Refundable Care Agreement)* The lesser of ninety days from the Departure Date, or until all of the conditions for a refund of the Entrance Deposit have been fulfilled, or

____ *(90% Refundable Care Agreement)* 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 (check applicable option depending on Resident's specific Care Agreement):

_____ *(100% Refundable Care Agreement)* All refurbishing fees, as defined in Section 9.4 The estimated cost for refurbishing is $_____. The cost for removing any customized or structural changes or any specialized refurbishing beyond normal wear and tear for will be evaluated post-occupancy, or

____ *(90% Refundable Care Agreement)* The Refurbishing Charges as defined in Section 9.4 to be evaluated post-occupancy. The estimated Refurbishing Charges are $_____. 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

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5. The Community will provide the Refund per the terms and conditions of Section 7 of the Residence and Care Agreement. Depending on the terms of Resident's Care Agreement, the refund may be a full refund or a 90% refund (both referred to as the "Refund" for purposes of this form). 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. **For residents with a 90% Refundable Care Agreement, 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. **For residents with a 90% Refundable Care Agreement, 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: _____

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ASHBY PONDS
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 Ashby Ponds.

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 Ashby Ponds.

4. Per Section 9.4 of the Residence and Care Agreement, I/We will be responsible for (check applicable option depending on Resident's specific Care Agreement):

_____ *(100% Refundable Care Agreement)* All refurbishing fees, as defined in Section 9.4. The estimated cost for refurbishing is $_____. The cost for removing any customized or structural changes or any specialized refurbishing beyond normal wear and tear for will be evaluated post-occupancy, or

____ *(90% Refundable Care Agreement)* The Refurbishing Charges as defined in Section 9.4 to be evaluated post-occupancy. The estimated Refurbishing Charges are $_____. 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 per the terms and conditions of Section 7 of the Residence and Care Agreement. Depending on the terms of Resident's Care Agreement, the refund may be a full refund or a 90% refund (both referred to as the "Refund" for purposes of this form). 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. **For residents with a 90% Refundable Care Agreement, 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 the Refund is made to the new community and that this may extend the time for move-in to the new community. **For residents with a 90% Refundable Care Agreement, 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: _____

ASHBY PONDS
GUARANTY AGREEMENT

This Guaranty Agreement is made as of this _____ day of _____, 20__ between Ashby Ponds, Inc. ("Ashby Ponds") and _____ (herein collectively referred to as "Guarantor").

WHEREAS, _____ ("Beneficiary") desires to become a resident at the Ashby Ponds Retirement Community and has entered or will enter into a Residence and Care Agreement with Ashby Ponds;

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

WHEREAS, Guarantor desires to give Ashby Ponds additional assurances in order to induce Ashby Ponds 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 Ashby Ponds incurred relative to Beneficiary's residence at Ashby Ponds 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 Ashby Ponds 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 Ashby Ponds 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, Ashby Ponds will not attempt to collect from the Beneficiary first.

3. Ashby Ponds 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 Ashby Ponds 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 Ashby Ponds; fourth, seek to obtain payment from medical assistance if Ashby Ponds believes medical assistance is available to Beneficiary; fifth, seek to obtain funds from the Community's Benevolent Care Fund; 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, Ashby Ponds 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 Ashby Ponds shall be made and decided solely between Ashby Ponds 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 Ashby Ponds all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Ashby Ponds 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 Ashby Ponds 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 Loudoun County, Virginia.

8. In the event that Beneficiary terminates the Residence and Care Agreement during his/ her lifetime or dies during residence at Ashby Ponds, Ashby Ponds 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
	Ashby Ponds, Inc.
_____	By: _____
Witness	

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ASHBY PONDS

LIMITED GUARANTY AGREEMENT

This Guaranty Agreement is made as of this _____ day of _____, 20__ between ASHBY PONDS, INC. (herein referred to as "Ashby Ponds") and _____ _____(herein collectively referred to as "Guarantors").

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

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

WHEREAS, Guarantors desire to give Ashby Ponds additional assurances in order to induce Ashby Ponds 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 Ashby Ponds 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 Ashby Ponds 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. Ashby Ponds 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 Ashby Ponds 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 Ashby Ponds; fourth, seek to obtain funds from Ashby Ponds' Resident/ Benevolent Care Fund; 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, Ashby Ponds 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 Ashby Ponds shall be made and decided solely between Ashby Ponds 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 Ashby Ponds all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Ashby Ponds 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 Ashby Ponds 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 Loudoun 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 Ashby Ponds, Ashby Ponds 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
	ASHBY PONDS, INC.
_____ Witness	By: _____

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ASHBY PONDS

LIMITED GUARANTY/ MONTHLY CONTRIBUTION AGREEMENT

This Guaranty Agreement is made as of this _____ day of _____, 20__ between ASHBY PONDS, INC. (herein referred to as "Ashby Ponds") and _____ _____ (herein collectively referred to as "Guarantor").

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

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

WHEREAS, Guarantor desires to give Ashby Ponds additional assurances in order to induce Ashby Ponds 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 Ashby Ponds 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 Ashby Ponds, 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 Ashby Ponds 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 15th day of each month to Ashby Ponds 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, Ashby Ponds 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 Ashby Ponds shall be made and decided solely between Ashby Ponds 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 Ashby Ponds all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Ashby Ponds 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 Ashby Ponds 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 Loudoun 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 Ashby Ponds, Ashby Ponds 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, Ashby Ponds 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
	ASHBY PONDS, INC.
_____	By: _____
Witness	

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ASHBY PONDS

LIMITED GUARANTY AGREEMENT (JOINT ASSETS)

This Guaranty Agreement is made as of this ____ day of _____, 20__ between Ashby Ponds, Inc. ("Ashby Ponds") and _____ (herein collectively referred to as "Guarantor").

Recitals

R.1 _____ ("Beneficiary") desires to become a resident at the Ashby Ponds Retirement Community and will enter into a Residence and Care Agreement with Ashby Ponds;

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 Ashby Ponds' standard qualifications for residency;

R.4 Guarantor desires to give Ashby Ponds additional assurances as to the Joint Assets in order to induce Ashby Ponds 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 Ashby Ponds incurred relative to Beneficiary's residence at Ashby Ponds 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 Ashby Ponds 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 Ashby Ponds' verification of Beneficiary's financial qualifications other than the Joint Assets and to Ashby Ponds' determination of the appropriate level of care for Beneficiary, Ashby Ponds 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, Ashby Ponds 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 Ashby Ponds 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, Ashby Ponds shall review the Beneficiary's then-current financial status, including but not limited to the balance of the Joint Assets. Ashby Ponds 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 Ashby Ponds 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, Ashby Ponds 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. Ashby Ponds may require that Resident seek to obtain funds from outside sources such as medical assistance. If Ashby Ponds believes in its sole discretion that any expenditures from the Joint Assets were due to a Default by Guarantor, Ashby Ponds shall proceed as provided in Section 5 hereof.

4.3. After spend-down of Beneficiary's assets, including the Joint Assets, Ashby Ponds shall release the Guaranty and shall initiate a spend-down of the entrance deposit.

4.4. After expenditure of the entrance deposit, Beneficiary or Beneficiary's duly authorized representative may apply for assistance from the Benevolent Care Fund, if available.

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, Ashby Ponds shall normally proceed as follows:

5.1. Prior to initiating a spend-down plan as described in Section 4.2, Ashby Ponds shall first enforce the Guaranty. Ashby Ponds 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 Ashby Ponds in its sole discretion.

5.2. In the event that Ashby Ponds 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 Ashby Ponds in enforcing the Guaranty.

5.3. After payment to Ashby Ponds 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, Ashby Ponds will work with the Beneficiary or the Beneficiary's duly authorized representative to initiate the steps listed in Section 4.2, 4.3 and 4.4 hereof with regard to the spend-down program and application to the Benevolent Care Fund.

6. The parties agree that venue for any claim, conflict, enforcement, or other action arising out of this Guaranty Agreement shall be in Loudoun 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 Ashby Ponds shall be made and decided solely between Ashby Ponds 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 Ashby Ponds under this Agreement, Ashby Ponds 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. Ashby Ponds 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 Ashby Ponds, 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
	Ashby Ponds, Inc.
_____	By: _____
Witness	

71798-1

EXHIBIT A

Joint Assets	Value as of Date of Agreement

$_____ **Date of Note:** _____, 20____
Ashburn, Virginia

ASHBY PONDS
PROMISSORY NOTE

Now, therefore, the undersigned, _____, (the "Maker"), hereby promises to pay to the order of Ashby Ponds, Inc. at its offices located at 21170 Ashby Ponds Boulevard, Ashburn, Virginia 20147 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 (unless waived under Section 1 hereof), 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 principal balance due on or before the Maturity Date, the interest for that period shall be **waived**. In the event that the **entire** principal balance is not paid on or before the Maturity Date, **accrued interest will be charged every month from the Date of this Note 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 Loudoun 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: _____

79483-1

ALLONGE TO PROMISSORY NOTE

THIS ALLONGE TO PROMISSORY NOTE (the "Allonge") is effective as of _____, 20__ by and between Ashby Ponds, 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):

_____

_____

Living Unit: _____

Holder: Ashby Ponds, Inc.

By: _____

Title: _____

79484-1

CUSTOM INTERIORS AGREEMENT

THIS CUSTOM INTERIORS AGREEMENT (the "**Agreement**") is made as of this _____ day of _____, _____, by and between Ashby Ponds, Inc., having an address of 21170 Ashby Ponds Boulevard, Ashburn, Virginia, 20147 (herein referred to as "**Ashby Ponds**") and _____ ("**Resident**").

RECITALS

R.1 Resident has entered or shall enter into a Residence and Care Agreement (the "**Care Agreement**") with Ashby Ponds to occupy the following residential unit at the Community: _____ (the "**Living Unit**").

R.2 Resident desires to purchase certain upgrades or make certain changes to the current condition of the Living Unit to customize the Living Unit for Resident. Ashby Ponds is willing to make the changes desired by Resident only upon the following terms and conditions.

R.3 Terms that are not defined in this Agreement have the same meaning as in the Resident's Care Agreement.

AGREEMENT

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

1. The Improvements. Resident and Ashby Ponds agree that Resident's Living Unit will be customized with the upgrades and improvements (the "**Improvements**") which are listed in the Statement of Work/Price Quote in Exhibit A, attached to and incorporated into this Agreement.

2. Cost of the Improvements. Resident agrees to pay to Ashby Ponds the contract fee ("**Contract Fee**") for the Improvements as listed in Exhibit A. The Contract Fee is due and payable in full upon signature of this Agreement, prior to ordering any custom materials or starting the work. Once Ashby Ponds has commenced the work by engaging contractors and/or ordering materials, the Contract Fee is then non-refundable. If Resident withdraws his or her application, rescinds the Care Agreement, or fails to occupy the Living Unit for any reason after commencement of the work, Resident understands and agrees that Resident shall **not** be entitled to any reduction or refund of the Contract Fee except as provided in Section 3 hereof.

3. Refurbishing Charges:

a. Pre-Occupancy. If Resident does not occupy the Living Unit for any of the reasons described in Section 2 hereof, Ashby Ponds may, in its sole discretion, elect to refurbishing the Living Unit to its previous condition or to market the Living Unit with the Improvements to a new resident. If Ashby Ponds elects to restore the Living Unit, Resident is responsible for any Refurbishing Charges as provided in Section 9.4 of the Residence and Care Agreement (see Section 9.4).

b. Post-Occupancy. After the Occupancy Date by Resident, if the Residence and Care Agreement is terminated by either party for any reason or terminates due to the death of

Resident, or if Resident is permanently transferred to a different Living Unit, Ashby Ponds may, in its sole discretion, elect to refurbishing the Living Unit to its pre-upgrade condition or to market the Living Unit with the Improvements to a new resident. When Ashby Ponds elects to restore the Living Unit, Resident is responsible for any Refurbishing Charges as provided in Section 9.4 of the Residence and Care Agreement.

4. Entire Agreement. This Agreement and the Care Agreement constitute the entire agreement between the parties in respect of customizing and restoring the Living Unit, and there are no oral agreements between the parties in connection herewith. This Agreement is incorporated into the Care Agreement. The Care Agreement remains in full force and effect, and, if there is any inconsistency between this Agreement and the Care Agreement, the Care Agreement shall govern. This Agreement may be amended only in writing executed by all parties.

5. Governing Law; Venue. This Agreement shall be governed by the law of the Commonwealth of Virginia. The parties agree that venue for any claim or action arising out of this Agreement shall be in Loudoun County, Virginia.

6. Severability. In the event that any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of the Agreement which shall remain in full force and effect and shall be construed as though they had not contained the invalid or unenforceable provision.

7. Notices. Any notice, invoice, or payment under this Agreement to be given to a party may be either personally delivered or sent by first-class mail, postage prepaid, to the addresses of the parties herein given, unless another address shall have been substituted for such address by notice in writing.

8. Electronic Signatures. 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 form may sign separately in several counter-parts, all of which together shall constitute one and the same Agreement.

INTENDING TO BE LEGALLY BOUND, the parties have set forth their signatures below.

RESIDENT

_____

_____

ASHBY PONDS, INC.

By:_____
Print Name:_____
Title:_____

71734

EXHIBIT A – STATEMENT OF WORK/PRICE QUOTE

1. The work to be performed by Ashby Ponds is described in the attached Price Quote. Ashby Ponds has the right to sub-contract or assign portions of the work to its subcontractors, vendors or suppliers. If Resident requests additional work to the Living Unit, such requests must be made in writing. No work can be commenced in the unit until Resident has taken keys for the Living Unit. Ashby Ponds shall advise Resident of any changes to the Contract Fee due to the additional requested work.

2. Limitation of Liability. Ashby Ponds will perform the work in a timely manner and in workmanlike fashion. **ASHBY PONDS'S LIABLITY TO RESIDENT FOR ANY CLAIMS OF DEFECTS IN MATERIALS OR WORKMANSHIP OR ANY OTHER CLAIMS ARISING FROM THE WORK SHALL NOT, IN ANY CIRCUMSTANCE, EXCEED THE AMOUNT OF THE CONTRACT FEE PAID BY RESIDENT TO ASHBY PONDS.**

EXHIBIT 2
OWNERSHIP & EXECUTIVE BIOGRAPHIES

Exhibit Two lists the directors and officers of Ashby Ponds, NSC, and the officers of Erickson Senior Living along with short executive biographies.

EXHIBIT 2
OWNERSHIP & EXECUTIVE BIOGRAPHIES

Board of Directors of Ashby Ponds, Inc.
Eileen Erstad, Chair
Mary Colins
C. Jackson Bain
Stephanie Reel
Barbara Bisgaier
Rev. Zina Jacque
Dr. Arnold Speert
Michael Roskiewicz
Patricia Brown
Monty Leonard
Pamela Paulk

Officers of Ashby Ponds, Inc.

Eileen Erstad:	President
Rev. Zina Jacque:	Vice Chair and Vice President
Mary Colins:	Secretary
Eileen Erstad:	Treasurer
John Hall:	Assistant Treasurer
Chris Rathmann:	Assistant Treasurer
Neal Gantert:	Assistant Treasurer
Mark Embley:	Assistant Treasurer

Executive Director: Will Nance

Directors of National Senior Communities, Inc.
Barbara Bisgaier
Dr. Arnold Speert
Mary Colins
Eileen Erstad
C. Jackson Bain
Rev. Zina Jacque
Stephanie Reel
Michael Roskiewicz
Patricia Brown
Monty Leonard
Pamela Paulk

Officers of National Senior Communities, Inc.
Zina Jacque, Chair and President
Stephanie Reel, Vice Chair
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
Matthew Narrett:	Chief Medical Officer
Christian Sweetser:	Chief Financial Officer

BIOGRAPHIES:

Ashby Ponds Board of Directors:

Eileen Erstad, Chair

Ms. Erstad, a Certified Public Account, is an NSC Board member, Treasurer of NSC, Chair of the Budget and Finance Committee, and member of the Strategic Planning Committee, Audit & Investment Committee and Operations & Risk Management Committee. She is also Chair of the Ashby Ponds Board of Directors and Riderwood Board of Directors. Ms. Erstad is a senior executive and has served as Chief Financial Officer in the healthcare and hospitality industries. She has developed and implemented strategic plans, growth and reorganization strategies, and has participated in new product development. Her previous positions include Chief Operating Officer and Chief Financial Officer of ResortQuest and Senior Vice President and Chief Financial Officer of Symphony Health Services, LLC. She began her career in public accounting working for KPMG. Ms. Erstad graduated Magna Cum Laude from Loyola College in Maryland.

Mary Colins

Judge Colins was appointed to the NSC Board of Directors effective April 1, 2018 and chairs the boards of Brooksby Village and Wind Crest Village communities. In October 2010, she became a member of the PA/NJ regional boards of Ann's Choice, Maris Grove, Seabrook Village, and Cedar Crest Village. In 2016, she was appointed to the Lantern Hill Board of Directors. Currently, Ms. Colins serves as Chair of NSC's Governance and Internal Affairs committee and is a member of the Strategic Planning Committee. Judge Colins is law trained and served as a Trial Judge in Philadelphia, Pennsylvania for 20 years. She was appointed by the Governor of Pennsylvania to serve as Chairman and a founding member of the Pennsylvania Gaming Control Board. Judge Colins has taught Trial Advocacy and Gaming & Casino Law at numerous law schools and universities. Throughout the country, she has lectured and taught at the American Bar Association, International

Association of Gaming Attorneys and Regulators conferences and continued legal education programs.

C. Jackson Bain

Mr. Bain is a current member of the Governance and Internal Affairs Committee of NSC and the Community Outreach and Impact Committee. He also Chairs the Greenspring Village Board of Directors. Mr. Bain is Chairman and CEO of Bain and Associates, Inc., a public affairs consulting firm. Prior to that, he was Senior Vice President of Public Affairs at the National Association of Children's Hospitals. A communication expert and journalist with 30 years of experience, Mr. Bain joined NBC News in the 1970s as a White House and Congressional Correspondent and news anchor. He holds degrees in Journalism and Political Science from Reinhardt University and the University of Georgia.

Barbara Bisgaier

Ms. Bisgaier, chair of the Ann's Choice Board of Directors and the Maris Grove Board of Directors, retired from her position as Managing Director of Public Financial Management, Inc. with more than 40 years of experience in local government and public finance. She joined the NSC Supported Community Boards in 2010 and is a current member of the Board of Directors of NSC, serves as chair of the NSC Audit, Investment and Treasury Committee and as a member of the NSC Budget and Finance Committee. Ms. Bisgaier, a graduate of Mount Holyoke College with a master's degree in city and regional planning from Rutgers University, also serves on the Board of Directors of WHYY, Philadelphia's public radio and television stations where she is a member of the Executive Committee, chair of the Governance Committee and a member of the Finance Committee.

