



ALDERSGATE

3800 Shamrock Drive
Charlotte, North Carolina, 28215-3220
704-532-7000

DISCLOSURE STATEMENT

May 30, 2023

IN ACCORDANCE WITH CHAPTER 58, ARTICLE 64 OF THE NORTH CAROLINA GENERAL STATUTES:

- This Disclosure Statement may be delivered until revised, but not after May 29, 2024.
- Delivery of this Disclosure Statement to a contracting party before execution of a contract for continuing care is required.
- The Disclosure Statement has not been reviewed or approved by a government agency or representative to ensure accuracy or completeness of the information set out.

Dear Prospective Aldersgate Member,

Aldersgate UMRC, Inc. has a 75-year history of providing exceptional care and services to seniors. Aldersgate strives to give the people we serve their best possible day, each day, by creating fulfilling life experiences while partnering with others and the larger community to provide a vibrant senior living experience.

Aldersgate remains committed to this mission but has encountered some challenges with the timely and accurate reporting of its financials. The prior CFO who was in the role in 2021 and 2022 is no longer with the organization and a new core team is in place while the organization actively recruits a CFO. The prior CFO inaccurately recorded various financial transactions and Aldersgate had to investigate and correct its financial records. Likewise, some vendors were not receiving timely payments, as well as late payments of some entrance fee refunds, leading to an increase in Aldersgate's accounts payable, which Aldersgate continues to work to resolve. We are gladly able to make a copy of the unaudited financial statements for 2022 available to you at your request. Your sales counselor can provide those for you. We are happy to also provide you with the audited financial statements once they are complete over the next 6-8 weeks. We did choose to have a forensic audit performed which indicated no malfeasance, and through personnel changes and improved internal controls, we are confident that our financial operations are able support the organization's requirements effectively.

Aldersgate financials were further impacted by losses suffered by Aldersgate's separate related entities, including a proposed satellite campus that did not come to fruition for several reasons related to external financial factors including the pandemic, rising interest

rates, inflation on wages and goods and significant construction escalation. Resources from Aldersgate had been invested in the development of the proposed satellite campus and were irrecoverable following the project dissolution, impacting the cash position of Aldersgate.

In January, 2023, the NC Department of Insurance (Aldersgate's regulator) notified Aldersgate of its concern regarding Aldersgate's financial standing. Aldersgate has been working through these financial concerns with the NC Department of Insurance and our banking partner, via regular meetings with both, and will be presenting a corrective action plan to remedy these issues to our stakeholders in the near future.

The CFO who was with the organization from 2016-2020 has come back in a consulting role and is focused on timely and accurate financial reporting, improving cash flow, and working towards ensuring vendors are paid timely. Likewise, we work closely with consulting professionals such as actuaries, our auditing and accounting firm, and our Financial Advisor. Our Boards of Directors are highly engaged and, together with the Leadership team, are providing regular updates to the resident members, keeping them informed. We are confident that we are on a path toward resolution and continue to have strong sales and occupancy across our campus. The President/CEO or the Financial Consultant are available to answer questions you may have as you make your decision around becoming part of the Aldersgate family. We look forward to continuing to serve seniors and fulfill our mission into the future. We hope you'll join us on that journey!

Suzanne Pugh
President & CEO

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This Disclosure Statement is provided in compliance with the requirements of Chapter 58, Article 64 of the General Statutes of North Carolina. Its purpose is to give prospective residents, their families and their advisors, facts about Aldersgate United Methodist Retirement Community, Inc. and the people who operate it.

ORGANIZATION INTRODUCTION AND INFORMATION

Narrative Description of the Organization, Nonprofit Status and Affiliations

The name of this organization is Aldersgate United Methodist Retirement Community, Inc., herein generally referred to as “Aldersgate” or the “Community”. Aldersgate’s business address is 3800 Shamrock Drive, Charlotte, North Carolina 28215-3220. Aldersgate is a North Carolina nonprofit corporation, and it is exempt from the payment of federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended (the “Code”). Aldersgate is a Continuing Care Retirement Community (CCRC). The term Life Plan Community, which may be used in our marketing materials, is interchangeable with CCRC.

Aldersgate is affiliated with the Western North Carolina Conference of the United Methodist Church (the “Conference”). The extent of the affiliation between Aldersgate and the Conference is set out in a Statement of Relationship executed by them, and a copy of that Statement is available, without charge, upon request to Aldersgate.

In addition, Aldersgate is affiliated with Aldersgate Life Plan Services, Inc. (“Parent”), the sole member of Aldersgate. Parent is a North Carolina nonprofit corporation and is recognized by Internal Revenue Service (the “IRS”) as exempt from the payment of federal income taxes under Section 501(c)(3) of the Code. Certain actions of the Board of Directors of Aldersgate require the consent of Parent, as more fully described in Aldersgate’s bylaws.

Parent is also the sole member of Aldersgate at Home, Inc. (“Home Services”), a North Carolina nonprofit corporation, Home Services has been recognized by the IRS as exempt from the payment of federal income taxes under Section 501(c)(3) of the Code. The Board of Directors of Home Services is elected by the Parent. Also, certain actions of the Board of Directors of Home Services require the consent of Parent, as more fully described in each of their bylaws.

None of the entities affiliated with Aldersgate, including the Conference, Parent, and Home Services, are responsible for the financial and contractual obligations of Aldersgate.

Accreditation

Aldersgate is licensed as a continuing care retirement facility by the North Carolina Department of Insurance. Aldersgate has achieved CARF and EAGLE accreditation. By achieving CARF and EAGLE accreditation, Aldersgate is held to higher standards than the state minimum. These accreditations allow Aldersgate to share and spotlight best practices in the industry. CARF is an independent, nonprofit organization focused on advancing the quality of services providers use to meet their needs for the best possible outcomes. Aldersgate continues to operate according to CARF standards and seeks to continually hold this certification.

The purpose of EAGLE is to provide a voluntary program utilizing principles and goals that promotes, pursues, and recognizes excellence in the holistic, Christian mission and ministry of an organization.

FACILITY INTRODUCTION AND INFORMATION

Narrative Description of the Facility and its Operation

Aldersgate is comprised of several named facilities - Epworth Place, Ray Hall Community Center, Francis Residential Building, Azalea View Cottages, Lake Ridge Cottages, Wesley Glen Executive Homes, Magnolia View Apartments, Lake View Villas, Park View Villas, Assisted Living ("Parker Terrace"), Cuthbertson Village Memory Support Center ("Cuthbertson Village"), and Asbury Health & Rehabilitation. Aldersgate offers both casual market café dining, including a standalone coffee shop as well as a more formal dining atmosphere. Our Wellness Program includes instructor-led exercise classes, yoga classes, Tai Chi, a compliment of weight bearing machines, freeweights, recumbent and upright bikes, ellipticals and treadmills. Additionally, Aldersgate provides ample opportunity for spiritual and social gatherings, life-long learning, volunteerism, arts and crafts, and the use of outdoor spaces to include many walking paths, the lake, and dock.

Epworth Place

Epworth Place is an eight-story congregate living facility with 122 residences, including Parker Terrace Assisted Living. Epworth Place is attached to the Wintergarden, allowing easy access to multiple food venues.

Francis Residential Building

A three-story apartment building with seventy-four residences is located adjacent to the community building utilizing brick details and patterns like craftsmanship employed during the early 1900s. The exterior facade is conceived by projecting window bays with dormers and shaded balconies.

Azalea View Cottages

There are thirty-three individual houses (referred to as cottages). Azalea View is our first cottage neighborhood with homes built over the course of a few decades. Each Azalea View cottage has its own character and charm.

Lake Ridge Cottages

There are sixteen individual houses (referred to as cottages) on the East side of the lake. Floor plans range in size from 1,598 to 1,867 square feet and typically have two bedrooms, two baths, living room, kitchen, den and one or two car garages.

Wesley Glen Executive Homes

The Wesley Glen Executive Home community is on the East side of the campus. The four standard floor plans of these homes range in square footage from 1,546 square feet to 2,340 square feet. They are freestanding, two- and three-bedroom homes with options such as fireplaces, sunrooms, and vaulted ceilings. Master bedrooms offer large walk-in closets and tray ceilings, and all homes have decks or patios and a two- car garage with additional storage. This community was originally approved to include fifty homes, forty-two of which are completed. Future plans include the capacity to construct eight additional cottages.

Magnolia View Apartments

The Magnolia View Apartments are located near the entrance to The Commons, overlooking a greenway linear park between it and Lake View and Park View. The largest of our Gateway Promise Expansion for independent living, Magnolia View has thirty-eight apartments consisting of seven different floor plans. The apartments range in size from 851 square feet to 1,456 square feet. Each apartment features at least one balcony or patio, quartz countertops and stainless appliances, and range from one-bedroom, one and a half bath to two-bedrooms, two full baths with some offering the option for fireplaces. Residents enjoy a common area sunroom with full kitchen available for their usage. Parking is below ground with additional spaces on the perimeter of the building.

Lake View Villas and Park View Villas

Lake View Villas and Park View Villas contain twelve residences each across three floors with four different floorplan options. Lake View and Park View are situated next to each other across the greenway linear park from Magnolia Building. Villas range in size from 985 square feet to 1,475 square feet with some offering the option for fireplaces. All finishes coordinate with Gateway Promise Expansion apartments in Magnolia Building and are adjacent to The Commons.

The Commons

The Commons area serves the entire Community and includes a market café dining venue, salon and spa, activity and media rooms, outdoor terrace, bocce court, wellness facility with exercise room and aquatic center featuring instructor led water conditioning classes and free swim, therapy suites, executive and marketing office, main reception area, a coffee, pastry and sandwich bar, trading post, a two-story Wintergarden gathering space with stone fireplace, a pub, card and billiard room, reading room, and pavilion bar. Open and bright, the areas are the entryway to common areas with views of the apartment and villa expansion and surrounding greenspace and gardens.

Ray Hall Community Center

Ray Hall Community Center (“RHCC”) includes a chapel/multi-purpose center, and an elegant two-story living room with a fireplace and balcony overlook. The architectural style reminds residents of a grand brick country home with an expansive front veranda and arched windows. The overall building is designed around a courtyard focusing resident activity spaces on a garden containing plantings, walking paths and shaded seating areas.

Parker Terrace

Parker Terrace is a forty-four-bed assisted living community located on the second and third floor of Epworth Tower. Parker Terrace is an ideal location for residents who need some assistance but can maintain much of their daily independence. The community offers private pay one bedroom and studio apartments with personal bathrooms including walk in showers. Residents of Parker Terrace have access to a private dining room, four large, covered patios, two living rooms, as well as dedicated life enrichment entertainment including animal therapy, chair yoga, and performers. Residents are also able to enjoy meals at the Market Café, Gatehouse Dining, The Rose and The Ivey Pub, and formal dining in the Sunroom. Parker Terrace residents enjoy all common areas as well as services such as Aldersgate’s Salon and Spa.

Cuthbertson Village Memory Support

Cuthbertson Village is a sixty-one-room special care facility for residents experiencing dementia and memory loss. The building is divided into four clustered “neighborhoods” which includes three neighborhoods of fifteen rooms and one neighborhood of sixteen rooms. Each neighborhood shares a country kitchen, a living room, a family room, a laundry room, and an activity room. The four clustered neighborhoods are connected to the Town Center, which includes a movie theater, multi- purpose rooms, beauty salon and barber shop, satellite kitchen, outdoor garden courtyard, and renovated entrances.

Asbury Health & Rehabilitation Center

Asbury Health & Rehabilitation Center is a 120-bed licensed nursing care facility of which 100 beds are Medicare certified and twenty beds are dually certified for Medicare and Medicaid. Asbury Health & Rehabilitation Center offers only private rooms. It contains support facilities such as a chapel, kitchen, beauty/barber shop, and special medical offices where dentist, podiatrist, and a full range of therapy services are offered. It also offers community living areas, activity rooms and craft facilities. Asbury also includes five Home for the Aged beds. An onsite dialysis wing is operated by Fresenius Kidney Care. Hospice care at Asbury, entitled the Levine & Dickson House at Aldersgate, is operated by Hospice and Palliative Care of Charlotte. With a capacity of six residents,

amenities include comfortable patient rooms with private bathrooms, a spacious family room, chapel, landscaped garden, and family kitchen stocked with snacks.

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Identification & Background of Board of Directors and Management Staff

The names and business addresses of the members of the Board of Directors of Aldersgate are listed below. Officers and Directors serve as volunteers and may have no professional experience in the operation and management of facilities like Aldersgate.

No officer or any member of the Board of Directors has an interest of ten percent or more in any professional service firm, association, trust, partnership, or corporation that may currently serve as a provider of goods or services to Aldersgate or its residents at an aggregate value of more than \$500 within any year. No professional service firm, association, trust or partnership, or corporation has ten percent or greater interest in any officer or board member that will provide services of \$500 or more to Aldersgate or its residents. This would include a person employed by a company that provided services to Aldersgate or residents.

Board of Directors

Dr. Robert Dee Vaughn Jr., *Chair*, 12530 Preservation Pointe Drive, Charlotte, NC 28216. Retired Board-Certified General Surgeon, working as Locum Tenens General Surgeon

Patricia G. Garrett, *Immediate Past Chair*, 301J Mandalay Court, Surf City, NC 28445. Retired.

Jean Gossett, *Vice Chair*, 3207 Deep Meadow Lane, Charlotte, NC 28210. Broker, Savvy & Company Real Estate Realtor/Broker.

Amanda Grimes *Board Member*, 2120 Hastings Drive, Charlotte, NC 28207. Residency, Carolinas Medical Center, Charlotte, NC.

Otto Harris, *Board Member*, 11019 Chilcomb Court, Charlotte, NC 28262. Pastor, St. Mark's United Methodist Church.

Bill Jones III, *Board Member*, 8201 Forest Shadow Circle, Charlotte, NC 28031. Retired.

Thomas R. Lawing, Jr., *Audit Chair*, 2609 Valencia Terrace, Charlotte NC 28226. Realtor, T. R. Lawing Realty.

Fred Longietti, *Board Member*, 6604 Marcella Drive, Charlotte, NC 28277. Owner, Carolinas Net Care.

Billy Maddalon, *Board Member*, 2301 Belvedere Ave, Charlotte, NC 28205. Founder/ Owner, Unique Southern Estates.

Kevin McKane, *Finance and Investment Committee Chair*, 11327 McClure Manor Drive, Charlotte, NC 28277. Financial Director, Wells Fargo.

Eugene Robbins, *Resident Director and Board Member*, 3800 Shamrock Drive, Charlotte NC, 28215. Resident.

Irene Vogel song, *Board Member*, 1600 Gupton Court, Matthews, NC 28105. Director of Interior Design, Perkins+Will.

Stanley Watkins, Secretary, 11023 Tavernay Parkway, Charlotte, NC 28262.

Principal of City Strata Consulting.

Judy Wiesner, *Resident Director and Board Member*, 3800 Shamrock Drive, Charlotte, NC 28215. Retired from the banking industry.

**Residents, elected by the Resident Association, are represented on the Board of Directors and all operating committees of the Board.

Management Staff

Suzanne Hodge Pugh, NHA, ALA, CMP – President and Chief Executive Officer has been on staff at Aldersgate UMRC, Inc. For over 20 years. Ms. Pugh served as the Director of Marketing for over ten (10) years and then received her Nursing Home Administrator's license and her certification as an Assisted Living Administrator, and was named Chief Operating Officer. In 2011, Ms. Pugh became President and CEO and continues to serve in that role today. Ms. Pugh is a 2012 alumnus of the LeadingAge Leadership Academy and served on the Leadership Academy Alumni Board. She currently serves on the boards of Novare, as well as UMA. She was also a member of the national LeadingAge Task Force on Governance and served in leadership roles on the Board of Directors for LeadingAge North Carolina. Prior to joining Aldersgate, Ms. Pugh was the Director of Development and Church Relations for UMAR. Ms. Pugh also worked for a number of years on the psychology staff in the prison system with the North Carolina Department of Corrections. Ms. Pugh is a graduate of University of North Carolina-Chapel Hill and was in the graduate program in Clinical Psychology at University of North Carolina-Charlotte. She enjoys spending time with family and loves to mountain bike and play disc golf with her son, Wyatt, as well as on a kayak and flyfishing.

M. Kathlene Hendrick – Chief Human Resources Officer has been on staff since 2000. Ms. Hendrick began her career in the Finance Department but recognized her desire to work with the employees of Aldersgate and subsequently transferred to the Human Resources department in 2003. Ms. Hendrick became the Director of Human Resources in 2010. Prior to joining Aldersgate and its related entities, Ms. Hendrick worked for five years with Sterling Capital Management as a customer service representative with the N.C. Capital Management Trust Fund. Ms. Hendrick's background includes more than thirteen years of experience in recruitment, human resource management, training and development, compensation, and labor and employee relations. Ms. Hendrick holds a bachelor's degree in Business Administration from Montreat College. Ms. Hendrick is a coach for the LeadingAge North Carolina Leadership Academy and serves on the Education Committee for LeadingAge North Carolina as well. She is a graduate of both the LeadingAge National and State Leadership Academies and is a graduate of the Leadership Development Initiative through Community Building Initiative of Charlotte.

