

## **The Mather Disclosure Statement**

7929 Westpark Dr.  
Tysons, VA 22102

This Disclosure Statement, including the cover page and exhibits, is provided to furnish information about The Mather, a Continuing Care Retirement Community (CCRC) in Fairfax County, Virginia. The Mather will be referred to as a Life Plan Community throughout this document, which is the new nomenclature for a CCRC that has been adopted by the senior living industry.

This Disclosure Statement has been filed with the State Corporation Commission of the Commonwealth of Virginia, pursuant to the Continuing Care Provider Registration and Disclosure Act, Virginia Code § 38.2 – 4900 – 4917 (2004). The filing of this Disclosure Statement with the State Corporation Commission does not constitute approval, recommendation or endorsement of the Community by the State Corporation Commission.

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- 1. Continuing Care Providers.** Give the name and business address of the provider and a statement of whether the provider is a partnership, foundation, association, corporation or other type of business or legal entity. Such statement shall also set forth the jurisdiction in which the provider is organized, if applicable. If the provider is composed of multiple legal entities, give the required information for all such entities and provide a specific description of their relationship to each other.

**Continuing Care Provider**

Tysons LPC, LLC /dba The Mather

**Corporate Address:**

1560 Sherman Avenue, Suite 1010  
Evanston, IL 60201

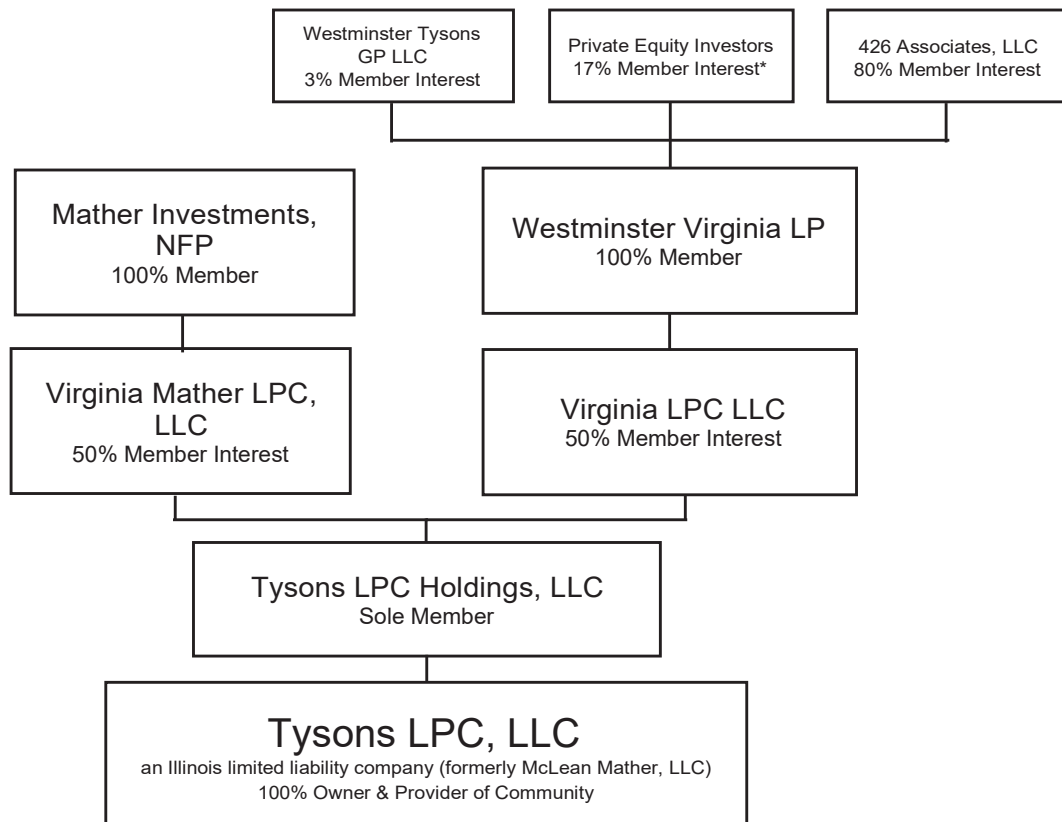
**Community Address:**

7929 Westpark Dr.  
Tysons, VA 22102

**Statement Describing Business Organization/Legal Entity**

Tysons LPC, LLC is the Provider for the proposed Life Plan Community. Organized under the laws of the State of Illinois as an LLC, the Provider is qualified to do business in the Commonwealth of Virginia.

Tysons LPC, LLC will be the owner of all of The Mather's facilities and buildings, in addition to the land on which it is situated. Tysons LPC, LLC has as its sole member Tysons LPC Holdings, LLC, which is owned by an equity partnership consisting of Virginia Mather LPC, LLC and Virginia LPC LLC (referred to as the "Owners") as further described below.



\*No one Private Equity Investor has ten (10) percent or greater equity or beneficial interest in the Provider.

Additionally, the Provider will enter into a Management Agreement with Virginia Mather Management, LLC, an entity that will provide operational oversight of The Mather, and a Development Agreement with Virginia Mather Development, LLC, an entity that will develop The Mather.

Residents will enter into a Residency Agreement (Exhibit 1) with the Provider. The Provider will provide services to residents and receive the Entrance Fees and Monthly Service Fees. The Owners will not be responsible for providing services to residents.

2. ***Officers, Directors, Trustees, Managing and General Partners, and Certain Persons who Hold Equity or Beneficial Interests.*** Give the names and business addresses of the officers, directors, trustees, managing or general partners, and any person having a ten percent or greater equity or beneficial interest in the provider, and a description of such person's interest in or occupation with the provider. In the case of a nonstock corporation also provide the information for members of the nonstock corporation. "Beneficial interest" means any current interest in a provider that is directly related to the financial performance of that provider. Beneficial interest includes: 1. All forms of direct or indirect ownership of a provider, including ownership through another legal entity; 2. Ownership or control of any voting class of securities issued by the provider; and 3. Any contract, including a lease or management contract, with a provider where the amount of consideration under the contract is tied to the financial performance of the provider. This section shall be divided into appropriately labeled subsections for each group or persons listed.

#### **Directors or Managers**

##### **Mather Investments, NFP**

Mary G. Leary, Director and Officer  
Christopher Manella, Officer  
John R. Phillips, Director  
Julie Riggs, Officer  
Mary Schoegg, Officer  
Jenny Chan, Director

##### **Virginia Mather LPC, LLC**

Sole member is Mather Investments, NFP.

The officers of Virginia Mather LPC, LLC are:

Mary G. Leary, President and CEO  
Mary Schoegg, Secretary/Treasurer

##### **Tysons LPC, LLC**

Sole member is Tysons LPC Holdings, LLC  
Virginia Mather LPC, LLC is managing member.

The business address for all above Directors and Managers is:  
1560 Sherman Avenue, Suite 1010  
Evanston, IL 60201

**Westminster Tysons GP LLC**

Charles E. King, Manager  
Robert T.E. Lansing, Manager  
Stuart D. Lansing, Manager  
Mark T. Mazur, Manager  
Kristi L. Sherin, Manager  
Darren R. Strotman, Manager  
Matthew R. Van Wie, Manager

The business address for all above Directors and Managers is:  
270 E. Westminster, Suite 300  
Lake Forest, IL 60045

**426 Associates. LLC**

5<sup>th</sup> Tide, LLC  
Frank M. Sands, Jr., Manager

The business address for the above Manager is:  
1000 Wilson Blvd., Suite 2702  
Arlington, VA 22209

**Westminster Virginia LP**

Managed by Westminster Tysons GP (the General Partner). The General Partner holds a 3% equity interest in Westminster Virginia LP. No officers, directors, or trustees.

**Virginia LPC LLC**

Sole member is Westminster Virginia LP. No officers, directors, trustees, managing or general partners.

**Directors and Managers; Holders of 10% or Greater Equity or Beneficial Interests**

None of the Directors and Managers listed above have an equity or beneficial interest in the Provider of greater than 10 percent.

3. ***Business Experience of, Acquisition of Goods and Services from, and Criminal, Civil, or Regulatory Proceedings against Providers, its Officers, Directors, Trustees, Managing and General Partners, Certain Persons who Hold Equity or Beneficial Interests, and the Management.*** For (i) the provider, (ii) any person named in the previous section or (iii) the proposed management, if the facility will be managed on a day-to-day basis by a person other than an individual directly employed

by the provider: a. Give a description of any specific business experience in the operation or management of similar facilities. b. Give the name and address of any professional service, firm, association, foundation, trust, partnership or corporation or any other business or legal entity in which such person has, or which has in such person, a ten percent or greater direct or indirect interest and which it is presently intended will or may provide goods, leases or services to the provider of a value of \$500 or more, within any year, including: (1) A description of the goods, leases or services and the probable or anticipated cost thereof to the provider; (2) The process by which the contract was awarded; (3) Any additional offers that were received; and (4) Any additional information requested by the Commission detailing how and why a contract was awarded. c. Give a description of any matter in which such person: (1) Has been convicted of a felony or pleaded nolo contendere to a criminal charge, or been held liable or enjoined in a civil action by final judgement, if the crime or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property or moral turpitude; or (2) Is subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including without limitation actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state; or (3) Is currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property. This section shall be divided into appropriately labeled subsections for parts a, b, and c. A response for each part is required.

**3.a. Business Experience in the Operation or Management of Similar Facilities.**

Tysons LPC, LLC, Tysons LPC Holdings, LLC, Virginia Mather LPC, LLC, and Virginia LPC LLC are entities formed for the purpose of owning and operating a Life Plan Community in the Commonwealth of Virginia. Therefore, they have no prior experience in the operation or management of other Life Plan Communities.

Directors, Officers, or Managers of Tysons LPC, LLC have experience with similar communities throughout the United States. Additionally, Directors, Officers, or Managers of Virginia Mather Management, LLC are also Directors, Officers, or Managers of affiliates of the Provider that have owned and operated continuing care retirement communities for more than 50 years, including The Mather in Evanston, Illinois, Mather Place in Wilmette, Illinois and Splendido at Rancho Vistoso, in Tucson Arizona. Both The Mather in Evanston and Splendido are Life Plan Communities.

**3.b. Business Experience of Directors, Officers or Managers.**

Charles E. King (Westminster Tysons GP LLC) is Chief Operating Officer of Westminster Capital. Mr. King has worked at the firm since 2004, and leads the firm's Asset Management Group. He worked 12 years for Northwestern Mutual Life as the Director of Real Estate Asset Management throughout the Midwest

with responsibility for managing a \$400 million portfolio of property assets largely containing apartment and industrial properties. In Lake Forest, Illinois, he serves on the board of the Housing Trust Fund, and was a past Chairman of the Building Review Board. Mr. King is an active member of the Wisconsin Real Estate Alumni Association (WREAA) and serves on the Investment Committee of the WREAA Fund. He has a BBA-Finance and a Masters of Real Estate and Urban Economics from the University of Wisconsin at Madison.

Robert T.E. Lansing (Westminster Tysons GP LLC) is the Chairman of Westminster Capital. Prior to founding the forerunner firm to Westminster Capital in 1988, Mr. Lansing spent nine years with LaSalle Partners, becoming Senior Vice President and Founder of the Strategy Group. Clients included private family clients and companies such as Tribune Company, Hewlett-Packard, Ford Motor, 3M, Bristol-Myers, and Clorox. This work involved evaluation of real estate portfolios, formulation of corporate real estate strategy, formation of joint ventures, and overseeing acquisition/disposition activity. Several of these client assignments dealt with multi-billion dollar real estate portfolios. Before joining LaSalle Partners, he worked for The Fox Companies, a regional real estate development company in Philadelphia, and FMC Corporation in Chicago. Mr. Lansing was the Mayor of Lake Forest, Illinois, and served on the Zoning Board of Appeals, Chaired a City Planning Committee, and served as an Alderman on the Lake Forest City Council. Mr. Lansing is a Director Emeritus of Lake Forest Bank & Trust Company, having served on the Bank's Credit and Risk Management Committees. He has a BA from Wesleyan University and an MBA from The Wharton School.

Stuart D. Lansing (Westminster Tysons GP LLC) is Senior Vice President – Client Capital at Westminster Capital. Mr. Lansing joined the Firm in 2010 to support the asset management and investor relations activities of the Firm. Since 2014, he has led the Firm's client capital activities. Previously, in the institutional equities and executive search businesses, he worked with many well-known hedge fund and private equity Firms. Mr. Lansing is a Director of The Western Golf Association which supports The Evans Scholarship Foundation. An avid supporter of amateur golf, he has caddied in ten USGA Championships, including The United States Men's Amateur Championship six times. Mr. Lansing is a board observer of Talk Ship Live LLC and has a Bachelor of Science degree from the University of Denver.

Mary G. Leary (Mather Investments, NFP; Tysons LPC, LLC; Tysons LPC Holdings, LLC; Virginia Mather LPC, LLC) earned her bachelor's degree in business/health services administration from Cornell University and master's degree in health policy and management from Harvard University. Ms. Leary previously served as chief operating officer of Classic Residence by Hyatt and has held other executive leadership positions in senior living, health care, and long-term care. Ms. Leary joined Mather in 2002 as its chief executive officer & president and director. Currently, she is a member of the executive board of the American Seniors Housing Association; the operator advisory board, research committee



and active adult committee of the National Investment Center; the Advisory Board for the Cornell Institute for Health Futures; and The Institute for Innovation, Strategy and Leadership, a national CEO Think Tank. Ms. Leary founded Novare, a national consortium of single site and small system life plan community providers, serving as chair for its first ten years. Previously, she served on the board of Caring Communities, a Reciprocal Risk Retention Group, chairing its risk management committee. She currently serves as a Director of Churchill Casualty Ltd. Ms. Leary was named to the Hall of Honor in the inaugural 2019 *McKnight's* Women of Distinction awards, recognizing top leaders in the field of senior living, and was named an Industry Changemaker in 2020 by *Senior Housing News*. In 2022, she was recognized as an Agent of Change in the first-ever Pinnacle Awards from *McKnight's*, honoring industry veterans who set new standards, drive change, and inspire others. In 2023, Ms. Leary was one of four inductees in the Continuing Care/Life Plan Community Hall of Fame for her contributions to the development of Life Plan Communities. Additionally, she has been recognized as one of the Top 5 Wellness CEOs in senior living in North America for two consecutive years, receiving an ICAA NuStep Top 5 Pinnacle Award for her outstanding dedication to fostering thriving wellness cultures.

Mark T. Mazur (Westminster Tysons GP LLC) is Chief Investment Officer of Westminster Capital. Mr. Mazur has worked at the firm since 2000, focused on investment strategy and execution. Before joining Westminster Capital, Mr. Mazur was Chief Investment Officer for a real estate investment fund. His responsibilities included all aspects of the acquisition process from identification of opportunities to negotiation, financial analysis, due diligence, financing, and asset management. Prior to that, Mr. Mazur worked for 10 years at Jones Lang LaSalle in various capacities including investment sales, asset management, development, property management, and leasing. In his last assignment, he oversaw the Healthcare Investment Services Group. Before joining LaSalle, he was a district sales manager for Chrysler Corporation. He holds a BA in Economics from the University of Michigan at Ann Arbor.

Christopher Manella (Mather Investments, NFP; Tysons LPC, LLC; Tysons LPC Holdings, LLC; Virginia Mather LPC, LLC) earned his bachelor's degree in accounting from Indiana University and his master's degree in business administration from the University of Chicago. A Certified Public Accountant (CPA), Chris is responsible for the integrity of Mather's financial statements and accounting operations, as well as budgeting, forecasting, and analysis. He leads the organization's treasury function, including responsibilities for cash and working capital management, bank relationships, and financing. He also oversees tax reporting and external financial audits. Before joining Mather, Chris was Director of Accounting for CC Industries Inc. and served as a Division Corporate Controller for Flextronics International.

John R. Phillips (Mather Investments, NFP) earned a master of business administration degree from the University of Chicago Booth School of Business



and a bachelor of arts degree from Michigan State University. Mr. Phillips spent 16 years with IBM and Citi Group in various marketing and sales management positions. In 1987, he joined Jones Lang LaSalle and after having served in numerous management positions including chief executive officer and chairman of its Corporate Solutions Group, he retired in 2008. In addition, Mr. Phillips is a member of the board of directors of the Michigan State University Foundation, Boys and Girls Club of Indian River County, chair of the board of Safe Families for Children, and advisory board member of Ohio National Financial Services, Inc.

Julie Riggs (Mather Investments, NFP) earned her bachelor's degree from Illinois Wesleyan University and a master's degree in music from Northwestern University. She serves as Secretary of Mather Investments, NFP and assists the CEO and President of Mather. Prior to joining the Mather organization, she worked for GVW Group, LLC and Baker Knapp & Tubbs, a division of Kohler Co.

Frank M. Sands, Jr. (426 Associates, LLC) is the Chief Investment Officer and Chief Executive Officer of Sands Capital Management in Arlington, Virginia. Earlier in his career, he held positions at Fayez Sarofim & Co. and Walker & Dunlop. He holds a MBA degree from the University of Virginia, a MS from John Hopkins University and a BA from Washington & Lee University. Mr. Sands is a Chartered Financial Analyst.

Mary SchoeggI (Mather Investments, NFP; Tysons LPC, LLC, Tysons LPC Holdings, LLC, Virginia Mather LPC, LLC) earned her bachelor's degree from Southern Oregon University. Mary serves as a strategic business partner in supporting the continued growth of Mather, and oversees the organization's investments, accounting/finance, information technology, and risk management. Previous to joining Mather, Mary held several positions at Pacific Retirement Services Inc. (PRS) including Vice President of Finance, Vice President of Development, Vice President of Operations, and Chief Financial Officer.

Kristi L. Sherin (Westminster Tysons GP LLC) is Chief Administrative Officer of Westminster Capital. Ms. Sherin oversees Investor Reporting, Human Resources, and Administration at Westminster Capital. Prior to joining the Firm in 1995, she was an Administrative Assistant for the Retirement Planning Group at PaineWebber. She has a BA degree in Economics/Business with Honors from Lake Forest College.

Darren R. Strotman (Westminster Tysons GP LLC) is Chief Financial Officer of Westminster Capital. Before joining the Firm in 2002, Mr. Strotman spent five years at Arthur Andersen in the Commercial Audit Division, the last three as a Senior Auditor. He is a Certified Public Accountant and a member of the AICPA and the Illinois Society of CPAs. He holds a BBA in Accounting from the University of Notre Dame.

Jenny Chan (Mather Investments, NFP) earned a bachelor's degree from New York University, a sustainable investment professional certificate from Columbia University, and master of business administration degree from Yale University. She is the senior vice president and chief investment officer at The Children's Hospital of Philadelphia where she oversees an endowment of more than \$3.4 billion. Prior to September 2018, she was the Senior Investment Officer at the Doris Duke Charitable Foundation in New York for more than 11 years. A chartered alternative investment analyst (CAIA) charter holder since 2004, Ms. Chan has received numerous recognitions including being named on Trusted Insight's ranked list of Top 30 Chief Investment Officers in 2019, *Chief Investment Officer's* NextGen list in 2018, and Top 30 Women Rising Stars in *Institutional Investing*, Trusted Insight in 2016.

Matthew R. Van Wie (Westminster Tysons GP LLC) is the Senior Vice President of Asset Management at Westminster Capital. Mr. Van Wie joined the Firm in 2007 as a Financial Analyst supporting the Firm's asset management, acquisition, and disposition activities. Previously he worked for PSK Properties, Inc. as Director of Finance and Administration. He earned a BS degree in Business Administration from Marian College, and an MBA from Marquette University.