Rev. Dr. Zina Jacque

Reverend Dr. Jacque was appointed to the NSC Board of Directors in 2017 and served as chair of their Diversity Inclusion and Corporate Social Responsibility Advisory Committee. In 2020, she was appointed to the Executive Committee of the Board, joined the Community Outreach and Impact Committee, and serves as Vice Chair for the Strategic Planning Committee. Additionally, she served as a western regional director of NSC, beginning in 2009. Dr. Jacque comes to the work of senior living and wellness from a community engagement background. As senior pastor at the Community Church of Barrington, Illinois, she previously served on the staffs of multicultural, urban, and suburban churches and has done extensive work in the areas of higher education, counseling, and faith-based not for profits. Dr. 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. Dr. Jacque holds a Ph.D. in 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.

Stephanie Reel

Ms. Reel, Director on the NSC Board, has served on NSC Supported Community Boards since 2013. Currently, she chairs the Oak Crest Community Board of Directors, chairs NSC's

Operations and Risk Management Advisory Committee and is a member of the NSC Budget and Finance Committee. Ms. Reel is Chief Information Officer for all divisions of the Johns Hopkins University and Health System. In 1994, she was appointed CIO for Johns Hopkins Medicine, and Vice Provost for Information Technology and CIO for the Johns Hopkins University in January, 1999. A graduate from the University of Maryland with a degree in information systems management and M.B.A. from Loyola College in Maryland, Ms. Reel is also a member of HIMSS, CHIME, the Healthcare Advisory Council, the American College of Medical Informatics, and EDUCAUSE.

Dr. Arnold Speert

Dr. Speert, an NSC Board member, has served on NSC Supported Community Boards since 2010. Currently, he chairs the Cedar Crest and Lantern Hill Boards of Directors and is a member of NSC's Governance & Internal Affairs and Community Outreach and Impact Advisory Committees. From 1985 until his retirement in July, 2010, Dr. Speert served as the sixth president of William Paterson University and has been on seven nonprofit institutions boards, two of which he chaired. He has also served on the boards of the State Farm Indemnity Company, The Ramapo Bank, the Broadway Bank and Trust Company, and was a founding Commissioner of the Passaic County (NJ) Improvement Authority. Arnie earned his Ph.D. in chemistry from Princeton University. His areas of expertise include institutional governance, institutional community building, and diversity.

Michael Roskiewicz

Mr. Roskiewicz is a newly elected NSC Board member and has served as a regional board member for NSC since 2007. He currently serves a member of NSC's Audit, Investment and Treasury, Budget and Finance, Governance and Internal Affairs, and Operations & Risk Management Committees and Chair of the Board of Directors for the Fox Run community in Novi, Michigan. Mr. Roskiewicz is a lawyer by training with extensive experience in corporate finance and mergers and acquisitions. He is a founding member of WestCongress Insurance Services, where he serves as executive vice president and general counsel with responsibility for human resources, claims, regulatory compliance, M&A, corporate governance, litigation management, and contract matters. Mr. Roskiewicz was previously the general counsel of First Mercury Financial Corporation (NYSE: FMR) and a partner in the Michigan law firm of Dickinson Wright. Mr. Roskiewicz received his B.A. in psychology from the University of Michigan and his J.D. from Washington University School of Law in St. Louis.

Patricia Brown

Patricia M.C. Brown "Patty" was appointed as an advisory committee member to both the NSC Governance & Internal Affairs and Operations & Risk Management Advisory Committees on April 1, 2021. Effective January 21, 2022, she was appointed as a nonvoting director of the NSC Board until April 1, 2022, when she became a voting member of NSC and each of the Supported Organizations.

Ms. Brown is a health care industry leader in population health and managed care, expert in leveraging market incentives to drive changes in health care delivery and financing, to achieve improved health and reduced cost at the patient, population and community level.

Recently retired from Johns Hopkins Medicine ("JHM") after 25 years of service, Ms. Brown served as the senior vice president of managed care and population health for JHM, President of Johns Hopkins HealthCare LLC, and Senior Counsel for the Johns Hopkins Health System. Prior to joining Johns Hopkins in 1994, she was an assistant attorney general with the Maryland Office of the Attorney General for the Department of Health and Mental Hygiene. Ms. Brown currently serves as President, Oncology, for Medically Home Group, an organization transforming health care by bringing acute hospital services to the home.

Actively involved in community activities, she has served on numerous community boards, including the United Way of Central Maryland, which she chaired from 2013 through 2015, the Chesapeake Regional Information System for Our Patients, which she chaired from 2009 to 2019, and Maryvale Preparatory School, her alma mater – which she currently chairs. Ms. Brown is also the recipient of many community awards, including a member of the Circle of Excellence Maryland Top 100 by Baltimore's The Daily Record, a recipient of the 2007 Girl Scouts of Central Maryland Distinguished Women's Award, and the United Way's Philanthropists of the Year in 2016, along with her husband,
Joe Gill.

Monty Leonard

Mr. Leonard was appointed as an advisory committee member to both the NSC Audit, Investment & Treasury and Budget & Finance Advisory Committees on May 1, 2021. Effective January 21, 2022, he was appointed as an on voting director of the NSC Board until April 1, 2022, when he became a voting member of NSC and each of the Supported Organizations.

Mr. Leonard is Senior Vice President and Development Controller for The Howard Hughes Corporation, overseeing the financial and accounting matters for all of Howard Hughes' Strategic Development projects. He established the Development Accounting Team at Howard Hughes and has overseen the strategic and tactical financial matters related to the construction of over 70 projects costing more than $7 billion.

He has over 35 years of real estate accounting and finance experience which includes establishing and monitoring project budgets, financial modeling, forecasting, closing the books, direct feasibility studies related to acquisitions and dispositions, resolution of complex accounting issues, preparation of accounting policies and procedures and the establishment of internal controls. He was also a former Vice President and Controller of Land Development at The Rouse Company, where he helped oversee the acquisition valuation process for several land assets ranging from $100 million to $3 billion. Additionally, he served on a four-member Executive Committee for Rouse that oversaw the operations and development activities of a $500 million joint venture.

A native of Dunbar, WV, Mr. Leonard is a CPA and holds a M.B.A. and B.A in Accounting from The University of Akron in Ohio. He has served on several community boards, ranging from serving as President of a local little league, Vice President of Tri-Churches Housing in Baltimore

City, Board Member of the Howard County Chamber of Commerce and Board of Trustee at his church.

He lives in Baltimore County with his wife Tori, a Director of Public Relations at the Public Service Commission. They have been married for over 36 years and have two adult children, Joshua (currently attending graduate school at the University of Iowa) and Michael (a graduate of Harvard University).

Pamela Paulk

Pamela Paulk was appointed as an advisory committee member to both the NSC Community Outreach & Impact and Operations & Risk Management Advisory Committees on April 1, 2021. Effective January 21, 2022, she was appointed as an on voting director of the NSC Board until April 1, 2022, when she became a voting member of NSC and each of the Supported Organizations.

Ms. Paulk retired in 2019, after more than twenty years, from Johns Hopkins Medicine in Baltimore, Maryland. At the time of her retirement, she was the President to Johns Hopkins Medicine International (JHMI). JHMI led Johns Hopkins' international enterprises, including high-impact global healthcare collaborations and the provision of medical concierge services for thousands of international and out-of-state patients, as well as interpretation services for local patients. Johns Hopkins Medicine International (JHI) is responsible for developing and managing international priorities and strategies that advance the Johns Hopkins Medicine mission to improve the health of the community and the world by setting the standard of excellence in medical education, research and clinical care. This work included working to improve healthcare in over a dozen countries.

Prior to that role, Ms. Paulk was the senior vice president for human resources (HR) for Johns Hopkins Medicine and the Johns Hopkins Health System, responsible for all HR functions for more than 40,000 employees. Before joining Johns Hopkins in 1998, Ms. Paulk worked mostly in the behavioral health field serving as a psychiatric hospital administrator, chief operating officer for a private psychiatric practice and national healthcare consultant serving multiple hospitals across the United States.

A graduate of Florida State University with a master of social work and The Johns Hopkins University with a master of business administration, Ms. Paulk has been active in the community, including the Baltimore Alliance for Careers in Healthcare (past president and co-founder) and Baltimore City Community College (trustee). Ms. Paulk currently teaches graduate courses at the Johns Hopkins Bloomberg School of Public Health. Her many accomplishments have been recognized: 2009 Red Cross Good Samaritan, 2012 William J. Casey Award, National Kidney Foundation of Maryland's 2012 Santé Honoree and as one of Maryland's Top 100 Women in 2004 and 2010. In 2014, Ms. Paulk was honored at the White House as a Champion of Change for her leadership and work bringing people with criminal backgrounds into the Johns Hopkins workforce.

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 Senior Living 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 over the course of his 17 years 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.

Will Nance, Executive Director, Ashby Ponds

Mr. Nance has been an integral part of community leadership since he joined the Erickson Senior Living organization in 1998. He spent six years as the sales director at Greenspring, a sister community in Northern Virginia, before moving into operations, serving as associate executive director for two years and as executive director for four years. In 2011, he was promoted to regional vice president of sales for Erickson Senior Living. He became executive director of Ashby Ponds in January 2019. He has an extensive background in sales, politics, and nonprofits. He is active at Fairfax Community Church and is a board member of the Gloucester Institute, an organization that provides leadership development programs for minority college students. Mr. Nance holds degrees from Auburn University and Strathclyde University in Scotland.

EXHIBIT 3

DIAGRAM OF COMMUNITY OPERATING STRUCTURE

Summary:
Exhibit Three visually represents the contractual relationship between the business entities associated with the operation of the community.

Ashby Ponds Community Structure

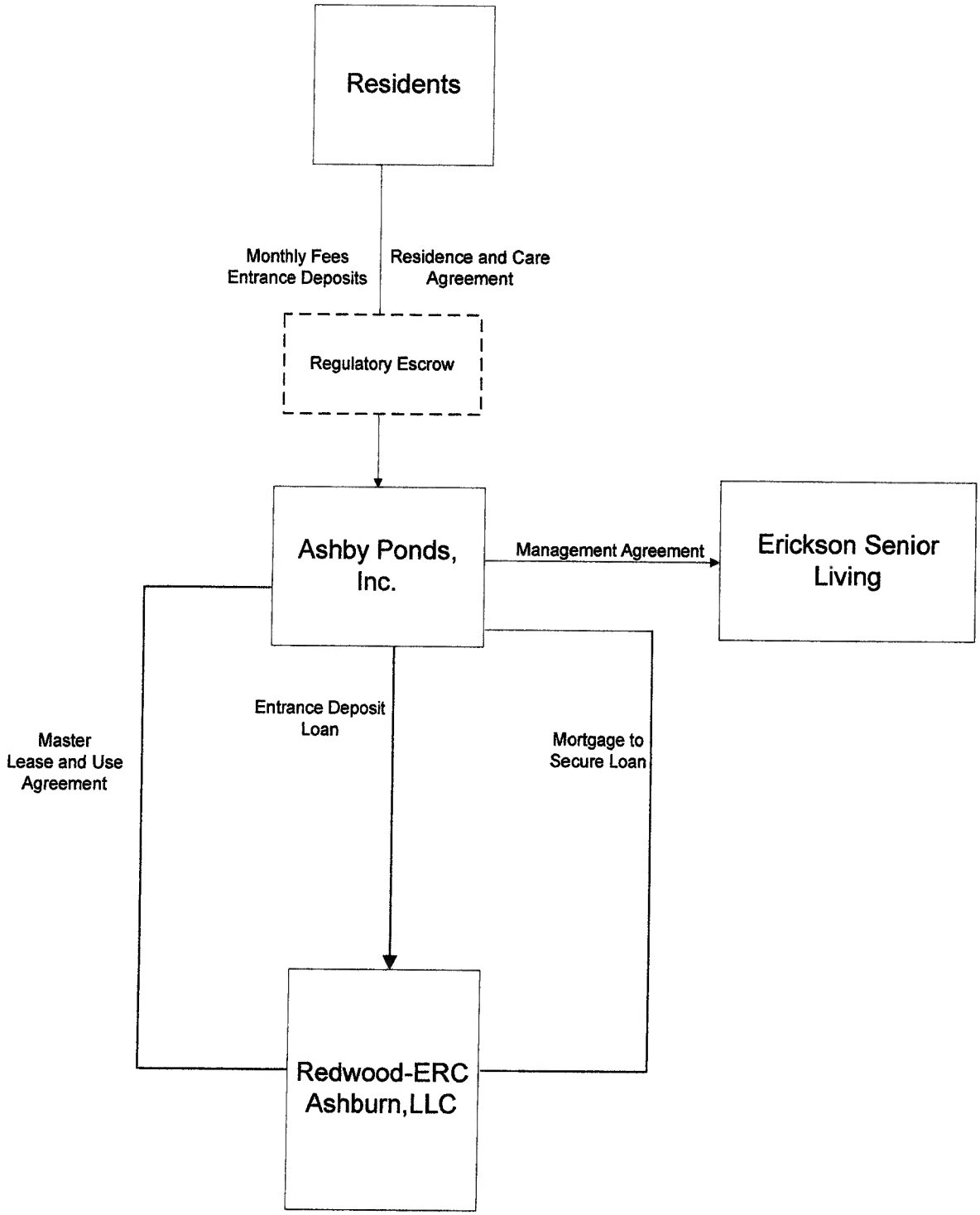

EXHIBIT 4

ANTICIPATED PROJECT SCHEDULE AND AIRPORT OVERLAY DISTRICT DISCLOSURE

Summary:
Exhibit Four presents the anticipated construction schedule of the community, reflecting the program of adding amenities such as the three major clubhouse style community buildings, the Continuing Care neighborhood, and the worship center/chapel, in order to match the community's increase in resident population. Although this is a projected schedule, construction will progress in response to market demand. Exhibit Four also includes information for prospective residents about the Airport Overlay District.

ANTICIPATED PROJECT SCHEDULE

Ashby Ponds will be built in response to market demand. As a prudent business, Erickson Senior Living does not build speculatively. As a result, the construction scheduled will be tailored to meet the needs of the residents of Ashby Ponds. The following project schedule is the result of the evaluation of market response to date. The first table shows buildings completed to date.

Project	Completion	Project	Completion
Gatehouse 1	SEP-08	Residential Building 2.2	DEC-14
Community Bldg 1.0	SEP-08	Community Building 2.0	MAR-15
Residential Building 1.1	SEP-08	Residential Building 2.3	JUN-15
Residential Building 1.2	OCT-08	Residential Building 2.4	JUL-17
Residential Building 1.3	NOV-08	Residential Building 2.5	DEC-17
Residential Building 1.4	MAY-09	Residential Building 2.6	APR-18
Residential Building 1.5	May-09	Chapel/Worship Center	AUG-18
Residential Building 1.6	APR-12	Residential Building 3.3	MAY-19
Continuing Care Facility Phase 1	2013	Community Building 3.0	Jan-21
Residential Building 2.1	JUN-14	Residential Building 3.2	May-21

Ashby Ponds has plans for future construction which may include the following buildings & improvements. Construction & completion will depend on demand and market conditions and are yet to be determined.

Project Name	Project Name
Residential Building 3.1	Residential Building 3.4
Continuing Care Phase 2	Residential Building 3.5

Airport Overlay District Disclosure Statement

Portions of the Ashby Ponds project are within the Ldn 60-65 or within one mile of the Ldn 60 contour Airport Impact ("A-1") Overlay District as defined in the Revised 1993 Loudoun County Zoning Ordinance. These areas will be impacted by aircraft overflights and aircraft noise.

EXHIBIT 5

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

Summary:
Exhibit Five records the current Entrance Deposits 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 periodic charges for ancillary services for residents.

EXHIBIT 5

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

Independent Living

Living Unit Description	Entrance Deposit*	2022 Monthly Service Package*
One Bedroom	$230,000 - $548,000	$2,500 - $3,462
Two Bedroom	$323,000 - $1,048,000	$2,801 - $4,211
Double Occupancy		$1,126

* Pricing may vary if a special marketing promotion applies. Please refer to the Residence and Care Agreement.

Assisted Living

**Additional fees for views and location may apply. Care level packages, shown below, are added to the base monthly service package for the full Assisted Living monthly fee. Care levels are determined based on points assigned as a result of initial and periodic resident assessments.

Living Unit Description	2022 Monthly Base Fee
Studio Suites	From $6,620
One Bedroom	From $7,849
Two Bedroom	From $10,169
Double Occupancy	$2,075

Assisted Living Package Description	2022 Monthly Rate
ALF Enhanced	$ 948
ALF Premium	$ 1,894
ALF Deluxe	$ 2,842
Asst Lvg Custom Pkg A	$ 3,314
Asst Lvg Custom Pkg B	$ 3,787
Asst Lvg Custom Pkg C	$ 4,259
Asst Lvg Custom Pkg D	$ 4,733
Asst Lvg Custom Pkg E	$ 5,206
Asst Lvg Custom Pkg F	$ 5,678
Asst Lvg Custom Pkg G	$ 6,151
Asst Lvg Custom Pkg H	$ 6,623
Asst Lvg Custom Pkg I	$ 7,096
Asst Lvg Custom Pkg J	$ 7,568
Asst Lvg Custom Pkg K	$ 8,041
Asst Lvg Custom Pkg L	$ 8,513
Asst Lvg Custom Pkg M	$ 8,986
Asst Lvg Custom Pkg N	$ 9,458

Memory Care

**Additional fees for views and location may apply. Care level packages, shown below, are added to the base monthly service package for the full Assisted Living monthly fee. Care levels are determined based on points assigned as a result of initial and periodic resident assessments.

