

DISCLOSURE STATEMENT

GINGER COVE

4000 RIVER CRESCENT DRIVE
ANNAPOLIS, MARYLAND 21401

2025

EQUAL HOUSING OPPORTUNITY

THE ISSUANCE OF A CERTIFICATE OF REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT OF THE FACILITY BY THE MARYLAND DEPARTMENT OF AGING, NOR IS IT EVIDENCE OF, OR DOES IT ATTEST TO, THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET OUT IN THE DISCLOSURE STATEMENT.

The Provider will promptly amend its Disclosure Statement if, at any time, in the opinion of the Provider or the Department, an amendment is necessary to prevent the Disclosure Statement from containing any material misstatement of fact required by the regulation to be stated in the Disclosure Statement or omission of a material fact required by this regulation to be stated in the Disclosure Statement.

TABLE OF CONTENTS

INTRODUCTION	1
I. THE PEOPLE	2
ANNAPOLIS LIFE CARE, INC.	3
RESIDENTS' ASSOCIATION	7
II. THE COMMUNITY	9
THE LOCATION	10
GINGER COVE	10
THE PERSONNEL	11
THE SERVICES.....	11
HEALTH CENTER SERVICES.....	13
HEALTH CENTER ADMISSIONS STATEMENT	13
ASSISTED LIVING SERVICES	14
THE FINANCING.....	15
ASSISTED LIVING/MEMORY CARE EXPANSION – THE HERITAGE.....	17
III. THE PROPOSAL	188
THE LIFE-CARE CONCEPT	19
RESIDENCY AGREEMENTS	19
DESCRIPTION OF FEES	200
OPERATING RESERVE	222
ESTATE PLANNING	222
FINANCIAL STATEMENTS AND PROJECTIONS.....	233
IV. REGULATORY MATTERS	244
MARYLAND CONTINUING CARE LAW	25
HEALTH CENTER LICENSURE	255
TAX DEDUCTIONS	255
INTERNAL GRIEVANCE PROCEDURE.....	266
V. EXHIBITS	277
A. Description of Services	
B. Ginger Cove Extensive Life Care Return of Capital Plan Residency Agreement	
C. Ginger Cove Fee for Service Return of Capital Plan Residency Agreement	
D. Extensive Life Care Fee Schedules	
E. Fee for Service Fee Schedules	
F. Certified Financial Statement, with 3-Year Cash Flow Projection	

INTRODUCTION

Thank you for your interest in Ginger Cove. We are very proud of our Community, and appreciate this opportunity to tell you more about it. We are convinced that the more you learn about Ginger Cove, the more comfortable you will be in deciding to make it your Community, too. Our residents enjoy an engaging and active lifestyle which nurtures the body, mind and spirit...Come rediscover life at Ginger Cove.

Ginger Cove (the "Community") brings to residents who are age 60 and over a way of retirement living known as continuing care or "life-care." This concept offers seniors a lifestyle designed to meet their unique needs while providing the freedom to pursue their personal interests. Life-care communities such as Ginger Cove encompass these important components: a private apartment, a wide array of personal services and activities, and the security of on-site assisted living, memory care, and health center services, all combined within a sound financial plan. Ginger Cove is a "Pet-Friendly" continuing care retirement community as it is well established that pets improve life's enjoyment for seniors.

OUR VISION:

**A Premier Life-Care Community
Committed to Quality**

OUR MISSION:

To Provide Residents an Abundant Life

OUR VALUES:

**Resident Independence, Dignity, and Security
Staff Excellence
Business Integrity and Fiscal Prudence**

It is important to understand that we are a Community which cares deeply about and for each other. This "Strong Heart" is foundational to who we are at Ginger Cove as our team members, Board members, and residents live our mission, vision and values every day...This value and positive impact of this to our residents and their families cannot be overstated.

Because non-technical language has been used in this statement, it is possible that there may be some minor differences between the text of this Disclosure Statement and the language of the Residency Agreements or other documents. Copies of the actual documents which are included should be inspected to fully understand all of their terms and provisions, and those specific terms take precedence over the summaries in this Disclosure Statement.

Each prospective resident shall receive a Disclosure Statement without cost and before payment of any part of the entrance fee or, if earlier, the execution of a Residency Agreement. The Disclosure Statement is revised annually. Each current resident will receive written notice that a revised Disclosure Statement is available for review. Ginger Cove makes the revised Disclosure Statement available to the Maryland Department of Health to inspect. Ginger Cove also has its Residency Agreements available for inspection.

I. THE PEOPLE

ANNAPOLIS LIFE CARE, INC.

Annapolis Life Care, Inc. ("ALC" or the "Corporation"), the Provider, is a Maryland not-for-profit corporation organized for the purpose of owning and operating the continuing care retirement community doing business as Ginger Cove or the "Community". ALC also owns the land on which Ginger Cove is located. The address of ALC and Ginger Cove is 4000 River Crescent Drive, Annapolis, MD 21401.

ALC filed its Articles of Incorporation with the Maryland State Department of Assessments and Taxation on May 31, 1982. ALC has received recognition as an organization exempt from Federal income taxation under Section 501 (c)(3) of the Internal Revenue Code.

ALC is affiliated with Ginger Cove Foundation, Inc., a tax-exempt foundation formed in 2002 by ALC to engage in charitable fundraising activities for the financial support of the operations of ALC. In addition, ALC is the sole owner of Ginger Cove Home Health Care LLC, a limited liability company that operates a residential services agency licensed by the State of Maryland. ALC is not affiliated with, and does not receive financial support from, any other charitable, religious group or nonprofit organization.

The Board of Directors of ALC currently consists of 12 board members (inclusive of one Director Emeriti) whose expertise lies in such areas as senior housing, real estate, law, banking, financial services, health care, and management. Pursuant to Article II of the ALC By-Laws, Section 3.2, whereas no more than four (4) residents and no more than fifteen (15) nonresidents serve on the Board, the current Board is composed of four (4) residents and nine (9) nonresidents. Board Directors may serve up to six consecutive one-year terms and serve without compensation for the good of the Corporation and its mission. Neither the Board of Directors nor any person involved in the management of Ginger Cove have any proprietary interest in the Community. As a not-for-profit organization, no person has a 10% or greater interest in the Provider. In fact, no person has any interest in the provider. The Chief Executive Officer shall be the chief executive officer of the Corporation, carrying out the policies and programs of the Corporation as approved by the Board of Directors.

Annually the ALC Board of Directors appoints a Committee on Governance and Directors that, among other duties, is charged with the responsibility to review candidates and make recommendations on Board membership. Resident members of the Board are chosen from a list of names submitted to the Committee by the residents' association known as the "Residents Club." ALC satisfies the requirements of Section 10-427 of the Human Services Article of the Maryland Code.

No officers or directors of ALC have:

- a) Been convicted of, or pleaded nolo contendere to, a felony charge involving fraud, embezzlement, fraudulent conversion, or misappropriation of property;
- b) Been held liable, or enjoined by a final judgment, in a civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation as a fiduciary;

- c) Been subject to an effective injunctive or restrictive order of a court of record arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons; or
- d) Had any state or federal license or permit suspended or revoked within the past 10 years, as a result of an action brought by a governmental agency arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons.

ADM. WILLIAM O. STUDEMAN USN (RET.), *DIRECTOR EMITERITUS* — (RET.) (2005) Vice President & Deputy General Manager of Mission Systems at Northrop Grumman Corporation. Former Deputy Director of the United States' Central Intelligence Agency (George H.W. Bush and Clinton administrations), with two extended periods as Acting Director of Central Intelligence. Retired from the United States Navy in 1995 after almost 35 years of service. Director of the National Security Agency, 1988-1992; Director of Naval Intelligence, 1985 - July 1988. Recipient of numerous service commendations and citations, including the Navy Distinguished Service Medal, the Legion of Merit with two Gold Stars; awarded the William Oliver Baker Award by the Intelligence and National Security Alliance; AFCEA Distinguished Service Award for Intelligence Community support. Received service medals from the Governments of France, Brazil, and South Korea. Bachelor's degree in history from the University of the South; Master's degree in Public and International Affairs from George Washington University. Distinguished graduate of the Naval War College and National War College. Service to numerous corporate, university, and government boards. *DIRECTOR SINCE 2016.*

SUSAN WARD — *TREASURER (RET.) (2022;* Vice President, Baltimore Washington Medical Center, 1987 to 2022. Oversight of ancillary services; facilities engineering; construction management; coordination of architectural services and clinical planning. Assistant Vice President, St. Joseph Regional Medical Center, 1982-1989. Board of Directors, Baltimore Washington Emergency Physicians, Inc. and Washington PET Center, LLC. Advisory Board for Special Beginnings, Birth and Women's Center. Member, Maryland Association of Healthcare Executives and Associate of the American College of healthcare Executives. B.S. in Social Work, James Madison University; Master's Degree in Health Services Administration, George Washington University. *DIRECTOR SINCE 2016. Finance & Audit Committee Chair, Planning & Oversight Committee, Ginger Cove at Homme Sub-Committee*

ROBERT W. SHERER — Retired Naval Officer, 30 years naval service in surface warfare including Reactor Officer on the carrier USS Enterprise and command of frigate USS Patterson, Navy Section Military Assistance Group, Lisbon, Portugal and NROTC Unit at MIT; Former teacher of French to middle and high school students. Education: U.S. Naval Academy, 1961; University of Geneva, Switzerland as Olmstead Scholar – Licence ès Sciences Politiques, 1970; Boston University, MA in French Language and Literature, 1993. Service: Christ Episcopal Church, Poughkeepsie, NY, Treasurer and Investment Committee 2000-2003, Senior Warden (church council chair) 2003-3004. Ginger Cove Resident and His Ginger Cove Service Includes: Residents Club President 2015-2016; Buildings and Grounds Committee Chair 2007-2009; Energy/Environment Committee Chair 2007-2008; Budget and Finance Committee Member 2015-2018; Nominating Committee Chair 2017-2018;

Trip Committee Chair 2009-2014; Music Coordinator for Ginger Cove Catholic and Episcopal Communities; Ginger Cove Chorus Manager. *DIRECTOR SINCE 2019.*

MARGARET M. JACKSON, CFP, AWM, DIRECTOR EMERITUS — Senior Vice President and Financial Advisor, RBC Wealth Management. Member of RBC's Senior Consulting Group and consistently named to the President's Council. Past president of the Women's Association of Financial Advisors. Currently serving on the Finance Committee of the Community Foundation of Anne Arundel County; former member of the Charitable Gift Planning Advisory Committee at Anne Arundel Medical Center and former board director of the YWCA of Annapolis and Anne Arundel County. Professional designations include Certified Financial Planner®, Certified Private Wealth Advisor®, Accredited Investment Fiduciary® and Accredited Wealth Manager. MBA – Loyola University; BA – University of North Carolina – Chapel Hill. *DIRECTOR SINCE JULY 2022.*

KAREN COFFMAN – VICE PRESIDENT— Lead Health Domain Specialist and Technical Lead, MITRE Corporation's CMS Alliance to Modernize Health Care (2007-2017); Head, Managed Care Department, Naval Health Clinic in Annapolis (1993-2006); Special Assistant to the Executive Director, Naval Medical Clinic in Annapolis (1988-1993); United States Department of Agriculture Food and Nutrition Service (1975-1988). Volunteer efforts include: Coordinated donations for troops collecting and mailing treats to troops overseas; Established bi-monthly training for Project Management Institute members; Voice of the People for MITRE's Baltimore staff; Treasurer of Annapolis Area Phi Mu Association; Past President and Treasurer of Greater Baltimore Alumnae Panhellenic Association. *DIRECTOR SINCE JUNE 2020.*

PETER W. ODENWALD, MHA, FACMPE – PRESIDENT — Chief Operating Officer, Clinical Enterprise, Luminis Health (2016-present); Chief Operations Officer, Anesthesia Company LLC (2014-2016), Senior Vice President, Business Development and Vice President, Operations, Private Equity – RI, MA, DE and MD (2013-2014); Chief Operating Officer, Retina Associates, PC (2002-2013); Independent Consultant (1999-2002); Vice President, Northeast, Maxim Healthcare Services, Inc. (1992-1999). BA in Arts Economics, St. Mary's College of MD, MHA in Healthcare Administration, Seton Hall University. Member of Maryland Hospital Association, AMGA and MGMA; Committee member of Maryland Hospital Association, Telehealth Policy Committee, AMGA Northeast Regional Meeting Planning Committee (4 programs/year). *DIRECTOR SINCE JULY 2021.*

FRANCES R. HALL, SECRETARY Retired; Associate Vice President for Student Programs Association of American Medical Colleges, Washington, DC 1991-2000; Assistant Dean Admissions and Financial Aid, Dartmouth Medical School, Hanover, NH 1975-1991; Director of Admissions and Financial Aid, Cedar Crest College, Allentown, PA 1970-1975; Assistant Director of Admissions, Middlebury College, Middlebury, VT 1965-1969; Science Instructor, Glen Rock NJ High School 1960-1964; Research Chemist, Union Carbide Corporation, Parma, OH 1957-1960. Awards, Middlebury College Alumni Association Award for Outstanding Service to the College; Ginger Cove Volunteer Appreciation Award. BA Chemistry, Middlebury College; EdM Education, Harvard University. Ginger Cove Resident. *DIRECTOR SINCE July 2022.*

LARRY SHUBNELL, CPA, MBA Resident Member – Retired – Previously Member of Board of Directors, National Senior Campuses, Inc. service 15 senior living campuses in 11 states; Senior Managing Director Public Finance, Legg Mason, Baltimore, Maryland (20 years); Principal, Government Finance Associates, Inc.; Director, U.S. Treasury Department's Office of State & Local

Government Fiscal Research; Budget Director, Maryland General Assembly; Staff Accountant/Auditor, Price Waterhouse Coopers. BBA Accountancy Notre Dame, MBA George Washington University, CPA Certificate, State of Maryland.

JAMES H. BARNETT, CAPT (USN Ret) Resident Member --- COO SeaCure Associates LLC, and Consultant, KEYW Corporation; Corporate Staff, Northrop Grumman Corp (2006-2011); U.S. Senate Professional Staff, Senate Select Committee on Intelligence (1998-2006) Liaison to Senators, Lott, DeWine, Snowe, Inhofe, and Mikulski. Served nearly 33 years in the United States Navy, retiring as a Captain (Cryptologist). Graduated from the United States Naval Academy 1969 and commissioned as a Surface Warfare Officer. After 2 years at sea, to include three deployments to Vietnam, volunteered and served in the Riverine Force in Swift Boats (PCFs) and Patrol Boats (Coast Guard WPBs) out of Cat Lo RVN. Served consecutive command tours in Korea and Japan, Executive Officer tours in Alaska and England, and 12 years (9 consecutive) in the Pentagon including service on Staff of the CNO, Secretary of Defense, Office of the Joint Chiefs of Staff, Secretary of the Air Force, and the NRO. B.S. US Naval Academy, M.S. University of La Verne. Numerous personal, service, and campaign awards. Former member of the Board of Advisors (Advanced Navy Program); former member of the AFCEA Intelligence Board; Senate Majority Leaders, "Rocket Scientist," Clerk of St Margaret's Church; Chairman of the Ginger Cove Buildings and Grounds Committee, member of the Ginger Cove Residents Club Executive Committee.

JOHN P. (JACK) EVANS, ESQ. – Attorney, Whiteford, Taylor & Preston L.L.P. (1988-present), Equity Partner (1992-2014), Senior Counsel (2014-present); Managing Partner, Towson Office; Executive Committee; Compensation Committee; Chair, Real Property & Banking Section; Chair, Computer & Technology Committee. Practice focused on real property, land use, financing. Adjunct professor, Johns Hopkins Carey Business School (Land Use and Infrastructure). Lecturer, MICPEL, various lending and real property topics. *Pro bono* experience: Counsel, Sandtown Habitat for Humanity (1988-2014), advised Board of Directors, settled 200+ homes; President and Vice President, Londontowne Symphony Orchestra; Director, Pro Bono Resource Center of Maryland (2006-2014); Director, Ballet Theatre of Maryland; Pro Bono Lawyer of the Year (Maryland State Bar Association; Whiteford, Taylor & Preston L.L.P.). *Education*: Juris Doctor, with honor, University of Maryland School of Law; Master of Arts, International Relations, Johns Hopkins School of Advanced International Studies; B.A., International Relations, Johns Hopkins University. *Other experience*: UNISERV staff, Teachers Association of Baltimore County, Maryland (public relations, publications, teacher representation). Assistant Public Relations Director, Baltimore Baseball Club, Inc. (community and media relations, promotions, publications, trade research).

RACINE WILLIAMS, MA CCHW, Support Planner for the Coordinating Center, Millerville, Maryland, 2005 to present. Intake Coordinator, Mentor, Inc. Landover, Maryland, 1999 – 2004. Clinical Coordinator, Mentor Inc. Atlanta, Georgia, 1997-1999. Intake Coordinator, Mentor in, Landover Maryland. Case Manager, Community Alternatives Unlimited, Chicago, Illinois, 1995 – 1997, Service Coordinator, Service Coordination Systems, Inc. Rockville, Maryland 1992 – 1995. Education and certifications – Certified Community Health Worker, MA, Counseling Psychology, Bowie State University. Certificate in Human Services, Bowie State University, BS Human Development & the Family, University of Nebraska.

JAMES M. ALLEN, Executive Vice President, Booz|Allen|Hamilton 2004 – present. M. A. in Telecommunications from The George Washington University, an M. A. in National Securities Studies from Georgetown University and a B. A. with distinction in Russian from University of Virginia. In Jim's current position, he leads strategic planning for his firm's global defense and national security sectors focusing on cyber-related missions and challenges in defense, the intelligence community and other markets.

Chief Executive Officer

D. RAYMOND FISHER CPA, CGMA, MS — CEO of Annapolis Life Care, Inc. February 2022-present. Previously, worked for over 20 years in senior living services including Chief Operating Officer, Baptist Homes of Virginia d/b/a LifeSpire of Virginia, a system of 5 continuing care retirement communities; Principal, Walker Healthcare CPAs, a firm providing consulting, audit and advisory services to senior living providers; Chief Executive Officer, Richfield Living, a continuing care retirement community located in Salem, VA; and Chief Financial Officer, Harbor's Edge and Westminster Canterbury in Richmond, VA. Involved with many campus expansion and repositioning projects costing in excess of \$450 million. Prior to his career in senior living, Ray was VP of Corporate Development for Cadmus Communications and spent seventeen years with CSX Corporation, most recently as Director of Corporate Strategy, focused on large mergers, acquisitions and divestitures. Other activities include adjunct professor Virginia Commonwealth University, University of Baltimore, University of Virginia Jefferson School of Continuing Studies and Co-instructor University of Virginia Darden School of Business. BA Economics and Business, Washington & Jefferson College; MS Finance, University of Baltimore. CPA State of Virginia. Member, Delta-Mu-Delta National Honor Society of Business Administration.

Chief Operating Officer

PHYLLIS JOHNS BOULDEN, NHA - Employed with Ginger Cove since November 1992. Positions held: Asst Director of Resident Services; Director of Resident Services; Assisted Living Director; Apartment Support Director and Administrator. B.S. Education Towson State University; M.A. with focus Health Care College of Notre Dame. Currently serving on The Board of Metro Maryland Youth for Christ, serving youth 11 – 19 years of age.

Chief Financial Officer

WILLIAM E. GIBSON, Jr. CPA CFO with Annapolis Life Care, Inc. Since August 2024. Bill has over 25 years' experience in the senior living industry both as a consultant in public accounting and in financial management with facilities. The last 20 years Bill has been employed with either long-term facilities or senior living communities. Bill has a B. S. degree from Towson State University and is an active Certified Public Accountant.

RESIDENTS' ASSOCIATION

Residents of the Community may belong to a Residents' Association, known as the "Residents Club." The administration and representatives of the Board of Directors of Ginger Cove meet with the Residents Club, which is open to all residents, on a monthly basis. These meetings are held to enable residents to ask questions and to permit administration to communicate with the residents. The Board of Directors retains full decision-making authority for the affairs of the Community and administration

retains responsibility for day-to-day operations of the Community in accordance with policies and procedures established by the Board of Directors.

The Residents Club's purpose is to provide an effective forum through which residents can associate to ensure activities, such as lecture series, clubs, education, entertainment and fitness programs, continue to meet their evolving needs. The Residents Club also assists management in providing an environment conducive to maintaining the independence, security, health and vitality of the residents. The Club also supports the Friendship Endowment Fund, a fund established to provide assistance for residents who have financial needs because they have exhausted their funds through no fault of their own.

Additionally, in conformance with requirements of Section 10-426 of the Human Services Article of the Maryland Code, the Board of Directors and administration meet annually with all residents to present a summary of the operations, announce any future changes from the previous year, communicate the goals and objectives for the next year, and answer resident questions. Sufficient time is allotted to ensure that each question receives an answer.

II. THE COMMUNITY

THE LOCATION

Ginger Cove is located at 4000 River Crescent Drive, Annapolis, MD 21401, on a 30-acre beautifully wooded site on Gingerville Creek, which flows into the South River and Chesapeake Bay, just a short distance from Historic Annapolis. The Community is designed to blend in naturally with the site and to relate to the local architecture. Shopping areas, restaurants, professional offices, places of worship, recreational facilities of many kinds, and other amenities are located within just minutes of the Community.



GINGER COVE

Ginger Cove is a life-care retirement community organized and managed to provide persons 60 years of age or older an engaging and active lifestyle that meets their unique needs, while providing the freedom to pursue their personal interests.

Life-care retirement communities such as Ginger Cove encompass these important components: a private luxury apartment, a wide array of services, and the security of on-site assisted living, memory care, and health center services, all combined within a sound financial plan.

The Community consists of 232 independent living apartments, assisted living facilities, a memory care center, and a health center, each with multiple common areas. The common spaces include: dining rooms; cocktail lounge/pub; coffee shop; auditorium; convenience store; guest rooms; business center; library; card and game rooms; arts and crafts studio; salon with hair and nail services and therapeutic massage; indoor aquatics center; fitness studios; billiards room; bank ATM; woodworking shop; mailroom; gardening areas; croquet courts; putting green; walk-in clinic; state of the art therapy gym and a waterfront pier on Gingerville Creek.

Five types of independent living apartments are available, from one-bedroom to two-bedrooms with den in three-story, elevator equipped, Georgian-style buildings. All living units have enclosed verandas and all apartment buildings are connected by common corridors providing residents indoor access throughout the Community. All are equipped with safety features such as grab rails in the bathroom, emergency nurse call systems, full sprinkler systems, and smoke alarms. Every apartment has complete kitchen facilities with major appliances, central air conditioning,

carpeting and other amenities. A separate storage locker is provided for each apartment in a central storage area. On-site parking is available without charge.

The health center consists of 55 comprehensive care beds in private rooms, a physical therapy gym, arts and crafts and activity areas, dining rooms, and lounges, and an enclosed, open-air garden. Health center services include restorative care so that residents can attain their highest level of function. There are six assisted living rooms in the health center for those residents requiring more intensive assisted living services.

In addition to the Haven building, which contains 30 assisted living apartments, construction was completed in May 2021 on “The Heritage” building, a new state of the art assisted living and memory care facility and programs. This new facility has 20 assisted living apartments and 15 apartments dedicated to our memory care center. Overall, the facilities have 71 licensed assisted living apartments with capacity for 96 residents as we are able to accommodate couples in 25 of our assisted living apartments. The 15 apartments in our dedicated memory care center are licensed as assisted living.

The primary purpose of the Community is to provide care for life to its residents in a homelike setting that assures them of freedom, dignity, independence and security throughout their retirement years. The Community is designed to create an environment that enriches the lives of the people who live and work there.

THE PERSONNEL

The Chief Executive Officer serves as the chief executive officer of the Corporation, carrying out the policies and programs of the Corporation as approved by the Board of Directors. Ginger Cove also employs an Administrator, medical personnel, including a Medical Director, a Director of Nursing, registered nurses, licensed practical nurses, and other healthcare professionals. A licensed physician, occupational therapist, physical therapist, speech therapist, and dietician are available on a consulting basis. Other employees of the Community include a Chief Financial Officer, Director of Plant Operations, Manager of Environmental Services, Director of Resident Services, Clinic Manager, Director of Culinary Services, Director of Human Resources, Director of Development, Director of Social Services & Wellness, social workers, maintenance workers and grounds keepers, receptionists, security personnel, housekeepers, a chef, cooks, cooks' assistants, dining room personnel, accounting and clerical workers, and transportation personnel.

In order to provide each resident with the care needed, Ginger Cove offers a variety of training programs to staff. Annual training programs include, but are not limited to, residents' rights, confidentiality, and understanding the psychosocial needs of residents.

THE SERVICES

The decision to move into a life-care retirement community requires careful consideration of many factors, including the services to be provided. A detailed description of the services provided at the Community is attached as Exhibit A. Briefly, in accordance with the applicable Residency Agreements and in addition to providing an apartment for use by the residents, Ginger Cove provides the following services: (1) maintenance of the apartments and commons spaces; (2) weekly

housekeeping; (3) food service for residents, including one meal for each day in the month at no additional cost; (4) the services of a Director of Resident Services; (5) security; (6) scheduled transportation services; (7) certain assisted living, memory care, nursing care, and other health services; (8) planned educational, social and recreational programs; (9) use of pool, spa, and sauna; (10) on-site Health and Wellness Clinic; and (11) various administrative services and (12) therapy and exercise gyms.

Services at the Community are provided based on two different plan options: (1) an Extensive Life Care Plan (“Extensive Life Care Plan”) commonly referred to as a “Type A” Residency Agreement; and (2) a Fee for Service Plan (“Fee for Service Plan”), commonly referred to as a “Type C” Residency Agreement. Each plan differs in payment requirements, and details can be found in the corresponding Residency Agreements.

Generally, the Extensive Life Care Plan provides services for a set monthly fee subject to minor adjustments when a resident is permanently transferred to assisted living or nursing care. The fee schedules for the Extensive Life Care Plan are set forth in Exhibit D. The Fee for Service Plan provides for lower monthly fees for independent living apartments as compared to the Extensive Life Care Plan, but requires the resident to pay additional set monthly fees pursuant to a fee schedule when temporarily or permanently transferred to assisted living or nursing care levels. The fee schedule for the Fee for Service Plan are set forth in Exhibit E.

Some services for both plans are provided for an additional charge and are not included in the monthly fees. The ancillary services and corresponding charges are outlined in Exhibit I of the Extensive Life Care Residency Agreement and Exhibit 8 of the Fee for Service Plan Residency Agreement.

Assisted living services, memory care services, nursing care services, and other health services are available to all residents of the Community under both plans. Under the direction of the Medical Director, residents may be admitted directly to assisted living or the health center from their apartment; a previous hospital stay is not required. Residents who are able to do so, as determined by the Medical Director, are encouraged to return to independent living as soon as possible. Residents who are unable to return to independent living, however, have the benefit of permanent care in the assisted living or health care facilities.

Financial assistance may be made available from time to time by, and at the discretion of, the Community to those residents it deems to be in need of such assistance. While Ginger Cove cannot guarantee that such assistance will always be available to all residents in need, it will try to make such assistance available to those residents who can demonstrate their need for such assistance or can show that their financial circumstances have changed through no fault of their own in such a way that they can no longer pay all fees and charges assessed pursuant to their Residency Agreement. A resident who finds themselves in this circumstance may apply to the Friendship Fund for assistance and should contact the Ginger Cove Finance Office to begin this process. Upon discharge from the Community, or death, the resident or the estate of the resident will reimburse the Friendship Fund from the refund due under the applicable Entrance Fee Refund Plan.

Each resident, or their agent, has the right to manage his/her financial affairs. Ginger Cove’s staff may not manage a resident’s funds. Upon discharge, the residents’ personal property will be returned to the resident or to his/her estate in instances of death.

HEALTH CENTER SERVICES

The Community has an on-site health center licensed to provide skilled nursing care (i.e. comprehensive care) services (55 rooms) and assisted living services (6 rooms) under the licensure requirements of the State of Maryland. The goal of Ginger Cove is to provide residents quality health center services within the limits of its license and consistent with the approved budgets. Licensure for hospital-level care cannot be obtained, and hospital-level services are not provided within the health center. Such level of care must be provided by a hospital, and the costs related to hospitalization are the responsibility of the resident.

If, in the opinion of the Community's Medical Director, in consultation with the resident and the resident's family or agent, as applicable, it is determined that the resident requires assisted living or nursing care at the health center on a temporary basis, such services are provided without an increase in the monthly fee for the Extensive Life Care Plan. If a resident requires permanent care in the health center under the Extensive Life Care Plan, the resident's apartment is vacated, and the resident's service fee is adjusted to the current service fee for a two-bedroom interior traditional apartment. If the resident requires temporary or permanent care in the health center under the Fee for Service Plan, the resident will be charged the then-current per diem rate for assisted living or nursing care fee, depending on the care level required.

In all cases for both plans, the resident is charged the cost of medical treatment, medicine, drugs, prescribed therapy, and other medical and miscellaneous supplies and services associated with medical treatment. Health center services are provided in a private room with the following options (subject to availability and corresponding fees): private room with shared bath; private room with private bath; deluxe room with private bath; or super deluxe room with private bath. For the Fee for Service Plan, additional meals are provided as part of the per diem assisted living/memory care, or nursing care fee; however, residents under the Extensive Life Care Plan are charged for two extra meals per day while in assisted living or the health center on either a temporary or permanent basis.

If the health center nursing care or assisted living rooms are fully occupied, the resident will be provided health center services in, and agrees to relocate to, a health center or assisted living facility of comparable quality. For residents with an Extensive Life Care Plan Residency Agreement, to the extent Ginger Cove would be liable for the resident's care and accommodations, Ginger Cove will be responsible for charges associated with alternate health center or assisted living accommodations that are similar to those made under the Residency Agreement, so long as the resident continues to pay for the monthly charges as set forth in the Extensive Life Care Plan Residency Agreement. For residents with a Fee for Service Plan Residency Agreement, the resident will be responsible for payment of the charges associated with alternate health center or assisted living accommodations.

The Extensive Life Care Plan Residency Agreement (attached as Exhibit B) and Fee for Service Plan Residency Agreement (attached as Exhibit C) set forth in greater detail the extent of nursing care and assisted living services provided and the terms for providing such services under each plan.

HEALTH CENTER ADMISSIONS STATEMENT

In accordance with Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, it is the policy of the Community that no person shall, on the grounds of

race, color, religion, sex, familial status or national origin, be denied admission to or treatment in the Community health center, nor shall any qualified handicapped person be denied admission or treatment solely on the basis of his or her handicap.

ASSISTED LIVING SERVICES

The assisted living facilities, The Haven and The Heritage, are residential type rooms offering assisted living and memory care services. The Haven was constructed in compliance with I-2 construction codes, and opened on July 1, 2003. The Heritage opened in May 2021. Each room consists of a living room with dining area and kitchenette; bedroom; and fully accessible bathroom. Each room can be locked by the resident; however, Ginger Cove retains the right to enter a room if the health or safety of a resident is in question.

If, in the opinion of the Community's Medical Director, in consultation with the resident and/or their family or agent, it is determined that the resident requires assisted living services on a temporary basis, such services are provided without an increase in the monthly fee for the resident's independent living unit under both the Extensive Life Care Plan and the Fee for Service Plan. However, residents under the Fee for Service Plan must also pay the per diem assisted living fee for temporary assisted living services. If a resident under the Extensive Life Care Plan requires permanent care in assisted living and the resident's apartment is vacated, the resident's monthly fee is adjusted to the current monthly fee for a one-bedroom deluxe interior apartment. If a resident under the Fee for Service Plan requires permanent care in one of the assisted living facilities and the resident's apartment is vacated, the resident will be charged the current per diem assisted living care fee. In all cases, the resident is charged for the cost of medical treatment, medicine, drugs, prescribed therapy, and other medical and miscellaneous supplies and services associated with medical treatment. In addition, residents in the Extensive Life Care Plan are charged for two extra meals per day. All meals are covered in the separate assisted living fee charged to residents in the Fee for Service Plan. Assisted living services are provided in a private room under both plans.

A separate storage locker is provided for each room in a central storage area. Each resident should supply a lock for his/her assigned individual storage locker.

Services offered within the assisted living facilities under both plans include three meals per day; snacks; assistance with activities of daily living as needed; housekeeping services; health care monitoring and management; social services; spiritual activities; brain fitness; overseeing medical care; arranging for medical care when needed; purchasing or renting equipment and supplies when needed; purchasing durable medical equipment; and daily medication management. Each assisted living room is provided telephone, cable TV, and internet services. Payment for these services is included in the fees under both plans (with the exception of an additional charge for two meals per day for residents with an Extensive Life Care Plan). Additional charges include, but are not limited to, rehabilitation services, Medicare Part B items and services, extra meals and the cost of maintenance and repair of assistive devices and equipment. Each resident is given an ancillary charge list contained in Exhibit I or Exhibit 8 of the applicable Residency Agreement, which contain fees for additional services provided by Ginger Cove, and, to the extent known, third party services not covered by the Residency Agreement. Ginger Cove will provide at least 45 days' notice of any rate increase under either plan, except if necessitated by a change in an assisted living resident's medical condition, and will maintain fair and reasonable billing and payment policies.

Ginger Cove is mandated by the Office of Health Care Quality licensure to provide specialized training for staff working in the Assisted Living unit to meet the cognitive needs of its residents.

Notices and information given to each resident include: residents' rights; security procedures to protect the resident and the resident's property; and the resident's right to privacy and refusal of services. Residents are made aware that Ginger Cove retains the right to enter a resident's room if personnel have cause to believe that his/her health and/or safety are in jeopardy. This disclosure statements sets notice that Ginger Cove will maintain 24/7 onsite security and keycard entry protected entrance and exits.

Should a resident desire to transfer from an independent living apartment to a room in one of the assisted living facilities, he/she will execute Exhibit B-1 or B-2 of the Extensive Life Care Plan Residency Agreement (see Exhibit B), or Exhibit 2.0 or 2.1 of the Fee for Service Plan Residency Agreement (see Exhibit C). Such Acknowledgement of Permanent Assignment will identify the level of care needed as determined by the Community's Medical Director, and a nursing assessment will be performed. Should an assisted living resident's level of care require a higher level of care, then the resident will have the option under both plans of transferring to Ginger Cove's health center for nursing care.

The assisted living program and services are offered as a part of the continuum of care in accordance with the attached Residency Agreements. Therefore, a separate assisted living agreement does not apply.

Residents of a room in the assisted living facilities have the same rights as those residing in the health center to register a complaint. The resident may contact a social worker to register a complaint or initiate the internal grievance process. The complaint will be forwarded to the Administrator for investigation and follow up. Documentation will be maintained, and a reply given within five working days. The local and toll-free telephone numbers of the Office of Health Care Quality and the Ombudsman are posted in the assisted living units.

There have been no material changes to Assisted Living programing from the prior year.

Ginger Cove makes available to each assisted living resident any revisions to the Disclosure Statement without cost.

THE FINANCING

Ginger Cove's long-term debt consists of the following as of June 30, 2022:

- Maryland Health and Higher Educational Facilities Authority Revenue Bonds - \$45,721,000. Annapolis Life Care Issue (2018). These bonds were issued during August 2018 at a variable interest rate, adjusted monthly payable in monthly installments of interest and principal to September 1, 2048.

The 2018 Bonds were used to refund existing bonds and to provide an additional \$10,000,000 for the construction of a new assisted living/memory care building, The Heritage. The bonds are secured by all receipts of the Corporation and liens on substantially all of the Corporation's property,

plant, and equipment. The bonds are bank-qualified and are held by Truist Bank under agreements that run through September 1, 2048.

In July 2018 the Corporation entered into new interest rate swap agreements with Truist Bank with a fixed interest rate of 2.878% and 2.573% and an effective date of August 1, 2018 and January 1, 2021 respectively. The termination date of the interest rate swaps is September 1, 2029.

Long-term debt maturing in the next five years is as follows:

Fiscal Year Ended June 30,	
2025	1,098,000
2026	1,143,000
2027	1,191,000
2028	1,234,000
2029	1,287,000

COVID-19 Pandemic Impact:

The Employee Retention Credit (ERC) is a refundable tax credit against certain employment taxes equal to the 50% of the qualified wages an eligible employer pays to employees after March 12, 2020 and before January 1st 2021. On December 27, 2020, the Consolidated Appropriations Act (CAA) was signed into law. Among other provisions, the CAA expanded the eligibility for ERC to include more entities as well as extending ERC into calendar year 2021 including the first, second and third calendar quarters. Furthermore, the refundable tax credit for the calendar year 2021 was expanded to 70% of the qualified wages. CAA provided these entities the ability to retroactively recover payroll taxes from earlier in 2020 during which they were previously ineligible. This is done by retroactively applying for the credit.

Employers, including tax-exempt organizations, are eligible for the credit if they operate a trade or business during calendar year 2020 and 2021 and experience either the full or partial suspension of the operation of their trade or business during any calendar quarter due to a significant decline in gross receipts or because of governmental orders limiting commerce, travel or group meetings due to COVID-19. The credit applies to qualified wages (including certain health plan expenses) paid during this period or any calendar quarter in which eligibility requirements were met.

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended June 30, 2023 and 2022, the Corporation determined it met the compliance requirements and conditions of the Employee Retention Credit (ERC) program. The Corporation recognized \$1,480,728 and \$2,120,693 OCT the consolidated

statement of operations for the years ended June 30, 2023 and 2022, respectively. The Corporation recognized a current receivable for ERC credits of \$-0- and \$2,472,114 on the consolidated statement of financial position for the years ended June 30, 2023 and 2022, respectively. The Corporation paid approximately \$352,461 to the public accounting firm that assisted with the filing of the ERC credit application. The Corporation recognized these credits as a reduction of payroll taxes and employee benefits on the consolidated statement of operations.

There is a possibility that upon subsequent review that the Internal Revenue Service could reach a different conclusion regarding the Corporation's eligibility to retain the ERC credits received. That could result in repayment of the credits, interest, and potential penalties. The amount of liability, if any, from potential ineligibility cannot be determined with certainty

ASSISTED LIVING/MEMORY CARE EXPANSION – THE HERITAGE

Ginger Cove received approval from the Department of Aging on May 8, 2018 for an expansion project for the construction of 20 new assisted living units, 15 memory care units, and the associated common areas and facilities. The expansion includes a three-story, with basement, 67,100 square foot structure and is located on its current campus. The facility opened in May 2021. This new facility, The Heritage, has multiple purposes:

1. To provide current and future residents with a modern community that provides privacy and dignity in a home-like environment using flexible spaces, incorporates nature, and enhances an already high quality of care through the use of appropriate technologies, continued choices, and high-quality meals.
2. To provide current and future residents with modern small-house model communities to create an environment that encourages and supports independence and success.
3. To position Ginger Cove to meet the needs of current and future residents, and to remain competitive within its market.
4. To achieve Ginger Cove's vision to be a premier life-care community committed to quality.

Memory care is another type of assisted living service offered at the Community. Memory care apartments and common areas are licensed by the Maryland Department of Health to provide assisted living care for those residents with mild cognitive impairment to moderately severe dementia without a primary psychiatric diagnosis. The memory care unit is secure and designed to enable residents to remain engaged in their environment at the level of their cognitive ability, and to function at the highest level possible for as long as possible. The memory care units encompass: (1) care coordination – staff collaboratively assess, plan, and provide care that is consistent with current advances in dementia care practice; (2) staff knowledge and competency – staff have the qualifications, skills, training, and education to assess and provide care for a resident population with memory impairment; (3) activity programming based on abilities – staff provide activities that match the resident's cognitive ability, memory, attention span, language, reasoning ability, and physical function; (4) behavior management – Ginger Cove places emphasis on the use of nonpharmacological interventions as an alternative to antipsychotic medication use; and (5) safe and supportive physical environment – Ginger Cove modifies the physical environment to promote safety and minimize confusion and overstimulation.

III. THE PROPOSAL

THE LIFE-CARE CONCEPT

The life-care concept provides an individual lifetime use of an apartment, support services, and long-term nursing, memory, or assisted living care in an on-site health center if he or she is no longer capable of living independently. This concept has grown as the result of the increasing number of men and women reaching retirement age and the concern for providing an alternative to traditional retirement living. A resident pays an entrance fee (including a second person entrance fee, when applicable) in accordance with the terms of the Extensive Life Care Plan or Fee for Service Plan. After assuming occupancy in the Community, or 60 days after executing the applicable Residency Agreement, the resident pays entry and monthly fees which vary depending on whether the resident enrolls in the Extensive Life Care Plan or Fee for Service Plan. Any resident who lives in an independent living apartment may relocate to assisted living, memory care, or the health center on a temporary or permanent basis with the concurrence of Ginger Cove's Medical Director.

RESIDENCY AGREEMENTS

Upon deciding to become a resident of an apartment in the Community, a future resident will execute a Residency Agreement for one of the two available plans to reserve the apartment selected. Forms of each Residency Agreement are attached as Exhibit B (Extensive Life Care Plan Residency Agreement) and Exhibit C (Fee for Service Plan Residency Agreement). In the event of a conflict between a provision of the Residency Agreement executed by a resident and the terms of this Disclosure Statement, the provision of the Residency Agreement shall control.

All Residency Agreements are subject to acceptance by Ginger Cove. At the time of the execution of a Residency Agreement, the residents' health must be appropriate for independent living. After payment of the entrance fee, the resident must have sufficient financial resources to permit payment of monthly charges for the selected plan, plus other personal expenses which may be reasonably expected, and to meet anticipated increases in the cost of living and increases in the service fee for either plan. Ginger Cove may not terminate a Residency Agreement after it has accepted a resident, except for just cause as set forth in the applicable Residency Agreement.

Each person considering executing a Residency Agreement should consult with his or her tax advisor regarding the tax consequences associated with the Residency Agreement for the selected plan, as there may be tax advantages associated with residency at Ginger Cove.

In anticipation of meeting the needs of residents over time, Ginger Cove recognizes the need to be able to modify and develop new forms of residency agreements. To meet those needs, Ginger Cove reserves the right to offer to new prospective residents alternative forms of residency agreements.

IF YOU HAVE A LONG-TERM CARE INSURANCE POLICY, REQUEST YOUR ADVISORS TO REVIEW THE POLICY AND THE CONTINUING CARE AGREEMENT TO DETERMINE WHETHER THERE ARE POTENTIAL AREAS OF DUPLICATION OR AREAS WHERE BENEFITS CAN BE COORDINATED.

DESCRIPTION OF FEES

There are different types of fees that residents pay, which are detailed in the Residency Agreement. The fee schedules for the Extensive Life Care Plan are set forth in Exhibit D, and the fee schedules for the Fee for Service Plan are set forth in Exhibit E. In general, the fees include the following:

1. **One-Time Entrance Fee.** The resident is required to pay an entrance fee to the Community at the time the resident executes a Residency Agreement for either the Extensive Life Care Plan or the Fee for Service Plan. If there are two residents under the same Residency Agreement, a second person nonrefundable entrance fee is also required to be paid. The resident may be able to receive a refund of a portion of the first-person entrance fee paid if he or she terminates the Residency Agreement after occupancy. Based upon availability, there are three options for this refund that the Resident will select in the Residency Agreement. The amount of the entrance fee will vary depending on which refund option is selected. The three options are summarized as follows:
 - a. The Standard 90% Refund Plan: 90% of the first-person entrance fee is refundable, less permissible offsets as set forth in the Residency Agreement. The second person entrance fee is non-refundable. This plan is always available.
 - b. 50% Declining Balance Refund Plan: Deduct a 2% community fee from the first person entrance fee. The remaining amount is then reduced by 1% per month for 48 months, at which point the refundable amount of the entrance fee remains at 50% for the duration of the Residency Agreement, less permissible offsets as set forth in the Residency Agreement. The second person entrance fee is non-refundable. This refund plan may be offered from time to time depending on Ginger Cove's actuarial considerations.
 - c. The 0% Declining Balance Refund Plan: Deduct a 2% community fee from the first-person entrance fee. The remaining amount is then reduced by 2% per month for 49 months (less permissible offsets as set forth in the Residency Agreement), at which point the refundable amount of the entrance fee remains at 0% for the duration of the Residency Agreement. The second entrance fee is non-refundable. This refund plan may be offered from time to time depending on Ginger Cove's actuarial considerations.

There is an additional \$20,000 non-refundable entrance fee for 1st floor units of all apartment types. This applies to both "Extensive Care" and "Fee for Service" contracts for all refund plans.

Carefully read the continuing care agreement for the conditions that must be satisfied before the provider is required to pay the entrance fee refund. The portion of the entrance fee to be refunded after the occupancy date is not held in trust or escrow for the benefit of the resident.

2. **Monthly Fee.** Generally, the Extensive Life Care Plan provides services for a set monthly fee subject to minor adjustments when a resident is permanently transferred to assisted living or nursing care. The Fee for Service Plan provides for lower monthly fees for independent living apartments as compared to the Extensive Life Care Plan, but requires the resident to pay additional set monthly fees pursuant to a fee schedule when temporarily or permanently transferred to assisted living or nursing care levels.
3. **Ancillary Fees.** Under both the Extensive Life Care Plan and Fee for Service Plan, the resident is required to pay fees associated with use of additional products and services that are not covered by the monthly fee. The ancillary services and corresponding charges are outlined in Exhibit I of the Extensive Life Care Residency Agreement and Exhibit 8 of the Fee for Service Plan Residency Agreement.
4. **Special Charges.** For the Extensive Life Care Plan only, a Special Charge may be warranted if, at the time of the admissions assessment, Ginger Cove's Medical Director determines, as a result of the medical assessment and medical records provided by the applicant, that the applicant has a pre-existing medical condition that may require premature admission to the health center. Special charges, if any, would not be considered part of the entrance fee when calculating the statutory refund.
5. **Charge For Pets.** There is an additional one time entry fee charge of \$5,000 for pets, and an additional monthly fee of \$50.00. This charge is the same if the resident has one or two pets. A copy of our pet policy may be obtained for review upon request. This policy may change from time to time as deemed appropriate.