**3.c. *Entity in which Officers, Directors, or Managers Hold Ten Percent, or Greater Interest and Provides or will Provide Goods, Leases or Services to Provider, of a Value of \$500 or More Within Any Year.***

No Director, Officer, or Manager listed above has any interest in any other professional service firm, association, foundation, trust, partnership, or corporation or any business or legal entity which presently intends or may provide goods or services to The Mather at a value of \$500 or more within any year.

**3.d. *Acquisition of Goods and Services From Entities Related to Tysons LPC, LLC.***

As indicated in Section 1 of this Disclosure Statement, the Provider will enter into a Management Agreement with Virginia Mather Management, LLC to provide operational oversight of The Mather. The Mather will pay a management fee to Virginia Mather Management, LLC, calculated at 6% of gross operating revenues.

The Provider will also enter into a Development Agreement with Virginia Mather Development, LLC to develop The Mather. The Mather will pay development fees to Virginia Mather Development, LLC, currently calculated at 4.25% of Development Costs found in the Anticipated Source & Application of Construction Funds (Exhibit 10) excluding land acquisition costs, financing

costs, start-up operating costs, development fees, sales and marketing fees, and owners' contingency.

**3.e. Criminal, Civil, or Regulatory Proceedings Against.** The Provider, and its Owners, Directors, Officers, Managers and any persons holding equity or beneficial interests in Tysons LPC, LLC:

- i. have not been convicted of a felony or pleaded nolo contendere to a criminal charge or been held liable or enjoined in a civil action by final judgment, if the crime or civil action involved fraud, embezzlement, fraudulent conversion, misappropriation of property, or moral turpitude.
- ii. are not subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including without limitation actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state; or
- iii. are not currently the subject of any state or federal prosecution or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

**4. Ownership of Real Property.** Give full and detailed information regarding direct and indirect ownership of the property on which the facility is or will be operated and of the buildings in which it is or will be operated.

The property on which The Mather will be located is owned by Tysons LPC, LLC. The property was purchased from Essex 7929 Westpark, LLC on August 15<sup>th</sup>, 2019.

**5. Location and Description of Real Property.** Give the location and description of the real property of the facility, existing or proposed, and to the extent proposed, the estimated completion date or dates of improvements, whether or not construction has begun and the contingencies under which construction may be deferred.

**Location:**

The Mather is located at 7929 Westpark Dr. Tysons, VA 22102.

**Description of the Real Property:**

The site is on approximately 4.035 acres in Tysons, Virginia, north of Tysons Boulevard and south of Westpark Drive, east of its intersection with Westbranch Drive. Relocation of off-site utilities began in early 2021. The community opened in March 2024.

The Mather is a state-of-the-art Life Plan Community, that includes 19 and 27-story buildings which are connected by a central "Commons" on Level 3 and a health care center ("Life Centre") on Levels 4 and 5 (Levels 1 and 2 include parking and will

include retail). Upper levels include independent living apartment homes. The Mather has balconies and curved façade elements that enhance views and provide an attractive, varied architecture that complements surrounding buildings. Outdoor terraces, streetscape plazas, and a large private “activity event lawn,” are features of The Mather, with smaller lawns and private gardens adjoining a public urban park.

The independent living component of The Mather is planned to include 293 independent living apartment homes with a variety of floor plans. Amenity spaces include multiple restaurants, an indoor swimming pool, fitness studio, resource library, creative arts studio, multi-use spaces and outdoor social spaces.

The Mather will include assisted living, memory support, and skilled nursing services in the health care center of the community. The Mather will include approximately 16 assisted living apartment homes with services and programming for residents who need assistance with activities of daily living, plus 20 memory support suites. The Mather will also include 42 skilled nursing suites, all of which will be private rooms. These suites will be built based on a model that combines individual and group living elements. This design includes multiple “neighborhoods” including 10 – 16 private bedrooms and baths, connected to a living room, dining room, multi-purpose room with display kitchen, and access to a secure, private outdoor space.

The construction schedule for The Mather is attached to this Disclosure Statement as Exhibit 4. The construction schedule may change due to a variety of factors including but not limited to Fairfax County approvals and permits, and/or other unforeseen delays.

- 6. Affiliation with Religious, Charitable, or other Nonprofit Organization, Tax Status of Provider.** Give a statement as to: a. Whether the provider is or ever has been affiliated with a religious, charitable or other nonprofit organization, the nature of any such affiliation, and the extent to which the affiliate organization is or will be responsible for the financial and contractual obligations of the provider; b. Any provision of the federal Internal Revenue Code under which the provider is exempt from the payment of income tax. This section shall be divided into appropriately labeled subsections for parts a and b. A response for each part is required.

**6.a. Affiliation with Religious, Charitable, or other Nonprofit Organization.** The Provider is a limited liability company with a 100% member, Tysons LPC Holdings, LLC, that is 50% owned by Virginia Mather, LPC LLC, which is 100% owned by Mather Investments, NFP. Mather Investments NFP is a 501(c)(3) charitable organization which, in turn, is affiliated with Mather, another 501(c)(3) organization with significant experience in owning and operating senior living communities. All claims, obligations, or liabilities shall be the sole responsibility of the Provider.

**6.b. Tax Status of Provider.** The Provider is a limited liability company and is taxed under the partnership provisions of the Internal Revenue Code (IRC). Under these provisions of the IRC the partners are responsible for reporting their share of the Provider’s federal taxable income or loss on their income tax returns.

Accordingly, the Provider is not subject to income taxes for federal and most state jurisdictions.

- 7. Services provided under Continuing Care Contracts.** *Describe the services provided or proposed to be provided under continuing care contracts, including the extent to which medical care is furnished or is available pursuant to any arrangement. The disclosure statement shall clearly state which services are included in basic continuing care contracts and which services are made available by the provider at extra charge.*

The Residency Agreement, attached as Exhibit 1 to this Disclosure Statement, provides detail on the proposed services to be included as part of the continuing care contract between the Provider and the resident(s). The following sections are brief descriptions of the services included as part of the Monthly Service Fees for each level of living/care in the community, as well as a brief description of the ancillary services which will be available for an additional fee. Exhibit 5 shows the current proposed fee schedule. Pricing and services are subject to change and will be further refined as development progresses.

- 7.a. Independent Living.** In addition to use of the designated apartment home, residents in Independent Living will receive the following services: multiple club plan options; 24-hour receptionist; light housekeeping; maintenance; local transportation; lifestyle programs; utilities; residential-quality Wi-Fi; access to Health Care Benefits; resident alert system; wellness services; property taxes; professional management of the community. [See Section III of Residency Agreement (Exhibit 1)].
- 7.b. Assisted Living and Memory Support.** Assisted Living and Memory Support will receive the following services: assisted living services; 24-hour licensed nursing oversight, assistance with activities of daily living; three meals per day; weekly light housekeeping; maintenance; local transportation; lifestyle programs; utilities; Wi-Fi; resident alert system; wellness services; property taxes; professional management of the community. (See Section III.H.1.a & III.H.1.b of Residency Agreement [Exhibit 1]).
- 7.c. Skilled Nursing.** Skilled Nursing will receive the following services: 24-hour licensed nursing care; rehabilitation and therapy services; three meals per day; weekly housekeeping; maintenance; local transportation; lifestyle programs; utilities; Wi-Fi; resident alert system; wellness services; property taxes; professional management of the community. (See Section III.H.1.c of Residency Agreement [Exhibit 1]).
- 7.d. Ancillary Services.** The Mather has services, not included in the Monthly Service Fee, available to Residents for an additional fee. Please see Exhibit 5 - Schedule of Entrance Fees, Monthly Service Fees, and Ancillary Fees (p. 31 - 32) for the current Ancillary Fee Schedule.



- 8. Fees Required of Residents.** Give a description of all fees required of residents, including any entrance fee and periodic charges. The description shall include (i) a description of all proposed uses of any funds or property required to be transferred to the provider or any other person prior to resident's occupancy of the facility and of any entrance fee, (ii) a description of provisions for the escrowing and return of any such funds, assets or entrance fee, the manner and conditions of return and to whom earnings on escrowed funds are payable as discussed in Code Section 38.2-4904.1 and (iii) a description of the manner by which the provider may adjust periodic charges or other recurring fees and any limitations on such adjustments. If the facility is already in operation, or if the provider operates one or more similar facilities within this Commonwealth, there shall be included tables showing the frequency and average dollar amount of each increase in periodic rates at each facility for the previous five years or such shorter period that the facility has been operated by the provider.

The following fees will be required for prospective residents or residents of the Community.

- 8.a. Entrance Fee.** Prospective residents will pay a one-time Entrance Fee to the Provider. In the case of joint occupancy of an apartment home, a prospective second resident will pay a one-time Second Person Entrance Fee to the Provider. After release from escrow, Entrance Fees and Second Person Entrance Fees (collectively "Entrance Fees") will be used by the Provider to pay Entrance Fee refunds, repay the construction-related financing, pay development and sales and marketing fees, and provide a financial return to the Owners. Ten (10) percent of the Entrance Fee will be designated as non-refundable.

The Entrance Fee to be paid by residents depends upon the size, location, features and view of the apartment home. A list of proposed Entrance Fees for Independent Living is attached to this Disclosure Statement as Exhibit 5. Prospective residents will pay the Entrance Fees in a series of deposits as follows: i) A \$1000 Priority Reservation Deposit will be due when the prospective resident first submits an application (see Priority Reservation Agreement Exhibit 2); ii) ten (10) percent of the total Entrance Fee will be due when the prospective resident reserves a specific apartment home (see Depositor Agreement Exhibit 3); and iii) a final payment, which is the remainder of the Entrance Fee after the prior deposits are paid, will be due when the resident signs the Residency Agreement (the "Commencement Date").

Prior to the Commencement Date, all Entrance Fees, in excess of the \$1000 Priority Reservation Deposit, paid by a prospective resident to the Provider will be placed in an escrow account with a bank or other escrow agent. Funds held in escrow are the property of prospective residents until released to the Provider. Any interest earned on funds in the escrow account prior to resident Commencement Date, in excess of the \$1000 Priority Reservation Deposit, will be for the benefit of the resident. Entrance Fees will be released from escrow once the Provider presents evidence to the escrow agent that the



Commencement Date has occurred, or that the apartment home reserved by the resident is available for immediate occupancy by the resident.

Funds in escrow and the \$1000 Priority Reservation Fee, will be returned to the prospective resident in the following circumstances: the later of i) the funds have not been released within 3 years after placement in escrow or within 3 years after construction has started (but in any event, within six years after placement in escrow unless specifically approved by the Virginia State Corporation Commission) or within such longer period as determined as being appropriate by the Virginia State Corporation Commission in writing; ii) if the prospective resident dies before the Commencement Date; iii) if the construction of The Mather, not yet operating, is stopped indefinitely before the community is completed; or iv) upon rescission of the Residency Agreement (Exhibit 1) pursuant to the terms of the Agreement. Fees held in escrow will be returned by the escrow agent. Other fees will be returned by the Provider as applicable.

If the resident rescinds the Residency Agreement within seven (7) calendar days of execution (the Rescission Period), the Provider will refund all of the money paid by the resident under the Residency Agreement. If the resident or the Provider terminates the Residency Agreement after the expiration of the Rescission Period, the resident will receive a refund that is the greater of:

(i) ninety-eight (98) percent of the Entrance Fee less one (1) percent for each full or partial month of occupancy after the Commencement Date, less any "Adjustments" (described in Section IV. B.2 of the Residency Agreement (Exhibit 1); or (ii) ninety (90) percent of the Entrance Fee, less any "Adjustments." If there is a second person, there will be no Entrance Fee or Second Person Entrance Fee refund until this Agreement terminates, as provided in Section IV.A and IV. B of the Residency Agreement (Exhibit 1).

The Entrance Fee for a resident will not be increased during the term of the Agreement, except upon the transfer to a more expensive apartment home or upon joint occupancy of an apartment home with either a current resident or non-resident. If a resident relocates to an apartment home that has a higher Entrance Fee, the resident will pay an additional Entrance Fee equal to the difference between the then-current Entrance Fee for the new apartment home and the Entrance Fee the resident paid for the existing apartment home. See Section IV.A of the Residency Agreement (Exhibit 1) for discussion of any additional deposit in the event of joint occupancy of an apartment home after moving into The Mather.

- 8.b. Monthly Service Fees.** Beginning on the Commencement Date, Residents pay a Monthly Service Fee during the term of their residency. Monthly Service Fees are used by the Provider to cover operating expenses of The Mather. The amount of the Monthly Service Fee depends upon the size of the apartment home, the Health Care Benefits Plan chosen by the prospective resident, and Club Plan package selected. If two or more residents occupy an apartment home together, the residents will pay only one (1) Monthly Service Fee and one

(1) **Second Person Monthly Service Fee.** The second resident may include a resident who moves to The Mather with the first person, as well as residents who move in together after moving into The Mather. If a resident transfers to a different apartment home within The Mather, the resident will pay the then current Monthly Service Fee for the new apartment home as described in Sections IV.C of the Residency Agreement (Exhibit 1). If a resident leaves The Mather (due to voluntary withdrawal or death), the resident will pay the Monthly Service Fee as described in Sections VII.A.2-3 and VII.B.2 of the Residency Agreement.

A schedule of proposed Monthly Service Fees and Second Person Monthly Service Fees is attached to this Disclosure Statement as Exhibit 5. Residents will receive an invoice each month which will show the Monthly Service Fee (invoiced in advance), and will detail charges for any Ancillary Services provided during the prior month, to the resident(s), but not included in the Monthly Service Fee. Payment of the Monthly Service Fee, plus any Ancillary Charges, is due by the 5th business day of the month.

Monthly Service Fees may be adjusted by the Provider at its sole discretion upon 30 days' written notice to residents. Monthly Service Fees are not escrowed by the Provider and are not refundable.

The Mather is currently under development, so no schedule of the changes in Monthly Service Fees is available.

**8.c. Temporary Surcharge.** If the Provider determines that increases in operating expenses create a financial risk for the ongoing operation of The Mather, there may be a "Temporary Surcharge". Temporary Surcharge will be used to offset expenses which include, but are not limited to, significant unforeseen increases in the cost of a utility or significant additional operating expenses due to new or revised legal or regulatory requirements. Temporary Surcharges may be terminated or made permanent at the Provider's sole discretion.

Temporary Surcharges may be implemented by the Provider at its sole discretion upon 30 days' notice to residents. Temporary Surcharges are not escrowed by the Provider and are not refundable.

**8.d. Administrative Fee.** After the Commencement Date, Residents who elect to move to a different apartment home than their existing apartment home will pay an Administrative Fee. The Administrative Fee will not apply if a resident(s) moves to a smaller home within twenty-four (24) months of the death or move-out of a second resident occupying your Home.

Administrative Fee payments are lump sum, one-time payments, and must be made prior to transferring to the new apartment home. Administrative Fees are not escrowed by the Provider and are not refundable.

Additionally, if we must repair your Home to restore it to good condition, ordinary

wear and tear excepted, you will be responsible for all costs of doing so.

- 9. Reserve Funding.** *Describe any provisions that have been made or will be made to provide reserve funding or security to enable the provider to fully perform its obligations under continuing care contracts, including the establishment of escrow accounts, trusts or reserve funds, together with the manner in which such funds will be invested and the names and experience of persons who will make the investment decisions. The disclosure statement shall clearly state whether or not reserve funds are maintained. This description shall include a specific explanation of how the value of any such reserve funding was established and, if available, it shall include the opinion of a qualified actuary.*

It is anticipated that operating income from the Monthly Service Fees will be sufficient to enable the Provider to meet its continuing care obligations. Accordingly, no reserve or security funds will be established.

An Entrance Fee Escrow Account will be established in accordance with the Code of Virginia §38.2-4904.1. No long-term debt is currently anticipated, and construction-related financing will be retired using funds from Entrance Fees as they are released from the Entrance Fee Escrow Account.

All Entrance Fees, in excess of the \$1000 Priority Reservation Deposit, paid by a prospective resident to the Provider will be placed in an escrow account with a bank or other escrow agent. Funds held in escrow are the property of prospective residents until released to the Provider. Any interest earned on funds in the escrow account prior to resident Commencement Date, in excess of the \$1000 Priority Reservation Deposit, will be for the benefit of the resident and will be applied toward the final Entrance Fee payment, or paid to the resident upon return of the Deposit.

- 10. Certified Financial Statements.** *Give certified financial statements of the provider, including (i) a balance sheet as of the end of the two most recent fiscal years and (ii) income statements of the provider for the two most recent fiscal years or such shorter period that the provider has been in existence. Such statements shall conform to generally accepted accounting principles and shall be certified by an independent, certified public accountant. The opinion of the independent, certified public accountant shall be included in this section.*

The most recent audited financial statements for Tysons LPC, LLC are included in Exhibit 6 of this Disclosure Statement.

- 11. Pro Forma Income Statement.** *Give a pro forma income statement for the current fiscal year. This statement shall conform to generally accepted accounting principles and shall include a specific description of the major assumptions used in developing the pro forma statement.*

The Mather is currently under development, so a pro forma projected operating statement for the community is included in the Anticipated Source and Application of Purchase or Construction Funds found in Exhibit 10.

**12. Admission of New Residents.** *Give a description of the provider's criteria for admission of new residents.*

To become a resident of The Mather, applicants must: (i) be age 62 or older, or if more than one resident applies to become a resident for a specific apartment home, at least one applicant must be age 62 or older; (ii) take part in health screening interviews, and submit health information (including a physician's report identifying any relevant health conditions), and attest they have fully disclosed all of their health conditions and/or diagnoses; (iii) show proof of sufficient assets and income to pay the Entrance Fee, Monthly Service Fee, Life Centre Fees and other routine expenses for items and services not provided by The Mather. The Mather is an equal housing opportunity provider.

**13. Access to Community by Non-Residents.** *Give a description of the provider's policies regarding access to the facility and its services for nonresidents.*

Residents are welcome to have family and friends visit their apartment home. Guests are welcome to enjoy amenities and restaurants at The Mather, provided they are accompanied by a resident. Additional charges may apply for guest meals and services. Visitors are subject to The Mather's rules and regulations for use of the community. Residents may not assign the right to occupy their apartment home to any other person, and may not have other persons live in their apartment home for more than fourteen (14) consecutive days in any twelve (12) month period. From time to time, The Mather may make certain meeting rooms and amenity spaces available for public meetings.

**14. Anticipated Source and Application of Purchase or Construction Funds.** *If operation of the facility has not yet commenced, give a statement of the anticipated source and application of the funds used or to be used in the purchase or construction of the facility, including: a. An estimate of the cost of purchasing or constructing and equipping the facility including such related costs as financing expense, legal expense, land costs, occupancy development costs, and all other similar costs that the provider expects to incur or become obligated for prior to the commencement of operations; b. A description of any mortgage loan or other long-term financing intended to be used for any purpose in the financing of the facility and of the anticipated terms and costs of such financing, including without limitation, all payments of the proceeds of such financing to the provider, management or any related person; c. An estimate of the percentage of entrance fees that will be used or pledged for the construction or purchase of the facility, as security for long-term financing or for any other use in connection with the commencement of operation of the facility; d. An estimate of the total entrance fees to be received from or on behalf of residents at or prior to commencement of operation of the facility; e. An estimate of the funds, if any, which are anticipated to be necessary to fund start-up losses and provide reserve funds to assure full performances of the obligations of the provider under continuing care contracts; f. A projection of the estimated income from fees and charges other than entrance fees, showing individual rates presently anticipated to be charged and including a description of the assumptions used for calculating the estimated occupancy rate of the facility and the effect on the income*

*of the facility of any government subsidies for health care services to be provided pursuant to the continuing care contracts; g. A projection of estimated operating expenses of the facility, including (i) a description of the assumptions used in calculating any expenses and separate allowances for the replacement of equipment and furnishings and anticipated major structural repairs or additions and (ii) an estimate of the percentage of occupancy required for continued operation of the facility; h. Identification of any assets pledged as collateral for any purpose; i. An estimate of annual payments of principal and interest required by any mortgage loan or other long-term financing.*

Detailed information regarding the Anticipated Source and Application of Purchase or Construction Funds can be found in Exhibit 10.