Brooks Shelley - Chief Brand Strategy & Community Engagement Officer joined our team in September 2017 after working as a director for a local health and wellness firm for fifteen years. Mr. Shelley was a licensed insurance claims manager earlier in his career prior to entering the health and wellness field. Mr. Shelley has served on various volunteer boards, including Plaza Midwood Neighborhood Association (treasurer, vice president, president), First United Methodist Church Board of Trustees, Eastland Area Strategy Team, City of Charlotte's International Committee, The Charlotte Museum of History, Charlotte's LGBTQ Elders steering committee, and the CPCC Hospitality Advisory Committee. Mr. Shelley is a therapeutic foster parent with 3 adopted boys and received an award for Adopted Parents of the Year from NC Foster and Adoptive Parents Association in 2011. Mr. Shelley is a graduate of University of North Carolina at Wilmington and enjoys spending time with family, friends and playing sand volleyball.

Boris Henderson - Chief Strategy Officer Boris Henderson is a graduate of Davidson College and earned a Master of Business Administration degree from Wake Forest University in 2006. Currently, Boris is the Chief Strategy Officer for Aldersgate Life Plan Service Inc. where he primarily focuses on growth initiatives, which include a master site plan (includes an affordable and mixed income housing component). Previously, Boris was the Vice President of Commercial Real Estate Development and Special Projects at Charlotte-Mecklenburg Housing Partnership (DreamKey Partners). His primary focus was mixed income housing, commercial development, and economic development initiatives. Upon graduating from Davidson College, Boris held various real estate credit risk management and underwriting roles at Wells Fargo, Wachovia Corporation and Wachovia Securities, which spanned a 13-year period. Boris has a deep financial, real estate development (all product types), multifamily housing and economic development background. Boris was born and raised in Charlotte, North Carolina, and he remains deeply involved within Charlotte and the broader community. He is a past Board Chair of Habitat for Humanity Charlotte Region, and he currently serves as a Board Director for Habitat for Humanity International. Additionally, Boris serves as a board member at the Johnston YMCA and as a member of the CharlotteEast board of directors.

Randy Cook- Director of Independent Living has been with Aldersgate for the past 33 years and has served in a multitude of roles within the Aldersgate organization. Mr. Cook began his career in the grounds keeping department, has served in maintenance, as Director of Maintenance, Safety Director, Director of Risk, and was the Director of IT. Randy has helped diversify the services that Aldersgate offers, and has been instrumental in ensuring success in his variety of roles throughout his career here. As the Director of Independent Living, Randy brings with him a wealth of knowledge of operations and a passion for serving people. Randy served in the military and shortly after his service, he joined the Aldersgate family. Randy was born and raised in East Charlotte, NC and grew up not far from the Aldersgate campus. Randy is married and has two children.

Brooke Patterson Hodge, BSN, RN, LNHA, ALA – Executive Director has been on staff at Aldersgate for ten years. Mrs. Hodge has served in various roles at Aldersgate, such as Staff Development Coordinator, Assistant Director of Nursing, and Director of Nursing. She pursued her Nursing Home Administrator's license in 2018 and became the Director of Health Services in 2019. Mrs. Hodge became the Executive Director for the Shamrock community of Aldersgate in 2021. In addition to her Nursing Home Administrator licensure, she also holds an Assisted Living Administrator's license. In 2019, she received the LeadingAge NC Emerging Leader Award and has recently been accepted into the LeadingAge Larry Minnix Leadership Academy. She has participated in various vaccination and healthcare education programs in Belize and England, where she lived for several years. She has a Bachelor of Science in Healthcare Administration from St. Christopher's School of Medicine in England and a Bachelor of Science in Nursing from Queens University of Charlotte. She enjoys spending time with her family, including her dog, and loves to run and be at the beach.

Elise Swanger, BSW - Director of Assisted Living started as a Social Work Intern in 2009 and later joined the Aldersgate team permanently in 2011. She has served in a couple of roles during her tenure at Aldersgate to include the Assisted Living Social Worker and Admissions Coordinator as well as the Interim Director of Assisted Living. Ms. Swanger is currently pursuing her Assisted Living Administrator's license. She is undergoing her Administrator In Training program and is in the Novare Leadership Development program. She also serves as a member of the Diversity, Inclusion, and Equity Council at Aldersgate. Ms. Swanger is a native of Charlotte, NC and graduated from the University of North Carolina at Charlotte with her bachelor's degree in Social Work. She enjoys traveling, swimming, photography, and spending time with her family.

Criminal Violation Statement

None of the officers, directors, trustees, managing or general partners, any person having a ten percent or greater equity or beneficial interest in the facility, or any person who will be managing the facility on a day-to-day basis has been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment for any felony or civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation of property. None of the officers, directors, trustees, managing or general partners, any person having a ten percent or greater equity or beneficial interest in the facility, or any person who will be managing the facility on a day-to-day basis listed above is subject to a currently effective injunctive or restrictive court order. Within the past five years, none of the officers, directors, trustees, managing or general partners, any person having a ten percent or greater equity or beneficial interest in the facility, or any person who will be managing the facility on a day to-day basis has had any State or federal license or permit suspended or revoked as a result of an action brought about by a government agency or department, if the action arose out of or related to the business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to Article 64 of Chapter 58 of the North Carolina General Statutes (Continuing Care Retirement Communities) or a similar law in another State.

Location and Description of Physical Property

Aldersgate is located on a beautifully expansive site at 3800 Shamrock Drive in Charlotte, North Carolina. The campus includes a lake available for fishing, beautiful azalea gardens and acres of land for walking, relaxing and enjoying nature. Among the many options offered on campus, residents may utilize the services of physicians who maintain regular office hours at Aldersgate. Resident membership affords gracious retirement living with the peace of mind that if health care is ever needed, it is available on the campus.

Estimated Number of Residents

As of December 31, 2022 the approximate number of continuing care retirement community residents of Aldersgate was 569. The mix of single and double occupancies will affect the total number of residents at any given time.

In addition to its members, Aldersgate serves residents admitted directly to Cuthbertson

Village Memory Support, Parker Terrace Assisted Living, and to Asbury Health & Rehabilitation Center from the community. These persons do not necessarily have continuing care contracts as do the resident members but may simply pay on a monthly fee/per diem basis for services rendered.

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POLICIES AND ADMISSION

Contract Options

Prospective residents who desire to become Members will submit certain health and financial information, execute a Reservation Agreement, and pay a deposit to reserve a particular residence. See Attachment III for a sample of the Reservation Agreement. Upon acceptance as Members, residents will execute the Residence and Services Agreement and set an occupancy date. Certain accommodations are also available for lease without admission to membership in the Community.

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Health Requirements

Prior to entrance to Aldersgate, the prospective resident (“Applicant”) shall submit a report of a physical examination made by a physician selected by the Applicant within thirty (30) days prior to occupancy. Cost of the examination will be borne by the Applicant. The report will become an integral part of the Member’s record. It will serve as a baseline of information for Aldersgate staff and the Member’s physician as they begin to assist the Member in maintaining optimum health and enjoyment of the Aldersgate community experience. Aldersgate offers various levels of care and access to services to best meet the progressive needs of its Members.

Financial and Insurance Criteria

Financial

To be accepted as a Member and in order for residency to continue, the Applicant must agree to pay the Entrance Fee, monthly fees and charges associated with the accommodation and level of care required by the Applicant. Aldersgate requests the Applicant provide a financial statement. Applicants with inadequate financial resources to carry them through their projected life expectancy are considered for admission if family member(s) or other sponsors who do have adequate financial resources provide guaranties of payment or if the Applicant qualifies for financial assistance within the provisions of Aldersgate's financial assistance policy.

In consideration of admission to and continuing care in Aldersgate, the Member agrees as follows:

- a. To furnish to Aldersgate accurate information with regard to the nature and extent of his or her assets (now owned or hereafter acquired). The Member must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations of the Member and to meet ordinary living expenses of the Member;
- b. To manage those assets to the best of his or her ability in such a way as to permit the payment of the fees set forth;
- c. To furnish, if requested, a financial statement to indicate current financial status. Such statement shall include all assets and guaranteed income;
- d. To pay an Entrance Fee;
- e. To pay the monthly or daily fees for the accommodations utilized from time to time;
- f. To abide by all other terms and provisions of the Residence and Services Agreement and the Resident Handbook.

Health Insurance

The Member agrees that he or she will enroll for Basic and Supplementary coverage under the federal Medicare program, if not so enrolled at the time of admission. If so enrolled, Member agrees to continue participation in these programs.

The following rules shall apply to payments made by the Medicare program on behalf of any Member at any time during which Aldersgate is eligible to receive Medicare reimbursement for services provided to Members:

- a. Any reimbursement received for Medicare Part A services provided to the Member by Aldersgate shall be accepted by Aldersgate as payment in lieu of daily service fees that otherwise would apply while living in the Health Care Facility, to the extent permitted under applicable Federal and State laws and regulations governing Medicare reimbursement.
- b. Any reimbursement received for Medicare Part B services provided to the Member by Aldersgate will be applied as a credit to Aldersgate's fees for those services to the extent permitted under applicable State and Federal laws and regulations governing Medicare reimbursement.

Should the Member or the Member's legally authorized representative apply for assistance under the Medicaid program, or any successor program of a similar nature, the Member's contract will be terminated.

Age Requirements

The Applicant must be at least sixty-two years of age or older; for couples, one Applicant must be at least sixty-two years of age.

Termination of Membership/Cancellation/Refund

The Residence and Services Agreement ("Agreement") included as Attachment III of this Disclosure Statement makes the following provisions for terminations, cancellations, and refunds:

A. **Right to Rescind Agreement**

The Member shall have the right to rescind the Agreement within thirty days after executing the Agreement or receipt of the Disclosure Statement, if later, as required by law. The Member shall not be required to occupy the chosen residence at the Community before expiration of the thirty-day period. Upon rescission, the Community shall refund to the Member, or the Member's legally- authorized representative, any portion of Entrance Fees the Member paid to the Community less (i) per diem or monthly charges specified in the Agreement for the Member's residence applicable to the period the residence was actually occupied by the Member; (ii) those nonstandard costs specifically incurred by the Community at the request of Member which are not covered by the per diem or monthly charges applicable to Member; and not to exceed the greater of two percent of the Entrance Fee or \$1,000. Any such refund shall be paid by the Community within sixty days following receipt of written notification of such termination.

- ##### B. **Termination by Member Prior to Occupancy Based on Change in Health Status**
- If the Member dies before occupying his or her residence or becomes incapable of meeting the physical, mental, or financial requirements for admission before such occupancy, the Agreement shall be automatically canceled. In such case, the Community shall refund to the resident, the resident's estate, or the resident's legally- authorized representative, any portion of Entrance Fees the Member paid to the Community less (i) those nonstandard costs specifically incurred by the Community at the request of Member which are not covered by the per diem or monthly charges applicable to Member; and (ii) the greater of

two percent of the Entrance Fee or \$1,000.00. Any such refund shall be paid by the Community within sixty days following receipt of written notification of such termination.

C. Termination by Member Prior to Occupancy Based on Change in Health Status

Once the thirty- day rescission period described in “A”, above, has expired, but before Member takes occupancy, the Member may terminate this Agreement for any reason not covered by “B”, by giving written notice to the Community. For rescinded or canceled contracts under this section, the resident or the resident's legal representative shall receive a refund of all money or property transferred to the provider, less (i) those nonstandard costs specifically incurred by the provider or facility at the request of the resident and described in the contract or any contract amendment signed by the resident; (ii) nonrefundable fees, if set out in the contract; and (iii) a reasonable service charge, if set out in the contract, not to exceed the greater of two percent of the Entrance Fee or \$1,000. Any such refund shall be paid by the Community within sixty days following receipt of written notification of such termination.

D. Termination by Member After Occupancy

Once the thirty-day rescission period described above has expired, and after the Member takes occupancy, the Member may, at any time upon ninety days’ notice in writing to the Community, terminate his or her membership. Upon termination, a portion of the Entrance Fee may be refunded to the withdrawing Member, as described in the Agreement Section VI, G.

E. The Community’s Right to Terminate Agreement

The Community shall have the right at any time, upon thirty days’ notice in writing to the Member, to terminate his or her membership because the Member has failed to meet his or her obligations under the Agreement, including but not limited to:

- a. Member has not paid monthly fees and other charges on a timely basis;
- b. Member engages in behavior that unreasonably interferes with the quiet enjoyment of other Members; or
- c. Member has failed to abide by the provisions of the Community’s Resident Handbook.

The following may result in immediate termination of membership and discharge:

- a. Member engages in behavior that negatively impacts or threatens the health, safety or welfare of other Members, staff, or visitors.

Such notice shall specify the obligation which the Member has failed to perform. Upon such termination, the Member may be entitled to a refund of a portion of the Entrance Fee paid, as described in the Agreement Section VI, G.

F. Termination Upon Death

Death of a Member shall be treated as a termination of membership on the date of death. The refund due, if any, shall be computed as described in the Agreement Section VI, G.

G. Refund Upon Termination

Upon contract termination, the Member may be entitled to a refund of a portion of the Entrance Fee paid, as follows:

1. **0% Refundable Entrance Fee Option** For Members who have chosen the 0% Refundable Entrance Fee Option, the refund due, if any, shall be the Entrance Fee paid, less: (i) ten percent for any termination occurring in months one through five after occupancy, (ii) two percent for each month that has elapsed between month six and the date of withdrawal up to month fifty; (iii) a fee of \$1,000; and (iv) any amount due to the Community for monthly care or other unpaid services. No part of the 0% Refundable Entrance Fee is refundable after a Member has resided at the Community for fifty months. Any refundable amount shall be paid to the withdrawing Member only when the Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.

2. **50% Refundable Entrance Fee Option** For Members who have chosen the 50% Refundable Entrance Fee Option, the refund due shall be the Entrance Fee paid less: (i) ten percent for any termination occurring in months one through ten after occupancy; (ii) one percent for each month that has elapsed between month eleven and the date of withdrawal up to month fifty; (iii) a fee of \$1,000; and (iv) any amount due to the Community for monthly care or other unpaid services. Any refundable amount shall be paid to the withdrawing Member only when the Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.

3. **90% Refundable Entrance Fee Option** For Members who have chosen the 90% Refundable Entrance Fee Option, the refund due shall be the Entrance Fee paid less: i. ten percent; ii. a fee of \$1,000; and iii. any amount due to the Community for monthly care or other unpaid services. Any refundable amount shall be paid to the withdrawing Member only when the Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.

If the Member is not alive when a refund becomes due, any refund shall be paid to the estate of the deceased Member or to a beneficiary identified in advance by the Member.

H. Condition of Residence

At the effective date of termination of the Agreement, the Member shall vacate the Residence and shall leave it in good condition except for normal wear and tear. The Member shall be liable to the Community for any cost incurred in restoring the Residence to good condition except for normal wear and tear. Such costs will be deducted from any refund due to the Member under the terms of the Agreement.

I. Use of Refundable Entrance Fee Option for Health Care Expenses at Aldersgate

1. Should a Member who has chosen the 90% or 50% Refundable Entrance Fee Option vacate his or her Residence by transferring permanently to a Health Care Facility at the Community, the Member may then draw against his or her refund to supplement payment of his or her health care costs at Aldersgate but if and only if the Member's other assets from all available sources are insufficient to cover the Member's health care costs at Aldersgate. The Community may require the Member to demonstrate the unavailability of other resources to cover health care costs at Aldersgate. The refundable portion of the Entrance Fee can be accessed exclusively for healthcare services at Aldersgate as a supplement to any income the Member receives from all available sources. The Member

would still be entitled to receive any applicable Member discount on his or her health care.

2. The following conditions apply when “the Member” is used in the Agreement to apply to two married individuals in an Independent Living Residence who have chosen the 90% or 50% Refundable Entrance Fee Option:
 - a. The Entrance Fee relates to Member identified in the Agreement, not to either individual Member alone. As such, as long as one of the Members remains in the Community, no refund of the Entrance Fee is due to either Member, even if one member vacates the community for any reason.
 - b. Should both Members vacate their Residence by transferring permanently to a Health Care Facility at the Community, either or both Member(s) may then draw against the 90% or 50% Refundable Entrance Fee to supplement payment of their health care costs at Aldersgate but if and only if the Member’s other assets from all available sources are insufficient to cover the Member’s health care costs at Aldersgate. The Community may require the Member to demonstrate the unavailability of other resources to cover health care costs at Aldersgate. The 90% and 50% Refundable Entrance Fee option can be accessed exclusively for health care services at Aldersgate as a supplement to any income the Member receives from all available sources. The Member would still be entitled to receive any applicable Member discount on their health care. The Member may access the refund for health care purposes only when the vacated Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.
 - c. Should one Member vacate their Residence by transferring to a Health Care Facility at the Community, and the other Member vacates the Residence by transferring to an independent accommodation that carries a lesser Entrance Fee, the Member who has transferred to the Health Care Facility may then draw against the 90% or 50% Refundable Entrance Fee to supplement payment of their health care costs at Aldersgate, up to the difference between the original Entrance Fee, and the then current Entrance Fee (Revised Entrance Fee) for the new independent accommodation, but if and only if the Member’s other assets from all available sources are insufficient to cover the Member’s health care costs at Aldersgate. The Community may require the Member to demonstrate the unavailability of other resources to cover health care costs at Aldersgate. The Member would still be entitled to receive any applicable Member discount on their health care. Should the Member residing in the independent living accommodation vacate said accommodation by transferring to Assisted Living or the Health Care Facility at the Community, that Member may then draw upon the refundable portion of the Revised Entrance Fee to supplement payment of their health care costs at Aldersgate, but if and only if the Member’s other assets from all available sources are insufficient to cover the Member’s health care costs at Aldersgate. The Community may require the Member to demonstrate the unavailability of other resources to cover health care costs at Aldersgate. The 90% or 50% Refundable Entrance Fee can be accessed exclusively for health care services at Aldersgate as a supplement to any income the Member receives from all available sources. The Member would still be entitled to receive any applicable

Member discount on their health care. The Member may access the refund for health care purposes only when the vacated Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.