The fees under both the Extensive Life Care Plan and Fee for Service Plan may be adjusted periodically by Ginger Cove after performing a thorough analysis each fiscal year to estimate the ongoing and operating expenses and other cash needs of the Community. The fees will then be adjusted to account for any differences in projected cash needs from the prior year's estimate. Community cash needs include all costs, expenses, and charges for providing the services and facilities at the Community, and includes start-up losses and debt service payments for short-term or long-term debt.

The following grid provides information about changes in entrance fees and monthly fees during the previous six years of operation:

Year Ended June 30,	Entrance Fee (% Increase)	Monthly Fee (% Increase)
2020	0%	3.50%
2021	0%	2.50%
2022	0%	2.50%
2023	20%	4.50%
2024	10%	5.75%
2025	10%	4.50%

OPERATING RESERVE

Ginger Cove currently restricts 25%, of the prior fiscal year's audited operating expenses as an operating reserve in compliance with the operating reserve required under Sections 10-420 and 10-421 of the Human Services Article of the Maryland Code. The operating reserve is invested in a balanced account; the account custodian is Truist. Mercer Investments LLC serves as investment advisor under an investment policy which has been approved by the Ginger Cove Board of Directors. The investment policy is reviewed on an annual basis and investment performance is reviewed by the Board's Finance and Audit committee on a regular basis. The Ginger Cove Board of Directors does not separately designate a capital renewal and replacement fund. Renewal and replacement funds are projected in Ginger Cove's cash projections and are budgeted annually. Renewal and replacement capital budgets have averaged in excess of \$2.0 million annually during FY 2016 through FY 2021, and are projected to average \$6.0- \$6.7 million annually during FY 2023 through FY 2025. These values exclude capital spending associated with expansion plans which may be contemplated by the Board.

ESTATE PLANNING

The attached Extensive Life Care Plan Residency Agreement and attached Fee for Service Plan Residency Agreement provide that the entrance fee consists of, and is to be paid in two parts: an initial deposit of 10% of the total entrance fee, and the balance of 90% of the total entrance fee upon signing of the Residency Agreement. The refundable portion of the entrance fee, if any, will vary depending on the refund plan option selected by the resident and will be payable in accordance with the timeframe set forth in the applicable Residency Agreement.

In the absence of any agreement between the residents of a double-occupied apartment which has been provided to Ginger Cove prior to repayment of the refundable portion of the entrance fee, the refund will be payable to the estate of the surviving resident. Residents of double-occupied apartments who wish to make other provisions for payment of the refundable portion of the entrance fee should consult their attorney and execute a *Designation of Beneficiary form*. It is the responsibility of the resident to make Ginger Cove aware of the existence of any such agreement and to provide a copy of the agreement to the Chief Financial Officer of Ginger Cove. No other rights under the attached Extensive Life Care Plan Residency Agreement or the attached Fee for Service Plan Residency Agreement are assignable. A *Designation of Beneficiary form* is available for review by any resident or by their financial or legal advisor upon request to the Finance Office.

FINANCIAL STATEMENTS AND PROJECTIONS

An audited financial statement (Exhibit F) for the Community is prepared for each completed fiscal year which is from July 1 to June 30. A copy of the Community's audited financial statements is available from the Ginger Cove Finance Office for review by each resident or his or her financial or legal advisor upon request. It is important for residents, their families, and their advisors to understand the financial basis on which the Community was developed and is being operated. The basis for financial planning for the Community comes from its history of sound management and strong economic health. It is this record of success and stability that ensures you that this Community is a sound investment now and in the future.

IV. REGULATORY MATTERS

MARYLAND CONTINUING CARE LAW

The Maryland Continuing Care Communities Act (the "Act") governs life-care retirement communities such as Ginger Cove. Ginger Cove did not provide continuing care until it received a final certificate of registration from the Maryland Department of Aging. The Maryland Department of Aging issued a final certificate of registration when the following conditions were met: (1) Ginger Cove had been issued a preliminary certificate of registration; (2) Ginger Cove had filed all required documents with the Maryland Department of Aging; (3) Ginger Cove had submitted documentation which demonstrates that Residency Agreements had been executed for 65 percent of the apartments, and a minimum of 10 percent of the total entrance fee had been paid for each contracted apartment; and (4) Ginger Cove had submitted documentation for long-term financing and construction financing. In order to enter into a Residency Agreement with future residents of the Community, Ginger Cove obtained a preliminary certificate of registration from the Maryland Department of Aging. The Maryland Department of Aging issued a preliminary certificate of registration when it determined, among other things, that the Residency Agreement met the requirements of the law. The Maryland Department of Aging issued a final certificate for phase I, consisting of 162 living units and 43 health center beds, on February 18, 1987. A final certificate of registration for phase II, consisting of 81 additional living units, was issued on February 1, 1989.

Also, in accordance with the Act, the Provider is required to annually renew its certificate of registration within 120 days after its fiscal year end. As part of the renewal process, the Provider is required to update its Disclosure Statement. The Provider is also required to amend its Disclosure Statement if at any time, in the opinion of the provider or the Maryland Department of Aging, an amendment is necessary to prevent the Disclosure Statement from containing any material misstatement of fact and/or omissions of material facts required by this regulation.

Continuing care retirement communities with assisted living programs must maintain compliance with Sections 10-425(c), 10-444 (e) and 10-447 of the Human Services Article and Section 19-1806 of the Health General Article of the Maryland Code.

HEALTH CENTER LICENSURE

The health center is required to be licensed by the Maryland Department of Health. Once licensed, the health center is subject to periodic inspections to maintain licensure.

TAX DEDUCTIONS

Residents of the Community may be eligible to receive a tax benefit. A percentage of the monthly fee paid may be able to be taken as a medical expense deduction each year. In January of each year, Ginger Cove will provide residents with the percentage of the prior year's monthly fees and entrance fees paid that have been determined to be attributable to the operations of the health center. All medical deductions are, of course, subject to limitations imposed by the Internal Revenue Code of 1986, as amended. Additionally, a portion of the entrance fee may also be deductible. It is recommended that each resident seek the advice of a professional tax advisor before taking any of these deductions. Ginger Cove does not provide tax advice.

INTERNAL GRIEVANCE PROCEDURE

Ginger Cove has established an internal grievance procedure to address resident grievances. A resident, or a group of residents collectively, may submit a grievance in writing to the Chief Executive Officer (or to a resident director, if the complaint relates to the Chief Executive Officer), 4000 River Crescent Drive, Annapolis, MD 21401. Ginger Cove will send a written acknowledgement to the resident or group of residents within five days after receipt of the written grievance. Ginger Cove will assign personnel to investigate the grievance. A resident, or group of residents, who files a written grievance is entitled to a meeting with management of Ginger Cove within 30 days after receipt of the written grievance, in order to present the grievance. Ginger Cove will provide a response within 45 days after receipt of the written grievance as to the investigation and resolution of the grievance.

Within 30 days after Ginger Cove provides its response to the grievance, a resident, group of residents, or Ginger Cove may seek mediation through one of the community mediation centers in the State or another mediation provider. If a resident, group of residents, or Ginger Cove seek mediation under the preceding sentence, the mediation shall be non-binding.

V. EXHIBITS

Exhibit A:

Description of Services

EXHIBIT A

DESCRIPTION OF THE SERVICES

The services available to residents are listed in both the attached Extensive Life Care Plan Residency Agreement and Fee for Service Plan Residency Agreement that govern all such obligations. To more fully explain the nature of these services, the following detailed description has been prepared. Residents will be advised of any prospective changes in these services by Ginger Cove administration.

Ancillary Health Center Services

Any health center services, whether or not ordered by a physician, which are not explicitly listed in either the attached Extensive Life Care Plan Residency Agreement or attached Fee for Service Plan Residency Agreement as services and features provided to all apartment residents in consideration for a (monthly or daily) service fee, are regarded as ancillary health center services and, if they are provided to a resident, will be done so at an extra charge. A current schedule of charges for ancillary health center services is available during normal business hours at the Community's reception desk.

Aquatic Center and Fitness Studios

For resident use and enjoyment, the Community has an indoor lap pool, aerobics pool, Jacuzzi, and locker rooms with saunas, located in the Commons building Aquatic Center. There are special hours of operation and supervised pool exercise programs. Adjacent fitness studios and wellness gym provide room for exercise equipment and other wellness activities for resident use.

Health and Wellness Clinic

The Health and Wellness Clinic provides a setting where residents may receive outpatient health care services provided by a physician, nurse practitioner, or other qualified health care professional when the resident has made an appointment for these services. The Health and Wellness Clinic is open weekdays from 9am to 5pm. Fees for outpatient health care services are the responsibility of the resident. Some basic services are available free of charge.

Home Care Services

Home care services are not included in the Residency Agreement; however, Ginger Cove may offer personal assistance with activities of daily living as a complement to independent living services at an additional charge at established rates. Residents who wish to engage outside agencies or individuals to provide home care services must receive prior approval from the Community's Administrator or his/her designee. In such instances, the resident agrees that the agency or individual will comply with the standards and rules of Ginger Cove, and the resident understands that he or she will be fully responsible for all costs and arrangements with the agency or individual. To ensure the safety of residents, the Medical Director must approve the use of outside agencies before they are engaged.

Palliative Care and Hospice

Palliative care and hospice services are not included in the Residency Agreement and as such any costs related to these services are the responsibility of the resident. Please contact Ginger Cove's Administrator for a list of recommended palliative care and hospice providers.

Rehabilitation/Therapy Services

Ginger Cove provides a large therapy gym for recreational, occupational, speech and physical therapy. Therapy services are available to residents at all levels of care at an additional charge; however, some portion of the fee may be covered by the resident's health insurance plan.

Beauty and Barber Shop

Beauty and barber shop services provided by professional beauticians and barbers as available at an extra charge. Space is provided in the commons area for this service.

Cocktail Lounge

Ginger Cove holds a license for the sale of beer, wine and liquor to residents. Residents may purchase drinks during operating hours at the Bugeye Bar. Bar service and wine are available in the dining room at an additional cost. From time to time, complimentary drinks are served in conjunction with a special event or celebration.

Emergency Call System

All apartment homes have an emergency call system and each resident also has a wireless pendant that can be used to call for assistance in any location on campus. The emergency call system is a wireless system. When a pull cord is pulled or a pendant activated, a call for assistance is generated to the health center indicating the resident who needs assistance and the location of the resident. Community personnel with emergency training respond to calls from the emergency call system and summon any other appropriate emergency services that might be required. Each resident in Assisted Living and Independent living is issued a wireless pendant which when activated will provide your location (while on campus only) and summon assistance.

Financial Data

Ginger Cove makes available a Certified Financial Statement (aka Audited Financial Statements) for the Community for the information of the residents each year. Residents, through the Residents Club, are informed of the budgeting process and monthly fee adjustments annually. Various reports and other data required under various statutes are posted.

Flat Laundry

The Community will provide weekly service for the residents' flat laundry which is washed, dried, folded, and returned. Such service includes sheets, pillowcases, towels, and face cloths. Although the use of permanent-press linen is strongly recommended, the staff will launder nonpermanent-press items, but will not iron flat laundry.

Food Service

The number of meals offered monthly, as part of the monthly service fee for independent living residents, is equal to the number of days in the month. The meals included in the monthly service fee may be taken at any scheduled time during the month. Additional meals are available to residents at extra cost. Residents may contract on a monthly basis for additional meals. Guest meals may be credited against meals covered by the monthly service fee without any additional cost.

Lunch and dinner menus include soup, salad, choice of entree, accompaniments, beverage, and dessert. Soup and sandwich selections are also offered for both lunch and dinner. Set service hours are established for lunch and dinner in both dining rooms. A credit in the monthly service fee is given for meals not taken when the resident is absent for more than 30 consecutive days.

Modified diets are provided by the dietary department if ordered by the resident's physician. The services of the dietitian are available to the residents, and regular consultation is available.

Grab Rails

The standard for all bathrooms includes grab rails in the bathtub and/or shower area. If grab rails are desired at either or both sides of the commode, installation must be arranged and paid for by the resident.

Gratuities

No gratuities are allowed. Employees who accept them will be subject to discharge. An employee appreciation fund is established to be shared with each employee on a basis determined by the residents.

Health Center

A physician has been retained to act as Medical Director of the Community. The Medical Director is responsible for medical supervision of health center operations, quality of care assurance, and resident care planning.

Residents may be admitted directly to the health center's assisted living beds or comprehensive care beds from their apartments and need not come from a hospital. Since only one meal per day is included in the service fee, additional meals each day will be added to a resident's monthly billing statement for residents under the Extensive Life Care Plan Residency Agreement when he or she is admitted to the health center. Visitors and volunteers are encouraged to visit the patient.

The Medical Director determines the appropriate level of health center services required by the resident upon admission to the health center. As a part of the determination, the resident's long-term ability to return to independent living is evaluated. The nursing staff provides an appropriate plan of care, the ultimate goal of which shall be, if at all possible, to return the resident to independent living as soon as possible. The health center is staffed adequately to provide the quality level of care residents of the Community will expect, consistent with the approved budget.

While in the health center, the resident is given the following options: private room with shared bath; private room with private bath; deluxe room with private bath; and super deluxe room with private bath (subject to availability and corresponding fees). If emergency medical care is required, the resident's attending physician and the resident's family or personal representative are notified. The resident is responsible for the services of his/her personal physician.

In the event the residents' personal physician or the Community's Medical Director orders medication, therapy, or various supplemental services for the resident's care, the resident shall be responsible for the cost of such services.

Residents who are able to do so are encouraged to return to independent living as soon as possible and are allowed to visit their apartments as part of the rehabilitation process if that is a part of the health care plan.

Director of Resident Services

Ginger Cove provides a Director of Resident Services who is responsible for coordinating and directing a full range of educational, entertainment, social, fitness, spiritual and other opportunities for engagement for independent living residents designed to meet their physical, emotional, intellectual and spiritual needs...Our goal is for you to rediscover life to your full potential.

Director of Social Services & Wellness

Ginger Cove provides a Director of Social Services & Wellness to design and implement programming focused on assisted living, memory care, and health center residents intended to optimize residents' overall wellness through programs focused upon the dimensions of body, mind and spirit. This position is also responsible for family events, which are intended to increase family awareness of all that Ginger Cove has and plans to offer in terms of programmatic content and frequency.

Housekeeping

Ginger Cove maintains staff to provide weekly housekeeping services for all apartments. Such costs are included in the service fee. Housekeeping services include cleaning, vacuuming, and dusting on a weekly basis; washing and waxing of hard surface floors; and cleaning ovens and windows (as needed). Carpets are cleaned approximately every 12 months and at other times, spot cleaning is done. Furniture will be moved at least once a year for cleaning hard-to-reach areas. Extra cleaning help is available at additional cost.

Insurance Coverage

The Community participates in the Medicare program. Residents are asked to represent that upon occupancy at the Community, the resident will be entitled to Medicare Part A benefits and enrolled in the Medicare Part B program, or that the resident has equivalent insurance coverage acceptable to the Community. Further, residents are required to maintain at resident's expense, while a resident of the Community, Medicare Part A, Medicare Parts B & D and one health insurance policy

to supplement Medicare or equivalent insurance coverage acceptable to Ginger Cove, and, upon request, to furnish copies of such policies to Ginger Cove. If such coverage is not maintained by the resident, Ginger Cove may seek to terminate the Residency Agreement.

For residents under the Fee for Service Plan Residency Agreement, in the event that the resident represents that he/she has long term care insurance covering all or part of the costs of the services provided under the applicable Residency Agreement, maintenance of such coverage is a significant obligation of the resident under the Residency Agreement and the resident is required to notify Ginger Cove of any change or cancellation of such coverage. If such coverage is not maintained by the resident at the level that first represented to Ginger Cove, Ginger Cove may seek to terminate the Residency Agreement.

It is further recommended that all residents secure a tenant's insurance policy which includes liability coverage. This should be completed by the resident with an insurance agent of his/her choice.

Monthly Billing Service

All monthly service fees are billed in advance and placed in the resident's in-house mailbox on or about the fifth business day of the month and are due upon receipt.

Other Charges

Other services are provided to residents for an additional charge, which will be added to the monthly bill. Such services include but are not limited to guest accommodations; guest meals; beauty/barber shop services; additional resident meals; some activities; use of the cocktail lounge; additional housekeeping; personal laundry service; assistance-in-living services; and such other reasonable services as requested.

Permanent Assignment to Assisted Living

All permanently assigned residents will pay an assisted living fee as outlined in the attached Extensive Life Care Plan Residency Agreement and Fee for Service Plan Residency Agreement.

Permanent Assignment to Health Center

All residents who permanently transfer to the health center will pay a health center charge as outlined in the attached Extensive Life Care Plan Residency Agreement and Fee for Service Plan Residency Agreement. Residents of the Community are cared for in the health center, at both the assisted living level and the comprehensive care level, at no additional cost other than extra meals and other associated ancillary charges not covered by the monthly or daily service fee, as applicable.

Pool

For the resident's use and enjoyment, the Community has an indoor pool, with whirlpool and saunas, located in the Aquatics Center. There are special hours of operation and supervised pool exercise and therapy programs. An adjacent exercise room provides exercise equipment for the resident's use.

Prescription Services

Transportation service to pharmacies is provided for an additional fee. At least one local pharmacy provides delivery service for residents' convenience.

Private Dining Room/Lounge

A private dining room may be available for use by residents and their guests. Special meals, if desired, will be available at an extra cost. Advance reservations are required.

Reception Desk

A receptionist is on duty from approximately 8:00 a.m. to 8:00 p.m. seven days per week.

Residents' Association (Residents Club)

Regularly scheduled meetings are held to allow residents to ask questions and to permit the administration and the Board of Directors to communicate with the residents. These resident meetings are usually held monthly.

Resident's Parking

Parking is available to the residents. Parking identification tags are assigned at the time of closing.

Security

Ginger Cove provides security personnel twenty-four hours per day. For the resident's added safety, all entrance and exit doors (except the main entrance during the day) are locked 24 hours a day, requiring the residents to use a key to gain entrance.

Sending or Receiving a Fax

A resident wishing to send a fax should complete a fax cover sheet, available at the reception desk. The completed cover sheet and attached information will be sent by the receptionist. A resident may also receive a fax at the Community. The Community's fax number is 410-266-6144. All faxes should be claimed at the reception desk.

Telephone Service

Each independent living apartment has wired jacks in various locations. Individual resident telephone service is the resident's responsibility and expense.

Television Cable

Each apartment has cable jacks in various locations. The cost of "expanded basic" service is the Community's expense.

Transportation

Scheduled bus transportation services are provided throughout the local area at no additional cost to the resident. Special event or valet service transportation may be provided at extra cost to the resident. Areas of regularly scheduled transportation include shopping centers, medical and other professional offices, and places of worship.

Valet Service

Valet service is available at the Community five days a week and offers residents assistance with transportation, personal shopping and other errands, at an additional charge.

Volunteers

Ginger Cove encourages volunteer participation from the residents, as well as from outside sources.

Tech at Home Services

Ginger Cove offers our Tech@Home® service to assist our residents with their needs with regard to technology. This free service is currently offered through our agreement with Parasol Alliance, LLC, and the dates and time on which this service is available are published on our Uniguest resident portal/app.

Internet/Wi-Fi

The Community provides basic public wi-fi service free of charge. Residents may purchase an upgrade of this service through Verizon.

Exhibit B:

Ginger Cove's Extensive Life Care Plan Residency Agreement

RESIDENCY AGREEMENT EXTENSIVE LIFE CARE PLAN



GINGER COVE

GINGER COVE

ANNAPOLIS LIFE CARE, INC.

RESIDENCY AGREEMENT EXTENSIVE LIFE CARE PLAN

TABLE OF CONTENTS

GLOSSARY	4
1. Fees	6
1.1. Processing Fee.....	6
1.2. Entrance Fee.....	6
1.3. Monthly Service Fee.....	7
1.4. Other Fees.....	8
1.5. Special Charge.....	9
1.6. Late Fees.....	9
2. Refund of Fees Prior to Occupancy.....	9
2.1. First 90 Days.....	9
2.2. Change in Condition.....	9
2.3. Cancellation After 90 Days.....	10
2.4. Special Costs.....	10
3. Refund of Entrance Fee Following Occupancy.....	10
3.1. Termination by You.....	10
3.2. Termination by Us.....	12
3.3. Offsets Against Refund.....	12
3.4. Conditions for Refund.....	13
3.5. Refund Not Escrowed.....	13
4. Services and Features Provided to Residents.....	13
4.1. Services Provided to all Residents of the Community.....	13
4.2. Independent Living Units.....	14
4.3. Assisted Living Units.....	14
4.4. Nursing Care Units and Services.....	16
5. Additional Services and Features.....	17
5.1. Additional Services Provided For an Extra Charge.....	17
5.2. Medical Director.....	18
6. Changes in Accommodation.....	18
6.1. Non-Emergency Transfer or Relocation.....	18
6.2. Emergency Transfer/Relocation.....	19
6.3. Transfer to an Alternate Assisted Living or Health Center.....	19

6.4.	Temporary and Permanent Transfers/Relocations.	19
6.5.	Changes in Monthly Service Fee.	20
6.6.	Return to Living Unit.	20
6.7.	Transfer to Special Facility.	21
7.	Your Termination Rights.	21
7.1.	Prior to Occupancy.	21
7.2.	Subsequent to Occupancy.	21
8.	Our Termination Rights.	21
8.1.	Just Cause.	21
8.2.	Notice of Termination.	22
8.3.	Termination Upon Transfer from Community.	22
9.	Miscellaneous Provisions.	23
9.1.	Duration of Your Right to Occupy the Living Unit.	23
9.2.	Occupants of the Living Unit.	23
9.3.	Use of the Living Unit.	24
9.4.	Right of Entry.	24
9.5.	Furnishings.	24
9.6.	Modifications of the Living Unit or Its Equipment.	24
10.	Representations.	25
10.1.	Requirements of Residency.	25
10.2.	Purpose.	25
11.	Covenants.	25
11.1.	Financial Difficulty.	25
11.2.	Resident Covenants.	26
11.3.	Supplemental Insurance.	26
12.	Miscellaneous Legal Provisions.	26
12.1.	Nature of Rights.	26
12.2.	Release.	26
12.3.	Transfers.	27
12.4.	Indemnity.	27
12.5.	Subordination.	27
12.6.	Amendment of Agreement.	27
12.7.	Governing Law.	27
12.8.	Severability.	27
12.9.	Residents.	28
12.10.	Funeral and Burial Services.	28
12.11.	Affiliations.	28
12.12.	Fee Adjustments for Absences.	28
12.13.	Entire Agreement.	28
12.14.	Use of Fees Collected by Us.	28
12.15.	Complaint Policy; Legal Remedies.	29
12.16.	Rights and Remedies.	29
12.17.	Residents' Association.	29
12.18.	Certified Financial Statements.	29
12.19.	Arbitration.	29

12.20. Tax Consequences.....	30
12.21. Beneficiary Designation.....	30
12.22. Capacity.....	30
12.23 Notices.....	30
12.24. Receipt of Documents.....	31
12.25. Registration with Maryland Department of Aging.....	31

List of Schedules and Exhibits

- Schedule 1 – Entrance Fee Refund After Occupancy
- Exhibit A – Acknowledgement of Temporary Assignment to Assisted Living Unit
- Exhibit B-1 – Acknowledgement of Permanent Assignment to Assisted Living Unit
(Assignment of First of Two Residents)
- Exhibit B-2 – Acknowledgement of Permanent Assignment to Assisted Living Unit
(Assignment of Single Resident or Second of Two Assigned Residents)
- Exhibit B-3 – List of Services Not Offered as Part of Assisted Living Services
- Exhibit C-1 – Acknowledgement of Permanent Assignment to a Nursing Care Unit
(Assignment of First of Two Residents)
- Exhibit C-2 – Acknowledgement of Permanent Assignment to Nursing Care Unit
(Assignment of Single Resident or Second of Two Assigned Residents)
- Exhibit D – Alteration of Living Unit Agreement
- Exhibit E – Wait List Agreement
- Exhibit F-1 – Special Charge Addendum to Residency Agreement (Single Special Charge)
- Exhibit F-2 – Special Charge Addendum to Residency Agreement (Double Special Charge)
- Exhibit G – Change in Independent Living Unit Addendum
- Exhibit H – Independent Living Unit Fee Schedule
- Exhibit I – Ancillary Fee Schedule

GLOSSARY

The following terms are described as used in the accompanying Agreement. Reference to the Agreement and the context in which the terms are used is recommended to provide a fuller understanding of each of the terms.

“Agreement” means this Residency Agreement.

“Assisted Living Services” means assisted living services described in Section 4.3.1 provided to the Resident in the Assisted Living Unit.

“Assisted Living Unit” means an assisted living unit at the Community as described in Section 4.3 of the Agreement. Assisted Living Units are located in the assisted living buildings and in the Community Health Center on the Community campus.

“Community” means the continuing care retirement community known as Ginger Cove, including the Independent Living Units, the Assisted Living Units, the Community Health Center, and all common areas.

“Community Policies” means all the written, reasonable policies, rules and guidelines, including the Residents’ Handbook, as established and modified by us from time to time and provided to the Community Residents. Community Policies are incorporated as part of this Agreement and Residents are contractually bound by such Community Policies.

“Community Health Center” means those facilities located in the Commons building on the Community Campus, which are intended to provide assisted living services and nursing care services as described in Sections 4.3 and 4.4 of the Agreement. The Community Health Center consists of Assisted Living Units and Nursing Care Units.

“Entrance Fee” means the fee identified in Section 1.2 of this Agreement, which is paid to us to reserve your Living Unit, subject to the terms of this Agreement. Payment of the Entrance Fee may be deferred in the sole discretion of the Community. The Entrance Fee does not include the \$300 Processing Fee.

“Entrance Fee Refund After Occupancy” means the refund of a portion of the Entrance Fee that will be paid by the Community if you terminate this Agreement after Occupancy pursuant to Section 3.1 of this Agreement. There are up to three options for the Entrance Fee Refund After Occupancy, which are detailed in Schedule 1, attached hereto. Availability of different options for the Entrance Fee Refund After Occupancy will depend on the Community’s actuarial considerations. The amount of your Entrance Fee will vary depending on the Entrance Fee Refund After Occupancy option you select.

“Independent Living Unit” means an independent living unit at the Community as described in Section 4.2 of the Agreement.

“Living Unit” means the living unit at the Community in which you are entitled to live pursuant to the Agreement in exchange for paying the Entrance Fee and the Monthly Service Fee. Living Units include Independent Living Units, Assisted Living Units and Nursing Care Units.

“Medical Director” means the physician designated as the Medical Director of the Community Health Center or his/her designee.

“Memory Care Unit” means a type of Assisted Living Unit at the Community designed to provide assisted living care for those residents with mild cognitive impairment to moderately severe dementia without a primary psychiatric diagnosis as described in Section 4.3 of the Agreement.

“Monthly Service Fee” means the fee (including the second person fee, where applicable) identified in Section 1.3.1, which is paid to us each month for the services and features provided to Residents pursuant to Section 4 of the Agreement.

“Nursing Care Services” means comprehensive nursing care services described in Section 4.4. provided to a Resident in a Nursing Care Unit in the Community Health Center.

“Nursing Care Unit” means a comprehensive care bed unit as described in Section 4.4 of the Agreement. Nursing Care Units are located in the Community Health Center.

“Occupancy” means the date on which you must pay the balance of the Entrance Fee pursuant to Section 1.2.3 of the Agreement.

“Resident(s)” or “you” means the person or persons who sign the Agreement as Resident. Sometimes a second Resident (if there are two of you) is referred to in the Agreement as the “second person.” Unless otherwise indicated, “you” refers to both of you if there are two persons who signed as Resident.

“Special Facility” means a hospital, nursing facility or other facility located outside the Community that can provide a level of care appropriate to your needs as determined by us in our sole discretion.

“We” or “us” means Annapolis Life Care, Inc. d/b/a Ginger Cove, a not-for-profit Maryland corporation formed for the purpose of owning and operating the Community.

**GINGER COVE
RESIDENCY AGREEMENT
EXTENSIVE LIFE CARE PLAN**

1. Fees.

To entitle you, _____, subject to the terms and conditions of this Agreement, to the lifetime use of a Living Unit at the life care retirement community known as Ginger Cove (the “Community”), located at 4000 River Crescent Drive in Annapolis, Maryland, you will pay to us, Annapolis Life Care, Inc., the amounts set forth below. Ginger Cove offers two types of residency agreements that have different fee structures: (a) an Extensive Life Care Residency Agreement (also known as a “Type A” agreement) and (b) a Fee for Service Residency Agreement (also known as a “Type C” agreement). This is an Extensive Life Care (“Type A”) residency agreement.

1.1. Processing Fee.

Three Hundred Dollars (\$300) will be paid to us as a Processing Fee at the time you execute this Agreement and is non-refundable.

1.2. Entrance Fee.

_____ Dollars (\$_____) will be paid to us as an Entrance Fee (inclusive of the second person Entrance Fee, if applicable) so as to reserve for you in the Community, Living Unit No. _____, a _____ (the “Living Unit”). The Entrance Fee is based on the Entrance Fee Refund After Occupancy option that you select in Schedule 1, attached hereto. The Entrance Fee will be paid in the following installments:

1.2.1. _____ Dollars (\$_____) was paid as a waiting list deposit.

1.2.2. Ten Percent of the total Entrance Fee, equal to _____ Dollars (\$_____), will be paid at the time you execute this Agreement.

1.2.3. The remaining balance of the Entrance Fee, being _____ Dollars (\$_____), will be paid to us on the earlier of (i) when your reserved Living Unit is ready for occupancy or (ii) no more than 60 days from the date you sign this Agreement.

1.2.4 Notwithstanding the foregoing, payment of the entrance fee may be deferred in the sole discretion of the Community.

1.2.5 If following occupancy of your Living Unit, you request a change in your Independent Living Unit and such change is approved by us in our sole discretion, the amount of your Entrance Fee may be subject to adjustment as provided in the Change in Independent Living Unit Addendum, attached hereto as Exhibit G.

1.3. Monthly Service Fee.

1.3.1. Your initial Monthly Service Fee is \$_____ per month for one person (sometimes referred to herein as the “first person fee”) and an additional \$_____ per month if there are two of you (sometimes referred to herein as the “second person fee”). You will pay a pro rata portion of the Monthly Service Fee beginning on the earlier of (i) the day you move into the Community or (ii) the _____ day following the date you sign this Agreement (provided we have made the Living Unit available to you). Thereafter, you are obligated to pay the Monthly Service Fee in advance on the first of each month. There will be an adjustment in your Monthly Service Fee as provided in Section 1.3.4 in the event you, or in the case of two Residents, either or both of you, permanently transfer to an Assisted Living Unit or a Nursing Care Unit.

1.3.2. Your Monthly Service Fee will continue until the earlier of (i) automatic termination of this Agreement by your death (if there are two of you, the death of the survivor) or (ii) termination of this Agreement pursuant to Section 7 or 8. Notwithstanding the foregoing, your Monthly Service Fee will continue at least until your furnishings and other property are removed from the Living Unit. If removal of your furnishings and other property is not accomplished by (i) the date thirty (30) days from the date of your death (if there are two of you, the death of the survivor) or (ii) the date of termination of this Agreement pursuant to Section 7 or 8, then in our sole discretion we may remove and store such furnishings and other property at the risk of you or your estate. You agree to pay all expenses related to such removal and storage. If there are two Residents under this Agreement and one of the Residents dies, the second person fee will cease and the remaining Resident will continue to pay the first person Monthly Service Fee. If there are two Residents under this Agreement and one of the Residents is transferred outside of the Community to a hospital or other Special Facility pursuant to Sections 6.1 or 6.2, the second person fee will cease sixty (60) days following such transfer, unless such Resident is subsequently readmitted to the Community.

1.3.3. UPON FORTY-FIVE (45) DAYS’ ADVANCE NOTICE TO YOU, the Board of Directors of Annapolis Life Care, Inc., in its sole discretion, may increase periodically the Monthly Service Fee in order to provide for the support and financial needs of the Community. The amount of the Monthly Service Fee is and will continue to be affected by our policy of maintaining reserve funds for the support and financial security of the Community.

1.3.4. Your Monthly Service Fee will be adjusted in the event you transfer permanently to an Assisted Living Unit or a Nursing Care Unit as set forth below.

1.3.4.1 If you transfer permanently to an Assisted Living Unit or to a Nursing Care Unit as provided in Section 6, your Monthly Service Fee will be adjusted in accordance with this Section 1.3.4.1, as follows:

- (i) If the transfer is to an Assisted Living Unit, your Monthly Service Fee will be adjusted to the then-current Monthly Service Fee (including the second person fee, if applicable) for a one-bedroom deluxe interior Independent Living Unit.
- (ii) If the transfer is to a Nursing Care Unit, your Monthly Service Fee will be adjusted to the then-current Monthly Service Fee (including the second person fee, if applicable) for a two bedroom traditional interior Independent Living Unit. If you request a private bath, deluxe or super deluxe room, you will pay the applicable Monthly Service Fee plus the then-current per diem surcharge for such accommodations.
- (iii) If you transfer to an Assisted Living Unit or a Nursing Care Unit, you (each of you, if there are two of you) will also pay for the additional meals per day not covered by your Monthly Service Fee at the then-current charge for extra meals.
- (iv) If there are two Residents under this Agreement and only one of the Residents permanently transfers to an Assisted Living Unit or a Nursing Care Unit, no change will be made in your Monthly Service Fee, including any second person fee (*i.e.*, the Resident transferred will continue to pay the second person fee for the Independent Living Unit from which they were transferred). If there are two Residents under this Agreement and one Resident permanently transfers to an Assisted Living Unit and the other Resident to a Nursing Care Unit, the Monthly Service Fee shall be adjusted to the Monthly Service Fee (including the second person fee) for the two bedroom traditional interior Independent Living Unit. If at any point it is determined that you (both of you, if there are two) are able to return to an Independent Living Unit or to an Assisted Living Unit from a Nursing Care Unit and an appropriate unit is available, your Monthly Service Fee will be readjusted to the then-current Monthly Service Fee for that unit.

1.3.4.2 Subject to availability, Residents may stay in the Assisted Living Unit or the Nursing Care Unit on a short term or temporary basis when such care is prescribed by their physician. During such stays, the Resident (whether one or two persons) shall continue to pay their Monthly Service Fee, plus a fee for two additional meals per resident per day and a fee for room upgrade if applicable.

1.4. Other Fees.

You will be billed separately for additional services not covered under the Monthly Service Fee. These services, such as additional meals per day not covered by your Monthly Service Fee and other additional services, as described in Section 5, will be billed monthly at the then-current rate

for such services as established by us. You agree to pay for all additional meals provided to you and all additional services requested by you and so provided.

1.5. Special Charge.

In the event that prior to admission we determine that you, or one or each of you if there are two Residents, may require premature admission to a Nursing Care Unit (the “Special Resident” or “Special Residents”), you agree to pay an additional charge during a specified period of time from the date of Occupancy for each Special Resident in the event such Special Resident requires nursing care services in a Nursing Care Unit or an alternate health center as provided in Section 6.3 (the “Special Charge”). The terms and conditions of the Special Charge, if applicable, including the amount of the Special Charge and the period of time the Special Charge is applicable, are set forth in the Special Charge Addendum to the Residency Agreement, attached hereto as Exhibit F-1 (single charge) or F-2 (double charge), as the case may be, and made a part hereof.

1.6. Late Fees.

If you fail to pay the Monthly Service Fee, the Special Charge(s), if applicable, or charges for additional services within thirty (30) days of the due date, you agree to pay interest on the overdue amount at the rate of two (2.0%) per month. Acceptance by us of partial payment does not constitute a waiver of outstanding fees.

2. Refund of Fees Prior to Occupancy.

You may rescind this Agreement at any time prior to Occupancy, subject to the following terms:

2.1. First 90 Days.

If prior to Occupancy, we do not accept you for residency, or if you change your mind and give us written notice of rescission of this Agreement within ninety (90) days after signing this Agreement, this Agreement will be automatically rescinded, and, subject to Section 2.4, you will receive a refund of any portion of the Entrance Fee paid by you to us (without interest) within thirty (30) days.

2.2. Change in Condition.

If prior to Occupancy (i) you (both of you, if there are two of you) die or become unable to occupy your Living Unit because of illness, injury or incapacity or (ii) you elect to terminate this Agreement because of a substantial change in your physical, mental or financial condition, this Agreement will be automatically cancelled, and, subject to Section 2.4, you will receive a refund of any portion of the Entrance Fee paid by you to us (without interest) within thirty (30) days of notice of cancellation. If there are two Residents under this Agreement, and one of the Residents dies prior to Occupancy, cancellation of this Agreement will be at the option of the surviving Resident, provided that the surviving Resident continues

to be eligible for admission to the Community in accordance with the admission policies adopted by the Board of Directors of Annapolis Life Care, Inc., which govern all admissions.

2.3. Cancellation After 90 Days.

If prior to Occupancy but more than ninety (90) days after signing this Agreement, you cancel this Agreement for any reason other than the reasons set forth in Section 2.2, subject to Section 2.4, you will receive a refund (without interest) within thirty (30) days of the date of your cancellation equal to the following: any portion of the Entrance Fee paid by you to us, minus twenty-five percent (25%) of the total of the amounts set forth in Sections 1.2.1 and 1.2.2.

2.4. Special Costs.

In all cases, the Processing Fee will not be refunded, and your Entrance Fee refund will be reduced by the reasonable costs, if any, incurred by us to modify the structure or furnishings of your Living Unit and to restore the structure or furnishings of your Living Unit to its original design as provided in the Alteration of Living Unit Agreement, attached hereto as Exhibit D.

3. Refund of Entrance Fee Following Occupancy.

After Occupancy, if you die or if this Agreement is terminated for any reason, you, your designated beneficiary or your estate will receive a refund of a portion of the Entrance Fee paid by you to us in an amount set forth below:

3.1. Termination by You.

3.1.1. If, within ninety (90) days of Occupancy, this Agreement is terminated as a result of your death (if there are two of you, the death of the survivor) or if you terminate this Agreement pursuant to Section 7, you will receive a refund in an amount equal to the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3. Such refund amount, if any, will be paid to you, your designated beneficiary or to your estate (without interest) within thirty (30) days of the earlier to occur of:

(1) Re-contracting of your Living Unit by (i) another person(s) for whom an entrance fee has been paid or (ii) another person who is not a subscriber and payment of the applicable entrance fee by such person(s); or

(2) The later to occur of:

(a) the 90th day after the date of death or the date written notice of termination, as required under this Agreement, is delivered to us; or

(b) the date on which the Independent Living Units at the Community have operated at 95% of capacity for the previous six (6) months.

3.1.2.

(1) If, after the 90th day of Occupancy, this Agreement is terminated as a result of your death (if there are two of you, the death of the survivor) or if you terminate this Agreement pursuant to Section 7, you will be entitled to a refund in an amount equal to the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3. Such refunded amounts, if any, will be paid to you, your designated beneficiary or to your estate (without interest) within sixty (60) days after your death or the effective date of termination, if on the date of death or at any time between the date the written termination notice is given and the effective date of termination: (1) you (or if there are two of you, both of you, or the surviving resident) no longer reside in a Living Unit at the level of care in which you resided upon initially entering the Community; (2) you (or if there are two of you, both of you) reside in a Living Unit at a higher level of care than the level of care in which you resided on initially entering the Community; and (3) the last Living Unit in which you (or if there are two of you, either of you) resided at the initial level of care on entering the Community has been occupied by or reserved for another resident who has paid an entrance fee.

(2) If, after the 90th day of Occupancy, the conditions in Section 3.1.2(1) above are not met, and this Agreement is terminated as a result of your death (if there are two of you, the death of the survivor) or if you terminate this Agreement pursuant to Section 7, you will be entitled to a refund in an amount equal to the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3. Such refund amounts, if any, will be paid to you, your designated beneficiary or to your estate (without interest) within sixty (60) days of the later to occur of: (1) the date on which termination of this Agreement becomes effective; or (2) our receipt of the entire entrance fee for the last Living Unit in which you resided at the level of service at which you entered the Community.

3.1.3. In the event of a transfer of one of two Residents to a hospital or Special Facility and termination of the transferred Resident under Section 8.3.3, the terminated Resident shall be entitled to receive a refund (the “Resident Share”) equal to the greater of (1) one-half of the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3, or (2) the statutory refund payable to the terminated Resident as provided in Section 3.2. The Resident Share shall be paid to the terminated Resident (without interest) within sixty (60) days following the date of such termination. The Entrance Fee Refund After Occupancy payable to the remaining Resident on his or her death or termination of the Agreement shall be the Entrance Fee Refund After Occupancy, less (a) the Resident Share and (b) any applicable offsets as set forth in Section 3.3. Any statutory refund payable to the remaining Resident under Section 3.2 shall be determined in accordance with the formula for one of two Residents as set forth in Section 3.2.

3.1.4. Notwithstanding the foregoing, we may withhold any Entrance Fee Refund After Occupancy payable under this Section 3.1 until the Living Unit or Living Units (as applicable) previously occupied by the terminating Resident or Residents are vacated of all furnishings and personal items.

3.2. Termination by Us.

If we terminate this Agreement pursuant to Section 8, we will refund to you the greater of (i) the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3, or (ii) the Statutory Refund, which is the Resident's total Entrance Fee divided by the Resident's years of expected life at admission multiplied by the Resident's years of expected life at discharge or dismissal. Years of expected life at admission and at dismissal or discharge shall be computed at the time of discharge or dismissal. The computations shall be based upon the appropriate life tables in the most recently published version of the United States Decennial Life Tables published by the U.S. Department of Health and Human Services. If there are two Residents under this Agreement at the time of termination by us, any refund calculation computed pursuant to the Statutory Refund will be based on the assumption that the Entrance Fee is attributable in equal shares to each Resident, such that one half of the Entrance Fee will be multiplied and divided by the appropriate life expectancy of each Resident and the results added to determine the total amount. The applicable refund amount, if any, will be paid to you (without interest) within sixty (60) days following the later to occur of (i) the date of termination of this Agreement by us, or (ii) the date you have vacated the Living Unit (inclusive of all furnishings and personal items).

3.3. Offsets Against Refund.

3.3.1. Except in the event of a Statutory Refund, your Entrance Fee Refund After Occupancy will be reduced by the following amounts:

3.3.1.1. The amount of any unreimbursed medical expenses (including but not limited to the medical expenses referred to in Section 5) incurred by us for your medical care which are not specifically included in the Monthly Service Fee; plus

3.3.1.2. The amount of any Monthly Service Fees or other sums owed by you to us under this Agreement or otherwise, including such amounts that are deferred by us on your behalf under Section 11.1 or that are paid with proceeds of any loan or advance made to you or on your behalf by our Friendship Fund or otherwise by us; plus

3.3.1.3. Those amounts described in Section 2.4 of this Agreement; plus

3.3.1.4. The amount of any expenses or costs which may be incurred by us in removing and/or storing any personal belongings of yours that remain in your Living Unit following the date of termination; plus

3.3.1.5 The amount of any Entrance Fee for which payment was deferred pursuant to Section 1.2.4 of this Agreement that has not been paid as of the date of termination hereof.

3.3.2. In the event of a Statutory Refund, your Statutory Refund will be reduced by the amount of any Entrance Fee for which payment was deferred pursuant to Section 1.2.4 of this Agreement that has not been paid as of the date of termination hereof. We reserve the right to collect such other amounts due to us through collection procedures, including legal proceedings.

3.3.3. If there are two Residents under this Agreement and each of you separately pays a portion of the Entrance Fee, our rights of offset under this Section 3.3 will apply to the entire Entrance Fee Refund After Occupancy. Our rights of offset apply regardless of whether the amounts to be offset against the Entrance Fee Refund After Occupancy are incurred by both of you or either of you, are deferred by us on behalf of both of you or either of you, or otherwise are attributable to both of you or either of you.

3.3.4. Our right to make offsets against the Entrance Fee Refund After Occupancy is in addition to all other rights and remedies available to us under this Agreement and otherwise, including but not limited to our right to collect amounts owed by you to us through collection procedures, including legal proceedings.

3.4. Conditions for Refund.

Annapolis Life Care, Inc. agrees to make reasonable efforts to satisfy the conditions for payment of the Entrance Fee refund.

3.5. Refund Not Escrowed.

The portion of the Entrance Fee to be refunded after Occupancy as provided in this Agreement is not held in trust or escrow for the benefit of Resident(s) after Occupancy.