**15. *Procedure for Residents to File a Complaint or Disclose a Concern.* Give a description of the procedure by which a resident may file a complaint or disclose any concern.**

To file a complaint or disclose a concern regarding The Mather, residents may share verbally or in writing, with the General Manager. If a resident and/or his/her responsible agent is unable to complete a written report, assistance may be provided by any employee. Residents may also, at any time, file a grievance with the Fairfax County Ombudsman Office. Each grievance submitted will be reviewed by the General Manager or designee(s). Any person reviewing the grievance will not have had any involvement with the issues leading to the grievance. The reviewer will provide the resident or their designated representatives, information regarding the findings, and any action taken.

## **EXHIBIT 1**

### **RESIDENCY AGREEMENT**

#### *Summary:*

Exhibit 1, the Residency Agreement, details the services residents will receive, the amenities and additional services residents will have access to, the rights and responsibilities of residents, and the costs associated with living at The Mather. In addition to the Residency Agreement, sample forms are included for the Designation of Beneficiaries, Arbitration and Limitation of Liability, along with a HIPAA Notice of Privacy Practices for Protected Health Information. Please note, the Residency Agreement and the sample forms are drafts and subject to change as planning and development progress. Not all forms may apply to all residents.



## **The Mather Residency Agreement**

## The Mather Residency Agreement

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- Exhibit A. Ancillary Charges
- Exhibit B. Culinary Services Program
- Exhibit C. Disclosure Statement
- Exhibit D. Designation of Beneficiary Form
- Exhibit E. HIPAA Notice of Privacy Practices for Protected Health Information

## The Mather Residency Agreement Summary

Commencement Date:

First Resident (i.e., First Person):

Second Resident (i.e., Second Person), if applicable:

Residents' Current Address:

\_\_\_\_\_

\_\_\_\_\_

Apartment (Home):

Scheduled Occupancy Date:

\_\_\_\_\_

\_\_\_\_\_

Culinary Services Option:

Club Plan (note selection name)

À la Carte

First Resident      Second Resident:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Health Care Benefits:

90-Day Benefit Plan

Life Care Benefit Plan

First Resident      Second Resident:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Entrance Fee:

Entrance Fee

Minus 10% Deposit:

Minus Earnings on 10% Deposit<sup>1</sup>:

Net Entrance Fee due by Commencement Date:

<sup>1</sup> May appear as a credit on first full monthly billing

First Resident      Second Resident:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Monthly Service Fee:

Monthly Service Fee<sup>2</sup>

Plus Enhanced Club Plan, if elected<sup>2</sup>:

Minus Meal Credit, if elected À la Carte Meal Plan<sup>2</sup>:

Plus Life Care Benefit, if elected<sup>2</sup>:

Total Resident Monthly Service Fee<sup>2</sup>:

First Resident      Second Resident:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Monthly parking fee<sup>2</sup>, if applicable:

<sup>2</sup> Subject to change

\_\_\_\_\_

\_\_\_\_\_

Net Prorated Monthly Fee Due at Commencement

\_\_\_\_\_

\_\_\_\_\_

**NOTE: In the event this Summary is inconsistent with the Residency Agreement in any way, the Residency Agreement will govern.**

RESIDENT(S):

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

\_\_\_\_\_  
(Print Name)

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

\_\_\_\_\_  
(Print Name)

I understand and agree to all terms  
contained in this Summary.

**Guarantor (if applicable):**

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

\_\_\_\_\_  
(Print Name)

**Tysons LPC, LLC,  
an Illinois limited liability company**

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

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



## THE MATHER RESIDENCY AGREEMENT

THIS RESIDENCY AGREEMENT (the “Agreement”) is entered into between \_\_\_\_\_ (“you”) and Tysons LPC, LLC, an Illinois limited liability company (“we” or “us”). No other entity assumes any obligations to you under this Agreement. If more than one resident enters into this Agreement, the term “you” refers to each of you individually and to both of you collectively.

### FOREWORD

We operate a Life Plan Community, registered as a continuing care provider under the laws of Virginia, and located at 7929 Westpark Drive, Tysons, VA (the “Community”), doing business as The Mather. We provide housing, care and services to residents age 62 or older, or if more than one resident enters into this Agreement, where at least one resident is age 62 or older. We operate the Community on a nondiscriminatory basis and afford equal access and treatment to all eligible people. We own the Community and the land on which it was built.

You have applied and we have accepted you for residency at the Community. The purpose of this Agreement is to provide a statement of the services we will provide to you at the Community and the legal obligations that we will assume. This Agreement also sets forth your obligations to us, both financial and non-financial.

### I. COMMENCEMENT DATE

The Commencement Date is the date you sign this Agreement and pay your full Entrance Fee. This date will occur no later than thirty (30) days after we notify you that your Home is available for occupancy. Your Monthly Service Fee identified in the Residency Agreement Summary will start on the Commencement Date. You are eligible for all services and benefits under this Agreement as of the Commencement Date.

### II. ACCOMMODATIONS

In consideration of the fees payable by you under this Agreement, we will provide you with residency and services and care for the rest of your life, subject to the terms and conditions of this Agreement.

#### A. Your Home

You have chosen to live in the home (your Home) identified on the Residency Agreement Summary (the Summary). Your Home will be furnished with floor coverings, window treatments, individually controlled thermostat(s), a refrigerator, range, microwave, garbage disposal, dishwasher, smoke detectors, resident alert system, and

washer and dryer (together, the Furnished Property). All Furnished Property is and will remain our property.

#### **B.**     Parking and Storage

If you maintain a legally licensed and registered automobile or motorcycle and have automobile or motorcycle liability insurance, you will be able to valet park one vehicle. You agree to sign a Valet Parking Agreement and pay the applicable monthly parking fee.

You may be able to valet park a second vehicle, space permitting. You agree to sign a second Valet Parking Agreement and pay the applicable monthly parking fee.

You will have access to one storage space in the Community, separate from your Home, while occupying your independent living Home. You will bear the risk of damage or loss to all stored property.

#### **C.**     Community Amenities

You may use the amenity areas of the Community. Use of amenity areas must be in accordance with Community guidelines. Amenities may change over time. Updated information regarding current amenities and rules regarding the use of amenity areas is available at the Community.

### **III.**    STANDARD SERVICES

Your Monthly Service Fee will include the standard services listed below including Fitness Center membership and Wi-Fi. Standard services continue for the duration of this Agreement, but specific offerings within each standard service may change over time at the Community's sole discretion and in accordance with applicable laws.

#### **A.**     Culinary Services

Options. You have the choice of selecting from multiple Club Plan options (see Exhibit B for current Club Plan options and details). Culinary options may be changed, at our sole discretion, upon thirty (30) days' notice to you.

Changes. You may change your Club Plan option two (2) times per calendar year by providing at least seven (7) days' advance written notice to us, which will become effective at the beginning of the next plan quarter.

#### **B.**     Reception

We will provide a 24-hour receptionist.

### C. Housekeeping and Linen Service

We will provide light housekeeping service every other week, including laundering your bed linens and re-making the bed(s).

### D. Building Services

We will furnish and provide ongoing maintenance, repair, and replacements of the buildings, grounds, furniture, fixtures, and equipment at the Community, including routine maintenance of mechanical systems we furnish in your Home.

### E. Transportation

We will provide scheduled, local, group transportation to certain area conveniences, activities, events, and outings, as space is available. Personal transportation may be reserved based on availability. Charges may apply.

### F. Programs

We will provide social, recreational, educational, and cultural programs and events. Some programs may be offered at an additional charge. Programs and events will change from time to time.

### G. Utilities

We will provide water, electricity, gas, heat, air conditioning, garbage and trash disposal, recycling, and residential-quality Wi-Fi for your Home and amenity spaces.

### H. Life Centre

Health care services will be provided in the Life Centre. We reserve the right, in our sole discretion, to make alterations to the physical structure, care practices and location of health care services provided, as required by law, to comply with industry best practices, or as we deem appropriate. Should such alterations affect your home within the Life Centre, you agree to relocate on a temporary or permanent basis, if necessary.

1. Access. When ordered by a licensed physician, we will provide priority access to assisted living, memory support, or skilled nursing care in the Life Centre, as appropriate. These levels of care are as defined below:

a. Assisted Living: Assisted Living combines residential living with assisted living services, encouraging residents to remain as independent as possible. Certified nursing assistants (CNAs) provide 24-hour assistance with daily tasks such as bathing, dressing, grooming and personal care.

b. Memory Support: Memory Support provides specialized assistance to residents with mild to moderate Alzheimer's disease, dementia, or similar cognitive conditions. CNAs provide 24-hour oversight.

c. Skilled Nursing: Skilled Nursing provides 24-hour nursing care for residents requiring (i) recovery support due to illness or surgery, (ii) ongoing medical and non-medical care if residents are unable to care for themselves, and/or (iii) coordination of rehabilitation and/or therapy services. Licensed nursing staff and CNAs provide 24-hour nursing care.

2. Health Care Benefits. You have selected one of two benefit plans (Health Care Benefits):

a. 90-Day Benefit Plan. Under the 90-Day Benefit Plan, you will receive ninety (90) total days of assisted living, memory support, or skilled nursing services at virtually the same Monthly Service Fee you would have paid if you had continued to receive "independent living" services. This plan requires that the ninety (90) days be used in whole-day increments and that additional days of care be provided at then-current daily rates. Provisions for temporary stays are described in Section IV.C.7. of this Agreement. You may elect to reserve all or part of the 90-Day benefit for skilled nursing. This election must be made in writing at the time you require assisted living, memory support, or skilled nursing services. You may change your election at any time with respect to the remaining days of the 90-Day Benefit Plan.

b. Life Care Benefit Plan. Under the Life Care Benefit Plan, you will receive unlimited days of assisted living, memory support, or skilled nursing service, as needed, at virtually the same Monthly Service Fee you would have paid if you had continued to receive "independent living" services. Provisions for temporary care are described in Section IV.C.7. of this Agreement.

c. Additional Costs. Under the Life Care Benefit Plan and the 90-Day Benefit Plan, you will be responsible for all costs associated with ancillary services and supplies provided to you. Additionally, your Monthly Service Fee and fees for additional services will continue to be subject to increases.

d. No Change in Plan. The selection of either the Life Care Benefit Plan or 90-Day Benefit Plan is a one-time election and cannot be changed after the Commencement Date.

e. No Cash Value. Health Care Benefits have no cash value and are not eligible for a refund.

## I. Resident Alert System

Your Home and designated amenity spaces at the Community are equipped with a resident alert system.

## J. Wellness Services

Through our Wellness Center, we will provide wellness consultations and services, information, education, and resources.

## K. Professional Management

Your Monthly Service Fee includes professional management of the Community, provided by us or one of our affiliates. Residents do not manage the Community, establish policy or make operating decisions for the Community. Residents are welcome to provide suggestions to management on matters of interest. You understand and agree that we have control and sole discretion over all matters related to the management of the Community, including accounting for and categorization of operating expenses and capital expenditures, and that residents have no role in the Community's internal accounting determinations and/or operational policies.

## L. Spa & Fitness

We will offer professional spa services for men and women, and a Fitness Center for your enjoyment and benefit. Membership in the Fitness Center (including introductory personal training services) is included in your Monthly Service Fee. Certain Fitness Center services (e.g., additional personal sessions) and spa services will be offered for an additional fee. Fitness Center services and spa services may change over time.

## IV. FEES

In consideration for the residency and services described in this Agreement, you agree to pay us an Entrance Fee, Monthly Service Fee, and, as applicable, Ancillary Charges, Additional Charges, and Temporary Surcharge, and any fees or costs related to your breach of this Agreement, as described in this Agreement.

### A. Entrance Fee

On the Commencement Date, you will pay us the "Entrance Fee" and, if applicable, the "Second Resident Entrance Fee," both identified in the Summary. Together, these fees are referred to as the Entrance Fee. The ten (10) percent Deposit you have already paid to us will be credited against the Entrance Fee. Any interest or dividends earned on your ten (10) percent Deposit will be credited to the Entrance Fee or your first full Monthly Service Fee or paid directly to you by the bank. Your Entrance Fee will be held in escrow until the end of the "Rescission Period" described in Section VII.A.1., subject to VA Code § 38.2-4904.1 (2001 through Reg Session).

1. Escrow and Release from Escrow. Deposits made by you towards the total Entrance Fee, in excess of \$1000, will be held in escrow in a banking institution, acting as an escrow agent, until you either occupy your Home or your Home is available

for immediate occupancy. When either of those conditions has been fulfilled, and when your right of rescission (i.e., midnight of the seventh (7th) calendar day following the execution of this Agreement, refer to Section VII.A.1) has expired, Entrance Fees will be released from escrow in full. All Entrance Fees become our property upon release from escrow, and will be used at our sole discretion until the termination of this Agreement (please refer to Section VII, Termination of This Agreement). No interest will be paid on Entrance Fees after such Entrance Fees have become our property. You will retain the right to a Refund of Entrance Fee, as discussed in this Section IV.B.

2. Increase in Entrance Fee. Your Entrance Fee will not be increased during the term of this Agreement, except upon your transfer to a more expensive Home or upon the move into your Home of a spouse or other person not currently a resident.

a. Transfer to More Expensive Home. If you relocate to a Home that has a higher Entrance Fee, you will pay an additional Entrance Fee equal to the difference between the then-current Entrance Fee for the new Home and the Entrance Fee you paid for your existing Home. You will also owe us a one-time, non-refundable Administrative Fee (See Exhibit A). Payment of the Administrative Fee must be made prior to transferring to your new Home. Additionally, if we must repair your Home to restore it to good condition, ordinary wear and tear excepted, you will be responsible for all costs of doing so.

b. Joint Occupancy with Current Non-Resident. If you wish to live in your Home with a non-resident, they must apply for residency at the Community and meet our requirements for a new resident. The decision whether to accept the non-resident will be made in our sole discretion. If we accept the non-resident for residency and this Residency Agreement is amended to include them, they will become the Second Resident under this Agreement and pay the then-current Second Resident Entrance Fee and Second Resident Monthly Service Fee as of their occupancy date.

If the non-resident is not accepted for residency, we may, in our sole discretion, grant them the right to occupy your Home for the length of your residency. If this occurs, they will be required to sign an agreement or addendum documenting this arrangement. You will pay the Second Person Monthly Service Fee, and a one-time, non-refundable Community Fee on the date the non-resident begins occupancy of your Home. The second person will be eligible to receive the services specified in this Agreement, except Health Care Benefits. The occupancy of a non-resident will terminate 30 days after Resident's permanent transition to the Life Centre, Resident's death, or termination of the Residency Agreement.

c. Joint Occupancy with Current Resident. If you wish to live in your Home with a current resident, you agree to sign an amendment to this Agreement. We will retain the other resident's Entrance Fee until this Agreement is terminated by both of you. As of the date the other resident occupies your Home, they will pay the Second Person Monthly Service Fee for your Home.

If you wish to live with a resident in their home, you agree to sign an



amendment to this Agreement and we will retain your Entrance Fee until this Agreement is terminated by both of you. As of the date that you occupy the other resident's home, you will pay the Second Person Monthly Service Fee for that home.

d. Joint Occupancy with Personal Services Provider ("PSP"). Your PSP may live with you in your Home. If they work for you at the Community for more than ten (10) hours per day, you agree to pay an additional fee as determined by us on the date his or her employment commences (to offset additional costs, such as utilities and trash removal, generated by your PSP). PSPs may be ineligible for certain services that are available under the Second Person Monthly Service Fee (e.g., a culinary plan) and the Second Person Monthly Service Fee may be adjusted. Both a one-time, non-refundable Community Fee and an adjusted Second Person Monthly Fee will be due.

3. Decrease in Entrance Fee. If you move to a Home that has a lower Entrance Fee than your existing Home, you will owe us a one-time, non-refundable Administrative Fee (See Exhibit A). Additionally, if we must repair your Home to restore it to good condition, ordinary wear and tear excepted, you will be responsible for all costs of doing so. The Administrative Fee will not apply if you move to a smaller home within twenty-four (24) months of the death or move-out of a second resident occupying your Home. We will retain the Entrance Fee you paid for your existing Home until this Agreement is terminated, in accordance with Section IV B. Payment of the Administrative Fee must be made prior to transfer to your new Home and shall not be increased or changed during the duration of this Agreement.

## **B. Refund of Entrance Fee**

### **1. After the Commencement Date.**

a. Calculation of Refund. If you or we terminate this Agreement at any time after the Commencement Date, you will receive a refund that is the greater of: (i) ninety-eight (98) percent of your Entrance Fee less one (1) percent for each full or partial month of occupancy after the Commencement Date, less any "Adjustments"; or (ii) ninety (90) percent of your Entrance Fee, less any "Adjustments." Adjustments will include all outstanding charges, including but not limited to, Monthly Service Fees, Ancillary Charges, Additional Charges, Deferred Fees. While in no way limiting the foregoing, you agree that we are entitled to deduct from your refund any and all costs related to loss or damage directly or indirectly caused by you, your guests, pets, invitees, or affiliates, including the cost of repair or reimbursement for any loss or damage to the Community under this Agreement.

b. Two Residents. If there are two of you, there will be no Entrance Fee or Second Person Entrance Fee refund until this Agreement terminates with respect to both of you. Your refund will be calculated as set forth in Section IV.B.2.a. (above), and will be paid after the remaining Resident has died or moved out of the community. Your refund will be paid as described in Section IV.B.1.c (below).

c. Payment of Entrance Fee Refund. Your refund will be paid on

the earlier of: (i) thirty (30) days after this Agreement is terminated (as described in Section VII.A) if your Home has been occupied by a new resident; or (ii) one hundred eighty (180) days after the date this Agreement is terminated (as described in Section VII.A) if your Home has not been occupied by a new resident. The Entrance Fee refund will be paid to you or your estate or beneficiary(ies), as appropriate.

2. Beneficiary Designation Form. In the event of your death, the refund due under this Section IV.B. will be paid to your named beneficiary(ies) if you completed and signed the Designation of Beneficiary Form attached hereto as Exhibit D. If no named beneficiary survives you or if no named beneficiary can be located within thirty (30) days after your refund becomes due, the refund will be paid to your estate.

If spouses are parties to this Agreement, each spouse may designate separate beneficiaries by completing and signing separate Designation of Beneficiary Forms. Notwithstanding the preceding sentence, if spouses are parties to this Agreement, (i) upon the death of the first spouse, all interests held under this Agreement by the deceased spouse shall automatically transfer to the surviving spouse without the execution of any document and (ii) upon the death of the surviving spouse, any refund shall be paid pursuant to the preceding paragraph.

Beneficiaries may not assign their interest unless specifically agreed to in writing by all parties.