- d. Utilization of the 90% or 50% Refundable Entrance Fee option may be made to supplement payment of health care costs at Aldersgate only. Contingent upon a financial review of the Member's income and assets, Aldersgate reserves the right to determine the amount of the 90% or 50% Refundable Entrance Fee that may be used to supplement the Member's health care fees at Aldersgate.

Change of Accommodations

The Member may request a change in type of accommodation from time to time, subject to permission of Aldersgate and the availability of the type requested. If such change is made, the following rules apply:

- a. If the Entrance Fee for the new accommodation is higher than the Entrance Fee paid for the accommodation to be vacated, the Member will pay the difference between the Entrance Fee for the new accommodation and the Entrance Fee paid for the prior accommodation. In the event of termination, the amount of the refund, if any, will be based on the total Entrance Fees paid.
- b. Member will be responsible for any costs associated with the change of accommodation, including moving expenses. Aldersgate charges a \$15,000 transfer fee to change accommodations.

In the best interests of the entire Aldersgate community and in consultation with the Member and/or his or her responsible party, Aldersgate may request the Member change accommodations. If agreement cannot be reached, Aldersgate may initiate mediation or arbitration for resolution. Any such resultant accommodation shall be subject to the provisions set forth in the Agreement, except that no greater Entrance Fee may be required of the Member.

Transfer of the Member to any of the health care facilities of Aldersgate, which currently includes Asbury Health & Rehabilitation Center, Parker Terrace Assisted Living, and Cuthbertson Village Memory Support, does not constitute a change of accommodation for these purposes.

Marriages

If a Member marries while residing at Aldersgate, the spouse of the Member is expected to follow Aldersgate's normal admission procedure. Among the basic factors for approval are:

- a. Behavioral characteristics must be appropriate for group living at Aldersgate;
- b. There must be sufficient financial resources to enable the couple to meet financial obligations, or their circumstances must be such as to qualify for financial assistance within Aldersgate's policies and ability to provide;
- c. Such married Member will be required to enter into the then current Residence and Services Agreement which will supersede any and all previous contracts or agreements.

If the applying spouse is approved for residency at Aldersgate and is to live in the same residential accommodation with the Member, additional Entrance Fee is required. If the applying spouse is

to live in a separate unit, a regular Entrance Fee is required. Regular monthly (daily in nursing care) fees and other charges would be in accordance with Aldersgate's regular schedule for double or individual occupancy, as appropriate.

If the applying spouse should not meet the requirements of residency, the applying spouse would not be able to reside at Aldersgate and the Member may terminate the Agreement in the same manner as provided in Section VI of the Agreement with respect to a voluntary termination. As of the date of this Disclosure Statement, no applying spouse has failed to meet the requirements.

If a Member while occupying a residence marries a person who is also a Member, the two Members may occupy the residence of either Member if it is a residence designed for occupancy of two persons. Such married Members will be required to enter into the then current Residence and Services Agreement which will terminate any and all previous contracts or agreements with Aldersgate. Such married Members will pay the Monthly Fee for double occupancy associated with the Residence occupied by them. In the event that a Member shall marry a person who is not a Member of the Community, the spouse may become a Member if such spouse meets all the then current requirements to reside in the Community and both Members of the couple enter into a then current version of the Residence and Services Agreement with the Community. The Member and spouse shall then pay the Monthly Fee for double occupancy associated with the Residence occupied by them.

Cohabitation Policy

If a Member cohabitates with another Member while residing at Aldersgate, the Member who vacates his/her unit to move will be treated as a "related" non-married second occupant. The Member who is moving will be subject to his / her own Entrance Fee, the second person monthly fee with all rights and duties attendant to a "related" second person occupant. The Member who is moving will receive any applicable refundable Entrance Fee from the unit he/she/they are vacating. Any refundable amount shall be paid to the withdrawing Member only when the Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.

Inability To Pay

If a Member should encounter financial difficulty while residing at Aldersgate, the Member may apply for financial assistance. Aldersgate has limited financial assistance resources for this purpose. In a number of cases, there are guaranty agreements between Aldersgate and a Member's family or other sponsor that make possible the Member's continued residency at Aldersgate. Continued residency is contingent upon payment in some manner of all fees and charges associated with residency. Aldersgate is unable to guarantee initial or continuing allocations of financial assistance to a member.

Lease Option

Aldersgate also offers a lease option through which an individual can enter the community by signing a thirteen-month lease agreement. The lease agreement does not require payment of an Entrance Fee but does require payment of a monthly fee at a higher rate than Members who have paid an Entrance Fee. This option provides lessees access to the same services and amenities as Members, except for health care services. Lessees shall be charged direct admit rates for any higher levels of care. This lease option is available only in specified residences.

SERVICES

Standard Services & Services Available At Extra Charge – Effective January 1, 2022 For the monthly fee paid by the Member, Aldersgate shall provide to the Member the use of the accommodation selected, board, utilities, meal options, housekeeping services, grounds keeping, maintenance and repairs, transportation services, security and activities in accord with the practices of Aldersgate as they may be in effect from time to time and the religious, social and creative life of Aldersgate. All Independent Living residents have the option of choosing a meal plan which is included within the Monthly Service Fee. Adjustments that can be made are as follows:

Meal Plan	Points	Price
Half Meal Plan	301 points	Credit of \$108
$\frac{3}{4}$ Meal Plan	452 points	Credit of \$54
Full Meal Plan	602 points	Included in Monthly Service Fee
1 & $\frac{1}{2}$ Meal Plan	903 points	\$108 Charge
2 Full Meal Plan	1204 points	\$216 Charge

The current daily/monthly fee does not include items such as physicians' fees, outside hospitalization, therapies, drugs, medical supplies, dry cleaning, funeral or burial expenses, all of which remain the sole responsibility of the Member. Examples of other services currently available at an additional charge are those shown in the table below:

<u>Service</u>	<u>Fees</u>
Beauty and Barber	\$0 - \$160 per specific service
Cable TV	\$40 per month
Telephone	\$38 per month
Extra Housekeeping / Maintenance	\$25 per hour, per employee
Information Technology Services	\$40 per hour
Meal Delivery Service	\$5 per delivery
Extra Meals	Menu Pricing
Guest Rooms*	\$90 per day
Guest Meals	Menu Pricing
Group Outings	Per person – event specific
Event Catering	Per person – event specific
Independent Living Unit Transfer Fee	\$15,000 per transfer

*Family members of residents in Parker Terrace, Cuthbertson Village, and Asbury Health & Rehabilitation are entitled to a discounted Guest Room rate of \$70 per day.

Health Care Services

If it is determined that the Member requires assisted living services or nursing care, the Community will provide assisted living services in its assisted living or memory support centers as described in the Agreement and subject to changes in law. The Community will admit the Member on a temporary or permanent basis as needed. Use of these nursing services requires the certification of such need by the Member's attending physician and shall be subject to availability of an appropriate accommodation at the Community.

If an appropriate accommodation is not available upon determination that a permanent transfer is required, the Community will arrange and pay for Member's care in his/her Residence by a certified home care agency of the Community's choice, if reasonably possible, until an appropriate accommodation becomes available at Aldersgate. If home health care is not medically possible, the Community will arrange and pay for the member's care in another facility of the Community's choice that can provide the same care that would otherwise have been provided by the Community until space becomes available. The Community will pay for care in another facility to the same extent as if it were provided by the Community. The Member will pay monthly or daily service fees to Aldersgate as if the Member were living at Aldersgate.

Fees and Charges

The Community will provide assisted living services or nursing care in exchange for payment of the applicable monthly or daily service fee to the extent that it is not covered by Member's insurance, Medicare or any other governmental programs or entitlements which Member is required to maintain under the Agreement, subject to the following:

Effect on Monthly Service Fee

- a. **Temporary Transfers** A transfer is considered temporary when the condition that requires the Member's transfer has the potential to be resolved in a manner which may allow the Member to return to the Residence. The Member's Residence will be held for the Member's return.
 - a. **Single Occupancy** Should the Member have a temporary need for Assisted Living or Health Care Facility services while still occupying a Residence, the Member will continue to pay both the then-current Monthly Service Fee for the Residence and the then-current applicable pro-rated monthly rate at Assisted Living or the then-current daily rate at the Health Care Facility.
 - b. **Double Occupancy** Should one or both Residents have a temporary need for Assisted Living or Health Care Facility services while still occupying the Residence, the Resident will continue to pay the then-current Monthly Service Fee less the then-current second person Monthly Service Fee for the Residence. Additionally, each Resident requiring temporary care provided in Assisted Living or Health Care Facility, will be required to pay the then-current applicable pro-rated monthly rate at Assisted Living or the then-current daily rate at the Health Care Facility.
 - c. Temporary utilization of Assisted Living or Health Care Facility services does not constitute a change of accommodations subject to the provisions of Section IV.M of the Agreement.

- b. **Permanent Transfers** A transfer is considered permanent when a condition requires a move to one of the levels of Healthcare and will not allow the Resident to return to their Residence and the Residence has been vacated. A move from Independent Living to another Independent Living residence due to health circumstances, upon approval, will be subject to a Transfer Fee of \$15,000. The exact amount may vary depending on the circumstances which will be evaluated at the time of transfer approval. Aldersgate reserves the right to waive or modify such transfer charges.
- a. **Single Occupancy** Should the Member have a permanent need for Assisted Living or Health Care Facility services, the Resident will be required to release the Residence as provided in Section V of the Agreement. The monthly fee will be the current monthly fee for the accommodation the Member is moving to (See Exhibit A of Resident and Services Agreement).
 - b. **Double Occupancy** Should one Resident have a permanent need for Assisted Living or Health Care Facility services, the Monthly Service Fee will be equal to the then-current Monthly Service Fee for the Residence for one person plus the Member rate for the Assisted Living Facility or Health Care Facility referenced in Exhibit A. Should both Residents have a permanent need for Assisted Living or Health Care Facility services, Resident will be required to release the Residence as provided under Section V of the Agreement. The Monthly Service Fee will be initially adjusted to two times the Monthly Service rate for the Assisted Living Facility or Health Care rate listed in Exhibit A.
- c. **Additional Charges** Residents will be responsible for all costs and charges associated with Assisted Living or the Health Care Facility that are not covered by the monthly or daily rates for such care then in effect which may include drugs, supplies, ancillary charges and level of care fees, if applicable. In the event of a temporary or permanent transfer, the member will be responsible for all costs of relocation.

Should the Member require health care services, Member may utilize such services as provided at Aldersgate. Use of these health care services shall require the certification of such need by the Member's attending physician and shall be subject to availability of appropriate accommodation.

Should the Member or the Member's legally authorized representative apply for and receive assistance under the Medicaid program, or any successor program of a similar nature, the Member's contract will be terminated. Temporary utilization of the assisted living services and nursing services does not constitute a change of accommodations as referred to under "Change of Accommodations" in the Agreement.

FEES Reservation Fee

\$1,000 refundable reservation fee followed by 10% of selected Entrance Fee.

Entrance Fee & Monthly Fee, Notification of Fee Increase

Members of Aldersgate pay:

1. A One-time Entrance Fee, which is based upon the accommodation chosen and is payable when a contract is signed, and provides lifetime access to the community as long as the conditions and terms of the Residence Services Agreement are met;
2. A Monthly Services Fee, which covers costs associated with living at Aldersgate.

Rates are subject to change by approval of the Board of Directors, with a thirty-day notification prior to implementation.

Residents may request Living Accommodation customizations or renovations. Such customizations or renovations must be approved by Aldersgate. The costs and maintenance of such features are the responsibility of the resident.

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Refundable Entrance Fee Schedule Existing Independent Living Residences - Effective January 1, 2023

Residence Type	Approx. Sq. Ft	90% and 50% Refundable Plan	0% Refundable Plan
Apartments			
Epworth			
1 Bedroom (Rose)	585	\$159,677 - \$196,695	\$111,734 - \$137,551
1 Bedroom (Knock-Out Rose)	585	\$164,011 - \$219,681	\$118,400 - \$157,871
1 Bedroom/Kitchen (Iris)	585	\$206,898 - \$243,631	\$144,788 - \$170,320
2 Bedroom (Tulip)	782	\$206,898 - \$300,870	\$144,788 - \$210,509
2 Bedroom/Kitchen (Lotus)	1,060	\$289,253	\$204,492
2 Bedroom/Kitchen (Lily)	1,067	\$264,136 - \$300,870	\$184,977 - \$210,509
2 Bedroom/Kitchen (Lilac)	1,130	\$308,154	\$217,796
2 Bedroom/Kitchen (Gardenia)	1,170	\$298,510 - \$344,711	\$213,085 - \$245,285
Francis			
1 Bedroom/1 Bath (Cherry)	750	\$235,140 - \$286,787	\$164,555 - \$200,397
1 Bedroom/1.5 Bath (Mimosa)	955	\$305,726 - \$355,335	\$213,950 - \$248,214
2 Bedroom/2 Bath/Balcony (Dogwood)	1,050	\$335,831 - \$385,439	\$234,995 - \$269,257
2 Bedroom/2 Bath/Balcony (Holly)	1,075	\$353,093 - \$363,468	\$247,142 - \$254,448
2 Bedroom/2 Bath/Dining (Magnolia)	1,150	\$375,744 - \$410,640	\$262,777 - \$286,933
2 Bedroom/2 Bath/Dining (Willow)	1,180	\$393,574 - \$393,574	\$275,491 - \$275,491
2 Bedroom/2 Bath/Dining/Balcony (Sycamore)	1,250	\$411,321 - \$436,822	\$287,905 - \$305,427
2 Bedroom/2 Bath/Den/Dining/Balcony (Birch)	1,400	\$420,446 - \$423,559	\$294,181 - \$296,374
2 Bedroom/2 Bath/Den/Dining/Balcony (Chestnut)	1,500	\$491,487 - \$493,450	\$343,885 - \$345,233
2 Bedroom/2.5 Bath/Den/Dining/Balcony (White Oak)	1,660	\$544,099 - \$568,618	\$380,860 - \$397,707
Cottages/Executive Homes			
Azalea View			
2 Bedroom	1,362	\$252,093 - \$353,503	\$176,466 - \$246,529
3 Bedroom	1,754	\$367,805 - \$438,276	\$257,148 - \$306,794
Lake Ridge			
2 bedroom/2 Bath/Garage (Maple)	1,598	\$501,116 - \$570,909	\$350,738 - \$399,048
2 Bedroom/2 Bath/Den/Garage (Walnut)	1,740	\$564,833	\$395,310
2 Bedroom/2 Bath/Den/Garage (Hickory)	1,867	\$603,268 - \$652,309	\$423,661 - \$457,357
Wesley Glen			
2 Bedroom/2 Bath (Cedar)	1,548	\$536,436 - \$538,827	\$375,511 - \$376,844
2 Bedroom/2 Bath (Myrtle)	1,650	\$570,367 - \$605,815	\$399,262 - \$423,737
2 Bedroom/2.5 Bath/Den (Poplar)	1,880	\$605,026 - \$638,368	\$423,525 - \$446,864
2 Bedroom/2.5 Bath/Den (Redwood)	2,035	\$622,458 - \$678,904	\$435,726 - \$474,899
2 Bedroom/2.5 Bath/Den (Laurel)	2,340	\$578,553	\$404,652

Second Person Fee

\$46,500

\$46,500

Fees shown above apply to single occupancy. The rates for double-occupancy include an additional entrance fee of \$46,500 regardless of residence type.

If a member is 85 years of age or older at the time of the full payment of the entrance fee, a 10% premium is added to the entrance fee up to the age of 90. If a resident is 90 years of age or older at the time of full payment of the entrance fee, a 10% premium is added to the entrance fee, and they are limited to the 0% refundable entrance fee option.

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Refundable Entrance Fee Schedule Existing Independent Living Residences - Effective January 1, 2023

Residence Type	Approx. Sq. Ft	90% and 50% Refundable Plan	0% Refundable Plan
Apartments			
Magnolia View			
1 Bedroom/1.5 bath (Catawba)	851	\$378,967	\$265,277
1 Bedroom/1.5 bath (Elk)	950	\$422,714	\$295,899
1 Bedroom/1.5 bath (Linville)	1002	\$437,745	\$306,423
1 Bedroom/1.5 bath (Elk Deluxe)	1034	\$441,593	\$309,116
2 Bedroom/2.5 bath (Mitchell)	1,192	\$513,211	\$359,249
2 Bedroom/2.5 bath (Pamlico)	1,280	\$535,582	\$374,908
2 Bedroom/2.5 bath (South Fork)	1,376	\$557,153	\$389,767
2 Bedroom/2.5 bath/Fireplace (Uwhaarie)	1376	\$586,931	\$410,613
2 Bedroom/2.5 bath/Fireplace (Yadkin)	1456	\$617,036	\$431,567
Lake View and Park View			
1 Bedroom/1.5 Bath (Badin)	985	\$444,659	\$311,260
2 Bedroom/2.5 Bath (James)	1,285	\$557,953	\$390,567
2 Bedroom/2.5 Bath (Jordan)	1,352	\$571,388	\$399,732
2 Bedroom/2.5 Bath /Fireplace (Norman)	1,352	\$601,747	\$420,973
2 Bedroom/2.5 Bath (Tillery)	1,475	\$609,882	\$426,677
2 Bedroom/2.5 Bath/Fireplace (Wylie)	1,475	\$639,662	\$447,525

Second Person Fee

\$46,500

\$46,500

Rates shown above apply to single occupancy. The rates for double occupancy include an additional \$1,402 per month regardless of residence type.