Living Unit Description	2022 Monthly Base Fee
Companion Suite with Private Bedroom	From $7,382
Studio Suite	From $9,395

Memory Care Package Description	2022 Monthly Rate
Mem Care Premium	Included in Base Rate
Mem Care Deluxe Pkg	$ 941
Mem Care Custom Pkg A	$ 1,412
Mem Care Custom Pkg B	$ 1,882
Mem Care Custom Pkg C	$ 2,352
Mem Care Custom Pkg D	$ 2,823
Mem Care Custom Pkg E	$ 3,293
Mem Care Custom Pkg F	$ 3,764
Mem Care Custom Pkg G	$ 4,234
Mem Care Custom Pkg H	$ 4,704
Mem Care Custom Pkg I	$ 5,175
Mem Care Custom Pkg J	$ 5,645
Mem Care Custom Pkg K	$ 6,116
Mem Care Custom Pkg L	$ 6,586
Mem Care Custom Pkg M	$ 7,056
Mem Care Custom Pkg N	$ 7,527

Skilled Nursing

Living Unit Description	2022 Daily Fee
Daily Rate Semi-Private	$419
Daily Rate Private	$472

Assisted Living, Memory Care, Skilled Nursing – External Admission

Non-Refundable Community Fee	$3,000

ANCILLARY FEE SCHEDULE

Department	Ancillary Service	2022 Fee
Administration		
Non-Occupancy Credit	**Non-Occupancy Credit** (Independent Living) Credit for Absences per day (credit starts on the 11th consecutive night or more): Single Occupancy: Double Occpancy:	$13.50 per night (1st occupant) $20.00 per night (second occupant)
New Non-Occupancy Credit	**New Non-Occupancy Credit (Assisted Living / Memory Care)**	No Service / Care Package Fee will be charged starting 1st day of absence for duration of consecutive absence. Room base fee still applies in full. Note: if resident is already at lowest care package for Asst. Living or for Memory Care, no credit is applied.
Information Technology		
Computer Technical Services	First half hour (minimum charge) Charge for each additional increment of 1 to 15 minutes. Thus, net charge for one hour is $67.00	$41.00 $13.00
Dining Services		
	Guest Meal (Mon-Sat)	$21.00
	Guest Meal (Buffet & Holiday)	$26.00
	Child Buffet & Holiday Meal (age 11 and under)	$13.00
	Child Guest Meal (age 11 and under)	$11.00
	Delivery of meal	$6.50

Department	**Ancillary Service**	**2022 Fee**
	Flex Meal Plan Credit (20 meals)	$62.00
	Specialty Menu Items	Additional Fees Apply
General Services		
Grounds	Grounds Services per hour, plus materials	$43.00
Guest Room	Roll Away bed per night in Resident Apartment	$25.00
Housekeeping	Housekeeping per hour (1 hour min.)	$43.00
	Laundry per load	$18.00
Keys	Additional Apartment Key	$10.00
	Additional Exterior Door Key	$26.00
	Additional Mailbox Key	$8.00
Maintenance	Maintenance Service per hour, plus materials (1/2 hour min.)*	$43.00
Snow Removal	Snow Removal from car after Normal Snowfall (3" or less)	$16.00
Storage Bin	Padlock for Storage Bin	$9.00
	Storage Bin per month (Independent Living only)	$12.25
Transportation	Taxi Service*	Destination Dependent
	Custom Interior Work	Additional Fees Apply
Parking	Reserved Parking Spot for First Vehicle	Included
	Reserved Parking Spot for Second Vehicle	$50.00
Resident Life		
	Health Club – Monthly Membership	Included
	Specialty Classes	Additional Fees Apply
	Personal Training Session Rate (30 minutes)	$31.00
	Unlimited Group Fitness Classes per month	$35.00

[1] Materials are extra; specific fees are charged for certain jobs (e.g. TV hookup, picture hanging, etc.)
[2] Percent of local taxi fares.

Ancillary fees in continuing care are available on request.

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

Independent Living Unit Description	2017	2018	2019	2020	2021	2022	Dollar Amount of Change for last year
One Bedroom	$2,035 – $2,853	$2,143 - $2,967	$2,207 - $3,056	$2,295 - $3,178	$2,381 - $3,297	$2,500 - $3,462	$119 - $165
Two Bedroom	$2,310 – $3,221	$2,402 - $3,350	$2,474 - $3,718	$2,573 - $3,867	$2,668 - $4,011	$2,801 - $4,211	$133 - $200
Double Occupancy	$929	$966	$995	$1035	$1073	$1,126	$53

Health Care Units Fee Schedule

Living Unit & Service Level Description	Dollar Amount Change from 2017-2018	Dollar Amount Change from 2018-2019	Dollar Amount Change from 2019-2020	Dollar Amount Change from 2020-2021	Dollar Amount Change from 2021-2022
Assisted Living Studio Base Fee	$220	$229	$179	$245	$239
Assisted Living One Bedroom Base Fee	$261	$272	$212	$291	$283
Assisted Living Two Bedroom Base Fee	$338	$352	$274	$377	$367
Assisted Living Second Person Fee	$378	No Change	No Change	No Change	$75
Assisted Living Enhanced Service Package	$32	$29	$30	$35	$34
Assisted Living Premium Service Package	$63	$58	$59	$70	$68
Assisted Living Deluxe Service Package	$95	$87	$90	$105	$102
Assisted Living Custom Service Package*	$111	$101	$104	$123	$119
Memory Care Companion Suite Base Fee	$219	$194	$199	$257	$266
Memory Care Studio Suite Base Fee	$278	$247	$254	$327	$339
Memory Care Deluxe Service Package	$28	$29	$30	$33	$34
Memory Care Custom Service Package*	$42	$44	$45	$49	$51
Skilled Nursing Daily Rate Semi-Private	$14	$14	$15	$15	$15
Skilled Nursing Daily Rate Private	$16	$16	$17	$16	$17
Non-Refundable Community Fee	No Change	No Change	No Change	No Change	No Change

*Prices reflect starting point of range fees

EXHIBIT 7
FINANCIAL STATEMENTS OF PROVIDERS

Summary:
As a form of consumer protection for prospective residents, the Virginia State Corporation Commission has required the Providers to include an audit from an independent accounting firm, expressing that firm's opinion on the Providers' financial statements.

Ashby Ponds, Inc.

Financial Statements and Supplemental Information

December 31, 2021 and 2020

pwc

Report of Independent Auditors

To the Board of Directors
Ashby Ponds, Inc.

Opinion

We have audited the accompanying financial statements of Ashby Ponds, Inc. (the "Community" or "APL"), which comprise the balance sheets as of December 31, 2021 and 2020 and the related statements of operations, changes in net assets (deficit), and cash flows for the years then ended, 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 December 31, 2021 and 2020, 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 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, APL changed the manner in which it accounts for its leases in 2020. Our opinion is not modified with respect to this matter.

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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Supplemental Schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

PricewaterhouseCoopers LLP

Baltimore, Maryland
April 25, 2022

Ashby Ponds, Inc.
Balance Sheets
December 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash	$ 19,519,559	$ 15,269,583
Short-term investments	5,445,039	6,198,827
Restricted cash equivalents (insurance related)	192,230	71,692
Accounts receivable	939,063	1,086,854
Inventory	197,959	398,205
Prepaid expenses and other current assets	205,330	193,068
Promissory notes receivable	3,668,900	5,335,400
Current portion of Community loan receivable	11,367,367	9,949,126
Total current assets	41,535,447	38,502,755
Non-current assets		
Limited use cash, cash equivalents and investments		
Resident capital cash and cash equivalents	6,020,623	5,086,700
Certificates of deposit (insurance related)	1,079	1,079
Certificates of deposit (purchasing card related)	100,658	100,626
Capital expenditure reserve	513,815	242,773
Capital repositioning reserve	4,310,493	3,496,883
Funds with donor restrictions	5,810,143	5,155,433
Funds held for residents	47,576	45,315
Total limited use cash, cash equivalents and investments	16,804,387	14,128,809
Property and equipment, net	501,037,461	453,924,116
Community loan receivable, net of current portion	521,625,259	468,343,318
Total non-current assets	1,039,467,107	936,396,243
Total assets	$ 1,081,002,554	$ 974,898,998
LIABILITIES AND NET ASSETS (DEFICIT)		
Current liabilities		
Accounts payable and accrued expenses	$ 6,751,442	$ 5,735,906
Claims reserve (insurance related)	701,882	647,715
Resident refunds payable	8,988,630	10,625,476
Other current liabilities	337,102	193,178
Finance lease obligation, current portion	11,879,688	10,309,364
Total current liabilities	28,658,744	27,511,639
Non-current liabilities		
Funds held for residents	47,576	45,315
Advance deposits	1,409,448	1,349,348
Resident entrance fees, net of accumulated amortization of $31,071,509 and $27,994,556 for 2021 and 2020, respectively	589,094,949	519,551,560
Other non-current liabilities	—	623,286
Finance lease obligation, net of current portion	527,913,700	479,654,845
Total non-current liabilities	1,118,465,673	1,001,224,354
Total liabilities	1,147,124,417	1,028,735,993
Net assets (deficit)		
Without donor restrictions	(71,932,006)	(58,992,428)
With donor restrictions	5,810,143	5,155,433
Total net assets (deficit)	(66,121,863)	(53,836,995)
Total liabilities and net assets (deficit)	$ 1,081,002,554	$ 974,898,998

The accompanying notes are an integral part of these financial statements

Ashby Ponds, Inc.
Statements of Operations
December 31, 2021 and 2020

	2021	2020
Revenue, gains and other support		
Resident occupancy revenue	$ 66,835,114	$ 60,572,054
Ancillary fees	4,943,957	2,781,484
Amortization of non-refundable resident entrance fees	5,803,708	4,986,000
Community loan receivable interest income	25,330,390	23,977,642
Other revenue	1,761,860	2,331,784
Net assets released from restriction used for operations	453,194	462,646
Total revenue, gains and other support	105,128,223	95,111,610
Expenses		
Salaries, wages and benefits	28,591,055	27,601,498
Professional and contracted services	11,495,746	8,780,097
Supplies	2,771,910	3,074,716
Dietary and other supplies	3,157,312	2,656,253
Building grounds and maintenance	548,410	418,206
Utilities	2,181,095	1,851,766
Administrative and other	812,957	849,481
Management fees	3,433,340	3,149,176
Resident relations	302,647	222,881
Insurance	969,973	672,680
Interest	42,869,467	34,800,994
Real estate taxes	3,063,515	3,149,899
Depreciation and amortization	17,283,341	15,884,946
Expenses incurred related to net assets with donor restrictions	453,194	462,646
Total expenses	117,933,962	103,575,239
Operating loss	(12,805,739)	(8,463,629)
Non-operating income and (expenses)		
Reversal of prior amortization	(48,355)	(39,566)
Investment return, net	21,594	53,402
Total non-operating (expenses)/income	(26,761)	13,836
Excess of expenses over revenue	$ (12,832,500)	$ (8,449,793)

The accompanying notes are an integral part of these financial statements

Ashby Ponds, Inc.
Statements of Changes in Net Assets (Deficit)
December 31, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets (deficit) January 1, 2020	$ (53,138,378)	$ 3,510,039	$ (49,628,339)
Restricted contributions and income earned	—	2,108,040	2,108,040
Net assets released from restriction used for operations	—	(462,646)	(462,646)
Excess of expenses over revenue	(8,449,793)	—	(8,449,793)
Cumulative effect of change in accounting principle	2,664,317	—	2,664,317
Capital contribution to related organization	(68,574)	—	(68,574)
Change in net assets (deficit)	(5,854,050)	1,645,394	(4,208,656)
Net assets (deficit) December 31, 2020	$ (58,992,428)	$ 5,155,433	$ (53,836,995)
Restricted contributions and income earned	—	1,107,904	1,107,904
Net assets released from restriction used for operations	—	(453,194)	(453,194)
Excess of expenses over revenue	(12,832,500)	—	(12,832,500)
Capital contribution to related organization	(107,078)	—	(107,078)
Change in net assets (deficit)	(12,939,578)	654,710	(12,284,868)
Net assets (deficit) December 31, 2021	$ (71,932,006)	$ 5,810,143	$ (66,121,863)

The accompanying notes are an integral part of these financial statements

Ashby Ponds, Inc.
Statements of Cash Flows
for the years ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets (deficit)	$ (12,284,868)	$ (4,208,656)
Adjustments to reconcile change in net assets (deficit) to net cash and restricted cash and cash equivalents provided by operating activities		
Reversal of prior amortization	48,355	39,566
Depreciation and amortization	17,283,341	15,884,946
Amortization of non-refundable resident entrance fees	(5,803,708)	(4,986,000)
Gain on disposals of fixed assets	—	(2,000)
Cumulative effect of change in accounting principle	—	(2,664,317)
Change in unrealized loss on investments	8,816	12,787
Proceeds from non-refundable entrance fees	10,678,287	5,249,790
Spend down	(1,836,531)	(1,793,578)
Decrease in accounts receivable	147,791	2,555,525
Decrease/(increase) in inventory	200,246	(296,892)
(Increase)/decrease in prepaid expenses and other current assets	(12,262)	14,288
Decrease in other assets	—	59,719
Increase in accounts payable and accrued expenses	1,022,438	2,471,545
Increase in claims reserve (insurance related)	54,167	67,172
Increase in other current liabilities	143,924	14,390
(Decrease)/increase in other non-current liabilities	(623,286)	468,522
Net cash provided by operating activities	9,026,710	12,886,807
Cash flows from investing activities		
Decrease/(increase) in short-term investments	744,972	(4,698,437)
Increase in limited use cash, cash equivalents and investments	(427,774)	(1,525,475)
Purchases of property and equipment	(3,519,903)	(2,826,361)
Increase in Community loan receivable	(54,700,182)	(18,318,836)
Proceeds from sale of property and equipment	—	2,000
Net cash used in investing activities	(57,902,887)	(27,367,109)
Cash flows from financing activities		
Proceeds from refundable entrance fees	98,174,283	54,109,097
Refunds of refundable entrance fees	(31,627,543)	(25,941,988)
Repayment of finance lease obligation	(11,054,506)	(9,496,335)
Net cash provided by financing activities	55,492,234	18,670,774
Increase in cash and restricted cash and cash equivalents	6,616,057	4,190,472
Cash and restricted cash and cash equivalents, beginning of year	24,576,301	20,385,829
Cash and restricted cash and cash equivalents, end of year	$ 31,192,358	$ 24,576,301
Supplemental cash flow disclosure:		
Change in funds held for residents	$ 2,261	$ (21,625)
Purchases of property and equipment in accounts payable and accrued expenses	11,598	18,500
Change in assets and liabilities under finance lease	49,785,312	206,398,202

The accompanying notes are an integral part of these financial statements

1. Organization

Ashby Ponds, Inc. (the "Community" or "APL") was established on September 19, 2006 as a Maryland non-stock corporation to operate a not-for-profit continuing care retirement community ("CCRC") in Loudoun County, Virginia. As of December 31, 2021, the Community's available units totaled 1,455 and included 1,319 independent living units, 56 assisted living units, 44 skilled nursing units, and 36 memory care units. As of December 31, 2021, there were 1,377 occupied units, which consisted of 1,244 independent living units, 56 assisted living units, 41 skilled nursing units, and 36 memory care units. As of December 31, 2020, there were 1,252 occupied units, which consisted of 1,125 independent living units, 53 assisted living units, 38 skilled nursing units, and 36 memory care units.

National Senior Communities, Inc. (formerly known as National Senior Campuses, Inc.), ("NSC"), a not-for-profit organization, was organized to support the Community and 15 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 contracts with Erickson Senior Living, LLC (formerly known as Erickson Living Management, LLC), ("ESL"), to provide management services as described in footnote 6. Redwood-ERC Ashburn, LLC ("REA") leases the property to the Community. There are various agreements associated with the management of the Community whereby REA or ESL are considered a related party.

Coronavirus Disease 2019 Pandemic
The Coronavirus Disease 2019 ("COVID-19") pandemic has impacted, and may continue to impact, the senior living industry and the Community. Actions taken by the Community over the past two years to mitigate the spread of COVID-19, as well as the Community's efforts to support its operating cash flow by participating in government programs that provide funding to assist in response to the pandemic, have reduced the overall net impact of COVID-19 on the Community's financial performance.

Due to the age of the Community's residents being in the highest risk category for serious illness from COVID-19, a number of safeguards were implemented in 2020 to protect the residents, as well as employees, including, among many other steps, restricting external access to the Community to essential services only. In 2021, these safeguards were adjusted to correlate to the case count levels as the different variants were circulating. Accordingly, fluctuations in labor and operating costs occurred as well as moderate impact on prospective residents touring and moving into the Community. While the combination of resident attrition and fewer new residents resulted in reduced occupancy and revenues in 2020, occupancy and revenues began returning to pre-pandemic levels in 2021.

The extent to which COVID-19 impacts the operations and financial performance of the Community in the future will depend on the duration and severity of the pandemic and the broader effects on the national economy and the local economy in which the Community operates, the Community's ongoing ability to contain its impact and mitigate the effects on its residents, and continued government programs that provide funding in response to the pandemic. While these outcomes could affect the operating results and financial position of the Community, the Community's experience in addressing the challenges of COVID-19 to date, combined with the Community's liquidity (see footnote 10) and ability to adjust capital expenditures and curtail discretionary operating expenses, have enabled the Community to mitigate the impact of COVID-19 on its operating results and cash flow to date.

Under the Coronavirus Aid, Relief, and Economic Security Act of 2020 ("CARES Act"), cash has been granted to the Community in the Public Health and Social Services Emergency Fund ("Provider Relief Fund") program. During the years ended December 31, 2021 and 2020, the Community recognized in other revenue grants received from the Provider Relief Fund totaling $828,658 and $1,746,666, respectively, based on laws and regulations, as well as interpretations issued by the Department of Health and Human Services ("HHS"), governing the funding that was publicly available through December 31, 2021. These grants were made available to healthcare providers to reimburse for healthcare expenses or lost revenues attributable to COVID-19 which were not reimbursed from other sources, nor which other sources were obligated to reimburse. The funds received by the Community are subject to future audits and potential adjustment in future periods and may need to be repaid in whole or in part to the government.

Beyond the grants described above, the Community has recognized $164,490 and $0 of other revenue for grants received from other state and local government sources in response to pandemic relief efforts for the years ended December 31, 2021 and 2020, respectively.

In addition to government programs that provide direct funding relief, the CARES Act also allowed employers the ability to temporarily defer the employer portion of social security payroll taxes in 2020. As of December 31, 2020, the Community had deferred $905,718 of the employer portion of Social Security payroll taxes, half of which was repaid in the year ended December 31, 2021 and the remainder of which will become due on December 31, 2022.

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.

Cash

APL utilizes a controlled disbursement account that funds checks as they are presented for payment which may result in a book overdraft due to timing. There was no book overdraft as of December 31, 2021 and 2020.

Insurance

APL participates in insurance plans which cover claims for employee health, professional and general liability, workers' compensation and property insurance.

Claims Reserve (insurance related)

Claims reserves are estimated accrued insurance liabilities for the employee health plan, professional and general liability and workers' compensation insurance plans. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided. Claims incurred but not reported represent amounts accrued for the current year which were actuarially determined to be the amount of potential claim payments for events occurring prior to year-end, including excess amounts covered by reinsurance. The Community does not discount this liability.

Employee Health Plan

APL participates in a self-funded employee health plan with other NSC communities that are managed by ESL. 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 $450,000 for the years ended December 31, 2021 and 2020, 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. NSC participants

in the plan share in the payment of claims within the deductible based on their percentage of participation in the plan.

For the years ended December 31, 2021 and 2020, expenses related to the employee health plan were $2,274,108 and $2,195,720 respectively, and are included in salaries, wages and benefits on the Statements of Operations. The liability for future health claims was $233,578 and $224,184 as of December 31, 2021 and 2020, respectively, and is included in claims reserve (insurance related) on the Balance Sheets.

Professional and General Liability Insurance
APL participates in a high retention professional and general liability insurance plan with ESL and other communities managed by ESL. The program has a $2,000,000 per claim retention with a $4,000,000 professional and general liability retention aggregate. Continental Casualty Company ("CNA") provides the lead excess coverage. To the extent a participant incurs a loss, all participants will share in paying for that loss, subject to the retention and the aggregate limits.

For the years ended December 31, 2021 and 2020, expenses related to the professional and general liability plans were $321,002 and $246,668, respectively, and are included in insurance expense on the Statements of Operations. APL follows the accounting policy of establishing reserves for all losses unpaid at the end of the year, including the excess amounts covered by CNA. These reserves have been established by management through consultation with actuaries and are recorded at the expected value to be paid. The liability for the anticipated payment for future professional and general liability claims was $422,325 and $379,776 as of December 31, 2021 and 2020, respectively, and is included in claims reserve (insurance related) on the Balance Sheets.