You should consult with an attorney when completing the Designation of Beneficiary Form and should review the Designation of Beneficiary Form at least annually. If any legal issue or dispute arises regarding payment to your designated beneficiary(ies), we reserve the right to pay the refund to your estate. If we incur any legal fees or expenses because of such legal issue or dispute, we reserve the right to deduct such fees and expenses from the refund or recover them from your estate.

### **C.** Monthly Service Fee

1. Fee. Beginning on the Commencement Date, you will pay us the Monthly Service Fee and any Second Resident Monthly Service Fee required. Your initial Monthly Service Fee will be prorated if the Commencement Date is not the first (1st) day of the month. Thereafter, your Monthly Service Fee will be billed in advance by the second (2<sup>nd</sup>) business day of each month. Monthly Service Fees are not accepted prior to being invoiced and are not accepted in lump sum payments.

2. Automated Payment. We use an Automated Clearing House ("ACH") withdrawal system to transfer funds electronically to pay your bill. Monthly Service Fees and other charges are payable only by ACH withdrawal, and you agree to provide any information and authorization necessary to establish ACH payments. We will withdraw funds from the account you provide on the fifth (5) business day of the month.

3. Insufficient Funds; Late Fees. If you do not have sufficient funds to pay your Monthly Service Fee and all other charges and fees shown on your invoice when

we withdraw funds from the account you provide on the fifth (5) business day of the month, you will pay the bank's service charge and pay us late payment charges and interest. Late payment and service charges and interest on late payments will be deemed "Ancillary Charges" and subject to change on thirty (30) days' notice. If you fail to pay your fees on time and in full as described in this Section, we may initiate termination as described in Section VII.B.1. below.

4. Increase in Monthly Service Fees. We may adjust the Monthly Service Fee upon thirty (30) days' written notice to you. It is reasonable to anticipate that operating costs will rise annually over time and that your Monthly Service Fee and other fees will also increase. Factors that might affect the Monthly Service Fee calculation are described in Subsection 5. below.

5. Factors Affecting Monthly Service Fee, Ancillary and Additional Charge Calculation. The Monthly Service Fee, Ancillary Charges, Additional Charges (collectively "Gross Operating Revenues") will be adjusted, as necessary, to cover all costs of the Community, including, but not limited to: the cost to provide services, amenities, and care under this and all other resident agreements; the amount paid by us to care centers other than the Life Centre with which we have a referral agreement, as appropriate (Alternate Health Centers); employee expenses (including salaries, benefits, and taxes); all maintenance, program, and staffing costs (including costs for the private and publicly-accessible park and ground floor community center space) acquisition, repair and/or replacement of all capital items (including acquisition, repair and/or replacement costs for building and grounds, furniture, fixtures and equipment, whether purchased or leased), Furnished Property, and an allocation for capital and operating reserves; marketing and sales costs; general and administrative cost (such as insurance costs, including but not limited to property, casualty, and liability insurance policies, which is coverage maintained for the Community's sole benefit and independent of a resident's independent insurance coverage and requirements; legal fees; audit fees; and computer software and processing costs); food and supplies; utilities; Wi-Fi and technology costs; real estate taxes, special taxes or assessments, and any other taxes that may be levied against the Community; a management fee of 6% of Gross Operating Revenues to us or our successor; and a profit margin available to investors after management fees, capital and operating reserve. Decisions regarding the use of Monthly Fees, reserves and operating cash is at our sole discretion.

6. Relocation to Another Home. If you relocate to a home that has a different Monthly Service Fee than your existing Home, your Monthly Service Fee will be adjusted to the then-current Monthly Service Fee for your new Home.

If you permanently receive Health Care Benefits within twenty-four (24) months of relocating to a smaller Home as the result of the death or move-out of a second resident occupying your Home, then your Monthly Service Fee will be the Monthly Service Fee for your smaller Home.

Otherwise, if you permanently receive Health Care Benefits within twenty-four (24) months of relocating to a Home that has a different Monthly Service Fee than your

existing Home, your Monthly Service Fee will be the higher of the Monthly Service Fee for your current Home or previous Home.

7. Monthly Service Fee During Temporary Care.

During receipt of temporary care, you will continue to pay the Monthly Service Fee for your Home, plus applicable Ancillary Charges and Additional Charges. If you elected the 90-Day Benefit Plan, and you elected to reserve your benefit for skilled nursing, you will pay the Monthly Service Fee for your Home, plus the then current rates for assisted living or memory support, plus applicable Ancillary Charges and Additional Charges.

Where applicable, we will accept supplemental insurance (excluding Medicare Part A) as payment for services provided under your Health Care Benefit. You will be responsible for any deductible, co-payment, or other expenses not covered by your supplemental insurance plan during temporary stays, whether they qualify for reimbursement or not.

8. Monthly Service Fee Upon Permanent Transfer to the Life Centre.

a. Vacating Home. If you permanently transfer to the Life Centre, you must permanently vacate your Home within thirty (30) days unless this Agreement covers two of you, one of whom continues to reside in your Home.

b. If You Elected 90-Day Benefit. If you elected the 90-Day Benefit Plan and you permanently receive Health Care Benefits, you will pay a Monthly Service Fee that will be the same as it would be if you had remained in your Home, plus applicable Ancillary Charges and Additional Charges, until you have received health care for a total of ninety (90) days. After ninety (90) days, you will pay the then current market rates for health care, plus applicable Ancillary Charges and Additional Charges (please refer to section IV.E for more information regarding Additional Charges).

If you elected the 90-Day Benefit Plan and one of you remains in your Home while the other permanently receives Health Care Benefits, you will continue to pay the First Resident and Second Resident Monthly Service Fees for your Home until the person permanently receiving Health Care Benefits has received such benefits for a total of ninety (90) days. Thereafter, you will pay the First Resident Monthly Service Fee for your Home plus the then current published rates for care in the Life Centre, plus applicable Ancillary Charges and Additional Charges.

If you elected the 90-Day Benefit Plan and both of you permanently receive Health Care Benefits, each of your Monthly Service Fees will be the same as it would be if each person had remained in your Home, as described in Section IV.C.6, (plus applicable Ancillary Charges and Additional Charges), until each of you has received permanent Health Care Benefits for an aggregate of ninety (90) days. Thereafter, you will each pay the then current published rates for care in the Life Centre, plus applicable Ancillary Charges and Additional Charges.

c. If You Elected Life Care Benefit. If you elected the Life Care Benefit Plan and one of you remains in your Home while the other permanently receives Health Care Benefits, or you both permanently receive Health Care Benefits, you will continue to pay the First and Second Person Monthly Service Fees for your Home, as described in Section IV.C.6, plus applicable Ancillary Charges and Additional Charges.

d. In cases where one of you selected the 90-Day Benefit Plan and the other selected the Life Care Benefit Plan, you will each receive the benefits of the plan you personally selected.

e. Whether you elected the 90-Day or Life Care Benefit Plan, if two of you sign this Agreement and one of you dies or moves out of the Community, the remaining resident will pay the First Resident Monthly Service Fee. If one of you transfers to an Alternate Health Center, the Monthly Service Fee will be the same as it would be if you or the Second Resident had received Health Care Benefits at the Community. Additional provisions for transfer to an Alternate Health Center are described in Section V.B. of this Agreement.

#### **D.** Ancillary Charges

You will pay separately for any service not expressly included in your Monthly Service Fee, including, but not limited to: additional meals, guest meals, catering service, in-home dining service, additional housekeeping, laundry and linen, and maintenance service, special programs and events, additional transportation services, valet parking services, electric vehicle charging, wellness spa services, personal transportation, personal fitness trainer, in-home services provided by non-residents and third parties and any services provided to non-residents and guests.

Fees for Ancillary Services (Ancillary Charges) may change in our sole discretion upon thirty (30) days' notice to you. Ancillary Charges will be invoiced in arrears and included in each month's invoice. They will be subject to the same payment rules as the Monthly Service Fee. See Section IV.C.

#### **E.** Additional Charges

Additional Charges will include expenses that are not expressly included in your Monthly Service Fee and are required for your care, such as meals provided to you in the Life Centre beyond your selected culinary option, physician care, hospital care, home health aide services, physical therapy, occupational therapy, speech therapy, hospice service, medications, medical supplies, ambulance transfers or any other expenses invoiced by a third party that we do not cover.

#### **F.** Temporary Surcharge

If we determine that an operating expense creates a financial risk for the ongoing operation of the Community, we may charge you a "Temporary Surcharge" on

thirty (30) days' notice to you. Such situations may include, but are not limited to, significant unforeseen increases in the cost of utilities or significant additional expenses due to new or revised legal or regulatory requirements. Temporary Surcharges may be terminated or made permanent at our sole discretion.

#### **G. Inability to Pay After Commencement Date**

Without affecting our right to terminate this Agreement, if you are unable to meet your financial obligations to us after your Commencement Date, for reasons beyond your control, we will review the matter with you. If you present us with facts, which in our opinion justify special financial consideration, we may approve partial or complete financial assistance with your Monthly Service Fee (Assistance), provided that the Assistance does not impair our ability to operate on a sound financial basis. Our decision concerning Assistance will be final and binding and will be treated as confidential unless we are required by law, a financial institution, or a governmental agency to disclose the decision.

You will not qualify for Assistance if you: (i) impair your ability to meet your financial obligations under this Agreement by transferring your assets for less than their fair market value (e.g., by making gifts, bargain sales, bequests, donations, or other similar transfers); (ii) encumber your assets or otherwise dilute their value; or (iii) inappropriately spend your assets (e.g., by spending down, making irresponsible expenditures, or waste) before or after you are accepted for residency at the Community, which, in our reasonable judgment, impairs your ability to pay all charges you may foreseeably incur while residing at the Community. Without limiting the foregoing, you will not be considered for Assistance if you have depleted your assets as a result of paying for companion, caregiver, and/or in-home PSP.

If you receive Assistance: (i) you may not make any gifts of your assets; (ii) you must supply us with financial statements and copies of your tax returns at our request from time to time; (iii) we reserve the right to eliminate or reduce the amount of Assistance if your financial situation improves; and (iv) any Assistance you receive will be considered a Deferred Fee and will be payable to us from your Entrance Fee refund upon termination of this Agreement.

If the Assistance you require exceeds your Entrance Fee refund, we will review the matter with you, and may offer you additional Assistance.

### **V. HEALTH CARE BENEFITS**

#### **A. Health Care Residency Contracts**

Your Health Care Benefit includes access to care in assisted living, memory support, and skilled nursing, as applicable. Each time you utilize your Health Care Benefits, you must sign a separate Health Care Residency Contract for your level of care which describes the services you will receive and your rights and obligations. Current copies of such contracts are available upon request. The terms of this Agreement will



continue to apply and will prevail if there is a conflict between this Agreement and the Health Care Residency Contract.

#### **B.** Care at Alternate Health Center

If you require care that we offer but cannot provide, due to unavailability of space in the Life Centre, you will receive care in a private suite at an Alternate Health Center with which we have a referral relationship. You will pay the same Monthly Service Fee or Health Care Fee, as applicable, that you would have otherwise paid to us. If the Monthly Service Fee or Health Care Fee at the Alternate Health Center exceeds the fee you would pay us, we will pay the difference. To continue to receive your Health Care Benefits, you agree to return to the Community when space becomes available and as soon as your medical circumstances allow. We will discontinue payment to the Alternate Health Center three (3) days after the date you are obligated to return to the Community.

We reserve the right, in our sole discretion, to make alterations to the physical structure, care practices and location of health care services provided, as required by law, to comply with industry best practices, or as we deem appropriate.

#### **C.** Personal Physicians and Medical Director

You agree to arrange for your personal physician to attend you when you receive your Health Care Benefits at the Community or Alternate Health Center. The cost of your personal physician will be your responsibility. We have appointed a physician licensed to practice medicine in the Commonwealth of Virginia to serve as the Medical Director of the Community. If the Medical Director is your personal physician, you understand that we have no responsibility for the care they provide as your personal physician. The Medical Director is an independent contractor and not our employee.

#### **D.** Health Care Team

We have an interdisciplinary Health Care team (Health Care Team) that will make decisions regarding your care (including temporary and permanent transfers) in consultation with you, your personal physician, and a designated representative, as appropriate.

#### **E.** Rehabilitation Services

Rehabilitation services are performed by third parties who are not our employees. We will assist you with obtaining rehabilitation services, if needed, including physical, occupational and speech therapies. These services are not included in your Monthly Service Fee and will be at your own expense.

#### **F.** Hospitalization/Specialized Care

If the Health Care Team determines that you need hospital care or a level



of care we are unable to provide (e.g., acute medical, substance abuse or psychiatric care, a ventilator, routine blood transfusion, in house dialysis, etc.), the Health Care Team will have the authority to arrange such care and your transfer, at your expense.

#### **G.** Other Medical Practitioners and Facilities

You may engage the services of other medical practitioners or facilities at your own expense. If you have an illness or accident while you are away from the Community, we will not be liable to provide or pay for your care related to this illness or accident. Upon your return to the Community, you may utilize your Health Care Benefits, as applicable.

#### **H.** Emergency Medical Attention

If we are aware that you require emergency medical attention, we will summon medical services personnel via 911 and attempt to notify your designated emergency contact. You are responsible for all costs of emergency medical services.

#### **I.** Cost Exclusions

Whether you reside in the Health Care or at an Alternate Health Center, you will be responsible for the cost of all items, services, and care not expressly covered by this Agreement, including but not limited to: medication (with or without a prescription); dental care; medical specialist care; hospital care; meals beyond the number provided by your meal plan; emergency or personal transportation; assistive devices, such as, eyeglasses, hearing aids, wheelchairs, walkers or orthopedic devices; companion or personal services; rehabilitation services; general and incontinence supplies; diagnosis of and treatment for substance abuse or psychiatric disorders.

#### **J.** Medical Insurance

You agree to enroll in and maintain, as of the Commencement Date, at your expense, Medicare Parts B (physician cost coverage), and D, (prescription drug coverage); a Medicare supplemental insurance policy ("Medigap" policy) or other private insurance policy that provides coverage of deductibles and co-payments, or equivalent programs that are acceptable to us. We may accept certain forms of insurance to cover all or part of the cost of your Health Care Benefits. If you are enrolled in an insurance plan, your insurance policies (excluding Medicare Part A) will be deemed primary insurance. Any benefits we provide will be secondary to such coverage. Your Medicare supplemental insurance policy will apply to physician and prescription drug costs and will not apply towards Life Centre services. The Mather does not accept Medicare Part A benefits for Life Centre services.

## **K. Medical Insurance Benefits**

You authorize us to make any and all claims for insurance benefits to which we are entitled under this Agreement, including insurance benefits payable to you for care received at an Alternate Health Center. You agree promptly to execute all documents necessary to enable us to collect or enforce such claims. You will be responsible for the payment of all expenses not covered by insurance.

## **VI. TRANSFERS**

### **A. Oversight and Monitoring**

You acknowledge and agree that one of the reasons that you have selected the Community for your home is that the Community is a Life Plan Community that offers a variety of services and health care support including, but not limited to the Health Care services available. You further acknowledge our expertise in the evaluation and delivery of those services and health care support, and agree to abide by the determination of our Health Care Team, if after consultation with you, our Medical Director, your personal physician and a designated representative, as appropriate, to transfer to a higher level of care that we offer within the Community.

### **B. Reasons for Transfers**

We, in consultation with the Health Care Team, and you, our Medical Director, your personal physician and a designated representative, as appropriate, may transfer you to a higher level of care that we offer within the Community, or an Alternate Health Center, if: (i) you require services or care that can be provided more safely, effectively or efficiently at a location other than your current location at the Community; (ii) you require services that we do not provide or that cannot be lawfully provided in your current location; (iii) you engage in conduct that is disruptive to the peace, quiet enjoyment, health, or well-being of other residents or detrimental to the efficient operation of the Community; or (iv) you have a condition or exhibit behavior that constitutes a direct threat to you or others. If you are transferred to an Alternate Health Center because you require care that we do not provide, you will be responsible for the cost of such care.

### **C. Short Term Stay and Permanent Transfer to Higher Levels of Care**

Before or upon your transfer to a higher level of care, the Health Care Team, you, our Medical Director, your personal physician and a designated representative, as appropriate, will determine whether your transfer to the higher level of care will be for a short term stay or permanent transfer.

### **D. Vacating Home**

Upon your permanent transfer to the Life Centre, you will vacate your independent living Home and storage space, and remove your personal possessions from

both locations within thirty (30) days of transfer. After the thirty (30) day period, you will pay the Monthly Service Fee for your independent living Home and the Life Centre apartment/suite until your independent living Home is vacated. Refer to Section VII.C. for additional details.

#### **E. Return Home After Permanent Transfer**

If the Health Care Team determines, in consultation with you, our Medical Director, your personal physician and your designated representative, as appropriate, that you are able to return home after a permanent transfer and your independent living Home has been reoccupied, we will offer you a reasonably comparable home as soon as one becomes available. You will pay the then-current Monthly Service Fee for a First Resident for the home you occupy. If your original independent living Home is still available, you may return to it and pay the then-current Monthly Service Fee for a First Resident.

#### **F. Transfer at Our Request**

You agree that we may relocate you to another Home if we determine that such a move is necessary for your benefit or the efficient operation of the Community. Before making such determination, we will perform an evaluation, and will, to the extent possible, consult with you, your personal physician (as needed) and a designated representative.

### **VII. TERMINATION OF THIS AGREEMENT**

#### **A. By You**

1. Within the Rescission Period. Under Virginia law, you have the right to terminate this Agreement until midnight of the seventh (7<sup>th</sup>) calendar day following the execution of this Agreement. If you terminate this Agreement within this period, you will receive a complete refund of all money you paid to us, with the exception of any Home Upgrades, within forty-five (45) days after receipt of the notice of cancellation. You may notify us of your intent to terminate this Agreement in writing either via certified United States mail, return receipt requested, by personally delivering a copy to us, or via a nationally recognized overnight delivery service. Notice sent by certified mail will be effective on the date postmarked.

2. After the Rescission Period. You may terminate this Agreement after the Commencement Date upon sixty (60) days' written notice to us. The notice of termination must be sent by certified mail, returned receipt requested, by personally delivering a copy (as above) or by nationally recognized overnight delivery service. You will remain responsible for the Monthly Service Fee through the later of (i) the end of the sixty (60) day notice period; or (ii) the date you vacate your Home and storage locker (including your Life Centre home if applicable), remove all of your property from it, and return the key to us. You will receive an Entrance Fee refund as described in Section IV.B. of this Agreement.

3. In Case of Death. If you die, this Agreement will terminate on the later of: (i) the end of that month; or (ii) when your property has been removed from your Home and your key has been returned to us. Your Monthly Service Fee will continue until this Agreement is terminated. Your beneficiary(ies) or estate will receive any eligible refund amounts upon termination of your Agreement as described in Section IV.B. of this Agreement.

## **B.** By Us

1. Grounds. We reserve the right to terminate this Agreement for good cause: (i) conduct that becomes a threat to your or others' life, health, or safety; (ii) failure to pay your Monthly Service Fee or other charges in full and on time, or the transfer of a material portion of your assets or income that impairs your ability to meet your obligation to pay your fees to us; (iii) conduct that is disruptive to others' peace, or quiet enjoyment at the Community; (iv) your failure to abide by the rules of the Community; (v) any material misrepresentation or omission by you in your application for residency; (vi) your breach of any terms and conditions of this Agreement.