\$602 dining points per month are included in rates for Independent Living Residents with an option for additional dining points to the plan at an additional charge or a credit for those residents who want less than \$602 dining points.

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Monthly Service Fee Schedule Existing Independent Living Residences - Effective January 1, 2023

Residence Type	Approx. Sq. Ft	0% and 90% Refundable Plan	50% Refundable Plan
Apartments			
Epworth			
1 Bedroom (Rose)	585	\$3,097	\$2,478
1 Bedroom (Knock-Out Rose)	585	\$3,170	\$2,551
1 Bedroom/Kitchen (Iris)	585	\$3,243	\$2,596
2 Bedroom (Tulip)	782	\$3,314	\$2,649
2 Bedroom/Kitchen (Lotus)	1,060	\$3,264	\$2,609
2 Bedroom/Kitchen (Lily)	1,067	\$3,431	\$2,746
2 Bedroom/Kitchen (Lilac)	1,130	\$3,479	\$2,782
2 Bedroom/Kitchen (Gardenia)	1,170	\$3,579	\$2,863
Francis			
1 Bedroom/1 Bath (Cherry)	750	\$3,713	\$2,969
1 Bedroom/1.5 Bath (Mimosa)	955	\$4,159	\$3,326
2 Bedroom/2 Bath/Balcony (Dogwood)	1,050	\$4,605	\$3,684
2 Bedroom/2 Bath/Balcony (Holly)	1,075	\$4,754	\$3,804
2 Bedroom/2 Bath/Dining (Magnolia)	1,150	\$4,902	\$3,920
2 Bedroom/2 Bath/Dining (Willow)	1,180	\$5,050	\$4,041
2 Bedroom/2 Bath/Dining/Balcony (Sycamore)	1,250	\$5,349	\$4,279
2 Bedroom/2 Bath/Den/Dining/Balcony (Birch)	1,400	\$5,796	\$4,635
2 Bedroom/2 Bath/Den/Dining/Balcony (Chestnut)	1,500	\$6,093	\$4,874
2 Bedroom/2.5 Bath/Den/Dining/Balcony (White Oak)	1,660	\$6,537	\$5,231
Cottages/Executive Homes			
Azalea View			
2 Bedroom	1,362	\$4,378	\$3,507
3 Bedroom	1,754	\$4,611	\$3,687
Lake Ridge			
2 bedroom/2 Bath/Garage (Maple)	1,598	\$5,487	\$4,390
2 Bedroom/2 Bath/Den/Garage (Walnut)	1,740	\$5,589	\$4,470
2 Bedroom/2 Bath/Den/Garage (Hickory)	1,867	\$5,801	\$4,638
Wesley Glen			
2 Bedroom/2 Bath (Cedar)	1,548	\$5,298	\$4,238
2 Bedroom/2 Bath (Myrtle)	1,650	\$5,650	\$4,520
2 Bedroom/2.5 Bath/Den (Poplar)	1,880	\$5,983	\$4,788
2 Bedroom/2.5 Bath/Den (Redwood)	2,035	\$6,272	\$5,015
2 Bedroom/2.5 Bath/Den (Laurel)	2,340	\$6,340	\$5,073

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Residence Type	Approx. Sq. Ft	0% and 90% Refundable Plan	50% Refundable Plan
Apartments			
Magnolia View			
1 Bedroom/1.5 bath (Catawba)	851	\$4,004	\$3,209
1 Bedroom/1.5 bath (Elk)	950	\$4,436	\$3,545
1 Bedroom/1.5 bath (Linville)	1002	\$4,505	\$3,600
1 Bedroom/1.5 bath (Elk Deluxe)	1034	\$4,645	\$3,722
2 Bedroom/2.5 bath (Mitchell)	1,192	\$5,366	\$4,300
2 Bedroom/2.5 bath (Pamlico)	1,280	\$5,575	\$4,463
2 Bedroom/2.5 bath (South Fork)	1,376	\$5,799	\$4,638
2 Bedroom/2.5 bath/Fireplace (Uwhaarie)	1376	\$5,799	\$4,638
2 Bedroom/2.5 bath/Fireplace (Yadkin)	1456	\$6,149	\$4,921
Lake View and Park View			
1 Bedroom/1.5 Bath (Badin)	985	\$4,578	\$3,669
2 Bedroom/2.5 Bath (James)	1,285	\$5,616	\$4,490
2 Bedroom/2.5 Bath (Jordan)	1,352	\$5,866	\$4,692
2 Bedroom/2.5 Bath /Fireplace (Norman)	1,352	\$5,866	\$4,692
2 Bedroom/2.5 Bath (Tillery)	1,475	\$6,149	\$4,921
2 Bedroom/2.5 Bath/Fireplace (Wylie)	1,475	\$6,149	\$4,921

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Monthly Service Fee Schedule Existing and New Health Care Beds– Effective January 1, 2023

Residence Type	Direct Admit	Member - with Health Care Benefit	Member - without Health Care Benefit
Parker Terrace (Assisted Living)			
Studio			
- Tier 1	\$6,198/month		\$5,813/month
- Tier 2	\$7,439/month		\$7,051/month
- Life Care Rate		\$5,457/month	
One Bedroom Apartment			
- Tier 1	\$6,439/month		\$6,052/month
- Tier 2	\$7,683/month		\$7,295/month
- Life Care Rate		\$5,457/month	
Cuthbertson Village Memory Support (Assisted Living)			
One Bedroom Apartment			
- Tier 1	\$7,653/month		\$7,262/month
- Tier 2	\$8,840/month		\$8,449/month
- Life Care Rate		\$5,457/month	
Asbury Health and Rehabilitation (Health Care Facility)			
- Tier 1	\$378/day		\$378/day
- Tier 2	\$427/day		\$427/day
- Life Care Rate		\$5,457/month	
Asbury Health and Rehabilitation (Health Care Facility)			
- Home for the Aged - Tier 1	\$289/day		\$289/day
- Home for the Aged - Tier 2	\$326/day		\$326/day
- Life Care Rate		\$5,457/month	

Rates for residents of Asbury Health & Rehabilitation Center, Cuthberston Village, and Parker Terrace Assisted Living include three meals per day.

Temporary absence of the resident from Aldersgate for vacation, travel, business, medical care, or otherwise, does not change the resident's obligation to pay the full monthly fee.

The per diem/monthly fee does not include items such as physicians' fees, outside hospitalization, therapies, drugs, medical supplies, dry cleaning, funeral, or burial expenses, all of which remain the sole responsibility of the resident. For those residents covered under Medicare Part A and/or Medicaid, services will be provided consistent with those of Medicare and/or Medicaid billing program. There may be services for which the resident is billed that are not covered by these programs.

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	Independent Living	
Effective Date	% Per Month (Average)	\$ Per Month (Average)
1/1/2019	3.0%	\$ 95.00
1/1/2020	3.0%	\$ 102.00
1/1/2021	3.0%	\$ 108.00
1/1/2022	6.0%	\$ 336.00
1/1/2023	10.0%	\$ 395.00

	Assisted Living	
Effective Date	% Per Month (Average)	\$ Per Month (Average)
1/1/2019	3.5%	\$ 162.00
1/1/2020	4.0%	\$ 205.00
1/1/2021	4.0%	\$ 213.00
1/1/2022	5.0%	\$ 260.00
1/1/2023	6.5%	\$ 407.00

	Memory Support	
Effective Date	% Per Month (Average)	\$ Per Month (Average)
1/1/2019	4.0%	\$ 187.00
1/1/2020	4.0%	\$ 242.00
1/1/2021	4.0%	\$ 263.00
1/1/2022	5.0%	\$ 324.00
1/1/2023	6.5%	\$ 490.00

	Skilled Nursing	
Effective Date	% Per Day (Average)	\$ Per Day (Average)
1/1/2019	5.0%	\$ 8.00
1/1/2020	4.5%	\$ 9.00
1/1/2021	3.0%	\$ 4.00
1/1/2022	5.0%	\$ 17.00
1/1/2023	6.5%	\$ 23.00

Rates for residents of Asbury Health & Rehabilitation Center, Cuthberston Village, and Parker Terrace Assisted Living include three meals per day.

Temporary absence of the resident from Aldersgate for vacation, travel, business, medical care, or otherwise, does not change the resident's obligation to pay the full monthly fee.

The per diem/monthly fee does not include items such as physicians' fees, outside hospitalization, therapies, drugs, medical supplies, dry cleaning, funeral, or burial expenses, all of which remain the sole responsibility of the resident. For those residents covered under Medicare Part A and/or Medicaid, services will be provided consistent with those of Medicare and/or Medicaid billing program. There may be services for which the resident is billed that are not covered by these programs.

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Audited financials and certified financial statements will be made available upon receipt from the auditing firm.

Attachments

Residence and Services Agreement

Mediation and Binding Arbitration Agreement

Reservation Agreement

Reservation Agreement for New Wesley Glen

Lease Agreement

Acknowledgment of Receipt of Disclosure Statement

MEDIATION AND BINDING ARBITRATION AGREEMENT

This Mediation and Binding Arbitration Agreement is entered into as of the date written below by and between Aldersgate United Methodist Retirement Community (hereinafter "the Community") and _____ ("Member") and _____, Member's Responsible Party ("Responsible Party"), if any.

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

II. Binding Arbitration. Arbitration is a specific process of dispute resolution utilized instead of the traditional state or federal court system. Instead of a judge and/or jury determining the outcome of a dispute, a neutral third party ("Arbitrator(s)") chosen by the parties to this Agreement renders the decision, which is binding on both parties. Generally an Arbitrator's decision is final and not open to appeal. The Arbitrator will hear both sides of the story and render a decision based on fairness, law, common sense and the rules established by the Arbitration Association selected by the parties. When Arbitration is binding, it is the only legal process available to the parties. Binding Arbitration has been selected with the goal of reducing the time, formalities and cost of utilizing the court system.

(a) Contractual and/or Property Damage Disputes. Unless resolved or settled by mediation, any controversy, dispute, disagreement or claim of any kind or nature, arising from, or relating to the Residence and Services Agreement ("the Agreement") executed between Member and the Community, or concerning any rights arising from or relating to an alleged breach of the Agreement, with the exception of (1) guardianship proceedings resulting from the alleged incapacity of the Member; and (2) disputes involving amounts in controversy of less than Twenty-Five Thousand Dollars (\$25,000), shall be settled exclusively by arbitration. This means that the Member will not be able to file a lawsuit in any court to resolve any disputes or claims that the Member may have against the Community. It also means that the Member is relinquishing or giving up all rights that the Member may have to a jury trial to resolve any disputes or claims against the Community. It also means that the Community is giving up any rights it may have to a jury trial or to bring claims in a court against the Member. Subject to Section (f), the Arbitration shall be administered by Carolina Dispute Settlement Services ("CDSS"), in accordance with the CDSS's Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be

entered in any court having appropriate jurisdiction. Member and/ or Responsible Person acknowledge(s) and understand(s) that there will be no jury trial on any claim or dispute submitted to arbitration, and Member and/or Responsible Person relinquish and give up their rights to a jury trial on any matter submitted to arbitration under this Agreement.

(b) Personal Injury or Medical Malpractice. Unless resolved or settled by mediation, any claim that the Member may have against the Community for any personal injuries sustained by the Member arising from or relating to any alleged medical malpractice, inadequate care, or any other cause or reason while residing in the Community, shall be settled exclusively by arbitration. This means that the Member will not be able to file a lawsuit in any court to bring any claims that the Member may have against the Community for personal injuries incurred while residing in the Community. It also means that the Member is relinquishing or giving up all rights that the Member may have to a jury trial to litigate any claims for damages or losses allegedly incurred as a result of personal injuries sustained while residing in the Community. Subject to Section (f), the Arbitration shall be administered by CDSS, in accordance with CDSS's Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. Member and/or Responsible Person acknowledge(s) and understand(s) that there will be no jury trial on any claim or dispute submitted to arbitration, and Member and/or Responsible Person relinquish and give up the Member's right to a jury trial on any claims for damages arising from personal injuries to the Member which are submitted to arbitration under this Agreement.

(c) Exclusion From Arbitration. Those disputes which have been excluded from binding arbitration (i.e., guardianship proceedings and disputes involving amounts in controversy of less than \$25,000) may be resolved through the use of the judicial system. In situations involving any of the matters excluded from binding arbitration, neither Member nor the Community is required to use the arbitration process. Any legal actions related to those matters may be filed and litigated in any court which may have jurisdiction over the dispute. This arbitration provision shall not impair the rights of Member to appeal any transfer and/or discharge action initiated by the Community to the appropriate administrative agency if such transfer or appeal is governed by State or Federal law prescribing the instances in which a resident may be transferred or discharged, and after the exhaustion of such administrative appeals, to appeal to the court exercising appellate jurisdiction over the administrative agency.

(d) Right to Legal Counsel. Member has the right to be represented by legal counsel in any proceedings initiated under this arbitration provision. Because this arbitration provision addresses important legal rights, the Community encourages and recommends that Member obtain the advice and assistance of legal counsel to review the legal significance of this binding arbitration provision prior to signing this Agreement.

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

(f) Time Limitation for Arbitration. Any request for arbitration of a dispute must be requested and submitted to CDSS, with notice to the other party, prior to the lapse of two (2) years from the date on which the event giving rise to the dispute occurred. In the event CDSS is unable

or unwilling to serve, then the request for Arbitration must be submitted to the Community within thirty (30) days of receipt of notice of CDSS's unwillingness or inability to serve as a neutral arbitrator. Community shall select an alternative neutral arbitration service within thirty (30) days thereafter and the selected Arbitration Agency's procedural rules shall apply to the arbitration proceeding. The failure to submit a request for Arbitration to CDSS, or an alternate neutral arbitration service selected by Community, within the designated time (i.e., two (2) years) shall operate as a bar to any subsequent request for Arbitration, or for any claim for relief or a remedy, or to any action or legal proceeding of any kind or nature, and the parties will be forever barred from arbitrating or litigating a resolution to any such dispute. A copy of the CDS Rules and Procedures for Arbitration is attached to this Agreement as Attachment A. Contact information for CDSS, is as follows:

Carolina Dispute Settlement Services
 3737 Glenwood Avenue, Suite 370
 Raleigh, N.C. 27612
 Telephone: (919) 755-4646
 Fax: (919) 755-4644
 Email: www.notrials.com

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

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

Member

Date

Responsible Person

Date

Aldersgate United Methodist Retirement Community, Inc.

By: _____

Title

Date

ATTACHMENT A

Carolina Dispute Settlement Services

Expedited Arbitration Rules and Procedures

Rule 1. Scope of Rules

The Carolina Dispute Settlement Services (CDSS) Expedited Arbitration Rules and Procedures govern binding arbitration of claims or disputes that are administered by Carolina Dispute Settlement Services. There are no dollar limits for disputed claims or counterclaims for utilization of these rules.

The term "Party" as used in the rules include the parties to the arbitration and their attorneys.

Rule 2. Party – Agreed Procedures

The Parties may agree on any procedures not specified herein that are consistent with applicable law and CDSS policies. The Parties shall be responsible for notification to the CDSS assigned Case Manager of any agreed upon procedures and will confirm the agreed procedures in writing. The agreed upon procedures will be enforceable as if contained in the CDSS Rules and Procedures.

Rule 3. Amendment of Rules

CDSS may amend the Rules without notice. The Rules in effect on the date of the commencement of an Arbitration will apply to that Arbitration.

Rule 4. Conflict of Law

If any of these rules or modifications is in conflict with mandatory applicable law, the provision of law will govern.

Rule 5. Commencing an Arbitration

- A) The arbitration is commenced by the submission to CDSS of a post- dispute Arbitration Agreement fully executed by all the involved Parties and a claim statement.
- B) The arbitration is commenced by the submission of a pre-dispute written contractual provision requiring the Parties to arbitrate the dispute or claim. Or a written demand has been served on the other Party in accordance with either the pre-dispute written contractual provision or, if appropriate, proof of services in compliance with Federal Rules of Procedure; or

- C) The oral agreement of all Parties to participate in arbitration conducted pursuant to these rules.

The arbitration process is considered commenced when CDSS confirms in writing that the above requirements have been met and that CDSS has received a claim statement. The date of commencement is the date of the CDSS commencement letter.

In the event of an oral agreement to participate in arbitration the Hearing will not take place until all Parties to the claim have executed an Arbitration Agreement.

- D) If any Party fails to respond to a claim or fails to reply to a counter or cross claim, that Party will be deemed to have denied the claims, counter or cross claims made against it and to have waived the right to assert other claims or challenges to jurisdiction.

Rule 6. Prehearing Conference/ Selection of the Arbitrator

Unless the following matters have been determined during the commencement process, the Case Manager may conduct a Pre-Hearing Conference with the Parties by telephone, within five (5) business days after the date of commencement of the Arbitration, to discuss Arbitrator selection, the location and scheduling of the Hearing and other procedural issues. The Arbitrator shall be selected through the process of the Case Manager providing a list of three (3) proposed qualified potential Arbitrators to the Parties. Each Party shall have seven (7) days to strike one name if they so choose. The name remaining shall serve as Arbitrator for the case.

In the event that one Party chooses to not strike a name or the same name is struck by both Parties the Case Manager will select and appoint a qualified Arbitrator from the CDSS roster.