4. Services and Features Provided to Residents.

4.1. Services Provided to all Residents of the Community.

We will furnish to you in the Community so long as you reside at the Community, the following services and features for the Monthly Service Fee:

- One meal per day;
- Special diet and tray service for one meal if ordered by the Medical Director;
- Air conditioning;
- Heating;
- Electricity;
- Water;

- Building & unit janitorial service;
- Maintenance services (excluding those for resident-owned lights and electronics)
- Weekly housekeeping;
- Availability of laundry facilities in the residential buildings;
- Planned activities (social, educational cultural and recreational) for those who wish to participate;
- Use of all recreational and other common area facilities;
- Basic cable TV access;
- Emergency call response system;
- Scheduled transportation;
- Use of pool, spa and sauna;
- Availability of the Medical Director, or another physician on emergency call, when summoned by designated Community Health Center personnel;
- Assisted living services in an Assisted Living Unit licensed to provide your level of care;
- Nursing care services in a private comprehensive care unit in the Community Health Center; and
- Walk-in clinic that provides blood pressure monitoring, temperature checks, and basic first aid (all other clinic services are subject to fees as set forth in the Ancillary Fee Schedule (Exhibit I)).
- Tech@Home ® services the schedule and availability of which may change from time to time.

There will be an adjustment in your Monthly Service Fee as provided in Section 1.3.4 in the event you, or in the case of two Residents, both of you, transfer permanently to an Assisted Living Unit or a Nursing Care Unit.

4.2. Independent Living Units.

Independent Living Units include unfurnished one-bedroom traditional and deluxe units and two-bedroom traditional, deluxe and den units. All current Independent Living Unit types, and the fees associated with each unit, are listed on the Independent Living Unit Fee Schedules attached as Exhibit H to this Agreement. All Independent Living Units have a complete kitchen (including refrigerator, range with oven, garbage disposal, dishwasher, and microwave oven). In addition to the services furnished to all Residents of the Community, we will furnish to Residents of Independent Living Units the following additional services:

- One parking space for residents who operate their own vehicle and a remote parking area for guests;
- Scheduled transportation services; and
- Storage.

4.3. Assisted Living Units.

The Assisted Living Units are located in our assisted living facilities, which are licensed by the Maryland Department of Health to provide assisted living care. The Assisted Living Units located in the assisted living buildings are licensed to provide a low to moderate level of care. The Assisted Living Units located in the Community Health Center are licensed to provide a low, moderate and high level of care.

Memory Care Units are a part of our Assisted Living care level and licensed by the Maryland Department of Health to provide assisted living care for those residents with mild cognitive impairment to moderately severe dementia without a primary psychiatric diagnosis. The Memory Care Units are secure and designed to enable residents to remain engaged in their environment at the level of their cognitive ability, and to function at the highest level possible for as long as possible. The Memory Care Units encompass 1) Care coordination – Staff collaboratively assess, plan, and provide care that is consistent with current advances in dementia care practice, 2) Staff knowledge and competency – Staff have the qualifications, skills, training, and education to assess and provide care for a resident population with memory impairment, 3) Activity programming based on abilities – Staff provide activities that match the resident’s cognitive ability, memory, attention span, language, reasoning ability, and physical function, 4) Behavior management – Ginger Cove places emphasis on the use of nonpharmacological interventions as an alternative to antipsychotic medication use, and 5) Safe and supportive physical environment – Ginger Cove modifies the physical environment to promote safety and minimize confusion and overstimulation. If you reside in a Memory Care Unit, you will be charged the same Monthly Service Fee that you would pay if you were to reside in any other Assisted Living Unit.

We will determine your appropriate level of care based on an assessment by the Medical Director. You will be informed of this decision and asked to sign an acknowledgement of the transfer to an Assisted Living Unit and the level of care that you will receive.

Assisted Living Units are one-bedroom units and have carpeting throughout (except for bath) and closet space. We encourage you to provide your own furnishings in the Assisted Living Unit, subject to our prior consent and provided that such furnishings do not interfere with the health, safety or general welfare of you or others. If you choose not to provide furnishings, they will be provided by us in the Assisted Living Unit. If we provide the furnishings, they will include at a minimum a single bed, mattress, pillows, bedside stand with drawer, a chair, chest of drawers, bedside lamp, bath linens and bed linens. The cost of moving is the responsibility of the Resident.

4.3.1. Assisted Living Services. In addition to the services furnished to all Residents of the Community, we will furnish to residents of Assisted Living Units the following assisted living services and features:

- Daily snacks;
- Daily observation, care and supervision;
- Development and review of your service/care plan and periodic assessments as required by law;

- Assistance with activities of daily living such as assistance with eating; personal hygiene, grooming, bathing and oral hygiene, including brushing teeth, shaving and combing of hair; mobility, transfer, ambulation; toileting and dressing ;
- Supervision or administration of prescribed medications after an initial assessment and periodic assessment of your ability to self-administer medications as permitted by law;
- Locked storage for valuables for use by Resident at Resident’s own risk;
- Licensed nurses available twenty-four (24) hours a day;
- Telephone; and
- Other storage, as available.

In addition, to the extent required under our assisted living licensure and if requested by you, we will facilitate access for you to (1) appropriate health care and social services, including social work services, rehabilitation services, home health services, hospice services, skilled nursing services, physician services, oral health care, dietary consultation and services, counseling, psychiatric services and other specialty health and social services and (2) social and recreational services, including access to spiritual and religious activities consistent with your background and preferences. The services provided by us in Assisted Living Units do not include management of a Resident’s personal funds or property. You or your authorized agent will continue to have the full responsibility for the management and disposition of your personal funds and property. The term “assisted living services” as used in this Agreement means assisted living services as described in this Section 4.3.1.

Other services not provided as part of the Monthly Service Fee for the Assisted Living Units are identified in Exhibit B-3.

4.3.2. Additional Meals. Two additional full meals per day, including special diets as required, will be provided to all Residents in Assisted Living Units. These additional meals are not included in the Monthly Service Fee and are billed to the Resident at the then-current charge for additional meals or special diets as provided in Section 5.

4.4. Nursing Care Units and Services.

The Nursing Care Units are comprehensive care beds located in the Community Health Center and include the following options subject to availability and fees: private room with shared bath; private room with private bath; deluxe room with private bath and super deluxe room with private bath. They are furnished with a single bed, mattress, pillows, bedside stand with drawer, a chair, chest of drawers, bedside lamp, bath linens and bed linens. We will make available to you while you reside in a Nursing Care Unit, in addition to the services provided to all Residents, the following nursing care services:

- Nursing care, including skilled nursing services;
- Coordination of comprehensive health services and interventions, including facilitating access to social work services, rehabilitative services, home health services, physician services, oral health care, dietary consultation and services,

counseling, psychiatric services and other specialty health and social work services, as needed;

- Assistance with activities of daily living, including ambulation, personal hygiene, dressing, toileting and eating;
- Assistance with medication storage, administration and monitoring;
- Locked storage for valuables for use by Resident at Resident's own risk; and
- Telephone.

The term "nursing care services" as used in this Agreement means nursing care services as described in this Section 4.4.

Two additional meals per day will be provided to all Residents in a Nursing Care Unit. These additional meals are not included in the Monthly Service Fee and are billed to the Resident at the then-current charge for additional meals as provided in Section 5.

If you transfer to the Nursing Care Unit permanently, you will be required to sign an additional separate agreement for comprehensive care services (Acknowledgement of Permanent Assignment to a Nursing Care Unit), attached hereto as Exhibits C-1 and C-2. This agreement is a model form agreement approved by the Maryland Department of Health, but is not required to be, and will not be, approved by the Maryland Department of Aging for compliance with legal requirements or coordination with this Agreement.

5. Additional Services and Features.

5.1. Additional Services Provided For an Extra Charge.

We will also make available, at your request and so long as you reside in the Community, certain additional services and features for an extra charge at the then prevailing rates, including, but not limited to:

- Additional meals or special diets per day;
- Laundry services;
- Guest accommodations, when available;
- Certain ancillary services and supplies, including physical therapy services, pharmaceuticals, and other similar services and supplies;
- Unscheduled transportation; and
- Other optional services and features as approved by us.

The fee schedule in effect on the date of this Agreement for offered additional services is attached to this Agreement as Exhibit I, and a current fee schedule is available at all times at the Community reception desk. The fees charged for additional services may be changed by us at any time with forty-five (45) days advance notice to you. If you reside in an Assisted Living Unit or a Nursing Care Unit, the charge for two additional meals per day will be billed automatically each month. All additional meal charges and other costs and charges incurred by us for additional services

provided will be invoiced with your regular monthly billing and you will be obligated to promptly reimburse us for such costs upon receipt of your monthly billing.

5.2. Medical Director.

We have designated a physician licensed to practice in Maryland to serve as Medical Director of the Community Health Center. The Medical Director or his/her designee will be available to respond to emergency calls at the Community Health Center when summoned by designated Community Health Center personnel. We will not be responsible for the cost of medical treatment rendered by the Medical Director or such other physician(s) nor will we be responsible for the cost of medicine, drugs, prescribed therapy, or other similar services and supplies. You are encouraged to retain the services of a physician or physicians of your choice.

6. Changes in Accommodation.

If we determine, based on consultation with the Medical Director, that you need a higher level of services or support than that available in your current Living Unit, you may be transferred to an Assisted Living Unit, a Nursing Care Unit or a Special Facility, depending on the level of services required by you and pursuant to the standards set forth in this Section 6.

All transfer determinations will be made by us in our sole discretion, in consultation with the Medical Director, and will take into consideration the general welfare of all residents of the Community as well as your individual medical assessment. Your medical assessment will include an assessment of your physical and mental capacity to function safely in independent or assisted living, your assessed need, if any, for comprehensive care services or other special services only available outside the Community, and any other health evaluation required by State law.

In addition, you may be relocated to another Assisted Living Unit or Nursing Care Unit of the same level of care in the event we determine that such a relocation is necessary for the protection of your health or safety or for the general or economic welfare of all residents.

6.1. Non-Emergency Transfer or Relocation.

In the event that we determine that transfer or relocation to an Assisted Living Unit or to a Nursing Care Unit is necessary for the protection of your own health or safety or for the general or economic welfare of other residents, and such transfer or relocation is of a non-emergency nature, we will request that you transfer or relocate to an appropriate available Assisted Living Unit or Nursing Care Unit within thirty (30) days of notice to you of our determination.

If we determine, in our sole discretion and in consultation with the Medical Director, that you require services that are not provided in Assisted Living Units or Nursing Care Units and that are only available at a hospital or other facility outside the Community, as determined by us in our sole discretion to be appropriate (a "Special Facility"), we will request that you transfer to such Special Facility. If you refuse to consent to such transfer, we may terminate this Agreement if permitted in accordance with Section 8.1.3.

6.2. Emergency Transfer/Relocation.

If, in the opinion of the Medical Director, your continued occupancy of your Living Unit presents an imminent and serious threat to your health or safety or the health or safety of other Residents, we may transfer or relocate you to an appropriate Assisted Living Unit or Nursing Care Unit or as necessary, to a hospital or other Special Facility, as determined by us in our sole discretion to be appropriate, until we determine, upon consultation with the Medical Director, that you are able to return to your Living Unit. We are not responsible for any charges or expenses related to such transfer or relocation.

6.3. Transfer to an Alternate Assisted Living or Health Center.

If you require assisted living services but, due to unusual circumstances, there is no available Assisted Living Unit in which you can receive the needed assisted living services, we will at our option (1) provide the necessary assisted living services in your current Independent Living Unit, or (2) transfer you to a nearby alternate health center to provide assisted living services. Upon your transfer to an alternate health center, you will continue to pay the Monthly Service Fee under this Agreement. To the extent we have agreed to provide you assisted living services under this Agreement, we will be responsible for the charges associated with those assisted living services provided at the alternate health center. Costs for additional services and accommodations not provided in consideration for the Monthly Service Fee will be at your expense. You will be relocated to an Assisted Living Unit in the Community as soon as an Assisted Living Unit becomes available.

If you require nursing care services but, due to unusual circumstances, there is no available Nursing Care Unit in which you can receive the needed nursing care services, we will at our option (1) provide the necessary nursing care services in your current Living Unit or (2) transfer you to a nearby alternate health center to provide nursing care services. Upon your transfer to an alternate health center, you will continue to pay the Monthly Service Fee under this Agreement. To the extent we have agreed to provide you nursing care services under this Agreement, we will be responsible for the charges associated with those nursing care services provided at the alternate health center. Costs for additional services and accommodations not provided in consideration for the Monthly Service Fee will be at your expense. You will be relocated to a Nursing Care Unit in the Community as soon as a Nursing Care Unit becomes available.

6.4. Temporary and Permanent Transfers/Relocations.

A transfer to an alternate health center is a temporary transfer. Transfer to a hospital or other Special Facility is also a temporary transfer; however, you or we may give notice of termination of this Agreement in the circumstances described in Section 8.

All transfers to an Assisted Living Unit or to a Nursing Care Unit are temporary until we, in consultation with the Medical Director, determine that you require the level of services offered in

the Assisted Living Unit or the Nursing Care Unit on a permanent basis. Your transfer to an Assisted Living Unit or to a Nursing Care Unit, as appropriate, will become a permanent transfer effective upon notice to you of our determination.

If you are relocated to another Assisted Living Unit or Nursing Care at the same level of care, as permitted under Section 6.1 or 6.2, your relocation will become permanent when we give you notice of our determination that a permanent relocation is necessary for the protection of your health or safety or the general or economic welfare of other residents.

If you are a single Resident and it is determined that your transfer or relocation is permanent, you will be required to relinquish your former Living Unit. If there are two of you and only one of you is permanently transferred or relocated to an Assisted Living Unit or a Nursing Care Unit, the other Resident may continue to occupy the Living Unit. If there are two residents, you will be required to relinquish your former Living Unit when the second Resident has been transferred or relocated permanently to an Assisted Living Unit or to a Nursing Care Unit.

If you are required to relinquish your Living Unit, you must remove all of your furnishings and other property from such relinquished Living Unit within thirty (30) days of the date you receive notice of permanent relocation. If your furnishings and other property is not removed within the thirty days, we may remove and store such furnishings and other property at your expense and risk. We are not responsible for any moving costs or other charges related to transfer or relocation.

6.5. Changes in Monthly Service Fee.

In the event of a temporary transfer or relocation, you will continue to pay the Monthly Service Fee for your Living Unit which you will not be required to release; however, you will be invoiced monthly for the additional meals per day and other services provided to you which are not covered by your Monthly Service Fee. In the event of a permanent transfer or relocation to an Assisted Living Unit or to a Nursing Care Unit, your Monthly Service Fee will be changed pursuant to Section 1.3.4.

If there are two Residents under this Agreement and one of the Residents is assigned temporarily or permanently to an Assisted Living Unit, a Nursing Care Unit or to a facility outside the Community, the other Resident may continue to occupy the Living Unit under this Agreement in consideration of the applicable Monthly Service Fee as provided in Section 1.3.4.

6.6. Return to Living Unit.

If you are temporarily assigned to an Assisted Living Unit or a Nursing Care Unit, you will not be required to give up your Living Unit. You can return to your Living Unit when it is determined by us, in consultation with the Medical Director, that you are able. If, after you have been permanently assigned to an Assisted Living Unit or a Nursing Care Unit, we determine, in consultation with the Medical Director, that you are able to return to an Independent Living Unit or to an Assisted Living Unit from which you were transferred to a Nursing Care Unit, we will provide you a unit of the

same type as the one you previously occupied, as soon as one is available and your Monthly Service Fee will again be adjusted to the applicable Monthly Service Fee for that Living Unit.

6.7 Transfer to Special Facility.

In the event of a transfer to a hospital or other Special Facility outside the Community as provided in Sections 6.1 and 6.2, we will hold your Living Unit or bed until your return or termination of this Agreement. You will continue to be responsible for payment of the Monthly Service Fee and other fees as provided in this Agreement. We have no responsibility for any fees or costs associated with your transfer to or services provided by such Special Facility.

7. Your Termination Rights.

7.1. Prior to Occupancy.

Your termination and refund rights prior to Occupancy are described in Section 2.

7.2. Subsequent to Occupancy.

After Occupancy, you may terminate this Agreement at any time (i) by providing to us ninety (90) days' advance written notice at any time during the first ninety (90) days from Occupancy or (ii) by providing to us one hundred twenty (120) days' advance written notice at any time after ninety (90) days from Occupancy. Such written notice must be signed by you and shall be irrevocable after thirty (30) days following the date of such notice. If there are two Residents, notice of termination given by one Resident will terminate the Agreement as to both Residents. If you give such notice, this Agreement shall terminate on the day following the expiration of the required notice period. You will continue to pay the Monthly Service Fee until the later of (i) the expiration of such notice period or (ii) the date you vacate (*i.e.*, have removed all furnishings and personal items) your currently assigned Living Unit or Units (as applicable), provided, however, that no Monthly Service Fee will be charged for any period that your last permanently assigned Living Unit or Units (as applicable) is occupied by a new resident who is paying a Monthly Service Fee for that unit. You will be entitled to receive a refund of your Entrance Fee in accordance with Section 3.1.

8. Our Termination Rights.

8.1. Just Cause.

We will not terminate this Agreement after Occupancy except for just cause. Just cause is defined as:

8.1.1. Nonpayment of any amount owed by you to us under this Agreement;

8.1.2. Material breach of this Agreement or the written, reasonable rules of the Community that contractually bind the Resident; or

8.1.3. Health status or behavior which constitutes a substantial threat to your health or safety or to the health or safety of the other Residents of the Community.

If we terminate this Agreement as provided in this Section, we will have no further obligation to you, except that you will be entitled to receive a refund in accordance with Section 3.2.

8.2. Notice of Termination.

Before any termination of this Agreement by us, we will give you advance notice in writing of the reasons. You will have such time as is stated in the notice, but no less than sixty (60) days after the date of the notice, to correct the problem. If the problem is corrected within the sixty (60) day period, this Agreement will not be terminated. If the problem is not corrected within that period of time, this Agreement shall terminate sixty (60) days following the date of our notice. You will continue to pay the Monthly Service Fee until the later of (i) the expiration of such notice period or (ii) the date you vacate (inclusive of furnishings and personal items) your currently assigned Living Unit or Units (as applicable), provided, however, that no Monthly Service Fee will be charged for any period that your last assigned Living Unit or Units (as applicable) is occupied by a new resident who is paying a Monthly Service Fee for that unit. You will be entitled to receive a refund of your Entrance Fee in accordance with Section 3.2.

8.3. Termination Upon Transfer from Community.

If a transfer to a hospital or other Special Facility outside the Community is a result of circumstances described in Section 8.1.3 above, we may terminate the Agreement pursuant to this Section.

8.3.1. If there is one Resident under this Agreement and you have been moved to a hospital or other Special Facility on account of the circumstances described in Section 8.1.3, we may elect to terminate this Agreement following such transfer by providing you with a written notice of termination stating that this Agreement will be terminated sixty (60) days following the date of the notice unless your condition improves and you are subsequently readmitted to the Community. If you sufficiently recover during the sixty (60) days, you may return to the Community and the notice of termination will be void. If you do not recover sufficiently, you will receive a refund pursuant to Section 3.2.

8.3.2. If there are two Residents under this Agreement and one of the Residents is transferred with his/her consent to a hospital or other Special Facility under the circumstances described in Section 8.1.3, we will not terminate this Agreement on account of the transfer of one Resident, and the other Resident may continue to occupy the Living Unit or the Community Health Center under the terms of this Agreement or either Resident may elect at his or her option to terminate this Agreement as to both Residents pursuant to Section 7.2 and receive a refund under Section 3.1. If neither Resident elects to terminate this Agreement, the Resident who has been transferred to a hospital or Special Facility may return to the Community at any time we have determined that he or she has sufficiently recovered to resume residency.

8.3.3. In the event of a transfer of one of two Residents to a hospital or Special Facility under the circumstances described in Section 8.1.3 without the consent of the transferred Resident, we will give sixty (60) days notice of termination of the Agreement as to the transferred Resident only and the second Resident may continue to occupy the Living Unit under the terms of this Agreement. If we determine that the transferred Resident has sufficiently recovered during the sixty (60) days, he or she may return to the Community and the notice of termination will be void. If the transferred Resident does not return to the Community prior to the end of sixty days, he or she will receive a refund of the Resident Share of the Entrance Fee as provided in Section 3.1.4. Upon the termination of this Agreement with respect to the remaining Resident, he or she shall be entitled to the remaining refund as provided in Section 3.1.4.

As of the date of termination of the transferred Resident, he or she shall have no further rights or legal responsibilities under this Agreement except (a) the legal responsibility for all claims and liabilities accruing or arising under this Agreement through the date of termination which claims and liabilities shall survive termination, and (b) the right to receive a refund of the Entrance Fee as provided under Section 3.2

9. Miscellaneous Provisions.

9.1. Duration of Your Right to Occupy the Living Unit.

You may reside in your Independent Living Unit for so long as you (or either of you) live, unless this Agreement is terminated by you or by us as provided in Section 7 or 8, or unless you (both of you, if there are two of you) are permanently assigned to an Assisted Living Unit or to a Nursing Care Unit as provided under Section 6.

9.2. Occupants of the Living Unit.

No person other than you and your occasional overnight invitee may reside in the Living Unit except with our express written approval. If you are a single resident of an Independent Living Unit and you desire to reside with a non-resident spouse or other non-resident with whom you have a significant long-term relationship, we may, in our sole discretion and in accordance with this Section 9.2, permit you and the second person to enter into a new joint residency agreement for your current Living Unit or another appropriate Living Unit, if available. We shall have the right to require the non-resident to meet all our then-current admission requirements and eligibility criteria. If, in our sole discretion, we approve the second person for residency and there is an available Independent Living Unit appropriate for the current needs of both you and the second person, you and the second person may enter into a joint residency agreement in consideration of the then-current Entrance Fee for joint occupancy of such Independent Living Unit, provided that you first terminate this Agreement in accordance with Section 7. You may elect to have the refund amount payable to you under Section 3.1 applied to the payment of your new Entrance Fee under the joint residency agreement.

In the event that you request a change in the Independent Living Unit assigned to you under this Agreement, Ginger Cove may, in its sole discretion and in accordance with its then-current policies relating to reassignments, permit such reassignment to another Independent Living Unit in accordance with the terms and conditions set forth in the Change in Independent Living Unit Addendum attached to this Agreement as Exhibit G, which Addendum must be signed by you prior to any reassignment permitted by Ginger Cove.

9.3. Use of the Living Unit.

Your Living Unit shall not be used for carrying on any business or profession nor in any manner in violation of zoning restrictions.

9.4. Right of Entry.

We will recognize your right to privacy in the Independent Living Unit, however, we reserve the right to enter any Independent Living Unit in order to carry out the purpose and intent of this Agreement. Such legitimate entries include, but are not limited to, entry for routine maintenance and inspection, response to emergency calls, fire or medical alerts or other emergency responses. Entry for routine services will be conducted only with prior notice. In addition, we reserve the right to enter to make changes to the Independent Living Unit in the event that we determine such changes to the Independent Living Unit are necessary for the safety or welfare of you or other residents. Prior to making such changes to the Independent Living Unit, we will advise you of the nature of the changes, the reason for the changes, and whether such changes will require that you vacate your Independent Living Unit. Should it be necessary to make changes which necessitate temporary vacation of your Independent Living Unit, we will provide alternate facilities for you, within or outside the Community, without additional cost to you, for any period during which your Independent Living Unit is not habitable due to the making of such changes. We reserve the right of unrestricted entry into an Assisted Living Unit subject to your privacy rights as set out in our Notice of Residents' Rights posted in the Community. There are no locks available in the Community Health Center. There are locks on the doors of Assisted Living Units in the assisted living buildings.

9.5. Furnishings.

Furnishings within the Living Units will not be provided by the Community except as stated in Section 4. Furnishings provided by you in the Independent Living Unit, or as permitted, in the Assisted Living Unit, shall not be such as to interfere with your health, safety, or general welfare, or the health, safety, or general welfare of others. If removal of your furnishings and other property is not completed within thirty (30) days following your death (if there are two of you, the death of the survivor) or termination of this Agreement as provided in Section 7 or 8, then we may remove and store such furnishings and other property at the expense and risk of you or your estate.

9.6. Modifications of the Living Unit or Its Equipment.

No modifications of your Independent Living Unit or Assisted Living Unit or its equipment may be made either prior to or during your residency except with our express written consent, which will not be unreasonably withheld, and upon execution by you and us of an Alteration of Living Unit Agreement (Exhibit D). For such requests, please contact the Finance Office. All modifications will be at your cost and expense, and you will be solely responsible for contracting for approved modifications and for the actions of your contractor. No modifications may be made to a Nursing Care Unit. Upon your permanent assignment to another Living Unit or termination of this Agreement, we reserve the right to require that any modifications made by you be removed, and that the Independent Living Unit or Assisted Living Unit be restored to its original design at your expense.

10. Representations.

10.1. Requirements of Residency.

You represent and warrant to us that you are capable of independent living, free of communicable disease, and have assets and income which are sufficient under foreseeable circumstances and after provision for payment of your obligations under this Agreement to meet ordinary and customary living expenses after Occupancy (this is a requirement of admission, unless waived by us in writing and after full disclosure by you of the circumstances); that all facts stated in this Agreement and the Confidential Data Application signed by you in connection with this Agreement (a copy of which is attached) are true and complete; that you have not made any gift of your property in contemplation of signing this Agreement; and that you will be at least 60 years of age upon your Occupancy at the Community.

10.2. Purpose.

We represent and warrant to you that we are a not-for-profit corporation organized for the purpose of owning and operating the Community.

11. Covenants.

11.1. Financial Difficulty.

It is and will be our declared policy to operate as a charitable organization and not to terminate your residency solely by reason of your financial inability to pay the total Monthly Service Fee when you establish facts to justify deferment of such charges and when deferment of such charges can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis for the benefit of the Residents. Deferment of such charges may, in our sole discretion, take the form of a loan or advance made to you or on your behalf by our Friendship Fund or otherwise for the purpose of payment of such charges. The Friendship Fund may provide assistance to Residents residing in Independent Living Units, Assisted Living Units and Nursing Care Units. We do not participate in the Medicaid program, and you will not be required to apply for benefits under Medicaid or public assistance programs.

11.2. Resident Covenants.

You agree that you will comply with all of the Community Policies; that you will pay the Entrance Fee and Monthly Service Fee and other charges provided for by this Agreement; that, within sixty (60) days following Occupancy, you will provide by will or otherwise for the disposition of all your furnishings, possessions and property located at the Community; that you will not impair your ability to meet your financial obligations to us under this Agreement by excessively transferring assets other than to meet ordinary and customary living expenses, without our consent; and that you will abide by all other terms of this Agreement.

11.3. Supplemental Insurance.

The Community will participate in the Medicare program. You represent that upon your Occupancy at the Community you will be entitled to Medicare Part A benefits and enrolled in the Medicare Part B program or, that you have equivalent insurance coverage acceptable to us. Further, you will maintain at your expense, while you are a Resident of the Community, Medicare Part A, Medicare Part B and one health insurance policy to supplement Medicare or equivalent insurance coverage acceptable to us, and, upon our request, you will furnish us copies of such policies. Maintenance of such insurance coverage is a significant obligation of yours under this Agreement. If such coverage is not maintained by you, we may seek to terminate this Agreement as provided in Section 8. If you do not have the required insurance coverage during any period in which you reside, temporarily or permanently, in a Nursing Care Unit, you agree to pay all skilled nursing or other medical costs incurred by you that would be covered by the required insurance. Payment of such costs is in addition to amounts due under Section 5 of this Agreement for other services and medical costs not covered under the Monthly Service Fee.

12. Miscellaneous Legal Provisions.

12.1. Nature of Rights.

Except as to reimbursement of the amounts described in Sections 2 and 3, you may not assign or otherwise transfer this Agreement or your rights (including the use of the Living Unit) under it, and no prohibited assignment or other transfer of rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees or representatives, except as to reimbursement of the amounts described in Sections 2 and 3. Your contractual right to occupy the Living Unit shall exist and continue to exist during your lifetime unless terminated by you or by us pursuant to Section 7 or 8. You and we expressly understand that this Agreement grants you a revocable license to occupy and use space in the Community, that you are not given exclusive possession of the Living Unit as against us, and you and we understand that this Agreement is not a lease or easement and does not transfer or grant to you any interest in real property owned by us.

12.2. Release.

We are not responsible for loss of or damage to your personal property, unless such loss is caused by our negligence or the negligence of our agents or employees, and you hereby release us from

any such liability. You may want to obtain at your own expense insurance to protect against such losses.

12.3. Transfers.

If financially beneficial to the Community, the Community or the land upon which it is located may be sold and leased back, provided such transaction does not in any way alter our contractual obligations to you. Such transfers may require approval of the Maryland Department of Aging and/or disclosure to you. Any benefit to the Community, thus obtained, would be used to the benefit of Residents and the Community. Your signature hereto constitutes your consent and approval to any such future transfers.

12.4. Indemnity.

We shall not be liable for, and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to, or in any way connected with your acts or omissions.

12.5. Subordination.

You agree that all of your rights under this Agreement will always be subordinate and junior, except to the extent such subordination is limited under Sections 10-401 through 10-499 of the Human Services Article of the Annotated Code of Maryland, to the lien of all mortgages or other documents creating liens encumbering the Community or any of the assets of Annapolis Life Care, Inc., which have been or will be executed by us. Upon request, you agree to sign, acknowledge, and deliver to such lenders such further written evidence of such subordination as such lenders may reasonably require. You will not be liable for any such indebtedness.

12.6. Amendment of Agreement.

No amendment of this Agreement will be valid unless in writing and signed by you and us. This Agreement may not be amended without the prior approval of the form of the amendment by the Maryland Department of Aging.

12.7. Governing Law.

This Agreement will be governed, interpreted and construed according to the laws of the State of Maryland.

12.8. Severability.

The invalidity or unenforceability of any part of this Agreement will not impair or affect in any way the validity or enforceability of the rest of this Agreement. Notwithstanding the foregoing,

this Section 12.8 shall not have the effect of invalidating any legal rights or remedies available to you under Sections 10-401 through 10-499 of the Human Services Article.

12.9. Residents.

When there are two of you, the rights and obligations of each of you are joint and several, except as the context of this Agreement otherwise requires.

12.10. Funeral and Burial Services.

No funeral or burial services or expenses are to be provided by us pursuant to this Agreement.

12.11. Affiliations.

Annapolis Life Care, Inc., is a not-for-profit Maryland corporation. Annapolis Life Care, Inc. is affiliated with Ginger Cove Foundation, Inc., a tax-exempt foundation formed in 2002 by Annapolis Life Care, Inc. to engage in charitable fund-raising activities for the financial support of Annapolis Life Care, Inc. Annapolis Life Care, Inc. is not affiliated with and does not receive financial support from any other charitable or religious group. Annapolis Life Care, Inc. is also affiliated with Ginger Cove Home Health Care LLC, a Maryland licensed residential services agency that contracts directly with residents of the Community to provide certain home health care services.

12.12. Fee Adjustments for Absences.

No fee adjustments for absences from the Community will be made, except as specifically provided in this Agreement or at our sole discretion.

12.13. Entire Agreement.

This Agreement and any addenda hereto contain our entire understanding with respect to your residency. This Agreement may be modified by us at any time in order to comply with laws and regulations without further agreement by you, subject to approval by the Maryland Department of Aging. In the event that you permanently transfer to a Nursing Care Unit, you will be required to sign an additional separate agreement for Nursing Care Services that has been approved by the Maryland Department of Health but will not be approved by the Maryland Department of Aging for compliance with legal requirements or coordination with this Agreement.

12.14. Use of Fees Collected by Us.

Fees collected by Annapolis Life Care, Inc. under this Agreement may only be used for purposes set forth in this Agreement, including the purposes referred to in the next sentence. Annapolis Life Care, Inc. may use fees paid by Residents of the Community for purposes unrelated to the construction, operation, maintenance, or improvement of the Community, including for the

furtherance of Annapolis Life Care, Inc.'s corporate mission, to distribute profits, or to benefit an affiliated community.

12.15. Complaint Policy; Legal Remedies.

There is an internal grievance procedure to investigate the grievances of Residents. A copy of the Community's internal grievance procedure is set forth in its disclosure statement. Residents of facilities such as the Community are protected by the provisions of Sections 10-401 through 10-499 of the Human Services Article which provides that Residents injured by violation of that subtitle may bring an appropriate action for equitable relief or an action for the recovery of damages in any court of general jurisdiction, and the award may include reasonable attorneys' fees in the event of a favorable judgment. If it is determined by a court that the terms of this Agreement are in violation of any of Sections 10-401 through 10-499 of the Human Services Article and that you have been injured by such violation, you are entitled to rescind this Agreement at any time and to receive treble damages for extensive injuries arising from the violations. In the event that we prevail in any collection proceeding against you relating to amounts owed under this Agreement, then in addition to all other rights and remedies available to us, you shall reimburse us on demand for all reasonable expenses, including, without limitation, reasonable attorneys' fees, incurred by us in connection with any legal proceedings or arbitration.

While you are residing in a Nursing Care Unit or in an Assisted Living Unit, if there are differences between applicable continuing care, assisted living, and nursing facility licensure requirements, the applicable provision most favorable to you will control.

12.16. Rights and Remedies.

All rights and remedies provided to us under this Agreement shall be cumulative and concurrent and in addition to all other rights and remedies available to us at law, in equity or otherwise, and the exercise by us of one or more of such rights or remedies shall not preclude our exercise of the same or other rights and remedies at any time.

12.17. Residents' Association.

Residents shall have the right to organize and operate a Residents' association at the Community and to meet privately at the Community to conduct business.

12.18. Certified Financial Statements.

We will make available to you our disclosure statement and certified financial statements that have been submitted to the Maryland Department of Aging as required by Sections 10-424 and 10-444 of the Human Services Article of the Annotated Code of Maryland.

12.19. Arbitration.

Any controversy arising out of or relating to this Agreement, other than any controversy relating to a right or remedy protected under Sections 10-401 through 10-499 of the Human Services Article of the Annotated Code of Maryland shall be determined and settled by arbitration before a single arbitrator agreed upon by the parties to this Agreement. The arbitration shall be conducted in Annapolis in Anne Arundel County, and judgment on the award rendered may be entered in any court having jurisdiction. Rules agreed to by the parties or chosen by the arbitrator shall govern the arbitration. In the event that the parties are unable to agree on the selection of an arbitrator within ten (10) days after initiation of an arbitration proceeding, the arbitrator shall be appointed by the American Arbitration Association. To the extent not inconsistent with this section, the internal law of the State of Maryland, including its statute of limitations applicable to the commencement of a lawsuit, shall apply to arbitration conducted under this Section 12.19 and to the commencement of arbitration hereunder. Any award rendered by the arbitrator shall be final and binding on each of the parties and their representatives, and judgment shall be entered on any such award in any court having jurisdiction.

12.20. Tax Consequences.

Each person considering executing this Agreement should consult with his or her tax advisor regarding the tax consequences associated with this Agreement, including the application of the below-market loan provisions of Section 7872 of the Internal Revenue Code. You understand and agree that you will be responsible for your individual tax obligations.

12.21. Beneficiary Designation.

You may designate a beneficiary to receive certain Entrance Fee refunds payable under this Agreement by executing a Beneficiary Designation form approved by us. Without limiting the foregoing, to be valid and effective a designation of beneficiary must be in writing, witnessed by at least two competent witnesses, not contingent, and specified in percentages and account for 100% of the Entrance Fee refund. Please contact the Finance Office for changes to beneficiary designation.

12.22. Capacity.

The execution of this Agreement on behalf of Annapolis Life Care, Inc. will be by the duly authorized agent of the Community, and no officer, director, agent or employee of Annapolis Life Care, Inc. will have any personal liability to you under this Agreement under any circumstance. This Agreement will become effective upon acceptance and execution by the Community.

12.23 Notices.

Notices to the Resident(s) prior to Occupancy, when required by the terms of this Agreement, shall be in writing and shall be either (i) mailed to the Resident at the mailing address listed in the Resident's application for admission, or (ii) emailed to the Resident at the email address listed in the Resident's application for admission. Notices to the Resident(s) on and after Occupancy, when required by the terms of this Agreement, shall be in writing and shall be either (i) hand-delivered

to the Resident(s) at his/her current Living Unit, or (ii) emailed to the Resident at the email address currently on file with Annapolis Life Care, Inc. Notices to Annapolis Life Care, Inc., when required by the terms of this Agreement, shall be mailed or hand-delivered to Annapolis Life Care, Inc., Attn: Chief Executive Officer, 4000 River Crescent Drive, Annapolis, MD 21401.

12.24. Receipt of Documents.

Annapolis Life Care, Inc. represents and the Resident(s) acknowledge that the Resident(s) have received at least two weeks before signing this Agreement the following: (i) this Residency Agreement form with its Exhibits; (ii) the current Disclosure Statement with its Exhibits; and (iii) the current version of the written rules of Annapolis Life Care, Inc., which rules are subject to change by Annapolis Life Care, Inc. from time to time.

12.25. Registration with Maryland Department of Aging.

Annapolis Life Care, Inc. is registered with the Maryland Department of Aging. **A PRELIMINARY CERTIFICATE OF REGISTRATION OR CERTIFICATE OF REGISTRATION IS NOT AN ENDORSEMENT OR GUARANTEE OF THE FACILITY BY THE STATE OF MARYLAND. THE MARYLAND DEPARTMENT OF AGING URGES YOU TO CONSULT WITH AN ATTORNEY AND A SUITABLE FINANCIAL ADVISOR BEFORE SIGNING ANY DOCUMENTS.**

[Signatures follow on next page]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the last day and year written below.

Witness

Resident

Dated: _____

Witness

Resident

Dated: _____

Witness:

ANNAPOLIS LIFE CARE, INC.

By: _____

Title: _____

Dated: _____

Statutory Acknowledgements

Sections 10-424 and 10-444 of the Human Services Article of the Annotated Code of Maryland require the following acknowledgments by each of the Resident(s).

I have received a copy of the provider’s latest certified financial statement at least 2 weeks before signing this Agreement, and I have reviewed the certified financial statement provided.

Resident _____

Resident _____

I have received a copy of the provider’s latest disclosure statement, and I have reviewed the disclosure statement provided.

Resident _____

Resident _____

I acknowledge reviewing all of the terms of the Entrance Fee refund clauses and provisions contained in this Agreement.

Resident _____

Resident _____

SCHEDULE 1

ENTRANCE FEE REFUND AFTER OCCUPANCY

Ginger Cove may offer different options for the amount of the Entrance Fee refund that you will be entitled to in the event the Agreement is terminated after Occupancy as described in Section 3 of the Agreement (the “Entrance Fee Refund After Occupancy”). Availability of different options for the Entrance Fee Refund After Occupancy will depend on the Community’s actuarial considerations. The amount of your Entrance Fee will vary depending on which Entrance Fee Refund After Occupancy option you select. You have selected the Entrance Fee Refund After Occupancy option as indicated below by your initials (*select only one*):

Selection	Amount of Entrance Fee Refund After Occupancy
<p>_____</p> <p style="text-align: center;">(Initials)</p> <p>_____</p> <p style="text-align: center;">(Initials)</p>	<p>The Standard 90% Refund Plan: 90% of the first person entrance fee is refundable, less permissible offsets as set forth in Section 3.3 of the Agreement. The second person entrance fee is non-refundable.</p> <p><i>Example:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 35 months of residency at Ginger Cove. The refund is 90% of the \$300,000 entrance fee paid, or \$270,000.</p>
<p>_____</p> <p style="text-align: center;">(Initials)</p> <p>_____</p> <p style="text-align: center;">(Initials)</p>	<p>50% Declining Balance Refund Plan: Deduct a 2% community fee from the first person entrance fee. The remaining amount is then reduced by 1% per month for 48 months, at which point the refundable amount of the entrance fee remains at 50% for the duration of the Residency Agreement, less permissible offsets as set forth in Section 3.3 of the Agreement. The second person entrance fee is non-refundable.</p> <p><i>Example #1:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 35 months of residency at Ginger Cove. The refund is 63% (<i>i.e.</i>, 100% - 2% - (35 months * 1%) = 63%) of the \$300,000 entrance fee paid, or \$189,000.</p> <p><i>Example #2:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 70 months of residency at Ginger Cove. The refund is 50% (<i>i.e.</i>, 100% - 2% - (48 months * 1%) = 50%) of \$300,000, or \$150,000.</p>
<p>_____</p> <p style="text-align: center;">(Initials)</p> <p>_____</p> <p style="text-align: center;">(Initials)</p>	<p>The 0% Declining Balance Refund Plan: Deduct a 2% community fee from the first person entrance fee. The remaining amount is then reduced by 2% per month for 49 months (less permissible offsets as detailed in the applicable Residency Agreement), at which point the refundable amount of the entrance fee remains at 0% for the duration of the Residency Agreement. The second entrance fee is non-refundable.</p> <p><i>Example #1:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 35 months of residency at Ginger Cove. The refund is 28% (<i>i.e.</i>, 100% - 2% - (35 months * 2%) = 28%) of the \$300,000 entrance fee paid, or \$84,000.</p> <p><i>Example #2:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 70 months of residency at Ginger Cove. The refund is 0% (<i>i.e.</i>, 100% - 2% - (49 months x 2%) = 0%) of \$300,000, or \$0.</p>

EXHIBIT A

ACKNOWLEDGEMENT OF TEMPORARY ASSIGNMENT TO ASSISTED LIVING UNIT

This acknowledgement is made this ____ day of _____, 20__ to recognize the temporary transfer to an Assisted Living Unit in accordance with the terms of a residency agreement between Annapolis Life Care, Inc. and _____, dated _____, 20__ (the “Residency Agreement”) in the life care retirement community known as Ginger Cove (the “Community”).

The undersigned Resident or Resident’s representative hereby acknowledges that the Community Medical Director has evaluated the Resident and determined that the Resident is in need of a (low/moderate/high) level of assisted living care. Accordingly, the Resident (or the Resident’s representative) hereby consents to a temporary transfer to the following Living Unit _____.

The Resident or Resident’s representative acknowledges that he or she (1) has reviewed all the Community rules, requirements and restrictions relating to Assisted Living Units and services and (2) has received a copy of the Disclosure Statement relating to affiliations of Annapolis Life Care, Inc. and the assisted living program and services provided by the Community and a copy of the Notice of Residents’ Rights.

Resident/Representative

Authorized Representative of
Annapolis Life Care, Inc.

Medical Director

EXHIBIT B-1

**ACKNOWLEDGMENT OF PERMANENT ASSIGNMENT
TO ASSISTED LIVING UNIT
(Assignment of First of Two Residents)**

This Acknowledgment is made this ____ day of _____, 20____, to recognize the occurrence of certain events in accordance with the terms of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (the “Residents”) dated _____, 20____ (the “Residency Agreement”) for Living Unit _____ (the “Living Unit”) in the life care retirement community known as Ginger Cove (the “Community”).

The parties to the Residency Agreement acknowledge that Annapolis Life Care, Inc., in consultation with the Community Medical Director, has determined that one of the Residents, _____ (the “Assigned Resident”) is in need of assisted living services of a (low/moderate/high) level on a permanent basis and that, based on such determination and the consent of the Assigned Resident, the Assigned Resident has been permanently transferred from the Living Unit to an Assisted Living Unit effective _____, 20____. All Assisted Living Units are licensed by the Maryland Department of Health to provide assisted living care. Generally, Assisted Living Units located in the assisted living buildings are licensed to provide low to moderate levels of care and the Assisted Living Units located in the Community Health Center are licensed to provide a low, moderate and high level of care.

In accordance with the provisions of Section 6 of the Residency Agreement, the parties acknowledge that the other resident occupying the Living Unit under the Residency Agreement may continue to occupy the Living Unit and the Assigned Resident may occupy the Assisted Living Unit in consideration for the Monthly Service Fee (including second person fee) for the Living Unit.

The Resident or Resident’s representative acknowledges that he or she has (1) reviewed all the Community rules, requirements and restrictions relating to Assisted Living Units and services and (2) has received a copy of the disclosure statement relating to affiliations of Annapolis Life Care, Inc. and the assisted living program and services provided by the Community and a copy of the Notice of Residents’ Rights.

In the event of any conflict between the statements set forth in this Acknowledgement and the terms of the Residency Agreement, the terms of the Residency Agreement shall govern.

Assigned Resident
(or Responsible Party)

Authorized Representative of
Annapolis Life Care, Inc.

Other Resident

Medical Director

EXHIBIT B-2

**ACKNOWLEDGMENT OF PERMANENT ASSIGNMENT
TO ASSISTED LIVING UNIT
(Assignment of Single Resident or Second of Two Assigned Residents)**

This Acknowledgment is made this ____ day of _____, 20____, to recognize the occurrence of certain events in accordance with the terms of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (the “Resident” or “Residents”) dated _____, 20____ (the “Residency Agreement”) for Living Unit ____ (the “Living Unit”) in the life care retirement community known as Ginger Cove (the “Community”).

The parties to the Residency Agreement acknowledge that Annapolis Life Care, Inc. in consultation with the Community Medical Director, has determined that _____ (the “Assigned Resident”) is in need of assisted living services of a (low/moderate/high) level on a permanent basis and that, based on such determination and the consent of the Assigned Resident, the Assigned Resident has been permanently transferred from the Living Unit to an Assisted Living Unit effective _____, 20____ (the “Effective Date”). All Assisted Living Units are licensed by the Maryland Department of Health to provide assisted living care. Generally, Assisted Living Units located in the assisted living buildings are licensed to provide low to moderate levels of care and the Assisted Living Units located in the Community Health Center are licensed to provide a low, moderate and high level of care.

In accordance with the provisions of Section 6.4 of the Residency Agreement, the parties acknowledge that the Resident’s or, if there are two Residents, Residents’ right to use or occupy the Living Unit is terminated, and that Annapolis Life Care, Inc. may assign the Living Unit for occupancy by someone else. The parties have agreed that the Living Unit shall be vacated and the keys returned to the Community, on or before _____, 20____. The parties further acknowledge that the Resident’s Monthly Service Fee shall be changed to the applicable Monthly Service Fee (including the second person fee, if applicable) for a one bedroom deluxe Independent Living Unit on the Effective Date.