2. Notice. If we terminate this Agreement, we will give you thirty (30) days' written notice of termination. If the General Manager or Medical Director determines that thirty (30) days' notice may be detrimental to you or other residents or persons, we may immediately terminate this Agreement. Your Monthly Service Fee will continue until you vacate your Home, remove all of your property from it, and return the key to us. You will receive a refund as described in Section IV.B. of this Agreement.

In the event that the basis for termination is conduct that is capable of cure, we will provide you an opportunity to cure such conduct within a reasonable period.

## **C.** Removal of Property After Termination

If this Agreement terminates, you permanently transfer to the Life Centre, or you fail to vacate your Home and storage locker after receiving notice to do so, we will have the right to remove your property from your Home and store it in a commercial storage facility, at your expense. To the extent allowed by State law, we will dispose of any personal property that remains unclaimed after the payment of any refund under Section IV.B. of this Agreement.

## **D.** Release Upon Termination

Upon termination of this Agreement, we are released from any further obligations to you or your beneficiary(ies) or estate except for the return of personal property and the payment of any Entrance Fee refund that may be due less any adjustments or deductions pursuant to this Agreement. Upon termination of this Agreement, you or your beneficiary(ies) or estate is released from any further obligations to us, except those noted in this Agreement.

## **E. Effect of Termination Upon Survivor**

If there are two of you, this Agreement will not terminate upon the move-out or death of one of you. The remaining resident will have the option of: (i) retaining your Home and paying the First Resident Monthly Service Fee; or (ii) moving to a smaller Home within twenty-four (24) months of the death or move-out of the first resident and paying the then-current First Resident Monthly Service Fee for the new home. In this event, there will be no Administrative Fee. In either case, there will be no change in the Entrance Fee. In our discretion, we may discontinue the occupancy of a non-resident who was living with a resident who has moved out or died.

## **VIII. CONDITIONS OF RESIDENCY**

### **A. Updating Information**

We accepted you for residency at the Community based on information you provided to us and representations you made to us (see Section XI.B). If your circumstances change before your Commencement Date, you agree to notify us immediately of those circumstances. You also agree to provide us with updated information as we may reasonably request from time to time.

### **B. Medical Acceptance**

If your health declines between your acceptance for residency and the “Commencement Date”, and we determine that you should begin your residency in the Life Centre or an Alternate Health Center, you may elect to either move forward with this Agreement or decline residency at the Community. If you move forward, all terms and conditions of this Agreement will apply to your Health Care Benefit. If you decline residency, your deposit will be returned to you per the terms of your Depositor Agreement.

## **IX. RIGHTS AND OBLIGATIONS**

### **A. General Rights**

This Agreement does not give you any right, title, or interest in any part of the Furnished Property, personal property, land, buildings, or improvements owned, leased, or administered by us. Any rights, privileges, or benefits under this Agreement will be subordinate to any mortgage on any of the premises or interests in our real property. Your rights under this Agreement are limited to those expressly granted in it.

### **B. Use of Your Home**

Your Home will be used only for your residency. You will not conduct or permit any activity that results in commercial traffic to your Home or the Community. You will not conduct or permit any illegal activity in your Home or the Community.

### C. Right of Entry

You recognize and accept our right and responsibility to enter your Home to carry out the purpose and intent of this Agreement. You will not change the locks to your Home without our express consent and you may not add locks. We may enter your Home for any reasonable purpose, including, without limitation, to (i) perform scheduled housekeeping, maintenance, and laundry duties; (ii) respond to a resident alert notification; (iii) respond to alarms (e.g., fire alarm); (iv) perform periodic safety inspections; and (v) show your Home to prospective residents after sending or receiving a notice of termination of this Agreement. We recognize your right to privacy and our responsibility to limit entry to your Home.

### D. Responsibility for Damage

Any loss or damage to the Community, which is caused directly or indirectly by you or your pets, guests, invitees or employees, shall be your financial responsibility and you shall be responsible for any costs, fees, and expenses to remedy any such loss or damage. Your financial responsibility includes, but is not limited to, damage to the Community caused by fire, water, and wind due directly or indirectly to your negligence. You are strongly encouraged to obtain liability insurance for bodily injury or property damage, including wind, water, and fire damage, to the Community and to others caused by you or your pets, guests, invitees, or employees. Similarly, if any negligence of another resident or his or her pets, guests, invitees, or employees results in injury to you or your property, we assume no responsibility, and you hereby release and discharge us from all liability or responsibility for injury or damage to you or to your property caused by the fault or negligence of other residents or their pets, guests, invitees, or employees. For the avoidance of doubt, you are responsible for any loss or damage under this Section regardless of the presence of any applicable insurance. While certain losses may be covered by your own insurance, you, by signing this agreement and initialing this page, agree to forego any insurance claim with any insurance carried by The Mather. You expressly agree that any fire, wind, or water damage caused directly or indirectly by you, your guests, invitees, pets, or employees shall be covered by you or your personal insurance policies, not by the Mather. Loss or damage under this Section extends to the entire Community, not just the interior confines of your Home. If any such loss or damage to other residents, property, or the Community is attributable to you under this Section, you assume full responsibility for the payment of all damages, costs, and expenses to remedy or rectify such damage. It is your responsibility, at your own expense, of providing insurance to cover any loss or damage under this Section, including loss or damage due to theft, fire, water, wind, or any other cause.

### E. Responsibility for Personal Property

We shall not be responsible for the loss of any property belonging to you due to theft, fire, water, wind, or any other cause. You shall have the responsibility, at your own expense, of providing insurance to protect against such loss. We shall maintain insurance coverage for the Community in amounts that we determine at our sole discretion. The Mather's property and liability insurance for the Community only provides



coverage for the activities of The Mather employees and for damage originating in the common areas of The Mather or due to acts of God; it does not provide coverage for any loss or damage to the Community caused by you or your negligence, including, but not limited to, damage caused by fire, water, and wind under this Agreement.

#### F. Guests

You are welcome to have guests stay with you in your Home. No guest may stay in your Home for more than fourteen (14) consecutive days in any twelve (12) month period. All guests must comply with our rules at the Community. We reserve the right to bar any guest, invitee or employee who: i) fails to follow our rules at the Community; ii) interferes with any resident's care; or iii) significantly infringes on others' rights; or iv) engages in conduct that is a direct threat to the health, safety, or welfare of residents, guests or staff.

#### G. Interruption in Services

An interruption in services will not be deemed a breach of this Agreement if it is caused by factors beyond our reasonable control, including, but not limited to: strikes or other forms of labor disturbances, government orders or regulations, shortages of labor or materials, a global healthcare crisis such as a pandemic or epidemic, inclement weather, power outages, fire, flood, earthquake or other casualties, acts of terrorism, or the acts of other residents. In such instances, you will not be entitled to any refund of Monthly Service Fee. If there is an interruption in services, we will use our reasonable best efforts to restore services or to provide reasonable substitute services.

If your Home is damaged or destroyed by fire or other casualty and if, in our reasonable estimation, it will take more than ninety (90) days to repair or rebuild your Home, we are not obligated to repair or rebuild your Home and we may terminate this Agreement upon written notice to you specifying the termination date. We will use our reasonable best efforts to assist in arranging other housing options if another suitable Home at the Community is not available. Your Monthly Service Fee will continue through the later of final day of your occupancy or removal of your possessions. You will receive a refund as described in Section IV.B. of this Agreement.

#### H. Alterations

We may make alterations or improvements to your Home or the Community (Alterations) as required by law or as we deem appropriate. You agree to relocate on a temporary or permanent basis if necessary to complete the Alteration. You agree to pay your Monthly Service Fee and all other charges and fees shown on your invoice during any relocation.

You may make Alterations to your Home only after your Commencement Date, and with our prior written approval. You agree that approved Alterations will become the property of the Community upon termination of this Agreement for any reason, and will be, at the Community's sole discretion, either be i) left in place, at no charge to you,



or ii) removed by the Community and the Home restored to its original condition, with the Community deducting the actual and reasonable costs of doing so from your Entrance Fee refund.

Unauthorized Alterations shall be deemed “damage” under this Agreement and will be repaired by us at your expense.

#### **I.** Housekeeping, Building Services and Repairs

You will maintain your Home in a clean, orderly, and sanitary condition. If you do not maintain your Home in such manner, we have the right, after notice to you, to maintain your Home and charge the cost of such maintenance to you. If we must repair your home to restore it to good condition, including repairs for any damage or loss caused by you or your negligence, such as by fire, water, and wind damage, ordinary wear and tear excepted, you shall be responsible for all costs of doing so.

#### **J.** Motorized Assistive Devices

Electric wheelchairs, motorized carts and similar devices (Motorized Assistive Devices) are permitted at the Community. You agree to follow the rules governing Motorized Assistive Devices available at the Community, which are designed to protect residents, employees and guests.

#### **K.** Other Rules and Regulations

We reserve the right to adopt and amend our policies, procedures and rules on thirty (30) days’ notice to you. You agree to abide by such policies, procedures, and rules.

#### **L.** Personal Service Providers

You may employ or engage individuals to provide personal services to you, including but not limited to companion, health care and hospice services. You agree to abide by our policies and guidelines for such individuals.

#### **M.** Residency Agreements

We reserve the right to revise our standard Residency Agreement at any time. Therefore, Residency Agreements with future residents may contain different terms and conditions from those contained in this Agreement. Despite any such differences, this Agreement establishes your rights and obligations and our rights and obligations to you.

#### **N.** Resident’s Council

You will have the right to be a member of a Resident’s Advisory Council and to elect resident officers of that Council. The role of the Council is only advisory, to provide suggestions to us regarding the Community. The Council does not establish policies and

is not responsible for the operation of the Community. We regularly meet with residents as a group to discuss the services, programs, and status of the Community.

#### **O.** Spa and Fitness Center

You are welcome to use the Spa and Fitness Center, including the facilities, programs and services offered at the fitness center (Spa and Fitness Center Services).

You understand that each person has a different capacity for participating in Spa and Fitness Center Services. You agree that participation in Spa and Fitness Center Services is strictly voluntary. You further agree that participation in any Spa and Fitness Center Services is at your own risk, and you assume the risk of injury, illness, damage, or loss that might result. You also agree to assume the risk of damage, loss, or theft to or of any of your personal property at the Spa and Fitness Center.

By participating in Spa and Fitness Center Services, you acknowledge that you have either been given a physician's permission to participate in the Spa and Fitness Center Services, or that you have decided to participate in Spa and Fitness Center Services without your physician's permission. You assume all responsibility for your participation in Spa and Fitness Center Services and for your use of the equipment in the Spa and Fitness Center.

You understand that Spa and Fitness Center Services may sometimes be conducted by people who may not be licensed, certified or registered instructors or professionals. You accept the fact that the skills and competencies of Spa and Fitness Center employees, agents, representatives, or volunteers will vary according to their training and experience and that no claim is made to offer assessment or treatment of any mental or physical condition by people who are not duly licensed, certified or registered and employed to provide such professional services.

#### **X.** GUARANTY

You are responsible for the payment of all fees and other charges you incur or otherwise cause, directly or indirectly. Your Monthly Service Fee and other charges at the Community may be guaranteed by a guarantor (your "Guarantor"), who will be required to sign pages 33, 30 and Exhibit C of this Agreement. You agree immediately to give us written notice of any significant change in your Guarantor's financial condition, address, or telephone number. By signing below, your Guarantor agrees promptly to pay any fees or charges that are not paid by you under this Agreement in a timely manner. Your Guarantor is:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Relationship to You

## XI. MISCELLANEOUS

### A. Possible Medical Deduction for Income Taxes

Your payment of the Entrance Fee may make you eligible for a one-time medical deduction and payment of your Monthly Service Fee may enable you to be eligible for an annual medical deduction for income tax purposes. **We make no representation as to the availability of any tax deduction. You should consult your own advisors regarding your tax situation.**

### B. Resident's Representations

By signing this Agreement, you represent that: (i) you meet all the criteria for residency at the Community and performance of your obligations under this Agreement; (ii) you have sufficient assets and income to cover your Monthly Service Fee and other living expenses after you move in; (iii) you have fully disclosed all of your health conditions and/or diagnoses; and (iv) all representations made by you or on your behalf, with respect to your acceptance to the Community, are true and correct. **We may terminate this Agreement if any material misrepresentation or omission (whether written or verbal) is made by you or on your behalf in your application for residency at the Community.**

### C. Indemnification

By signing this Agreement, you agree that we bear no responsibility or liability for any damage or injury you sustain as a result of any care you receive (i) from the Medical Director or your personal physician, or (ii) outside of the Community, including, without limitation, care provided at a hospital, Alternate Health Center, by third party medical practitioners, medical service personnel, emergency medical technicians, rehabilitation service providers, Personal Service Providers, and other independent contractors. You further agree to hold us harmless for any damage or injury you sustain as result of any of the foregoing. In addition, you agree to defend, indemnify, and hold us harmless for any injuries or damages caused by you or for which you are legally liable, and to hold us harmless for any injuries or damage you sustain resulting from general services you receive or partake in or care provided to you by the Health Care Team, except for injuries resulting from our gross negligence and/or recklessness or intentional acts by any members of the Health Care Team.

### D. Waiver of Liability

You agree that we, our affiliates, directors, officers, agents, and employees will not be liable to you or your employees, guests, agents or invitees claiming under you for any injury or damage to the person or property of you or your employees, guests, agents or invitees, except as provided by applicable law.

#### **E.** Subordination

This Agreement is subordinate to any present or future lease, mortgage, lien, or land use restriction affecting the Community. You agree to sign any document confirming this provision that any lender may reasonably require. We may, in our sole discretion, subordinate any present or future lease, mortgage, lien, or land use restriction to this Agreement.

#### **F.** Assignment & Successors

With prior approval from the Commonwealth of Virginia, we may assign our interest in this Agreement, which will relieve us of responsibility and liability, provided the assignee expressly assumes our obligations to you.

All covenants contained in this Agreement will be binding and inure to the benefit of us, our successors and assigns and you and your heirs, executors, administrators, successors and assigns. This Section will not be construed to permit any assignment or sublease otherwise prohibited by this Agreement.

#### **G.** Notices

Any notices required under this Agreement will be delivered to us at:

General Manager  
The Mather  
7929 Westpark Drive  
Tysons, VA 22102

with a copy to:

Senior Vice President, Senior Living  
Mather  
1560 Sherman Avenue, Suite 1010  
Evanston, IL 60201

and to you at the address provided in this Agreement until you move to the Community, and thereafter at your Home. All notices will be effective when personally delivered, sent by certified mail, return receipt requested, or sent by nationally recognized overnight delivery service.

#### **H.** Entire Agreement

All exhibits to this Agreement are made an express part of this Agreement. This Agreement represents the entire understanding between us with respect to your residency, services and care at the Community. This Agreement may be amended or modified only by an amendment signed by both parties.

## **I.**     Electronic Signatures and Counter Parts

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

## **J.**     Enforcement

We will have the right at all times to enforce this Agreement in strict accordance with its terms. Our failure to enforce any term of this Agreement or that of any other resident will not be deemed a waiver of our right to insist upon your strict compliance with all terms of this Agreement.

## **K.**     Our Right to Contract for Services

To perform our duties under this Agreement, we reserve the right to contract for services, enter into leases, and delegate certain responsibilities. Notwithstanding this right, we will retain ultimate responsibility to carry out this Agreement for the benefit of the Community and our residents.

## **L.**     Remedies Cumulative

Our rights and remedies under this Agreement are cumulative. Our exercise of any one right of remedy will not preclude us from exercising any other right or remedy available under applicable law. Any delay in enforcing this Agreement will not preclude us from later exercising any right or remedy.

## **M.**     Severability

If a court determines that any term of this Agreement is invalid, the remainder of this Agreement will remain in full force and effect.

## **N.**     Attorney's Fees

You are responsible for paying our costs, fees, and expenses incurred enforcing your obligations under this Agreement, including, but not limited to, attorney's fees incurred (1) in enforcing any right or provision or term under this Agreement and (2) in defending the Community against claims. This Section will survive the termination of this Agreement. Any such costs, fees, and expenses, including attorney's fees, may be added to your Monthly Service Fee or deducted from your Entrance Fee.

**O.**     Attachments

You acknowledge that you have received the following exhibits, which are fully incorporated into and made part of this Agreement as if set forth fully herein:

Exhibit A. Ancillary Charges

Exhibit B. Culinary Services Program

Exhibit C. Disclosure Statement

Exhibit D. Designation of Beneficiary Form

Exhibit E. HIPAA Notice of Privacy Practices for Protected Health Information

**P.**     Choice of Law

This Agreement will be governed by and construed under Virginia law.

[Residency Agreement continues on next page](#)

**Q.** Acknowledgment

**By signing below, you acknowledge that you have read and understand this Agreement, including all Exhibits, and you agree to abide by their terms. You also acknowledge that you have been given the opportunity to consult with legal counsel or any other advisors of your choosing prior to signing this Agreement.**

This Agreement is executed on \_\_\_\_\_, 20\_\_\_\_.

**RESIDENT(S):**

**Tyson's LPC, LLC,  
an Illinois limited liability company**

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

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

\_\_\_\_\_  
(Print Name)

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

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

\_\_\_\_\_  
(Print Name)

**I understand and agree to all the terms  
contained in this Agreement:**

**Guarantor (if applicable):**

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

\_\_\_\_\_  
(Print Name)



## Exhibit A Ancillary

### Charges

2024 Ancillary Service Charges are attached. Prices are shown in 2024 dollars and is valid for the year stated. Pricing for subsequent years is subject to change.

# 2024 ANCILLARY FEE SCHEDULE FOR ADDITIONAL SERVICES

The Mather offers a wide range of services and experiences.  
**Ancillary fees apply to unique, personalized requests and services.**

## **Building Services**

- Building Services labor charge (*per hour*) ..... \$35.00 per 1/2 hour / \$65.00 per hour
  - Hanging pictures, shelves, mirrors (up to two hours upon move-in is complimentary)
  - Installation of bathroom assist bars (plus materials)
  - Television mount
  - Removal of moving materials (1 month complimentary upon move-in)
- Replacement / Duplicate apartment fob ..... \$25.00
- Replacement / Duplicate mailbox key..... \$25.00
- Storage locker padlocks ..... \$10.00
- Replacement emergency response pendant ..... \$75.00

## **Culinary Services – Club Plan**

Culinary Club Plan Dollars may be used in all restaurants, for guest meals, takeout, meal delivery, and liquor purchases, except for catering labor.

- Meal delivery charge..... \$8.00
- Corkage & preservation service ..... \$15.00
- Catering labor fee per person (*4-hour minimum*) ..... \$35.00 per hour

## **Parking**

- Monthly parking (*Residents, per vehicle*) ..... \$130.00
- Daily parking (*Residents' personal staff*)..... \$10.00
- Monthly parking (*Residents' part-time personal staff*) ..... \$70.00
- Monthly parking (*Residents' full-time personal staff*) ..... \$130.00
- Electric vehicle charging.....\$0.20 per KWH

## **Guest Suite**

- Guest Suite (*per night; includes breakfast for up to 2 people*) ..... \$275.00
- Rollaway bed..... \$25.00 per night / \$100.00 per week

## **Housekeeping Services**

- Special services (e.g., additional apartment cleaning, interior window washing).....\$25.00 per 1/2 hour
- Personal laundry (*per load - wash, dry and fold*)..... \$35.00
- Additional bed linen service..... \$35.00

## **Fitness Center Services**

- Personal training (*45-minute session*) ..... \$125.00

## **Resident Engagement Services**

- Small package delivery ..... \$5.00/per trip
- Grocery delivery (\$5/per bag and max \$15)..... \$5.00/\$15.00

- Photocopies (10 pages maximum)..... Complimentary
- Fax services..... Complimentary
- Notary services..... Complimentary

#### **IT Services**

- Computer, TV, and mobile device support ..... \$20.00 per 15 minutes  
*Each household will receive a complimentary two-hour IT orientation.*

**Prices effective January 1, 2024, and subject to change.**

## Exhibit B Culinary Services

### Program

**Club Plan Program.** Under the Club Plan Program, you will select one of multiple Club Plans (see The Mather - Club Plan Options on next page). Based on your selected plan, you will be granted Club Plan Dollars every quarter. Quarters are assigned on a three-month rolling schedule and your quarter start months will be assigned by the first letter of your last name (see below TBD). Club Plan Dollars must be used in the quarter in which they were granted. Club Plan Dollars do not roll over at the end of your assigned quarter. Balances in Club Plan Dollars at the end of your quarter are forfeited. Your initial Club Plan Dollars Balance shall be prorated based on your scheduled Commencement Date.