If for any reason the Pre- Hearing Conference does not take place within the specified time frame, the Case Manager will select and appoint a qualified Arbitrator from the CDSS roster.

At any subsequent time the Parties may request additional conferences to discuss administrative or procedural matters.

The Case Manager shall be responsible for answering questions regarding rules and will discuss procedural matters. At the request of the Parties the Case Manager may make a determination regarding the location of the Hearing, subject to Arbitrator review.

Rule 7. Interpretation of Rules and Jurisdiction Challenges

Once appointed the Arbitrator will resolve any disputes about the interpretation and application of these Rules, including disputes related to the duties of the Arbitrator and the conduct of the hearing and jurisdiction.

Rule 8. Representation

The Parties may be represented by Counsel and such representation is encouraged and in some cases may be required by law. Each Party will promptly notify the Case Manager and the other Party the name and address, phone number of its Counsel.

9. Ex Parte Communications

No Party will have ex parte communication with the Arbitrator regarding any issue. Any necessary ex parte communication with CDSS, whether before or after the Arbitration Hearing, will be with the assigned Case Manager or Executive Director.

10. Exchange of Information

- A) The Parties will cooperate in good faith in the voluntary, prompt and informal exchange of all non-privileged documents and information relevant to the dispute or claim, including copies of all documents in their possession or control on which they rely in support of their positions or which they intend to introduce as exhibits at the arbitration hearing, the names of all individuals with knowledge about the claim or dispute and the names of all experts who may be called to testify or whose report may be introduced at the arbitration hearing.

The Parties and the Arbitrator will make every effort to conclude the document and the information exchange process within ten business days before the arbitration Hearing.

- B) The Parties will promptly notify the Arbitrator through the Case Manager when there is an unresolved dispute regarding discovery issues. The Case Manager may attempt to informally resolve the dispute or may schedule a conference with the Arbitrator, either in person or by telephone and the Arbitrator will resolve the dispute. The Parties will promptly comply with any directive from the Arbitrator by the date specified.

11. Scheduling and Location of Hearing

Unless previously agreed upon or scheduled by the Case Manager the Arbitrator after consulting with the parties, will determine the location, date and time of the Arbitration Hearing. Absent unusual circumstances the Hearing should begin within thirty (30) business days of the commencement of the Arbitration. All Parties will attempt to schedule consecutive Hearing days if more than one day is necessary.

12. Pre- Hearing Submissions

For complex cases or in unusual circumstances, the Arbitrator may require a Pre- Hearing Conference for the purpose of narrowing the focus of the Arbitration Hearing by stipulation of facts, or joint statements of Issues. The Arbitrator may also require Pre- Hearing briefs or statements of positions.

13. Securing Witnesses/ Documents

At the request of any Party, all Parties will produce for the Hearing all witnesses in their employ, or under their control without need of subpoena. The Arbitrator may issue subpoenas for the attendance of witnesses or the production of documents.

14. The Arbitration Hearing

- A) The Arbitrator shall conduct the Hearing with dignity and decorum.
- B) The Arbitrator will require witnesses to testify under oath.
- C) The Arbitrator is not bound by the rules of evidence that they find to be relevant and material to the claim, including evidence presented in the form of affidavits, giving evidence such weight as he or she determines to be appropriate.
- D) The Parties may not offer as evidence and the Arbitrator will not admit into record nor consider, prior statement offers by the Parties or statements made by a Mediator in connection with efforts to resolve the dispute being arbitrated.
- E) Any Party may request the Hearing be recorded and the requesting Party will bear the cost of said recording.
- F) The Arbitrator may proceed with the Hearing in the absence of a Party who after having executed the Arbitration Agreement or who is otherwise bound to arbitrate, and after having received reasonable notice of the Hearing fails to appear. The Arbitrator may not render an Award solely on the basis of the default or absence of the Party, but will require testimony and evidence as the Arbitrator may require to render an Award.
- G) When the Arbitrator determines that all relevant and material evidence and arguments have been presented, the Arbitrator will declare the Hearing closed. Post- Hearing briefs shall not be allowed unless the Parties and the Arbitrator agree they are necessary. If the Arbitrator agrees they are necessary the Hearing will be closed upon the receipt of the briefs.

15. The Award

- A) Absent good cause or extension the Arbitrator shall render the Award within seven (7) to ten (10) business days of the close of the Arbitration Hearing.
- B) The Award shall be reduced to writing and provided to the CDSS Case Manager for issuance to the Parties.
- C) Unless the Parties specify a different standard, in determining the Award the Arbitrator shall apply the principles of applicable law.
- D) The Arbitrator is authorized to award any remedy allowed by applicable law.
- E) The Award will consist of a written statement signed by the Arbitrator regarding the disposition of each claim and the relief, if any, awarded.
- F) After the Award has been rendered and provided the parties have paid their Arbitration costs in full CDSS will issue the Award by serving copies on the Parties. Service will be deemed effective five (5) business days after deposit in the US Mail.
- G) Within seven (7) business days after the issuance of the Award, any Party, with written notice to all Parties, may request that the Arbitrator correct any computational, typographical or similar error in the Award, or the Arbitrator may correct such errors on his or her own initiative. All corrections will be made within seven (7) business days of receiving the request, provided the Party is in agreement and has had reasonable opportunity to respond.
- H) Proceedings to enforce, confirm, modify or vacate an Award will be controlled by and conducted in conformity with the Federal Arbitration Act or applicable law.

16. Confidential and Private

The Parties and the Case Manager and the Arbitrator will maintain the confidential nature of the Arbitration proceeding and the Award, including the Hearing.

17. Sanctions

The Arbitrator may Award appropriate sanctions for failure of a Party to comply with its obligations under any of these rules. Sanctions can include, but are not limited to: assessment of costs, prohibition of certain evidence.

18. Fees

- A) Each party will pay pro-rata share of the Arbitration costs and expenses, unless the Parties agree on a different allocation of the costs.
- B) CDSS requires that all Parties are jointly and severally liable for the payment of fees and expenses of CDSS.
- C) All fees for services must be paid in full prior to the release of the rendered Award.

19. Mediation

The Parties may agree, at any stage of the Arbitration process, to submit the case to CDSS for Mediation. The assigned Mediator to the case shall not be the Arbitrator unless the case was originally submitted as a Med-Arb.

To commence an Arbitration claim please contact:

Carolina Dispute Settlement Services,
3737 Glenwood Avenue, Suite 370,
Raleigh, NC 27612

Phone: (919) 755-4646

NOTICE OF RIGHT TO RESCIND
BINDING ARBITRATION CLAUSE

Date rescission period begins _____ (insert date Arbitration Agreement is signed by all parties).

You may rescind and terminate Sections (a-h) of the Mediation and Binding Arbitration Agreement (hereinafter called ("Agreement")) without penalty or forfeiture within thirty (30) days of the above date. No other agreement or statement you sign shall constitute a waiver of your right to rescind Sections (a-h) of the Agreement within this thirty (30) day period.

To rescind Sections (a-h) of the Agreement, send via certified mail or hand deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to the following address:

Suzanne Pugh
President
Aldersgate United Methodist Retirement Community, Inc.
3800 Shamrock Drive
Charlotte, North Carolina 28215

Not later than midnight of _____ (last day for rescission). If you are rescinding Sections (a-h) of the Agreement via certified mail, the notice must be post marked within thirty (30) days of the date the rescission period begins.

Pursuant to this notice, I hereby rescind Sections (a-h) of the Agreement regarding binding arbitration.

Date: _____

MEMBER'S SIGNATURE

RESPONSIBLE PERSON'S SIGNATURE
(if applicable)



ALDERSGATE

**ACKNOWLEDGMENT OF RECEIPT OF
THE DISCLOSURE STATEMENT
OF
ALDERSGATE UNITED METHODIST RETIREMENT COMMUNITY, INC.**

Our Mission: We honor elders and are committed to creating and fostering diverse, caring communities where everyone has a voice and value.

I, _____, with this statement, acknowledge receipt of the Disclosure Statement of Aldersgate United Methodist Retirement Community, Inc., dated June 1, 2023. This Disclosure Statement was made available to me prior to the signing of the Residence & Services Agreement.

Printed Name Date

Signature Date

Printed Name Date

Signature Date



ALDRSGATE

RESERVATION AGREEMENT FOR NEW WESLEY GLEN RESIDENCES OF ALDRSGATE CHARLOTTE, NORTH CAROLINA

This Reservation Agreement is made this _____ day of _____, 20____, by and between Aldersgate United Methodist Retirement Community (“the Community” or “Aldersgate”), a non-profit corporation, and _____ (individually and/or collectively “You” or “Resident” or “Member”).

WHEREAS, You desire to reserve residence number _____, a _____ style residence of _____ (the “Residence”).

NOW, THEREFORE, You and Aldersgate agree as follows:

1. **Preliminary Agreement:** This Reservation Agreement is preliminary to the Residence and Services Agreement which will be entered into by You upon completion of the application process and approval by Aldersgate.
2. **Residence and Services Agreement and Disclosure Statement:** Aldersgate will provide You a copy of the Residence and Services Agreement and its most recent Disclosure Statement upon entering into this Reservation Agreement.
3. **Entrance Fee(s):** You agree to pay the Entrance Fee(s) shown below for the Residence selected:

Contract Type: 0% 50% 90%

Entrance Fee First Person: \$ _____

Entrance Fee Second Person: \$ _____

Total Entrance Fee Amount: \$ _____

4. **Terms of Payment of the Entrance Fee:** You agree to pay the Entrance Fee(s) for the Residence according to the following terms:
 - a. **Initial \$1,000 Reservation Deposit:** Upon entering into this Reservation Agreement and prior to entering into the Residence and Services Agreement, You agree to pay \$1,000.00 as an Initial Reservation Deposit. Such deposit is fully refundable

should You choose not to proceed with the reservation process and not enter into the Residence and Services Agreement for any reason, including the denial of your Application for admission by Aldersgate. The deposit fully applies toward the Entrance Fee should You proceed with the reservation process and enter into the Residence and Services Agreement and your Residence and Services Agreement is approved by Aldersgate.

b. Initial 10% Reservation Deposit: An amount equal to ten percent (10%) of the total Entrance Fee, less the \$1,000.00 Reservation Deposit and less the \$1,000 Future Residency Club deposit if applicable, totaling \$ _____, is paid within five (5) calendar days after You receive written notice of approval of admission by Aldersgate and upon execution of the Residence and Services Agreement.

c. Amounts for Options and Custom Features:

a. **A Deposit of One Third of the Total Entrance Fee.** An amount equal to one third (1/3) of the Entrance Fee, including 1/3 of fees for selected Option/Custom Features; less the paid Reservation Deposit paid at the time that the executive home site begins to be cleared; and,

b. **A Deposit of One Third of the Total Entrance Fee.** An amount equal to one third (1/3) of the Entrance Fee, including 1/3 of fees for selected Option/Custom Features, ; less the paid Reservation Deposit paid when the Community determines and notifies Member that construction of the Wesley Glen Executive Home has reached 50% of substantial completion; and,

c. **Balance of the Entrance Fee.** The balance of the total Entrance Fee, the amount which will be considered for refundable amount if applicable, including any outstanding balance for Options/Custom Features selected by the Member is to be paid at the Occupancy Date, unless otherwise agreed to in writing by the Community. If a change order occurs after selections have been submitted to the builder, they will be evaluated on a case by case basis and the amount for the upgrades will be due in full at the time of the acceptance of the change order.

5. Monthly Fee(s): In addition to the Entrance Fee, and upon taking occupancy of the Residence, You agree to pay the Monthly Fee(s) shown below. The Monthly Fee(s) are estimated and are shown for the year given. The Monthly Fee(s) will be adjusted at least annually, and You will be given notice of such increases by Aldersgate. Monthly Fees will be billed starting the date that keys are turned over and Move-In Sheet is signed by Resident.

Monthly Fee First Person: \$ _____ in 20 ____

Monthly Fee Second Person: \$ _____ in 20 ____

Total Monthly Fee: \$ _____ in 20 ____

6. **Cancellation Policy:** If cancellation is made at any point after signature of this document & receipt of 10% deposit, the depositor will be required to continue to make the scheduled payments in line with all options and selections made through completion and they will only be refunded at the time the residence is re-sold at the same price.

7. **Application Forms Completed by You:** You agree to complete the following application forms and return them to Aldersgate within ten (10) calendar days of signing this Reservation Agreement:
 - General Information
 - Personal Health History
 - Confidential Financial Statement

8. **Application Forms Completed by Others:**
 - **Physician’s Health History.** You will give this to your physician to complete and return to Aldersgate no more than 30 days prior to Occupancy.
 - **Independent Living Evaluation.** Prior to move in, this will be conducted by a professional chosen by Aldersgate and must be conducted within 30 days of Occupancy. The Independent Living Evaluation determines Member Health Care Rate and Benefits.

9. **Final Forms at Move-in:** Prior to move-in, the final physician health history forms and updated financial statement forms are required.

**ALDRSGATE UNITED METHODIST
RETIREMENT COMMUNITY, INC.**

Member, First Person Printed

Member, First Person Signature

Member, Second Person Printed

By: _____

Member, Second Person Signature

Signed _____

Current Address

Title

City, State, Zip Code

Home Telephone _____

Cell Phone First Person _____

Email First Person _____

Cell Phone Second Person _____

Email Second Person _____



ALDRSGATE

RESERVATION AGREEMENT FOR RESIDENCES OF ALDRSGATE CHARLOTTE, NORTH CAROLINA

This Reservation Agreement is made this _____ day of _____, 20____, by and between Aldersgate United Methodist Retirement Community (“the Community” or “Aldersgate”), a non-profit corporation, and _____ (individually and/or collectively “You” or “Resident” or “Member”).

WHEREAS, You desire to reserve residence number _____, a _____ style residence of _____ (the “Residence”).

NOW, THEREFORE, You and Aldersgate agree as follows:

1. **Preliminary Agreement**: This Reservation Agreement is preliminary to the Residence and Services Agreement which will be entered into by You upon completion of the application process and approval by Aldersgate.
2. **Residence and Services Agreement and Disclosure Statement**: Aldersgate will provide You a copy of the Residence and Services Agreement and its most recent Disclosure Statement upon entering into this Reservation Agreement.
3. **Entrance Fee(s)**: You agree to pay the Entrance Fee(s) shown below for the Residence selected:

Contract Type: 0% 50% 90%

Entrance Fee First Person: \$ _____

Entrance Fee Second Person: \$ _____

Total Entrance Fee Amount: \$ _____

4. **Terms of Payment of the Entrance Fee**: You agree to pay the Entrance Fee(s) for the Residence according to the following terms:
 - a. **Initial \$1,000 Reservation Deposit**: Upon entering into this Reservation Agreement and prior to entering into the Residence and Services Agreement, You agree to pay \$1,000.00 as an Initial Reservation Deposit. Such deposit is fully refundable

should You choose not to proceed with the reservation process and not enter into the Residence and Services Agreement for any reason, including the denial of your Application for admission by Aldersgate. The deposit fully applies toward the Entrance Fee should You proceed with the reservation process and enter into the Residence and Services Agreement and your Residence and Services Agreement is approved by Aldersgate.

- b. **Initial 10% Reservation Deposit:** An amount equal to ten percent (10%) of the total Entrance Fee, less the \$1,000.00 Reservation Deposit and less the \$1,000 Future Residency Club deposit if applicable, totaling \$ _____, is ~~paid~~ within three (3) days after you receive written notice of approval of admission by Aldersgate and upon execution of the Residence and Services Agreement.
- c. **Amounts for Options and Custom Features:** The full amount invoiced by Aldersgate for any Options or Custom Features, if any, is due upon receipt of the invoice and before any work will begin for any upgraded options.
- d. **Balance of the Entrance Fee:** An amount equal to 90% of the total Entrance Fee, or \$ _____ is due 5 days prior to the Occupancy Date or within 60 days after the receipt of the 10% Reservation Deposit, unless otherwise agreed to in writing by the Community. Occupancy Date is considered the day that keys to the Residence are turned over from Aldersgate to Resident and Move-In Sheet is signed by Resident, which may or may not be the same day Resident physically moves into the Residence.
5. **Monthly Fee(s):** In addition to the Entrance Fee, and upon taking occupancy of the Residence, You agree to pay the Monthly Fee(s) shown below. The Monthly Fee(s) are estimated and are shown for the year given. The Monthly Fee(s) will be adjusted at least annually, and You will be given notice of such increases by Aldersgate. Monthly Fees will be billed starting the date that shall be billable upon occupancy or beginning no later than 60 calendar days from the date of receipt of 10% Deposit.
- 6.
- | | | |
|----------------------------|----------|------------|
| Monthly Fee First Person: | \$ _____ | in 20 ____ |
| Monthly Fee Second Person: | \$ _____ | in 20 ____ |
| Total Monthly Fee: | \$ _____ | in 20 ____ |
7. **Application Forms Completed by You:** You agree to complete the following application forms and return them to Aldersgate within ten (10) calendar days of signing this Reservation Agreement:
- General Information
 - Personal Health History
 - Confidential Financial Statement
8. **Application Forms Completed by Others.**
- Physician's Health History. You will give this to your physician to complete and return to Aldersgate no more than 30 days prior to Occupancy.

- **Independent Living Evaluation.** Prior to move in, this will be conducted by a professional chosen by Aldersgate and must be conducted within 30 days of Occupancy.
9. **Final Forms at Move-in:** Prior to move-in, the final physician health history forms and updated financial statement forms are required.