It is understood that if it is later determined by Annapolis Life Care, Inc., in consultation with the Community Medical Director, that the Assigned Resident is able to return to an independent living unit, as permitted under the Residency Agreement, a unit of the same type will be provided as soon as one becomes available. The Resident’s or Residents’ Monthly Service Fee shall then be changed to the then-current applicable Monthly Service Fee for that living unit.

The Assigned Resident or his/her representative acknowledges that he or she (1) has reviewed all the Community rules, requirements and restrictions relating to Assisted Living Units and services (2) has received a copy of the Disclosure Statement relating to affiliations of Annapolis Life Care, Inc. and the assisted living program and services provided by the Community and a copy of the Notice of Residents’ Rights.

In the event of any conflict between the statements set forth in this Acknowledgement and the terms of the Residency Agreement, the terms of the Residency Agreement shall govern.

Assigned Resident
(or Responsible Party)

Authorized Representative of
Annapolis Life Care, Inc.

Medical Director

EXHIBIT B-3

LIST OF SERVICES NOT OFFERED AS PART OF ASSISTED LIVING SERVICES (current as of October 1, 2022)

1. Provision of certain health care and social services, including: social work services, rehabilitative services, home health services, hospice services, skilled nursing services, physician services, oral health care, dietary consultation and services, counseling, psychiatric services, and other specialty health and social work services;
2. Provision of social and recreational services (other than those planned activities as provided as part of the Monthly Service Fee) including spiritual and religious activities;
3. Hand/tube feeding;
4. Catheter care;
5. Colostomy care;
6. Pressure sore or other wound care;
7. Incontinent care;
8. IV therapy;
9. Suctioning;
10. Tracheotomy care;
11. Transportation to medical appointments;
12. Radiology (x-ray services);
13. On-site laboratory;
14. On-site pharmacy;
15. Oxygen therapy;
16. Health equipment, including:
 - a. Walker;
 - b. Geriatric chair;
 - c. Wheelchair;
 - d. Pressure mattress;
 - e. Trapeze; and
17. Beauty and barber services.

Some of the above listed services may be offered as additional services from time to time as provided under Section 5 of the Residency Agreement. Due to continual changes in procedures and technology, this list is not exhaustive.

EXHIBIT C-1

**ACKNOWLEDGMENT OF PERMANENT ASSIGNMENT
TO A NURSING CARE UNIT
(Assignment of First of Two Residents)**

This Acknowledgment is made this ____ day of _____, 20____, to recognize the occurrence of certain events in accordance with the terms of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (the “Residents”) dated _____, 20____ (the “Residency Agreement”) in the life care retirement community known as Ginger Cove (the “Community”).

The parties to the Residency Agreement acknowledge that Annapolis Life Care, Inc., in consultation with the Community Medical Director, has determined that one of the Residents, _____ (the “Assigned Resident”) needs nursing care services on a permanent basis and that, based on such determination and the consent of the Assigned Resident, the Assigned Resident has been permanently transferred from the Living Unit to a Nursing Care Unit in the Community Health Center effective _____, 20____.

In the event of any conflict between the statements set forth in this Acknowledgement and the terms of the Residency Agreement, the terms of the Residency Agreement shall govern.

Assigned Resident
(or Responsible Party)

Authorized Representative of
Annapolis Life Care, Inc.

Other Resident

Medical Director

EXHIBIT C-2

**ACKNOWLEDGMENT OF PERMANENT ASSIGNMENT
TO A NURSING CARE UNIT
(Assignment of Single Resident or Second of Two Assigned Residents)**

This Acknowledgment is made this ____ day of _____, 20____, to recognize the occurrence of certain events in accordance with the terms of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (the “Resident” or “Residents”) dated _____, 20____ (the “Residency Agreement”) for Living Unit No. ____ (the “Living Unit”) in the life care retirement community known as Ginger Cove (the “Community”).

The parties to the Residency Agreement acknowledge that Annapolis Life Care, Inc. in consultation with the Community Medical Director, has determined that _____ (the “Assigned Resident”) needs nursing care services on a permanent basis and that, based on such determination and the consent of the Assigned Resident, the Assigned Resident has been permanently transferred from the Living Unit to a Nursing Care Unit in the Community Health Center effective _____, 20____ (the “Effective Date”).

In accordance with the provisions of Section 6.4 of the Residency Agreement, the parties acknowledge that the Resident’s or, if there are two Residents, Residents’ right to use or occupy the Living Unit is terminated, and that Annapolis Life Care, Inc. may assign the Living Unit for occupancy by someone else. The parties have agreed that the Living Unit shall be vacated and the keys returned to the Community, on or before _____, 20____. The parties further acknowledge that the Resident’s or Residents’ Monthly Service Fee shall be changed to the then-current Monthly Service Fee (including second person fee, if applicable) for a two bedroom traditional Independent Living Unit on the Effective Date.

In the event of any conflict between the statements set forth in this Acknowledgement and the terms of the Residency Agreement, the terms of the Residency Agreement shall govern.

Assigned Resident
(or Responsible Party)

Authorized Representative of
Annapolis Life Care, Inc.

Medical Director

EXHIBIT D

ALTERATION OF LIVING UNIT AGREEMENT

Description of Work to be done in Living Unit No.: _____

Name and Address of Contractor:

1. This Alteration of Living Unit Agreement is executed in accordance with the terms and conditions of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (all such Residents being referred to collectively as the “Resident”) dated _____, 20__ (the “Residency Agreement”). Terms used herein and not defined shall have the meaning ascribed to such terms in the Residency Agreement. The undersigned Resident hereby agrees as follows:

(a) The Resident has submitted all of the material and information requested by Annapolis Life Care, Inc. regarding the alterations of the Living Unit. The Resident represents that said material is complete and accurate, and, together with the description of the work above, represents the full scope of all alterations proposed under this Agreement (the “Alterations”).

(b) Resident represents that the total estimated cost of the Alterations is \$ _____. The Resident will assume direct and full responsibility for all costs and expenses associated with the Alterations and for ensuring that the Alterations are completed in a good and workmanlike manner by the above-named contractor, or a substitute contractor approved by Annapolis Life Care, Inc. No cost or expense related to the Alterations shall be the responsibility of Annapolis Life Care, Inc. No cost or expense related to the Alterations shall be refunded to the Resident in the event of termination of the Residency Agreement.

(c) The Resident further agrees that upon vacating this Living Unit, the Resident or the Resident’s estate will pay all costs of returning the Living Unit to its original design, as determined by Annapolis Life Care, Inc., in its sole discretion, should Annapolis Life Care, Inc. elect to have the Living Unit restored to its original design. At the option of Annapolis Life Care, Inc., such

restoration costs may be withheld from any refund of the Entrance Fee, excepting the statutory Entrance Fee refund, to which the Resident or the Resident's estate is entitled. In the event the statutory Entrance Fee refund is made, we reserve the right to collect such restoration costs through collection procedures, including legal proceedings.

2. In consideration of the foregoing representations and agreements of the Resident, Annapolis Life Care, Inc. hereby approves and consents to the Alterations of the Living Unit as set forth herein and authorizes the Resident to proceed.

Date

Resident

Date

Resident

ANNAPOLIS LIFE CARE, INC.

Date

By:

EXHIBIT E

WAIT LIST AGREEMENT

This Wait List Agreement (“Agreement”) is entered into this ____ day of _____, 20__ (“Effective Date”), between _____ (“Applicant,” or when two people are named in this Agreement, each of them and the survivor of them) and Annapolis Life Care, Inc., the provider of a residential community known as Ginger Cove, located in Annapolis, Maryland (“the Community”).

1. Wait List Agreement Requirements. Annapolis Life Care, Inc. acknowledges receipt from Applicant of a Confidential Data Application and a payment in the amount of _____ Dollars (\$ _____) (the “Wait List Payment”) made on this date. The Wait List Payment is for the sole purpose of securing the position of the Applicant on the Wait List for residency in a living unit at Ginger Cove as identified in Section 2 below. The Wait List Payment shall not be considered to be payment in whole or in part of the Entrance Fee for a living unit unless and until Applicant executes a Residency Agreement.

The Wait List Payment will be held by Annapolis Life Care, Inc. in a segregated account at a local bank. Although the Wait List Payment will not be used by Annapolis Life Care, Inc. in its general activities, the Wait List Payment will be an asset of Annapolis Life Care, Inc. and as such could become subject to the claims of creditors of Annapolis Life Care, Inc.

2. Living Unit Preference. Attached hereto as Attachment No. 1 is a list of the living units at the Community, as well as the fees associated with each unit. Applicant wishes to be considered for any of the living units identified under living unit type or types as specified below (select only one or two types):

First preference: _____

Second preference: _____

3. Term of this Agreement. This Agreement shall remain in effect until the earlier of (i) cancellation or termination pursuant to this Agreement, or (ii) expiration of twelve (12) months following the date of this Agreement. In the event this Agreement expires before it is canceled pursuant to this Agreement, the payment made by Applicant under this Agreement shall be refunded in full, without interest, within thirty (30) days of expiration of this Agreement, less a Three Hundred Dollar (\$300.00) processing fee, and neither party shall have any further obligation to the other.

4. Priority of Applicant. Annapolis Life Care, Inc. agrees to place Applicant’s name on the Wait List for the living unit type(s) specified above in the order in which Wait List Agreements are accepted and signed by Annapolis Life Care, Inc. In the order in which Applicant’s name appears on the Wait List, Applicant shall be notified in writing (which may be

electronic) of the availability of a living unit. Availability of a living unit to Applicant is subject to the special priorities granted by Annapolis Life Care, Inc. to others, in its sole discretion, as set forth in Section 10 of this Agreement.

5. Availability of Living Unit. When the Applicant is notified of the availability of any living unit of the type specified above, Applicant shall either:

5.1 Accept the Living Unit. Offer to reserve the living unit by: (i) delivering to Annapolis Life Care, Inc. a written notice of the Applicant's interest in the offered living unit within seven (7) days of the date of written notice by Annapolis Life Care, Inc. of the availability of the living unit and (ii) within fourteen (14) days of the date of written notice by Annapolis Life Care, Inc. of the availability of the living unit: (a) executing the then-current form of Residency Agreement, (b) furnishing an updated Confidential Data Application, medical evaluation and other information as required by Annapolis Life Care, Inc. admission policies and (c) paying Annapolis Life Care, Inc. the Entrance Fee due in accordance with the terms of the Residency Agreement. A list of the fees in effect as of the Effective Date hereof is attached hereto as Attachment No. 1. Notwithstanding the foregoing, the Entrance Fee due under the Residency Agreement for the living unit shall be the rate in effect at execution of the Residency Agreement. The payment made under this Agreement shall be a partial payment of the Entrance Fee due under the Residency Agreement.

Admission to the Community will be based on the then-current admission policies established by Annapolis Life Care, Inc. and will require a physical evaluation by the Community Medical Director or his/her designee. If Annapolis Life Care, Inc., after reviewing the updated Confidential Data Application, physical evaluation form and other admission information, accepts the Applicant as a resident, Annapolis Life Care, Inc. shall sign the Residency Agreement and return a signed copy to the Applicant. Once the Residency Agreement is signed by both parties, the Residency Agreement shall supersede this Agreement in all respects and this Agreement shall be terminated. If Annapolis Life Care, Inc. does not accept Applicant as a resident, Annapolis Life Care, Inc. will terminate this Agreement upon written notice to Applicant. The Entrance Fee paid under the terms of the Residency Agreement shall be refunded in full without interest within thirty (30) days of nonacceptance, and neither party shall have any further obligation to the other; or

5.2 Refuse the Living Unit. Decline the offered living unit within seven (7) days of Annapolis Life Care, Inc.'s written notice of the availability of the living unit. Failure to respond within such seven (7) day period shall be deemed to constitute Applicant's refusal of the living unit. If Applicant refuses a living unit, Applicant's name shall be removed from the Wait List and this Agreement shall be terminated by Annapolis Life Care, Inc. In the event of such termination, Annapolis Life Care, Inc. shall refund the payment made by Applicant under this Agreement without interest within sixty (60) days of termination, less an amount of Three Hundred Dollars (\$300.00), which shall be retained by Annapolis Life Care, Inc. as a processing fee, and neither party shall have any further obligation to the other.

6. Cancellation Due to Death, Illness, Injury or Incapacity. If Applicant dies while this Agreement is in effect, or if, because of illness, injury or incapacity, Applicant becomes unable to occupy a living unit at the Community, this Agreement shall be automatically canceled, and the

payment made by Applicant under this Agreement shall be refunded in full to Applicant or Applicant's estate without interest within thirty (30) days following receipt by Annapolis Life Care, Inc. of notice of Applicant's death or other incapacity, and neither party shall have any further obligation to the other. If there are joint Applicants pursuant to this Agreement, and one Applicant dies while this Agreement is in effect, the surviving Applicant may cancel this Agreement within sixty (60) days, and the payment made by Applicant under this Agreement shall be refunded in full without interest to the surviving Applicant within thirty (30) days from receipt of Annapolis Life Care, Inc. of notice of cancellation, and neither party shall have any further obligation to the other. If the surviving Applicant does not so cancel this Agreement, it shall remain in effect. The surviving Applicant may, within the sixty (60) day cancellation period, elect to be transferred to a Wait List for a living unit of a different type, and the order of Applicant's position on the Wait List for such living unit type shall be established according to the date of transfer.

7. Cancellation Within Thirty (30) Days of Agreement. If at any time within thirty (30) days of the date of this Agreement, Applicant cancels this Agreement for any reason, the payment made by Applicant under this Agreement shall be refunded in full without interest within thirty (30) days from the date of Annapolis Life Care, Inc.'s receipt of written notice of cancellation, and neither party shall have any further obligations to the other.

8. Cancellation for Reasons Other Than Set Forth in Section 6 or 7. If at any time after thirty (30) days the Applicant cancels this Agreement for any reason other than the reasons specified under Section 6 or 7, the payment made by Applicant under this Agreement shall be refunded without interest within sixty (60) days from the date of Annapolis Life Care, Inc.'s receipt of written notice of cancellation, less Three Hundred Dollars (\$300.00), which amount shall be retained by Annapolis Life Care, Inc. as a processing fee, and neither party shall have any further obligations to the other.

9. Applicability of this Agreement. This Agreement pertains only to Applicant's position on the Wait List and the order in which notice of the availability of any living unit of the type(s) specified above will be given. Annapolis Life Care, Inc. has no obligations under the terms of this Agreement to accept Applicant for residency under a Residency Agreement, unless Applicant accepts a proffered living unit and meets all requirements for residency.

10. Position on Wait List. Applicant acknowledges that Applicant's rights hereunder are subject to the right of Annapolis Life Care, Inc. to grant a priority position to existing residents of the Community for available living units in accordance with the policies of Annapolis Life Care, Inc., as they may be amended from time to time. In addition, Annapolis Life Care, Inc. reserves the right to accord a priority position to any director or previous director (or the spouse of any director or previous director) of Annapolis Life Care, Inc. who has served as director for at least three (3) years, and who has been reelected to serve as director for a second three (3) year term. Notwithstanding the foregoing, if Applicant holds the first position on a Wait List for a living unit of the type specified herein, the priority position of any director or previous director (or the spouse of any director or previous director) of Annapolis Life Care, Inc. shall not be granted ahead of the Applicant more than once.

11. Acceptance or Nonacceptance of Applicant. This Agreement shall not become effective until its acceptance and execution by Annapolis Life Care, Inc. Applicant represents that the information contained in the Confidential Data Application attached hereto is true and complete, and Applicant understands that Annapolis Life Care, Inc. will rely on such information in determining the acceptance of this Agreement.

12. Capacity. This Agreement has been executed on behalf of Annapolis Life Care, Inc. by its duly authorized agent, and no partner, officer, director, agent, or employee of Annapolis Life Care, Inc. shall have any personal liability hereunder to Applicant under any circumstances.

13. Applicant's Address. Applicant acknowledges that Annapolis Life Care, Inc.'s obligations to Applicant with regard to any notice given hereunder shall be satisfied by mailing such notice to the address set forth below or to such other permanent or temporary address as Applicant may provide to Annapolis Life Care, Inc. by written notice, or by emailing such notice to the email address set forth below or to such other email address as Applicant may provide to Annapolis Life Care, Inc. by written notice. Failure by Applicant to keep Annapolis Life Care, Inc. informed of the Applicant's address and email address relieves Annapolis Life Care, Inc. of its obligation under this Agreement.

14. Notices. All written notices provided by the Applicant to Annapolis Life Care, Inc. shall be in writing and hand-delivered or mailed to: Annapolis Life Care, Inc., 4000 River Crescent Drive, Annapolis, MD 21401-7269.

NOTICE:

**THE DEPOSIT MADE HEREUNDER MAY NOT BE FULLY REFUNDABLE.
PLEASE READ THIS AGREEMENT CAREFULLY.**

Dated this ____ day of _____, 20__.

APPLICANT

Witness

APPLICANT

Witness

Street Address

ANNAPOLIS LIFE CARE, INC.
d/b/a Ginger Cove

City

By: _____

Approval Date: _____

State Zip Code

Email Address

Area Code and Telephone Number

ATTACHMENT NO. 1
Independent Living Units and Fees

Carefully read the continuing care agreement for the conditions that must be satisfied before the provider is required to pay the entrance fee refund. As with all published price information, the amounts quoted are subject to change.

See Exhibit H for Independent Living Units and Fees

EXHIBIT F-1

**SPECIAL CHARGE ADDENDUM TO RESIDENCY AGREEMENT
(Single Special Charge)**

RECITALS:

A. This Addendum, entered into this ____ day of _____, by and between Annapolis Life Care, Inc. (“we” or “us”) and _____ (“Residents” or “you”) amends the Residency Agreement, dated _____ (“Residency Agreement”), between the same parties and relating to residency at Ginger Cove, a life-care retirement community located in Annapolis, Maryland (“Community”).

B. You, or one of you, _____ (the “Special Resident”) has the following preexisting condition that may result in premature admission to the Community Health Center as compared with other residents of the Community.

Preexisting Condition:

NOW, THEREFORE, the parties agree as follows:

1. Notwithstanding any other provision of the Residency Agreement relating to fees or services, during the Special Charge Period identified in Section 2 below, you agree to pay the Special Charge for each day that the Special Resident is a temporary or permanent resident of a Nursing Care Unit (or alternate health center, as provided in Section 6.3 of the Residency Agreement) if the transfer to the Nursing Care Unit (or alternate health center) is based, in whole or part, as determined by the Community Medical Director, on nursing care needs related to the preexisting condition identified above. The Special Charge shall be equal to the current per diem Medicare rate for skilled nursing care, as in effect on each such day.

2. The Special Charge Period shall commence on the date of Occupancy and shall continue for a period of ____ months from the date of Occupancy.

3. The Special Charge shall be payable by you in accordance with the terms of this Addendum and the Residency Agreement.

4. In the event that you are transferred to an alternate health center for nursing care services pursuant to Section 6.3 of the Residency Agreement, you agree to pay the Special Charge in the same amount and in the same manner as provided in Sections 1 and 2, respectively, above. We will be responsible for charges of the alternate health center to the extent the charges are for

services we provide as nursing care services included in the Monthly Service Fee; you agree to pay all other alternate health center charges directly.

5. If you are transferred to a Special Facility as provided in Sections 6.1 or 6.2 of the Residency Agreement, there will be no Special Charge payable to us during the period you reside in the Special Facility.

6. The Special Charge amounts shall be billed to you and payable to us on a monthly basis, in the same manner as your Monthly Service Fee, as provided in the Residency Agreement. You will continue to be responsible for the applicable Monthly Service Fee and all other fees due and payable under the Residency Agreement.

7. If you fail to pay the Special Charge within thirty (30) days of the due date, you agree to pay interest as provided in Section 1.6 of the Residency Agreement. Acceptance by us of partial payment does not constitute a waiver of outstanding amounts.

8. **Complete Agreement.** This Addendum is hereby made a part of the Residency Agreement and represents the agreement and understanding of Annapolis Life Care, Inc. and the Resident with respect to specific rights and responsibilities of the parties as described herein. Except as expressly amended in this Addendum, the terms and conditions of the Residency Agreement remain unchanged and in full force and effect and are hereby ratified and confirmed by you and us.

Executed by the parties hereto this ____ day of _____, 20__.

RESIDENT:

Witness

ANNAPOLIS LIFE CARE, INC.

By: _____

Title: _____

EXHIBIT F-2

**SPECIAL CHARGE ADDENDUM TO RESIDENCY AGREEMENT
(Double Special Charge)**

RECITALS:

A. This Addendum, entered into this ____ day of _____, by and between Annapolis Life Care, Inc. (“we” or “us”) and _____ (“First Resident”) and _____ (“Second Resident”), (together, “Residents”) amends the Residency Agreement, dated _____ (“Residency Agreement”), between the same parties and relating to residency at Ginger Cove, a life-care retirement community located in Annapolis, Maryland (“Community”).

B. Each of you has a preexisting condition that may result in premature admission to the Community Health Center as compared with other residents of the Community.

Preexisting Condition of First Resident:

Preexisting Condition of Second Resident:

NOW, THEREFORE, the parties agree as follows:

1. Notwithstanding any other provision of the Residency Agreement relating to fees or services during the First Resident Special Charge Period identified in Section 3(a) below, you agree to pay a Special Charge for each day that First Resident is a temporary or permanent resident of a Nursing Care Unit (or alternate health center, as provided in Section 6.3 of the Residency Agreement) if the transfer to the Nursing Care Unit (or alternate health center) is based, in whole or part, as determined by the Community Medical Director, on nursing care needs related to the preexisting condition of First Resident as identified above. The Special Charge for the First Resident also shall be equal to the current per diem Medicare rate for skilled nursing care, as in effect on each such day.

2. Notwithstanding any other provision of the Residency Agreement relating to fees or services during the Second Resident Special Charge Period identified in Section 3(b) below, you agree to pay a Special Charge for each day that Second Resident is a temporary or permanent resident of the Nursing Care Unit (or alternate health center, as provided in Section 6.3 of the Residency Agreement) if the transfer to the Nursing Care Unit (or alternate health center) is based, in whole or part, as determined by the Community Medical Director, on needs related to the

preexisting condition of Second Resident as identified above. The Special Charge for the Second Resident shall be equal to the current per diem Medicare rate for skilled nursing care, as in effect on each such day.

3. (a) The First Resident Special Charge Period shall commence on the date of Occupancy and continue for a period of _____ months from the date of Occupancy.

(b) The Second Resident Special Charge Period shall commence on the date of Occupancy and continue for a period of _____ months from the date of Occupancy.

4. The Special Charge shall be, payable by you in accordance with the terms of this Addendum and the Residency Agreement.

5. In the event that one or both of you are transferred to an alternate health center for nursing care services pursuant to Section 6.3 of the Residency Agreement, you agree to pay the Special Charges in the same amount and in the same manner as provided in Sections 1, 2 and 3, respectively, above. We will be responsible for charges of the alternate health center to the extent the charges are for services we provide as nursing care services included in the Monthly Service Fee; you agree to pay all other alternate health center charges directly.

6. If one or both of you are transferred to a Special Facility as provided in Sections 6.1 or 6.2 of the Residency Agreement, there will be no Special Charge for the transferred Resident payable to us during the period such Resident resides in the Special Facility.

7. The Special Charge amounts shall be billed to you and payable to us on a monthly basis, in the same manner as your Monthly Service Fee, as provided in the Residency Agreement. You will continue to be responsible for the applicable Monthly Service Fee and all other fees due and payable under the Residency Agreement.

8. If you fail to pay the Special Charge amounts within thirty (30) days of the due date, you agree to pay interest as provided in Section 1.6 of the Residency Agreement. Acceptance by us of partial payment does not constitute a waiver of outstanding amounts.

9. **Complete Agreement.** This Addendum is hereby made a part of the Residency Agreement and represents the agreement and understanding of Annapolis Life Care, Inc. and the Residents with respect to specific rights and responsibilities of the parties as described herein. Except as expressly amended in this Addendum, the terms and conditions of the Residency Agreement remain unchanged and in full force and effect and are hereby ratified and confirmed by you and us.

[Signatures follow on next page]

Executed by the parties hereto this ____ day of _____, 20__.

RESIDENTS:

Witness

Witness

ANNAPOLIS LIFE CARE, INC.

By: _____

Title: _____

EXHIBIT G
CHANGE IN INDEPENDENT LIVING UNIT
ADDENDUM

This Addendum (“Addendum”) is made as of _____, 20__, by and between Annapolis Life Care, Inc. (“ALC”) and _____ and _____ (the “Resident(s)”).

General Statements

I. ALC and the Resident(s) entered into the Ginger Cove Residency Agreement, dated _____ (the “Agreement”) pursuant to which the Resident(s) were assigned, under the terms and conditions of the Agreement, to an independent living unit, Apartment # _____ (referred to as the “Original Unit”) and the Resident(s) paid an entrance fee in the amount of \$ _____.

II. Except in certain limited circumstances, the Agreement makes no provision for and affords no rights to the Resident(s) to be assigned to another independent living unit other than the living unit originally assigned. However, in its sole discretion and as provided from time to time in policies adopted by ALC, ALC may permit assignment to another independent living unit, in accordance with terms and conditions established by ALC.

III. The Resident(s) have requested a new independent living unit, Apartment # _____ (referred to as the “New Unit”) and have agreed to relinquish the Original Unit and ALC has agreed to permit reassignment as provided in this Addendum.

IV. The Resident(s) have agreed to pay the entrance fee amount and the monthly service fee amount applicable to the New Unit as well as the refurbishing fee for the Original Unit as specified herein.

Therefore, in consideration of the mutual premises and covenants contained herein, ALC and the Resident/s agree as follows:

Section 1. Reassignment of Independent Living Unit.

Reference to the Original Unit number and type of unit in Section 1.2 of the Agreement is hereby deleted and the following reference to the New Unit number and type of unit is hereby substituted therefore: _____, a _____.

Section 2. Entrance Fee Amount.

a. **New Entrance Fee Amount.** Reference in Section 1.2 of the Agreement to the entrance fee paid by the Resident under the Agreement (the “Initial Entrance Fee”) is hereby deleted and the

following entrance fee amount applicable to the New Unit is hereby substituted therefore:
_____ Dollars
(\$ _____) (the "New Entrance Fee").

b. Calculation of New Entrance Fee Amount. The New Entrance Fee amount is calculated in accordance with ALC policies in effect on the date of this Addendum. In accordance with such policies, ALC has determined an entrance fee amount for the New Unit ("Base Entrance Fee") which may equal the entrance fee amount for the New Unit in effect at the time of the execution of the Agreement, the entrance fee amount applicable to the New Unit at the time of execution of this Addendum, or any other amount.

(1) In the event that the Base Entrance Fee is greater than the Initial Entrance Fee, the Base Entrance Fee shall become the New Entrance Fee and the Resident(s) will pay to ALC an amount equal to the difference between the New Entrance Fee and the Initial Entrance Fee. The Resident(s) shall pay such amount to ALC on or before the Availability Date, as defined in Section 4 below, and the making of such payment shall be a condition to this Addendum becoming effective.

(2) In the event that the Base Entrance Fee is less than the Initial Entrance Fee, ALC, in accordance with its policies and subject to the conditions to this Addendum becoming effective, ALC shall pay to the Resident(s) within thirty (30) days after the Availability Date an amount equal to _____% of the difference between the Base Entrance Fee and the Initial Entrance Fee. If 100% of the difference is repaid to the Resident(s), then the New Entrance Fee shall be equal to the Base Entrance Fee. If the percentage of difference paid to the Resident(s) is less than 100%, any remaining portion of the difference not repaid to the Resident(s) shall be added to the Base Entrance Fee, which combined amount shall be the New Entrance Fee as identified above.

Section 3. Monthly Service Fee.

Effective as of the Availability Date, reference in Section 1.3.1 of the Agreement to the amount of the Monthly Service Fee applicable to the Original Unit and any reference, as applicable, to the amount of an additional second person fee are hereby deleted and the following Monthly Service Fee amount and any additional second person Monthly Service Fee amount, if any, for the New Unit are hereby substituted therefore and shall be payable by the Residents(s):

Monthly Service Fee: \$ _____.

Monthly second person fee (as applicable): \$ _____.

Pro rata adjustments will be made to the first Monthly Service Fee charged to the Resident(s) for the New Unit to reflect any underpayment or overpayment of the Monthly Service Fee made for that portion of the prior month occurring after the Availability Date.

Section 4. Effective Date.

This Addendum shall be effective as of _____ (the "Availability Date"), subject to prior satisfaction of the conditions set forth in Section 2(b)(1) and Section 5 of this

Addendum. Resident(s) agree that they shall vacate the Original Unit (including removal of all furnishings and personal property of the Resident(s) from the Original Unit) by the Availability Date and ALC agrees that it shall make the New Unit available for Occupancy by the Resident(s) by the Availability Date. Resident shall be solely responsible for arranging for and paying all expenses of moving furnishings and other personal property of the Resident from the Original Unit to the New Unit. Resident(s) agrees to reimburse ALC for any costs or expenses incurred by ALC in connection with removing, storing or otherwise disposing of any furnishings or other personal belongings that remain in the Original Unit after the Availability Date. Any such removal or storage shall be at the sole risk of Resident(s).

Section 5. Refurbishing Fee

Resident(s) agree to pay to ALC prior to the Availability Date the costs of refurbishing the Original Unit in the total amount of \$ _____, which amount shall include all costs associated with removing any modifications made by Resident(s) to the Original Unit or its equipment and restoring the Original Unit and equipment to its original condition, as provided under the Alteration of Living Unit Agreement, if any, signed by the Resident(s) with respect to the Original Unit. Upon payment of the refurbishing fee hereunder, Resident(s) shall have no further obligations under Section 3.3.1.4 of the Agreement with respect to the Original Unit. If Resident(s) request modification to the New Unit, Resident(s) must execute prior to the Availability Date an Alterations to Living Unit Agreement in the form then in use by ALC in respect of the New Unit, which upon signing shall be deemed incorporated into and made a part of the Agreement.

Any requested modification of the New Unit will be subject to the provisions of Section 9.6 of the Agreement. Payment of all amounts payable by Resident(s) under this Section 5 shall be a condition to this Addendum becoming effective.

Section 6. Incorporation.

This Addendum is hereby made a part of the Agreement and represents the agreement and understanding between ALC and the Resident(s) with respect to the change in independent living unit, payment by the Resident(s) of the entrance fee amount and monthly service fee amount for the New Unit, and any other matters addressed in this Addendum. Except as expressly amended by this Addendum, the terms and conditions of the Agreement are hereby ratified and confirmed and remain in full force and effect.

Section 7. Entrance Fee Refund Rights.

This Addendum shall not affect the rights of the Resident(s) to receive a refund of the New Entrance Fee as provided under Maryland law and the terms of the Agreement. The entrance fee subject to the entrance fee refund rights under Maryland law and under the Agreement shall be the New Entrance Fee as defined in Section 2 of this Addendum.

Section 8. Maryland Law.

This Addendum shall be interpreted and construed in accordance with Maryland law.

Executed by the parties hereto this ___ day of _____, 20__.

Resident

Witness: _____

Resident

Witness: _____

Annapolis Life Care, Inc.

By: _____

Witness: _____

Title: _____

EXHIBIT H
INDEPENDENT LIVING UNIT FEE SCHEDULE

**EXHIBIT H
INDEPENDENT LIVING UNIT FEE SCHEDULE**

As of July 1st 2023 Standard 90% Refund Plan				
Extensive Life Care Fee Schedule or "Type A" Residency Agreement				
Independent Living Apartment Type	Entrance Fee + 2nd		Monthly Fee +2nd	
	Single	Person	Single	Person
One Bedroom Traditional Interior	\$ 330,664	\$ 352,665	\$ 4,661	\$ 7,453
One Bedroom Traditional Interior 3rd Floor	\$ 334,294	\$ 356,295	\$ 4,661	\$ 7,453
One Bedroom Traditional Exterior	\$ 356,716	\$ 378,717	\$ 4,661	\$ 7,453
One Bedroom Traditional Special	\$ 360,350	\$ 382,351	\$ 4,775	\$ 7,566
One Bedroom Deluxe Interior	\$ 423,513	\$ 445,514	\$ 5,124	\$ 7,915
One Bedroom Interior 3rd Floor	\$ 427,144	\$ 449,145	\$ 5,124	\$ 7,915
One Bedroom Deluxe Exterior	\$ 448,463	\$ 470,464	\$ 5,124	\$ 7,915
One Bedroom Deluxe Exterior 3rd Floor	\$ 451,938	\$ 473,939	\$ 5,124	\$ 7,915
One Bedroom Deluxe Special	\$ 451,938	\$ 473,939	\$ 5,233	\$ 8,024
Two Bedroom Traditional Interior	\$ 552,053	\$ 574,054	\$ 5,612	\$ 8,404
Two Bedroom Traditional Interior 3rd Floor	\$ 555,684	\$ 577,685	\$ 5,612	\$ 8,404
Two Bedroom Traditional Exterior	\$ 577,318	\$ 599,318	\$ 5,612	\$ 8,404
Two Bedroom Traditional Exterior 3rd Floor	\$ 580,948	\$ 602,949	\$ 5,612	\$ 8,404
Two Bedroom Traditional Special	\$ 580,948	\$ 602,949	\$ 5,714	\$ 8,505
Two Bedroom Deluxe Interior	\$ 691,802	\$ 713,803	\$ 6,091	\$ 8,883
Two Bedroom Deluxe Interior 3rd Floor	\$ 695,591	\$ 717,592	\$ 6,091	\$ 8,883
Two Bedroom Deluxe Exterior	\$ 729,068	\$ 751,069	\$ 6,091	\$ 8,883
Two Bedroom Deluxe Exterior 3rd Floor	\$ 733,017	\$ 755,018	\$ 6,091	\$ 8,883
Two Bedroom Deluxe Special	\$ 733,017	\$ 755,018	\$ 6,197	\$ 8,989
Two Bedroom with Den Interior	\$ 793,495	\$ 815,496	\$ 6,553	\$ 9,345
Two Bedroom with Den Interior 3rd Floor	\$ 797,443	\$ 819,444	\$ 6,553	\$ 9,345
Two Bedroom with Den Exterior	\$ 823,657	\$ 845,658	\$ 6,553	\$ 9,345
Two Bedroom with Den Special Exterior	\$ 827,605	\$ 849,606	\$ 6,666	\$ 9,458
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 917,456	n/a	\$ 9,789	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 917,456	n/a	\$ 9,957	n/a
Comb(3211)2 BR Deluxe/Extra room	\$ 930,404	\$ 952,405	\$ 6,923	\$ 9,715
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 1,012,517	n/a	\$ 10,309	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 1,020,886	n/a	\$ 10,251	n/a
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 1,020,886	n/a	\$ 9,460	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 1,020,886	n/a	\$ 10,251	n/a
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 1,020,886	n/a	\$ 10,251	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 1,020,886	n/a	\$ 10,420	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 1,085,784	n/a	\$ 10,759	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 22,001		\$ 2,792	

Carefully read the Ginger Cove Residency Agreement for the conditions that must be satisfied before Ginger Cove is required to pay the entrance fee refund. As with all published price information, the amounts quoted are subject to change.

**EXHIBIT H
INDEPENDENT LIVING UNIT FEE SCHEDULE**

As of July 1st 2023				
50% Declining Balance Refund Plan				
Extensive Life Care Fee Schedule or "Type A" Residency Agreement				
Independent Living Apartment Type	Entrance Fee		Monthly Fee	
	Single	+ 2nd Person	Single	+2nd Person
One Bedroom Traditional Interior	\$ 231,117	\$ 254,002	\$ 4,661	\$ 7,452
One Bedroom Traditional Interior 3rd Floor	\$ 233,654	\$ 256,540	\$ 4,661	\$ 7,452
One Bedroom Traditional Exterior	\$ 249,326	\$ 272,212	\$ 4,661	\$ 7,452
One Bedroom Traditional Special	\$ 251,866	\$ 274,751	\$ 4,774	\$ 7,565
One Bedroom Deluxe Interior	\$ 296,013	\$ 318,899	\$ 5,123	\$ 7,914
One Bedroom Interior 3rd Floor	\$ 298,551	\$ 321,437	\$ 5,123	\$ 7,914
One Bedroom Deluxe Exterior	\$ 313,453	\$ 336,338	\$ 5,123	\$ 7,914
One Bedroom Deluxe Exterior 3rd Floor	\$ 315,880	\$ 338,766	\$ 5,123	\$ 7,914
One Bedroom Deluxe Special	\$ 315,880	\$ 338,766	\$ 5,232	\$ 8,023
Two Bedroom Traditional Interior	\$ 373,357	\$ 396,242	\$ 5,612	\$ 8,403
Two Bedroom Traditional Interior 3rd Floor	\$ 375,813	\$ 398,698	\$ 5,612	\$ 8,403
Two Bedroom Traditional Exterior	\$ 390,443	\$ 413,328	\$ 5,612	\$ 8,403
Two Bedroom Traditional Exterior 3rd Floor	\$ 392,898	\$ 415,784	\$ 5,612	\$ 8,403
Two Bedroom Traditional Special	\$ 392,898	\$ 415,784	\$ 5,713	\$ 8,504
Two Bedroom Deluxe Interior	\$ 467,870	\$ 490,755	\$ 6,091	\$ 8,882
Two Bedroom Deluxe Interior 3rd Floor	\$ 470,432	\$ 493,317	\$ 6,091	\$ 8,882
Two Bedroom Deluxe Exterior	\$ 493,073	\$ 515,958	\$ 6,091	\$ 8,882
Two Bedroom Deluxe Exterior 3rd Floor	\$ 495,744	\$ 518,629	\$ 6,091	\$ 8,882
Two Bedroom Deluxe Special	\$ 495,744	\$ 518,629	\$ 6,196	\$ 8,987
Two Bedroom with Den Interior	\$ 536,645	\$ 559,530	\$ 6,553	\$ 9,344
Two Bedroom with Den Interior 3rd Floor	\$ 539,316	\$ 562,201	\$ 6,553	\$ 9,344
Two Bedroom with Den Exterior	\$ 557,043	\$ 579,929	\$ 6,553	\$ 9,344
Two Bedroom with Den Special Exterior	\$ 559,714	\$ 582,600	\$ 6,666	\$ 9,457
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 625,143	n/a	\$ 9,789	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 625,143	n/a	\$ 7,165	n/a
Comb(3211)2 BR Deluxe/Extra room	\$ 625,143	\$ 648,029	\$ 6,923	\$ 9,187
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 685,938	n/a	\$ 10,308	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 685,938	n/a	\$ 10,251	n/a
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 685,938	n/a	\$ 9,460	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 685,938	n/a	\$ 10,251	n/a
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 685,938	n/a	\$ 10,251	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 685,938	n/a	\$ 10,419	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 729,544	n/a	\$ 10,759	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 22,886		\$ 2,792	

Carefully read the Ginger Cove Residency Agreement for the conditions that must be satisfied before Ginger Cove is required to pay the entrance fee refund. As with all published price information, the amounts quoted are subject to change.

EXHIBIT H

INDEPENDENT LIVING UNIT FEE SCHEDULE

As of July 1st 2023				
0% Declining Balance Refund Plan				
Extensive Life Care Fee Schedule or "Type A" Residency Agreement				
<u>Independent Living Apartment Type</u>	<u>Entrance Fee</u>		<u>Monthly Fee</u>	
	Single	+ 2nd Person	Single	+2nd Person
One Bedroom Traditional Interior	\$ 156,344	\$ 179,230	\$ 4,661	\$ 7,453
One Bedroom Traditional Interior 3rd Floor	\$ 158,060	\$ 180,946	\$ 4,661	\$ 7,453
One Bedroom Traditional Exterior	\$ 168,662	\$ 191,547	\$ 4,661	\$ 7,453
One Bedroom Traditional Special	\$ 170,380	\$ 193,266	\$ 4,774	\$ 7,566
One Bedroom Deluxe Interior	\$ 200,245	\$ 223,131	\$ 5,123	\$ 7,915
One Bedroom Interior 3rd Floor	\$ 201,962	\$ 224,848	\$ 5,123	\$ 7,915
One Bedroom Deluxe Exterior	\$ 212,042	\$ 234,927	\$ 5,123	\$ 7,915
One Bedroom Deluxe Exterior 3rd Floor	\$ 213,685	\$ 236,570	\$ 5,123	\$ 7,915
One Bedroom Deluxe Exterior 3rd Floor	\$ 213,685	\$ 236,570	\$ 5,232	\$ 8,024
One Bedroom Deluxe Exterior 3rd Floor	\$ 252,566	\$ 275,451	\$ 5,612	\$ 8,404
One Bedroom Deluxe Exterior 3rd Floor	\$ 254,227	\$ 277,112	\$ 5,612	\$ 8,404
One Bedroom Deluxe Exterior 3rd Floor	\$ 264,124	\$ 287,010	\$ 5,612	\$ 8,404
One Bedroom Deluxe Exterior 3rd Floor	\$ 265,785	\$ 288,671	\$ 5,612	\$ 8,404
One Bedroom Deluxe Exterior 3rd Floor	\$ 265,785	\$ 288,671	\$ 5,713	\$ 8,505
One Bedroom Deluxe Exterior 3rd Floor	\$ 316,501	\$ 339,386	\$ 6,091	\$ 8,883
One Bedroom Deluxe Exterior 3rd Floor	\$ 318,234	\$ 341,120	\$ 6,091	\$ 8,883
One Bedroom Deluxe Exterior 3rd Floor	\$ 333,551	\$ 356,436	\$ 6,091	\$ 8,883
One Bedroom Deluxe Exterior 3rd Floor	\$ 335,357	\$ 358,243	\$ 6,091	\$ 8,883
One Bedroom Deluxe Exterior 3rd Floor	\$ 335,357	\$ 358,243	\$ 6,196	\$ 8,988
One Bedroom Deluxe Exterior 3rd Floor	\$ 363,026	\$ 385,912	\$ 6,553	\$ 9,345
One Bedroom Deluxe Exterior 3rd Floor	\$ 364,832	\$ 387,717	\$ 6,553	\$ 9,345
One Bedroom Deluxe Exterior 3rd Floor	\$ 376,825	\$ 399,710	\$ 6,553	\$ 9,345
One Bedroom Deluxe Exterior 3rd Floor	\$ 378,631	\$ 401,517	\$ 6,666	\$ 9,458
One Bedroom Deluxe Exterior 3rd Floor	\$ 417,006	n/a	\$ 9,789	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 417,006	n/a	\$ 7,165	\$ 9,957
One Bedroom Deluxe Exterior 3rd Floor	\$ 625,143	\$ 648,029	\$ 6,923	\$ 9,715
One Bedroom Deluxe Exterior 3rd Floor	\$ 685,938	n/a	\$ 10,308	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 464,017	n/a	\$ 10,251	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 464,017	n/a	\$ 9,460	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 464,017	n/a	\$ 10,251	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 464,017	n/a	\$ 10,251	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 464,017	n/a	\$ 10,419	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 417,006	n/a	\$ 10,759	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 22,886		\$ 2,792	

Carefully read the Ginger Cove Residency Agreement for the conditions that must be satisfied before Ginger Cove is required to pay the entrance fee refund. As with all published price information, the amounts quoted are subject to change.

EXHIBIT I

**ANCILLARY FEE SCHEDULE
NOVEMBER 1, 2023 THROUGH JUNE 30, 2024**

GENERAL SERVICES

Guest Suite	\$110.00 per night
Apartment Keys	\$13.00 each
Additional Services-Facilities/EVS	\$20.00 per quarter hour (15 minutes)

DINING SERVICES

Delivery Service	\$4.50 each (if not medically necessary)
Continental Breakfast	\$2.70 each
Breakfast	\$6.25 each
Soup & Salad	\$7.80 each
Lunch	\$18.50 each
Dinner	\$18.50 each

MONTHLY MEAL PLANS

(The Health Center and Assisted Living)

Breakfast	\$220.00 per month
Lunch	\$325.00 per month

BUGEYE BAR

House Beer (including non-alcoholic)	\$2.75 per bottle
House Wine	\$3.50 per bottle
House Liquor	\$4.50 per glass
Champagne - split	\$9.50 per bottle
Champagne – full bottle	Market Price
Specialty Beer	Market Price
Select Wine	Market Price
Other Liquor	Market Price

SKIPJACK DINING A LA CARTE

Prices listed on the Skipjack Dining Room Menu

APARTMENT ABSENCE DISCOUNT

Residents who are absent from Ginger Cove for a continuous 30-day (or greater) period of time can request a credit from the Financial Services Department for unused/missed meals. If approved, the resident will receive a credit of \$6.50 per meal toward the monthly service fee.

HOUSEKEEPING & LAUNDRY SERVICES

“On Call” Basis	\$8.75 per load
Weekly Basis	\$6.65 per load

Monthly Basis (Health Center pro-rated) \$30.00 per month

SKILLED NURSING PRIVATE ROOM PREMIUM

Private Room Premium \$32.00 per day
Deluxe Private Room \$41.00 per day
Super Deluxe Private Room \$44.00 per day

SKILLED NURSING SERVICES

(Provided in one's apartment or the Clinic)

Skilled Nursing Services (In Clinic) \$27.00 (30 minute Minimum)
Skilled Nursing Services (In Apartment) \$37.00/half hour; \$60/Hour
Medication Box (Independent Residents Only) \$55.00/week per box
Medication Box Administration \$20.00 per visit
Laboratory Courier Service \$36.00 weekdays
Laboratory Courier Service \$48.00 weekends/special/rush

REHABILITATIVE THERAPY SERVICES

Therapy services will be charged at the private pay rates in effect at the time the service is rendered.