Workers' Compensation
APL is covered by a commercial workers' compensation policy from the Arch Insurance Company. Deductible amounts per the policy are covered by a separate policy that limits the Community's exposure to their monthly premiums. For the years ended December 31, 2021 and 2020, expenses related to the workers' compensation plan were $449,601 and $421,404, respectively, and are included in salaries, wages and benefits on the Statements of Operations.

Property Insurance
APL participates in a high deductible property insurance plan with ESL and other communities managed by ESL. The plan has a $500,000 deductible per occurrence. CNA provides the excess coverage. To the extent a participant incurs a loss, all participants will share in paying for that loss, subject to the deductible.

For the years ended December 31, 2021 and 2020, expenses related to the property insurance plan were $547,215 and $373,634, respectively, and are included in insurance expense on the Statements of Operations.

Concentration of Credit Risk
Financial instruments, which subject APL to concentrations of credit risk, consist primarily of cash, cash equivalents and certificates of deposit. Cash and cash equivalents include overnight investment arrangements with banks and investments. Total deposits maintained at these institutions at times exceed the amount insured by federal agencies and therefore, bear a risk of loss. APL has not experienced any losses on these funds.

Inventory
Inventory consists of food, personal protective equipment and other supplies which are recorded at the lower of cost or net realizable value using the first in, first out method.

Promissory Notes Receivable
Promissory notes receivable consist of short-term receivables from residents related to payment of the final installment of their entrance fee. 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. The promissory notes receivable balance was $3,668,900 and $5,335,400 as of December 31, 2021 and 2020, respectively.

Resident Capital Cash and Cash Equivalents, Advance Deposits and Resident Entrance Fees
Residents are required to remit entrance fees, which vary in amount depending upon the unit to be occupied. 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 cash equivalents and advance deposits on the Balance Sheets. Timing differences may cause resident capital cash and cash equivalents to not be equal to advance deposits.

Entrance fees on settled units are shown as resident entrance fees on the Balance Sheets and are reported net of amortization and spend down. In general, for each Residence and Care Agreement ("RCA") issued prior to the introduction of the 90% contracts discussed below, entrance fees are fully refundable when the unit has been vacated and released, all outstanding obligations of the resident have been paid, and the unit has been resettled and paid for by a new resident with a fee amount greater than or equal to the previous entrance fee amount.

The currently offered RCA's provide for a refundable amount of 90% of the total entrance fee and a 10% non-refundable portion ("90% contracts"). Eligibility for a refund under the 90% 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, which is the balance established to fund eligible resident refunds. The Refund Account is funded from new residents who have settled an independent living unit with a new 90% 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. For the 90% 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. For all entrance fee refunds due under the previous RCA, the fee is reclassified when the former resident's unit is resettled.

The 10% non-refundable portion 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, or over a shorter period if the RCA is terminated sooner. Amortization of non-refundable resident entrance fees is included in revenue, gains and other support on the Statements of Operations. The amount of amortization related to the 10% non-refundable portion of the deposit was $5,803,708 and $4,986,000 for the years ended December 31, 2021 and 2020, respectively, and is included in amortization of non-refundable resident entrance fees on the Statements of Operations.

Entrance fees may be used to satisfy monthly fees if insufficient resident funds are available, resulting in a spend down of the resident's entrance fees. The amounts charged to spend down are subsequently recovered by the Community through a reduction of the amounts refunded to the resident when they leave the Community and any required refund is made. Residents' final bills are

also charged to spend down which reduces the amount of their refundable entrance fee under the terms of the RCA. For the years ended December 31, 2021 and 2020, spend down activity to offset monthly charges was $1,836,531 and $1,793,578, respectively. The net decrease/(increase) in total spend down (spend down charges offset by recoveries) for the years ended December 31, 2021 and 2020 was $456,902 and $(8,846), respectively.

The composition of resident entrance fees, net, was as follows as of December 31:

	2021	2020
Fully refundable contracts		
Resident entrance fees	$ 93,375,701	$ 102,877,931
Less: Accumulated amortization	(5,832,546)	(6,876,546)
90% Contracts		
Resident entrance fees		
90% refundable portion	475,548,993	401,883,210
10% non-refundable portion	53,592,877	45,592,990
Less: Accumulated amortization	(25,238,963)	(21,118,010)
Less: Spend down	(2,351,113)	(2,808,015)
Resident entrance fees, net	$ 589,094,949	$ 519,551,560

Limited Use Cash, Cash Equivalents and Investments
APL has restricted cash equivalents (insurance related), resident capital cash and cash equivalents, certificates of deposit (insurance related), certificates of deposit (purchasing card related), capital expenditure reserve, capital repositioning reserve, funds with donor restrictions, and funds held for residents that are comprised of cash, cash equivalents and investments, stated at fair market value. Income related to limited use cash, cash equivalents and investments is included in investment return, net, on the Statements of Operations.

The following table provides a reconciliation of cash and restricted cash and cash equivalents reported within the Balance Sheets that sum to the total of the same amounts shown in the Statements of Cash Flows as of December 31:

	2021	2020
Cash	$ 19,519,559	$ 15,269,583
Restricted cash equivalents (insurance related)	192,230	71,692
Resident capital cash and cash equivalents	6,020,623	5,086,700
Capital expenditure reserve	513,815	242,773
Capital repositioning reserve	4,310,493	3,496,883
Funds with donor restrictions	588,062	363,355
Funds held for residents	47,576	45,315
Cash and restricted cash and cash equivalents	$ 31,192,358	$ 24,576,301

Amounts included in restricted cash equivalents (insurance related) represent amounts required to be set aside by a contractual agreement with an insurer for the payment of general and professional liability claims. Restricted cash included in resident capital cash and cash equivalents represents amounts required to be set aside until the unit settles. Amounts included in capital expenditure reserve and capital repositioning reserve include cash reserves maintained per Master Lease and Use Agreement requirements as discussed below. Amounts included in funds with donor restrictions and funds held for residents include cash that has been contributed to funds but not yet invested.

The Master Lease and Use Agreement ("MLUA") with REA provides for the annual calculation and funding of certain internal reserves, the Capital Expenditure Reserve and the Capital Repositioning

Reserve, related to the ongoing capital expenditures at the Community. The reserves are calculated as part of the determination of annual rent, as further defined in footnote 3. The reserves are determined as follows:

Capital Expenditure Reserve - the reserve is based on a rolling five year projection, mutually agreed upon by REA and the Community, for ongoing capital maintenance expenditures anticipated on a per unit basis taking into consideration average industry standards for similar CCRC's and the manager's previous experience. Annually, in conjunction with the determination of annual rent, the calculated amount is compared to actual capital maintenance expenditures for the year and any shortfall is deposited into the reserve account, or if applicable, any excess of actual expenditures over the reserve is released.

Capital Repositioning Reserve - the reserve is established for the less predictable need for major improvements to the Community to modernize Community facilities to meet continuing shifts in new resident expectations and competitive market conditions. Annually, immediately following the determination of annual rent the Community shall deposit 7% of the Community's EBITDAR (see footnote 3) into the reserve. At the end of each year, any amounts remaining in the Capital Repositioning Reserve shall be carried forward and be available for use on capital repositioning expenditures as deemed necessary by REA. All expenditures from the reserve shall be matched by REA on a 2:1 ratio, such that REA shall expend two dollars for each dollar withdrawn from the reserve. To the extent REA determines a Capital Repositioning Expenditure is required and there are insufficient funds in the Capital Repositioning Reserve to fund these expenses, REA has agreed to pay any shortfall, without right of future pay back from the Community for such deficiency.

Due to the long-term nature of these reserves they are considered non-current assets and are included within limited use cash, cash equivalents and investments on the Balance Sheets.

Property and Equipment, Net

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of 3 to 37.5 years. Improvements to property and equipment that substantially extend the useful life of the asset are capitalized. Assets under finance leases are recorded at the present value of the future minimum lease payments. Repair and maintenance costs are expensed as incurred. Gains or losses on the disposition of property and equipment are recorded at the time of the disposition.

The useful lives of property and equipment are as follows:

	Useful Life
Land improvements	15
Building and building improvements	7 - 37.5
Furniture and fixtures	7
Equipment and vehicles	3 - 5

Valuation of Long-Lived Assets

The Community 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. Management has reviewed the valuation of long-lived assets and has determined that no events of impairment occurred for the years ended December 31, 2021 and 2020.

Lease Accounting
The Community evaluates whether a contract is or contains a lease at the inception of the contract. Upon lease commencement, the date on which a lessor makes the underlying asset available to the Community for use, the Community classifies the lease as either an operating or finance lease. Most of the Community's equipment leases are classified as operating leases, while the Community's building leases are classified as finance leases.

The Community, as lessee, recognizes a right of use asset and lease liability on the Community's Balance Sheets for its operating and finance leases as of the lease commencement date. A right of use asset represents the Community's right to use an underlying asset for the lease term while the lease liability represents an obligation to make lease payments measured on a discounted basis. Options to extend a lease are factored into the measurement of the lease liability when it is reasonably certain that the Community will exercise the option. For the Community's leases where the rate implicit in the lease is not readily available, the Community utilizes its estimated incremental borrowing rate in determining the present value of lease payments based on information available at commencement of the lease, which reflects the fixed rate at which the Community could borrow a similar amount for the same term on a collateralized basis. Right of use assets are measured at an amount equal to the initial lease liability, plus any prepaid lease payments (less any incentives received, such as reimbursement for leasehold improvements) and initial direct costs, at the lease commencement date. Leases with an initial term of 12 months or less are not recorded on the Community's balance sheet and instead are recognized as lease expense as incurred. The Community has lease agreements with lease and non-lease components, and as a practical expedient has elected to account for lease and non-lease components together as a single combined lease component for real estate and equipment leases, from both a lessee and lessor perspective.

For operating leases, lease expense is recognized on a straight-line basis over the lease term and is included in total expenses on the Statements of Operations. The right of use asset is generally reduced each period by an amount equal to the difference between the operating lease expense and the amount of interest expense on the lease liability utilizing the effective interest method. For finance leases, the Community recognizes interest expense on the lease liability utilizing the effective interest method. Additionally, the right of use asset is generally amortized to depreciation and amortization expense on a straight-line basis over the lease term, unless the lease contains an option to purchase the underlying asset that the Community is reasonably certain to exercise, in which case the asset is depreciated over the useful life of the underlying asset.

For leases qualifying for the short-term lease exemption, the Community recognizes lease payments on a straight-line basis over the lease term and variable lease payments are expensed as incurred. These expenses are included as components of total expenses on the Statements of Operations.

Refer to the Community's revenue recognition policy for discussion of the accounting policy for residency agreements, which include the lease of an asset.

The Community is also a lessor of space leased to third parties, and recognizes sublease income on a straight-line basis over the lease term in other revenue on the Statements of Operations.

Compensated Absences
APL 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. The expenses related to these absences are included in salaries, wages and benefits on the Statements of Operations.

Net Assets (Deficit)
To account for donor-imposed restrictions placed on the use of resources, net assets (deficit) are classified as follows:

Without Donor Restrictions
Net assets (deficit) without donor restrictions 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.

With Donor Restrictions
Net assets with donor restrictions represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations. These restrictions may or may not expire by the passage of time or by the fulfillment of certain actions pursuant to those stipulations.

Capital Contribution to Related Organization
The Community renewed its agreement with NSC ("Affiliation Agreement") in 2020. Pursuant to the Affiliation Agreement, the Community may make a contribution to the Mission Fund to be used as approved by the NSC Board for the benefit of one or more of its communities or to support NSC's corporate purposes or charitable mission.

Excess of Expenses Over Revenue
The Statements of Operations include excess of expenses over revenue, which includes all revenue and expenses that are an integral part of the Community's activities.

Revenue Recognition

Resident occupancy revenue

Resident occupancy revenue is reported at the amount that reflects the consideration the Community 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 Community's 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 Community provides continuing care services to residents for a stated daily or monthly fee. The Community recognizes revenue for continuing care services under the RCA for independent living in accordance with the provisions of ASC 842, *Leases* ("ASC 842"). The Community recognizes revenue for assisted living services, skilled nursing residency and care, memory care residency and therapy services in accordance with the provisions of ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). The Community 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.

The independent living portion of resident occupancy revenue that qualified under the provisions of the lease guidance was $49,189,628 and $44,937,048 for the years ended December 31, 2021 and 2020, respectively.

The Community determines the transaction price based on standard charges for continuing care services provided, reduced by contractual adjustments (explicit price concessions) provided to third-party payers where applicable. The Community estimates contractual adjustments and discounts based on contractual agreements and historical experiences. The Community evaluates a resident's ability to pay for provided services through an assessment of their available assets, future sources of revenue and the security of their entrance fee at the time of entrance to the Community. Through this evaluation, the Community has determined that it does not offer implicit price concessions. The lack of implicit price concessions is considered in estimating the transaction price billed to residents and the amounts the Community expects to collect based on its collection history with those residents. Residents who meet the Community's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

Agreements with third-party payers typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payers follows:

Medicare: Certain nursing care services are paid at prospectively determined rates based on clinical, diagnostic and other factors. Other services are paid based on cost-reimbursement methodologies subject to certain limits.

Medicaid: Reimbursements for Medicaid services are generally paid at prospectively determined rates per occasion of service, or per covered member.

Other: Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates.

Generally, residents who are covered by third-party payers are responsible for related deductibles and coinsurance which vary in amount. Management estimates the transaction price for residents with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments. Subsequent changes to the estimate of the transaction prices are generally recorded as adjustments to resident occupancy revenue or ancillary fees in the period of the change. These changes to estimates that were recorded in the subsequent period were insignificant for the years ended December 31, 2021 and 2020. Subsequent changes that are determined to be the results of an adverse change in a payer's ability to pay are recorded as a reduction to revenue and were not significant for the years ended December 31, 2021 and 2020.

Ancillary fees

Ancillary fees, which include nursing and aide services, pharmacy charges, 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 Community expects to be entitled in exchange for providing these services. The Community 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.

Disaggregation of Revenue

The Community disaggregates its revenue from contracts with customers by payer source as well as the main lines of business, as the Community believes it best depicts how the nature, amount, timing, and uncertainty of its revenue and cash flows are affected by economic factors. See details in the tables below.

The composition of resident occupancy revenue by payer and level of care was as follows for the years ended December 31:

	2021				
	Independent living	Assisted living	Skilled nursing and other	Memory care	Total
Private pay	$ 49,189,628	$ 6,471,745	$ 4,244,924	$ 4,520,934	$ 64,427,231
Medicare and Medicaid	—	—	2,072,044	—	2,072,044
Third party	—	—	335,839	—	335,839
Total resident occupancy revenue	$ 49,189,628	$ 6,471,745	$ 6,652,807	$ 4,520,934	$ 66,835,114

	2020				
	Independent living	Assisted living	Skilled nursing and other	Memory care	Total
Private pay	$ 44,937,048	$ 5,936,747	$ 3,805,428	$ 3,935,823	$ 58,615,046
Medicare and Medicaid	—	—	1,564,738	—	1,564,738
Third party	—	—	392,270	—	392,270
Total resident occupancy revenue	$ 44,937,048	$ 5,936,747	$ 5,762,436	$ 3,935,823	$ 60,572,054

The composition of ancillary fees by payer and level of care was as follows for the years ended December 31:

	2021				
	Independent living	Assisted living	Skilled nursing and other	Memory care	Total
Private pay	$ 3,106,795	$ 69,458	$ 82,928	$ 24,435	$ 3,283,616
Medicare and Medicaid	—	—	868,347	—	868,347
Third party	26,918	—	765,076	—	791,994
Total ancillary fees	$ 3,133,713	$ 69,458	$ 1,716,351	$ 24,435	$ 4,943,957

	2020				
	Independent living	Assisted living	Skilled nursing and other	Memory care	Total
Private pay	$ 1,512,510	$ 34,291	$ 40,780	$ 4,089	$ 1,591,670
Medicare and Medicaid	—	—	616,431	—	616,431
Third party	16,892	—	556,491	—	573,383
Total ancillary fees	$ 1,529,402	$ 34,291	$ 1,213,702	$ 4,089	$ 2,781,484

Income Taxes

APL is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and the applicable state income tax regulations. Management has evaluated APL's tax positions and has concluded that APL has taken no uncertain tax positions that would require recognition or disclosure in the financial statements.

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 the 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.

Correction of Previously Issued Financial Statements
During the preparation of the financial statements for the year ended December 31, 2021, the Community identified certain errors in its prior year financial statements related to the presentation of cash balances within limited use cash, cash equivalents, and investments. Specifically, cash balances within these accounts should be presented within the total cash and restricted cash and cash equivalents, beginning of year and end of year balances. The Community assessed these errors and has concluded that these errors are immaterial to the previously issued financial statements; however, the Community is correcting these errors by revising the previously issued financial statements as of December 31, 2020 and for the year then ended. The following table summarizes the effect of the revision on the affected financial statement line items within the previously reported financial statements as of that date, and for the periods indicated as shown below:

Statement of Cash Flow	Year ended December 31, 2020 (As Previously Reported)	Adjustments	Year ended December 31, 2020 (As Revised)
Increase in limited use cash, cash equivalents and investments	(2,296,532)	771,057	(1,525,475)
Net cash used in investing activities	(28,138,166)	771,057	(27,367,109)
Increase in cash and restricted cash and cash equivalents	3,419,415	771,057	4,190,472
Cash and restricted cash and cash equivalents, beginning of year	17,008,560	3,377,269	20,385,829
Cash and restricted cash and cash equivalents, end of year	20,427,975	4,148,326	24,576,301

Recently Adopted Accounting Pronouncements
In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02"). 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 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 Community adopted ASU 2016-02 as of January 1, 2020 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 Community elected the package of practical expedients available under the transition 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, and (iii) not revaluing initial direct costs for existing leases. The Community did not elect the use-of-hindsight practical expedient.

The adoption of ASU 2016-02 resulted in the recognition of operating lease liabilities of $21,291 and right of use assets of $21,291 on the Balance Sheets for its existing equipment operating leases based on the remaining present value of the minimum lease payments as of January 1, 2020. Leases under the MLUA (described in footnote 3 below) were originally classified as capital leases under ASC 840 and now finance leases upon adoption of ASC 842. As of January 1, 2020, all of the existing leases were remeasured under the ASC 842 guidance and an adjustment of $138,529,316 was recorded to increase the right of use asset and corresponding finance lease liability. There was also a cumulative effect adjustment to net assets (deficit) without donor restrictions as a result of the adoption.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"). ASU 2018-13 is intended to improve the effectiveness of disclosure requirements on fair value measurement. Amongst other changes, ASU 2018-13 removes: i) the requirement to disclose the amounts and reasons for transfers between Level 1 and Level 2, ii) the requirement to disclose the policy for timing of transfers between levels of the fair value hierarchy, iii) disclosure of the valuation processes for Level 3 fair value measurements, and iv) the requirement for nonpublic entities to disclose the changes in unrealized gains and losses included in earnings for recurring Level 3 fair

value measurements held at the end of the reporting period. In addition, ASU 2018-13 modifies the disclosure requirements to: i) allow nonpublic companies to disclose transfers into and out of Level 3 and purchases and issues of Level 3 assets and liabilities as an alternative to reconciling the opening balances to the closing balances of recurring Level 3 fair value measurements, and ii) require disclosure for investments in certain entities that calculated net asset value of the timing of liquidation of an investee's assets and the date redemption might lapse only if the investee has communicated the timing to the entity or announced the timing publicly. ASU 2018-13 is effective for fiscal years, and interim periods with those fiscal years, beginning after December 15, 2019 with early adoption permitted. An entity is permitted to early adopt any removed or modified disclosures upon the issuance of ASU 2018-13 and delay adoption of the additional disclosures until their effective date The Community adopted this guidance beginning with fiscal year ended December 31, 2020. The impact of this guidance did not have a material effect on the Community's financial statements. Refer to footnote 8.