**ALDERSGATE UNITED METHODIST
RETIREMENT COMMUNITY, INC.**

Member, First Person Printed

Member, First Person Signature

Member, Second Person Printed

Member, Second Person Signature

Current Address

City, State, Zip Code

Home Telephone _____

Cell Phone First Person _____

Email First Person _____

Cell Phone Second Person _____

Email Second Person _____

By: _____

Signed

Title

RESIDENCE AND SERVICES AGREEMENT
Aldersgate United Methodist Retirement Community, Inc.
Charlotte, North Carolina

This Residence and Services Agreement (“Agreement”) is made this _____ day of _____, 20____, by and between Aldersgate United Methodist Retirement Community (“the Community” or “Aldersgate”) and _____ (individually and/or collectively “you” or “Resident” or “Member”). If individuals desiring to share a Residence at Aldersgate enter into this Agreement, the terms “you” or “Resident” or “Member” shall apply to them jointly and severally and to their survivor.

WHEREAS, the Community is owned by Aldersgate United Methodist Retirement Community, Inc., a non-profit corporation of Charlotte, North Carolina; and

WHEREAS, the Community presently owns and operates a continuing care retirement community located at 3800 Shamrock Drive, Charlotte, North Carolina; and

WHEREAS, the Member desires to enter into membership at the Community, and the Community is willing to accept the Member and to provide services to the Member, all to be accomplished in accordance with the terms and conditions set forth in this Agreement;

WHEREAS, the Member desires to reserve an apartment or cottage in the Community; NOW,

THEREFORE, the Member and the Community agree as follows:

I. RESIDENCE, COMMON AREAS, AMENITIES, PROGRAMS AND SERVICES

- A. **Residence.** The Member shall have the exclusive right to occupy, use, and enjoy Residence number _____, a _____ type of Residence (“Residence”), subject to the terms of this Agreement and the policies and procedures of Aldersgate. The right to receive services under this Agreement shall apply exclusively to the named Member hereunder, and to no other individual(s). No person other than the Member entering into this Agreement shall be permitted to occupy the Residence without the express written permission of the Community as hereinafter provided.
- B. **Options and Custom Features in the Residence.** The Community may provide and the Member may select certain Options/Custom Features at an additional charge for the Residence as described in the Community’s Options/Custom Features literature. Any such Options/Custom Features selected and paid for by the Member will become part of the Residence and the property of the Community upon occupancy or re-occupancy. Approval of all said items is at the discretion of the Community. The cost of any such Options/Custom Features will not become part of a refundable Entrance Fee.
- C. **Common Areas and Amenities.** The Community currently provides common areas and amenities for the use and benefit of all Members which are subject to change upon

thirty (30) days' notice to Members.

D. Parking. The Community will provide lighted and well maintained parking areas for the Member's personal vehicle and his or her guests. Members living in the Gateway Project will be provided one parking space per residence in the underbuilding parking.

E. Services and Programs.

1. **Temporary Absence.** Temporary absence of the Resident from the Community for vacation, travel, business, medical care or otherwise does not change the Resident's obligation to pay the full monthly fee.
2. **Utilities.** The Community will furnish heating, air conditioning, electricity, water, sewer, trash removal, and municipal services. The Member is responsible for the charges related to telephone, cable television and internet service.
3. **Meals.** The Community will make available to Members nutritionally well-balanced meals daily served in Community dining areas. The cost of additional meals taken in excess of those provided by a selected meal plan will be billed on a monthly basis. Dining Dollars, with the equivalent point values to three meals a day, are included in the monthly or daily fee for Members living in Assisted Living or the nursing center ("Health Care Facility").
4. **Housekeeping Services.** The Community agrees to maintain the Residence by providing weekly housekeeping services including vacuum cleaning, dusting, dressing of beds, cleaning of baths and kitchens, and trash removal. Additional housekeeping may be scheduled at the request and expense of the Member.
5. **Laundry.** Bed and bath linens will be provided for all Members in Assisted Living and the Health Care Facility.
6. **Grounds Keeping.** The Community will furnish basic grounds keeping services including lawn, tree, and shrubbery care for those items provided by Aldersgate. You may plant items approved by authorized staff, and you will maintain those certain areas designated for such purpose.

7. **Maintenance and Repairs.** The Community will maintain and keep in repair its own improvements, furnishings, and equipment. The Member will be responsible for the cost of repairing damage to property of the Community caused by the negligence of the Member or any guest of the Member, ordinary wear and tear excepted.
8. **Transportation.** The Community will provide local transportation for the Member on a regular, scheduled basis, and transportation to local doctor and medical appointments without additional charge within an area designated by the Community when scheduled through the Life Enrichment department, within a designated timeframe. An additional charge may be made for transportation for special or group trips.
9. **Security.** The Community will provide twenty-four (24) hour staffing including a security patrol.
10. **Activities.** The Community will provide planned and scheduled social, recreational, spiritual, educational, and cultural activities; arts and crafts; wellness and health programs; and other special activities designed to meet the needs of the Member(s).
11. **Nursing Care and Residential Clinic Services**
 - a. **Nursing Services.**
 - 1) **Staffing.** The Assisted Living and the Health Care Facility are staffed by licensed or certified nursing staff twenty-four hours per day.
 - 2) **Medical Director.** The overall supervision of health care services by the Community, in addition to participation with its quality assurance programs, will be provided by a Medical Director who will be a licensed physician selected by the Community.
 - 3) **Charges.** Current charges for Assisted Living and the Health Care Facility, as described above, are set forth in Exhibit A of this Agreement.
 - 4) **Personal Physician.** The Member may choose to use the services of a personal physician and will be responsible for the charges by the physician.
 - b. **Residential Clinic Services:**
 - 1) The Community will provide access to routine clinic services.
 - 2) Additional periodic medical services may be coordinated through

the Residential Clinic including but not limited to: pharmacy services, dental, podiatric, audiology and optical services; and laboratory tests. The Residential Clinic is available to coordinate scheduling of rehabilitative assessment and evaluation and may also coordinate the obtaining of wheelchairs and other medical equipment and supplies. The cost of such services shall not be covered by and are in addition to the charges described in Section II. The Member will be billed directly by the provider of the services.

II. FINANCIAL ARRANGEMENTS

- A. **Entrance Fees.** The Member agrees to pay to the Community an Entrance Fee as a condition of becoming a Member. In the case of a married couple paying a single Entrance Fee, the Entrance Fee paid is not allocated to each Member of the couple. Therefore, if one Member of the couple leaves the Community for any reason but the other Member remains, any refundable portion of the Entrance Fee belongs to the Member who remains in the Residence. In cases where two Entrance Fees are paid for a single accommodation, for example related unmarried individuals, each Entrance Fee relates to the Member paying that Entrance Fee.

The Entrance Fee is non-transferable, non-interest bearing and shall be the property of the Community for use in accordance with the terms of this Agreement, and shall not be subject to the claims of creditors of the Member. Any refundable portion of the Entrance Fee shall be governed by Section VI of this Agreement.

- B. **Entrance Fee Options.** The Member shall choose one of the following options. The Community may, for any lawful reason, limit availability of one or more of the following Entrance Fee options.

Entrance Fee Option	Amount of Entrance Fee	Amortization Schedule
90% Refundable	\$	Subject to the provisions set forth in Section VI of this Agreement, 10% of this Entrance Fee becomes non-refundable immediately upon occupancy.
50% Refundable	\$	Subject to the provisions set forth in Section VI of this Agreement, 10% of this Entrance Fee becomes non-refundable immediately upon occupancy and an additional 1% per month for months eleven through 50 becomes non-refundable until 50% of the Entrance Fee is no longer refundable.

0% Refundable	\$	Subject to the provisions set forth in Section VI of this Agreement, 10% of this Entrance Fee becomes non-refundable immediately upon occupancy and an additional 2% per month for months six through 50 becomes non-refundable until 100% of the Entrance Fee is no longer refundable.
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The Member must notify the Community in writing of the selection of the Entrance Fee Option on or before the date that the balance of the Entrance Fee is paid as provided in Section II. C. 3. below. The Member may not change the option selected after the date the balance of the Entrance Fee is paid.

C. Terms of Payment of the Entrance Fee. The terms of payment of the Entrance Fee shall be as follows:

1. **Reservation Deposit.** An amount equal to ten percent (10%) of the selected Entrance Fee totaling \$_____ is due and payable within ten (10) days after the Member receives written notice of approval and upon execution of this Agreement.
2. **Balance of the Entrance Fee.** The balance of the total Entrance Fee for the Entrance Fee Option selected by the Member is due and payable when the Residence is declared by the Community to be ready for occupancy, ("Occupancy Date") unless otherwise agreed to in writing by the Community.

D. Fees. In addition to the Entrance Fee, the Member agrees to pay a Monthly Service Fee that will be initially \$_____ per month for one person and an additional \$_____ per month for the second person. The Monthly Service Fee shall be due beginning on the Occupancy Date and will be prorated, if necessary, on a daily basis for the first and last months of occupancy. The Community may increase the Monthly Service Fee upon thirty (30) days' written notice to you. It is our intention to make any adjustments to the Monthly Service Fee only once per year. The Monthly Service Fee shall be billed in advance to the Resident on or before the third (3rd) business day of each month, and shall be paid on or before the tenth (10th) day of the month.

Fees for Additional Services will be charged in accordance with the Additional Services Fee Schedule published by the Community. Charges for Additional Services shall be billed on or before the third (3rd) business day of the following month, and shall be paid on or before the tenth (10th) day of the month. Fees for Additional Services may be changed by the Community during the term of this Agreement as described in Section E. below.

Exhibit C to this Agreement identifies the Monthly Service Fee and Additional Services selected by the Member upon occupancy.

- E. **Changes in Fees.** Fees are intended to meet the costs associated with the operation and management of the Community's facilities, programs, and services described in this Agreement. The Community shall have the authority to change Fees from time to time during the term of this Agreement as the Community in its discretion deems necessary in order to reflect changes in costs of providing the Community's facilities, programs, and services described herein consistent with operating on a sound financial basis and maintaining the quality of services called for herein. A thirty (30) day notice will be given to the Member before any adjustment in fees, charges, or scope of services to be provided becomes effective.
- F. **Monthly Statements.** The Community will furnish the Member with monthly statements showing the total amount of fees and other charges which shall be payable by the tenth (10th) of each month. The Community may charge interest at a rate of one and one-half percent (1½%) per month on any unpaid balance.

III. **ADMISSION REQUIREMENTS AND PROCEDURES**

A prospective Member will become qualified for admission to the Community upon satisfaction of the following provisions:

- A. **Age.** The entrance requirements for residence at the Community are non-discriminatory except as to age, and the Community is open to both married and single men and women of all races and religions and without regard to place of former residence. The applicant must be at least 62 years of age; for couples, one applicant must be at least 62 years of age.
- B. **Personal Interview.** The Member shall have an interview with a representative from the Community prior to taking residency. Upon review of all information required to be furnished herein, additional personal interviews may be requested by the Community.
- C. **Reservation Agreements.** The Member shall have entered into a Reservation Agreement prior to entering this Agreement.
- D. **Application Forms.** Prior to entering into this Agreement, the Member shall have submitted for approval a General Information form, a Personal Health History, and a Confidential Financial Statement, all on forms furnished by the Community.
- E. **Residence and Services Agreement.** Upon acceptance by the Community, the Member shall enter into this Agreement.
- F. **Notification.** The Community will notify the Member as early as possible of the Occupancy Date.

- G. **Health Requirements.** Prior to entrance to the Community, the Member shall submit a report of a physical examination made by a physician selected by the Member within thirty (30) days prior to occupancy. Cost of the examination will be borne by the Member. The report will become an integral part of the Member's record. It will serve as a baseline of information for the Community's staff and the Member's physician as they begin to assist the Member in maintaining optimum health and enjoyment of the Aldersgate community experience.
- H. **Financial Requirements.** The Member must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations of the Member under this Agreement and to meet ordinary living expenses of the Member. The Community, at its discretion, may require the Member to annually furnish updated financial information.
- I. **Representations.** The Member affirms that the representations made in the General Information form, Personal Health History, and Confidential Financial Statement are true and correct and may be relied upon by the Community as a basis for entering into this Agreement. The Member hereby represents and warrants that he/she is capable of independent living and has assets and income which are sufficient to meet ordinary and customary living expenses after assuming occupancy.

IV. **TERMS OF RESIDENCY**

- A. **Rights of Member.** The Member has the right to occupy, use, and enjoy the Residence, common areas, amenities, programs, and services of the Community unless this Agreement shall be terminated as provided herein. It is understood that this Agreement does not transfer or grant any interest in the real or personal property owned by the Community and conveys only the rights of use and enjoyment as described in this Agreement.
- B. **Policies and Procedures.** The Member will abide by the provisions of the Community's Resident Handbook and such amendments, modifications, and changes to the Resident Handbook as may hereafter be adopted by the Community.
- C. **Changes in the Residence.** The Community has the right to modify the Member's Residence to meet the requirements of any applicable local, state or federal statute, regulation, or ordinance (e.g., applicable fire or building codes). The Residence may not be used in any manner in violation of any zoning ordinances or other governmental law or regulation.
- D. **Visitors.** Guests may stay in a Member's accommodation for a maximum of thirty (30) consecutive nights with at least sixty (60) consecutive nights away

before their next overnight visit with the Member. No person other than the Member may reside in the Residence without the approval of the Community.

- E. **Occupancy by Two Members.** In the event that two Members occupy a Residence under the terms of this Agreement, upon the permanent transfer to Assisted Living or Health Care Facility or the death of one Member, or in the event of the termination of this Agreement with respect to one of the Members, the Agreement shall continue in effect as to the remaining or surviving Member who shall have the option to retain the same Residence and pay the Monthly Fee applicable to single occupancy. Should the remaining or surviving Member wish to move to another Residence, the policies of the Community governing said Residence change of accommodation will prevail. The Member moving to Assisted Living or the Health Care Facility will pay the published rates for the applicable level of care as described in Section I. E. 11 of this Agreement.
- F. **Cohabitation Policy.** If a Member cohabitates with another Member while residing at Aldersgate, the Member who vacates his/her unit to move will be treated as a "related" non-married second occupant. The Member who is moving will be subject to his / her own entrance fee, the second person monthly fee with all rights and duties attendant to a "related" second person occupant. The Member who is moving will receive any applicable refundable entrance fee from the unit he / she is vacating. Any refundable amount shall be paid to the withdrawing Member only when the Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.
- G. **Marriage During Occupancy.** If a Member while occupying a Residence marries a person who is also a Member, the two Members may occupy the Residence of either Member if it is a residence designed for occupancy of two persons. Such married Members will be required to enter into the then current Residence and Services Agreement which will terminate any and all previous contracts or agreements with the Community. Such married Members will pay the Monthly Fee for double occupancy associated with the Residence occupied by them. In the event that a Member shall marry a person who is not a Member of the Community, the spouse may become a Member if such spouse meets all the then current requirements to reside in the Community and both Members of the couple enter into a then current version of the Residence and Services Agreement with the Community. The Member and spouse shall then pay the Monthly Fee for double occupancy associated with the Residence occupied by them. If the Member's spouse shall not meet the requirements of the Community for admission as a Member, the Member may terminate this Agreement in the same manner as provided in Section VI hereof with respect to a voluntary termination.
- H. **Added Member.** Should Member desire to invite an individual to join the Member in sharing a Residence for which the Member paid the entire Entrance Fee and in which the Member is living alone, such person shall make application

for entrance, and, if approved at the sole discretion of the Community, shall be admitted. The approved Members will occupy a unit no smaller than a two-bedroom apartment. Each applicant shall pay the separate full Entrance Fee applicable to the Residence in which they reside. One of the Members shall pay the Monthly Fee applicable to single occupancy and the second Member will pay the Monthly Fee applicable to double occupancy. At such time as one of the Members vacates the Residence, for whatever reason, the remaining Member shall pay the single occupancy Monthly Fee.

- I. **Loss or Damage of Property.** The Community will obtain property and casualty insurance coverage on the buildings and grounds. Such coverage will not insure against loss or damage to your personal property or damage or injury to others caused by you. The Community shall not be responsible for the loss or damage of any property belonging to the Member due to theft, mysterious disappearance, fire or any other cause. The Community encourages Members to purchase appropriate renter's and comprehensive insurance.
- J. **Health Insurance.** The Member agrees that he or she will enroll for Basic and Supplementary coverage under the federal Medicare program, if not so enrolled at the time of admission. If so enrolled, Member agrees to continue participation in these programs.

You also agree to execute all necessary forms to obtain payment of benefits which are or may be payable in the future to you or us for services provided hereunder.

You will be responsible for paying for all health care services that are not covered by the Community, Medicare (or an equivalent substitute policy approved by the Community), or Medicare supplemental insurance, as set forth in this Agreement. If you have any questions about such coverage, the Community will assist you in obtaining answers.

The following rules shall apply to payments made by the Medicare program on behalf of the Member at any times during which the Community is eligible to receive Medicare reimbursement for services provided to Members:

- Any reimbursement received for Medicare Part A services provided to the Member by the Community shall be accepted by Community as payment in lieu of daily service fees that otherwise would apply while living in the Health Care Facility, to the extent permitted under applicable Federal and State laws and regulations governing Medicare reimbursement.
- Any reimbursement received for Medicare Part B services provided to the Member by Aldersgate will be applied as a credit to the Community's fees for those services to the extent permitted under applicable State and Federal laws and regulations governing Medicare reimbursement.