CLINIC SERVICES

Clinic services provided by licensed health care professionals will be charged at the private pay rates in effect at the time the service is rendered.

INDIVIDUAL NURSING SUPPLIES

Nursing Supplies not itemized Market Price
Incontinent Supplies:
 Constant Utilization \$280 per month
 Intermittent Utilization \$135 per month
Individualized Treatment Supplies Market Price

Nutritional Supplements Market Price
Wanderguard \$25.00 per month
*Outside Pharmacy Services \$70.00
*Prescriptions that are not processed through our preferred vendor.

VALET/TRANSPORTATION SERVICES

Valet \$12.00 per quarter hour/15 minutes
\$75.00 roundtrip to BWI Airport
\$150.00 roundtrip to Dulles Airport
\$90.00 roundtrip to DC or Baltimore

Before 8 am or after 4:30 pm \$30.00 per hour surcharge
Medical Appointment with Companion \$30.00 per hour

Transportation from Ginger Cove provided by an outside contractor:

Wheelchair Services	Market rate
Ambulance Services	Market rate

BEAUTY SHOPPE SERVICES

Shampoo & Set	\$38.00
Shampoo & Blow Dry	\$35.00
Shampoo & Curling Iron	\$40.00
Shampoo Only	\$14.00
Comb-out	\$14.00
Haircut Dry	\$30.00
Haircut (with Shampoo & Set)	\$56.00
Haircut (with Shampoo & Blow Dry)	\$53.00
Haircut (with Shampoo & Curling Iron)	\$58.00
Haircut (with Shampoo only)	\$36.00
Bang Trim	\$12.00
Permanent	
Regular	\$97.00
Tinted	\$92.00
Clarifying Treatment	\$ 9.00
Hair Coloring	
One Process	\$49.00
Frosting	\$70.00
Temporary Rinses	\$10.00
Conditioning	\$5.00

MANICURE AND PEDICURE SERVICES

Manicure and Pedicure Package	\$70.00
Manicure	\$27.00
Pedicure	\$55.00
Gel Nails	\$35.00
Parafin Feet	\$18.00
Parafin Hands	\$12.00
Foot Soak	\$24.00
Nail Filing	\$7.00
Nail Repair	\$10.00
Toe Nail Trim	\$25.00
Finger Nail Trim	\$22.00
Polish Change	\$16.00
Waxing (chin, lip, eyebrows)	\$12.00 each
Leg Shave	\$12.00

BARBER SERVICES

Haircut	\$21.75
Shampoo	\$10.25
Beard Trim	\$8.25

Mustache Trim	\$4.00
Neck Trim	\$6.25

PET CHARGE

Pet charge (regardless of one or two pets)	\$5,000 up-front and monthly fee of \$50
---	--

SPECIAL EVENTS

Sucharge (this surcharge covers room set up/clean up From EVS, Resident Services, and IT)	\$75.00 per hour
Additional Staffing	\$50.00 per hour/per staff member

Where appropriate, Maryland State sales tax has been included with the listed price.

Exhibit C:

**Ginger Cove's Fee for Service Plan
Residency Agreement**

RESIDENCY AGREEMENT FEE FOR SERVICE PLAN



GINGER COVE

ANNAPOLIS LIFE CARE, INC.

RESIDENCY AGREEMENT FEE FOR SERVICE PLAN

TABLE OF CONTENTS

GLOSSARY	4
1. Fees	7
1.1. Processing Fee.....	7
1.2. Entrance Fee.....	7
1.3. Monthly Service Fee.....	8
1.4. Other Fees.....	9
1.5. Late Fees.....	10
2. Refund of Fees Prior to Occupancy.....	10
2.1. First 90 Days.....	10
2.2. Change in Condition.....	10
2.3. Cancellation After 90 Days.....	10
2.4. Special Costs.....	10
3. Refund of Entrance Fee Following Occupancy.....	11
3.1. Termination by You.....	11
3.2. Termination by Us.....	12
3.3. Offsets Against Refund.....	13
3.4. Conditions for Refund.....	14
3.5. Refund Not Escrowed.....	14
4. Services and Features Provided to Residents.....	14
4.1. Services Provided to all Residents of the Community.....	14
4.2. Independent Living Units.....	15
4.3. Assisted Living Units.....	15
4.4. Nursing Care Units and Services.....	17
5. Additional Services and Features.....	18
5.1. Additional Services Provided For an Extra Charge.....	18
5.2. Medical Director.....	18
6. Changes in Accommodation.....	18
6.1. Non-Emergency Transfer or Relocation.....	19
6.2. Emergency Transfer/Relocation.....	19
6.3. Transfer to an Alternate Assisted Living or Health Center.....	19
6.4. Temporary and Permanent Transfers/Relocations.....	20

6.5.	Changes in Monthly Service Fee.	20
6.6.	Return to Living Unit.	21
6.7.	Transfer to Special Facility.	21
7.	Your Termination Rights.	21
7.1.	Prior to Occupancy.	21
7.2.	Subsequent to Occupancy.	21
8.	Our Termination Rights.	22
8.1.	Just Cause.	22
8.2.	Notice of Termination.	22
8.3.	Termination Upon Transfer from Community.	22
9.	Miscellaneous Provisions.	23
9.1.	Duration of Your Right to Occupy the Living Unit.	23
9.2.	Occupants of the Living Unit.	24
9.3.	Use of the Living Unit.	24
9.4.	Right of Entry.	24
9.5.	Furnishings.	25
9.6.	Modifications of the Living Unit or Its Equipment.	25
10.	Representations.	25
10.1.	Requirements of Residency.	25
10.2.	Purpose.	25
11.	Covenants.	26
11.1.	Financial Difficulty.	26
11.2.	Resident Covenants.	26
11.3.	Insurance.	26
12.	Miscellaneous Legal Provisions.	27
12.1.	Nature of Rights.	27
12.2.	Release.	27
12.3.	Transfers.	27
12.4.	Indemnity.	27
12.5.	Subordination.	28
12.6.	Amendment of Agreement.	28
12.7.	Governing Law.	28
12.8.	Severability.	28
12.9.	Residents.	28
12.10.	Funeral and Burial Services.	28
12.11.	Affiliations.	28
12.12.	Fee Adjustments for Absences.	29
12.13.	Entire Agreement.	29
12.14.	Use of Fees Collected by Us.	29
12.15.	Complaint Policy; Legal Remedies.	29
12.16.	Rights and Remedies.	30
12.17.	Residents' Association.	30
12.18.	Certified Financial Statements.	30
12.19.	Arbitration.	30
12.20.	Tax Consequences.	30

12.21. Beneficiary Designation.....	31
12.22. Capacity.....	31
12.23. Notices.....	31
12.24. Receipt of Documents.	31
12.25. Registration with Maryland Department of Aging.	31

List of Schedules and Exhibits

- Schedule 1 – Entrance Fee Refund After Occupancy
- Exhibit 1.0 – Acknowledgement of Temporary Assignment to Assisted Living Unit
- Exhibit 2.0 – Acknowledgement of Permanent Assignment to Assisted Living Unit
(Assignment of First of Two Residents)
- Exhibit 2.1 – Acknowledgement of Permanent Assignment to Assisted Living Unit
(Assignment of Single Resident or Second of Two Assigned Residents)
- Exhibit 2.2 – List of Services Not Offered as Part of Assisted Living Services
- Exhibit 3.0 – Acknowledgement of Permanent Assignment to a Nursing Care Unit
(Assignment of First of Two Residents)
- Exhibit 3.1 – Acknowledgement of Permanent Assignment to Nursing Care Unit
(Assignment of Single Resident or Second of Two Assigned Residents)
- Exhibit 4.0 – Alteration of Living Unit Agreement
- Exhibit 5.0 – Wait List Agreement
- Exhibit 6.0 – Change in Independent Living Unit Addendum
- Exhibit 7.0 – Fee for Service Fee Schedule
- Exhibit 8.0 – Ancillary Fee Schedule

GLOSSARY

The following terms are described as used in the accompanying Agreement. Reference to the Agreement and the context in which the terms are used is recommended to provide a fuller understanding of each of the terms.

“Agreement” means this Residency Agreement.

“Assisted Living Fee” means the fee that is paid to us each month while you are a resident of an Assisted Living Unit for the services and features provided to you as described in Section 4.3.1 of this Agreement. The Assisted Living Fee is calculated and stated on a per diem basis but shall be payable monthly.

“Assisted Living Services” means assisted living services described in Section 4.3.1 provided to the Resident in the Assisted Living Unit.

“Assisted Living Unit” means an assisted living unit at the Community as described in Section 4.3 of the Agreement. Assisted Living Units are located in the assisted living buildings and in the Community Health Center on the Community campus.

“Community” means the continuing care retirement community known as Ginger Cove, including the Independent Living Units, the Assisted Living Units, the Community Health Center, and all common areas.

“Community Policies” means all the written, reasonable policies, rules and guidelines, including the Residents’ Handbook, as established and modified by us from time to time and provided to the Community Residents. Community Policies are incorporated as part of this Agreement and Residents are contractually bound by such Community Policies.

“Community Health Center” means those facilities located in the Commons building on the Community Campus, which are intended to provide assisted living services and nursing care services as described in Sections 4.3 and 4.4 of the Agreement. The Community Health Center consists of Assisted Living Units and Nursing Care Units.

“Entrance Fee” means the fee identified in Section 1.2 of this Agreement, which is paid to us to reserve your Living Unit, subject to the terms of this Agreement. Payment of the Entrance Fee may be deferred in the sole discretion of the Community. The Entrance Fee does not include the \$300 Processing Fee.

“Entrance Fee Refund After Occupancy” means the refund of a portion of the Entrance Fee that will be paid by the Community if you terminate this Agreement after Occupancy pursuant to Section 3.1 of this Agreement. There are up to three options for the Entrance Fee Refund After Occupancy, which are detailed in Schedule 1, attached hereto. Availability of different options for the Entrance Fee Refund After Occupancy will depend on the Community’s actuarial considerations. The amount of your Entrance Fee will vary depending on the Entrance Fee Refund

After Occupancy option you select.

“Independent Living Fee” means the fee (including the second person fee, where applicable) identified in Section 1.3.1, that is paid to us each month while you reside in an Independent Living Unit for the services and features provided to you pursuant to Sections 4.1 and 4.2 of this Agreement.

“Independent Living Unit” means an independent living unit at the Community as described in Section 4.2 of the Agreement.

“Living Unit” means the living unit at the Community in which you are entitled to live pursuant to the Agreement in exchange for paying the applicable fees as described in this Agreement. Living Units include Independent Living Units, Assisted Living Units and Nursing Care Units.

“Medical Director” means the physician designated as the Medical Director of the Community Health Center or his/her designee.

“Memory Care Unit” means a type of Assisted Living Unit at the Community designed to provide assisted living care for those residents with mild cognitive impairment to moderately severe dementia without a primary psychiatric diagnosis as described in Section 4.3 of the Agreement.

“Monthly Service Fee” means the Independent Living Fee, the Assisted Living Fee, or the Nursing Care Fee, as applicable based on where you reside and the services you receive at the Community, which is paid to us each month for the services and features provided to Residents pursuant to Section 4 of the Agreement.

“Nursing Care Fee” means the fee that is paid to us each month while you are a resident of a Nursing Care Unit for the services and features provided to you as described in Section 4.4 of this Agreement. The Nursing Care Fee is calculated and stated on a per diem basis but shall be payable monthly.

“Nursing Care Services” means comprehensive nursing care services described in Section 4.4. provided to a Resident in a Nursing Care Unit in the Community Health Center.

“Nursing Care Unit” means a comprehensive care bed unit as described in Section 4.4 of the Agreement. Nursing Care Units are located in the Community Health Center.

“Occupancy” means the date on which you must pay the balance of the Entrance Fee pursuant to Section 1.2.3 of the Agreement.

“Resident(s)” or “you” means the person or persons who sign the Agreement as Resident. Sometimes a second Resident (if there are two of you) is referred to in the Agreement as the “second person.” Unless otherwise indicated, “you” refers to both of you if there are two persons who signed as Resident.

“Special Facility” means a hospital, nursing facility or other facility located outside the Community that can provide a level of care appropriate to your needs as determined by us in our sole discretion.

“We” or **“us”** means Annapolis Life Care, Inc. d/b/a Ginger Cove, a not-for-profit Maryland corporation formed for the purpose of owning and operating the Community.

**GINGER COVE
RESIDENCY AGREEMENT
FEE FOR SERVICE PLAN**

1. Fees.

To entitle you, _____, subject to the terms and conditions of this Agreement, to the lifetime use of a Living Unit at the life care retirement community known as Ginger Cove (the “Community”), located at 4000 River Crescent Drive in Annapolis, Maryland, you will pay to us, Annapolis Life Care, Inc., the amounts set forth below. Ginger Cove offers two types of residency agreements that have different fee structures: (a) an Extensive Life Care Residency Agreement (also known as a “Type A” agreement) and (b) a Fee for Service Residency Agreement (also known as a “Type C” agreement). This is a Fee for Service (“Type C”) Residency Agreement.

1.1. Processing Fee.

Three Hundred Dollars (\$300) will be paid to us as a Processing Fee at the time you execute this Agreement and is non-refundable.

1.2. Entrance Fee.

_____ Dollars (\$_____) will be paid to us as an Entrance Fee (inclusive of the second person Entrance Fee, if applicable) so as to reserve for you in the Community, Living Unit No. _____, a _____ (the “Living Unit”). The Entrance Fee is based on the Entrance Fee Refund After Occupancy option that you select in Schedule 1, attached hereto. The Entrance Fee will be paid in the following installments:

1.2.1. _____ Dollars (\$_____) was paid as a waiting list deposit.

1.2.2. Ten Percent of the total Entrance Fee, equal to _____ Dollars (\$_____), will be paid at the time you execute this Agreement.

1.2.3. The remaining balance of the Entrance Fee, being _____ Dollars (\$_____), will be paid to us on the earlier of (i) when your reserved Living Unit is ready for occupancy or (ii) no more than 60 days from the date you sign this Agreement.

1.2.4 Notwithstanding the foregoing, payment of the entrance fee may be deferred in the sole discretion of the Community.

1.2.5 If following occupancy of your Living Unit, you request a change in your Independent Living Unit and such change is approved by us in our sole discretion, the amount of your Entrance Fee may be subject to adjustment as provided in the Change in Independent Living Unit Addendum, attached hereto as Exhibit 6.0.

1.3. Monthly Service Fee.

1.3.1. Your initial Monthly Service Fee is \$_____ per month for one person (sometimes referred to herein as the “first person fee”) and an additional \$_____ per month if there are two of you (sometimes referred to herein as the “second person fee”). You will pay a pro rata portion of the Monthly Service Fee beginning on the earlier of (i) the day you move into the Community or (ii) the _____ day following the date you sign this Agreement (provided we have made the Living Unit available to you). Thereafter, you are obligated to pay the Monthly Service Fee in advance on the first of each month. There will be an adjustment in your Monthly Service Fee as provided in Section 1.3.4 in the event you, or in the case of two Residents, either or both of you, temporarily or permanently transfer to an Assisted Living Unit or a Nursing Care Unit.

1.3.2. Your Monthly Service Fee will continue until the earlier of (i) automatic termination of this Agreement by your death (if there are two of you, the death of the survivor) or (ii) termination of this Agreement pursuant to Section 7 or 8. Notwithstanding the foregoing, your Monthly Service Fee will continue at least until your furnishings and other property are removed from the Living Unit. If removal of your furnishings and other property is not accomplished by (i) the date thirty (30) days from the date of your death (if there are two of you, the death of the survivor) or (ii) the date of termination of this Agreement pursuant to Section 7 or 8, then in our sole discretion we may remove and store such furnishings and other property at the risk of you or your estate. You agree to pay all expenses related to such removal and storage. If there are two Residents under this Agreement and one of the Residents dies, the second person fee will cease and the remaining Resident will continue to pay the first person Monthly Service Fee. If there are two Residents under this Agreement and one of the Residents is transferred outside of the Community to a hospital or other Special Facility pursuant to Sections 6.1 or 6.2, the second person fee will cease sixty (60) days following such transfer, unless such Resident is subsequently readmitted to the Community.

1.3.3. UPON FORTY-FIVE (45) DAYS’ ADVANCE NOTICE TO YOU, the Board of Directors of Annapolis Life Care, Inc., in its sole discretion, may increase periodically the Monthly Service Fee in order to provide for the support and financial needs of the Community. The amount of the Monthly Service Fee is and will continue to be affected by our policy of maintaining reserve funds for the support and financial security of the Community.

1.3.4. Your Monthly Service Fee will be adjusted in the event you transfer to an Assisted Living Unit or a Nursing Care Unit as set forth below.

1.3.4.1 If you transfer permanently to an Assisted Living Unit or to a Nursing Care Unit as provided in Section 6, your Monthly Service Fee will be adjusted to represent the then-current Assisted Living Fee or Nursing Care Fee, as applicable.

If there are two Residents under this Agreement and only one of the Residents permanently transfers to an Assisted Living Unit or a Nursing Care Unit and the other Resident remains in the Independent Living Unit, such Residents shall pay the then-current single occupancy Independent Living Fee on behalf of the Resident remaining in the Independent Living Unit and the then-current first person Assisted Living Fee or the Nursing Care Fee, as applicable, for the Resident who has been permanently transferred to the Assisted Living Unit or the Nursing Care Unit. If there are two Residents under this Agreement and one Resident permanently transfers to an Assisted Living Unit and the other Resident to a Nursing Care Unit, the Resident occupying the Assisted Living Unit shall be responsible for the then-current first person Assisted Living Fee and the Resident occupying the Nursing Care Unit shall be responsible for the then-current first person Nursing Care Fee.

If there is one Resident and that Resident transfers on a temporary basis to an Assisted Living Unit or a Nursing Care Unit, they will be charged for the then-current first person Assisted Living or the Nursing Care Fee, as applicable, as well as payment of the single occupancy monthly fee for the Independent Living Unit from which they have been temporarily transferred.

If there are two Residents and only one transfers on a temporary basis to an Assisted Living Unit or Nursing Care Unit and the other Resident remains in the Independent Living Unit, the Resident who remains in the Independent Living Unit will continue to pay the first person Monthly Service Fee for the Independent Living Unit and the transferred Resident will continue to pay the applicable Second Person Fee for the Independent Unit and the first person Assisted Living Fee or Nursing Care Fee, as applicable.

If at any point it is determined that you (both of you, if there are two) are able to return to an Independent Living Unit or to an Assisted Living Unit from a Nursing Care Unit and an appropriate unit is available, your Monthly Service Fee will be readjusted to the then-current Monthly Service Fee for that unit.

1.3.4.2 Subject to availability, Residents may stay in the Assisted Living Unit or the Nursing Care Unit on a short term or temporary basis when such care is prescribed by their physician. **During such stays, the Resident (whether one or two persons) shall continue to pay an aggregate total of the Independent Living Fee as well as the then-current first person Assisted Living Fee or Nursing Care Fee, as applicable.**

1.4. Other Fees.

You will be billed separately for additional services not covered under the Monthly Service Fee. These services, such as additional meals per day not covered by your Monthly Service Fee and other additional services, as described in Section 5, will be billed monthly at the then-current rate for such services as established by us. You agree to pay for all additional meals provided to you and all additional services provided.

1.5. Late Fees.

If you fail to pay the Monthly Service Fee or charges for additional services within thirty (30) days of the due date, you agree to pay interest on the overdue amount at the rate of two (2.0%) per month. Acceptance by us of partial payment does not constitute a waiver of outstanding fees.

2. Refund of Fees Prior to Occupancy.

You may rescind this Agreement at any time prior to Occupancy, subject to the following terms:

2.1. First 90 Days.

If prior to Occupancy, we do not accept you for residency, or if you change your mind and give us written notice of rescission of this Agreement within ninety (90) days after signing this Agreement, this Agreement will be automatically rescinded, and, subject to Section 2.4, you will receive a refund of any portion of the Entrance Fee paid by you to us (without interest) within thirty (30) days.

2.2. Change in Condition.

If prior to Occupancy (i) you (both of you, if there are two of you) die or become unable to occupy your Living Unit because of illness, injury or incapacity or (ii) you elect to terminate this Agreement because of a substantial change in your physical, mental or financial condition, this Agreement will be automatically cancelled, and, subject to Section 2.4, you will receive a refund of any portion of the Entrance Fee paid by you to us (without interest) within thirty (30) days of notice of cancellation. If there are two Residents under this Agreement, and one of the Residents dies prior to Occupancy, cancellation of this Agreement will be at the option of the surviving Resident, provided that the surviving Resident continues to be eligible for admission to the Community in accordance with the admission policies adopted by the Board of Directors of Annapolis Life Care, Inc., which govern all admissions.

2.3. Cancellation After 90 Days.

If prior to Occupancy but more than ninety (90) days after signing this Agreement, you cancel this Agreement for any reason other than the reasons set forth in Section 2.2, subject to Section 2.4, you will receive a refund (without interest) within thirty (30) days of the date of your cancellation equal to the following: any portion of the Entrance Fee paid by you to us, less twenty-five percent (25%) of the total of the amounts set forth in Sections 1.2.1 and 1.2.2.

2.4. Special Costs.

In all cases, the Processing Fee will not be refunded, and your Entrance Fee refund will be reduced by the reasonable costs, if any, incurred by us to modify the structure or furnishings

of your Living Unit and to restore the structure or furnishings of your Living Unit to its original design as provided in the Alteration of Living Unit Agreement, attached hereto as Exhibit 4.0.

3. Refund of Entrance Fee Following Occupancy.

After Occupancy, if you die or if this Agreement is terminated for any reason, you, your designated beneficiary or your estate will receive a refund of a portion of the Entrance Fee paid by you to us in an amount set forth below:

3.1. Termination by You.

3.1.1. If, within ninety (90) days of Occupancy, this Agreement is terminated as a result of your death (if there are two of you, the death of the survivor) or if you terminate this Agreement pursuant to Section 7, you will receive a refund in an amount equal to the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3. Such refund amount, if any, will be paid to you, your designated beneficiary or to your estate (without interest) within thirty (30) days of the earlier to occur of:

(1) Re-contracting of your Living Unit by (i) another person(s) for whom an entrance fee has been paid or (ii) another person who is not a subscriber and payment of the applicable entrance fee by such person(s); or

(2) The later to occur of:

(a) the 90th day after the date of death or the date written notice of termination, as required under this Agreement, is delivered to us; or

(b) the date on which the Independent Living Units at the Community have operated at 95% of capacity for the previous six (6) months.

3.1.2.

(1) If, after the 90th day of Occupancy, this Agreement is terminated as a result of your death (if there are two of you, the death of the survivor) or if you terminate this Agreement pursuant to Section 7, you will be entitled to a refund in an amount equal to the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3. Such refunded amounts, if any, will be paid to you, your designated beneficiary or to your estate (without interest) within sixty (60) days after your death or the effective date of termination, if on the date of death or at any time between the date the written termination notice is given and the effective date of termination: (1) you (or if there are two of you, both of you, or the surviving resident) no longer reside in a Living Unit at the level of care in which you resided upon initially entering the Community; (2) you (or if there are two of you, both of you) reside in a Living Unit at a higher level of care than the level of care in which you resided on initially entering the Community; and (3) the last Living Unit in which you (or if

there are two of you, either of you) resided at the initial level of care on entering the Community has been occupied by or reserved for another resident who has paid an entrance fee.

(2) If, after the 90th day of Occupancy, the conditions in Section 3.1.2(1) above are not met, and this Agreement is terminated as a result of your death (if there are two of you, the death of the survivor) or if you terminate this Agreement pursuant to Section 7, you will be entitled to a refund in an amount equal to the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3. Such refund amounts, if any, will be paid to you, your designated beneficiary or to your estate (without interest) within sixty (60) days of the later to occur of: (1) the date on which termination of this Agreement becomes effective; or (2) our receipt of the entire entrance fee for the last Living Unit in which you resided at the level of service at which you entered the Community.

3.1.3. In the event of a transfer of one of two Residents to a hospital or Special Facility and termination of the transferred Resident under Section 8.3.3, the terminated Resident shall be entitled to receive a refund (the "Resident Share") equal to the greater of (1) one-half of the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3, or (2) the statutory refund payable to the terminated Resident as provided in Section 3.2. The Resident Share shall be paid to the terminated Resident (without interest) within sixty (60) days following the date of such termination. The Entrance Fee Refund After Occupancy payable to the remaining Resident on his or her death or termination of the Agreement shall be the Entrance Fee Refund After Occupancy, less (a) the Resident Share and (b) any applicable offsets as set forth in Section 3.3. Any statutory refund payable to the remaining Resident under Section 3.2 shall be determined in accordance with the formula for one of two Residents as set forth in Section 3.2.

3.1.4. Notwithstanding the foregoing, we may withhold any Entrance Fee Refund After Occupancy payable under this Section 3.1 until the Living Unit or Living Units (as applicable) previously occupied by the terminating Resident or Residents are vacated of all furnishings and personal items.

3.2. Termination by Us.

If we terminate this Agreement pursuant to Section 8, we will refund to you the greater of (i) the Entrance Fee Refund After Occupancy, less any applicable offsets as set forth in Section 3.3, or (ii) the Statutory Refund, which is the Resident's total Entrance Fee divided by the Resident's years of expected life at admission multiplied by the Resident's years of expected life at discharge or dismissal. Years of expected life at admission and at dismissal or discharge shall be computed at the time of discharge or dismissal. The computations shall be based upon the appropriate life tables in the most recently published version of the United States Decennial Life Tables published by the U.S. Department of Health and Human Services. If there are two Residents under this Agreement at the time of termination by us, any refund calculation computed pursuant to the Statutory Refund will be based on the assumption that the Entrance Fee is attributable in equal shares to each Resident, such that

one half of the Entrance Fee will be multiplied and divided by the appropriate life expectancy of each Resident and the results added to determine the total amount. The applicable refund amount, if any, will be paid to you (without interest) within sixty (60) days following the later to occur of (i) the date of termination of this Agreement by us, or (ii) the date you have vacated the Living Unit (inclusive of all furnishings and personal items).

3.3. Offsets Against Refund.

3.3.1. Except in the event of a Statutory Refund, your Entrance Fee Refund After Occupancy will be reduced by the following amounts:

3.3.1.1. The amount of any unreimbursed medical expenses (including but not limited to the medical expenses referred to in Section 5) incurred by us for your medical care which are not specifically included in the Monthly Service Fee; plus

3.3.1.2. The amount of any Monthly Service Fees or other sums owed by you to us under this Agreement or otherwise, including such amounts that are deferred by us on your behalf under Section 11.1 or that are paid with proceeds of any loan or advance made to you or on your behalf by our Friendship Fund or otherwise by us; plus

3.3.1.3. Those amounts described in Section 2.4 of this Agreement; plus

3.3.1.4 The amount of any expenses or costs which may be incurred by us in removing and/or storing any personal belongings of yours that remain in your Living Unit following the date of termination; plus

3.3.1.5 The amount of any Entrance Fee for which payment was deferred pursuant to Section 1.2.4 of this Agreement that has not been paid as of the date of termination hereof.

3.3.2. In the event of a Statutory Refund, your Statutory Refund will be reduced by the amount of any Entrance Fee for which payment was deferred pursuant to Section 1.2.4 of this Agreement that has not been paid as of the date of termination hereof. We reserve the right to collect such other amounts due to us through collection procedures, including legal proceedings.

3.3.3. If there are two Residents under this Agreement and each of you separately pays a portion of the Entrance Fee, our rights of offset under this Section 3.3 will apply to the entire Entrance Fee Refund After Occupancy. Our rights of offset apply regardless of whether the amounts to be offset against the Entrance Fee Refund After Occupancy are incurred by both of you or either of you, are deferred by us on behalf of both of you or either of you, or otherwise are attributable to both of you or either of you.

3.3.4. Our right to make offsets against the Entrance Fee Refund After Occupancy is in addition to all other rights and remedies available to us under this Agreement and otherwise, including but not limited to our right to collect amounts owed by you to us through collection procedures, including legal proceedings.

3.4. Conditions for Refund.

Annapolis Life Care, Inc. agrees to make reasonable efforts to satisfy the conditions for payment of the Entrance Fee refund.

3.5. Refund Not Escrowed.

The portion of the Entrance Fee to be refunded after Occupancy as provided in this Agreement is not held in trust or escrow for the benefit of Resident(s) after Occupancy.

4. Services and Features Provided to Residents.

4.1. Services Provided to all Residents of the Community.

We will furnish to you in the Community so long as you reside at the Community, the following services and features for the Monthly Service Fee:

- One meal per day;
- Special diet and tray service for one meal if ordered by the Medical Director;
- Air conditioning;
- Heating;
- Electricity;
- Water;
- Building & unit janitorial service;
- Maintenance services (excluding those for resident-owned lights and electronics)
- Weekly housekeeping;
- Availability of laundry facilities in the residential buildings;
- Planned activities (social, educational cultural and recreational) for those who wish to participate;
- Use of all recreational and other common area facilities;
- Basic cable TV access;
- Emergency call response system;
- Scheduled transportation;
- Use of pool, spa and sauna;
- Availability of the Medical Director, or another physician on emergency call, when summoned by designated Community Health Center personnel; and
- Walk-in clinic that provides blood pressure monitoring, temperature checks, and basic first aid (all other clinic services are subject to fees as set forth in the Ancillary Fee Schedule (Exhibit 8.0)).

- Tech@Home ® services the schedule and availability of which may change from time to time.

4.2. Independent Living Units.

Independent Living Units include unfurnished one-bedroom traditional and deluxe units and two-bedroom traditional, deluxe and den units. All current Independent Living Unit types, and the fees associated with each unit, are listed on the Fee for Service Fee Schedule attached as Exhibit 7.0 to this Agreement. All Independent Living Units have a complete kitchen (including refrigerator, range with oven, garbage disposal, dishwasher, and microwave oven). In addition to the services furnished to all Residents of the Community, we will furnish to Residents of Independent Living Units the following additional services:

- One parking space for residents who operate their own vehicle and a remote parking area for guests;
- Scheduled transportation services; and
- Storage.

4.3. Assisted Living Units.

The Assisted Living Units are located in our assisted living facilities, which are licensed by the Maryland Department of Health to provide assisted living care. The Assisted Living Units located in the assisted living buildings are licensed to provide a low to moderate level of care. The Assisted Living Units located in the Community Health Center are licensed to provide a low, moderate and high level of care.

Memory Care Units are a part of our Assisted Living care level and licensed by the Maryland Department of Health to provide assisted living care for those residents with mild cognitive impairment to moderately severe dementia without a primary psychiatric diagnosis. The Memory Care Units are secure and designed to enable residents to remain engaged in their environment at the level of their cognitive ability, and to function at the highest level possible for as long as possible. The Memory Care Units encompass 1) Care coordination – Staff collaboratively assess, plan, and provide care that is consistent with current advances in dementia care practice, 2) Staff knowledge and competency – Staff have the qualifications, skills, training, and education to assess and provide care for a resident population with memory impairment, 3) Activity programming based on abilities – Staff provide activities that match the resident’s cognitive ability, memory, attention span, language, reasoning ability, and physical function, 4) Behavior management – Ginger Cove places emphasis on the use of nonpharmacological interventions as an alternative to antipsychotic medication use, and 5) Safe and supportive physical environment – Ginger Cove modifies the physical environment to promote safety and minimize confusion and overstimulation. If you reside in a Memory Care Unit, you will be charged the same Assisted Living Fee that you would pay if you were to reside in any other Assisted Living Unit.

We will determine your appropriate level of care based on an assessment by the Medical Director. You will be informed of this decision and asked to sign an acknowledgement of the transfer to an Assisted Living Unit and the level of care that you will receive.

Assisted Living Units are one-bedroom units and have carpeting throughout (except for bath) and closet space. We encourage you to provide your own furnishings in the Assisted Living Unit, subject to our prior consent and provided that such furnishings do not interfere with the health, safety or general welfare of you or others. If you choose not to provide furnishings, they will be provided by us in the Assisted Living Unit. If we provide the furnishings, they will include at a minimum a single bed, mattress, pillows, bedside stand with drawer, a chair, chest of drawers, bedside lamp, bath linens and bed linens. The cost of moving is the responsibility of the Resident.

4.3.1. Assisted Living Services. If you require Assisted Living Services, you will be charged the Assisted Living Fee for such services as provided in Section 1.3.4. In addition to the services furnished to all Residents of the Community, we will furnish to residents of Assisted Living Units the following assisted living services and features:

- Daily snacks;
- Daily observation, care and supervision;
- Development and review of your service/care plan and periodic assessments as required by law;
- Assistance with activities of daily living such as assistance with eating; personal hygiene, grooming, bathing and oral hygiene, including brushing teeth, shaving and combing of hair; mobility, transfer, ambulation; toileting and dressing ;
- Supervision or administration of prescribed medications after an initial assessment and periodic assessment of your ability to self-administer medications as permitted by law;
- Locked storage for valuables for use by Resident at Resident's own risk;
- Licensed nurses available twenty-four (24) hours a day;
- Telephone; and
- Other storage, as available.

In addition, to the extent required under our assisted living licensure and if requested by you, we will facilitate access for you to (1) appropriate health care and social services, including social work services, rehabilitation services, home health services, hospice services, skilled nursing services, physician services, oral health care, dietary consultation and services, counseling, psychiatric services and other specialty health and social services and (2) social and recreational services, including access to spiritual and religious activities consistent with your background and preferences. The services provided by us in Assisted Living Units do not include management of a Resident's personal funds or property. You or your authorized agent will continue to have the full responsibility for the management and disposition of your personal funds and property. The term "assisted living services" as used in this Agreement means assisted living services as described in this Section 4.3.1.

Other services not provided as part of the Monthly Service Fee for the Assisted Living Units are identified in Exhibit 2.2.

4.3.2. Additional Meals. Two additional full meals per day, including special diets as required, will be provided to all Residents in Assisted Living Units.

4.4. Nursing Care Units and Services.

If you require Nursing Care Services, you will be charged the Nursing Care Fee as provided in Section 1.3.4. The Nursing Care Units are comprehensive care beds located in the Community Health Center and include the following options subject to availability and fees: private room with shared bath; private room with private bath; deluxe room with private bath and super deluxe room with private bath. They are furnished with a single bed, mattress, pillows, bedside stand with drawer, a chair, chest of drawers, bedside lamp, bath linens and bed linens. We will make available to you while you reside in a Nursing Care Unit, in addition to the services provided to all Residents, the following nursing care services:

- Nursing care, including skilled nursing services;
- Coordination of comprehensive health services and interventions, including facilitating access to social work services, rehabilitative services, home health services, physician services, oral health care, dietary consultation and services, counseling, psychiatric services and other specialty health and social work services, as needed;
- Assistance with activities of daily living, including ambulation, personal hygiene, dressing, toileting and eating;
- Assistance with medication storage, administration and monitoring;
- Locked storage for valuables for use by Resident at Resident's own risk; and
- Telephone.

The term "nursing care services" as used in this Agreement means nursing care services as described in this Section 4.4.

Two additional meals per day will be provided to all Residents in a Nursing Care Unit.

If you transfer to the Nursing Care Unit permanently, you will be required to sign an additional separate agreement for comprehensive care services (Acknowledgement of Permanent Assignment to a Nursing Care Unit), attached hereto as Exhibits 3.0 and 3.1. This agreement is a model form agreement approved by the Maryland Department of Health, but is not required to be, and will not be, approved by the Maryland Department of Aging for compliance with legal requirements or coordination with this Agreement.

5. Additional Services and Features.

5.1. Additional Services Provided For an Extra Charge.

We will also make available, at your request and so long as you reside in the Community, certain additional services and features for an extra charge at the then prevailing rates, including, but not limited to:

- Additional meals or special diets per day;
- Laundry services;
- Guest accommodations, when available;
- Certain ancillary services and supplies, including physical therapy services, pharmaceuticals, and other similar services and supplies;
- Unscheduled transportation; and
- Other optional services and features as approved by us.

The fee schedule in effect on the date of this Agreement for offered additional services is attached to this Agreement as Exhibit 8.0, and a current fee schedule is available at all times at the Community reception desk. The fees charged for additional services may be changed by us at any time with forty-five (45) days advance notice to you. All other costs and charges incurred by us for additional services provided will be invoiced with your regular monthly billing and you will be obligated to promptly reimburse us for such costs upon receipt of your monthly billing.

5.2. Medical Director.

We have designated a physician licensed to practice in Maryland to serve as Medical Director of the Community Health Center. The Medical Director or his/her designee will be available to respond to emergency calls at the Community Health Center when summoned by designated Community Health Center personnel. We will not be responsible for the cost of medical treatment rendered by the Medical Director or such other physician(s) nor will we be responsible for the cost of medicine, drugs, prescribed therapy, or other similar services and supplies. You are encouraged to retain the services of a physician or physicians of your choice.

6. Changes in Accommodation.

If we determine, based on consultation with the Medical Director, that you need a higher level of services or support than that available in your current Living Unit, you may be transferred to an Assisted Living Unit, a Nursing Care Unit or a Special Facility, depending on the level of services required by you and pursuant to the standards set forth in this Section 6.

All transfer determinations will be made by us in our sole discretion, in consultation with the Medical Director, and will take into consideration the general welfare of all residents of the Community as well as your individual medical assessment. Your medical assessment will include an assessment of your physical and mental capacity to function safely in independent or assisted

living, your assessed need, if any, for comprehensive care services or other special services only available outside the Community, and any other health evaluation required by State law.

In addition, you may be relocated to another Assisted Living Unit or Nursing Care Unit of the same level of care in the event we determine that such a relocation is necessary for the protection of your health or safety or for the general or economic welfare of all residents.

6.1. Non-Emergency Transfer or Relocation.

In the event that we determine that transfer or relocation to an Assisted Living Unit or to a Nursing Care Unit is necessary for the protection of your own health or safety or for the general or economic welfare of other residents, and such transfer or relocation is of a non-emergency nature, we will request that you transfer or relocate to an appropriate available Assisted Living Unit or Nursing Care Unit within thirty (30) days of notice to you of our determination.

If we determine, in our sole discretion and in consultation with the Medical Director, that you require services that are not provided in Assisted Living Units or Nursing Care Units and that are only available at a hospital or other facility outside the Community, as determined by us in our sole discretion to be appropriate (a “Special Facility”), we will request that you transfer to such Special Facility. If you refuse to consent to such transfer, we may terminate this Agreement if permitted in accordance with Section 8.1.3.

6.2. Emergency Transfer/Relocation.

If, in the opinion of the Medical Director, your continued occupancy of your Living Unit presents an imminent and serious threat to your health or safety or the health or safety of other Residents, we may transfer or relocate you to an appropriate Assisted Living Unit or Nursing Care Unit or as necessary, to a hospital or other Special Facility, as determined by us in our sole discretion to be appropriate, until we determine, upon consultation with the Medical Director, that you are able to return to your Living Unit. We are not responsible for any charges or expenses related to such transfer or relocation.

6.3. Transfer to an Alternate Assisted Living or Health Center.

If you require assisted living services but, due to unusual circumstances, there is no available Assisted Living Unit in which you can receive the needed assisted living services, we will at our option (1) provide the necessary assisted living services in your current Independent Living Unit, or (2) transfer you to a nearby alternate health center to provide assisted living services. Upon your transfer to an alternate health center, you will continue to pay the applicable Monthly Service Fee for your Independent Living Unit under this Agreement. You will also be responsible for the charges associated with the assisted living services provided in your current Independent Living Unit or at the alternate health center, as applicable. You will be relocated to an Assisted Living Unit in the Community as soon as an Assisted Living Unit becomes available.

If you require nursing care services but, due to unusual circumstances, there is no available Nursing Care Unit in which you can receive the needed nursing care services, we will at our option (1) provide the necessary nursing care services in your current Living Unit or (2) transfer you to a nearby alternate health center to provide nursing care services. Upon your transfer to an alternate health center, you will continue to pay the applicable Monthly Service Fee for your current Living Unit under this Agreement. You will also be responsible for the charges associated with those nursing care services provided in your current Living Unit or at the alternate health center. You will be relocated to a Nursing Care Unit in the Community as soon as a Nursing Care Unit becomes available.

6.4. Temporary and Permanent Transfers/Relocations.

A transfer to an alternate health center is a temporary transfer. Transfer to a hospital or other Special Facility is also a temporary transfer; however, you or we may give notice of termination of this Agreement in the circumstances described in Section 8.

All transfers to an Assisted Living Unit or to a Nursing Care Unit are temporary until we, in consultation with the Medical Director, determine that you require the level of services offered in the Assisted Living Unit or the Nursing Care Unit on a permanent basis. Your transfer to an Assisted Living Unit or to a Nursing Care Unit, as appropriate, will become a permanent transfer effective upon notice to you of our determination.

If you are relocated to another Assisted Living Unit or Nursing Care at the same level of care, as permitted under Section 6.1 or 6.2, your relocation will become permanent when we give you notice of our determination that a permanent relocation is necessary for the protection of your health or safety or the general or economic welfare of other residents.

If you are a single Resident and it is determined that your transfer or relocation is permanent, you will be required to relinquish your former Living Unit. If there are two of you and only one of you is permanently transferred or relocated to an Assisted Living Unit or a Nursing Care Unit, the other Resident may continue to occupy the Living Unit. If there are two residents, you will be required to relinquish your former Living Unit when the second Resident has been transferred or relocated permanently to an Assisted Living Unit or to a Nursing Care Unit.

If you are required to relinquish your Living Unit, you must remove all of your furnishings and other property from such relinquished Living Unit within thirty (30) days of the date you receive notice of permanent relocation. If your furnishings and other property is not removed within the thirty days, we may remove and store such furnishings and other property at your expense and risk. We are not responsible for any moving costs or other charges related to transfer or relocation.

6.5. Changes in Monthly Service Fee.

In the event of a temporary transfer or relocation, you will continue to pay the Monthly Service Fee for your Living Unit which you will not be required to release; however, you will also be invoiced monthly for Assisted Living Services or Nursing Care Services provided to you, as

applicable, which shall be calculated on a per diem basis but shall be payable monthly. In the event of a permanent transfer or relocation to an Assisted Living Unit or to a Nursing Care Unit, your Monthly Service Fee will be changed pursuant to Section 1.3.4.

If there are two Residents under this Agreement and one of the Residents is assigned temporarily or permanently to an Assisted Living Unit, a Nursing Care Unit or to a facility outside the Community, the other Resident may continue to occupy the Living Unit under this Agreement in consideration of the applicable Monthly Service Fee as provided in Section 1.3.4.

6.6. Return to Living Unit.

If you are temporarily assigned to an Assisted Living Unit or a Nursing Care Unit, you will not be required to give up your Living Unit. You can return to your Living Unit when it is determined by us, in consultation with the Medical Director, that you are able. If, after you have been permanently assigned to an Assisted Living Unit or a Nursing Care Unit, we determine, in consultation with the Medical Director, that you are able to return to an Independent Living Unit or to an Assisted Living Unit from which you were transferred to a Nursing Care Unit, we will provide you a unit of the same type as the one you previously occupied, as soon as one is available and your Monthly Service Fee will again be adjusted to the applicable Monthly Service Fee for that Living Unit.

6.7 Transfer to Special Facility.

In the event of a transfer to a hospital or other Special Facility outside the Community as provided in Sections 6.1 and 6.2, we will hold your Living Unit or bed until your return or termination of this Agreement. You will continue to be responsible for payment of the Monthly Service Fee and other fees as provided in this Agreement. We have no responsibility for any fees or costs associated with your transfer to or services provided by such Special Facility.

7. Your Termination Rights.

7.1. Prior to Occupancy.

Your termination and refund rights prior to Occupancy are described in Section 2.

7.2. Subsequent to Occupancy.

After Occupancy, you may terminate this Agreement at any time (i) by providing to us ninety (90) days' advance written notice at any time during the first ninety (90) days from Occupancy or (ii) by providing to us one hundred twenty (120) days' advance written notice at any time after ninety (90) days from Occupancy. Such written notice must be signed by you and shall be irrevocable after thirty (30) days following the date of such notice. If there are two Residents, notice of termination given by one Resident will terminate the Agreement as to both Residents. If you give such notice, this Agreement shall terminate on the day following the expiration of the required notice period. You will continue to pay the Monthly Service Fee until the later of (i) the expiration of such notice period or (ii) the date you vacate (*i.e.*, have removed all furnishings and personal

items) your currently assigned Living Unit or Units (as applicable), provided, however, that no Monthly Service Fee will be charged for any period that your last permanently assigned Living Unit or Units (as applicable) is occupied by a new resident who is paying a Monthly Service Fee for that unit. You will be entitled to receive a refund of your Entrance Fee in accordance with Section 3.1.

8. Our Termination Rights.

8.1. Just Cause.

We will not terminate this Agreement after Occupancy except for just cause. Just cause is defined as:

8.1.1. Nonpayment of any amount owed by you to us under this Agreement;

8.1.2. Material breach of this Agreement or the written, reasonable rules of the Community that contractually bind the Resident; or

8.1.3. Health status or behavior which constitutes a substantial threat to your health or safety or to the health or safety of the other Residents of the Community.

If we terminate this Agreement as provided in this Section, we will have no further obligation to you, except that you will be entitled to receive a refund in accordance with Section 3.2.