Recently Issued Accounting Pronouncements
In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* ("Topic 848"). This guidance provides relief from the application of certain contract modification guidance during the transition to alternative reference rates, including LIBOR. Optional expedients are provided for contract modification that replace a reference rate affected by reference rate reform and related contemporaneous modifications, including prospective contract modifications for debt contracts. Exceptions are provided for changes to the critical terms of a hedging relationship due to reference rate reform. Expedients are provided for cash flow hedging relationships and fair value hedging relationships. These provisions are available from March 12, 2020 until December 31, 2023. The Community is currently evaluating the effect of reference rate reform on its contracts.

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments*. The current standard delays the recognition of a credit loss on a financial asset until the loss is probable of occurring. The new standard removes the requirement that a credit loss be probable of occurring for it to be recognized, and requires entities to use historical experience, current conditions, and reasonable and supportable forecasts to estimate their future expected credit losses. The standard is required to be applied using the modified retrospective approach with a cumulative-effect adjustment to net assets, if any, upon adoption. ASU 2016-13 is effective for the Community for fiscal years beginning after December 15, 2022. The Community is currently evaluating the impact of this update on the financial statements.

3. Leases

The Community leases land and buildings, located in Ashburn, Virginia, under the MLUA from REA. The land and buildings leased under the MLUA are recognized as finance leases on the Community's financial statements. The MLUA includes an initial lease term of 20 years with the option to extend the lease term for three additional ten year renewal terms. The MLUA contemplates development of the Community over time, such that each new building constructed on the campus is considered a new leased asset. The Community can exercise an option during a two-year period commencing on the earlier of (a) the one-year anniversary of the "Leased Community Stabilization Date" and (b) April 30, 2030, to purchase the property at 95% of the then fair market value, plus certain other amounts as set forth in the MLUA. The two-year purchase option period cannot begin before January 1, 2025.

Base rent under the MLUA for each month during the lease term is equal to the amount of principal and interest payable by REA to the Community under the Community Loan Agreement through a Community Loan Receivable ("CLR"), which is described further below in footnote 4. Under the CLR, the Community has agreed to lend REA all initial entrance deposits ("IEDs") paid by its residents. Until a residential building reaches 95% occupancy, REA pays interest monthly in arrears at 1/12th of the 5% annual interest rate on the outstanding CLR balance. The period of time between the date of lease commencement and when a building reaches 95% occupancy is referred to as the "initial move-in period."

Once a building achieves 95% occupancy, REA determines the fixed payments due to be repaid by them under the CLR to the Community. REA pays 5% interest on total IEDs, which is comprised of both actual IEDs collected and transferred and the total budgeted amount of IEDs left to collect on the remaining unsold units. The Community agrees to the repayment terms, which then equals the amount of fixed rent the Community will pay the Landowner under the MLUA. As of December 31, 2021 and 2020, there were fourteen and thirteen, respectively, of the Community's MLUA finance leases which had achieved 95% occupancy.

Rents paid by APL to REA during the initial move-in period are tied to the occupancy levels. As a resident moves in, the IED received by the Community is transferred timely to REA, thus increasing the CLR balance and requiring the lease liability and right-of-use asset to be remeasured using the discount rate at lease commencement. These variable rent payments tied to occupancy become fixed payments for a building beginning the month after reaching 95% occupancy. For the year ended December 31, 2021, two of APL's finance leases were remeasured resulting in an increase to property and equipment, net, and to the finance lease obligation of $60,883,685. For the year ended December 31, 2020, three of APL's finance leases were remeasured resulting in an increase to property and equipment, net, and to the finance lease obligation of $67,868,886.

In May 2021, APL opened Building 3.2, Hamilton Way, and as a result, the finance lease obligation increased by $52,575,888 for the year ended December 31, 2021 for the additional minimum lease payments related to this new building. There were no new buildings opened during the year ended December 31, 2020.

Minimum payments under building leases do not include contingent rent payments calculated on an annual basis, referred to as annual rent. Annual rent is calculated as EBITDAR divided by 1.2. (EBITDAR is defined as annual operating income, plus net resale margin, plus release of any capital expenditure reserve from the previous year, minus debt service reserves, minus capital expenditures to the extent not funded from the reserves, minus the amount necessary to fund furniture, fixtures, and equipment for new buildings developed by the landlord in the year they are placed in service, minus all sums owed under any working capital loan agreement between APL and REA). The total amount of annual rent payable to REA for each calendar year shall be adjusted based on the results of the annual audit and verification of the actual EBITDAR for the entire calendar year. Annual rent expense was $18,461,675 and $11,823,139 for the years ended December 31, 2021 and 2020, respectively, and is included in interest expense on the Statements of Operations.

In addition, the Community has operating and finance leases for certain equipment used in the operation of the Community. Equipment leases contain fixed monthly lease payments, and in some circumstances annual rent escalators. The future minimum lease payments recognized on the balance sheets include fixed payments and any variable payments utilizing an index or rate known on the lease commencement date. These lease arrangements are generally for terms of one to three years and may contain an option to renew for one to two additional years. Generally, the Community does not consider any additional renewal periods to be reasonably certain of being exercised, as comparable equipment could be identified within the same area for comparable lease rates.

The Community's total lease cost associated with its leases was as follows for the year ended December 31:

	2021	2020
Finance lease cost		
Amortization of right of use assets	$ 14,563,018	$ 13,249,880
Interest on lease liabilities	24,407,792	22,977,854
Variable cost - annual rent	18,461,675	11,823,139
Operating lease cost	—	186,323
Short-term lease cost	—	39,688
Total lease cost	$ 57,432,485	$ 48,276,884

The supplemental balance sheet information related to leases was as follows as of December 31:

	2021	2020
Operating		
Total operating lease liabilities	$ —	$ —
Finance		
Property and equipment, net	$ 490,191,286	$ 443,870,620
Lease liabilities		
Finance lease obligation, current portion	$ 11,923,556	$ 10,337,380
Finance lease obligation, net of current portion	527,913,700	479,714,564
Total finance lease liabilities	$ 539,837,256	$ 490,051,944

The weighted-average discount rate and weighted-average remaining lease term of the Community's operating and finance leases was as follows as of December 31:

	2021	2020
Weighted average discount rate		
Operating	—%	—%
Finance	5.17%	5.37%
Weighted average remaining lease term (in years)		
Operating	—	—
Finance	25.69	26.07

As of December 31, 2021, the future payments due under operating and finance leases were:

	Operating	Finance
2022	$ —	$ 37,187,141
2023	—	37,143,273
2024	—	37,143,273
2025	—	37,143,273
2026	—	37,143,273
Years thereafter	—	736,502,151
Total future minimum lease payments	—	922,262,384
Less: Amount representing interest	—	(382,425,128)
Lease liabilities recognized	$ —	$ 539,837,256

In addition, the Community has leased space to various vendors who provide services to the residents as an accommodation. These agreements have terms from 1 to 5 years and most are for a fixed monthly rate; however, some do include a variable component in the final monthly price.

The future payments to be received under current operating lease agreements where the Community is the lessor (including resident contracts for Independent Living units) as of December 31, 2021 were approximately $49.4 million in each of the next five years.

4. Community Loan Agreement

On April 30, 2010, APL entered into the Community Loan Agreement with REA whereby APL agreed to lend REA all initial entrance fees paid by residents. Until a building reaches 95% occupancy, REA agrees to pay APL interest monthly in arrears at one twelfth of the 5% annual interest rate on the total resident entrance fees for that building. Once a building reaches 95% occupancy, REA agrees to pay APL equal monthly installments of principal and interest based on the total resident entrance fees for that building amortized over a thirty-year period. The CLR is collateralized by a deed of trust in the property being developed by REA and is subordinate only to any future development loans used to secure the property.

The carrying amount for receivables in which repayment terms have not been established approximates the fair value, which represent amounts receivable upon demand since the borrowings do not have a defined maturity date. The Community does not intend to call these amounts within the course of next year and, as a result, has classified them as non-current assets. Interest earned on the CLR was $25,330,390 and $23,977,642 for the years ended December 31, 2021 and 2020, respectively, and is included in Community loan receivable interest income on the Statements of Operations.

As of December 31, the total Community loan receivable consisted of the following:

	2021	2020
Building 1.1	$ 20,731,408	$ 21,410,364
Building 1.2	19,440,109	20,086,981
Building 1.3	40,119,720	41,278,312
Building 1.4	21,590,876	22,204,605
Building 1.5	20,972,445	21,561,633
Building 1.6	23,922,967	24,564,007
Building 2.1	43,245,409	44,218,131
Building 2.2	29,595,916	30,175,952
Building 2.3	36,771,365	37,089,233
Building 2.4	54,173,320	54,115,518
Building 2.5	42,605,614	43,292,120
Building 2.6	43,577,246	43,703,955
Building 3.2	56,438,800	—
Building 3.3	67,601,246	67,406,555
Building EC 1.0	12,206,185	7,185,078
Total borrowings	532,992,626	478,292,444
Less: current portion	(11,367,367)	(9,949,126)
Community loan, net of current portion	$ 521,625,259	$ 468,343,318

Repayment terms are established when a building reaches 95% occupancy, and a formal mortgage is established. The monthly payment of each note is calculated on amortization of the principal in equal monthly installments over various periods, depending on the building, from 24 to 30 years. As of

December 31, 2021, Resident Buildings 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 3.2 and 3.3, as well as Extended Care Building 1.0, met the criteria and the principal maturities are as follows:

2022	$ 10,650,275
2023	11,195,163
2024	11,767,929
2025	12,369,999
2026	13,002,872
Years thereafter	417,567,588
Total principal maturities	$ 476,553,826

5. Property and Equipment, Net

Property and equipment, net, consisted of the following as of December 31:

	2021	2020
Land and land improvements	$ 28,300	$ 28,300
Building and building improvements	565,779,412	503,751,160
Furniture and fixtures	5,187,215	3,530,475
Equipment and vehicles	6,561,467	5,784,773
	577,556,394	513,094,708
Less: Accumulated depreciation	(78,037,071)	(61,243,986)
	499,519,323	451,850,722
Open projects	1,518,138	2,073,394
Total property and equipment, net	$ 501,037,461	$ 453,924,116

Depreciation expense was $17,283,341 and $15,884,946 for the years ended December 31, 2021 and 2020, respectively. For the years ended December 31, 2021 and 2020, APL disposed of fully depreciated assets totaling $490,256 and $1,748,272, respectively. There were gains of $0 and $2,000 related to these disposals for the years ended December 31, 2021 and 2020.

As of December 31, 2021 and 2020, assets under finance leases, primarily land and buildings, are included in property and equipment, net, at a cost of $555,394,883 and $494,511,198, respectively, less accumulated amortization of $65,246,960 and $50,727,307, respectively. Amortization expense for assets under finance leases is included in depreciation expense on the Statements of Operations.

6. Management and Marketing Agreement

On April 30, 2010, APL and ESL entered into a Management and Marketing Agreement. ESL will provide management and marketing services to APL during the term of this agreement in exchange for a management fee and allocation of certain costs to the Community as discussed below. The agreement has been amended various times since inception, including on April 30, 2020; this current agreement expires on January 1, 2029. Under the prior agreement, the monthly fee was calculated as 5% of the total resident occupancy fees for such month. Under the new agreement, the monthly fee is calculated as 5% of the total resident occupancy fees for such month, including continuing care occupancy. Management fees for the years ended December 31, 2021 and 2020 were $3,433,340 and $3,149,176, respectively. Beginning January 1 in the year following the year in which APL

achieves maturity, as defined in the agreement, the monthly fee will be the sum of the base fee and incentive fee defined as follows:

Base Fee will be calculated as 90% of the applicable percentage of occupancy fees based on the projected occupancy rate on which the budget is based as of January 1 of the year following the year APL achieves maturity. The Base Fee will increase by the increase in the Consumer Price Index for the Baltimore-Towson Metropolitan Statistical Area for the previous year.

Incentive Fee, not to exceed 25% of the applicable Base Fee, will be an amount equal to the excess, if any, of the amount of the applicable percentage of the total actual occupancy fees over the applicable Base Fee.

The direct and shared costs allocated to APL by ESL for the years ended December 31, 2021 and 2020 were $6,498,447 and $5,899,089, respectively, and are included in professional and contracted services and salaries, wages and benefits on the Statements of Operations. Direct and shared costs include salaries and benefits for management personnel and the use of services such as finance, legal, human resources, information systems, and operations.

7. Defined Contribution Plan

APL maintains a defined contribution plan for APL employees meeting certain eligibility requirements. Eligible employees may contribute up to 50% of their salary subject to the maximum allowed by the Internal Revenue Code on a pretax basis. APL may make discretionary contributions to the plan equal to a percentage of the participant's elective deferrals. Total expense recognized by APL was $381,495 and $367,027 for the years ended December 31, 2021 and 2020, respectively, and is included in salaries, wages and benefits on the Statements of Operations.

8. Fair Value of Financial Instruments

The fair value measurement standard establishes measurement criteria and a hierarchy for ranking the quality and reliability of the information used to determine fair values. Fair value is a market-based measurement that defines the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The standard requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

As of December 31, 2021 and 2020, APL had no assets or liabilities carried at fair value that required Level 3 classification.

The financial instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Each of the financial instruments below was valued utilizing the market approach.

The following table summarizes the valuation of APL's financial instruments by the above pricing levels as of:

	December 31, 2021		
	Unadjusted Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value
Current assets			
Short-term investments			
Money market funds	$ 8,609	$ —	$ 8,609
Fixed income securities	—	5,436,430	5,436,430
Restricted cash equivalents (insurance related)			
Money market funds	192,230	—	192,230
	$ 200,839	$ 5,436,430	$ 5,637,269
Non-current assets			
Limited use cash, cash equivalents and investments			
Resident capital cash and cash equivalents			
Cash	$ 5,128,508	$ —	$ 5,128,508
Money market funds	892,115	—	892,115
Certificates of deposit (insurance related)	—	1,079	1,079
Certificates of deposit (purchasing card related)	—	100,658	100,658
Capital expenditure reserve			
Cash	513,815	—	513,815
Capital repositioning reserve			
Cash	4,310,493	—	4,310,493
Funds with donor restrictions			
Cash	588,062	—	588,062
Fixed income securities	2,945,254	—	2,945,254
Equity securities	2,276,827	—	2,276,827
Funds held for residents			
Cash	47,576	—	47,576
	$ 16,702,650	$ 101,737	$ 16,804,387

	December 31, 2020		
	Unadjusted Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value
Current assets			
Short-term investments			
Money market funds	$ 7,866	$ —	$ 7,866
Fixed income securities	—	6,190,961	6,190,961
Restricted cash equivalents (insurance related)			
Money market funds	71,692	—	71,692
	$ 79,558	$ 6,190,961	$ 6,270,519
Non-current assets			
Limited use cash, cash equivalents and investments			
Resident capital cash and cash equivalents			
Cash	$ 3,630,194	$ —	$ 3,630,194
Money market funds	1,456,506	—	1,456,506
Certificates of deposit (insurance related)	—	1,079	1,079
Certificates of deposit (purchasing card related)	—	100,626	100,626
Capital expenditure reserve			
Cash	242,773	—	242,773
Capital repositioning reserve			
Cash	3,496,883	—	3,496,883
Funds with donor restrictions			
Cash	363,355	—	363,355
Fixed income securities	2,870,455	—	2,870,455
Equity securities	1,921,623	—	1,921,623
Funds held for residents			
Cash	45,315	—	45,315
	$ 14,027,104	$ 101,705	$ 14,128,809

Cash and Money Market Funds
These investments are carried at amortized cost which approximates fair value. These investments are considered Level 1 investments because they use unadjusted quoted market prices in active markets for identical assets or liabilities.

Certificates of Deposit
Certificates of deposit have original maturities of more than three months and are considered short-term investments. These investments are carried at amortized cost which approximates fair value. Computed prices and frequent evaluation versus market value render the certificates of deposit a Level 2 investment.

Fixed Income Securities and Equity Securities (Level 1)
These investments are actively traded on a primary exchange and are valued at the last sale price on the security's primary exchange, which renders them a Level 1 investment. The fair market value of these securities fluctuates with the underlying stock price. Significant changes in the stock price of the underlying equity are analyzed and any other-than-temporary impairments are recorded upon determination.

Fixed Income Securities (Level 2)
These investments are not actively traded on a primary exchange which renders them a Level 2 investment. These investments fluctuate in value based upon changes in the interest rates. Significant changes in the credit quality of the underlying entity are analyzed and any other-than-temporary impairments are recorded upon determination.

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

9. Net Assets With Donor Restrictions

Net assets with donor restrictions were designated for the following purposes as of December 31:

	2021	2020
Resident care	$ 3,597,469	$ 3,135,851
Scholarship	2,184,158	2,010,605
Staff appreciation	28,516	8,977
Total funds with donor restrictions	$ 5,810,143	$ 5,155,433

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes for the years ended December 31:

	2021	2020
Resident care	$ 283,084	$ 342,359
Scholarship	170,110	120,287
Total net assets released from restriction	$ 453,194	$ 462,646

Staff appreciation funds totaling $349,851 and $341,724 were expended during the years ended December 31, 2021 and 2020, respectively. These amounts are included in both other revenue and salaries, wages and benefits on the Statements of Operations.

10. Liquidity and Availability

Financial assets available for general expenditure within one year of the balance sheet date consisted of the following as of December 31:

	2021	2020
Cash	$ 19,519,559	$ 15,269,583
Short-term investments	5,445,039	6,198,827
Accounts receivable	939,063	1,086,854
Promissory notes receivable	3,668,900	5,335,400
	$ 29,572,561	$ 27,890,664

Additionally, the Community maintains a $3,000,000 line of credit, as discussed in more detail in footnote 12. As of December 31, 2021 and 2020, the full $3,000,000 remained available on the Community's line of credit.

As part of the Community's liquidity management plan, a comprehensive analysis of cash requirements is completed for the following year and a comparison is made to existing resources plus the capacity under the existing working capital loan. Cash in excess of daily requirements is invested in short-term investments.