Should the Member or the Member's legally-authorized representative apply for

assistance under the Medicaid program, or any successor program of a similar nature, the Member's contract will be terminated.

- K. **Right of Entry.** It is agreed that employees or agents of the Community may need to enter the accommodation on occasion, and permission is hereby given by Member. The Community will make reasonable efforts to give notice of any entry whenever possible but is not bound to do so.
- L. **Residents' Council.** Members of the Community may participate in the Residents' Council and Residents' Committees which will be open to all Members through an election process.
- M. **Change of Accommodations.** The Member may request a change in the type of accommodation from time to time, subject to permission of the Community and the availability of the type requested. If such change is made, the following rules apply:
 1. If the Entrance Fee for the new accommodation is higher than the Entrance Fee paid for the accommodation to be vacated, the Member will pay the difference between the Entrance Fee for the new accommodation and the Entrance Fee paid for the prior accommodation. In the event of termination, the amount of the refund, if any, will be based on the total Entrance Fee paid.
 2. Member will be responsible for any costs associated with the change of accommodation, including moving expenses.

V. **TRANSFERS OR CHANGES IN LEVELS OF CARE**

- A. **Transfer to Assisted Living or Nursing Care.** The Community offers various levels of care to best meet the progressive needs of its Members. A transfer to a higher level of care shall be based upon the recommendation of an interdisciplinary team, including the Member, to the extent practical, or the Member's legally-authorized representative determined in accordance with N.C. Gen. Stat. § 90-21.13(c), in conjunction with appropriate staff members and in consultation with the Member's attending physician. A decision to recommend a change in level of care shall be based on a determination that the Member cannot safely reside in their current accommodation or level of care. If agreement about level of care changes cannot be reached, the dispute will be submitted to binding arbitration for resolution, in accordance with the separate Mediation and Binding Arbitration Agreement executed between the Member or Member's legally-authorized representative and the Community. A Member transferring to a higher level of care does not constitute a change of accommodation for the purpose of calculating an Entrance Fee refund.

In the event of a Permanent Transfer, you shall release your Residence in order for the Community to make your Residence available to a new resident. In such

event, the Community may enter into a new Agreement for occupancy of the Residence with a new resident. If your Residence is reassigned and should you subsequently recover sufficiently to maintain yourself independently in a residence, you shall be offered the next available residence similar to the one relinquished. While you are in the Assisted Living or the Health Care Facility, the Monthly Service Fee will continue to be due and payable as described in Section II, D.

If the Residence is occupied by two (2) Residents, the Permanent Transfer of one (1) Resident does not affect the rights and privileges under this Agreement of the remaining Resident.

- B. Transfer to Hospital or Other Facility.** Should the Member need care beyond that which can be provided by the Community, the Member may be transferred to a hospital, center, or institution equipped to give such care, the cost of which will be the responsibility of the Member. Such transfer of the Member will be made only after consultation to the extent possible with the Member, or the Member's legally-authorized representative determined in accordance with N.C. Gen. Stat. § 90-21.13(c), and the Member's attending physician.
- C. Vacating Residence.** If a Member's attending physician determines that any transfer described in Section V. A. and B. is likely to be permanent in nature, the Member agrees to vacate the Residence occupied by the Member prior to such transfer. If the interdisciplinary team, including the Member, to the extent practical, or the Member's legally-authorized representative, in conjunction with appropriate staff members and in consultation with the Member's attending physician, subsequently determines that the Member can resume occupancy in a Residence or accommodation comparable to that occupied by the Member prior to such transfer, the Member shall have priority to such residence as soon as it becomes available.

VI. TERMINATION OF MEMBERSHIP AND REFUNDS

- A. Right to Rescind Agreement.** The Member shall have the right to rescind this Agreement within thirty (30) days after executing this Agreement or receipt of the Disclosure Statement as required by law, if later. The Member shall not be required to occupy the chosen residence at the Community before expiration of the thirty (30) day period. Upon rescission, the Community shall refund to the Member, or the Member's legally-authorized representative, any portion of the Entrance Fee the Member paid to the Community less (i) per diem or monthly charges specified in this Agreement for the Member's Residence applicable to the period the Residence was actually occupied by the Member; (ii) those nonstandard costs specifically incurred by the Community at the request of Member which are not covered by the per diem or monthly charges applicable to Member; and (iii) the greater of two percent (2%) of the Entrance Fee or One Thousand Dollars (\$1,000.00). Any such refund shall be paid by the Community within sixty (60) days following receipt of written notification of such

termination.

- B. Termination by Member Prior to Occupancy Based on Death or Disability.** If the Member dies before occupying his or her residence or becomes incapable of meeting the physical, mental or financial requirements for admission before such occupancy, this Agreement shall be automatically canceled. In such case, the Community shall refund to the resident, the resident's estate, or the resident's legally-authorized representative, any portion of Entrance Fee the Member paid to the Community less (i) those nonstandard costs specifically incurred by the Community at the request of Member which are not covered by the per diem or monthly charges applicable to Member; and (ii) the greater of two percent (2%) of the Entrance Fee or One Thousand Dollars (\$1,000.00). Any such refund shall be paid by the Community within sixty (60) days following receipt of written notification of such termination.
- C. Termination by Member Prior to Occupancy for Other Reasons.** Once the thirty (30) day rescission period described in Section VI. A, above, has expired, but before the Member takes occupancy, the Member may terminate this Agreement for any reason not covered by Section VI. B, by giving written notice to the Community. For rescinded or canceled contracts under this section, the resident or the resident's legal representative shall receive a refund of all money or property transferred to the provider, less (i) those nonstandard costs specifically incurred by the provider or facility at the request of the resident and described in the contract or any contract amendment signed by the resident; (ii) nonrefundable fees, if set out in the contract; and (iii) a reasonable service charge, if set out in the contract, not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the entrance fee. Any such refund shall be paid by the Community within sixty (60) days following receipt of written notification of such termination.
- D. Termination by Member After Occupancy.** Once the thirty (30) day rescission period described in Section VI. A, above, has expired, and after the Member takes occupancy, the Member may, at any time upon ninety (90) days' notice in writing to the Community, terminate his or her membership. Upon termination, a portion of the Entrance Fee may be refunded to the withdrawing Member, as described in Section VI. G.
- E. The Community's Right to Terminate Agreement.** The Community shall have the right at any time, upon thirty (30) days' notice in writing to the Member, to terminate his or her membership because the Member has failed to meet his or her obligations under this Agreement, including but not limited to:
- Member has not paid monthly fees and other charges on a timely basis;
 - Member engages in behavior that unreasonably interferes with the quiet enjoyment of other Members; or
 - Member has failed to abide by the provisions of the Community's Resident Handbook.

The following may result in immediate termination of membership and discharge:

- Member engages in behavior that negatively impacts or threatens the health, safety or welfare of other Members, staff or visitors.

Such notice shall specify the obligation which the Member has failed to perform. Upon such termination, the Member may be entitled to a refund of a portion of the Entrance Fee paid, as described in Section VI, G.

F. Termination Upon Death. Death of a Member shall be treated as a termination of membership on the date of death. The refund due, if any, shall be computed as described in Section VI, G.

G. Refund Upon Termination. Upon contract termination, the Member may be entitled to a refund of a portion of the Entrance Fee paid, as follows:

1. **0% Refundable Entrance Fee Option.** For Members who have chosen the 0% Refundable Entrance Fee Option, the refund due, if any, shall be the Entrance Fee paid, less: (i) ten percent (10%) for any termination occurring in months one through five after occupancy, (ii) two percent (2%) for each month that has elapsed between month six and the date of withdrawal up to month 50; (iii) a fee of One Thousand Dollars (\$1,000); and (iv) any amount due to the Community for monthly care or other unpaid services. No part of the 0% Refundable Entrance Fee is refundable after a Member has resided at the Community for fifty (50) months. Any refundable amount shall be paid to the withdrawing Member only when the Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.

2. **50% Refundable Entrance Fee Option.** For Members who have chosen the 50% Refundable Entrance Fee Option, the refund due shall be the Entrance Fee paid less: (i) ten percent (10%) for any termination occurring in months one through ten after occupancy; (ii) one percent (1%) for each month that has elapsed between month eleven and the date of withdrawal up to month 50; (iii) a fee of One Thousand Dollars (\$1,000); and (iv) any amount due to the Community for monthly care or other unpaid services. Any refundable amount shall be paid to the withdrawing Member only when the Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.

3. **90% Refundable Entrance Fee Option.** For Members who have chosen the 90% Refundable Entrance Fee Option, the refund due shall be the Entrance Fee paid less: (i) ten percent (10%); (ii) a fee of One Thousand Dollars (\$1,000); and (iii) any amount due to the Community for monthly care or other unpaid services. Any refundable amount shall be paid to the withdrawing Member only when the Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.

Any refund due shall be paid to the estate of the deceased Member or to a

beneficiary identified in advance by the Member.

If a member is 85 years of age or older at the time of the full payment of the entrance fee, a 10% premium is added to the entrance fee up to the age of 90. If a resident is 90 years of age or older at the time of the full payment of the entrance fee, a 10% premium is added to the entrance fee, and they are limited to the 0% refundable entrance fee option.

H. Condition of Residence. At the effective date of termination of this Agreement, the Member shall vacate the Residence and shall leave it in good condition except for normal wear and tear. The Member shall be liable to the Community for any cost incurred in restoring the Residence to good condition except for normal wear and tear. Such costs will be deducted from any refund due to the Member under the terms of this Agreement or will be billed to the Member or Member's estate or beneficiary if the available refund is not sufficient to cover the cost of repairs.

I. Use of a Refundable Entrance Fee Option for Health Care Expenses at Aldersgate.

1. Should a Member who has chosen the 90% or 50% Refundable Entrance Fee Option permanently vacate his or her Residence by transferring to a Health Care Facility at the Community, the Member may then draw against his or her refund to supplement payment of his or her health care costs at the Community but if and only if the Member's other assets from all available sources are insufficient to cover the Member's health care costs at the Community. The Community may require the Member to demonstrate the unavailability of other resources to cover health care costs at the Community. The refundable portion of the Entrance Fee can be accessed exclusively for healthcare services at the Community as a supplement to any income the Member receives from all available sources. The Member would still be entitled to receive any applicable Member discount on his or her health care.
2. The following conditions apply when "the Member" is used in this contract to apply to two married individuals in an Independent Living Residence who have chosen the 90% or 50% Refundable Entrance Fee Option:
 - a. The Entrance Fee relates to the Member identified in this Agreement, not to either individual Member alone. As such, as long as one of the Members remains in the Community, no refund of the Entrance Fee is due to either Member, even if one Member vacates the Community for any reason.
 - b. Should both Members vacate their Residence by transferring to a Health Care Facility at the Community, either or both Member(s) may then draw against the 90% or 50% Refundable Entrance Fee to supplement payment of their health care costs at the Community but if and only if the Member's other assets from all available sources are insufficient to cover the Member's health care costs at the Community. The Community may

require the Member to demonstrate the unavailability of other resources to cover health care costs at the Community. The 90% and 50% Refundable Entrance Fee option can be accessed exclusively for healthcare services at the Community as a supplement to any income the Member receives from all available sources. The Member would still be entitled to receive any applicable Member discount on their health care. The Member may access the refund for health care purposes only when the vacated Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.

- c. Should one Member vacate their Residence by transferring to a Health Care Facility at the Community, and the other Member vacates the Residence by transferring to an independent accommodation that carries a lesser entrance fee, the Member who has transferred to the Health Care Facility may then draw against the 90% or 50% Refundable Entrance Fee to supplement payment of their health care costs at the Community, up to the difference between the original Entrance Fee, and the then current Entrance Fee (Revised Entrance Fee) for the new independent accommodation, but if and only if the Member's other assets from all available sources are insufficient to cover the Member's health care costs at the Community. The Community may require the Member to demonstrate the unavailability of other resources to cover health care costs at the Community. The Member would still be entitled to receive any applicable Member discount on their health care. Should the Member residing in the independent living accommodation vacate said accommodation by transferring to Assisted Living or the Health Care Facility at the Community, that Member may then draw upon the refundable portion of the Revised Entrance Fee to supplement payment of their health care costs at the Community, but if and only if the Member's other assets from all available sources are insufficient to cover the Member's health care costs at the Community. The Community may require the Member to demonstrate the unavailability of other resources to cover health care costs at the Community. The 90% or 50% Refundable Entrance Fee can be accessed exclusively for health care services at the Community as a supplement to any income the Member receives from all available sources. The Member would still be entitled to receive any applicable Member discount on their health care. The Member may access the refund for health care purposes only when the vacated Residence is reserved by a new Member and the new Member has paid his/her/their Entrance Fee.
- d. Utilization of the 90% or 50% Refundable Entrance Fee option may be made to supplement payment of health care costs at the Community only. Contingent upon a financial review of the Members income and assets, at the Community reserves the right to determine the amount of the 90% or 50% Refundable Entrance Fee that may be used to supplement the Members health care fees at the Community.

VII. FINANCIAL ASSISTANCE

The Community reserves the right to terminate Member's membership in the event the Member does not, or cannot, make the monthly payments required under Section II, and in the further event arrangements for payment of those fees cannot be made with Member, Member's family and/or other responsible party. It is the goal of the Community, however, to provide for services for the Member for the balance of his or her lifetime without regard to the Member's ability to pay the monthly fee which may be

established from time to time. However, the Community has relied upon outside sources of financial support available to it for care of Members who have insufficient funds, upon financial information provided by the Member, and upon the good-faith assurances of the Member that he or she will utilize any assets now owned or hereafter acquired to the best of his or her ability to meet the financial obligations imposed on the Member under this Agreement. In the event the financial sources relied upon by the Community for the care of Members with insufficient funds cease or prove inadequate, or in the event the Member makes a material misstatement with regard to the nature or extent of his or her assets, or in the event the Member, after the date of this Agreement, takes action which depletes his or her assets, and the result of such misstatement or such action is to impair the Member's ability to pay the monthly fee contemplated by this Agreement, the Community may exercise its right to terminate the Member's membership. Should the Member apply for and receive assistance under the Medicaid program, or any successor program of a similar nature, the Member's membership will be terminated.

Notwithstanding any other provision of this Agreement, nothing in this Section VII or any other portion of this Agreement is intended to constitute or should be construed as a promise to provide financial assistance to any Member and the decision to offer financial assistance to any Member is solely within the discretion of the Community based upon the unique facts of each Member's situation.

VIII. **GENERAL**

- A. **Assignment.** The rights and privileges of the Member under this Agreement to the Residence, common areas, amenities, services, and programs of the Community are personal to the Member and may not be transferred or assigned by the Member or otherwise.
- B. **Management of the Community.** The absolute rights of management of the Community are reserved by the Community, its Board of Directors, and its administration/management as designated by said Board of Directors. The decision to accept or decline an application for Membership will be based upon criteria for admission developed by the Community. Members do not have the right to determine acceptance or terms of acceptance of any other Member.
- C. **Entire Agreement.** This Agreement and the Mediation and Binding Arbitration Agreement constitute the entire agreement between the Community and the Member. The Community shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent the Community, unless such statements, representations, or promises are set forth in this Agreement and/or the Mediation and Binding Arbitration Agreement.
- D. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Community and the heirs, executors, administrators, and assigns of the Member.

- E. Power of Attorney, Will, and Medical Directive.** Member is encouraged to execute a durable power of attorney designating some competent person as attorney-in-fact. Member is encouraged to execute a will. Member is further encouraged to consider execution of a Living Will and Health Care Power of Attorney. The Member is asked to provide the Community with copies of the Member's Durable Power of Attorney, Living Will, Health Care Power of Attorney and any other advance directive executed by the Member.
- F. Transfer of Property.** The Member agrees not to make any gift or other transfer of property for less than adequate consideration for the purpose of evading the Member's obligations under this Agreement or if such gift or transfer would render such Member unable to meet such obligations.
- G. Property Disposition Upon Permanent Transfer or Death:**
1. In the event of Member's permanent transfer from his/her Residence to some other living accommodation or upon his/her death, all Member's property shall be removed within the following timeframes after notification by Community to Member or his/her legally-authorized representative:
 - o Fourteen (14) days from independent living accommodation;
 - o Ten (10) days from assisted living (other than memory support); Seventy-two (72) hours from memory support centers;
 - o Twenty-four (24) hours from the Health Care Facility.

Accommodation charges will remain in effect until all of the Member's property is removed from the accommodation.
 2. If such property is not removed within said periods of time by Member's legally authorized representative, the Community shall have the right to remove and store such property. The costs attributed to such removal and storage shall be charged to the Member or the Member's estate, as applicable, and may be deducted from any refund otherwise due the Member. Thereafter, if such property is not claimed within thirty (30) days, then title to such property shall be vested in the Community and it shall be disposed of as the Community, in its sole discretion, deems proper, without any liability of the Community to the Member, his/her/their estate, or heirs.
- H. Relationship to Church.** The Community is affiliated with the Western North Carolina Conference of the United Methodist Church. However, Member acknowledges that the Community is an independent corporation which is solely responsible for carrying out its obligations hereunder and that neither the United Methodist Church, the Western North Carolina Conference of the United Methodist Church, nor any agency of them has any financial or contractual obligation to the Member on account of this Agreement.
- I. Governing Law.** This Agreement shall be governed by the laws of the State of

North Carolina.

- J. **Notice Provisions.** Any notices, consents, or other communications to the Community hereunder (collectively "notices") shall be in writing and addressed as follows:
 President
 Aldersgate UMRC Inc.
 3800 Shamrock Drive
 Charlotte, North Carolina 28215-3220

The address of the Member for the purpose of giving notice is the address appearing after the signature of the Member below.