8.2. Notice of Termination.

Before any termination of this Agreement by us, we will give you advance notice in writing of the reasons. You will have such time as is stated in the notice, but no less than sixty (60) days after the date of the notice, to correct the problem. If the problem is corrected within the sixty (60) day period, this Agreement will not be terminated. If the problem is not corrected within that period of time, this Agreement shall terminate sixty (60) days following the date of our notice. You will continue to pay the Monthly Service Fee until the later of (i) the expiration of such notice period or (ii) the date you vacate (inclusive of furnishings and personal items) your currently assigned Living Unit or Units (as applicable), provided, however, that no Monthly Service Fee will be charged for any period that your last assigned Living Unit or Units (as applicable) is occupied by a new resident who is paying a Monthly Service Fee for that unit. You will be entitled to receive a refund of your Entrance Fee in accordance with Section 3.2.

8.3. Termination Upon Transfer from Community.

If a transfer to a hospital or other Special Facility outside the Community is a result of circumstances described in Section 8.1.3 above, we may terminate the Agreement pursuant to this Section.

8.3.1. If there is one Resident under this Agreement and you have been moved to a hospital or other Special Facility on account of the circumstances described in Section 8.1.3, we may elect to terminate this Agreement following such transfer by providing you with a written notice of termination stating that this Agreement will be terminated sixty (60) days following the date of the notice unless your condition improves and you are subsequently readmitted to the Community. If you sufficiently recover during the sixty (60) days, you may return to the Community and the notice of termination will be void. If you do not recover sufficiently, you will receive a refund pursuant to Section 3.2.

8.3.2. If there are two Residents under this Agreement and one of the Residents is transferred with his/her consent to a hospital or other Special Facility under the circumstances described in Section 8.1.3, we will not terminate this Agreement on account of the transfer of one Resident, and the other Resident may continue to occupy the Living Unit or the Community Health Center under the terms of this Agreement or either Resident may elect at his or her option to terminate this Agreement as to both Residents pursuant to Section 7.2 and receive a refund under Section 3.1. If neither Resident elects to terminate this Agreement, the Resident who has been transferred to a hospital or Special Facility may return to the Community at any time we have determined that he or she has sufficiently recovered to resume residency.

8.3.3. In the event of a transfer of one of two Residents to a hospital or Special Facility under the circumstances described in Section 8.1.3 without the consent of the transferred Resident, we will give sixty (60) days notice of termination of the Agreement as to the transferred Resident only and the second Resident may continue to occupy the Living Unit under the terms of this Agreement. If we determine that the transferred Resident has sufficiently recovered during the sixty (60) days, he or she may return to the Community and the notice of termination will be void. If the transferred Resident does not return to the Community prior to the end of sixty days, he or she will receive a refund of the Resident Share of the Entrance Fee as provided in Section 3.1.4. Upon the termination of this Agreement with respect to the remaining Resident, he or she shall be entitled to the remaining refund as provided in Section 3.1.4.

As of the date of termination of the transferred Resident, he or she shall have no further rights or legal responsibilities under this Agreement except (a) the legal responsibility for all claims and liabilities accruing or arising under this Agreement through the date of termination which claims and liabilities shall survive termination, and (b) the right to receive a refund of the Entrance Fee as provided under Section 3.2

9. Miscellaneous Provisions.

9.1. Duration of Your Right to Occupy the Living Unit.

You may reside in your Independent Living Unit for so long as you (or either of you) live, unless this Agreement is terminated by you or by us as provided in Section 7 or 8, or unless you (both of you, if there are two of you) are permanently assigned to an Assisted Living Unit or to a Nursing Care Unit as provided under Section 6.

9.2. Occupants of the Living Unit.

No person other than you and your occasional overnight invitee may reside in the Living Unit except with our express written approval. If you are a single resident of an Independent Living Unit and you desire to reside with a non-resident spouse or other non-resident with whom you have a significant long-term relationship, we may, in our sole discretion and in accordance with this Section 9.2, permit you and the second person to enter into a new joint residency agreement for your current Living Unit or another appropriate Living Unit, if available. We shall have the right to require the non-resident to meet all our then-current admission requirements and eligibility criteria. If, in our sole discretion, we approve the second person for residency and there is an available Independent Living Unit appropriate for the current needs of both you and the second person, you and the second person may enter into a joint residency agreement in consideration of the then-current Entrance Fee for joint occupancy of such Independent Living Unit, provided that you first terminate this Agreement in accordance with Section 7. You may elect to have the refund amount payable to you under Section 3.1 applied to the payment of your new Entrance Fee under the joint residency agreement.

In the event that you request a change in the Independent Living Unit assigned to you under this Agreement, Ginger Cove may, in its sole discretion and in accordance with its then-current policies relating to reassignments, permit such reassignment to another Independent Living Unit in accordance with the terms and conditions set forth in the Change in Independent Living Unit Addendum attached to this Agreement as Exhibit 6.0, which Addendum must be signed by you prior to any reassignment permitted by Ginger Cove.

9.3. Use of the Living Unit.

Your Living Unit shall not be used for carrying on any business or profession nor in any manner in violation of zoning restrictions.

9.4. Right of Entry.

We will recognize your right to privacy in the Independent Living Unit, however, we reserve the right to enter any Independent Living Unit in order to carry out the purpose and intent of this Agreement. Such legitimate entries include, but are not limited to, entry for routine maintenance and inspection, response to emergency calls, fire or medical alerts or other emergency responses. Entry for routine services will be conducted only with prior notice. In addition, we reserve the right to enter to make changes to the Independent Living Unit in the event that we determine such changes to the Independent Living Unit are necessary for the safety or welfare of you or other residents. Prior to making such changes to the Independent Living Unit, we will advise you of the nature of the changes, the reason for the changes, and whether such changes will require that you vacate your Independent Living Unit. Should it be necessary to make changes which necessitate temporary vacation of your Independent Living Unit, we will provide alternate facilities for you, within or outside the Community, without additional cost to you, for any period during which your

Independent Living Unit is not habitable due to the making of such changes. We reserve the right of unrestricted entry into an Assisted Living Unit subject to your privacy rights as set out in our Notice of Residents' Rights posted in the Community. There are no locks available in the Community Health Center. There are locks on the doors of Assisted Living Units in the assisted living buildings.

9.5. Furnishings.

Furnishings within the Living Units will not be provided by the Community except as stated in Section 4. Furnishings provided by you in the Independent Living Unit, or as permitted, in the Assisted Living Unit, shall not be such as to interfere with your health, safety, or general welfare, or the health, safety, or general welfare of others. If removal of your furnishings and other property is not completed within thirty (30) days following your death (if there are two of you, the death of the survivor) or termination of this Agreement as provided in Section 7 or 8, then we may remove and store such furnishings and other property at the expense and risk of you or your estate.

9.6. Modifications of the Living Unit or Its Equipment.

No modifications of your Independent Living Unit or Assisted Living Unit or its equipment may be made either prior to or during your residency except with our express written consent, which will not be unreasonably withheld, and upon execution by you and us of an Alteration of Living Unit Agreement (Exhibit 4.0). For such requests, please contact the Finance Office. All modifications will be at your cost and expense, and you will be solely responsible for contracting for approved modifications and for the actions of your contractor. No modifications may be made to a Nursing Care Unit. Upon your permanent assignment to another Living Unit or termination of this Agreement, we reserve the right to require that any modifications made by you be removed, and that the Independent Living Unit or Assisted Living Unit be restored to its original design at your expense.

10. Representations.

10.1. Requirements of Residency.

You represent and warrant to us that you are capable of independent living, free of communicable disease, and have assets and income which are sufficient under foreseeable circumstances and after provision for payment of your obligations under this Agreement to meet ordinary and customary living expenses after Occupancy (this is a requirement of admission, unless waived by us in writing and after full disclosure by you of the circumstances); that all facts stated in this Agreement and the Confidential Data Application signed by you in connection with this Agreement (a copy of which is attached) are true and complete; that you have not made any gift of your property in contemplation of signing this Agreement; and that you will be at least 60 years of age upon your Occupancy at the Community.

10.2. Purpose.

We represent and warrant to you that we are a not-for-profit corporation organized for the purpose of owning and operating the Community.

11. Covenants.

11.1. Financial Difficulty.

It is and will be our declared policy to operate as a charitable organization and not to terminate your residency solely by reason of your financial inability to pay the total Monthly Service Fee when you establish facts to justify deferment of such charges and when deferment of such charges can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis for the benefit of the Residents. Deferment of such charges may, in our sole discretion, take the form of a loan or advance made to you or on your behalf by our Friendship Fund or otherwise for the purpose of payment of such charges. The Friendship Fund may provide assistance to Residents residing in Independent Living Units, Assisted Living Units and Nursing Care Units. We do not participate in the Medicaid program, and you will not be required to apply for benefits under Medicaid or public assistance programs.

11.2. Resident Covenants.

You agree that you will comply with all of the Community Policies; that you will pay the Entrance Fee and Monthly Service Fee and other charges provided for by this Agreement; that, within sixty (60) days following Occupancy, you will provide by will or otherwise for the disposition of all your furnishings, possessions and property located at the Community; that you will not impair your ability to meet your financial obligations to us under this Agreement by excessively transferring assets other than to meet ordinary and customary living expenses, without our consent; and that you will abide by all other terms of this Agreement.

11.3. Insurance.

The Community will participate in the Medicare program. You represent that upon your Occupancy at the Community you will be entitled to Medicare Part A benefits and enrolled in the Medicare Part B program or, that you have equivalent insurance coverage acceptable to us. Further, you will maintain at your expense, while you are a Resident of the Community, Medicare Part A, Medicare Part B and one health insurance policy to supplement Medicare or equivalent insurance coverage acceptable to us, and, upon our request, you will furnish us copies of such policies. Maintenance of such insurance coverage is a significant obligation of yours under this Agreement. If such coverage is not maintained by you, we may seek to terminate this Agreement as provided in Section 8.

In the event that you represent to us upon your Occupancy that you maintain long-term care insurance covering all or part of the costs of the services provided under this Agreement, maintenance of such coverage is a significant obligation of yours under this Agreement and you agree to notify us of any change or cancellation of such coverage. If such coverage is not maintained by you at the level that you first represented to us, we may seek to terminate this

Agreement as provided in Section 8. Upon request, you will furnish us a copy of your long-term care insurance policy.

You agree to pay all costs incurred by you that are not covered by insurance. Payment of such costs is in addition to amounts due under Section 5 of this Agreement for other services and medical costs not covered under the Monthly Service Fee.

12. Miscellaneous Legal Provisions.

12.1. Nature of Rights.

Except as to reimbursement of the amounts described in Sections 2 and 3, you may not assign or otherwise transfer this Agreement or your rights (including the use of the Living Unit) under it, and no prohibited assignment or other transfer of rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees or representatives, except as to reimbursement of the amounts described in Sections 2 and 3. Your contractual right to occupy the Living Unit shall exist and continue to exist during your lifetime unless terminated by you or by us pursuant to Section 7 or 8. You and we expressly understand that this Agreement grants you a revocable license to occupy and use space in the Community, that you are not given exclusive possession of the Living Unit as against us, and you and we understand that this Agreement is not a lease or easement and does not transfer or grant to you any interest in real property owned by us.

12.2. Release.

We are not responsible for loss of or damage to your personal property, unless such loss is caused by our negligence or the negligence of our agents or employees, and you hereby release us from any such liability. You may want to obtain at your own expense insurance to protect against such losses.

12.3. Transfers.

If financially beneficial to the Community, the Community or the land upon which it is located may be sold and leased back, provided such transaction does not in any way alter our contractual obligations to you. Such transfers may require approval of the Maryland Department of Aging and/or disclosure to you. Any benefit to the Community, thus obtained, would be used to the benefit of Residents and the Community. Your signature hereto constitutes your consent and approval to any such future transfers.

12.4. Indemnity.

We shall not be liable for, and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to, or in any way connected with your acts or omissions.

12.5. Subordination.

You agree that all of your rights under this Agreement will always be subordinate and junior, except to the extent such subordination is limited under Sections 10-401 through 10-499 of the Human Services Article of the Annotated Code of Maryland, to the lien of all mortgages or other documents creating liens encumbering the Community or any of the assets of Annapolis Life Care, Inc., which have been or will be executed by us. Upon request, you agree to sign, acknowledge, and deliver to such lenders such further written evidence of such subordination as such lenders may reasonably require. You will not be liable for any such indebtedness.

12.6. Amendment of Agreement.

No amendment of this Agreement will be valid unless in writing and signed by you and us. This Agreement may not be amended without the prior approval of the form of the amendment by the Maryland Department of Aging.

12.7. Governing Law.

This Agreement will be governed, interpreted and construed according to the laws of the State of Maryland.

12.8. Severability.

The invalidity or unenforceability of any part of this Agreement will not impair or affect in any way the validity or enforceability of the rest of this Agreement. Notwithstanding the foregoing, this Section 12.8 shall not have the effect of invalidating any legal rights or remedies available to you under Sections 10-401 through 10-499 of the Human Services Article.

12.9. Residents.

When there are two of you, the rights and obligations of each of you are joint and several, except as the context of this Agreement otherwise requires.

12.10. Funeral and Burial Services.

No funeral or burial services or expenses are to be provided by us pursuant to this Agreement.

12.11. Affiliations.

Annapolis Life Care, Inc., is a not-for-profit Maryland corporation. Annapolis Life Care, Inc. is affiliated with Ginger Cove Foundation, Inc., a tax-exempt foundation formed in 2002 by Annapolis Life Care, Inc. to engage in charitable fund-raising activities for the financial support of Annapolis Life Care, Inc. Annapolis Life Care, Inc. is not affiliated with and does not receive

financial support from any other charitable or religious group. Annapolis Life Care, Inc. is also affiliated with Ginger Cove Home Health Care LLC, a Maryland licensed residential services agency that contracts directly with residents of the Community to provide certain home health care services.

12.12. Fee Adjustments for Absences.

No fee adjustments for absences from the Community will be made, except as specifically provided in this Agreement or at our sole discretion.

12.13. Entire Agreement.

This Agreement and any addenda hereto contain our entire understanding with respect to your residency. This Agreement may be modified by us at any time in order to comply with laws and regulations without further agreement by you, subject to approval by the Maryland Department of Aging. In the event that you permanently transfer to a Nursing Care Unit, you will be required to sign an additional separate agreement for Nursing Care Services that has been approved by the Maryland Department of Health but will not be approved by the Maryland Department of Aging for compliance with legal requirements or coordination with this Agreement.

12.14. Use of Fees Collected by Us.

Fees collected by Annapolis Life Care, Inc. under this Agreement may only be used for purposes set forth in this Agreement, including the purposes referred to in the next sentence. Annapolis Life Care, Inc. may use fees paid by Residents of the Community for purposes unrelated to the construction, operation, maintenance, or improvement of the Community, including for the furtherance of Annapolis Life Care, Inc.'s corporate mission, to distribute profits, or to benefit an affiliated community.

12.15. Complaint Policy; Legal Remedies.

There is an internal grievance procedure to investigate the grievances of Residents. A copy of the Community's internal grievance procedure is set forth in its disclosure statement. Residents of facilities such as the Community are protected by the provisions of Sections 10-401 through 10-499 of the Human Services Article which provides that Residents injured by violation of that subtitle may bring an appropriate action for equitable relief or an action for the recovery of damages in any court of general jurisdiction, and the award may include reasonable attorneys' fees in the event of a favorable judgment. If it is determined by a court that the terms of this Agreement are in violation of any of Sections 10-401 through 10-499 of the Human Services Article and that you have been injured by such violation, you are entitled to rescind this Agreement at any time and to receive treble damages for extensive injuries arising from the violations. In the event that we prevail in any collection proceeding against you relating to amounts owed under this Agreement, then in addition to all other rights and remedies available to us, you shall reimburse us on demand for all reasonable expenses, including, without limitation, reasonable attorneys' fees, incurred by us in connection with any legal proceedings or arbitration.

While you are residing in a Nursing Care Unit or in an Assisted Living Unit, if there are differences between applicable continuing care, assisted living, and nursing facility licensure requirements, the applicable provision most favorable to you will control.

12.16. Rights and Remedies.

All rights and remedies provided to us under this Agreement shall be cumulative and concurrent and in addition to all other rights and remedies available to us at law, in equity or otherwise, and the exercise by us of one or more of such rights or remedies shall not preclude our exercise of the same or other rights and remedies at any time.

12.17. Residents' Association.

Residents shall have the right to organize and operate a Residents' association at the Community and to meet privately at the Community to conduct business.

12.18. Certified Financial Statements.

We will make available to you our disclosure statement and certified financial statements that have been submitted to the Maryland Department of Aging as required by Sections 10-424 and 10-444 of the Human Services Article of the Annotated Code of Maryland.

12.19. Arbitration.

Any controversy arising out of or relating to this Agreement, other than any controversy relating to a right or remedy protected under Sections 10-401 through 10-499 of the Human Services Article of the Annotated Code of Maryland shall be determined and settled by arbitration before a single arbitrator agreed upon by the parties to this Agreement. The arbitration shall be conducted in Annapolis in Anne Arundel County, and judgment on the award rendered may be entered in any court having jurisdiction. Rules agreed to by the parties or chosen by the arbitrator shall govern the arbitration. In the event that the parties are unable to agree on the selection of an arbitrator within ten (10) days after initiation of an arbitration proceeding, the arbitrator shall be appointed by the American Arbitration Association. To the extent not inconsistent with this section, the internal law of the State of Maryland, including its statute of limitations applicable to the commencement of a lawsuit, shall apply to arbitration conducted under this Section 12.19 and to the commencement of arbitration hereunder. Any award rendered by the arbitrator shall be final and binding on each of the parties and their representatives, and judgment shall be entered on any such award in any court having jurisdiction.

12.20. Tax Consequences.

Each person considering executing this Agreement should consult with his or her tax advisor regarding the tax consequences associated with this Agreement, including the application of the

below-market loan provisions of Section 7872 of the Internal Revenue Code. You understand and agree that you will be responsible for your individual tax obligations.

12.21. Beneficiary Designation.

You may designate a beneficiary to receive certain Entrance Fee refunds payable under this Agreement by executing a Beneficiary Designation form approved by us. Without limiting the foregoing, to be valid and effective a designation of beneficiary must be in writing, witnessed by at least two competent witnesses, not contingent, and specified in percentages and account for 100% of the Entrance Fee refund. Please contact the Finance Office for changes to beneficiary designation.

12.22. Capacity.

The execution of this Agreement on behalf of Annapolis Life Care, Inc. will be by the duly authorized agent of the Community, and no officer, director, agent or employee of Annapolis Life Care, Inc. will have any personal liability to you under this Agreement under any circumstance. This Agreement will become effective upon acceptance and execution by the Community.

12.23 Notices.

Notices to the Resident(s) prior to Occupancy, when required by the terms of this Agreement, shall be in writing and shall be either (i) mailed to the Resident at the mailing address listed in the Resident's application for admission, or (ii) emailed to the Resident at the email address listed in the Resident's application for admission. Notices to the Resident(s) on and after Occupancy, when required by the terms of this Agreement, shall be in writing and shall be either (i) hand-delivered to the Resident(s) at his/her current Living Unit, or (ii) emailed to the Resident at the email address currently on file with Annapolis Life Care, Inc. Notices to Annapolis Life Care, Inc., when required by the terms of this Agreement, shall be mailed or hand-delivered to Annapolis Life Care, Inc., Attn: Chief Executive Officer, 4000 River Crescent Drive, Annapolis, MD 21401.

12.24. Receipt of Documents.

Annapolis Life Care, Inc. represents and the Resident(s) acknowledge that the Resident(s) have received at least two weeks before signing this Agreement the following: (i) this Residency Agreement form with its Exhibits; (ii) the current Disclosure Statement with its Exhibits; and (iii) the current version of the written rules of Annapolis Life Care, Inc., which rules are subject to change by Annapolis Life Care, Inc. from time to time.

12.25. Registration with Maryland Department of Aging.

Annapolis Life Care, Inc. is registered with the Maryland Department of Aging. **A PRELIMINARY CERTIFICATE OF REGISTRATION OR CERTIFICATE OF REGISTRATION IS NOT AN ENDORSEMENT OR GUARANTEE OF THE FACILITY BY THE STATE OF MARYLAND. THE MARYLAND DEPARTMENT OF AGING**

URGES YOU TO CONSULT WITH AN ATTORNEY AND A SUITABLE FINANCIAL ADVISOR BEFORE SIGNING ANY DOCUMENTS.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the last day and year written below.

Witness

Resident

Dated: _____

Witness

Resident

Dated: _____

Witness:

ANNAPOLIS LIFE CARE, INC.

By: _____

Title: _____

Dated: _____

Statutory Acknowledgements

Sections 10-424 and 10-444 of the Human Services Article of the Annotated Code of Maryland require the following acknowledgments by each of the Resident(s).

I have received a copy of the provider’s latest certified financial statement at least 2 weeks before signing this Agreement, and I have reviewed the certified financial statement provided.

Resident _____

Resident _____

I have received a copy of the provider’s latest disclosure statement, and I have reviewed the disclosure statement provided.

Resident _____

Resident _____

I acknowledge reviewing all of the terms of the Entrance Fee refund clauses and provisions contained in this Agreement.

Resident _____

Resident _____

SCHEDULE 1

ENTRANCE FEE REFUND AFTER OCCUPANCY

Ginger Cove may offer different options for the amount of the Entrance Fee refund that you will be entitled to in the event the Agreement is terminated after Occupancy as described in Section 3 of the Agreement (the “Entrance Fee Refund After Occupancy”). Availability of different options for the Entrance Fee Refund After Occupancy will depend on the Community’s actuarial considerations. The amount of your Entrance Fee will vary depending on which Entrance Fee Refund After Occupancy option you select. You have selected the Entrance Fee Refund After Occupancy option as indicated below by your initials (*select only one*):

Selection	Amount of Entrance Fee Refund After Occupancy
<hr/> <p style="text-align: center;">(Initials)</p> <hr/> <p style="text-align: center;">(Initials)</p>	<p>The Standard 90% Refund Plan: 90% of the first person entrance fee is refundable, less permissible offsets as set forth in Section 3.3 of the Agreement. The second person entrance fee is non-refundable.</p> <p><i>Example:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 35 months of residency at Ginger Cove. The refund is 90% of the \$300,000 entrance fee paid, or \$270,000.</p>
<hr/> <p style="text-align: center;">(Initials)</p> <hr/> <p style="text-align: center;">(Initials)</p>	<p>50% Declining Balance Refund Plan: Deduct a 2% community fee from the first person entrance fee. The remaining amount is then reduced by 1% per month for 48 months, at which point the refundable amount of the entrance fee remains at 50% for the duration of the Residency Agreement, less permissible offsets as set forth in Section 3.3 of the Agreement. The second person entrance fee is non-refundable.</p> <p><i>Example #1:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 35 months of residency at Ginger Cove. The refund is 63% (<i>i.e.</i>, 100% - 2% - (35 months * 1%) = 63%) of the \$300,000 entrance fee paid, or \$189,000.</p> <p><i>Example #2:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 70 months of residency at Ginger Cove. The refund is 50% (<i>i.e.</i>, 100% - 2% - (48 months * 1%) = 50%) of \$300,000, or \$150,000.</p>
<hr/> <p style="text-align: center;">(Initials)</p> <hr/> <p style="text-align: center;">(Initials)</p>	<p>The 0% Declining Balance Refund Plan: Deduct a 2% community fee from the first person entrance fee. The remaining amount is then reduced by 2% per month for 49 months (less permissible offsets as detailed in the applicable Residency Agreement), at which point the refundable amount of the entrance fee remains at 0% for the duration of the Residency Agreement. The second entrance fee is non-refundable.</p> <p><i>Example #1:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 35 months of residency at Ginger Cove. The refund is 28% (<i>i.e.</i>, 100% - 2% - (35 months * 2%) = 28%) of the \$300,000 entrance fee paid, or \$84,000.</p> <p><i>Example #2:</i> Single resident pays a first person entrance fee of \$300,000. Resident expires after 70 months of residency at Ginger Cove. The refund is 0% (<i>i.e.</i>, 100% - 2% - (49 months x 2%) = 0%) of \$300,000, or \$0.</p>

EXHIBIT 1.0

ACKNOWLEDGEMENT OF TEMPORARY ASSIGNMENT TO ASSISTED LIVING UNIT

This acknowledgement is made this ____ day of _____, 20__ to recognize the temporary transfer to an Assisted Living Unit in accordance with the terms of a residency agreement between Annapolis Life Care, Inc. and _____, dated _____, 20__ (the “Residency Agreement”) in the life care retirement community known as Ginger Cove (the “Community”).

The undersigned Resident or Resident’s representative hereby acknowledges that the Community Medical Director has evaluated the Resident and determined that the Resident is in need of a (low/moderate/high) level of assisted living care. Accordingly, the Resident (or the Resident’s representative) hereby consents to a temporary transfer to the following Living Unit.

While temporarily residing in the Assisted Living Unit, Resident will continue to pay the Monthly Service Fee for Independent Living Unit which Resident will not be required to release; however, Resident will also be invoiced monthly for applicable assisted living services provided to Resident which shall be calculated on a per diem basis but shall be payable monthly.

The Resident or Resident’s representative acknowledges that he or she (1) has reviewed all the Community rules, requirements and restrictions relating to Assisted Living Units and services and (2) has received a copy of the Disclosure Statement relating to affiliations of Annapolis Life Care, Inc. and the assisted living program and services provided by the Community and a copy of the Notice of Residents’ Rights.

Resident/Representative

Authorized Representative of
Annapolis Life Care, Inc.

Medical Director

EXHIBIT 2.0

**ACKNOWLEDGMENT OF PERMANENT ASSIGNMENT
TO ASSISTED LIVING UNIT
(Assignment of First of Two Residents)**

This Acknowledgment is made this ____ day of _____, 20____, to recognize the occurrence of certain events in accordance with the terms of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (the “Residents”) dated _____, 20____ (the “Residency Agreement”) for Living Unit ____ (the “Living Unit”) in the life care retirement community known as Ginger Cove (the “Community”).

The parties to the Residency Agreement acknowledge that Annapolis Life Care, Inc., in consultation with the Community Medical Director, has determined that one of the Residents, _____ (the “Assigned Resident”) is in need of assisted living services of a (low/moderate/high) level on a permanent basis and that, based on such determination and the consent of the Assigned Resident, the Assigned Resident has been permanently transferred from the Living Unit to an Assisted Living Unit effective _____, 20____. All Assisted Living Units are licensed by the Maryland Department of Health to provide assisted living care. Generally, Assisted Living Units located in the assisted living buildings are licensed to provide low to moderate levels of care and the Assisted Living Units located in the Community Health Center are licensed to provide a low, moderate and high level of care.

In accordance with the provisions of Section 6 of the Residency Agreement, the parties acknowledge that the other resident occupying the Living Unit under the Residency Agreement may continue to occupy the Living Unit in consideration for the then-current applicable Monthly Service Fee for that Living Unit and the Assigned Resident may occupy the Assisted Living Unit in consideration for the Daily Service Fee for the Assisted Living Unit.

The Resident or Resident’s representative acknowledges that he or she has (1) reviewed all the Community rules, requirements and restrictions relating to Assisted Living Units and services and (2) has received a copy of the disclosure statement relating to affiliations of Annapolis Life Care, Inc. and the assisted living program and services provided by the Community and a copy of the Notice of Residents’ Rights.

In the event of any conflict between the statements set forth in this Acknowledgement and the terms of the Residency Agreement, the terms of the Residency Agreement shall govern.

Assigned Resident
(or Responsible Party)

Authorized Representative of
Annapolis Life Care, Inc.

Other Resident

Medical Director

EXHIBIT 2.1

ACKNOWLEDGMENT OF PERMANENT ASSIGNMENT TO ASSISTED LIVING UNIT (Assignment of Single Resident or Second of Two Assigned Residents)

This Acknowledgment is made this ____ day of _____, 20____, to recognize the occurrence of certain events in accordance with the terms of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (the “Resident” or “Residents”) dated _____, 20____ (the “Residency Agreement”) for Living Unit ____ (the “Living Unit”) in the life care retirement community known as Ginger Cove (the “Community”).

The parties to the Residency Agreement acknowledge that Annapolis Life Care, Inc. in consultation with the Community Medical Director, has determined that _____ (the “Assigned Resident”) is in need of assisted living services of a (low/moderate/high) level on a permanent basis and that, based on such determination and the consent of the Assigned Resident, the Assigned Resident has been permanently transferred from the Living Unit to an Assisted Living Unit effective _____, 20____ (the “Effective Date”). All Assisted Living Units are licensed by the Maryland Department of Health to provide assisted living care. Generally, Assisted Living Units located in the assisted living buildings are licensed to provide low to moderate levels of care and the Assisted Living Units located in the Community Health Center are licensed to provide a low, moderate and high level of care.

In accordance with the provisions of Section 6.4 of the Residency Agreement, the parties acknowledge that the Resident’s or, if there are two Residents, Residents’ right to use or occupy the Living Unit is terminated, and that Annapolis Life Care, Inc. may assign the Living Unit for occupancy by someone else. The parties have agreed that the Living Unit shall be vacated and the keys returned to the Community, on or before _____, 20____. The parties further acknowledge that the Resident’s Monthly Service Fee shall be changed to the then-current applicable Assisted Living Fee on the Effective Date.

It is understood that if it is later determined by Annapolis Life Care, Inc., in consultation with the Community Medical Director, that the Assigned Resident is able to return to an independent living unit, as permitted under the Residency Agreement, a unit of the same type will be provided as soon as one becomes available. The Resident’s or Residents’ Monthly Service Fee shall then be changed to the then-current applicable Monthly Service Fee for that living unit.

The Assigned Resident or his/her representative acknowledges that he or she (1) has reviewed all the Community rules, requirements and restrictions relating to Assisted Living Units and services (2) has received a copy of the Disclosure Statement relating to affiliations of Annapolis Life Care, Inc. and the assisted living program and services provided by the Community and a copy of the Notice of Residents’ Rights.

In the event of any conflict between the statements set forth in this Acknowledgement and the terms of the Residency Agreement, the terms of the Residency Agreement shall govern.

Assigned Resident
(or Responsible Party)

Authorized Representative of
Annapolis Life Care, Inc.

Medical Director

EXHIBIT 2.2

LIST OF SERVICES NOT OFFERED AS PART OF ASSISTED LIVING SERVICES (*current as of October 1, 2022*)

1. Provision of certain health care and social services, including: social work services, rehabilitative services, home health services, hospice services, skilled nursing services, physician services, oral health care, dietary consultation and services, counseling, psychiatric services, and other specialty health and social work services;
2. Provision of social and recreational services (other than those planned activities as provided as part of the Monthly Service Fee) including spiritual and religious activities;
3. Hand/tube feeding;
4. Catheter care;
5. Colostomy care;
6. Pressure sore or other wound care;
7. Incontinent care;
8. IV therapy;
9. Suctioning;
10. Tracheotomy care;
11. Transportation to medical appointments;
12. Radiology (x-ray services);
13. On-site laboratory;
14. On-site pharmacy;
15. Oxygen therapy;
16. Health equipment, including:
 - a. Walker;
 - b. Geriatric chair;
 - c. Wheelchair;
 - d. Pressure mattress;
 - e. Trapeze; and
17. Beauty and barber services.

Some of the above listed services may be offered as additional services from time to time as provided under Section 5 of the Residency Agreement. Due to continual changes in procedures and technology, this list is not exhaustive.

EXHIBIT 3.0

**ACKNOWLEDGMENT OF PERMANENT ASSIGNMENT
TO A NURSING CARE UNIT
(Assignment of First of Two Residents)**

This Acknowledgment is made this ____ day of _____, 20____, to recognize the occurrence of certain events in accordance with the terms of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (the “Residents”) dated _____, 20____ (the “Residency Agreement”) in the life care retirement community known as Ginger Cove (the “Community”).

The parties to the Residency Agreement acknowledge that Annapolis Life Care, Inc., in consultation with the Community Medical Director, has determined that one of the Residents, _____ (the “Assigned Resident”) needs nursing care services on a permanent basis and that, based on such determination and the consent of the Assigned Resident, the Assigned Resident has been permanently transferred from the Living Unit to a Nursing Care Unit in the Community Health Center effective _____, 20____.

In accordance with the provisions of Section 6 of the Residency Agreement, the parties acknowledge that the other resident occupying the Living Unit under the Residency Agreement may continue to occupy the Living Unit in consideration for the then-current applicable Monthly Service Fee for that Living Unit and the Assigned Resident may occupy the Nursing Care Unit in consideration for the Daily Service Fee for the Nursing Care Unit.

In the event of any conflict between the statements set forth in this Acknowledgement and the terms of the Residency Agreement, the terms of the Residency Agreement shall govern.

Assigned Resident
(or Responsible Party)

Authorized Representative of
Annapolis Life Care, Inc.

Other Resident

Medical Director

EXHIBIT 3.1

**ACKNOWLEDGMENT OF PERMANENT ASSIGNMENT
TO A NURSING CARE UNIT
(Assignment of Single Resident or Second of Two Assigned Residents)**

This Acknowledgment is made this ____ day of _____, 20____, to recognize the occurrence of certain events in accordance with the terms of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (the “Resident” or “Residents”) dated _____, 20____ (the “Residency Agreement”) for Living Unit No. ____ (the “Living Unit”) in the life care retirement community known as Ginger Cove (the “Community”).

The parties to the Residency Agreement acknowledge that Annapolis Life Care, Inc. in consultation with the Community Medical Director, has determined that _____ (the “Assigned Resident”) needs nursing care services on a permanent basis and that, based on such determination and the consent of the Assigned Resident, the Assigned Resident has been permanently transferred from the Living Unit to a Nursing Care Unit in the Community Health Center effective _____, 20____ (the “Effective Date”).

In accordance with the provisions of Section 6.4 of the Residency Agreement, the parties acknowledge that the Resident’s or, if there are two Residents, Residents’ right to use or occupy the Living Unit is terminated, and that Annapolis Life Care, Inc. may assign the Living Unit for occupancy by someone else. The parties have agreed that the Living Unit shall be vacated and the keys returned to the Community, on or before _____, 20____. The parties further acknowledge that the Resident’s or Residents’ Monthly Service Fee shall be changed to the then-current Nursing Care Fee on the Effective Date.

In the event of any conflict between the statements set forth in this Acknowledgement and the terms of the Residency Agreement, the terms of the Residency Agreement shall govern.

Assigned Resident
(or Responsible Party)

Authorized Representative of
Annapolis Life Care, Inc.

Medical Director

EXHIBIT 4.0

ALTERATION OF LIVING UNIT AGREEMENT

Description of Work to be done in Living Unit No.: _____

Name and Address of Contractor:

1. This Alteration of Living Unit Agreement is executed in accordance with the terms and conditions of a residency agreement entered into by and between Annapolis Life Care, Inc. and _____ (all such Residents being referred to collectively as the “Resident”) dated _____, 20__ (the “Residency Agreement”). Terms used herein and not defined shall have the meaning ascribed to such terms in the Residency Agreement. The undersigned Resident hereby agrees as follows:

(a) The Resident has submitted all of the material and information requested by Annapolis Life Care, Inc. regarding the alterations of the Living Unit. The Resident represents that said material is complete and accurate, and, together with the description of the work above, represents the full scope of all alterations proposed under this Agreement (the “Alterations”).

(b) Resident represents that the total estimated cost of the Alterations is \$ _____. The Resident will assume direct and full responsibility for all costs and expenses associated with the Alterations and for ensuring that the Alterations are completed in a good and workmanlike manner by the above-named contractor, or a substitute contractor approved by Annapolis Life Care, Inc. No cost or expense related to the Alterations shall be the responsibility of Annapolis Life Care, Inc. No cost or expense related to the Alterations shall be refunded to the Resident in the event of termination of the Residency Agreement.

(c) The Resident further agrees that upon vacating this Living Unit, the Resident or the Resident’s estate will pay all costs of returning the Living Unit to its original design, as determined by Annapolis Life Care, Inc., in its sole discretion, should Annapolis Life Care, Inc. elect to have the Living Unit restored to its original design. At the option of Annapolis Life Care, Inc., such

restoration costs may be withheld from any refund of the Entrance Fee, excepting the statutory Entrance Fee refund, to which the Resident or the Resident's estate is entitled. In the event the statutory Entrance Fee refund is made, we reserve the right to collect such restoration costs through collection procedures, including legal proceedings.

2. In consideration of the foregoing representations and agreements of the Resident, Annapolis Life Care, Inc. hereby approves and consents to the Alterations of the Living Unit as set forth herein and authorizes the Resident to proceed.

Date

Resident

Date

Resident

ANNAPOLIS LIFE CARE, INC.

Date

By:

EXHIBIT 5.0

WAIT LIST AGREEMENT

This Wait List Agreement (“Agreement”) is entered into this ____ day of _____, 20__ (“Effective Date”), between _____ (“Applicant,” or when two people are named in this Agreement, each of them and the survivor of them) and Annapolis Life Care, Inc., the provider of a residential community known as Ginger Cove, located in Annapolis, Maryland (“the Community”).

1. Wait List Agreement Requirements. Annapolis Life Care, Inc. acknowledges receipt from Applicant of a Confidential Data Application and a payment in the amount of _____ Dollars (\$ _____) (the “Wait List Payment”) made on this date. The Wait List Payment is for the sole purpose of securing the position of the Applicant on the Wait List for residency in a living unit at Ginger Cove as identified in Section 2 below. The Wait List Payment shall not be considered to be payment in whole or in part of the Entrance Fee for a living unit unless and until Applicant executes a Residency Agreement.

The Wait List Payment will be held by Annapolis Life Care, Inc. in a segregated account at a local bank. Although the Wait List Payment will not be used by Annapolis Life Care, Inc. in its general activities, the Wait List Payment will be an asset of Annapolis Life Care, Inc. and as such could become subject to the claims of creditors of Annapolis Life Care, Inc.

2. Living Unit Preference. Attached hereto as Attachment No. 1 is a list of the living units at the Community, as well as the fees associated with each unit. Applicant wishes to be considered for any of the living units identified under living unit type or types as specified below (select only one or two types):

First preference: _____

Second preference: _____

3. Term of this Agreement. This Agreement shall remain in effect until the earlier of (i) cancellation or termination pursuant to this Agreement, or (ii) expiration of twelve (12) months following the date of this Agreement. In the event this Agreement expires before it is canceled pursuant to this Agreement, the payment made by Applicant under this Agreement shall be refunded in full, without interest, within thirty (30) days of expiration of this Agreement, less a Three Hundred Dollar (\$300.00) processing fee, and neither party shall have any further obligation to the other.

4. Priority of Applicant. Annapolis Life Care, Inc. agrees to place Applicant’s name on the Wait List for the living unit type(s) specified above in the order in which Wait List Agreements are accepted and signed by Annapolis Life Care, Inc. In the order in which Applicant’s name appears on the Wait List, Applicant shall be notified in writing (which may be

electronic) of the availability of a living unit. Availability of a living unit to Applicant is subject to the special priorities granted by Annapolis Life Care, Inc. to others, in its sole discretion, as set forth in Section 10 of this Agreement.

5. Availability of Living Unit. When the Applicant is notified of the availability of any living unit of the type specified above, Applicant shall either:

5.1 Accept the Living Unit. Offer to reserve the living unit by: (i) delivering to Annapolis Life Care, Inc. a written notice of the Applicant's interest in the offered living unit within seven (7) days of the date of written notice by Annapolis Life Care, Inc. of the availability of the living unit and (ii) within fourteen (14) days of the date of written notice by Annapolis Life Care, Inc. of the availability of the living unit: (a) executing the then-current form of Residency Agreement, (b) furnishing an updated Confidential Data Application, medical evaluation and other information as required by Annapolis Life Care, Inc. admission policies and (c) paying Annapolis Life Care, Inc. the Entrance Fee due in accordance with the terms of the Residency Agreement. A list of the fees in effect as of the Effective Date hereof is attached hereto as Attachment No. 1. Notwithstanding the foregoing, the Entrance Fee due under the Residency Agreement for the living unit shall be the rate in effect at execution of the Residency Agreement. The payment made under this Agreement shall be a partial payment of the Entrance Fee due under the Residency Agreement.

Admission to the Community will be based on the then-current admission policies established by Annapolis Life Care, Inc. and will require a physical evaluation by the Community Medical Director or his/her designee. If Annapolis Life Care, Inc., after reviewing the updated Confidential Data Application, physical evaluation form and other admission information, accepts the Applicant as a resident, Annapolis Life Care, Inc. shall sign the Residency Agreement and return a signed copy to the Applicant. Once the Residency Agreement is signed by both parties, the Residency Agreement shall supersede this Agreement in all respects and this Agreement shall be terminated. If Annapolis Life Care, Inc. does not accept Applicant as a resident, Annapolis Life Care, Inc. will terminate this Agreement upon written notice to Applicant. The Entrance Fee paid under the terms of the Residency Agreement shall be refunded in full without interest within thirty (30) days of nonacceptance, and neither party shall have any further obligation to the other; or

5.2 Refuse the Living Unit. Decline the offered living unit within seven (7) days of Annapolis Life Care, Inc.'s written notice of the availability of the living unit. Failure to respond within such seven (7) day period shall be deemed to constitute Applicant's refusal of the living unit. If Applicant refuses a living unit, Applicant's name shall be removed from the Wait List and this Agreement shall be terminated by Annapolis Life Care, Inc. In the event of such termination, Annapolis Life Care, Inc. shall refund the payment made by Applicant under this Agreement without interest within sixty (60) days of termination, less an amount of Three Hundred Dollars (\$300.00), which shall be retained by Annapolis Life Care, Inc. as a processing fee, and neither party shall have any further obligation to the other.

6. Cancellation Due to Death, Illness, Injury or Incapacity. If Applicant dies while this Agreement is in effect, or if, because of illness, injury or incapacity, Applicant becomes unable to occupy a living unit at the Community, this Agreement shall be automatically canceled, and the

payment made by Applicant under this Agreement shall be refunded in full to Applicant or Applicant's estate without interest within thirty (30) days following receipt by Annapolis Life Care, Inc. of notice of Applicant's death or other incapacity, and neither party shall have any further obligation to the other. If there are joint Applicants pursuant to this Agreement, and one Applicant dies while this Agreement is in effect, the surviving Applicant may cancel this Agreement within sixty (60) days, and the payment made by Applicant under this Agreement shall be refunded in full without interest to the surviving Applicant within thirty (30) days from receipt of Annapolis Life Care, Inc. of notice of cancellation, and neither party shall have any further obligation to the other. If the surviving Applicant does not so cancel this Agreement, it shall remain in effect. The surviving Applicant may, within the sixty (60) day cancellation period, elect to be transferred to a Wait List for a living unit of a different type, and the order of Applicant's position on the Wait List for such living unit type shall be established according to the date of transfer.

7. Cancellation Within Thirty (30) Days of Agreement. If at any time within thirty (30) days of the date of this Agreement, Applicant cancels this Agreement for any reason, the payment made by Applicant under this Agreement shall be refunded in full without interest within thirty (30) days from the date of Annapolis Life Care, Inc.'s receipt of written notice of cancellation, and neither party shall have any further obligations to the other.

8. Cancellation for Reasons Other Than Set Forth in Section 6 or 7. If at any time after thirty (30) days the Applicant cancels this Agreement for any reason other than the reasons specified under Section 6 or 7, the payment made by Applicant under this Agreement shall be refunded without interest within sixty (60) days from the date of Annapolis Life Care, Inc.'s receipt of written notice of cancellation, less Three Hundred Dollars (\$300.00), which amount shall be retained by Annapolis Life Care, Inc. as a processing fee, and neither party shall have any further obligations to the other.

9. Applicability of this Agreement. This Agreement pertains only to Applicant's position on the Wait List and the order in which notice of the availability of any living unit of the type(s) specified above will be given. Annapolis Life Care, Inc. has no obligations under the terms of this Agreement to accept Applicant for residency under a Residency Agreement, unless Applicant accepts a proffered living unit and meets all requirements for residency.

10. Position on Wait List. Applicant acknowledges that Applicant's rights hereunder are subject to the right of Annapolis Life Care, Inc. to grant a priority position to existing residents of the Community for available living units in accordance with the policies of Annapolis Life Care, Inc., as they may be amended from time to time. In addition, Annapolis Life Care, Inc. reserves the right to accord a priority position to any director or previous director (or the spouse of any director or previous director) of Annapolis Life Care, Inc. who has served as director for at least three (3) years, and who has been reelected to serve as director for a second three (3) year term. Notwithstanding the foregoing, if Applicant holds the first position on a Wait List for a living unit of the type specified herein, the priority position of any director or previous director (or the spouse of any director or previous director) of Annapolis Life Care, Inc. shall not be granted ahead of the Applicant more than once.

11. Acceptance or Nonacceptance of Applicant. This Agreement shall not become effective until its acceptance and execution by Annapolis Life Care, Inc. Applicant represents that the information contained in the Confidential Data Application attached hereto is true and complete, and Applicant understands that Annapolis Life Care, Inc. will rely on such information in determining the acceptance of this Agreement.

12. Capacity. This Agreement has been executed on behalf of Annapolis Life Care, Inc. by its duly authorized agent, and no partner, officer, director, agent, or employee of Annapolis Life Care, Inc. shall have any personal liability hereunder to Applicant under any circumstances.