#### Club Plan Quarter Rollover Periods

- **A-H:** Jan – Mar, April – Jun, July – Sept, Oct - Dec
- **I-O:** Feb – April, May – July, Aug – Oct, Nov - Jan
- **P-Z:** Mar – May, Jun – Aug, Sept – Nov, Dec – Feb

Menu items will be charged to your Club Plan Dollars balance at the price listed on menus. Pricing will be consistent whether you pay with Club Plan Dollars or choose to be billed as part of your Monthly Service Fee through the à la carte option. If two (2) residents are included under your Residency Agreement, each of you will receive Club Plan Dollars for your selected plan. Two (2) residents residing in the same Home may select different Club Plan Programs.

Club Plan Dollars may be used in all restaurants, for guest meals (if you give permission for your guest to use your Club Plan Dollars and you are present at The Mather), takeout and delivery, liquor purchases, catering (labor billed to your account) and special events (certain restrictions may apply). Purchases in excess of your Club Plan Dollars balance will be billed as part of your Monthly Service Fee. Club Plan Dollars amounts may be adjusted annually, at our sole discretion, to reflect changes in culinary expenses.

You may change your Club Plan Option four (4) times per calendar year at the at the end of your assigned quarter by providing at least seven (7) days' advance written notice to us.

**The Mather - Club Plan Options:**

<b>Plan</b>	<b>Quarterly Club Plan Dollars</b>
Bordeaux Plan	\$3,000
Burgundy Plan	\$2,250
Champagne Plan	\$1,050
À la carte	\$0

## Exhibit C

### **The Mather Residency Agreement**

A copy of the current Disclosure Statement on file with the Virginia Bureau of Insurance will be provided to prospective residents not later than three (3) days prior to the execution of this agreement.

## Exhibit D

### The Mather Residency Agreement

#### Designation of Beneficiary Form

You may designate a beneficiary of your Entrance Fee refund and any other applicable refunds, as described in Section IV.B. of the Residency Agreement, by completing the following:

##### Primary Beneficiary(ies):

Name (first, m.i., last)	Phone number	Email	Percentage
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Use top of signature page if you wish to name more than three persons; the total among all Primary Beneficiaries must equal one hundred (100) percent). If one or more of your Primary Beneficiaries dies before you, the remaining Primary Beneficiary(ies) who survive you shall receive, on a pro rata basis, the Entrance Fee refund and any other refunds that would have been payable to the deceased Primary Beneficiary(ies).

##### Secondary Beneficiary(ies). Applies only if all Primary Beneficiaries are deceased:

Name (first, m.i., last)	Phone number	Email	Percentage
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Use top of signature page if you wish to name more than three persons; the total among all Secondary Beneficiaries must equal one hundred (100) percent). If one or more of your Secondary Beneficiaries dies before you, the remaining Secondary Beneficiary(ies) who survive you shall receive, on a pro rata basis, the Entrance Fee refund and any other refunds that would have been payable to the deceased Secondary Beneficiary(ies).

Designation of Beneficiary Form continues on next page



**Additional Beneficiary(ies).**

Name (first, m.i., last)	Phone number	Email	Percentage
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**NOTE: IF YOU NAME A TRUST AS A BENEFICIARY, PLEASE GIVE THE NAME OF THE TRUST, THE DATE OF THE TRUST, AND CONTACT INFORMATION FOR THE TRUSTEE. WE REQUIRE A COPY OF THE GOVERNING TRUST INSTRUMENT AND EVIDENCE OF THE ACTING TRUSTEE'S AUTHORITY TO ACCEPT PAYMENT PRIOR TO PAYING THE ENTRANCE FEE REFUND.**

**THIS FORM MAY BE AMENDED BY YOU ONLY IN WRITING. IF THERE ARE TWO RESIDENTS, THIS FORM MAY BE AMENDED ONLY IN WRITING BY BOTH RESIDENTS. THE LATEST BENEFICIARY FORM RECEIVED BY US PRIOR TO YOUR DEATH SHALL GOVERN.**

**RESIDENT(S):**

_____ (Signature)	_____ (Signature)
_____ (Print Name)	_____ (Print Name)
_____ (Date)	_____ (Date)

**Received by Tysons LPC, LLC, an  
Illinois limited liability company:**

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

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

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

If there are two Residents and they sign separate Designation of Beneficiary Forms, each resident may change their respective Designation of Beneficiary Form at any time.

If there are two Residents signing one Designation of Beneficiary Form, select one of the following:

\_\_\_\_\_ This form may be amended only by BOTH Residents.

\_\_\_\_\_ Upon the death of one Resident, this form may be amended by the surviving resident.

A change may not be made if there is any form of cognitive impairment of the Resident(s).

## NOTICE OF PRIVACY PRACTICES FOR PROTECTED HEALTH INFORMATION

### THE MATHER

*This notice describes how medical information about you may be used and disclosed and how you can get access to this information.*

*Please review it carefully.*

#### A. INTRODUCTION

During the course of providing services and care to you, we gather, create, and retain certain personal information about you that identifies who you are and relates to your past, present, or future physical or mental condition, the provision of health care to you, and payment for your health care services. This personal information is characterized as your “protected health information.” This Notice of Privacy Practices describes how we maintain the confidentiality of your protected health information and informs you about the possible uses and disclosures of such information. It also informs you about your rights with respect to your protected health information.

#### B. OUR RESPONSIBILITIES

We are required by federal and state law to maintain the privacy of your protected health information. We are also required by law to provide you with this Notice of Privacy Practices that describes our legal duties and privacy practices with respect to your protected health information. We will abide by the terms of this Notice of Privacy Practices. We reserve the right to change this or any future Notice of Privacy Practices and to make the new notice provisions effective for all protected health information that we maintain, including protected health information already in our possession. If we change our Notice of Privacy Practices, we will personally deliver or mail a revised notice to you at your current address. In addition, the notice will be posted in a clear and prominent place in the facility and on our website ([www.themathertysons.com](http://www.themathertysons.com)).

#### C. USE AND DISCLOSURE WITH YOUR AUTHORIZATION

We will require a written authorization from you before we use or disclose your protected health information, unless a particular use or disclosure is expressly permitted or required by law without your authorization. An authorization is generally required for the following uses or disclosures, except in very limited circumstances: (1) uses or disclosures of psychotherapy notes; (2) uses or disclosures of protected health information for marketing purposes; and (3) disclosures of protected health information that constitute its sale. We have prepared an authorization form for you to use that authorizes us to use or disclose your protected health information for the purposes set forth in the form. The form is titled: Authorization for Use and Disclosure of Protected Health Information. You are not required to sign the form as a condition to obtaining treatment or having your care paid for. If you sign an authorization, you may revoke it at any time by written notice. We then will not use or disclose your protected health information, except where we have already relied on your authorization.

**D. HOW WE MAY USE AND DISCLOSE YOUR PROTECTED HEALTH INFORMATION WITHOUT YOUR AUTHORIZATION**

We will use or disclose your protected health information without your written authorization in the following circumstances:

**1. Your Care and Treatment**

We may use or disclose your protected health information to provide you with or assist in your treatment, care and services. For example, we may disclose your health information to health care providers who are involved in your care to assist them in your diagnosis and treatment, as necessary. We may also disclose your protected health information to individuals who will be involved in your care if you leave The Mather.

**2. Billing and Payment**

- a. Medicare, Medicaid and Other Public or Private Health Insurers – We may use or disclose your protected health information to public or private health insurers (including medical insurance carriers, HMOs, Medicare, and Medicaid) in order to bill and receive payment for your treatment and services that you receive at The Mather. The information on or accompanying a bill may include information that identifies you, as well as your diagnosis, procedures, and supplies used.
- b. Health Care Providers – We may also disclose your protected health information to health care providers in order to allow them to determine if they are owed any reimbursement for care that they have furnished to you and, if so, how much is owed.

**3. Provision of Basic Information About Residents**

We allow staff to provide certain basic information about a resident to persons who ask for the resident by name and to members of the clergy. Unless you notify us that you object, we will disclose your name, your location at The Mather, and your general condition to anyone who asks for you by name. We will disclose your name, your location at The Mather, your general condition, and your religious affiliation to members of the clergy.

**4. Family Members and Close Personal Friends**

Unless you specifically object, we may disclose to a family member, other relative, a close personal friend, or to any other person identified by you, all protected health information directly relevant to such person's involvement with your care or directly relevant to payment related to your care. We may also disclose your protected health information to a family member, personal representative, or other person responsible for your care to assist in notifying them of your location, general condition, or death.

## **5. Disclosures Within The Mather/Directory**

Unless you specifically object, we may disclose certain general information about you (e.g., past activities, present interests, birthday, and location if hospitalized) to persons within The Mather, including other residents and staff, by means such as newsletter or bulletin board. We may create a resident directory to be shared with staff and other residents.

## **6. Health Care Operations**

We may use or disclose your protected health information for our health care operations at The Mather. These uses and disclosures are necessary to manage The Mather and to monitor our quality of services and care. For example, we may use your protected health information to review our services and to evaluate the performance of our staff in caring for you.

## **7. Workforce Members**

It is our policy to allow members of our workforce to share residents' protected health information with one another to the extent necessary to permit them to perform their legitimate functions on our behalf. At the same time, we will work with and train our workforce members to prevent unnecessary or extraneous communications that violate the rights of our residents to have the confidentiality of their protected health information maintained.

## **8. Business Associates**

We may contract with certain individuals or entities to provide services on our behalf. Examples include data processing, quality assurance, legal, or accounting services. We may disclose your protected health information to a business associate, as necessary, to allow the business associate to perform its functions on our behalf. We will have a contract with our business associates that obligate the business associates to maintain the confidentiality of your protected health information.

## **9. Licensing, Certification, Accreditation, and Health Oversight**

We may disclose your protected health information to any government or private agency, such as to the state licensing agency, federal Centers for Medicare and Medicaid Services (CMS), and CMS administrative contractors, responsible for licensing, certifying, or accrediting The Mather so that the agency can carry out its oversight activities. These oversight activities include audits; civil, administrative, or criminal investigations; inspections; licensure or disciplinary actions; civil, administrative, or criminal proceedings or actions; or other activities necessary for appropriate oversight. If we elect to pursue accreditation, we will enter into an agreement with the private agency that accredits health care providers requiring the agency to protect the confidentiality of your protected health information.

## **10. Abuse Reporting**

We will disclose protected health information about a resident who is suspected to be the victim of

elder abuse, neglect or domestic violence to the extent necessary to complete any oral or written report mandated by law. Under certain circumstances, we may disclose further protected health information about the resident to aid the investigating agency in performing its duties. We will promptly inform the resident about any disclosure unless we believe that informing the resident would place the resident in danger of serious harm, or would be informing the resident's personal representative, whom we believe to be responsible for the abuse, and believes that informing such person would not be in the resident's best interest.

#### **11. Legal Process**

We will disclose protected health information in accordance with an order of a court or of an administrative tribunal of a government agency. We will only disclose protected health information in accordance with a valid subpoena issued by a party to adjudication before a court, a grand jury, an administrative tribunal, or a private arbitrator. Reasonable efforts will be made by the party issuing the subpoena to notify you of the subpoena, or of efforts to obtain an order or agreement protecting your protected health information.

#### **12. Law Enforcement Agencies and Officials**

We will disclose protected health information to law enforcement agencies in accordance with a search warrant, a court order or court-ordered subpoena, or an investigative subpoena or summons. In addition, we may disclose such information as necessary to assist law enforcement officials investigating crimes involving residents.

#### **13. National Security and Intelligence Activities**

We will disclose protected health information about a resident to authorized federal officials conducting national security and intelligence activities or as needed to protect federal and foreign officials.

#### **14. Public Health Activities**

We may disclose your protected health information to any public health authority that is authorized by law to collect it for purposes of preventing or controlling disease, injury, or disability.

#### **15. Marketing**

We may use your protected health information or disclose it to business associates in order to inform you about treatment alternatives or health-related benefits and services that may be of interest to you, to make face-to-face communications with you about a service or product, or to provide you with a promotional gift of nominal value. Otherwise, we will obtain a specific written authorization from you or your personal representative before using or disclosing protected health information for marketing purposes.

## **16. Fundraising**

We may use certain protected health information to contact you in an effort to raise money for The Mather and its operations. We may disclose the protected health information to business associates or to related foundations that we use to raise funds for our own benefit. The information to be used or disclosed for these purposes will be limited to certain demographic information, the dates of treatment, the department where services were provided, the treating physician, outcome information, and health insurance status. Each fundraising communication will provide a means by which you can opt out of receiving further such communications.

## **17. Sale of Protected Health Information**

We may disclose your protected health information for remuneration in certain very narrow circumstances such as where a governmental agency reimburses us for our expenses in providing information for public health purposes. Otherwise, we will obtain a specific written authorization from you or your personal representative before receiving reimbursement for using or disclosing protected health information.

## **18. Coroner, Medical Examiner, or Funeral Director**

We may disclose protected health information to a coroner, medical examiner, or funeral director to allow them to carry out their duties.

## **19. Organ Procurement**

If you are an organ donor, we may disclose your protected health information following your death to an organ procurement agency or tissue bank in order to aid in using your organs or tissues in transplantation.

## **20. Workers' Compensation**

We may disclose your protected health information in order to comply with workers' compensation laws.

## **21. Preventing Danger to Identified Persons**

We may disclose your protected health information to prevent an immediate, serious threat to the safety of an identified person.

## **22. Disaster Relief**

We may disclose your protected health information to a public or private entity authorized to assist in disaster relief efforts.

### **23. Research**

We may disclose your protected health information for research purposes, provided that an outside Institutional Review Board overseeing the research approves the disclosure of the information without a written authorization.

### **24. Peer Review, Utilization Review, and Quality Assurance**

We may disclose your protected health information to health care providers for the purpose of conducting utilization review, peer review and quality assurance activities.

### **25. Other Disclosures Required or Permitted by Law**

We will disclose protected health information about a resident when otherwise required or permitted by law.

## **E. YOUR RIGHTS REGARDING PROTECTED HEALTH INFORMATION**

You have the following rights with respect to your protected health information. To exercise these rights, contact us at the following address: The Mather, 7929 Westpark Dr., Tysons, VA 22102; Attn: General Manager.

### **1. Right To Request Access**

You have the right to inspect and copy your health records maintained by us. This includes the right to have electronic records made available in electronic format to you or to someone whom you designate. In certain limited circumstances, we may deny your request as permitted by law. However, you may be given an opportunity to have such denial reviewed by an independent licensed health care professional.

### **2. Right To Request Amendment**

You have the right to request an amendment to your health records maintained by us. If your request for an amendment is denied, you will receive a written denial, including the reasons for such denial, and an opportunity to submit a written statement disagreeing with the denial.

### **3. Right To Request Special Privacy Protections**

You have the right to request restrictions on the use and disclosure of your protected health information for treatment, payment or health care operations, or providing notifications regarding your identity and status to persons inquiring about or involved in your care. You also have the right to request that we communicate protected health information to the recipient by alternative means or at alternative locations. And, at your request, we will not disclose your protected health information to a health plan or other insurer for payment or our health care operations where your information relates to a health care item or service for which you have paid us out of pocket in full. We are not required to agree to every request made by you for special privacy protections, but if



we do, we will comply with your request, except in an emergency situation or until the restriction is terminated by you or us.

#### **4. Right to an Accounting**

You have the right to receive an accounting of disclosures of your protected health information created and maintained by us over the six years prior to the date of your request or for a lesser period. We are not required to provide an accounting of certain routine disclosures or of disclosures of which you are already aware. You also have the right to receive an accounting of electronic disclosures made up to three years from the date of your request where such disclosures were made for purposes of treatment, payment, or health care operations.

#### **5. Right To Receive a Copy of the Notice of Privacy Practices**

You have the right to request and receive a copy of our Notice of Privacy Practices for Protected Health Information in written or electronic form. If you have received this Notice of Privacy Practices in electronic form, you also have a right to receive a copy in written form upon request.

#### **F. NOTICE OF SECURITY BREACHES**

We will provide you with written notification (either by mail or email) in the event of a security breach involving your protected health information. The notification will describe what happened, the types of information involved, the steps that we are taking to deal with the situation, what you should do to protect yourself against any harmful consequences, and contacts for obtaining further information.

#### **G. COMPLAINTS**

If you believe that your privacy rights have been violated, you may file a complaint with us at the following address: Attn.: Privacy Official. Telephone: 1-847- 492-4646 or Privacy Officer, Mather, 1560 Sherman Avenue, Suite 1010, Evanston, IL 60201. You also have the right to submit a complaint to the Office for Civil Rights, on behalf of the Secretary of the U.S. Department of Health and Human Services, 150 S. Independence Mall West, Suite 372, Public Ledger Building, Philadelphia, PA 19106-9111, Attention: OCR Regional Manager, Telephone: (800) 368-1019, Fax: (202) 619-3818, TDD: (800) 537-7697, Email: [ocrmail@hhs.gov](mailto:ocrmail@hhs.gov). We will not retaliate against you if you file a complaint.

#### **H. FURTHER INFORMATION**

If you have questions about this Notice of Privacy Practices or would like further information about your privacy rights, contact us at the following address: The Mather, 7929 Westpark Dr., Tysons, VA 22102; Attn.: General Manager.

**The effective date of this HIPAA Notice of Privacy Practices is May 1, 2023.**

**ACKNOWLEDGMENT OF RECEIPT OF HIPAA NOTICE OF PRIVACY PRACTICES  
(RESIDENT 1)**

I hereby acknowledge receipt from The Mather of a copy of its HIPAA Notice of Privacy Practices for Protected Health Information (effective May 1, 2023).

<b>RESIDENT 1:</b>	<b>RESIDENT'S PERSONAL REPRESENTATIVE:</b> (if signed on resident's behalf)
_____	_____
(printed or typed name)	(Printed or typed name)
_____	_____
(Signature)	(Signature)
Date:	Date:
_____	_____
	Relationship to Resident:
	_____

I agree that Tysons LPC, LLC may send me notices or otherwise communicate with me electronically at the email address listed below. I understand that email communications with The Mather are not encrypted and do not have special security protections and that information contained in these emails is subject to malfeasance.

\_\_\_\_\_

[print email address here if you agree]

**ACKNOWLEDGMENT OF RECEIPT OF HIPAA NOTICE OF PRIVACY PRACTICES  
(RESIDENT 2 IF APPLICABLE)**

I hereby acknowledge receipt from The Mather of a copy of its HIPAA Notice of Privacy Practices for Protected Health Information (effective May 1, 2023).