11. Functional Expenses

APL provides program services to residents within the Community. Operating expenses by nature and function related to providing these services were as follows for the years ended December 31:

	2021				
	Program Services			Support Services	
	Independent Living	Continuing Care	Ancillary Health	General and Administration	Total
Expenses					
Salaries, wages and benefits	$ 13,252,114	$ 9,200,504	$ 708,015	$ 5,430,422	$ 28,591,055
Professional and contracted services	5,083,407	747,611	76,256	5,588,472	11,495,746
Supplies	1,624,262	778,862	94,112	274,674	2,771,910
Dietary and other supplies	2,670,927	461,711	—	24,674	3,157,312
Building grounds and maintenance	476,896	34,812	—	36,702	548,410
Utilities	1,983,016	198,079	—	—	2,181,095
Administrative and other	289,967	58,012	—	464,978	812,957
Management fees	2,539,475	893,865	—	—	3,433,340
Resident relations	64,236	42,862	46	195,503	302,647
Insurance	881,461	86,665	—	1,847	969,973
Interest	42,869,467	—	—	—	42,869,467
Real estate taxes	2,887,059	176,456	—	—	3,063,515
Depreciation and amortization	17,238,075	39,945	5,321	—	17,283,341
Expenses incurred related to net assets with donor restrictions	453,194	—	—	—	453,194
Total expenses	$ 92,313,556	$ 12,719,384	$ 883,750	$ 12,017,272	$ 117,933,962

	2020				
	Program Services			Support Services	
	Independent Living	Continuing Care	Ancillary Health	General and Administration	Total
Expenses					
Salaries, wages and benefits	$ 12,330,810	$ 9,282,520	$ 628,313	$ 5,359,855	$ 27,601,498
Professional and contracted services	3,009,577	727,253	263,398	4,779,869	8,780,097
Supplies	1,622,266	871,104	56,259	525,087	3,074,716
Dietary and other supplies	2,258,172	387,735	—	10,346	2,656,253
Building grounds and maintenance	345,077	47,578	—	25,551	418,206
Utilities	1,667,875	183,891	—	—	1,851,766
Administrative and other	337,679	32,272	11	479,519	849,481
Management fees	2,329,293	819,883	—	—	3,149,176
Resident relations	113,210	20,103	—	89,568	222,881
Insurance	602,872	69,808	—	—	672,680
Interest	34,800,994	—	—	—	34,800,994
Real estate taxes	2,916,555	233,344	—	—	3,149,899
Depreciation and amortization	15,713,821	142,410	28,715	—	15,884,946
Expenses incurred related to net assets with donor restrictions	462,646	—	—	—	462,646
Total expenses	$ 78,510,847	$ 12,817,901	$ 976,696	$ 11,269,795	$ 103,575,239

Natural expenses attributable to more than one functional expense category are allocated using various cost allocation techniques such as building use and time and effort.

12. Working Capital Loan

On April 30, 2010, APL and REA entered into a Working Capital Loan ("WCL") agreement which allows APL to borrow from REA an aggregate principal amount. The agreement has been amended on various dates to adjust the capacity under the loan. The latest amendment on March 1, 2015 provides for a maximum amount of $3,000,000. As security for the loan, APL has granted REA a security interest in all of its right, title and interest in and to all RCAs including all payments thereunder. The WCL is due April 30, 2025. There was no outstanding balance on the WCL as of December 31, 2021 and 2020. The rate for the WCL is the Wall Street Journal prime rate less 0.25%, which was 3.00% and 3.00% as of December 31, 2021 and 2020, respectively. There was no interest expense for the years ended December 31, 2021 and 2020. There was no accrued interest related to the WCL as of December 31, 2021 and 2020.

13. Commitments and Contingencies

APL 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 APL.

14. Subsequent Event

Subsequent events have been evaluated by management through April 25, 2022, which is the date the financial statements were available to be issued.

Supplemental Information

Ashby Ponds, Inc.
Supplemental Schedule
for the years ended December 31, 2021 and 2020

(Unaudited)	2021	2020
Cash and investments		
Cash	$ 19,519,559	$ 15,269,583
Short-term investments	5,445,039	6,198,827
Total cash and investments	$ 24,964,598	$ 21,468,410
Change in cash and investments		
Cash	$ 4,249,976	$ 9,676,990
Short-term investments	(753,788)	4,685,650
Change in cash and investments	$ 3,496,188	$ 14,362,640
Cash provided by business operations:		
Total revenue, gains and other support	$ 105,128,223	$ 95,111,610
Less: Interest income	(25,330,390)	(23,977,642)
Less: Amortization of non-refundable resident entrance fees	(5,803,708)	(4,986,000)
Add: Net cash flows related to entrance fees	9,622,484	11,112,490
Cash provided by business operations	83,616,609	77,260,458
Total expenses	(117,933,962)	(103,575,239)
Less: Depreciation and amortization	17,283,341	15,884,946
Less: Interest expense	42,869,467	34,800,994
Cash used for operating expenses	(57,781,154)	(52,889,299)
Purchases of property and equipment (on-going)	(3,519,903)	(2,826,361)
Cash used in business operations	(61,301,057)	(55,715,660)
Net cash provided by business operations	22,315,552	21,544,798
Other sources and uses of cash:		
Net investment income	21,594	53,402
Cumulative effect of change in accounting principle	—	(2,664,317)
Capital contribution to related organization	(107,078)	(68,574)
(Decrease)/increase in working capital	(926,915)	5,675,076
Variable cost - annual rent	(18,461,675)	(11,823,139)
Restricted contributions, net	654,710	1,645,394
Net cash used in non-operating activities	(18,819,364)	(7,182,158)
Total change in cash and investments	$ 3,496,188	$ 14,362,640

Ashby Ponds, Inc.
Note to Supplemental Schedule
for the years ended December 31, 2021 and 2020

1. Basis of Presentation and Accounting

The Supplemental Schedule presented on page 29 is derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information is presented for the purpose of providing additional analysis of the financial statements, rather than to present the financial positions and changes in net assets (deficit) of APL, and are not a required part of the financial statements. The information is intended to expand on the sources and uses of cash generated by the operations of the Community which are monitored by management to determine the overall health and performance of the Community as a whole.

Redwood-ERC Ashburn, LLC

Financial Statements
For the Years Ended December 31, 2021 and 2020

RSM

RSM US LLP

Independent Auditor's Report

Member
Redwood-ERC Ashburn, LLC

Opinion

We have audited the financial statements of Redwood-ERC Ashburn, LLC (the Company), which comprise the balance sheets as of December 31, 2021 and 2020, the related statements of operations and changes in member's deficit, 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, 2021 and 2020, 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 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 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 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.

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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 28, 2022

Redwood-ERC Ashburn, LLC
Balance Sheets
December 31, 2021 and 2020

ASSETS	2021	2020
Current assets:		
Cash and cash equivalents	$ 367,055	$ 539,433
Restricted cash	163,800	163,800
Total cash and restricted cash	530,855	703,233
Due from APL	2,650,705	1,598,454
Due from ESL	-	2,505
Other current assets	308,905	287,079
Total current assets	3,490,465	2,591,271
Long-term assets:		
Property, plant and equipment, net	372,466,378	363,769,610
Total assets	$ 375,956,843	$ 366,360,881
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities:		
Accounts payable	$ 3,178,665	$ 4,015,329
Due to ESL	20,051	-
Due to ELD	206,339	83,969
Current portion of community loan	11,367,367	9,949,125
Total current liabilities	14,772,422	14,048,423
Long-term liabilities:		
Borrowings under community loan agreement due to APL	521,625,259	468,343,320
Community loan discount, net of $15,743,675 and $14,220,721 of accumulated amortization at December 31, 2021 and 2020, respectively	(23,989,149)	(25,512,103)
Total community loan	497,636,110	442,831,217
Deferred revenue	424,703	-
Total long-term liabilities	498,060,813	442,831,217
Total liabilities	512,833,235	456,879,640
Commitments (Note 10)		
Member's deficit	(136,876,392)	(90,518,759)
Total liabilities and member's deficit	$ 375,956,843	$ 366,360,881

The accompanying notes are an integral part of these financial statements.

Redwood-ERC Ashburn, LLC

Statements of Operations and Changes in Member's Deficit

for the years ended December 31, 2021 and 2020

	2021	2020
Revenue:		
Rental revenue	$ 53,923,973	$ 44,211,363
Interest income	901	903
Total revenue	53,924,874	44,212,266
Expenses:		
Interest	26,853,344	25,475,142
Depreciation and amortization	12,143,496	10,561,035
General and administrative	1,478,956	1,246,771
Total expenses	40,475,796	37,282,948
Net income	13,449,078	6,929,318
Member's deficit, beginning	(90,518,759)	(112,034,486)
Contributions from member	13,553,455	50,675,496
Distributions to member	(73,360,166)	(36,089,087)
Member's deficit, ending	$ (136,876,392)	$ (90,518,759)

The accompanying notes are an integral part of these financial statements.

Redwood-ERC Ashburn, LLC

Statements of Cash Flows

for the years ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Net income	$ 13,449,078	$ 6,929,318
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities		
Depreciation and amortization	12,143,496	10,561,035
Amortization of discount on community loan	1,522,954	1,497,500
Increase in due from APL	(1,052,251)	(1,598,454)
Decrease (increase) in due from ESL	2,505	(2,505)
Increase in other current assets	(21,826)	(1,737)
Increase in accounts payable	3,157	183
Increase in deferred revenue	424,703	-
Increase (decrease) in due to ESL	20,051	(16,068)
Increase (decrease) in due to ELD	122,370	(273,653)
Decrease in due to APL	-	(2,742,914)
Net cash and cash equivalents provided by operating activities	26,614,237	14,352,705
Cash flows from investing activities:		
Purchase of property, plant and equipment	(21,680,085)	(46,869,753)
Net cash and cash equivalents used in investing activities	(21,680,085)	(46,869,753)
Cash flows from financing activities:		
Proceeds of borrowings under community loan agreement due to APL	64,832,089	26,812,751
Principal payments on community loan	(10,131,908)	(8,493,914)
Contributions from member	13,553,455	50,675,496
Distributions to member	(73,360,166)	(36,089,087)
Net cash and cash equivalents (used in) provided by financing activities	(5,106,530)	32,905,246
(Decrease) increase in cash and cash equivalents and restricted cash	(172,378)	388,198
Cash and cash equivalents and restricted cash, beginning of year	703,233	315,035
Cash and cash equivalents and restricted cash, end of year	$ 530,855	$ 703,233
Supplemental disclosures of cash flow information and non-cash financing activities:		
Acquisitions of property, plant and equipment financed through accounts payable	$ 3,175,508	$ 4,015,329

The accompanying notes are an integral part of these financial statements.

1. Organization

Redwood-ERC Ashburn, LLC (the "Company"), is a Maryland limited liability company, formed on February 12, 2010, to own, acquire and develop certain real property. The Company commenced operations on April 30, 2010. The Company is a wholly 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 CCRCs. Erickson Living Properties II, LLC ("ELP II") is a wholly owned subsidiary of ELH, whose purpose is to develop and lease CCRCs. Erickson Senior Living, LLC is a Maryland limited liability company originally formed on October 19, 2009, as Erickson Living Management, LLC and renamed November 23, 2020, as Erickson Senior Living, LLC ("ESL"), to provide management services to large scale CCRCs throughout the United States. These financial statements present the operations of the Company for the years ended December 31, 2021 and 2020.

Ashby Ponds, Inc. ("APL"), a Maryland non-stock Corporation located in Ashburn, Virginia, operates the continuing care retirement community being developed by the Company. APL rents the facility from and lends the residents' initial entrance deposits to the Company. As of December 31, 2021 and 2020, 1,319 and 1,173 independent living units were available, respectively. As of December 31, 2020 and 2019, there were 56 assisted living units, 44 skilled nursing units and 36 memory care units available.

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.

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.

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 2021 and 2020, 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, 2021 and 2020, the Company's allocable share of the pooled cash account was $367,055 and $539,433, respectively.

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.

Restricted Cash/Letters of Credit
Restricted cash consists of certificates of deposit, which collateralize a development related letter of credit.

Due to/from APL
Due to/from APL consists of amounts due to/from APL. These amounts are offset partially by amounts charged for reimbursement of marketing expenses incurred by APL on behalf of the Company. These amounts also include amounts for annual rent payable to the Company as described in Note 6.

Property, Plant and Equipment
Property, plant 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 and leasehold improvements	7 to 40 years
Land improvements	15 years
Furniture, fixtures and equipment	3 to 15 years

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 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. Management has reviewed and no events of impairment occurred during the years ended December 31, 2021 and 2020.

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 individual 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, restricted cash, due to/from APL, accounts payable, due to/from ESL and due to Erickson Living Development, LLC ("ELD") 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition
Rental revenue is recorded annually, based on a rental rate disclosed in the lease agreement (see Note 6).

Advertising
Advertising costs were charged to operations when incurred. The Company pays a fee to APL to cover its portion of marketing costs. Advertising expense for the years ended December 31, 2021 and 2020, was $928,086 and $765,024 respectively.

Community Loan Discount
The loan discount associated with the community loan is amortized using the effective interest method.

Recently Issued 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 a contract (i.e., lessees and lessors). The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company does not expect the standard to have a material impact on the financial statements.

3. Coronavirus Disease Pandemic

The Coronavirus Disease 2019 ("COVID-19") pandemic has impacted, and may continue to impact, the senior living industry and the Company. Due to the age of APL's residents being in the highest risk category for serious illness from COVID-19, a number of safeguards were implemented in 2020 to protect the residents, as well as employees. While the combination of resident attrition and fewer new residents resulted in reduced occupancy and revenues in 2020, occupancy and revenues began returning to pre-pandemic levels in 2021.

The extent to which COVID-19 impacts the operations and financial performance of the Company and APL in the future will depend on the duration and severity of the pandemic and the broader effects on the national economy and local economy in which the Company operates, as well as APL's ongoing ability to contain its impact and mitigate the effects on its residents.

4. Note Receivable from APL

The Company has entered into a Working Capital Loan Agreement with APL. The agreement provides for APL to borrow up to $3,000,000 at an annual rate of prime minus 0.25%. Interest is payable to the Company monthly, provided that APL's cash on hand meets certain minimum thresholds. Total interest income was $-0- for both years ended December 31, 2021 and 2020. There was no outstanding borrowings or accrued interest as of December 31, 2021 and 2020. Repayment of any amounts borrowed by APL is due by April 30, 2025.

5. Property, Plant and Equipment

As of December 31, property, plant and equipment consist of the following:

	2021	2020
Land and land improvements	$ 45,368,874	$ 44,149,012
Buildings	358,677,516	284,308,169
Furniture, fixtures and equipment	17,590,763	16,098,587
Construction in progress	18,784,198	75,025,319
	440,421,351	419,581,087
Accumulated depreciation	(67,954,973)	(55,811,477)
Property, plant and equipment, net	$ 372,466,378	$ 363,769,610

Depreciation expense of $12,143,496 and $10,561,035 was recorded for the years ended December 31, 2021 and 2020, respectively.

There were no disposals of fixed assets for the years ended December 31, 2021 or 2020.

6. Lease and Loan Agreements

The Company leases land and buildings to APL under the Master Lease and Use Agreement (the "Lease"). The Lease expires April 30, 2030. The lease was modified by an amendment in February 2013, which was effective January 2011 that modified the definition of EBITDAR and annual rent. APL shall have the option to renew the Lease for three additional ten-year terms. The terms of the Lease include provisions for base rental payments and annual rental payments. The lease was further amended on April 30, 2020, to modify and clarify terms related to APL's options to purchase the property during certain exercise periods. The Initial Exercise Period is defined as the two-year period commencing on the earlier of the first full year immediately following the year in which the certificate of occupancy for the final building in the approved development plan has been obtained, or April 30, 2030. The Secondary Exercise Period is defined as the 60-day period commencing upon the 10th anniversary of the expiration of the Initial Exercise Period. Rent shall be calculated as the sum of the base rent and the annual rent defined as follows:

> **Base Rent** shall be the amount of principal and interest payable by the Company to APL under the Community Loan Agreement ("the Loan"), for such month.
>
> **Annual Rent** shall be APL's EBITDAR divided by 1.2. (EBITDAR is defined as operating income, plus net resale margin, plus release of any capital expenditure reserve to cover capital maintenance expenditures incurred in a previous year, minus debt service reserves, minus capital expenditures to the extent not funded from the reserves, minus the amount necessary to fund furniture, fixtures and equipment for new buildings developed by the Company and placed in service in the current year, minus all sums owing under any working capital loan agreement between APL and the Company). The total amount of annual rent payable to the Company for each calendar year shall be adjusted based on the results of the annual audit and verification of actual EBITDAR for the entire calendar year.

Base rent under the Lease was $35,462,298 and $32,471,556 for the years ended December 31, 2021 and 2020, respectively. Annual rent for the years ended December 31, 2021 and 2020, was $18,461,675 and $11,739,807, respectively.

Under the Loan, the Company borrows the initial residents' entrance deposits from APL. These amounts are recorded as borrowings under the Loan, which are collateralized by the property, including the property, plant and equipment owned by the Company. The maturity date of the Loan is defined as the earlier of (i) payment of the Note in full, (ii) the 360th month after the repayment commences for the specific residential building, (iii) 50 years after the date of the Loan, or (iv) closing of APL's purchase of the property. The Loan includes interest payments at the annual rate of 5% on the entrance deposits received. Repayment terms are established when a building reaches 95% occupancy, and are based on a 30-year mortgage. Interest expense of $25,330,390 and $23,977,642 was recorded on the notional amount for the years ended December 31, 2021 and 2020, respectively. Additional interest expense of $1,522,954 and $1,497,500 on the discount amount was accreted for the years ended December 31, 2021 and 2020, respectively.

As of December 31, the total borrowings under the Loan consist of the following:

	2021	2020
Building 1.1	$ 20,731,408	$ 21,410,364
Building 1.2	19,440,109	20,086,981
Building 1.3	40,119,720	41,278,312
Building 1.4	21,590,876	22,204,605
Building 1.5	20,972,445	21,561,633
Building 1.6	23,922,967	24,564,007
Building 2.1	43,245,409	44,218,131
Building 2.2	29,595,916	30,175,952
Building 2.3	36,771,365	37,089,233
Building 2.4	54,230,520	54,115,518
Building 2.5	42,033,614	43,292,120
Building 2.6	43,577,246	43,703,955
Building 3.2	56,438,800	-
Building 3.3	68,116,046	67,406,556
Building EC 1.0	12,206,185	7,185,078
Notional	532,992,626	478,292,445
Less current portion of community loan	(11,367,367)	(9,949,125)
Long-term portion	521,625,259	468,343,320
Unamortized discount (10.50%)	(23,989,149)	(25,512,103)
	$ 497,636,110	$ 442,831,217

The principal maturities of the loan agreements for buildings 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 3.3, and Extended Care 1.0, for which repayment terms have been established, are as follows for the years ending December 31:

2022	$ 10,650,275
2023	11,195,163
2024	11,767,929
2025	12,369,999
2026	13,002,872
Thereafter	417,567,588
	$ 476,553,826

Building 3.2 has not reached 95% occupancy as defined in the agreement, as of December 31, 2021, and therefore repayment terms have not been established. The Company has estimated the principal maturities for building 3.2 as follows:

2022	$	717,092
2023		1,278,919
2024		1,344,351
2025		1,413,130
2026		1,485,429
Thereafter		50,199,879
	$	56,438,800

7. Line of Credit

On March 17, 2017, ELH closed on a $250 million credit facility with Bank of America as the lead lender of a syndicate of banks. The agreement was amended on December 14, 2018, to increase the amount available under the credit facility to $400 million.