IN WITNESS WHEREOF, the Community has executed this Agreement, the Member has read and understands this Agreement and has executed this Agreement, and ten percent (10%) of the Entrance Fee has been paid as of the day and year above written.

Witness

Member

Witness

Member

Current Address (Number and Street)

City, State, Zip Code

(____) _____ - _____
Telephone

**ALDERSGATE UNITED METHODIST RETIREMENT
COMMUNITY, INC.,**

By: _____ Date _____
President

By: _____ Date _____
Director of Marketing

EXHIBIT A
FEES IN ASSISTED LIVING AND HEALTHCARE

Effective January 1, 2023, the following rates are in effect:

Monthly Service Fee Schedule <u>Existing and New Health Care Beds</u>– Effective January 1, 2023			
Residence Type	Direct Admit	Member - with Health Care Benefit	Member - without Health Care Benefit
Parker Terrace (Assisted Living)			
Studio			
- Tier 1	\$6,198/month		\$5,813/month
- Tier 2	\$7,439/month		\$7,051/month
- Life Care Rate		\$5,457/month	
One Bedroom Apartment			
- Tier 1	\$6,439/month		\$6,052/month
- Tier 2	\$7,683/month		\$7,295/month
- Life Care Rate		\$5,457/month	
Cuthbertson Village Memory Support (Assisted Living)			
One Bedroom Apartment			
- Tier 1	\$7,653/month		\$7,262/month
- Tier 2	\$8,840/month		\$8,449/month
- Life Care Rate		\$5,457/month	
Asbury Health and Rehabilitation (Health Care Facility)			
- Tier 1	\$378/day		\$378/day
- Tier 2	\$427/day		\$427/day
- Life Care Rate		\$5,457/month	
Asbury Health and Rehabilitation (Health Care Facility)			
- Home for the Aged - Tier 1	\$289/day		\$289/day
- Home for the Aged - Tier 2	\$326/day		\$326/day
- Life Care Rate		\$5,457/month	

Member will pay the current rate in effect at the time of actual admission.

Member is aware that these rates will change from time to time upon Board approval with a thirty (30) day notification in writing to Members prior to implementation.

EXHIBIT B

Addendum to Residence and Services Agreement Monthly and Additional Service Fees

Member selects and agrees to pay for the following initial Monthly and Additional Services Fees in accordance with the Agreement.

Service	Fee	Member Initials
Monthly Services Fee – 1 st Person Includes ____ dining dollars	\$ ____ per month	____ / ____
Monthly Services Fee – 2 nd Person Includes ____ dining dollars	\$ ____ per month	____ / ____
Standard Cable TV Access	\$ ____ per month	____ / ____
Telephone	\$ ____ per month	____ / ____

Member may change these selections at any time after occupancy and upon 30 days' written notice to the Community.

Member is aware that these fees may change from time to time upon Board approval with a thirty (30) day notification in writing to Members prior to implementation.

Member

Date

Member

Date

Aldersgate United Methodist Retirement Community, Inc.

President

Date

EXHIBIT C

Addendum to Residence and Services Agreement for New Construction of Wesley Glen Executive Homes

This Exhibit C, rather than Section II.C of the Residence and Services Agreement, shall govern the Terms of Payment of the Entrance Fee for Members selecting new construction of a Wesley Glen Executive Home. With the exception of Section II.C, all other provisions of the Residence and Services Agreement apply to those Members selecting new construction of a Wesley Glen Executive Home.

Terms of Payment of the Entrance Fee. The terms of payment of the Entrance Fee for the new construction of Wesley Glen Executive Homes shall be as follows:

1. **Reservation Deposit.** An amount equal to ten percent (10%) of the Entrance Fee totaling \$ _____, paid within five (5) days after the Member receives written notice of approval and upon execution of this Agreement; and,
2. **A Deposit of One Third of the Total Entrance Fee.** An amount equal to one third (1/3) of the Entrance Fee, including 1/3 of fees for selected Option/Custom Features; less the paid Reservation Deposit, or \$ _____ paid at the time that the executive home site begins to be cleared; and,
3. **A Deposit of One Third of the Total Entrance Fee.** An amount equal to one third (1/3) of the Entrance Fee, including 1/3 of fees for selected Option/Custom Features, ; less the paid Reservation Deposit, or \$ _____ paid when the Community determines and notifies Member that construction of the Wesley Glen Executive Home has reached 50% of substantial completion; and,
4. **Balance of the Entrance Fee.** The balance of the total Entrance Fee, including any outstanding balance for Options/Custom Features selected by the Member, or \$ _____ paid at the Occupancy Date, unless otherwise agreed to in writing by the Community.

The Community has executed this Addendum and Member has read and understands this Addendum and has executed this Addendum to the Residence and Services Agreement.

Member	Date

Member	Date

Aldersgate United Methodist Retirement Community, Inc.

President	Date



ALDRSGATE

**Managerial
Financial Reporting
Package**

March 31, 2023

	YTD Through 03/31/23				03/31/22		
	Actual	Plan	Variance	% Var	Actual	Variance	% Var
Net Resident Income	\$ 10,276,275	\$ 10,077,599	\$198,676	2.0%	\$ 9,665,263	\$611,012	6.3%
Amortization of Deferred Entrance Fees	1,458,578	718,885	739,693	102.9%	811,561	647,017	79.7%
Investment Income	(1,617)	1,500	(3,117)	-207.8%	219,672	(221,290)	-100.7%
Other Support	80,746	80,396	350	0.4%	84,028	(3,282)	-3.9%
Gain/Loss on Disposal of Fixed Assets	0	0	0	-	0	0	=DIV 0!
Contributions	18,547	15,000	3,547	23.6%	18,970	(424)	-2.2%
Total Revenues	\$ 11,832,528	\$ 10,893,379	\$939,149	8.6%	10,799,494	\$1,033,034	9.6%
Expenses							
Nursing and Related Services	\$ 3,435,811	\$ 3,503,903	\$ 68,092	1.9%	\$ 3,245,386	\$190,426	5.9%
Dietary	1,437,359	1,394,014	(43,345)	-3.1%	1,560,911	(123,553)	-7.9%
Housekeeping and Laundry	396,770	479,033	82,263	17.2%	515,362	(118,592)	-23.0%
Plant Operations	1,068,631	1,175,171	106,540	9.1%	1,162,667	(94,036)	-8.1%
Administrative	1,989,805	1,874,879	(114,926)	-6.1%	2,106,522	(116,717)	-5.5%
Management Fee Expense	504,619	479,809	(24,811)	-5.2%	466,619	38,000	8.1%
Interest Expense	1,063,302	1,038,221	(25,082)	-2.4%	2,194,347	(1,131,045)	-51.5%
Depreciation and Amortization	1,789,560	1,899,563	110,003	5.8%	1,645,339	144,221	8.8%
Total Expenses	\$ 11,685,856	\$11,844,591	\$ 158,734	1.3%	\$ 12,897,152	(\$1,211,296)	-9.4%
Operating Income / (Loss)	\$146,672	(\$951,211)	\$1,097,883	115.4%	(\$2,097,658)	\$2,244,330	107.0%
Change in Net Unrealized Gains/Loss on Investments	791,941				(1,394,688)		
Change in Value of Interest Rate Swap Agreements	(711,767)				1,877,197		
Total Non Operating Income/(Loss)	80,174				482,509		
Deficit of revenue, gains, and other support under expenses and decrease in net assets without donor restrictions	\$ 226,846				\$ (1,615,149)	\$ 1,841,995	-114.0%
NOM	14.0%	11.6%			6.3%		

Statement of Operations		YTD March					
		2023			2022		
Description	Actual	Plan	Variance		Actual	Variance	
			Fav/(Unfav)	% Var		Fav/(Unfav)	% Var
Resident Service Revenue - IL	\$ 4,173,322	\$ 4,050,864	\$ 122,458	3.0%	\$ 3,576,598	\$ 596,724	16.7%
Resident Service Revenue - AL	814,864	795,152	19,712	2.5%	875,448	(60,584)	-6.9%
Resident Service Revenue - MS	1,136,764	1,134,341	2,423	0.2%	982,090	154,675	15.7%
Resident Service Revenue - SNF	3,976,694	4,032,317	(55,624)	-1.4%	3,878,129	98,565	2.5%
Other Resident Revenue	174,631	64,925	109,706	169.0%	352,999	(178,368)	-50.5%
Total Resident Revenue	10,276,275	10,077,599	198,676	2.0%	9,665,263	611,012	6.3%
Amort. - Deferred Entrance Fee Income	\$ 1,458,578	\$ 718,885	\$ 739,693	102.9%	\$ 811,561	\$ 647,017	79.7%
Total Investment Income	(1,562)	(13,500)	11,938	-88.4%	(15,179)	13,618	-89.7%
Realized Investment Gains/Losses	(56)	15,000	(15,056)	-100.4%	234,852	(234,907)	-100.0%
Unrestricted Contribution Income	18,547	15,000	3,547	23.6%	18,970	(424)	-2.2%
Provision for Uncollectibles	16	-	16	-	4,536	(4,520)	-99.6%
Rental Income	80,730	80,396	334	0.4%	79,492	1,238	1.6%
Gain/Loss on Disposal of Fixed Assets	-	-	-	-	-	-	-
Net Assets Released/Used for Services	-	-	-	-	-	-	-
Total Revenue and Support	\$ 11,832,828	\$ 10,893,379	\$ 939,449	8.6%	\$ 10,794,959	\$ 1,033,034	9.6%
Description	Actual	Plan	Variance		Actual	Variance	
			Fav/(Unfav)	% Var		Fav/(Unfav)	% Var
Nursing Services	\$ 3,084,389	\$ 3,173,650	\$ 89,262	2.8%	\$ 2,937,427	\$ (146,961)	-5.0%
Homecare	-	-	-	0.0%	(468)	(468)	100.0%
Resident & Family Services	(5,535)	-	5,535	0.0%	97,933	103,468	105.7%
Life Enrichment	115,961	126,643	10,682	8.4%	262,374	146,413	55.8%
Corporate Administration	125,258	127,013	1,755	1.4%	142,039	16,782	11.8%
Healthcare Administration	351,423	330,253	(21,169)	-6.4%	308,426	(42,997)	-13.9%
Beauty Shop	54,987	21,142	(33,845)	-160.1%	45,997	(8,990)	-19.5%
Fitness	19,205	32,553	13,349	41.0%	-	(19,205)	-
Transportation	42,046	63,615	21,569	33.9%	-	(42,046)	-
Without Walls	23,881	121,962	98,081	80.4%	796	(23,086)	-2901.8%
Plant Operations	813,180	867,833	54,654	6.3%	891,249	78,070	8.8%
Grounds	111,153	187,757	76,604	40.8%	127,345	16,192	12.7%
Housekeeping	396,770	479,033	82,263	17.2%	515,362	118,592	23.0%
Security	144,298	119,580	(24,718)	-20.7%	144,072	(226)	-0.2%
Food Service Café	1,037,553	946,527	(91,026)	-9.6%	869,625	(167,929)	-19.3%
Food Service Asbury	399,805	447,487	47,681	10.7%	691,287	291,481	42.2%
Sales & Marketing	181,019	111,675	(69,345)	-62.1%	175,102	(5,918)	-3.4%
Finance	107,463	19,950	(87,513)	-438.7%	189,695	82,231	43.3%
Information Services	115,910	219,943	104,033	47.3%	186,407	70,497	37.8%
Materials Management	52,607	63,575	10,968	17.3%	64,044	11,436	17.9%
Risk Management	324,647	-	(324,647)	0.0%	672	(323,975)	-48197.7%
Mailroom	20,070	9,363	(10,707)	-114.4%	16,430	(3,640)	-22.2%
Executive	1,195	22,279	21,084	94.6%	10,114	8,919	88.2%
Mission Advancement	112,004	191,000	78,996	41.4%	204,053	92,049	45.1%
Fundraising	29,506	38,430	8,924	23.2%	-	(29,506)	-
Human Resources	586,706	599,446	12,740	2.1%	669,186	82,480	12.3%
Chaplaincy	41,822	47,054	5,231	11.1%	38,815	(3,008)	-7.7%
D&I	41,051	59,236	18,185	30.7%	188	(40,863)	-21771.6%
Strategic Property	-	-	-	0.0%	2,679	2,679	100.0%
Total Resident Service Costs	8,328,375	8,426,999	98,624	1.2%	8,590,847	262,472	3.1%
Management Fee Expense	\$ 504,619	\$ 479,809	\$ (24,811)	-5.2%	466,619	\$ -	0.0%
Interest Expense	1,063,302	1,038,221	(25,082)	-2.4%	2,194,347	1,131,045	51.5%
Depreciation	1,773,223	1,875,849	102,626	5.5%	1,617,024	(156,199)	-9.7%
Amortization Exp- OJD	16,336	23,714	7,377	31.1%	28,315	11,979	42.3%
Non-Resident Service Costs	3,357,481	3,417,592	60,111	1.8%	4,306,305	948,824	22.0%
Total Operating Expenses	\$ 11,685,856	\$ 11,844,591	\$ 158,734	1.3%	\$ 12,897,152	\$ 1,211,296	9.4%
Operating Income/(Loss)	\$ 146,672	\$ (951,211)	\$ 1,097,883	115.4%	\$ (2,102,194)	\$ 2,248,866	107.0%
Non Operating Income/(Loss)							
Change in Net Unrealized Gains (Loss) on Investments	791,941						
Change in Value +/- of Interest Rate Swap Agreements	(711,767)						
Total Non Operating Income/(Loss)	80,174						
Gain/(Deficit) Total	226,846						
Net Operating Margin	14.04%	11.62%			6.33%		

Balance Sheet

<u>Category</u>	<u>March</u> <u>2023</u>	<u>December</u> <u>2022</u>
Cash and Cash Equivalents	\$ 1,904,687	\$ 1,726,953
Investments	6,217,598	5,432,414
Accounts Receivable-Net	6,020,110	6,703,615
Due from Related Party	7,967,108	6,828,957
Entrance Fees Receivable	-	-
<u>Prepaid Expenses & Other Current Assets</u>	<u>764,136</u>	<u>667,352</u>
Total Current Assets	22,873,639	21,359,291
Plant Property & Equipment - Net	112,345,163	113,687,220
Statutory Operating Reserve	8,606,000	8,606,000
Board-Designated Fund	926,263	884,115
Held Under Bond Agreement	8,045,136	8,045,136
Donor Restricted	962,332	909,480
Interest Rate Swap Agreements	3,570,512	4,282,279
Deferred Marketing Costs - Net	-	-
<u>Other Assets</u>	<u>-</u>	<u>-</u>
Total Assets	<u>157,329,046</u>	<u>157,773,521</u>
Accounts Payable & Accrued Expenses	\$ 6,997,070	\$ 8,750,497
Due to Related Party	2,580,974	2,076,355
Entry Fee Deposits	825,853	501,709
<u>Current Portion of Long-term Debt</u>	<u>3,322,500</u>	<u>3,322,500</u>
Total Current Liabilities	13,726,396	14,651,061
Long Term Debt Net of Current Portion	102,203,694	103,013,608
Deferred Income - Entrance Fees	27,899,849	27,588,097
<u>Refundable Entrance Fees</u>	<u>50,279,949</u>	<u>49,623,444</u>
<u>Other Long Term Liabilities</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>194,109,888</u>	<u>194,876,209</u>
Total Unrestricted=====	\$ (38,669,438)	\$ (38,896,283)
Designated by the Board Endowment Fund	926,263	884,115
Total Temporarily Restricted=====	315,715	262,864
Total Permanently Restricted=====	646,617	646,616
Total Net Assets	<u>(36,780,842)</u>	<u>(37,102,688)</u>
Total Liabilities & Net Assets	<u>\$ 157,329,046</u>	<u>\$ 157,773,521</u>

Statement of Cash Flows

Unaudited

FYTD March
2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in Net Assets	\$	226,846
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Proceeds from Non Refundable Entrance Fees		1,770,330
Amortization of Deferred Entrance Fees		(1,458,578)
Depreciation		1,773,223
Amortization of Bond Discount		16,336
Amortization Deferred Marketing Costs		-
Bad Debt		(16)
Loss on Disposal of Assets		-
Change in Value -/(+) of Interest Rate Swap Liability		711,767
Net Unrealized (Gains)/ Loss on Investments		(785,240)
Net Realized (Gains) / Loss on Investments		56
Changes in Operating Assets and Liabilities:		
Accounts Receivable		683,505
Due from Related Party		(1,138,151)
Due to Related Party		504,619
Prepaid Expenses and Other Assets		(93,384)
Entrance Fee Deposits on Unoccupied Units		324,144
Total Accounts Payable & Accrued Expenses		(1,753,428)
Net cash provided by (used in) operating activities		782,030

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment Net of Dispositions	\$	(431,166)
Net Sales/Maturities (Purchases) of Investments & assets limited as to use		95,000
Net cash provided by (used in) investing activities		(336,167)

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayment of Long-Term Debt	\$	(793,577)
Proceeds from Refundable Entrance Fees		1,551,675
Entrance Fees Refunded		(1,026,227)
Net cash provided by (used in) financing activities		(268,129)

Net Increase/(Decrease) In Cash & Equivalents		177,734
Cash & Equivalents—Beginning of Fiscal Year		1,726,953
Cash & Equivalents—End of Month	\$	1,904,687

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