**RESIDENT 2:**

**RESIDENT'S PERSONAL  
REPRESENTATIVE:**

(if signed on resident's behalf)

\_\_\_\_\_  
(printed or typed name)

\_\_\_\_\_  
(Printed or typed name)

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

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

Date:

Date:

\_\_\_\_\_

\_\_\_\_\_

Relationship to Resident:

\_\_\_\_\_

I agree that Tysons LPC, LLC may send me notices or otherwise communicate with me electronically at the email address listed below. I understand that email communications with The Mather are not encrypted and do not have special security protections and that information contained in these emails is subject to malfeasance.

\_\_\_\_\_  
[print email address here if you agree]

## **EXHIBIT 2**

### **PRIORITY RESERVATION AGREEMENT**

*Summary:*

Exhibit 2 presents the current Priority Reservation Agreement (PRA) for The Mather. This Agreement provides information regarding the \$1,000 Priority Reservation Deposit due when the prospective resident first submits an application. We reserve the right to change this Agreement, prior to the prospective resident's execution of such Agreement.

# The Mather

## Priority Reservation Agreement South Building

This PRIORITY RESERVATION AGREEMENT (the “Agreement”) is between \_\_\_\_\_ (“Priority Member”) and Tysons LPC, LLC (the “Provider”). This Agreement relates to the Life Plan Community (the “Community”) the Provider is developing in Tysons, Virginia.

Upon Receipt of the Reservation Deposit (The “Deposit”) of \$1,000 payable to Tysons LPC, LLC and execution of this Agreement, the Priority Member will receive the following benefits:

- Community updates, news and information
- Invitations to special events and activities
- The future opportunity to select an apartment home in advance of non-Priority Members, with best choice of floor plans and views
- Special Introductory Priority Member Entrance Fee pricing
- Ability to upgrade/customize finishes

The Deposit will be held in an account at a financial institution and will be fully refundable to the Priority Member upon cancellation of this Agreement.

Upon notification of the ability to reserve a residence at the Community, the Priority Member will have the option to select a residence and apply for residency. 10 percent of the Entrance Fee for the selected residence will be required at that time. Priority Members will be entitled to apply the Reservation Deposit toward the 10 percent deposit.

The Priority Member may cancel this Agreement at any time upon written notice to the Provider. Likewise, the Provider may cancel this Agreement at any time upon written notice to the Priority Member. If this Agreement is cancelled by either party, the full Deposit shall be returned to the Priority Member within sixty (60) days.

The Community is currently in the planning stage. As such, the Priority Member acknowledges certain services, amenities, design features, and pricing may change without notice prior to opening.



**THIS PRIORITY RESERVATION AGREEMENT IS SOLELY A RECEIPT FOR FUNDS AND DOES NOT CONSTITUTE A RESIDENCY AGREEMENT FOR CONTINUING CARE SERVICES. IN NO EVENT SHALL YOU HAVE ANY LIEN OR ANY OTHER INTEREST IN THE COMMUNITY.**

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Priority Member(s): (Please print)

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Email

\_\_\_\_\_  
Tysons LPC, LLC  
(Authorized Agent)

\_\_\_\_\_  
Check Number



## **EXHIBIT 3**

### **DEPOSITOR AGREEMENT**

*Summary:*

Exhibit 3 presents the current Depositor Agreement for The Mather. This Agreement provides information regarding the 10% of the total Entrance Fee that is due when the prospective resident reserves a specific apartment home. We reserve the right to change this Agreement, prior to the prospective resident's execution of such Agreement.



# The Mather

## The Mather Depositor Reservation Agreement

This Depositor Reservation Agreement (the "Agreement") is entered into between \_\_\_\_\_ (hereafter called "you", "your," or "Depositor") and Tysons LPC, LLC, an Illinois limited liability company ("we", "us" or "our"). If more than one Depositor enters into this Agreement, "you," "your," and "Depositor" shall refer to each individual and to both collectively.

We operate a Life Plan Community doing business as The Mather (the "Community"), that has received approval from the Virginia Bureau of Insurance to operate and provide services, located at 7929 Westpark Dr. Tysons, VA 22102. We have received Certificate of Public Need approval from the Virginia Department of Health for the Skilled Nursing component of the Community.

At your request, we agree to reserve home # \_\_\_\_\_ (your "Home") in the Community from the Effective Date (as defined below) until the date designated below. The Entrance Fee for your Home is \$ \_\_\_\_\_ (Base Entrance Fee of \$ \_\_\_\_\_ plus, if applicable, a Second Person Entrance Fee, collectively called the "Entrance Fee" of \$ \_\_\_\_\_), to be paid under The Mather Residency Agreement (the "Residency Agreement") with respect to your Home. A draft copy of the Residency Agreement is attached as Exhibit A. We reserve the right to change the Residency Agreement.

We acknowledge receipt from you of a deposit in the total amount of \$ \_\_\_\_\_ (the "Deposit"), representing ten (10) percent of the Entrance Fee. The Deposit was paid as follows, you delivered to us funds in the amount of \$ \_\_\_\_\_.

The Deposit shall earn interest and shall be held in an escrow account at a financial institution in the name of Tysons LPC, LLC or an affiliate. Your Entrance Fee balance of \$ \_\_\_\_\_ shall be paid upon execution of your Residency Agreement on or before \_\_\_\_\_ (month/day/year). Interest earned shall be credited to the final amount owed.

The following outlines your Deposit benefits:

- Selection of a specific Home at the Community
- Guaranteed Residency Agreement approval once approved for residency
- Refundable, interest-bearing Deposit
- Community updates, news, and information
- Invitations to special events and activities

You may cancel this Agreement for any reason upon written notice to us and receive a prompt return of your Deposit and interest. Likewise, we may cancel this Agreement at any time for any reason, including after you are approved financially and medically, upon written notice to you and you shall thereafter receive a prompt return of your Deposit and interest. We will return such Deposits within sixty (60) days of receiving written notice of

your intent to terminate this Agreement or after we give you written notice of our intent to terminate this Agreement.

Upon receipt of the Medical and Financial Applications from you, we shall evaluate this information to determine if you qualify to live at the Community. If approved financially and once approved medically, a subsequent change in your health status will not disqualify you from residency at the Community. We reserve the right to require you to provide updated information, prior to occupancy, to determine the appropriate living accommodations at the time of move-in and to determine if your financial status has adversely changed. The Medical and Financial Applications shall be provided to us no later than 30 days from the Effective Date of this Agreement.

You agree to take possession of your Home within thirty (30) days from the date we provide written notice your Home is or will be ready for occupancy, if your Home is not currently available. Within this thirty (30) day period, you agree to execute the Residency Agreement; pay the balance of your Entrance Fee and begin paying the appropriate Monthly Fee for your Home.

This Agreement shall first be executed by you and presented to us for consideration. The "Effective Date" of this Agreement shall be the date when this Agreement is executed by us.

This Agreement shall be of no further force and effect and, in all respects, shall be superseded by the Residency Agreement at the time you and we execute the Residency Agreement.

**THIS DEPOSITOR RESERVATION AGREEMENT IS SOLELY A RECEIPT FOR FUNDS AND DOES NOT CONSTITUTE A RESIDENCY AGREEMENT FOR CONTINUING CARE SERVICES. IN NO EVENT SHALL YOU HAVE ANY LIEN OR ANY OTHER INTEREST IN THE COMMUNITY.**

Neither this Agreement nor the Deposit may be assigned by the Depositor.

Depositor:

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

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

Provider:

By: Tysons LPC, LLC

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

## **EXHIBIT 4**

### **ANTICIPATED PROJECT SCHEDULE**

*Summary:*

Exhibit 4 presents the anticipated project schedule of developing The Mather, reflecting start and completion dates for all phases of construction and opening dates of the community.

## ANTICIPATED PROJECT SCHEDULE

The Mather will be built in phases as pre-sales demand allows.

Project	Start Date	Substantial Completion
Demolition	04/20	06/20
Construction Phase 1	02/22	03/24
Open Phase 1	03/24	03/24
Construction Phase 2	07/22	09/24
Open Phase 2	09/24	09/24
Open Life Centre	02/25	02/25

## EXHIBIT 5

### SCHEDULE OF ENTRANCE FEES, MONTHLY SERVICE FEES, AND ANCILLARY FEES

#### *Summary:*

Exhibit 5 shows the 2024 Entrance Fees and the Monthly Service Fees by home size: and 2024 Ancillary Service Fees. This Exhibit also includes anticipated Life Centre fee-for-service market rates. All pricing is shown in 2024 dollars and is valid for the year stated. Pricing for subsequent years is subject to change.

**The Mather**  
**Entrance & Monthly Service Fees as of 2024**

	<b>90% Refundable Pricing Starting at</b>	<b>Type A* Starting at Monthly Fee</b>	<b>Type B* Starting at Monthly Fee</b>
<b>One-BR/1 BA</b>	\$ 639,800	\$ 4,680	\$ 3,420
<b>One-BR/1 BA/Den</b>	\$ 947,500	\$ 5,645	\$ 4,385
<b>One-BR/1.5 BA/Den</b>	\$ 960,200	\$ 6,080	\$ 4,820
<b>Two-BR/2 BA</b>	\$ 1,089,700	\$ 6,320	\$ 5,060
<b>Two-BR/2 BA/Den</b>	\$ 1,633,500	\$ 7,925	\$ 6,665
<b>Two-BR/2.5 BA/Den</b>	\$ 1,818,800	\$ 8,530	\$ 7,270
 <b>2nd Person Fee</b>	 \$ 69,300	 \$ 2,365	 \$ 1,105

\*Type A, the Life Care Benefit plan: residents receive unlimited days of services in Assisted Living, Memory Support, or Skilled Nursing, as needed, at virtually the same Monthly Service Fee they would pay if they remained in their apartment home.

\*\*Type B, the 90 Day Life Care Benefit plan: residents receive 90 days of service in Assisted Living, Memory Support, or Skilled Nursing, as needed, and pay the then current market rates for those services used after 90 days.

**Proposed Life Centre Fee-For-Service Market Rates 2024**

<b>Assisted Living Monthly Fee</b>	\$ 9,070
<b>Memory Support Monthly Fee</b>	\$ 10,687
<b>Skilled Nursing Daily Fee</b>	\$ 493

# 2024 ANCILLARY FEE SCHEDULE FOR ADDITIONAL SERVICES

The Mather offers a wide range of services and experiences.  
Ancillary fees apply to unique, personalized requests and services.

## Building Services

- Building Services labor charge (*per hour*) ..... \$35.00 per 1/2 hour / \$65.00 per hour
  - Hanging pictures, shelves, mirrors (up to two hours upon move-in is complimentary)
  - Installation of bathroom assist bars (plus materials)
  - Television mount
  - Removal of moving materials (1 month complimentary upon move-in)
- Replacement / Duplicate apartment fob ..... \$25.00
- Replacement / Duplicate mailbox key..... \$25.00
- Storage locker padlocks ..... \$10.00
- Replacement emergency response pendant ..... \$75.00

## Culinary Services – Club Plan

Culinary Club Plan Dollars may be used in all restaurants, for guest meals, takeout, meal delivery, and liquor purchases, except for catering labor.

- Meal delivery charge..... \$8.00
- Corkage & preservation service ..... \$15.00
- Catering labor fee per person (*4-hour minimum*) ..... \$35.00 per hour

## Parking

- Monthly parking (*Residents, per vehicle*) ..... \$130.00
- Daily parking (*Residents’ personal staff*)..... \$10.00
- Monthly parking (*Residents’ part-time personal staff*) ..... \$70.00
- Monthly parking (*Residents’ full-time personal staff*) ..... \$130.00
- Electric vehicle charging.....\$0.20 per KWH

## Guest Suite

- Guest Suite (*per night; includes breakfast for up to 2 people*) ..... \$275.00
- Rollaway bed..... \$25.00 per night / \$100.00 per week

## Housekeeping Services

- Special services (e.g., additional apartment cleaning, interior window washing).....\$25.00 per 1/2 hour
- Personal laundry (*per load - wash, dry and fold*)..... \$35.00
- Additional bed linen service..... \$35.00

## Fitness Center Services

- Personal training (*45-minute session*) ..... \$125.00

## Resident Engagement Services

- Small package delivery ..... \$5.00/per trip
- Grocery delivery (\$5/per bag and max \$15)..... \$5.00/\$15.00



- Photocopies (10 pages maximum)..... Complimentary
- Fax services..... Complimentary
- Notary services..... Complimentary

#### **IT Services**

- Computer, TV, and mobile device support ..... \$20.00 per 15 minutes  
*Each household will receive a complimentary two-hour IT orientation.*

**Prices effective January 1, 2024, and subject to change.**

## **EXHIBIT 6**

### **CERTIFIED AUDITED FINANCIAL STATEMENTS OF PROVIDER**

*Summary:*

Exhibit 6 provides an audit from an independent accounting firm, expressing that firm's opinion on the Provider's financial statements.

Financial Statements and Report of  
Independent Certified Public  
Accountants

**Tysons LPC, LLC**

December 31, 2023 and 2022

## Contents

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171 N. Clark St., Suite 200  
Chicago, IL 60601

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors  
Tysons LPC, LLC

**Opinion**

We have audited the financial statements of Tysons LPC, LLC, (the “Entity”), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and changes in members’ equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the financial statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Chicago, Illinois  
April 18, 2024

**Tyson's LPC, LLC**

**BALANCE SHEETS**

**December 31,  
(In thousands of dollars)**

	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>ASSETS</b>		
Cash	\$ 721	\$ 1,932
Deposit escrow account	43,644	40,220
Prepaid expenses and other	1,449	2,558
Operating lease right-of-use asset	444	629
	<hr/>	<hr/>
Total current assets	46,258	45,339
<b>Property and equipment, net</b>	394,420	208,378
<b>Goodwill</b>	542	542
	<hr/>	<hr/>
Total assets	<u><u>\$ 441,220</u></u>	<u><u>\$ 254,259</u></u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 54,669	\$ 58,272
Deposits from prospective residents	43,677	40,295
Operating lease liability	531	736
Subordinated debt payable	70,000	70,000
Note payable	210,443	14,332
	<hr/>	<hr/>
Total liabilities	379,320	183,635
<b>Members' equity</b>	61,900	70,624
	<hr/>	<hr/>
Total liabilities and members' equity	<u><u>\$ 441,220</u></u>	<u><u>\$ 254,259</u></u>

The accompanying notes are an integral part of these statements.



**Tysons LPC, LLC**

**STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S EQUITY**

**Years ended December 31,  
(In thousands of dollars)**

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Other income	\$ 121	\$ 1
Total revenue	121	1
<b>Expenses</b>		
Contract personnel wages and benefits	1,518	917
Marketing	4,472	3,843
Premises	1,438	403
General and administrative	1,811	1,487
Interest expense	1,436	1,436
Depreciation	170	153
Total expenses	10,845	8,239
<b>NET LOSS</b>	(10,724)	(8,238)
<b>Members' equity</b>		
Beginning of year	70,624	74,790
Capital contributions	2,000	4,072
End of year	<u>\$ 61,900</u>	<u>\$ 70,624</u>

The accompanying notes are an integral part of these statements.

**Tyson's LPC, LLC**

**STATEMENTS OF CASH FLOWS**

**Years ended December 31,  
(In thousands of dollars)**

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (10,724)	\$ (8,238)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	170	153
Changes in:		
Prepaid expenses and other assets	1,109	402
Operating lease right-of-use asset and liability	(20)	107
Accounts payable and accrued expenses	4,697	2,614
Net cash used in operating activities	(4,768)	(4,962)
<b>Cash flows from investing activities:</b>		
Additions to property and equipment	(194,512)	(100,818)
Net cash used in investing activities	(194,512)	(100,818)
<b>Cash flows from financing activities:</b>		
Proceeds from net resident deposits	(42)	(37)
Proceeds from subordinated debt payable	-	70,000
Proceeds from note payable	196,111	21,991
Capital contributions	2,000	4,072
Net cash provided by financing activities	198,069	96,026
<b>DECREASE IN CASH</b>	(1,211)	(9,754)
<b>Cash, beginning of year</b>	1,932	11,686
<b>Cash, end of year</b>	\$ 721	\$ 1,932
Non-cash additions to property and equipment	\$ 35,995	\$ 44,295
Operating lease right-of-use asset	\$ -	\$ 812
Operating lease liability	\$ -	\$ 928
Cash paid for interest	\$ 3,094	\$ 16

The accompanying notes are an integral part of these statements.

## **Tysons LPC, LLC**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023 and 2022**  
**(In thousands of dollars)**

#### **NOTE A - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

##### ***Nature of Operations***

Tysons LPC, LLC (the Entity) is an Illinois limited liability company formed October 5, 2015 but inactive until February 21, 2017. Effective June 25, 2018, the Entity became an equally owned equity partnership of Virginia Mather LPC, LLC (VM LLC), the sole member of which is a not-for-profit corporation, Mather Investments NFP (MI), and Virginia LPC, LLC, a for-profit entity. The sole member of MI is Mather. MI and Mather are both Illinois not-for-profit corporations under Section 501(c)(3) of the Internal Revenue Code (IRC). Mather is the administrative entity of the Mather organization. Effective September 28, 2021, the Entity became 100% owned by Tysons LPC Holdings, LLC, which is an equally owned equity partnership of VM LLC and Virginia LPC, LLC. The Entity has obtained commitments from its members to provide sufficient financial support to sustain the operating, investing, and financial activities of the Entity through at least one year and a day beyond April 18, 2024.

The purpose of the Entity is to develop and own a life plan community in Tysons, Virginia. Construction of the community began in 2021, with plans to open in 2024. The community is proposed to include an 18 and a 27 story tower, which will be connected by a central "Commons" and a health care center. The community will include approximately 293 independent living apartment homes, 36 assisted living apartments, and 42 skilled nursing suites.

##### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### ***Deposit Escrow Account and Priority Reservation Deposits***

The deposit escrow account consists of 10% of the entrance fee prospective residents will pay to live at Tysons. The deposit funds are held in escrow and are applied to the total entrance fees owed or are refunded to the prospective residents if they decide not to move to the community. Initial priority reservation deposits from prospective residents consist of deposits of one thousand dollars each. The deposit funds are held in the operating account and will be applied against entrance fee deposits or refunded to prospective residents if they decide not to move to the community.

##### ***Prepaid Expenses and Other***

Prepaid expenses consist of prepaid rent and insurance premiums.

##### ***Leases***

The Entity determines if a contract contains a lease when the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. Upon such identification and commencement of a lease that is material and exceeds one year, the Entity establishes a right of use (ROU) asset and a lease liability in the statements of financial position.

A lease component is defined as an asset within the lease contract that a lessee can benefit from the use of and is not highly dependent or interrelated with other assets in the arrangement. A non-lease component is defined as a component of the lease that transfers a good or service for the underlying asset, such as maintenance services. The Entity has elected the practical expedient to include both the lease component

**Tyson's LPC, LLC**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2023 and 2022**  
**(In thousands of dollars)**

and the non-lease component as a single component when accounting for its lease and calculating the resulting lease liability and ROU asset. Any remaining contract consideration, such as property taxes and insurance, that does not meet the definition of a lease component or non-lease component would be allocated to the single lease component based on the election.

The lease liability represents future lease payments for lease and non-lease components discounted for present value.

The ROU asset consists of the amount of the initial measurement of the lease liability and adjusted for any lease incentives, including rent abatements and tenant improvement allowances, and any initial direct costs incurred by the lessee. The ROU asset is amortized over the remaining lease term on a straight-line basis.