The Company was a guarantor of this credit facility, along with all ELH subsidiaries, from March 2017 through March 2021. The purpose of this credit facility was to provide sufficient capital to ELH to fund building and land acquisition growth plans. Draws on the credit facility bore interest at varying LIBOR rates (based on the duration of the draw) plus a varying spread (based on outstanding loan to EBITDA). Borrowings under the credit facility were $140 million as of December 31, 2020.

In March 2021, ELH paid off and terminated this credit facility.

On June 30, 2021, ELH closed on a $1 billion credit facility with Truist Bank. This arrangement includes a $400 million term loan and a $600 million revolving line of credit. The Company is a guarantor of this credit facility, along with most ELH subsidiaries, as defined in the agreement. The purpose of the term loan portion of the facility was to repay a $300 million debt balance with ELH's majority member, Redwood Capital Investments, LLC, which was incurred in May 2021, together with a $100 million equity distribution. The purpose of the revolving line of credit is to ensure that liquidity is available to fund the construction of various buildings and existing and new communities.

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 paid in full on June 30, 2026. 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 relating to financial reporting and notification, compliance with laws, preserving existence, maintenance of books and records, how ELH uses proceeds from borrowings, and maintenance of properties and insurance. In addition, there are covenants that limit ELH's ability to incur additional debt, make certain investments, enter into transactions with affiliates, grant or permit liens, sell assets, enter into sale and leaseback transactions, and consolidate, merge, or sell all or substantially all of ELH's assets.

8. Deferred Revenue

In 2021, the Company elected to begin a repositioning project on certain spaces within Community Building 1.0, which had been turned over to APL in 2006. Per the Lease (see Note 6), the Company retains control over decision-making authority of the use of APL's reserve account funds and will be reimbursed by APL for one-third of the cost of these projects from APL's Capital Repositioning Reserve, subject to the availability of funds in the reserve. The balance in deferred revenue represents one-third of the accumulated costs which the Company receives as reimbursement from the reserve. When the project is completed, the deferred revenue will be amortized according to the seven-year useful life of the underlying leasehold improvement.

9. Related Party Transactions

The Company has an informal central services agreement with ESL. The central services agreement allows for allocation of general and administrative expenses for all companies under common ownership, and CCRC entities for which ESL provides management services. The Company's parent Company, ELP, and ESL have a common parent and, therefore, qualify as related parties. During the years ended December 31, 2021 and 2020, the Company incurred expenses of $216,167 and $183,061, respectively, related to the central services agreement. During the years ended December 31, 2021 and 2020, the Company also made payments of $192,121 and $190,140 respectively, related to the central services agreement.

In 2016, the Company entered into an informal agreement with ELD to pay for certain development services provided by employees of ELD. The Company's parent company, ELP, and ELD have a common parent, therefore qualifying as related parties. The agreement allows for ELD to collect a 5% development fee on hard and soft construction costs incurred by the Company. The development fee totaled $991,204 and $2,180,967 for the years ended December 31, 2021 and 2020, respectively, and is capitalized as part of ongoing construction costs. During the years ended December 31, 2021 and 2020, the Company made payments of $865,650 and $2,454,620, respectively, related to the development fee agreement. On February 15, 2019, the Company and ELD formalized the agreement for the development services provided by ELD.

The amounts due to/from ESL and ELD on the accompanying balance sheets are comprised of the following items as of December 31:

	2021	2020
Receivable from (payable to) ESL and ELD:		
General reimbursement	$ (3,084)	$ (4,574)
Central services	(16,967)	7,079
Total receivable from (payable to) ESL	$ (20,051)	$ 2,505
Payable to ELD	$ (206,339)	$ (83,969)

In January 2020, ELH and National Senior Campuses, Inc., which was renamed National Senior Communities, Inc. ("NSC") in January 2021, became a related party as a result of entering into joint ventures with other related parties. There were not any intercompany transactions requiring disclosure with these related parties.

10. Commitments

As of December 31, 2021, the Company is committed under several construction related contracts. Commitments for the portions of the contracts not completed as of December 31, 2021, totaled $14,478,544.

11. Subsequent Events

The Company has evaluated subsequent events through April 28, 2022, the date which the financial statements were available to be issued. No subsequent events were noted.

Erickson Senior Living, LLC

Financial Statements

For the Years Ended December 31, 2021 and 2020

RSM

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, 2021 and 2020, the related statements of income 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, 2021 and 2020, 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 28, 2022

Erickson Senior Living, LLC
Balance Sheets
December 31, 2021 and 2020

(in thousands of dollars)

Assets	2021	2020
Current assets:		
Cash and cash equivalents	$ 10,066	$ 8,991
Restricted cash and investments	1,015	1,023
Total cash and restricted cash	11,081	10,014
Due from related parties	2,939	869
Due from CCRCs	167	-
Accounts and other receivables	4,381	3,210
Prepaid expenses and other	4,600	3,517
Total current assets	23,168	17,610
Property, plant and equipment, net	13,523	15,964
Intangible assets	1,500	1,500
Total other assets	15,023	17,464
Total assets	$ 38,191	$ 35,074
Liabilities and Member's Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,706	$ 4,507
Due to CCRC's	-	588
Accrued insurance claims	994	900
Accrued payroll	13,823	10,791
Deferred compensation plan	2,381	3,832
Total current liabilities	19,904	20,618
Long term liabilities:		
Accrued payroll	-	1,504
Deferred compensation plan	4,559	5,364
Total liabilities	24,463	27,486
Commitments (Note 7)		
Member's equity	13,728	7,588
Total liabilities and member's equity	$ 38,191	$ 35,074

The accompanying notes are an integral part of these financial statements.

Erickson Senior Living, LLC
Statements of Income and Changes in Member's Equity
For the Years Ended December 31, 2021 and 2020

(in thousands of dollars)

	2021	2020
Revenue:		
Management fees	$ 49,683	$ 48,878
Central services	90,413	86,105
Interest income	-	3
Other revenue	7,011	3,822
Total revenue	147,107	138,808
Expenses:		
Wages and benefits	74,447	68,668
General and administrative	25,822	23,304
Depreciation and amortization	3,052	7,548
Interest expense	-	110
Total expenses	103,321	99,630
Net income	43,786	39,178
Member's equity, beginning	7,588	15,477
Contributions from member	86,571	54,846
Distributions to member	(124,217)	(101,913)
Member's equity, ending	$ 13,728	$ 7,588

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, 2021 and 2020

(in thousands of dollars)

	2021	2020
Cash flows from operating activities:		
Net income	$ 43,786	$ 39,178
Adjustments to reconcile net income to net cash, cash equivalents and restricted cash provided by operating activities		
Depreciation and amortization	3,052	7,548
Decrease in due from related parties	362	78
(Increase) decrease in due from CCRCs	(1,799)	3,267
(Increase) decrease in accounts and other receivables	(1,171)	190
Increase in prepaid expenses and other	(1,083)	(374)
(Decrease) increase in accounts payable and accrued expenses	(1,813)	71
Increase (decrease) in accrued insurance claims	94	(68)
Decrease in deferred compensation plan	(2,256)	(3,045)
Increase in accrued payroll	1,528	1,228
Net cash and cash equivalents provided by operating activities	40,700	48,073
Cash flows from investing activities:		
Purchases of property, plant and equipment	(599)	(3,831)
(Increase) decrease in due from related parties	(2,432)	1,404
Decrease in due from CCRCs	1,044	252
Net cash and cash equivalents used in investing activities	(1,987)	(2,175)
Cash flows from financing activities:		
Contributions from member	86,571	54,846
Distributions to member	(124,217)	(101,913)
Net cash and cash equivalents used in financing activities	(37,646)	(47,067)
Increase (decrease) in cash, cash equivalents, restricted cash and investments	1,067	(1,169)
Cash, cash equivalents, restricted cash and investments, beginning of year	10,014	11,183
Cash, cash equivalents, restricted cash and investments, end of year	$ 11,081	$ 10,014
Supplemental disclosures of cash flow information and non-cash investing and financing activities:		
Property, plant and equipment financed through accounts payable and accrued expenses	$ 151	$ 139

The accompanying notes are an integral part of these financial statements.

1. Organization

Erickson Senior Living, LLC is a Maryland limited liability company originally formed on October 19, 2009 as Erickson Living Management, LLC and renamed November 23, 2020, as Erickson Senior Living, LLC (the "Company"), to provide management services to large scale continuing care retirement communities ("CCRCs") throughout the United States. The Company commenced operations on April 30, 2010. The Company is a wholly owned subsidiary of Erickson Living Holdings, LLC ("ELH"), whose purpose is to develop, manage and lease CCRCs.

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 Management
The Company will distribute or contribute cash through equity distributions or contributions to or from its parent, ELH, from time to time throughout the year as part of ELH's overall cash and investment management policy.

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.

Restricted Cash and Investments
Restricted cash and investments consist of cash equivalents and investments held to collateralize letters of credit as required by the letter of credit provider.

Due to/from CCRCs
Due to/from CCRCs consists of amounts charged under the management contracts for central service expenses of allocated general and administrative expenses described in Note 9 and expenses to be reimbursed by the CCRCs for expenses paid for by the Company, as well as related adjustments made by the Company to the CCRCs.

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, Plant and Equipment
Property, plant 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 management contracts and trade names, with estimated useful lives of 10 years and an indefinite life, respectively. Intangible assets are amortized over their estimated lives using the straight-line method. 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 tests indefinite-lived intangibles for impairment annually as of December 31. The Company performed its testing as of December 31, 2021 and 2020, and did not identify an impairment.

Compensated Absences
The Company records a 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 $0.4 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 and $0.8 million at December 31, 2021 and 2020, respectively, and is included in accrued insurance claims 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, 2021 and 2020, and is also included in accrued insurance claims 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, 2021 and 2020, the Company plan has a $2.0 million deductible/retention with a $4.0 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 less than $0.1 million at December 31, 2021 and 2020, and is included in accrued insurance claims 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 $1.0 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 accrued insurance claims 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. With few exceptions, the Company is no longer subject to income tax examinations by the federal, state or local authorities for the years before 2018.

Financial Instruments
The Company's financial instruments, including cash and cash equivalents, restricted cash and investments, prepaid expenses, accounts and other receivables, due from related parties, due to/from CCRCs, 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 2020 amounts were reclassified to conform to 2021 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 an informal shared services agreement.

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 $2.9 million and $0.5 million for the years ended December 31, 2021 and 2020, respectively, and is included in other revenue on the statements of income 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 $2.8 million and $2.0 million for the years ended December 31, 2021 and 2020, respectively, and is included in other revenue on the statements of income and changes in member's equity.

Recently Issued 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 a contract (i.e., lessees and lessors). The standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The standard is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company will adopt this lease accounting standard effective January 1, 2022 and will utilize the modified retrospective transition method with no adjustments to comparative periods presented.

3. Coronavirus Disease 2019 Pandemic

The Coronavirus Disease 2019 ("COVID-19") pandemic impacted, and may continue to impact, the senior living industry and the Company. The extent to which COVID-19 impacts the operations and financial performance of the Company in the future will depend on the duration and severity of the pandemic and the broader effects on the national economy and local economy in which the Company operates. While these outcomes could affect the operating results and financial position of the Company, management's experience in addressing the challenges of COVID-19 to date, should enable the Company to mitigate the impact of COVID-19 on the Company's operating results and cash flow.

4. Property, Plant and Equipment

As of December 31, property, plant and equipment consist of the following (in thousands):

	2021	2020
Land and land improvements	$ 2,387	$ 2,387
Buildings	13,775	13,860
Furniture, fixtures and equipment	31,842	31,146
	48,004	47,393
Accumulated depreciation	(34,481)	(31,429)
Property, plant and equipment, net	$ 13,523	$ 15,964

Depreciation expense of $3.1 million and $4.1 million was recorded for the years ended December 31, 2021 and 2020, respectively.

5. Intangible Assets

The Company has received the benefit of certain intangible assets, including the Company's trade name and ten-year management contracts with the CCRCs. The trade name was recorded at fair value of $1.5 million and the Company has determined that it has an indefinite useful life. The ten-year management contracts with the CCRCs were recorded at fair value of $103.5 million and are being amortized on a straight-line basis over the ten-year life of the related management contract. These assets were fully amortized as of April 30, 2020.

Amortization expense of $0 and $3.5 million was recorded for the years ended December 31, 2021 and 2020, respectively.

6. Real Estate Lease

The Company leases 28,639 square feet of office and data center space from a related party. The space is included within a building located at 5525 Research Park Drive, Baltimore, Maryland 21250, and the lease term is through April 30, 2025. Rent expense, including common area maintenance charges, totaled $1.0 million and $1.1 million for the years ended December 31, 2021 and 2020, respectively.

The Company leases a total of 26,455 square feet of office space from an unrelated party. The space is included within buildings located at Executive Drive, Baltimore, Maryland 21228. The leases were amended July 8, 2020, to extend the lease terms to December 31, 2030. Rent expense, including common area maintenance charges, totaled $0.6 million for the years ended December 31, 2021 and 2020. The Company entered into five new leases for a total of 12,132 additional square feet of office space with an unrelated party within the same complex, starting January 1, 2021. The Company was granted early occupancy at various times between August 1 and October 1, 2020 of these spaces. The lease terms are through December 31, 2030. Rent expense, including common area maintenance charges totaled $0.3 million for the year ended December 31, 2021.

The following is a schedule of future minimum lease payments under the noncancelable operating leases at December 31, 2021 (in thousands):

2022	$	1,309
2023		1,339
2024		1,370
2025		988
2026		806
Thereafter		3,430
	$	9,242

The Company subleases 576 square feet of the lease located at 5525 Research Park Drive to affiliated entities of the member. The lease was renewed effective May 1, 2020, to extend the lease term to April 30, 2022. Sublease revenue received from the affiliated entities for the years ended December 31, 2021 and 2020, was less than $0.1 million.

The Company also subleases 1,170 square feet of the lease located at 5525 Research Park Drive to an unrelated third party. The lease was renewed effective May 1, 2020, to extend the lease term to April 30, 2025, with up to five additional one-year renewal terms available. Sublease revenue from the unrelated third party for the years ended December 31, 2021 and 2020, was less than $0.1 million.

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, 2021.

7. Commitments

The Company manages and participates in pooled certificates of deposit ("CD") and a pooled cash account with the CCRCs. The CDs totaled $0.6 million as of December 31, 2021 and 2020. 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 $0.6 million, as of December 31, 2021 and 2020. The pooled cash account totaled $5.4 million and $2.8 million as of December 31, 2021 and 2020, 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 and investments on the balance sheets.

The Company has multiple management contracts which obligate the Company to perform management and marketing services for the CCRCs. In 2020, the agreements were amended to clarify terms related to the Joint Venture Agreement discussed in Note 9 and to extend certain deadlines and waive certain commitments due to the conditions related to COVID-19 as discussed in Note 3. The terms of the agreements expire at various dates through 2035.

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.

On March 17, 2017, ELH closed on a new $250 million credit facility with Bank of America as the lead lender of a syndicate of banks. The agreement was amended on December 14, 2018, to increase the amount available under the credit facility to $400 million.

The Company was a guarantor of this credit facility, along with all ELH subsidiaries, from March 2017 through March 2021. The purpose of the credit facility was to provide sufficient capital to ELH to fund building and land acquisition growth plans. Draws on the credit facility bore interest at varying LIBOR rates (based on the duration of the draw) plus a varying spread (based on outstanding loan to EBITDA). Borrowings under the credit facility were $140 million as of December 31, 2020.

In March 2021, ELH paid off and terminated the credit facility.

On June 30, 2021, ELH closed on a $1 billion credit facility with Truist Bank. This arrangement includes a $400 million term loan and a $600 million revolving line of credit. The Company is a guarantor of this credit facility, along with most ELH subsidiaries, as defined in the agreement. The purpose of the term loan portion of the facility was to repay a $300 million debt balance with ELH's majority member, Redwood Capital Investments, LLC, which was incurred in May 2021, together with a $100 million equity distribution. The purpose of the revolving line of credit is to ensure that liquidity is available to fund the construction of various buildings and existing and new communities.

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 matures on June 30, 2026. As of December 31, 2021, borrowings under the term loan were $395.6 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 relating to financial reporting and notification, compliance with laws, preserving existence, maintenance of books and records, how ELH uses proceeds from borrowings, and maintenance of properties and insurance. In addition, there are covenants that limit ELH's ability to incur additional debt, make certain investments, enter into transactions with affiliates, grant or permit liens, sell assets, enter into sale and leaseback transactions, and consolidate, merge, or sell all or substantially all of ELH's assets.

8. 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. For the year ended December 31, 2020, the Company matched 100% of the first $500 of the employee contribution, and 50% of the next $500 for a maximum of $750. Beginning in 2021, the Company elected to increase the matching contribution to a maximum of 3% of the participating employee's eligible earnings. The Company incurred expenses of $1.5 million and $0.3 million related to the plan for the years ended December 31, 2021, and 2020, respectively, which are included in wages and benefits on the statements of income and changes in member's equity. As of December 31, 2021 and 2020, the Company had accrued $1.5 million and $0.3 million, respectively, for Company matching contributions under accrued payroll on the balance sheets.

Value Sharing Plan
The Company also maintained a profit sharing plan referred to as the Value Sharing Plan ("VSP") for eligible employees. The Company will pay out up to 3.5% of salary towards additional 401(k) contributions. Employees may elect to receive 33% of the payout in the form of cash. The accrued liability related to the VSP was $0 and $0.8 million as of December 31, 2021 and 2020, respectively. The expense related to the VSP was $1.0 million for the year ended December 31, 2020. In 2021, the VSP was terminated in conjunction with the increase in the defined contribution plan discussed above. The liability is included in accounts payable and accrued expenses on the balance sheets.

Deferred Compensation Plan
In 2011, the Company adopted a deferred compensation plan, the Value Appreciation Plan ("VAP"), for key employees of the Company. Each participant was allocated plan units which are valued annually based on the performance of the Company as determined by the Board of Directors. All units in the VAP matured on January 1, 2016. The Company has vested units of 0 and 1,167,000 as of December 31, 2021 and 2020, respectively. Participants vested in the VAP's units ratably over the remaining years of the VAP until maturity based on when their units were awarded. Periodic payments on VAP units commence within one year and 90 days following the maturity date of the VAP. Upon the termination, retirement or death of a participant, the vested portion of the participants account will be paid within 90 days of the termination, retirement or death. The accrued liability related to the VAP was $0 and $2.9 million as of December 31, 2021 and 2020, respectively. The expense related to the VAP was $0 for the years ended December 31, 2021 and 2020. The accrued interest was $0 and $0.2 million for the years ended December 31, 2021 and 2020, respectively. The liability is included in deferred compensation plan on the balance sheets.