13. Applicant's Address. Applicant acknowledges that Annapolis Life Care, Inc.'s obligations to Applicant with regard to any notice given hereunder shall be satisfied by mailing such notice to the address set forth below or to such other permanent or temporary address as Applicant may provide to Annapolis Life Care, Inc. by written notice, or by emailing such notice to the email address set forth below or to such other email address as Applicant may provide to Annapolis Life Care, Inc. by written notice. Failure by Applicant to keep Annapolis Life Care, Inc. informed of the Applicant's address and email address relieves Annapolis Life Care, Inc. of its obligation under this Agreement.

14. Notices. All written notices provided by the Applicant to Annapolis Life Care, Inc. shall be in writing and hand-delivered or mailed to: Annapolis Life Care, Inc., 4000 River Crescent Drive, Annapolis, MD 21401-7269.

NOTICE:

**THE DEPOSIT MADE HEREUNDER MAY NOT BE FULLY REFUNDABLE.
PLEASE READ THIS AGREEMENT CAREFULLY.**

Dated this ____ day of _____, 20__.

APPLICANT

Witness

APPLICANT

Witness

Street Address

ANNAPOLIS LIFE CARE, INC.
d/b/a Ginger Cove

City

By: _____

Approval Date: _____

State

Zip Code

Email Address

Area Code and Telephone Number

ATTACHMENT NO. 1
Independent Living Units and Fees

Carefully read the continuing care agreement for the conditions that must be satisfied before the provider is required to pay the entrance fee refund. As with all published price information, the amounts quoted are subject to change.

See Exhibit 7.0 for Independent Living Units and Fees

Assisted Living Fees:

Description	Haven Daily Rate	Heritage Daily Rate
Assisted Living Unit	\$280	\$296
Assisted Living Unit Second Person (applies only if both Residents occupy the same Assisted Living Unit)	\$136	\$136
Memory Care	N/A	\$310

Nursing Care Fees:

Description	Daily Rate
Nursing Care Private Room with Shared Bath	\$326
Nursing Care Private Room with Private Bath	\$368
Nursing Care Deluxe Room with Private Bath	\$376
Nursing Care Super Deluxe Room with Private Bath	\$381

*All fees are current as of the Effective Date of this Agreement. Fee amounts are subject to change upon prior notice as provided in this Agreement.

EXHIBIT 6.0

**CHANGE IN INDEPENDENT LIVING UNIT
ADDENDUM**

This Addendum (“Addendum”) is made as of _____, 20__, by and between Annapolis Life Care, Inc. (“ALC”) and _____ and _____ (the “Resident(s)”).

General Statements

I. ALC and the Resident(s) entered into the Ginger Cove Residency Agreement, dated _____ (the “Agreement”) pursuant to which the Resident(s) were assigned, under the terms and conditions of the Agreement, to an independent living unit, Apartment # _____ (referred to as the “Original Unit”) and the Resident(s) paid an entrance fee in the amount of \$ _____.

II. Except in certain limited circumstances, the Agreement makes no provision for and affords no rights to the Resident(s) to be assigned to another independent living unit other than the living unit originally assigned. However, in its sole discretion and as provided from time to time in policies adopted by ALC, ALC may permit assignment to another independent living unit, in accordance with terms and conditions established by ALC.

III. The Resident(s) have requested a new independent living unit, Apartment # _____ (referred to as the “New Unit”) and have agreed to relinquish the Original Unit and ALC has agreed to permit reassignment as provided in this Addendum.

IV. The Resident(s) have agreed to pay the entrance fee amount and the monthly service fee amount applicable to the New Unit as well as the refurbishing fee for the Original Unit as specified herein.

Therefore, in consideration of the mutual premises and covenants contained herein, ALC and the Resident/s agree as follows:

Section 1. Reassignment of Independent Living Unit.

Reference to the Original Unit number and type of unit in Section 1.2 of the Agreement is hereby deleted and the following reference to the New Unit number and type of unit is hereby substituted therefore: _____, a _____.

Section 2. Entrance Fee Amount.

a. **New Entrance Fee Amount.** Reference in Section 1.2 of the Agreement to the entrance fee paid by the Resident under the Agreement (the “Initial Entrance Fee”) is hereby

deleted and the following entrance fee amount applicable to the New Unit is hereby substituted therefore: _____ Dollars (\$ _____) (the "New Entrance Fee").

b. Calculation of New Entrance Fee Amount. The New Entrance Fee amount is calculated in accordance with ALC policies in effect on the date of this Addendum. In accordance with such policies, ALC has determined an entrance fee amount for the New Unit ("Base Entrance Fee") which may equal the entrance fee amount for the New Unit in effect at the time of the execution of the Agreement, the entrance fee amount applicable to the New Unit at the time of execution of this Addendum, or any other amount.

(1) In the event that the Base Entrance Fee is greater than the Initial Entrance Fee, the Base Entrance Fee shall become the New Entrance Fee and the Resident(s) will pay to ALC an amount equal to the difference between the New Entrance Fee and the Initial Entrance Fee. The Resident(s) shall pay such amount to ALC on or before the Availability Date, as defined in Section 4 below, and the making of such payment shall be a condition to this Addendum becoming effective.

(2) In the event that the Base Entrance Fee is less than the Initial Entrance Fee, ALC, in accordance with its policies and subject to the conditions to this Addendum becoming effective, ALC shall pay to the Resident(s) within thirty (30) days after the Availability Date an amount equal to _____% of the difference between the Base Entrance Fee and the Initial Entrance Fee. If 100% of the difference is repaid to the Resident(s), then the New Entrance Fee shall be equal to the Base Entrance Fee. If the percentage of difference paid to the Resident(s) is less than 100%, any remaining portion of the difference not repaid to the Resident(s) shall be added to the Base Entrance Fee, which combined amount shall be the New Entrance Fee as identified above.

Section 3. Monthly Service Fee.

Effective as of the Availability Date, reference in Section 1.3.1 of the Agreement to the amount of the Monthly Service Fee applicable to the Original Unit and any reference, as applicable, to the amount of an additional second person fee are hereby deleted and the following Monthly Service Fee amount and any additional second person Monthly Service Fee amount, if any, for the New Unit are hereby substituted therefore and shall be payable by the Residents(s):

Monthly Service Fee: \$ _____.
Monthly second person fee (as applicable): \$ _____.

Pro rata adjustments will be made to the first Monthly Service Fee charged to the Resident(s) for the New Unit to reflect any underpayment or overpayment of the Monthly Service Fee made for that portion of the prior month occurring after the Availability Date.

Section 4. Effective Date.

This Addendum shall be effective as of _____ (the “Availability Date”), subject to prior satisfaction of the conditions set forth in Section 2(b)(1) and Section 5 of this Addendum. Resident(s) agree that they shall vacate the Original Unit (including removal of all furnishings and personal property of the Resident(s) from the Original Unit) by the Availability Date and ALC agrees that it shall make the New Unit available for Occupancy by the Resident(s) by the Availability Date. Resident shall be solely responsible for arranging for and paying all expenses of moving furnishings and other personal property of the Resident from the Original Unit to the New Unit. Resident(s) agrees to reimburse ALC for any costs or expenses incurred by ALC in connection with removing, storing or otherwise disposing of any furnishings or other personal belongings that remain in the Original Unit after the Availability Date. Any such removal or storage shall be at the sole risk of Resident(s).

Section 5. Refurbishing Fee

Resident(s) agree to pay to ALC prior to the Availability Date the costs of refurbishing the Original Unit in the total amount of \$ _____, which amount shall include all costs associated with removing any modifications made by Resident(s) to the Original Unit or its equipment and restoring the Original Unit and equipment to its original condition, as provided under the Alteration of Living Unit Agreement, if any, signed by the Resident(s) with respect to the Original Unit. Upon payment of the refurbishing fee hereunder, Resident(s) shall have no further obligations under Section 3.3.1.4 of the Agreement with respect to the Original Unit. If Resident(s) request modification to the New Unit, Resident(s) must execute prior to the Availability Date an Alterations to Living Unit Agreement in the form then in use by ALC in respect of the New Unit, which upon signing shall be deemed incorporated into and made a part of the Agreement.

Any requested modification of the New Unit will be subject to the provisions of Section 9.6 of the Agreement. Payment of all amounts payable by Resident(s) under this Section 5 shall be a condition to this Addendum becoming effective.

Section 6. Incorporation.

This Addendum is hereby made a part of the Agreement and represents the agreement and understanding between ALC and the Resident(s) with respect to the change in independent living unit, payment by the Resident(s) of the entrance fee amount and monthly service fee amount for the New Unit, and any other matters addressed in this Addendum. Except as expressly amended by this Addendum, the terms and conditions of the Agreement are hereby ratified and confirmed and remain in full force and effect.

Section 7. Entrance Fee Refund Rights.

This Addendum shall not affect the rights of the Resident(s) to receive a refund of the New Entrance Fee as provided under Maryland law and the terms of the Agreement. The

entrance fee subject to the entrance fee refund rights under Maryland law and under the Agreement shall be the New Entrance Fee as defined in Section 2 of this Addendum.

Section 8. Maryland Law.

This Addendum shall be interpreted and construed in accordance with Maryland law.

Executed by the parties hereto this ____ day of _____, 20__.

Resident

Witness: _____

Resident

Witness: _____

Annapolis Life Care, Inc.

By: _____

Witness: _____

Title: _____

EXHIBIT 7.0
FEE FOR SERVICE FEE SCHEDULE

Carefully read the continuing care agreement for the conditions that must be satisfied before the provider is required to pay the entrance fee refund. As with all published price information, the amounts quoted are subject to change.

**EXHIBIT 7.0
INDEPENDENT LIVING UNIT FEE SCHEDULE**

As of July 1st 2023 Standard 90% Refund Plan				
Fee For Service Fee Schedule or "Type C" Residency Agreement				
Independent Living Apartment Type	Entrance Fee		Monthly Fee	
	Single	+ 2nd Person	Single	+2nd Person
One Bedroom Traditional Interior	\$ 264,531	\$ 257,125	\$ 3,962	\$ 6,335
One Bedroom Traditional Interior 3rd Floor	\$ 267,436	\$ 259,766	\$ 3,962	\$ 6,335
One Bedroom Traditional Exterior	\$ 285,373	\$ 276,072	\$ 3,962	\$ 6,335
One Bedroom Traditional Special	\$ 288,280	\$ 278,715	\$ 4,060	\$ 6,433
One Bedroom Deluxe Interior	\$ 338,811	\$ 324,653	\$ 4,355	\$ 6,728
One Bedroom Interior 3rd Floor	\$ 341,715	\$ 327,292	\$ 4,355	\$ 6,728
One Bedroom Deluxe Exterior	\$ 358,770	\$ 342,797	\$ 4,355	\$ 6,728
One Bedroom Deluxe Exterior 3rd Floor	\$ 361,550	\$ 345,324	\$ 4,355	\$ 6,728
One Bedroom Deluxe Special	\$ 361,550	\$ 345,324	\$ 4,448	\$ 6,821
Two Bedroom Traditional Interior	\$ 441,642	\$ 418,135	\$ 4,770	\$ 7,143
Two Bedroom Traditional Interior 3rd Floor	\$ 444,547	\$ 420,776	\$ 4,770	\$ 7,143
Two Bedroom Traditional Exterior	\$ 461,853	\$ 436,509	\$ 4,770	\$ 7,143
Two Bedroom Traditional Exterior 3rd Floor	\$ 464,758	\$ 439,150	\$ 4,770	\$ 7,143
Two Bedroom Traditional Special	\$ 464,758	\$ 439,150	\$ 4,856	\$ 7,229
Two Bedroom Deluxe Interior	\$ 553,441	\$ 519,771	\$ 5,176	\$ 7,549
Two Bedroom Deluxe Interior 3rd Floor	\$ 556,472	\$ 522,526	\$ 5,176	\$ 7,549
Two Bedroom Deluxe Exterior	\$ 583,254	\$ 546,874	\$ 5,176	\$ 7,549
Two Bedroom Deluxe Exterior 3rd Floor	\$ 586,414	\$ 549,746	\$ 5,176	\$ 7,549
Two Bedroom Deluxe Special	\$ 586,414	\$ 549,746	\$ 5,266	\$ 7,639
Two Bedroom with Den Interior	\$ 634,796	\$ 593,730	\$ 5,570	\$ 7,943
Two Bedroom with Den Interior 3rd Floor	\$ 637,955	\$ 596,602	\$ 5,570	\$ 7,943
Two Bedroom with Den Exterior	\$ 658,925	\$ 615,665	\$ 5,570	\$ 7,943
Two Bedroom with Den Special Exterior	\$ 662,083	\$ 618,536	\$ 5,666	\$ 8,039
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 733,964	n/a	\$ 8,321	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 733,964	n/a	\$ 8,464	n/a
Comb(3211)2 BR Deluxe/Extra room	\$ 744,324	\$ 693,300	\$ 5,886	\$ 8,259
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 810,013	n/a	\$ 7,947	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 816,709	n/a	\$ 8,714	n/a
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 816,709	n/a	\$ 8,714	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 816,709	n/a	\$ 8,714	n/a
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 816,709	n/a	\$ 8,714	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 816,709	n/a	\$ 8,857	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 868,628	n/a	\$ 9,145	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 18,307		\$ 2,373	

**EXHIBIT 7.0
INDEPENDENT LIVING UNIT FEE SCHEDULE**

As of July 1st 2023 50% Declining Balance Refund Plan				
Fee For Service Fee Schedule or "Type C" Residency Agreement				
Independent Living Apartment Type	Entrance Fee		Monthly Fee	
	Single	+ 2nd Person	Single	+2nd Person
One Bedroom Traditional Interior	\$ 206,646	\$ 224,953	\$ 3,962	\$ 6,335
One Bedroom Traditional Interior 3rd Floor	\$ 208,915	\$ 227,223	\$ 3,962	\$ 6,335
One Bedroom Traditional Exterior	\$ 220,658	\$ 238,965	\$ 3,962	\$ 6,335
One Bedroom Traditional Special	\$ 216,484	\$ 234,792	\$ 4,059	\$ 6,432
One Bedroom Deluxe Interior	\$ 262,350	\$ 280,657	\$ 4,354	\$ 6,727
One Bedroom Interior 3rd Floor	\$ 208,914	\$ 227,222	\$ 4,354	\$ 6,727
One Bedroom Deluxe Exterior	\$ 219,969	\$ 238,277	\$ 4,354	\$ 6,727
One Bedroom Deluxe Exterior 3rd Floor	\$ 271,506	\$ 289,814	\$ 4,354	\$ 6,727
One Bedroom Deluxe Special	\$ 271,506	\$ 289,814	\$ 4,447	\$ 6,820
Two Bedroom Traditional Interior	\$ 333,825	\$ 352,132	\$ 4,770	\$ 7,143
Two Bedroom Traditional Interior 3rd Floor	\$ 336,020	\$ 354,328	\$ 4,770	\$ 7,143
Two Bedroom Traditional Exterior	\$ 349,102	\$ 367,409	\$ 4,770	\$ 7,143
Two Bedroom Traditional Exterior 3rd Floor	\$ 351,297	\$ 369,604	\$ 4,770	\$ 7,143
Two Bedroom Traditional Special	\$ 351,297	\$ 369,604	\$ 4,856	\$ 7,229
Two Bedroom Deluxe Interior	\$ 418,331	\$ 436,638	\$ 5,176	\$ 7,549
Two Bedroom Deluxe Interior 3rd Floor	\$ 420,621	\$ 438,929	\$ 5,176	\$ 7,549
Two Bedroom Deluxe Exterior	\$ 440,866	\$ 459,173	\$ 5,176	\$ 7,549
Two Bedroom Deluxe Exterior 3rd Floor	\$ 443,254	\$ 461,561	\$ 5,176	\$ 7,549
Two Bedroom Deluxe Special	\$ 443,254	\$ 461,561	\$ 5,266	\$ 7,639
Two Bedroom with Den Interior	\$ 479,824	\$ 498,132	\$ 5,569	\$ 7,942
Two Bedroom with Den Interior 3rd Floor	\$ 482,213	\$ 500,520	\$ 5,569	\$ 7,942
Two Bedroom with Den Exterior	\$ 498,064	\$ 516,371	\$ 5,569	\$ 7,942
Two Bedroom with Den Special Exterior	\$ 500,449	\$ 518,757	\$ 5,666	\$ 8,039
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 551,173	\$ 569,480	\$ 8,321	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 551,173	\$ 569,480	\$ 8,464	n/a
Comb(3211)2 BR Deluxe/Extra room	\$ 558,952	\$ 577,259	\$ 5,886	\$ 8,259
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 608,281	\$ 626,589	\$ 7,947	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 613,309	\$ 631,617	\$ 8,714	n/a
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 613,309	\$ 631,617	\$ 8,714	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 613,309	\$ 631,617	\$ 8,714	n/a
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 613,309	\$ 631,617	\$ 8,714	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 613,309	\$ 631,617	\$ 8,856	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 652,298	\$ 670,605	\$ 9,143	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 18,307		\$ 2,373	

**EXHIBIT 7.0
INDEPENDENT LIVING UNIT FEE SCHEDULE**

As of July 1st 2023 0% Declining Balance Refund Plan				
Fee For Service Fee Schedule or "Type C" Residency Agreement				
Independent Living Apartment Type	Entrance Fee		Monthly Fee	
	Single	+ 2nd Person	Single	+2nd Person
One Bedroom Traditional Interior	\$ 138,670	\$ 156,978	\$ 3,962	\$ 5,991
One Bedroom Traditional Interior 3rd Floor	\$ 140,193	\$ 158,500	\$ 3,962	\$ 5,991
One Bedroom Traditional Exterior	\$ 149,596	\$ 167,903	\$ 3,962	\$ 5,991
One Bedroom Traditional Special	\$ 151,120	\$ 169,428	\$ 4,059	\$ 6,083
One Bedroom Deluxe Interior	\$ 177,609	\$ 195,917	\$ 4,354	\$ 6,362
One Bedroom Interior 3rd Floor	\$ 179,132	\$ 197,439	\$ 4,354	\$ 6,362
One Bedroom Deluxe Exterior	\$ 188,071	\$ 206,379	\$ 4,354	\$ 6,362
One Bedroom Deluxe Exterior 3rd Floor	\$ 189,529	\$ 207,836	\$ 4,354	\$ 6,362
One Bedroom Deluxe Exterior 3rd Floor	\$ 189,529	\$ 207,836	\$ 4,447	\$ 6,450
One Bedroom Deluxe Exterior 3rd Floor	\$ 224,014	\$ 242,321	\$ 4,770	\$ 6,755
One Bedroom Deluxe Exterior 3rd Floor	\$ 225,488	\$ 243,795	\$ 4,770	\$ 6,755
One Bedroom Deluxe Exterior 3rd Floor	\$ 234,266	\$ 252,573	\$ 4,770	\$ 6,755
One Bedroom Deluxe Exterior 3rd Floor	\$ 235,739	\$ 254,046	\$ 4,770	\$ 6,755
One Bedroom Deluxe Exterior 3rd Floor	\$ 235,739	\$ 254,046	\$ 4,856	\$ 6,836
One Bedroom Deluxe Exterior 3rd Floor	\$ 280,722	\$ 299,030	\$ 5,176	\$ 7,139
One Bedroom Deluxe Exterior 3rd Floor	\$ 282,259	\$ 300,566	\$ 5,176	\$ 7,139
One Bedroom Deluxe Exterior 3rd Floor	\$ 295,844	\$ 314,151	\$ 5,176	\$ 7,139
One Bedroom Deluxe Exterior 3rd Floor	\$ 297,447	\$ 315,754	\$ 5,176	\$ 7,139
One Bedroom Deluxe Exterior 3rd Floor	\$ 297,447	\$ 315,754	\$ 5,266	\$ 7,224
One Bedroom Deluxe Exterior 3rd Floor	\$ 321,988	\$ 340,295	\$ 5,569	\$ 7,511
One Bedroom Deluxe Exterior 3rd Floor	\$ 323,589	\$ 341,897	\$ 5,569	\$ 7,511
One Bedroom Deluxe Exterior 3rd Floor	\$ 334,226	\$ 352,534	\$ 5,569	\$ 7,511
One Bedroom Deluxe Exterior 3rd Floor	\$ 335,828	\$ 354,135	\$ 5,666	\$ 7,602
One Bedroom Deluxe Exterior 3rd Floor	\$ 369,866	n/a	\$ 8,321	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 369,866	n/a	\$ 8,464	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 375,086	\$ 393,393	\$ 5,886	\$ 7,810
One Bedroom Deluxe Exterior 3rd Floor	\$ 408,189	n/a	\$ 7,947	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 411,563	n/a	\$ 8,714	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 411,563	n/a	\$ 8,714	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 411,563	n/a	\$ 8,714	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 411,563	n/a	\$ 8,714	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 411,563	n/a	\$ 8,856	n/a
One Bedroom Deluxe Exterior 3rd Floor	\$ 437,726	n/a	\$ 9,143	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 18,307		\$ 2,373	

Assisted Living Fees:

Description	Haven Daily Rate	Heritage Daily Rate
Assisted Living Unit	\$296	\$313
Assisted Living Unit Second Person (applies only if both Residents occupy the same Assisted Living Unit)	\$144	\$144
Memory Care	N/A	\$328

Nursing Care Fees:

Description	Daily Rate
Nursing Care Private Room with Shared Bath	\$345
Nursing Care Private Room with Private Bath	\$389
Nursing Care Deluxe Room with Private Bath	\$398
Nursing Care Super Deluxe Room with Private Bath	\$403

**All fees are current as of the Effective Date of this Agreement. Fee amounts are subject to change upon prior notice as provided in this Agreement.*

EXHIBIT 8.0

ANCILLARY FEE SCHEDULE NOVEMBER 1, 2023 THROUGH JUNE 30, 2024

GENERAL SERVICES

Guest Suite	\$110.00 per night
Apartment Keys	\$13.00 each
Additional Services-Facilities/EVS	\$20.00 per quarter hour (15 minutes)

DINING SERVICES

Delivery Service	\$4.50 each (if not medically necessary)
Continental Breakfast	\$2.70 each
Breakfast	\$6.25 each
Soup & Salad	\$7.80 each
Lunch	\$18.50 each
Dinner	\$18.50 each

MONTHLY MEAL PLANS

(The Health Center and Assisted Living)

Breakfast	\$220.00 per month
Lunch	\$325.00 per month

BUGEYE BAR

House Beer (including non-alcoholic)	\$2.75 per bottle
House Wine	\$3.50 per bottle
House Liquor	\$4.50 per glass
Champagne - split	\$9.50 per bottle
Champagne – full bottle	Market Price
Specialty Beer	Market Price
Select Wine	Market Price
Other Liquor	Market Price

SKIPJACK DINING A LA CARTE

Prices listed on the Skipjack Dining Room Menu

APARTMENT ABSENCE DISCOUNT

Residents who are absent from Ginger Cove for a continuous 30-day (or greater) period of time can request a credit from the Financial Services Department for unused/missed meals. If approved, the resident will receive a credit of \$6.50 per meal toward the monthly service fee.

HOUSEKEEPING & LAUNDRY SERVICES

“On Call” Basis	\$8.75 per load
Weekly Basis	\$6.65 per load

Monthly Basis (Health Center pro-rated) \$30.00 per month

SKILLED NURSING PRIVATE ROOM PREMIUM

Private Room Premium \$32.00 per day
Deluxe Private Room \$41.00 per day
Super Deluxe Private Room \$44.00 per day

SKILLED NURSING SERVICES

(Provided in one's apartment or the Clinic)

Skilled Nursing Services (In Clinic) \$27.00 (30 minute Minimum)
Skilled Nursing Services (In Apartment) \$37.00/half hour; \$60/Hour
Medication Box (Independent Residents Only) \$55.00/week per box
Medication Box Administration \$20.00 per visit
Laboratory Courier Service \$36.00 weekdays
Laboratory Courier Service \$48.00 weekends/special/rush

REHABILITATIVE THERAPY SERVICES

Therapy services will be charged at the private pay rates in effect at the time the service is rendered.

CLINIC SERVICES

Clinic services provided by licensed health care professionals will be charged at the private pay rates in effect at the time the service is rendered.

INDIVIDUAL NURSING SUPPLIES

Nursing Supplies not itemized Market Price
Incontinent Supplies:
 Constant Utilization \$280 per month
 Intermittent Utilization \$135 per month
Individualized Treatment Supplies Market Price

Nutritional Supplements Market Price
Wanderguard \$25.00 per month
*Outside Pharmacy Services \$70.00
*Prescriptions that are not processed through our preferred vendor.

VALET/TRANSPORTATION SERVICES

Valet \$12.00 per quarter hour/15 minutes
\$75.00 roundtrip to BWI Airport
\$150.00 roundtrip to Dulles Airport
\$90.00 roundtrip to DC or Baltimore

Before 8 am or after 4:30 pm \$30.00 per hour surcharge
Medical Appointment with Companion \$30.00 per hour

Transportation from Ginger Cove provided by an outside contractor:

Wheelchair Services	Market rate
Ambulance Services	Market rate

BEAUTY SHOPPE SERVICES

Shampoo & Set	\$38.00
Shampoo & Blow Dry	\$35.00
Shampoo & Curling Iron	\$40.00
Shampoo Only	\$14.00
Comb-out	\$14.00
Haircut Dry	\$30.00
Haircut (with Shampoo & Set)	\$56.00
Haircut (with Shampoo & Blow Dry)	\$53.00
Haircut (with Shampoo & Curling Iron)	\$58.00
Haircut (with Shampoo only)	\$36.00
Bang Trim	\$12.00
Permanent	
Regular	\$97.00
Tinted	\$92.00
Clarifying Treatment	\$ 9.00
Hair Coloring	
One Process	\$49.00
Frosting	\$70.00
Temporary Rinses	\$10.00
Conditioning	\$5.00

MANICURE AND PEDICURE SERVICES

Manicure and Pedicure Package	\$70.00
Manicure	\$27.00
Pedicure	\$55.00
Gel Nails	\$35.00
Parafin Feet	\$18.00
Parafin Hands	\$12.00
Foot Soak	\$24.00
Nail Filing	\$7.00
Nail Repair	\$10.00
Toe Nail Trim	\$25.00
Finger Nail Trim	\$22.00
Polish Change	\$16.00
Waxing (chin, lip, eyebrows)	\$12.00 each
Leg Shave	\$12.00

BARBER SERVICES

Haircut	\$21.75
Shampoo	\$10.25
Beard Trim	\$8.25

Mustache Trim \$4.00
Neck Trim \$6.25

PET CHARGE

Pet charge (regardless of one or two pets) \$5,000 up-front and monthly fee of \$50

SPECIAL EVENTS

Sucharge \$75.00 per hour
(this surcharge covers room set up/clean up
From EVS, Resident Services, and IT)

Additional Staffing \$50.00 per hour/per staff member

Where appropriate, Maryland State sales tax has been included with the listed price.

Exhibit D:

Extensive Life Care Plan Fee Schedules

EXHIBIT D
INDEPENDENT LIVING FEES SCHEDULE -EXTENSIVE LIFE CARE

As of July 1st 2024				
Extensive Life Care Fee Schedule or "Type A" Residency Agreement				
Independent Living Apartment Type	Entrance Fee		Monthly Fee	
	Single	+ 2nd Perso	Single	+2nd Person
One Bedroom Traditional Interior	\$ 363,729	\$ 388,902	\$ 4,870	\$ 7,786
One Bedroom Traditional Interior 3rd Floor	\$ 367,722	\$ 392,895	\$ 4,870	\$ 7,786
One Bedroom Traditional Exterior	\$ 392,386	\$ 417,559	\$ 4,870	\$ 7,786
One Bedroom Traditional Special	\$ 396,383	\$ 421,556	\$ 4,988	\$ 7,904
One Bedroom Deluxe Interior	\$ 465,864	\$ 491,037	\$ 5,353	\$ 8,269
One Bedroom Interior 3rd Floor	\$ 469,858	\$ 495,031	\$ 5,353	\$ 8,269
One Bedroom Deluxe Exterior	\$ 493,309	\$ 518,482	\$ 5,353	\$ 8,269
One Bedroom Deluxe Exterior 3rd Floor	\$ 497,130	\$ 522,303	\$ 5,353	\$ 8,269
One Bedroom Deluxe Special	\$ 497,130	\$ 522,303	\$ 5,467	\$ 8,383
Two Bedroom Traditional Interior	\$ 607,258	\$ 632,431	\$ 5,864	\$ 8,780
Two Bedroom Traditional Interior 3rd Floor	\$ 611,252	\$ 636,425	\$ 5,864	\$ 8,780
Two Bedroom Traditional Exterior	\$ 635,048	\$ 660,221	\$ 5,864	\$ 8,780
Two Bedroom Traditional Exterior 3rd Floor	\$ 639,041	\$ 664,214	\$ 5,864	\$ 8,780
Two Bedroom Traditional Special	\$ 639,041	\$ 664,214	\$ 5,970	\$ 8,886
Two Bedroom Deluxe Interior	\$ 760,982	\$ 786,155	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Interior 3rd Floor	\$ 765,149	\$ 790,322	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Exterior	\$ 801,974	\$ 827,147	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Exterior 3rd Floor	\$ 806,318	\$ 831,491	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Special	\$ 806,318	\$ 831,491	\$ 6,474	\$ 9,390
Two Bedroom with Den Interior	\$ 872,844	\$ 898,017	\$ 6,847	\$ 9,763
Two Bedroom with Den Interior 3rd Floor	\$ 877,187	\$ 902,360	\$ 6,847	\$ 9,763
Two Bedroom with Den Exterior	\$ 906,022	\$ 931,195	\$ 6,847	\$ 9,763
Two Bedroom with Den Special Exterior	\$ 910,364	\$ 935,537	\$ 6,965	\$ 9,881
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 1,009,200	n/a	\$ 10,229	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 1,009,200	\$ 1,034,373	\$ 7,487	\$ 10,403
Comb(3211)2 BR Deluxe/Extra room	\$ 1,023,444	\$ 1,048,617	\$ 7,234	\$ 10,150
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 1,044,608	n/a	\$ 10,771	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 1,019,435	\$ 1,044,608	\$ 7,796	\$ 10,712
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 1,044,608	n/a	\$ 9,885	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 1,019,435	\$ 1,044,608	\$ 7,795	\$ 10,711
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 1,044,608	n/a	\$ 10,712	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 1,044,608	n/a	\$ 10,887	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 1,194,362	n/a	\$ 11,243	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 25,173		\$ 2,916	

EXHIBIT D

INDEPENDENT LIVING FEES SCHEDULE -EXTENSIVE LIFE CARE

As of July 1st 2024				
50% Declining Balance Refund Plan				
Extensive Life Care Fee Schedule or "Type A" Residency Agreement				
Independent Living Apartment Type	Entrance Fee		Monthly Fee	
	Single	+ 2nd Person	Single	+2nd Person
One Bedroom Traditional Interior	\$ 254,228	\$ 279,401	\$ 4,870	\$ 7,786
One Bedroom Traditional Interior 3rd Floor	\$ 257,019	\$ 282,192	\$ 4,870	\$ 7,786
One Bedroom Traditional Exterior	\$ 274,258	\$ 299,431	\$ 4,870	\$ 7,786
One Bedroom Traditional Special	\$ 277,052	\$ 302,225	\$ 4,988	\$ 7,904
One Bedroom Deluxe Interior	\$ 325,614	\$ 350,787	\$ 5,353	\$ 8,269
One Bedroom Interior 3rd Floor	\$ 328,406	\$ 353,579	\$ 5,353	\$ 8,269
One Bedroom Deluxe Exterior	\$ 344,797	\$ 369,970	\$ 5,353	\$ 8,269
One Bedroom Deluxe Exterior 3rd Floor	\$ 347,468	\$ 372,641	\$ 5,353	\$ 8,269
One Bedroom Deluxe Special	\$ 347,468	\$ 372,641	\$ 5,467	\$ 8,383
Two Bedroom Traditional Interior	\$ 410,692	\$ 435,865	\$ 5,864	\$ 8,780
Two Bedroom Traditional Interior 3rd Floor	\$ 413,394	\$ 438,567	\$ 5,864	\$ 8,780
Two Bedroom Traditional Exterior	\$ 429,487	\$ 454,660	\$ 5,864	\$ 8,780
Two Bedroom Traditional Exterior 3rd Floor	\$ 432,187	\$ 457,360	\$ 5,864	\$ 8,780
Two Bedroom Traditional Special	\$ 432,187	\$ 457,360	\$ 5,970	\$ 8,886
Two Bedroom Deluxe Interior	\$ 514,656	\$ 539,829	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Interior 3rd Floor	\$ 517,474	\$ 542,647	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Exterior	\$ 542,380	\$ 567,553	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Exterior 3rd Floor	\$ 545,317	\$ 570,490	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Special	\$ 545,317	\$ 570,490	\$ 6,474	\$ 9,390
Two Bedroom with Den Interior	\$ 590,309	\$ 615,482	\$ 6,847	\$ 9,763
Two Bedroom with Den Interior 3rd Floor	\$ 593,247	\$ 618,420	\$ 6,847	\$ 9,763
Two Bedroom with Den Exterior	\$ 612,747	\$ 637,920	\$ 6,847	\$ 9,763
Two Bedroom with Den Special Exterior	\$ 615,685	\$ 640,858	\$ 6,965	\$ 9,881
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 687,657	n/a	\$ 10,229	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 662,484	\$ 687,657	\$ 7,487	\$ 10,403
Comb(3211)2 BR Deluxe/Extra room	\$ 687,657	\$ 712,830	\$ 7,234	\$ 10,150
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 754,531	n/a	\$ 10,771	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 729,358	\$ 754,531	\$ 7,795	\$ 10,711
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 754,531	n/a	\$ 10,711	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 729,358	\$ 754,531	\$ 7,795	\$ 10,711
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 754,531	n/a	\$ 10,711	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 754,531	n/a	\$ 10,711	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 802,498	n/a	\$ 11,243	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 25,173		\$ 2,916	

EXHIBIT D

INDEPENDENT LIVING FEES SCHEDULE -EXTENSIVE LIFE CARE

As of July 1st 2024				
0% Declining Balance Refund Plan				
Extensive Life Care Fee Schedule or "Type A" Residency Agreement				
<u>Independent Living Apartment Type</u>	<u>Entrance Fee</u>		<u>Monthly Fee</u>	
	<u>Single</u>	<u>+ 2nd Person</u>	<u>Single</u>	<u>+2nd Person</u>
One Bedroom Traditional Interior	\$ 171,978	\$ 197,151	\$ 4,870	\$ 7,786
One Bedroom Traditional Interior 3rd Floor	\$ 173,866	\$ 199,039	\$ 4,870	\$ 7,786
One Bedroom Traditional Exterior	\$ 185,528	\$ 210,701	\$ 4,870	\$ 7,786
One Bedroom Traditional Special	\$ 187,418	\$ 212,591	\$ 4,988	\$ 7,904
One Bedroom Deluxe Interior	\$ 220,269	\$ 245,442	\$ 5,353	\$ 8,269
One Bedroom Interior 3rd Floor	\$ 222,158	\$ 247,331	\$ 5,353	\$ 8,269
One Bedroom Deluxe Exterior	\$ 233,245	\$ 258,418	\$ 5,353	\$ 8,269
One Bedroom Deluxe Exterior 3rd Floor	\$ 235,053	\$ 260,226	\$ 5,353	\$ 8,269
One Bedroom Deluxe Special	\$ 235,053	\$ 260,226	\$ 5,467	\$ 8,383
Two Bedroom Traditional Interior	\$ 277,822	\$ 302,995	\$ 5,864	\$ 8,780
Two Bedroom Traditional Interior 3rd Floor	\$ 279,649	\$ 304,822	\$ 5,864	\$ 8,780
Two Bedroom Traditional Exterior	\$ 290,536	\$ 315,709	\$ 5,864	\$ 8,780
Two Bedroom Traditional Exterior 3rd Floor	\$ 292,363	\$ 317,536	\$ 5,864	\$ 8,780
Two Bedroom Traditional Special	\$ 292,363	\$ 317,536	\$ 5,970	\$ 8,886
Two Bedroom Deluxe Interior	\$ 348,150	\$ 373,323	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Interior 3rd Floor	\$ 350,057	\$ 375,230	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Exterior	\$ 366,905	\$ 392,078	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Exterior 3rd Floor	\$ 368,892	\$ 394,065	\$ 6,365	\$ 9,281
Two Bedroom Deluxe Special	\$ 368,892	\$ 394,065	\$ 6,474	\$ 9,390
Two Bedroom with Den Interior	\$ 399,329	\$ 424,502	\$ 6,847	\$ 9,763
Two Bedroom with Den Interior 3rd Floor	\$ 401,314	\$ 426,487	\$ 6,847	\$ 9,763
Two Bedroom with Den Exterior	\$ 414,507	\$ 439,680	\$ 6,847	\$ 9,763
Two Bedroom with Den Special Exterior	\$ 416,494	\$ 441,667	\$ 6,965	\$ 9,881
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 458,706	n/a	\$ 10,229	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 433,533	\$ 458,706	\$ 7,487	\$ 10,403
Comb(3211)2 BR Deluxe/Extra room	\$ 687,657	\$ 712,830	\$ 7,234	\$ 10,150
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 510,419	n/a	\$ 10,771	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 485,246	\$ 510,419	\$ 7,795	\$ 10,711
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 510,419	n/a	\$ 9,885	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 485,246	\$ 510,419	\$ 7,795	\$ 10,711
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 510,419	n/a	\$ 10,712	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 510,419	n/a	\$ 10,887	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 541,044	n/a	\$ 11,243	n/a
2nd Person Fee which has been added to 1st Person Fee	\$ 25,173		\$ 2,916	

Carefully read the continuing care agreement for the conditions that must be satisfied before the provider is required to pay the entrance fee refund. As with all published price information, the amounts quoted are subject to change.

Exhibit E:

Fee for Service Plan Fee Schedules

EXHIBIT E
INDEPENDENT LIVING FEES SCHEDULE - FEE FOR SERVICE

As of July 1st 2024				
Standard 90% Refund Plan				
Fee For Service Fee Schedule or "Type C" Residency Agreement				
Independent Living Apartment Type	Entrance Fee		Monthly Fee	
	Single	+ 2nd Person	Single	+2nd Person
One Bedroom Traditional Interior	\$ 290,983	\$ 311,119	\$ 4,140	\$ 6,619
One Bedroom Traditional Interior 3rd Floor	\$ 294,178	\$ 314,314	\$ 4,140	\$ 6,619
One Bedroom Traditional Exterior	\$ 313,909	\$ 334,045	\$ 4,140	\$ 6,619
One Bedroom Traditional Special	\$ 317,106	\$ 337,242	\$ 4,241	\$ 6,720
One Bedroom Deluxe Interior	\$ 372,692	\$ 392,828	\$ 4,549	\$ 7,028
One Bedroom Interior 3rd Floor	\$ 375,885	\$ 396,021	\$ 4,549	\$ 7,028
One Bedroom Deluxe Exterior	\$ 394,645	\$ 414,781	\$ 4,549	\$ 7,028
One Bedroom Deluxe Exterior 3rd Floor	\$ 397,703	\$ 417,839	\$ 4,549	\$ 7,028
One Bedroom Deluxe Special	\$ 397,703	\$ 417,839	\$ 4,647	\$ 7,126
Two Bedroom Traditional Interior	\$ 485,805	\$ 505,941	\$ 4,984	\$ 7,463
Two Bedroom Traditional Interior 3rd Floor	\$ 489,000	\$ 509,136	\$ 4,984	\$ 7,463
Two Bedroom Traditional Exterior	\$ 508,038	\$ 528,174	\$ 4,984	\$ 7,463
Two Bedroom Traditional Exterior 3rd Floor	\$ 511,233	\$ 531,369	\$ 4,984	\$ 7,463
Two Bedroom Traditional Special	\$ 511,233	\$ 531,369	\$ 5,074	\$ 7,553
Two Bedroom Deluxe Interior	\$ 608,785	\$ 628,921	\$ 5,408	\$ 7,887
Two Bedroom Deluxe Interior 3rd Floor	\$ 612,119	\$ 632,255	\$ 5,408	\$ 7,887
Two Bedroom Deluxe Exterior	\$ 641,579	\$ 661,715	\$ 5,408	\$ 7,887
Two Bedroom Deluxe Exterior 3rd Floor	\$ 645,055	\$ 665,191	\$ 5,408	\$ 7,887
Two Bedroom Deluxe Special	\$ 645,055	\$ 665,191	\$ 5,502	\$ 7,981
Two Bedroom with Den Interior	\$ 698,275	\$ 718,411	\$ 5,819	\$ 8,298
Two Bedroom with Den Interior 3rd Floor	\$ 701,750	\$ 721,886	\$ 5,819	\$ 8,298
Two Bedroom with Den Exterior	\$ 724,817	\$ 744,953	\$ 5,819	\$ 8,298
Two Bedroom with Den Special Exterior	\$ 728,290	\$ 748,426	\$ 5,920	\$ 8,399
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 807,360	n/a	\$ 8,695	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 787,224	\$ 807,360	\$ 6,365	\$ 8,844
Comb(3211)2 BR Deluxe/Extra room	\$ 818,755	\$ 838,891	\$ 6,150	\$ 8,629
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 835,681	n/a	\$ 8,304	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 815,545	\$ 835,681	\$ 6,627	\$ 9,106
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 835,681	n/a	\$ 9,106	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 815,545	\$ 835,681	\$ 6,627	\$ 9,106
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 835,681	n/a	\$ 9,106	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 835,681	n/a	\$ 9,255	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 955,490	n/a	\$ 9,556	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 20,136		\$ 2,479	

EXHIBIT E

INDEPENDENT LIVING FEES SCHEDULE - FEE FOR SERVICE

As of July 1st 2024 50% Declining Balance Refund Plan				
Fee For Service Fee Schedule or "Type C" Residency Agreement				
Independent Living Apartment Type	Entrance Fee		Monthly Fee	
	Single	+ 2nd Person	Single	+2nd Person
One Bedroom Traditional Interior	\$ 227,310	\$ 247,446	\$ 4,140	\$ 6,619
One Bedroom Traditional Interior 3rd Floor	\$ 229,806	\$ 249,942	\$ 4,140	\$ 6,619
One Bedroom Traditional Exterior	\$ 242,723	\$ 262,859	\$ 4,140	\$ 6,619
One Bedroom Traditional Special	\$ 238,132	\$ 258,268	\$ 4,241	\$ 6,720
One Bedroom Deluxe Interior	\$ 288,585	\$ 308,721	\$ 4,549	\$ 7,028
One Bedroom Interior 3rd Floor	\$ 229,805	\$ 249,941	\$ 4,549	\$ 7,028
One Bedroom Deluxe Exterior	\$ 241,966	\$ 262,102	\$ 4,549	\$ 7,028
One Bedroom Deluxe Exterior 3rd Floor	\$ 298,657	\$ 318,793	\$ 4,549	\$ 7,028
One Bedroom Deluxe Special	\$ 298,657	\$ 318,793	\$ 4,647	\$ 7,126
Two Bedroom Traditional Interior	\$ 367,207	\$ 387,343	\$ 4,984	\$ 7,463
Two Bedroom Traditional Interior 3rd Floor	\$ 369,622	\$ 389,758	\$ 4,984	\$ 7,463
Two Bedroom Traditional Exterior	\$ 384,011	\$ 404,147	\$ 4,984	\$ 7,463
Two Bedroom Traditional Exterior 3rd Floor	\$ 386,426	\$ 406,562	\$ 4,984	\$ 7,463
Two Bedroom Traditional Special	\$ 386,426	\$ 406,562	\$ 5,074	\$ 7,553
Two Bedroom Deluxe Interior	\$ 460,164	\$ 480,300	\$ 5,408	\$ 7,887
Two Bedroom Deluxe Interior 3rd Floor	\$ 462,683	\$ 482,819	\$ 5,408	\$ 7,887
Two Bedroom Deluxe Exterior	\$ 484,952	\$ 505,088	\$ 5,408	\$ 7,887
Two Bedroom Deluxe Exterior 3rd Floor	\$ 487,579	\$ 507,715	\$ 5,408	\$ 7,887
Two Bedroom Deluxe Special	\$ 487,579	\$ 507,715	\$ 5,502	\$ 7,981
Two Bedroom with Den Interior	\$ 527,806	\$ 547,942	\$ 5,819	\$ 8,298
Two Bedroom with Den Interior 3rd Floor	\$ 530,433	\$ 550,569	\$ 5,819	\$ 8,298
Two Bedroom with Den Exterior	\$ 547,869	\$ 568,005	\$ 5,819	\$ 8,298
Two Bedroom with Den Special Exterior	\$ 550,494	\$ 570,630	\$ 5,920	\$ 8,399
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 626,425	n/a	\$ 8,695	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 606,289	\$ 626,425	\$ 6,365	\$ 8,844
Comb(3211)2 BR Deluxe/Extra room	\$ 614,846	\$ 634,982	\$ 6,150	\$ 8,629
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 669,109	n/a	\$ 8,304	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 674,640	\$ 694,776	\$ 6,627	\$ 9,106
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 694,776	n/a	\$ 9,106	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 674,640	\$ 694,776	\$ 6,627	\$ 9,106
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 694,776	n/a	\$ 9,106	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 694,776	n/a	\$ 9,255	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 717,527	n/a	\$ 9,556	n/a
2nd Person Fee which has been added to the 1st Person Fee	\$ 20,136		\$ 2,479	

EXHIBIT E

INDEPENDENT LIVING FEES SCHEDULE - FEE FOR SERVICE

As of July 1st 2024				
0% Declining Balance Refund Plan				
Fee For Service Fee Schedule or "Type C" Residency Agreement				
Independent Living Apartment Type	Entrance Fee		Monthly Fee	
	Single	+ 2nd Person	Single	+2nd Person
One Bedroom Traditional Interior	\$ 152,537	\$ 172,673	\$ 4,140	\$ 5,991
One Bedroom Traditional Interior 3rd Floor	\$ 154,212	\$ 174,348	\$ 4,140	\$ 5,991
One Bedroom Traditional Exterior	\$ 164,555	\$ 184,691	\$ 4,140	\$ 5,991
One Bedroom Traditional Special	\$ 166,232	\$ 186,368	\$ 4,241	\$ 6,083
One Bedroom Deluxe Interior	\$ 195,370	\$ 215,506	\$ 4,549	\$ 6,362
One Bedroom Interior 3rd Floor	\$ 197,044	\$ 217,180	\$ 4,549	\$ 6,362
One Bedroom Deluxe Exterior	\$ 206,878	\$ 227,014	\$ 4,549	\$ 6,362
One Bedroom Deluxe Exterior 3rd Floor	\$ 208,481	\$ 228,617	\$ 4,549	\$ 6,362
One Bedroom Deluxe Special	\$ 208,481	\$ 228,617	\$ 4,647	\$ 6,450
Two Bedroom Traditional Interior	\$ 246,415	\$ 266,551	\$ 4,984	\$ 6,755
Two Bedroom Traditional Interior 3rd Floor	\$ 248,036	\$ 268,172	\$ 4,984	\$ 6,755
Two Bedroom Traditional Exterior	\$ 257,692	\$ 277,828	\$ 4,984	\$ 6,755
Two Bedroom Traditional Exterior 3rd Floor	\$ 259,312	\$ 279,448	\$ 4,984	\$ 6,755
Two Bedroom Traditional Special	\$ 259,312	\$ 279,448	\$ 5,074	\$ 6,836
Two Bedroom Deluxe Interior	\$ 308,794	\$ 328,930	\$ 5,408	\$ 7,139
Two Bedroom Deluxe Interior 3rd Floor	\$ 310,484	\$ 330,620	\$ 5,408	\$ 7,139
Two Bedroom Deluxe Exterior	\$ 325,428	\$ 345,564	\$ 5,408	\$ 7,139
Two Bedroom Deluxe Exterior 3rd Floor	\$ 327,191	\$ 347,327	\$ 5,408	\$ 7,139
Two Bedroom Deluxe Special	\$ 327,191	\$ 347,327	\$ 5,502	\$ 7,224
Two Bedroom with Den Interior	\$ 354,186	\$ 374,322	\$ 5,819	\$ 7,511
Two Bedroom with Den Interior 3rd Floor	\$ 355,948	\$ 376,084	\$ 5,819	\$ 7,511
Two Bedroom with Den Exterior	\$ 367,648	\$ 387,784	\$ 5,819	\$ 7,511
Two Bedroom with Den Special Exterior	\$ 369,410	\$ 389,546	\$ 5,920	\$ 7,602
Comb(3210)1 BR Traditional/1 BR Deluxe	\$ 406,852	n/a	\$ 8,695	n/a
Comb(8301)1 BR Deluxe/1 BR Traditional	\$ 386,716	\$ 406,852	\$ 6,365	\$ 8,844
Comb(3211)2 BR Deluxe/Extra room	\$ 412,594	\$ 432,730	\$ 6,150	\$ 8,629
Comb(7101)1 BR Deluxe/1 BR Deluxe	\$ 449,008	n/a	\$ 8,304	n/a
Comb(1101)1 BR Deluxe/1 BR Deluxe	\$ 432,583	\$ 452,719	\$ 6,627	\$ 9,106
Comb(1201)1 BR Deluxe/1 BR Deluxe	\$ 452,719	n/a	\$ 9,106	n/a
Comb(1209)1 BR Deluxe/1 BR Deluxe	\$ 432,583	\$ 452,719	\$ 6,627	\$ 9,106
Comb(1301)1 BR Deluxe/1 BR Deluxe	\$ 452,719	n/a	\$ 9,106	n/a
Comb(7301)1 BR Deluxe/1 BR Deluxe	\$ 452,719	n/a	\$ 9,255	n/a
Comb(7209)2 BR Deluxe/1 BR Traditional	\$ 481,498	n/a	\$ 9,556	n/a
2nd Person Fee which has been added to 1st Person Fee	\$ 20,136		\$ 2,479	

Assisted Living Fees:

Description	Haven Daily Rate	Heritage Daily Rate
Assisted Living Unit	\$309	\$327
Assisted Living Unit Second Person (applies only if both Residents occupy the same Assisted Living Unit)	\$149	\$149
Memory Care	N/A	\$341

Nursing Care Fees:

Description	Daily Rate
Nursing Care Private Room with Shared Bath	\$359
Nursing Care Private Room with Private Bath	\$406
Nursing Care Deluxe Room with Private Bath	\$414
Nursing Care Super Deluxe Room with Private Bath	\$420

**All fees are current as of July 1, 2024. Fee amounts are subject to change upon prior notice as provided in the Residency Agreement.*

Exhibit F:

Certified Financial Statement, with 3-Year Cash Flow Projection

Annapolis Life Care, Inc. and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

June 30, 2024 and 2023

Annapolis Life Care, Inc. and Subsidiaries

Table of Contents
June 30, 2024 and 2023

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations and Changes in Net Deficit	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6
Supplementary Information	
Consolidating Balance Sheet Schedule	21
Consolidating Statement of Operations and Change in Net Assets (Deficit) Schedule	23

Independent Auditors' Report

To the Board of Directors of
Annapolis Life Care, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Annapolis Life Care, Inc. and Subsidiaries (the Corporation), which comprise the consolidated balance sheet as of June 30, 2024, and the related consolidated statements of operations and changes in net deficit and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Corporation for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on October 27, 2023.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

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

Baker Tilly US, LLP

Philadelphia, Pennsylvania
November 27, 2024

Annapolis Life Care, Inc. and SubsidiariesConsolidated Balance Sheets
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,584,147	\$ 5,107,069
Current portion of assets whose use is limited	797,113	529,846
Accounts receivable:		
Residents, net	1,947,994	3,039,275
Other	-	84,791
Notes receivable, residents	124,315	-
Prepaid expenses and other current assets	809,339	879,756
Total current assets	8,262,908	9,640,737
Assets Whose Use is Limited, Net	9,953,638	7,855,592
Investments	19,676,428	20,795,283
Property and Equipment, Net	75,052,916	71,296,818
Derivative Financial Instruments	1,331,272	568,022
Total assets	<u>\$ 114,277,162</u>	<u>\$ 110,156,452</u>
Liabilities and Net Assets (Deficit)		
Current Liabilities		
Accounts payable	\$ 1,206,735	\$ 2,064,041
Accrued expenses	694,506	972,200
Entrance fee refunds payable	962,486	3,163,211
Current maturities of long-term debt	1,098,000	1,049,000
Current portion of charitable gift annuities	35,283	37,083
Entrance fee deposits	962,121	1,026,177
Total current liabilities	4,959,131	8,311,712
Charitable Gift Annuities, Net	162,899	189,940
Long-Term Debt, Net	42,554,929	43,642,735
Refundable Entrance Fees	108,216,950	98,507,645
Deferred Revenues From Entrance Fees	6,583,498	5,431,037
Estimated Obligation to Provide Future Services and Use of Facilities	11,079,000	6,526,000
Total liabilities	<u>173,556,407</u>	<u>162,609,069</u>
Net Assets (Deficit)		
Without donor restrictions	(62,751,501)	(55,393,947)
With donor restrictions	3,472,256	2,941,330
Total net deficit	<u>(59,279,245)</u>	<u>(52,452,617)</u>
Total liabilities and net deficit	<u>\$ 114,277,162</u>	<u>\$ 110,156,452</u>

See notes to consolidated financial statements

Annapolis Life Care, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Deficit
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues Without Donor Restrictions		
Net resident service revenue	\$ 24,404,974	\$ 22,233,882
Amortization of entrance fees	1,279,629	1,284,112
Grant revenue	-	1,619,815
Other revenue	1,304	-
Net assets released from restriction	284,663	31,133
	<u>25,970,570</u>	<u>25,168,942</u>
Total revenues without donor restrictions		
	<u>25,970,570</u>	<u>25,168,942</u>
Expenses		
Resident care	9,028,387	7,737,550
General and administrative	5,168,771	6,033,210
Depreciation	4,723,369	4,162,419
Dietary	4,676,020	4,497,184
Plant operations	3,352,562	3,000,929
Provision for expected credit losses	1,834,074	97,503
Interest	1,795,428	1,828,935
Housekeeping	1,518,264	1,719,167
Fundraising	159,420	259,416
	<u>32,256,295</u>	<u>29,336,313</u>
Total expenses		
	<u>32,256,295</u>	<u>29,336,313</u>
Operating loss	(6,285,725)	(4,167,371)
Nonoperating Revenue (Expenses)		
Change in net unrealized gains and losses on investments	1,331,262	1,304,987
Contributions	194,634	195,003
Interest and dividends	727,070	639,817
Net realized gain on sales of investments	486,897	169,109
Change in fair value of derivative financial instruments	763,250	2,543,071
Change in obligation to provide future services and use of facilities	(4,553,000)	6,350,000
Loss on disposal of property and equipment	(21,942)	-
	<u>(7,357,554)</u>	<u>7,034,616</u>
Revenues (less than) in excess of expenses and change in net deficit without donor restrictions		
	<u>(7,357,554)</u>	<u>7,034,616</u>
Net Assets With Donor Restrictions		
Contributions	20,700	152,368
Interest and dividends	79,121	74,814
Net realized gain on sales of investments	170,234	5,105
Change in net unrealized gains and losses on investments	545,534	150,985
Net assets released from restriction	(284,663)	(31,133)
	<u>530,926</u>	<u>352,139</u>
Change in net assets with donor restrictions		
	<u>530,926</u>	<u>352,139</u>
Change in net deficit	(6,826,628)	7,386,755
Net Deficit, Beginning	<u>(52,452,617)</u>	<u>(59,839,372)</u>
Net Deficit, Ending	<u>\$ (59,279,245)</u>	<u>\$ (52,452,617)</u>

See notes to consolidated financial statements

Annapolis Life Care, Inc. and SubsidiariesConsolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in net deficit	\$ (6,826,628)	\$ 7,386,755
Adjustments to reconcile change in net deficit to net cash (used in) provided by operating activities:		
Depreciation	4,723,369	4,162,419
Loss on disposal of property and equipment	21,942	-
Amortization of debt issuance costs	10,194	11,118
Provision for expected credit losses	1,834,074	97,503
Proceeds from nonrefundable entrance fees	2,432,090	1,652,908
Amortization of entrance fees	(1,279,629)	(1,284,112)
Net realized and unrealized gain on investments	(2,533,927)	(1,630,186)
Change in fair value of derivative financial instruments	(763,250)	(2,543,071)
Change in value of charitable gift annuities	(28,841)	(25,933)
Changes in assets and liabilities:		
Accounts receivable, resident and other	(658,002)	774,500
Notes receivable, resident	(124,315)	708,043
Prepaid expenses and other current assets	70,417	(154,840)
Accounts payable	(857,306)	290,274
Accrued expenses	(277,694)	(485,520)
Entrance fee refunds payable	(2,200,725)	3,163,211
Entrance fee deposits	(64,056)	(50,059)
Estimated obligation to provide future services and use of facilities	4,553,000	(6,350,000)
Net cash (used in) provided by operating activities	<u>(1,969,287)</u>	<u>5,723,010</u>
Cash Flows From Investing Activities		
Net purchases of investments and assets whose use is limited	(760,909)	(1,098,512)
Purchase of property and equipment	<u>(8,501,409)</u>	<u>(7,975,251)</u>
Net cash used in investing activities	<u>(9,262,318)</u>	<u>(9,073,763)</u>
Cash Flows From Financing Activities		
Repayment of long-term debt	(1,049,000)	(1,017,000)
Payments of deferred financing costs	-	(23,413)
Proceeds from refundable entrance fees	19,659,270	10,791,211
Refunds of entrance fees	<u>(9,949,965)</u>	<u>(8,341,466)</u>
Net cash provided by financing activities	<u>8,660,305</u>	<u>1,409,332</u>
Net change in cash, cash equivalents and restricted cash and cash equivalents	(2,571,300)	(1,941,421)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	<u>8,091,544</u>	<u>10,032,965</u>
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	<u>\$ 5,520,244</u>	<u>\$ 8,091,544</u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	\$ 4,584,147	\$ 5,107,069
Assets whose use is limited	936,097	2,830,982
Insurance reserve included in other current assets	-	153,493
Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 5,520,244</u>	<u>\$ 8,091,544</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 1,816,124</u>	<u>\$ 1,817,817</u>
Supplemental Disclosure of Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment	<u>\$ -</u>	<u>\$ 288,310</u>

See notes to consolidated financial statements

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. Nature of Organization and Summary of Significant Accounting Policies

Organization and its Affiliates

Annapolis Life Care, Inc. (ALC) was incorporated on May 31, 1982, as a nonprofit, nonstock Maryland corporation. ALC was established to operate a life care retirement community known as Ginger Cove for individuals 60 years of age or older and consists of 232 independent living (IL) units, 81 assisted living (AL) units, including 15 memory care units, and a 55-bed health (long-term) care facility situated on 30 acres in Anne Arundel County, Maryland.

Ginger Cove Home Health Care, LLC (a single-member LLC) was organized in 2024 as a limited liability company under the Maryland Liability Company Act and provides home health services to the residents of Ginger Cove. The Corporation is its sole member.

Ginger Cove Foundation Inc. (the Foundation) is a nonprofit, nonstock Maryland corporation and is qualified as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. The Foundation was established to support the Corporation through development of funding sources. The Corporation is its sole member.

Ginger Cove at Home, LLC (Ginger Cove at Home) (a single-member LLC) was organized in 2023 as a limited liability company under the Maryland Liability Company Act. Ginger Cove at Home will provide services to individuals primarily in their home setting, but with rights to access certain services on the Ginger Cove campus. The Corporation is its sole member.

Principles of Consolidation

The consolidated financial statements include the accounts of ALC, Ginger Cove HHC, the Foundation and Ginger Cove at Home (collectively, the Corporation). All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash and cash equivalents include investments in highly liquid debt instruments purchased with an original maturity of three months or less, excluding investments and assets whose use is limited.

Accounts Receivable, Residents

The Corporation assesses collectability on all resident accounts prior to providing services. Resident accounts receivable are reported net of an allowance for credit losses, which represents the Corporation's estimate of expected losses as of the consolidated balance sheets date. The adequacy of the allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analysis of receivables portfolios by payor source and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends and adjustments are made to the allowance as necessary. The allowance for credit losses was approximately \$166,000 and \$379,000 at June 30, 2024 and 2023, respectively.

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Notes Receivable, Residents

Notes receivable, residents include amounts due from residents residing in the IL units who, based on contractual agreements, have been permitted an extended period of time to deposit their entrance fees.

Investments, Assets Whose Use is Limited and Investment Risk

Investments primarily include assets set aside for the general use and purposes of the Corporation.

Assets whose use is limited primarily include assets set aside to meet statutory minimum liquid reserve requirements, assets whose use by the Corporation is limited to providing financial assistance to residents and resident entrance fee deposits.

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

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

Charitable Gift Annuities

The Corporation has a number of charitable gift annuities. The liability to the annuitants has been discounted to its present value, taking into consideration the life expectancy of the annuitant. The difference between the annuitant's gift and the liability to the annuitant is recorded as a restricted contribution in the year of the gift. These gift annuities provide for a series of quarterly payments during the annuitants' or beneficiaries' lives.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (5 to 40 years).

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

Property and equipment will be evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. No impairment losses were recognized in 2024 or 2023.

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt are amortized over the term of the related debt using the straight-line method, which approximates the effective interest method, and are presented in the consolidated balance sheets as a direct reduction of long-term debt. Amortization expense was \$10,194 in 2024 and \$11,118 in 2023.

Residency Agreement and Entrance Fees

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

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

ALC offers both life care (Type A) and fee-for-service (Type C) contracts to its IL residents. Under the Type A contracts, IL residents continue to pay the applicable monthly fee for their IL unit, plus a fee for additional meals, after permanent transfer to AL or health care. Under the Type C contracts, upon permanent transfer to AL or health care, residents pay the market rates for those levels of care. The majority of ALC's residents have Type A contracts. A description of the services not covered or included in the entrance fee and monthly fee is provided to residents upon admission.

ALC offers three entrance fee plans to prospective residents, a nonrefundable plan, a 90% refundable plan and a 50% refundable plan. The nonrefundable plan has no guaranteed refund component and is refundable on a decreasing basis at a rate of 4% for the first month of occupancy and 2% per month for each full or partial month of occupancy for the next 48 months; after 49 months of occupancy, no refund is due or payable. The 90% refundable plan has a guaranteed refund component, which is 90% of the entrance fee paid. The 50% refundable plan has a guaranteed refund component, which is 50% of the entrance fee paid. Entrance fees are refundable on a decreasing basis at a rate of 3% for the first month of occupancy and 1% per month for each full or partial month of occupancy for the next 47 months; after 48 months of occupancy, 50% of the entrance fee will be due or payable upon termination of the Residency Agreement. The majority of ALC's residents have selected the 90% refundable plan.

Any applicable entrance fee refund is generally paid within 60 days of the IL unit occupied by the resident being reoccupied by another resident and the entrance fee for the IL unit being paid in full by the reoccupying resident. However, entrance fee refunds are not paid until a resident is no longer occupying an IL, AL or health care unit at Ginger Cove.

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

Amortization of nonrefundable entrance fees was \$1,279,629 and \$1,284,112 for the years ended June 30, 2024 and 2023, respectively. A significant portion of amortization revenue in 2024 and 2023 was included in deferred revenues from entrance fees as of the beginning of each year.

Contractual refund obligations under the Agreements approximated \$109,131,000 and \$99,808,000 at June 30, 2024 and 2023, respectively, of which approximately \$18,552,000 and \$14,176,000, respectively, relate to residents who have permanently transferred to AL or health care and their IL unit has been reoccupied.

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Derivative Financial Instruments

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

Net Assets (Deficit)

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

Net Deficit Without Donor Restrictions - This classification includes amounts not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net deficit without donor restrictions.

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

Net Resident Service Revenue

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

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

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

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

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

Obligation to Provide Future Services and Use of Facilities

The Corporation engages an independent actuary annually to calculate the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenues from entrance fees. Based upon the actuarial calculations performed as of June 30, 2024 and 2023, the present value of the net cost of future services and the use of facilities, based on a discount rate of 5%, exceeded the balance of deferred revenues from entrance fees. Based upon these calculations, and the analysis of management, the liability for the obligation to provide future services and use of facilities was \$11,079,000 and \$6,526,000 at June 30, 2024 and 2023, respectively.

Income Tax Status

ALC and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on their exempt income under Section 509(a) of the Code. Ginger Cove HHC and Ginger Cove at Home, as single member limited liability companies, are considered a "disregarded entities" for federal tax purposes. Accordingly, any tax transactions are reported by ALC.

Revenues (Less Than) in Excess of Expenses

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

Changes in net deficit without donor restrictions which are excluded from revenues (less than) in excess of expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Reclassifications

Certain reclassifications have been made to the 2023 consolidated financial statements in order to conform to the 2024 presentation.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through November 27, 2024, the date the consolidated financial statements were issued.

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. Liquidity and Available Resources

Financial assets available for general expenditure within one year of the consolidated Balance Sheets dates consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,584,147	\$ 5,107,069
Accounts receivable, net	1,947,994	3,039,275
Investments	19,676,428	20,795,283
Notes receivable, residents	124,315	-
Total	<u>\$ 26,332,884</u>	<u>\$ 28,941,627</u>

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

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

3. Net Resident Service Revenue

The Corporation disaggregates revenue from contracts with residents by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Net resident service revenue consists of the following for the years ended June 30:

	<u>2024</u>			
	<u>Independent Living</u>	<u>Assisted Living</u>	<u>Health Care</u>	<u>Total</u>
Private pay	\$ 15,812,766	\$ 3,530,196	\$ 3,354,121	\$ 22,697,083
Medicare	-	-	1,700,239	1,700,239
Commercial and other	-	-	7,652	7,652
Total	<u>\$ 15,812,766</u>	<u>\$ 3,530,196</u>	<u>\$ 5,062,012</u>	<u>\$ 24,404,974</u>
	<u>2023</u>			
	<u>Independent Living</u>	<u>Assisted Living</u>	<u>Health Care</u>	<u>Total</u>
Private pay	\$ 14,164,565	\$ 3,640,535	\$ 2,727,936	\$ 20,533,036
Medicare	-	-	1,700,846	1,700,846
Total	<u>\$ 14,164,565</u>	<u>\$ 3,640,535</u>	<u>\$ 4,428,782</u>	<u>\$ 22,233,882</u>

ALC has an agreement with the Medicare program that provides for payments at amounts different from established rates. Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments.

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

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

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

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

The levels of the fair value hierarchy are as follows:

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

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

Level 3 - Significant unobservable inputs.

The Corporation has no financial assets or liabilities measured on a nonrecurring basis.

The following tables present financial instruments measured at fair value as of June 30, 2024 and 2023:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments and assets whose use is limited:				
Cash and cash equivalents	\$ 936,097	\$ -	\$ -	\$ 936,097
Equity securities	279,433	-	-	279,433
Mutual funds, equity	10,316,452	-	-	10,316,452
Exchange-traded funds, equity	1,494,174	-	-	1,494,174
Mutual funds, fixed income	11,001,942	-	-	11,001,942
Exchange-traded funds, fixed income	148,908	-	-	148,908
Total	24,177,006	-	-	24,177,006
Derivative financial instruments	-	1,331,272	-	1,331,272
Total	\$ 24,177,006	\$ 1,331,272	\$ -	\$ 25,508,278

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments and assets whose use is limited:				
Cash and cash equivalents	\$ 2,830,982	\$ -	\$ -	\$ 2,830,982
Mutual funds, equity	11,097,335	-	-	11,097,335
Mutual funds, fixed income	7,643,975	-	-	7,643,975
Exchange-traded funds, fixed income	106,301	-	-	106,301
Total	21,678,593	-	-	21,678,593
Derivative financial instruments	-	568,022		568,022
Total	\$ 21,678,593	\$ 568,022	\$ -	\$ 22,246,615

Valuation Methodologies

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

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

The Corporation has a policy which permits investments in alternative investments that do not have a readily determinable fair value. The Corporation measures the fair value of an investment that does not have a readily determinable fair value based on the NAV of the investment as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a value significantly different than the NAV. If the practical expedient NAV is not as of the reporting entity's measurement date, then the NAV is adjusted to reflect any significant events that would materially affect the value of the security as of the valuation date. In using the NAV as a practical expedient, certain attributes of the investment, that may impact the fair value of the investment, are not considered in measuring fair value. These attributes include the investment strategies of the investees and may also include, but are not limited to, restrictions on the investor's ability to redeem its investments at the measurement date at NAV as well as any unfunded commitments.

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The following table presents a list of the assets measured at NAV as of June 30, 2024 and 2023:

June 30, 2024				
Investment/Strategy	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
a) Summit Global Equity, Equity Series	\$ 5,699,409	\$ -	Bi-Monthly	5 days
c) Wellington Trust Company, NA CTF				
Enduring Asset	505,200	-	Daily	None
Other investments	45,564	-	-	-
Total	\$ 6,250,173	\$ -		

June 30, 2023				
Investment/Strategy	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
a) Summit Global Equity, Equity Series	\$ 5,688,591	\$ -	Bi-Monthly	5 days
b) Harvest Edge Global Risk Premia Equity, LP	1,292,769	-	Monthly	5 days
c) Wellington Trust Company, NA CTF				
Enduring Asset	448,741	-	Daily	None
Other investments	72,027	-	-	-
Total	\$ 7,502,128	\$ -		

- a) A multi manager pooled investment vehicle that will invest directly in publicly traded U.S. and non-U.S. equity securities or other pooled investment vehicles that invest in publicly traded U.S. and non-U.S. equity securities. Summit Solutions is a multi-advisor, commingled investment vehicle organized as a multi-series limited liability company under Delaware law. Summit Solutions currently consists of five separate series, each of which represents a separate pool of assets that will be managed by one or more investment advisers selected by Summit. The current Series are Domestic Equity, Global Equity, Fixed Income, Liquid Equity and Liquid Diversifiers.
- b) Harvest Edge Global Risk Premia Equity is a limited partnership with the investment objective to seek attractive risk-adjusted returns compared to the MSCI All Country World Index over a full market cycle. Core investments are in global equities and short duration liquid Treasury Bills.
- c) Wellington Trust Company, NA, CTF Enduring Assets Portfolio is a trust fund with the investment objective to seek attractive risk-adjusted returns by investing primarily in companies with long-lived physical assets that possess an advantaged competitive position and that exhibit low levels of earnings volatility.

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

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The following table reconciles total investments and assets whose use is limited to the consolidated balance sheets:

	<u>2024</u>	<u>2023</u>
Investments and assets whose use is limited reported at fair value in the tables above	\$ 24,177,006	\$ 21,678,593
Alternative investments measured at NAV	<u>6,250,173</u>	<u>7,502,128</u>
Total investments and assets whose use limited	<u>\$ 30,427,179</u>	<u>\$ 29,180,721</u>

Investments and assets whose use is limited are classified on the consolidated balance sheets as follows at June 30:

	<u>2024</u>	<u>2023</u>
Assets whose use is limited, current		
Residency agreements - wait list deposits	\$ 797,113	\$ 529,846
Assets whose use is limited, noncurrent		
Donor restricted, less pledge receivable	3,465,456	1,644,569
Charitable gift annuities	198,182	227,023
Operating reserve, Maryland Department of Aging	<u>6,290,000</u>	<u>5,984,000</u>
Total assets whose use is limited, noncurrent	9,953,638	7,855,592
Investments	<u>19,676,428</u>	<u>20,795,283</u>
Total	<u>\$ 30,427,179</u>	<u>\$ 29,180,721</u>

Investment return is comprised of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Investment income:		
Interest and dividends	\$ 806,191	\$ 714,631
Net realized gain on sales of investments	<u>657,131</u>	<u>174,214</u>
Total	<u>\$ 1,463,322</u>	<u>\$ 888,845</u>
Change in net unrealized gains and losses on investments	<u>\$ 1,876,796</u>	<u>\$ 1,455,972</u>

Maryland Department of Aging Reserve Requirement

The Maryland Department of Aging requires providers of continuing care to maintain an operating reserve equal to 25% of net operating expenses, which for ALC is equal to total operating expenses less depreciation and amortization for the most recent fiscal year for which an audited financial statement is available. The reserves must be kept in reasonably liquid form in the judgment of the provider.

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

ALC has fully funded the reserve with its investment portfolio. The reserve is included in noncurrent assets whose use is limited in the consolidated balance sheets. The reserve as of June 30, 2024 was calculated as follows:

Total operating expenses for fiscal year ended June 30, 2023	\$	29,336,313
Less:		
Depreciation		(4,162,419)
Amortization of deferred financing costs		<u>(12,295)</u>
Net operating expense		25,161,599
		<u>25%</u>
Total reserve at June 30, 2024	\$	<u><u>6,290,000</u></u>

5. Property and Equipment

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

	<u>2024</u>	<u>2023</u>
Land	\$ 3,735,917	\$ 3,735,917
Land improvements	4,268,245	4,203,249
Buildings and improvements	117,986,889	112,112,958
Equipment, furniture and fixtures	<u>11,069,130</u>	<u>10,825,862</u>
	137,060,181	130,877,986
Less accumulated depreciation	<u>(62,400,323)</u>	<u>(64,644,892)</u>
	74,659,858	66,233,094
Construction in progress	<u>393,058</u>	<u>5,063,724</u>
	<u><u>\$ 75,052,916</u></u>	<u><u>\$ 71,296,818</u></u>

6. Long-Term Debt

Series 2018 Bonds

In August 2018, the Maryland Health and Higher Educational Facilities Authority issued, on behalf of ALC, its Series 2018A Revenue Bond for \$39,981,000 and its Series 2018B Revenue Bond for \$10,000,000 (collectively, the Series 2018 Bonds). The proceeds from the Series 2018A Revenue Bond were used to refinance existing long-term debt. The proceeds from the Series 2018B Revenue Bond were used to finance capital improvements.

The Series 2018 Revenue Bonds are due in varying monthly installments, plus interest equal to 81% of the sum of the one-month Secured Overnight Financing Rate (SOFR) plus 1.51% (5.54% at June 30, 2024), through maturity in September 2048.

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Security

The Series 2018 Bonds are secured on a parity basis by a first mortgage lien on and security interest in ALC's property and equipment and a security interest in ALC's revenues, as defined in the applicable agreements. The Corporation is also required to meet certain financial and operational covenants.

Interest Rate Swap Agreements

In July 2018, ALC entered into an interest rate swap agreement with an effective date of August 21, 2018 in connection with the Series 2018A Revenue Bond. The swap agreement expires on July 1, 2033. The notional amount under the swap agreement was \$34,711,000 at June 30, 2024. Under the terms of the swap agreement, ALC will pay interest at a fixed rate of 2.878% and the swap counterparty will make payments to ALC based upon a floating rate equal to 81% of the sum of the one-month SOFR plus .11448% (4.41% at June 30, 2024).

In July 2018, ALC entered into an interest rate swap agreement with an effective date of January 1, 2021 in connection with the Series 2018B Revenue Bond. The swap agreement expires on July 1, 2033. The notional amount under the swap agreement was \$9,232,000 at June 30, 2024. Under the terms of the swap agreement, ALC will pay interest at a fixed rate of 2.573% and the swap counterparty will make payments to ALC based upon a floating rate equal to 81% of the sum of the one-month SOFR plus .11448% (4.41% at June 30, 2024).

Payments to or from the counterparty to the swap agreements are classified as a component of interest expense. At June 30, 2024 and 2023, the estimated fair value of the swap agreements was an asset of \$1,131,272 and \$568,022, respectively. Changes in the fair value of the swap agreements are included in revenues (less than) in excess of expenses in the consolidated statements of operations and changes in net deficit since the agreements are not designated as hedging instruments. The change in fair value was \$763,250 in 2024 and \$2,543,071 in 2023.

Long-Term Debt Summary

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

	<u>2024</u>	<u>2023</u>
Series 2018A Bond	\$ 34,711,000	\$ 35,532,000
Series 2018B Bond	9,232,000	9,460,000
Total	43,943,000	44,992,000
Less:		
Deferred financing costs, net	290,071	300,265
Current maturities	1,098,000	1,049,000
Long-term debt	<u>\$ 42,554,929</u>	<u>\$ 43,642,735</u>

Scheduled annual principal payments required on long-term debt as of June 30, 2024 are as follows:

Years ending June 30:	
2025	\$ 1,098,000
2026	1,143,000
2027	1,191,000
2028	1,234,000
2029	1,287,000
Thereafter	<u>37,990,000</u>
Total	<u>\$ 43,943,000</u>

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

7. Net Assets With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Friendship Fund	\$ 1,321,835	\$ 1,345,133
Ginger Cove Foundation Scholarship Fund	1,480,945	987,415
Other	<u>669,476</u>	<u>608,782</u>
Total	<u>\$ 3,472,256</u>	<u>\$ 2,941,330</u>

The Corporation released approximately \$285,000 and \$31,000 for the years ended June 30, 2024 and 2023, respectively. These funds were utilized based on the intended use of the fund in which it was released.

8. Pension Plan

ALC sponsors a defined contribution pension plan for all eligible employees. Pension expense was \$161,005 in 2024 and \$141,133 in 2023.

9. Medical Malpractice Claims Coverage

The Corporation maintains professional liability coverage on a claims-made basis through a commercial insurance carrier. Other than for premiums paid under this policy, no provision has been made for estimated losses. Management believes no incidents occurred or will be asserted that will exceed the Corporation's insurance coverages or will have a material adverse effect on the consolidated financial statements.

10. Contingencies

Senior Living Industry

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

Self-Insured Health Insurance

ALC sponsors a self-funded employee benefit plan to provide healthcare benefits and services for its eligible employees and their dependents. ALC contracts with an insurance company to provide certain administrative and other services in connection with the plan. ALC believes all costs related to this self-insurance program have been properly accounted for and accrued at June 30, 2024 and 2023.

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Employee Retention Credit

The Employee Retention Credit (ERC) is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. On December 27, 2020, the Consolidated Appropriations Act (CAA) was signed into law. Among other provisions, the CAA expanded the eligibility for ERC to include more entities as well as extending ERC into calendar year 2021 including the first, second and third calendar quarters. Furthermore, the refundable tax credit for the calendar year 2021 was expanded to 70% of the qualified wages. CAA provided these entities the ability to retroactively recover payroll taxes from earlier in 2020 during which they were previously ineligible. This is done by retroactively applying for the credit.

In prior years, the Corporation determined it met the compliance requirements and conditions of the Employee Retention Credit (ERC) program which was included in grant revenue on the consolidated statements of operations and changes in net deficit. The Corporation has recognized approximately \$3,600,000 of this funding into revenue prior to the year ended June 30, 2024, with \$1,480,728 being recognized into revenue during the year ended June 30, 2023.

There is a possibility that upon subsequent review that the Internal Revenue Service could reach a different conclusion regarding the Corporation's eligibility to retain the ERC credits received. That could result in repayment of the credits, interest, and potential penalties. The amount of liability, if any, from potential ineligibility cannot be determined with certainty.

Litigation

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

11. Concentrations of Credit Risk

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

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

Annapolis Life Care, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

12. Classification of Expenses

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

	June 30, 2024			
	Resident Services	General and Administrative	Fundraising	Total
Salaries and related expenses	\$ 11,977,352	\$ 1,685,415	\$ 109,829	\$ 13,772,596
Supplies	785,711	32,965	1,127	819,803
Maintenance and repairs	1,207,447	67,430	-	1,274,877
Utilities	1,231,397	-	-	1,231,397
Food	1,593,397	-	-	1,593,397
Contracted services	1,370,121	319,293	9,164	1,698,578
Provision for expected credit losses	-	1,834,074	-	1,834,074
Other	409,808	3,063,668	39,300	3,512,776
Interest	1,783,383	-	-	1,783,383
Depreciation	4,735,414	-	-	4,735,414
Total	\$ 25,094,030	\$ 7,002,845	\$ 159,420	\$ 32,256,295

	June 30, 2023			
	Resident Services	General and Administrative	Fundraising	Total
Salaries and related expenses	\$ 10,578,604	\$ 2,617,506	\$ 183,185	\$ 13,379,295
Supplies	988,030	51,555	4,863	1,044,448
Maintenance and repairs	721,237	78,975	-	800,212
Utilities	1,433,848	-	-	1,433,848
Food	1,574,903	-	-	1,574,903
Contracted services	1,313,770	600,923	30,201	1,944,894
Provision for expected credit losses	-	97,503	-	97,503
Other	428,190	2,684,251	41,167	3,153,608
Interest	1,745,183	-	-	1,745,183
Depreciation	4,162,419	-	-	4,162,419
Total	\$ 22,946,184	\$ 6,130,713	\$ 259,416	\$ 29,336,313

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

Annapolis Life Care, Inc. and Subsidiaries

Consolidating Balance Sheet Schedule

June 30, 2024

	<u>Annapolis Life Care, Inc.</u>	<u>Ginger Cove Foundation, Inc.</u>	<u>Ginger Cove Home Health Care, LLC</u>	<u>Ginger Cove At Home, LLC</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets						
Current Assets						
Cash and cash equivalents	\$ 4,584,147	\$ -	\$ -	\$ -	\$ -	\$ 4,584,147
Current portion of assets whose use is limited	797,113	-	-	-	-	797,113
Accounts receivable:						
Residents, net	1,947,994	-	-	-	-	1,947,994
Affiliate	350,463	-	-	-	(350,463)	-
Notes receivable, residents	124,315	-	-	-	-	124,315
Prepaid expenses and other current assets	802,539	6,800	-	-	-	809,339
	<u>8,606,571</u>	<u>6,800</u>	<u>-</u>	<u>-</u>	<u>(350,463)</u>	<u>8,262,908</u>
Assets Whose Use is Limited, Net	9,953,638	-	-	-	-	9,953,638
Investments	16,282,133	3,394,295	-	-	-	19,676,428
Interest in Net Assets of Foundation	2,850,675	-	-	-	(2,850,675)	-
Property and Equipment, Net	75,052,916	-	-	-	-	75,052,916
Derivative Financial Instruments	1,331,272	-	-	-	-	1,331,272
	<u>1,331,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,331,272</u>
Total assets	<u>\$ 114,077,205</u>	<u>\$ 3,401,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,201,138)</u>	<u>\$ 114,277,162</u>

Annapolis Life Care, Inc. and Subsidiaries

Consolidating Balance Sheet Schedule

June 30, 2024

	<u>Annapolis Life Care, Inc.</u>	<u>Ginger Cove Foundation, Inc.</u>	<u>Ginger Cove Home Health Care, LLC</u>	<u>Ginger Cove At Home, LLC</u>	<u>Eliminations</u>	<u>Consolidated</u>
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Accounts payable	\$ 1,204,959	\$ 1,776	\$ -	\$ -	\$ -	\$ 1,206,735
Accounts payable, affiliate	-	350,463	-	-	(350,463)	-
Accrued expenses	694,506	-	-	-	-	694,506
Entrance fee refunds payable	962,486	-	-	-	-	962,486
Current maturities of long-term debt	1,098,000	-	-	-	-	1,098,000
Current portion of charitable gift annuities	-	35,283	-	-	-	35,283
Entrance fee deposits	962,121	-	-	-	-	962,121
	<u>4,922,072</u>	<u>387,522</u>	<u>-</u>	<u>-</u>	<u>(350,463)</u>	<u>4,959,131</u>
Total current liabilities	4,922,072	387,522	-	-	(350,463)	4,959,131
Charitable Gift Annuities, Net	-	162,899	-	-	-	162,899
Long-Term Debt, Net	42,554,929	-	-	-	-	42,554,929
Refundable Entrance Fees	108,216,950	-	-	-	-	108,216,950
Deferred Revenues From Entrance Fees	6,583,498	-	-	-	-	6,583,498
Estimated Obligation to Provide Future Services and Use of Facilities	<u>11,079,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,079,000</u>
Total liabilities	<u>173,356,449</u>	<u>550,421</u>	<u>-</u>	<u>-</u>	<u>(350,463)</u>	<u>173,556,407</u>
Net Assets (Deficit)						
Without donor restrictions	(61,379,535)	681,725	-	-	(2,053,691)	(62,751,501)
With donor restrictions	2,100,291	2,168,949	-	-	(796,984)	3,472,256
	<u>(59,279,244)</u>	<u>2,850,674</u>	<u>-</u>	<u>-</u>	<u>(2,850,675)</u>	<u>(59,279,245)</u>
Total net assets (deficit)	<u>(59,279,244)</u>	<u>2,850,674</u>	<u>-</u>	<u>-</u>	<u>(2,850,675)</u>	<u>(59,279,245)</u>
Total liabilities and net assets (deficit)	<u>\$ 114,077,205</u>	<u>\$ 3,401,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,201,138)</u>	<u>\$ 114,277,162</u>

Annapolis Life Care, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (Deficit) Schedule
Year Ended June 30, 2024

	Annapolis Life Care, Inc.	Ginger Cove Foundation, Inc.	Ginger Cove Home Health Care, LLC	Ginger Cove At Home, LLC	Eliminations	Consolidated
Revenues Without Donor Restrictions						
Net resident service revenue	\$ 24,404,974	\$ -	\$ -	\$ -	\$ -	\$ 24,404,974
Amortization of entrance fees	1,279,629	-	-	-	-	1,279,629
Other revenue	1,304	-	-	-	-	1,304
Net assets released from restriction	103,400	181,263	-	-	-	284,663
	<u>25,789,307</u>	<u>181,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,970,570</u>
Expenses						
Resident care	9,018,387	10,000	-	-	-	9,028,387
General and administrative	4,658,946	-	-	509,825	-	5,168,771
Depreciation	4,723,369	-	-	-	-	4,723,369
Dietary	4,676,020	-	-	-	-	4,676,020
Plant operations	3,352,562	-	-	-	-	3,352,562
Provision for expected credit losses	1,834,074	-	-	-	-	1,834,074
Interest	1,795,428	-	-	-	-	1,795,428
Housekeeping	1,518,264	-	-	-	-	1,518,264
Fundraising	5,915	153,505	-	-	-	159,420
	<u>31,582,965</u>	<u>163,505</u>	<u>-</u>	<u>509,825</u>	<u>-</u>	<u>32,256,295</u>
Operating (loss) income	(5,793,658)	17,758	-	(509,825)	-	(6,285,725)
Nonoperating Revenue (Expenses)						
Change in net unrealized gains and losses on investments	1,270,992	60,270	-	-	-	1,331,262
Contributions	101,160	93,474	-	-	-	194,634
Interest and dividends	692,815	34,255	-	-	-	727,070
Net realized gain on sales of investments	432,769	54,128	-	-	-	486,897
Change in interest in net assets of the Foundation	540,203	-	-	-	(540,203)	-
Change in fair value of derivative financial instruments	763,250	-	-	-	-	763,250
Change in obligation to provide future services and use of facilities	(4,553,000)	-	-	-	-	(4,553,000)
Transfers from affiliates	(509,825)	-	-	509,825	-	-
Loss on disposal of property and equipment	(21,942)	-	-	-	-	(21,942)
Forgiveness of advances from related party	(156,570)	156,570	-	-	-	-
	<u>(7,233,806)</u>	<u>416,455</u>	<u>-</u>	<u>-</u>	<u>(540,203)</u>	<u>(7,357,554)</u>
Revenues (less than) in excess of expenses and change in net deficit without donor restrictions	(7,233,806)	416,455	-	-	(540,203)	(7,357,554)

Annapolis Life Care, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (Deficit) Schedule
Year Ended June 30, 2024

	<u>Annapolis Life Care, Inc.</u>	<u>Ginger Cove Foundation, Inc.</u>	<u>Ginger Cove Home Health Care, LLC</u>	<u>Ginger Cove At Home, LLC</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net Assets With Donor Restrictions						
Contributions	\$ -	\$ 20,700	\$ -	\$ -	\$ -	\$ 20,700
Interest and dividends	22,435	56,686	-	-	-	79,121
Net realized gain on sales of investments	22,415	147,819	-	-	-	170,234
Change in net unrealized gains and losses on investments	465,729	79,805	-	-	-	545,534
Net assets released from restriction	<u>(103,400)</u>	<u>(181,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(284,663)</u>
Change in net assets with donor restrictions	<u>407,179</u>	<u>123,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,926</u>
Change in net assets (deficit)	(6,826,627)	540,202	-	-	(540,203)	(6,826,628)
Net Assets (Deficit), Beginning	<u>(52,452,617)</u>	<u>2,310,472</u>	<u>-</u>	<u>-</u>	<u>(2,310,472)</u>	<u>(52,452,617)</u>
Net Assets (Deficit), Ending	<u>\$ (59,279,244)</u>	<u>\$ 2,850,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,850,675)</u>	<u>\$ (59,279,245)</u>

Annapolis Life Care, Inc. "Ginger Cove"
Unrestricted Cash Flow
For the Years Ending June 30, 2024, 2025 and 2026
Exhibit G-3

	Audited FY 2024	Budget FY2025	Projected FY2026
Operating Revenues:			
Net Apartment Revenues	\$ 15,812,766	\$ 16,898,992	\$ 17,574,952
Net Health Center & Assisted Living Revenue	8,592,208	8,920,762	9,277,592
Other Operating Revenue	1,304	-	-
Total Operating Revenue	<u>24,406,278</u>	<u>25,819,754</u>	<u>26,852,544</u>
Operating Expenses:			
Resident Care	9,028,387	8,322,800	8,614,098
General and Administrative	5,168,771	6,252,306	6,471,137
Dietary	4,676,020	4,822,704	4,991,499
Plant Operations	3,352,562	3,393,356	3,512,123
Bad Debt Expense	1,834,074	-	-
Housekeeping	1,518,264	1,602,408	1,658,492
Fundraising	159,420	-	-
Total Operating Expenses	<u>25,737,498</u>	<u>24,393,574</u>	<u>25,247,349</u>
Net Cash Flow from Operations	<u>(1,331,220)</u>	<u>1,426,180</u>	<u>1,605,195</u>
Cash From Investing Activities			
Capital Expenditures	(8,501,409)	(4,600,000)	(4,600,000)
Cash Investment Income	2,514,957	(1,500,000)	1,500,000
Cash From Investing	<u>(5,986,452)</u>	<u>(6,100,000)</u>	<u>(3,100,000)</u>
Cash From Entry Fees			
Initial Entrance Fees Received	22,091,360	22,146,720	20,000,000
Refunds	(12,150,690)	(11,441,390)	(13,000,000)
Net Entrance Fees Received	<u>9,940,670</u>	<u>10,705,330</u>	<u>7,000,000</u>
Cash From Financing Activities			
Debt Service – Principal	(1,049,000)	(1,098,000)	(1,143,000)
Debt Service – Interest	(1,795,428)	(1,783,000)	(1,738,000)
Net Cash From Financing Activities	<u>(2,844,428)</u>	<u>(2,881,000)</u>	<u>(2,881,000)</u>
Net Change in Total Cash Balance	(221,430)	3,150,510	2,624,195
Beginning Cash & Cash Equivalents	4,805,577	4,584,147	7,734,657
Ending Total Cash	<u>\$ 4,584,147</u>	<u>\$ 7,734,657</u>	<u>\$ 10,358,852</u>