In 2016, the Company adopted the 2016 Value Appreciation Plan ("2016 VAP"), for key employees of the Company. This plan does not affect the previous VAP, which remains in effect in accordance with its terms. Each participant is allocated plan units which are valued annually 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. The Company awarded 0 and 1,000 units during 2021 and 2020, respectively. The Company has vested units of 374,000 as of December 31, 2021 and 2020. The Company has unvested units of 0 and 1,000 as of December 31, 2021 and 2020, respectively. Participants vest in the 2016 VAP's units ratably over the remaining years of the 2016 VAP until maturity based on when their units were awarded. Periodic payments on 2016 VAP units 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 the termination, retirement or death. 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 $6.9 million and $6.1 million as of December 31, 2021 and 2020, respectively. The expense related to the 2016 VAP was $1.5 million and $0.6 million as of December 31, 2021 and 2020, respectively. The liability is included in deferred compensation plan on the balance sheets.

9. Related Party Transactions

The Company has an informal central services agreement with affiliated subsidiaries of ELH. The central services agreement allows for allocation of general and administrative expenses for all companies under common ownership, and CCRC entities for which the Company provides management services. The affiliated subsidiaries' parent company, Erickson Living Properties, LLC ("ELP"), Erickson Living Properties II, LLC ("ELP II"), EA Campus Care, LLC ("EA"), and Erickson Living Development, LLC ("ELD") have a common parent with the Company and, therefore, qualify as related parties. During the years ended December 31, 2021 and 2020, the Company recorded reimbursement revenue from these allocated general and administrative expenses of $10.5 million and $9.6 million, respectively, as part of the central services agreement with related parties. During the years ended December 31, 2021 and 2020, the Company was reimbursed $10.6 million and $9.7 million, respectively, as part of the central services agreement with related parties. The amounts due to affiliated subsidiaries of ELH under the central services agreement are $0.4 million and $0.1 million as of December 31, 2021 and 2020, respectively. The amounts due from affiliated subsidiaries of ELH from general reimbursement advances are $4.6 million and $2.2 million, as of December 31, 2021 and 2020, respectively.

The Company uses services of an affiliated entity of ELH for recruiting and information technology related services. Expenses incurred and paid during 2021 and 2020 for the use of those services was $1.6 million and $2.6 million, respectively.

As of December 31, 2021 and 2020, $1.2 million was due to other related parties and $1.3 million was due from 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):

	2021	2020
Due from (to) related parties		
General reimbursement	$ 3,379	$ 947
Central services	(440)	(78)
Total due from related parties	$ 2,939	$ 869

In January 2020, ELH and National Senior Campuses, Inc., which was renamed National Senior Communities, Inc. ("NSC") in January 2021, became a related party as a result of entering into joint ventures with other related parties. NSC is a not-for-profit organization that provides governance oversight, supervision and strategic planning for numerous CCRCs that are managed by the Company, some of which lease the properties owned by certain subsidiaries of ELP and ELP II, which are all wholly owned subsidiaries of ELH. The Company recognizes revenue relating to central services and management fees for services provided to these entities. For the years ended December 31, 2021 and 2020, the Company recognized total central services revenue of $77.3 million and $74.0 million, respectively, for services provided to NSC communities. For the years ended December 31, 2021 and 2020, the Company recognized management fee revenue of $47.9 million and $44.6 million, respectively, for management services provided to NSC communities. Included on the Company's balance sheets in accounts and other receivables as of December 31, 2021 and 2020, is $2.2 million, for management fees charged to NSC communities. As of December 31, 2021 and 2020, the total amount receivable from and payable to CCRCs for all other services and arrangements are $0.2 million and $0.7 million, respectively and is included in due (to) from CCRCs on the balance sheets. Additionally, during each of the years ended December 31, 2021 and 2020, the Company made charitable contributions of $0.6 million to NSC communities.

10. Subsequent Events

The Company has evaluated subsequent events through April 28, 2022, the date which the financial statements were available to be issued. There were no subsequent events 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. This exhibit also includes an explanation of any variance between the forecasted income statement from the prior fiscal year and the financial statements.

PRO FORMA INCOME STATEMENTS

Ashby Ponds Pro Forma Assumptions

INFLATION

Income

Fee increases are based upon projected increases in operating expenses. A 5.0% (2022) increase in fees was used for the Independent Living projection, and a 3.75% increase in fees was used for the Assisted Living, Memory Care, and Skilled Nursing projections.

Expenses

Expenses were inflated at a rate of 6.1% throughout the projection period, reflecting historical information available from existing communities.

Below are the assumptions used in forecasting the community operations for Ashby Ponds.

INCOME

Net Occupancy Fees - Independent

	Fee (2022)
Average ILU Monthly Fee: (single occupancy)	$3,329
ILU Monthly Fee: (double occupancy)	$1,126

- Opening date: Sept 2008
- Total Independent Living units: 1,585 (1,270 units available in 2021 and 1,338 units in 2022)
- Occupancy Rate after build out: 97% (91.9% for 2021 & 93.9% for 2022)
- Double Occupancy percentage: 28% (38.1% for 2021 & 38.1% for 2022)
- Net Occupancy billed: 97%

Net Occupancy Fees - Assisted Living

	Fee
ALF Monthly Fee Level One: (single occupancy) (year 2021 $'s)	$ 8,797

- Opening Date: March 2014
- Total Assisted Living units: 56
- Occupancy Rate after build out: 90%
- Annual inflation rate on monthly fee: 4.0%
- Absorption rate: average of 5 units per month as determined by Erickson Senior Living Marketing

Net Occupancy Fees – Memory Care

	Fee
MEM Monthly Fee Level One: (single occupancy) (year 2021 $'s)	$ 9,395

- Opening Date: Estimated May 2014
- Total Memory Care units: 36
- Occupancy Rate after build out: 90%
- Annual inflation rate on monthly fee: 4.0%
- Absorption rate: average of 4 units per month as determined by Erickson Senior Living Marketing

Net Occupancy Fees - Nursing

	Fee
Daily Rate for Fully Deposited Residents, (year 2022 $'s)	$ 472

- Opening Date Continuing Care Phase 1 (units 44): April 2014
- Opening Date Continuing Care 2: TBD
- Total nursing units: TBD
- Occupancy Rate after build out: 97%
- Annual inflation rate on daily rate: 4.0%
- Absorption rate: average of 5 units per month as determined by Erickson Senior Living Marketing

Facility Rent

- The 2022 budget includes one bank, one optometrist, one podiatrist, one audiologist, one CVS, and three beauty salons/spas with total lease payments of about $14,826 per month

Department Income

Administration

Administration comprises the following departments: Administration, Philanthropy, Human Resources, Accounting/Finance, Marketing, and Information Technology.

- Income is derived from the following: Marketing processing fees.

Dining Services

For this projection, Dining Services assumed four major dining areas with different service levels: Dining Room with Bistro, Dining Room with Deli, Stand-alone Dining Rooms, Pub, and Stand-alone Bistro.

- Income is generated by the employee meals, guest meals, delivery or tray service, beverage stations, and dining room rentals.

General Services

- Income from General Services fees were from the following areas: storage, maintenance, supplies, carpet, painting, re-occupancy, custom improvements, copier/fax, parking, grounds maintenance, housekeeping, laundry, security, and transportation.

Health Services

- Health Services income was derived from the Medical Center lease.

Resident Life

- Resident Life Income is derived from Wellness Center fees.

Escrow Interest Income and Operating Interest Income

- The forecast utilized information from historic trends from other Erickson Senior Living managed communities at a rate of 1%.

EXPENSES

Property Taxes

- Assessed value of the property: 100% of Fair Market Value
- Fair Market Value is defined as the construction costs of the project.
- Total tax - $3,033 per unit in 2022 $'s

General Insurance

- Property insurance rate: $372 per unit for ILU, ALF, MEM and SNF unit
- Liability insurance is $288 per ILU, ALF, MEM and SNF unit
- Worker Comp Rate are assumed to be 2.60% 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 was used for projecting operating departmental expenses.

- Payroll Inflation rate: 9-13% depending on work area
- Location Adjustment on wages for Northern Virginia: 8%
- All other expenses inflation rate 6.1%.
- Yearly inflation rate after 2022: 3% - 5%

Building Rent

- As of May 2010, Base Rent for the community will be equal to debt service on the community Loan for Independent.
- Additional Rent will be equal to 83.3% of the community's cash margin (Net Operating Income plus Resales less Capital Expenditures) after Working Capital Loan payments.
- Lease Term for all buildings (new and existing) is 20 years

Interest Expense/Income

- Interest rate for mortgage: 5.0 %
- Interest rate for working capital expense: Prime less 0.25%
- Interest rate on accumulated cash: 1%

Management Fee

- For 2021 and 2022, the management fee is calculated at 5% of total occupancy fees.

Capital Expenditures

- The initial purchase and replacements of furniture and equipment is based on capital expenditure schedule provided by the management company.

Ashby Ponds Projected Income Statements

	2022 Projected
Operating Revenue	
Independent	58,750,117
General & Administrative	355,858
Assisted Living	6,354,500
Memory Care	4,313,600
Skilled Nursing	6,934,675
Outpatient Rehabilitation	1,208,515
Medical Center	473,499
Total Operating Revenue	78,390,763
Operating Expenses	
Independent	38,260,698
General & Administrative	11,111,946
Assisted Living	4,662,444
Memory Care	3,240,414
Skilled Nursing	5,773,265
Outpatient Rehabilitation	1,016,244
Medical Center	685,802
Total Operating Expenses	64,750,813
Operating Income	
Independent	20,489,419
General & Administrative	(10,756,088)
Assisted Living	1,692,055
Memory Care	1,073,185
Skilled Nursing	1,161,410
Outpatient Rehabilitation	192,271
Medical Center	(212,303)
Total Operating Income	13,639,950
Non-Operating Income	
Investment Income	134,272
Amortization Income	2,537,970
Mortgage Interest Income	28,239,101
Depreciation Expenses	(14,412,156)
Interest Expense	(38,884,961)
Total Non-Operating Income	(22,385,773)
Increase (Decrease) in Net Assets	$ (8,745,823)

Occupancy Projections 2022

	FY22 Projected
Independent Living	
Available Units	1,338
Billed Units	1,256
Occupancy %	93.9%
Assisted Living	
Available Units	56
Billed Units	53
Occupancy %	94.6%
Memory Care	
Available Units	36
Billed Units	34
Occupancy %	94.4%
Skilled Nursing	
Available Units	44
Billed Units	40
Occupancy %	90.9%

Ashby Ponds Comparison of Actual to Projected Income Statement for 2021

	2021 Projected	2021 Actual	Variance
Operating Revenue			
Independent	50,840,996	53,380,276	2,539,280
General & Administrative	290,293	584,122	293,830
Assisted Living	6,134,950	6,611,900	476,951
Memory Care	4,121,467	4,592,047	470,580
Skilled Nursing	6,494,709	6,889,291	394,582
Outpatient Rehabilitation	992,099	1,112,754	120,655
Medical Center	418,284	449,484	31,200
Total Operating Revenue	69,292,798	73,619,874	4,327,076
Operating Expenses			
Independent	32,083,670	31,868,004	215,666
General & Administrative	9,908,576	10,580,891	(672,315)
Assisted Living	4,559,622	4,715,849	156,227
Memory Care	2,959,887	3,081,183	121,296
Skilled Nursing	5,634,485	5,699,500	(65,015)
Outpatient Rehabilitation	884,794	881,148	3,646
Medical Center	673,057	570,580	102,477
Total Operating Expenses	56,704,092	57,397,154	(693,065)
Operating Income			
Independent	18,757,326	21,512,272	2,754,946
General & Administrative	(9,618,283)	(9,996,768)	(378,485)
Assisted Living	1,575,327	1,895,051	320,724
Memory Care	1,161,580	1,510,864	349,284
Skilled Nursing	860,224	1,189,791	329,567
Outpatient Rehabilitation	107,306	231,606	124,300
Medical Center	(254,773)	(121,096)	(133,677)
Total Operating Income	12,588,707	16,222,720	3,634,013
Non-Operating Income			
Investment Income	102,372	11,845	(90,527)
Amortization Income	4,172,049	5,755,353	1,583,304
Interest Income	24,516,672	25,330,390	813,718
Depreciation Expenses	(16,224,307)	(17,283,341)	(1,059,034)
Interest Expense	(39,820,942)	(42,869,466)	(3,048,525)
Total Non-Operating Income	(27,254,156)	(29,055,220)	(1,801,064)
Increase (Decrease) in Net Assets	$ (14,665,449)	(12,832,500)	1,832,949

Variance Explanations

a	Independent Living occupancy was 1.9% higher than projected.
b	Assisted Living census ended 2021 at 58 units occupied, 2 units above the projection of 56.
c	Memory Care census ended 2021 at 36 units occupied, 3 units above the projection of 33.
d	Skilled Nursing/Post-Acute census ended 2021 at 41 units occupied, 2 units above the projection of 39.
e	Departmental revenues across the community were 58% above projections due to a faster than anticipated return to near-normal services as the community re-opened from the COVID-19 pandemic.
f	The community received $993K in assistance from the CARES Act.
g	Continuing Care expenses were higher than projected largely due to the increased staffing levels that were required for the higher than anticipated census.
h	Tax expenses (real estate and personal property) were 25% less than projected for year 2021.
i	Amortization Income was favorable due to the realizing income from the 10% non-refundable portion of the entrance deposits.
j	Depreciation was higher than expected due to timing of when assets were purchased versus initial projections.

Redwood – ERC Ashburn, LLC

Assumptions for 2022 Proforma Income Statement

Rent

The annual rent is the sum of the community loan debt service and a percentage of the lessor's positive cash flow.

Departmental Expenses

Development departmental costs are capitalized while construction is in progress.

Redwood-ERC Ashburn, LLC 2022 Projected Income Statement

Redwood-ERC Ashburn, LLC
January 1 - December 31, 2022
Budget
(Whole dollars)

Operating revenues	
Annual Rent	12,781,680
Total Operating Revenue	12,781,680
Operating Expenses:	
Other Operating Expenses	3,183,483
Operating Expenses	3,183,483
Central Services	240,722
Capitalized Costs	(2,915,910)
Initial Settlement Costs	976,651
Reimbursed Costs	(1,698,537)
Net Operating Expenses	1,484,946
Operating Income (Loss)	11,296,734
Non-Operating Revenues	
Base Rent	38,889,376
Working Capital Loan Interest	-
Other Income	900
Non-Operating Revenues	38,890,276
Non-Operating Expenses	
Amortization Expense	
Depreciation Expense	13,031,603
Financing Costs	-
Community Loan Interest Expense	28,239,101
Interest Expense	1,545,057
Capitalized interest	-
Non-Operating Expenses	42,815,761
Non-Operating Income	(3,925,485)
Net income (loss)	7,371,249

Redwood-ERC Ashburn, LLC Comparison to 2021 actual performance

Redwood-ERC Ashburn, LLC Comparison to 2021 Actual Performance
Redwood-ERC Ashburn, LLC
January 1 - December 31, 2021
Budget vs. Actual

	Budget	Actual	Variance Explanation
Operating revenues			
Annual Rent	16,359,180	18,461,675	Community results higher than expected
Total Operating Revenue	16,359,180	18,461,675	
Operating Expenses:			
Other Operating Expenses	744,715	1,332,218	Construction cost and pace higher than expected
Operating Expenses	744,715	1,332,218	
Central Services	199,200	216,167	
Capitalized Costs	(431,775)	(997,515)	See above - construction dev fees are primary driver
Initial Settlement Costs	888,987	928,086	
Reimbursed Costs	656,412	146,738	
Net Operating Expenses	1,401,127	1,478,956	
Operating Income	14,958,053	16,982,719	
Non-Operating Revenues			
Base Rent	33,747,869	35,462,298	Occupancy higher than projected
Working Capital Loan Interest	-	-	
Other Income	900	901	
Non-Operating Revenues	33,748,769	35,463,199	
Non-Operating Expenses			
Amortization Expense	-	-	
Depreciation Expense	11,978,138	12,143,496	
Financing Costs	-	-	
Community Loan Interest Expense	24,516,672	25,330,390	
Interest Expense	1,522,953	1,522,954	
Capitalized interest	-	-	
Non-Operating Expenses	38,017,763	38,996,840	
Non-Operating Income	(4,268,994)	(3,533,641)	
Net income	10,689,059	13,449,078	

ERICKSON SENIOR LIVING, LLC
PROFIT & LOSS GENERAL ASSUMPTIONS
JANUARY 1 – DECEMBER 31, 2022

Revenue

Management Fees:

Management Fees are calculated based on resident fees collected by the communities. Erickson Senior Living charges the developing communities 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 2022 for Ashby Ponds are $3,674,148. The projected management fees from all other communities are $50,159,493.

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, 2022

	FY22 Budget
Operating Revenues	
Management fees	$ 53,833,641
Central Services	100,816,906
Other Revenue	5,070,317
Total Operating Revenue	159,720,864
Expenses	
General & Administrative	109,108,681
Depreciation	3,330,000
Total Operating Expenses	112,438,681
Net Income (Loss)	$ 47,282,183

ERICKSON SENIOR LIVING, LLC

JANUARY 1 – DECEMBER 31, 2021

Erickson Senior Living, LLC Comparison to 2021 Actual Performance

Erickson Senior Living, LLC
January 1 - December 31, 2021
Budget vs. Actual

	FY21 Budget	FY21 Actual	Variance Explanation
Operating Revenues			
Management fees	$ 47,896,271	$ 52,586,431	Occupany recovered better than expected
Central Services	93,180,568	90,412,915	CS allocation driven by G&A expense actuals
Other Revenue	4,522,840	4,107,826	Realty service revenue
Total Operating Revenue	145,599,679	147,107,173	
Expenses			
General & Administrative	101,082,041	99,264,245	
Depreciation	2,850,000	3,051,918	Enterprise I.T. projects
Total Operating Expenses	103,932,041	102,316,163	
Non-Operating Revenue (Expenses)			
Interest Income	-	224	
Total Non-Operating	-	224	
Net Income (Loss)	$ 41,667,638	$ 44,791,233	

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.

Ashby Ponds Summary of Financial Information
As of 12/31/21

	Current Year	Prior Year
Total Assets	$1,081,002,554	$974,898,998
Total Liabilities	$1,147,124,417	$1,028,735,993
Total Net Assets (Deficit)	$(66,121,863)	$(53,836,995)
Total Revenue	$105,128,223	$95,111,610
Total Expenses	$117,933,962	$103,575,239
Operating Income (Loss)	$(12,805,739)	$(8,463,629)
Net Income (Loss)	$(12,832,500)	$(8,449,793)

Narrative on Financial condition: During 2021, Ashby Ponds opened 1 new residential building in the spring of 2021 along with construction on one additional residential building (fall of 2022 delivery). Ashby Ponds had stabilized occupancy in the Continuing Care operations (Assisted Living, Memory Care, and Nursing) throughout the year. The demand for independent living homes remained strong for the year in both current and future buildings.

Occupancy information	Capacity of units	Average Occupancy	Percentage Occupancy
Independent Living	1270	1181	93.0%
Assisted Living	56	58	100.0%
Memory Care	36	35	97.2%
Nursing	44	37	84.1%