The lease term is determined by taking into account the initial period as stated in the lease contract and adjusted for any renewal options that the Entity is reasonably certain to exercise as well as any period of time that the lessee has control of the space before the stated initial term of the lease.

The Entity uses discount rates to determine the net present value of gross lease obligations when calculating the lease liability and related ROU asset. The Entity has elected the practical expedient to use the risk-free rate (10-year US Treasury rate of 1.52%) as the discount rate to determine the net present value of gross lease obligations when calculating the lease liability and related ROU asset as of the date of adoption.

***Property and Equipment***

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives of the major asset classifications are as follows:

<u>Asset Description</u>	<u>Life</u>
Building improvements	5 - 15 years
Equipment	3 - 10 years
Furniture, fixtures and office equipment	3 - 7 years

The Entity continually evaluates whether circumstances have occurred that would indicate the remaining estimated useful lives of long-lived assets may warrant revision, or that the remaining balance of such assets may not be recoverable. When factors indicate that such assets should be evaluated for possible impairment, the Entity uses an estimate of undiscounted cash flows over the estimated remaining life of an asset in measuring whether the asset is recoverable. Management has determined that no impairment exists as of December 31, 2023 and 2022.

***Goodwill***

Goodwill was derived from the change in ownership of the Entity effective June 25, 2018. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. Management has determined that no impairment exists as of December 31, 2023 or 2022.

***Accounts Payable and Accrued Expenses***

Accounts payable and accrued expenses represent amounts owed to vendors for services and products.

**Tysons LPC, LLC**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2023 and 2022**  
(In thousands of dollars)

***Subordinated Debt Payable and Note Payable***

The subordinated debt payable and note payable is recorded at the unpaid principal balance. Interest on the subordinated debt payable and note payable is recognized over the term of the loan and is calculated using the compounding interest method on the principal amount outstanding.

***Marketing Costs***

Marketing costs are expensed as incurred.

***Income Taxes***

The Entity is a limited liability company and is taxed under the partnership provisions of the IRC. Under these provisions of the IRC, the members are responsible for reporting their share of the Entity's federal taxable income or loss on their income tax returns. Accordingly, the Entity is not subject to income taxes for federal and most state jurisdictions. The Entity is not subject to entity-level tax and has no liability for unrecognized tax benefits as of December 31, 2023 and 2022.

***Reclassifications***

Certain amounts previously reporting in the 2022 financial statements have been reclassified to conform to the 2023 presentation. The reclassifications did not affect members' equity or changes in members' equity for the year ended December 31, 2022.

***Recent Account Pronouncements***

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases - Presentation and Disclosure (Topic 842)*, to require recognition of all types of leases on the statement of financial position. ASU 2016-02 provides guidance that an entity will recognize a right-of-use asset and the related lease liability. This ASU was effective as of January 1, 2022. The Entity adopted ASU 2016-02 for the year ended December 31, 2022 using the current period adjustment method which did not significantly impact the Entity's financial condition and disclosures and there was no material impact on the results of operation. The required disclosures have been included in the footnotes.

**NOTE B - PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2023 and 2022 consist of the following:

	2023	2022
Land	\$ 39,153	\$ 39,153
Building improvements	773	773
Equipment	71	33
Furniture, fixtures and office equipment	291	291
Construction in progress	354,868	168,694
	<hr/>	<hr/>
Total property and equipment	395,156	208,944
	<hr/>	<hr/>
Accumulated depreciation	(736)	(566)
	<hr/>	<hr/>
Property and equipment, net	\$ 394,420	\$ 208,378
	<hr/>	<hr/>

## **Tysons LPC, LLC**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2023 and 2022**  
**(In thousands of dollars)**

Interest expense of \$16,377 and \$3,698 was capitalized in 2023 and 2022, respectively, related to the construction.

#### **NOTE C - NOTES PAYABLE**

In September 2021, the Entity secured a \$300,000 construction loan which will be utilized for the construction of the community. The loan terminates the earlier of 79 months from closing or 48 months after issuance of residential use permit. 50% of the interest on the outstanding loan is capped at 3.75% and the other 50% is floating at 3.25% plus Adjusted Term SOFR. There was \$216,666 and \$21,991 outstanding as of December 31, 2023 and 2022, respectively. An affiliate of each owner has guaranteed up to \$45,000, for a total guaranty of \$90,000. The affiliates are only required to act under the terms of the guaranty in the event of default by the Entity. As of December 31, 2023 and 2022, the Entity was in compliance with all requirements under the terms of the construction loan agreement. Financing costs of \$6,223 and \$7,659 as of December 31, 2023 and 2022, respectively, are reductions to the note payable on the balance sheets and the related amortization is included in interest expense on the statements of operations.

#### **NOTE D - RELATED PARTY TRANSACTIONS**

In 2018, the Entity entered into a development contract with Virginia Mather Development LLC (VMD). The estimated fee for these services is \$18,500, which includes \$4,533 for guarantor fees to MI. Also in 2018, the Entity entered into a marketing contract with Virginia Mather Management, LLC (VMM). The estimated fee for these services is \$14,000. Both VMD and VMM are related to VM LLC by common ownership. The Entity paid out \$3,456 and \$2,836 to VMD and \$1,677 and \$2,856 to MI in 2023 and 2022, respectively, under the development agreement. The Entity did not make any payments under the marketing agreements in 2023 or 2022. Included in accounts payable and accrued expenses is \$4,775 and \$2,479 due to VMD and \$12,899 and \$10,163 due to VMM for these services as of December 31, 2023 and 2022, respectively. Additionally, the Entity reimburses VMM for contract personnel wages and benefits in 2023 and 2022. Those expenses were \$1,518 and \$909 in 2023 and 2022, respectively.

The Entity also entered into a management agreement with VMM to provide management services for the life plan community. The management fee is equal to 6% of the life plan community's annual operating revenue, as defined. No management fee expenses were incurred in 2023 or 2022.

In September 2021, Tysons LPC Holdings, LLC entered into an agreement with MI to borrow \$70,000 to partially fund the construction of the Tysons LPC, LLC life plan community. The Entity will pay 11% interest on borrowed funds. There was \$70,000 outstanding as of December 31, 2023 and 2022, respectively. Subdebt interest of \$12,090 and \$3,576 is included in accrued expenses as of December 31, 2023 and 2022, respectively.

#### **NOTE E - CONCENTRATION OF CREDIT RISK**

The Entity maintains a cash account, the balance of which, at times, may exceed federally insured limits. The Entity has not experienced any losses in the account. Management believes that the Entity is not exposed to any significant credit risk on cash.

**Tyson's LPC, LLC**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2023 and 2022**  
(In thousands of dollars)

**NOTE F - COMMITMENTS AND CONTINGENCIES**

In 2018, the Entity leases certain office space under a non-cancelable operating lease that expires in 2026. Tyson's also leases certain equipment under a non-cancelable operating lease that expires in 2027. Rent expense is recognized using the straight-line method over the life of the lease and was \$177 and \$167 for the years ended December 31, 2023 and 2022, respectively. Minimum future lease payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2023, are as follows:

Years Ending December 31,

2024	\$	195
2025		201
2026		69
2027		-
		<hr/>
Total minimum lease payments		465
Less: imputed interest		<hr/> (9)
Present value of future minimum lease payments	\$	<hr/> <u>456</u>

**NOTE G - CARING COMMUNITIES**

The Entity obtains professional and general liability insurance from Caring Communities, a Reciprocal Risk Retention Group (CCrRRG), a District of Columbia association. The Entity also obtains employee practices liability insurance and directors and officers insurance through CCrRRG. CCrRRG is owned and controlled by its insureds. CCrRRG provides claims-made professional liability and occurrence-based general liability insurance coverage. Coverages are provided using a combination of self-insured retention (deductible) and excess commercial insurance coverage partially based on participant-specific experience. Insurance expense is based on paid premiums. There were no known uninsured claims as of December 31, 2023 and 2022.

**NOTE H - SUBSEQUENT EVENTS**

The Entity evaluated its December 31, 2023 financial statements for subsequent events through April 18, 2024, the date the financial statements were available to be issued. During this period, there were no subsequent events that required recognition and/or disclosure in the financial statements.

## **EXHIBIT 7**

### **PRO FORMA INCOME STATEMENTS OF PROVIDERS**

*Summary:*

A pro forma projected operating statement for The Mather is included in the Anticipated Source and Application of Purchase or Construction Funds found in Exhibit 10.



## EXHIBIT 8

### SUMMARY FINANCIAL CONDITION

#### *Summary:*

Below is the balance sheet and statement of operations and changes in member's equity for fiscal year ending December 31, 2023.

#### Tysons LPC, LLC

#### BALANCE SHEETS

December 31,  
(In thousands of dollars)

	2023	2022
<b>ASSETS</b>		
Cash	\$ 721	\$ 1,932
Deposit escrow account	43,644	40,220
Prepaid expenses and other	1,449	2,558
Operating lease right-of-use asset	444	629
Total current assets	46,258	45,339
Property and equipment, net	394,420	208,378
Goodwill	542	542
Total assets	<u>\$ 441,220</u>	<u>\$ 254,259</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 54,669	\$ 58,272
Deposits from prospective residents	43,677	40,295
Operating lease liability	531	736
Subordinated debt payable	70,000	70,000
Note payable	210,443	14,332
Total liabilities	379,320	183,635
Members' equity	61,900	70,624
Total liabilities and members' equity	<u>\$ 441,220</u>	<u>\$ 254,259</u>

Tysons LPC, LLC

STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S EQUITY

Years ended December 31,  
(In thousands of dollars)

	2023	2022
<b>Revenue</b>		
Other income	\$ 121	\$ 1
Total revenue	121	1
<b>Expenses</b>		
Contract personnel wages and benefits	1,518	917
Marketing	4,472	3,843
Premises	1,438	403
General and administrative	1,811	1,487
Interest expense	1,436	1,436
Depreciation	170	153
Total expenses	10,845	8,239
<b>NET LOSS</b>	(10,724)	(8,238)
<b>Members' equity</b>		
Beginning of year	70,624	74,790
Capital contributions	2,000	4,072
End of year	\$ 61,900	\$ 70,624

## **EXHIBIT 9**

### **CHANGES IN PERIODIC CHARGES**

#### *Summary:*

The Mather opened in March 2024, therefore there is no historical pricing.

## **EXHIBIT 10**

### **ANTICIPATED SOURCE AND APPLICATION OF PURCHASE OR CONSTRUCTION FUNDS**

- a. *An estimate of the cost of purchasing or constructing and equipping the facility including such related costs as financing expense, legal expense, land costs, occupancy development costs, and all other similar costs that the provider expects to incur or become obligated for prior to the commencement of operations.*

**The Mather Tysons** **Mar-24**  
**Anticipated Source and Application of Construction Funds**

<b>Sources of Funds</b>	<b>Totals (in 000's)</b>
Equity <sup>1</sup>	\$ 103,320
Senior Debt	300,000
Subordinated Debt	95,834
<b>Sources of Funds - Total</b>	<b>\$ 499,154</b>
 <b>Uses of Funds</b>	
Development Costs	417,205
Land Costs	37,574
Legal Expense	2,618
<b>Project Costs Excluding Financing</b>	<b>\$ 457,396</b>
Financing Expense <sup>2</sup>	41,757
<b>Uses of Funds - Total</b>	<b>\$ 499,154</b>

<sup>1</sup>Equity cash contributions will be funded by Owners. Includes deferred fees of \$5.3m.

<sup>2</sup>Financing expense includes lender fees and reimbursable expenses as well as anticipated interest expense. Construction loan draws commenced after all equity contributions were made and construction began. The construction loan is anticipated to be repaid within four years of the first construction draw. The construction loan is being repaid using entrance fee proceeds. Interest rates are anticipated to be based on a selected SOFR rate plus spread, subject to market conditions and determined at the time loan commitments were obtained.

- b. A description of any mortgage loan or other long-term financing intended to be used for any purpose in the financing of the facility and of the anticipated terms and costs of such financing, including without limitation, all payments of the proceeds of such financing to the provider, management or any related person.*
- There is no long-term financing anticipated at the conclusion of construction of the community. Construction financing will be a term loan (not an amortized loan), secured by a lien on the property. The construction financing will be repaid through Entrance Fee proceeds as they are released from escrow.
- c. An estimate of the percentage of entrance fees that will be used or pledged for the construction or purchase of the facility, as security for long-term financing or for any other use in connection with the commencement of operation of the facility.*
- Nearly 100% of entrance fees for the initial sale of all 293 Independent Living homes will be used for the construction of the Community as well as to pay Entrance Fee refunds, and deferred fees. Note: some depositors have reserved two adjacent apartments with the intention of combining them into a single home, which may reduce apartment count.
- d. An estimate of the total entrance fees to be received from or on behalf of residents at or prior to commencement of operation of the facility.*
- We estimate placing \$31.6 million into escrow prior to the commencement of operations of The Mather.
- e. An estimate of the funds, if any, which are anticipated to be necessary to fund start-up losses and provide reserve funds to assure full performances of the obligations of the provider under continuing care contracts.*
- A projection of estimated funds necessary to fund start-up losses is included in the Occupancy Development Costs. Losses are anticipated to equal \$7.6 million (the amount of the first two years of Net Losses shown in Attachment A below).
- f. A projection of estimated income from fees and charges other than entrance fees, showing individual rates presently anticipated to be charged and including a description of the assumptions used for calculating the estimated occupancy rate of the facility and the effect on the income of the facility of any government subsidies for health care services to be provided pursuant to the continuing care contracts.*
- A projection of estimated income from fees and charges other than Entrance Fees are shown in the Projection of Estimated Operating Income and Expenses (Attachment A) below. Fee-for-service rates used

to calculate some of the Life Centre Fees can be seen below in the “REVENUES” section of the Projection of Estimated Operating Income and Expenses Assumptions (Attachment B) and Independent Living Monthly Service Fee rates can be found in Exhibit 5. The Community will not receive any government subsidies.

*g. A projection of estimated operating expenses of the facility, including (i) a description of the assumptions used in calculating any expenses and separate allowances for the replacement of equipment and furnishings and anticipated major structural repairs or additions and (ii) an estimate of the percentage of occupancy required for continued operation of the facility.*

- A projection of estimated operating expenses of The Mather can be seen below in the Projection of Estimated Operating Income and Expenses (Attachment A). The assumptions and an estimate of the percentage of occupancy required for continued operation of The Mather is shown in the Projection of Estimated Operating Income and Expenses Assumptions (Attachment B).

*h. Identification of any assets pledged as collateral for any purpose.*

- A deed of trust and security agreement (construction mortgage) covering the real property has been provided in support of the construction financing.

*i. An estimate of annual payments of principal and interest required by any mortgage loan or long-term financing.*

- There is no long-term financing anticipated at the conclusion of construction of the community. Construction financing will be a term loan (not an amortized loan), secured by a lien on the property. The construction financing will be repaid through Entrance Fee proceeds as they are released from escrow.

\*All projections stated in Exhibit 10 were made under prevailing market conditions.

## Attachment A

### Projection of Estimated Operating Income and Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Revenues</b>										
Monthly Fees	\$11,984,216	\$22,153,532	\$25,820,503	\$27,844,910	\$29,204,867	\$30,064,015	\$31,529,768	\$32,403,859	\$33,265,041	\$34,262,993
Life Centre Fees	\$1,427,134	\$2,360,517	\$5,166,377	\$5,669,014	\$5,672,465	\$6,811,477	\$7,963,908	\$9,034,009	\$9,665,375	\$9,955,337
Food & Beverage	(\$116,683)	\$307,143	\$361,559	\$397,751	\$421,084	\$441,243	\$454,480	\$468,115	\$482,158	\$496,623
Other	\$627,929	\$253,828	\$312,511	\$336,668	\$349,661	\$370,892	\$382,019	\$393,479	\$405,283	\$417,442
<b>Total Revenues</b>	<b>\$13,922,597</b>	<b>\$25,075,020</b>	<b>\$31,660,950</b>	<b>\$34,248,343</b>	<b>\$35,648,076</b>	<b>\$37,687,627</b>	<b>\$40,330,175</b>	<b>\$42,299,462</b>	<b>\$43,817,859</b>	<b>\$45,132,394</b>
<b>Operating Expenses</b>										
Food & Beverage	\$3,728,699	\$5,419,288	\$6,152,305	\$6,594,834	\$6,934,864	\$7,248,585	\$7,538,922	\$7,799,082	\$8,050,287	\$8,291,795
Resident Services	\$5,517,154	\$5,878,075	\$6,857,210	\$7,409,393	\$7,826,497	\$8,200,838	\$8,446,863	\$8,700,269	\$8,961,277	\$9,230,116
Utilities	\$1,592,910	\$1,619,342	\$1,674,102	\$1,724,325	\$1,776,055	\$1,829,337	\$1,884,217	\$1,940,744	\$1,998,966	\$2,058,935
Life Centre	\$323,053	\$3,098,082	\$3,661,520	\$3,883,956	\$4,015,864	\$4,526,921	\$5,004,011	\$5,383,134	\$5,619,420	\$5,788,003
Sales & Marketing	\$3,083,252	\$1,635,824	\$1,519,349	\$1,568,024	\$1,456,381	\$1,506,597	\$1,551,794	\$1,598,348	\$1,646,299	\$1,695,688
General & Administrative	\$2,768,153	\$2,914,633	\$2,990,394	\$3,170,055	\$3,174,521	\$3,265,563	\$3,363,530	\$3,464,436	\$3,568,369	\$3,675,420
<b>Total Operating Expenses</b>	<b>\$17,013,221</b>	<b>\$20,565,244</b>	<b>\$22,854,880</b>	<b>\$24,350,588</b>	<b>\$25,184,182</b>	<b>\$26,577,841</b>	<b>\$27,789,338</b>	<b>\$28,886,014</b>	<b>\$29,844,618</b>	<b>\$30,739,957</b>
<b>Gross Operating Income</b>	<b>(\$3,090,624)</b>	<b>\$4,509,776</b>	<b>\$8,806,070</b>	<b>\$9,897,755</b>	<b>\$10,463,894</b>	<b>\$11,109,786</b>	<b>\$12,540,837</b>	<b>\$13,413,448</b>	<b>\$13,973,240</b>	<b>\$14,392,437</b>
<b>General Expenses</b>										
Management Fee	\$835,356	\$1,504,501	\$1,899,657	\$2,054,901	\$2,138,885	\$2,261,258	\$2,419,810	\$2,537,968	\$2,629,072	\$2,707,944
Real Estate Taxes	\$3,630,284	\$3,005,266	\$3,245,414	\$3,366,605	\$3,508,002	\$3,655,339	\$3,808,863	\$3,968,835	\$4,135,526	\$4,309,218
<b>Total General Expenses</b>	<b>\$4,465,640</b>	<b>\$4,509,767</b>	<b>\$5,145,071</b>	<b>\$5,421,506</b>	<b>\$5,646,887</b>	<b>\$5,916,596</b>	<b>\$6,228,673</b>	<b>\$6,506,803</b>	<b>\$6,764,598</b>	<b>\$7,017,162</b>
<b>Operating Net Income Before Reserves</b>	<b>(\$7,556,264)</b>	<b>\$9</b>	<b>\$3,660,999</b>	<b>\$4,476,249</b>	<b>\$4,817,007</b>	<b>\$5,193,190</b>	<b>\$6,312,163</b>	<b>\$6,906,645</b>	<b>\$7,208,643</b>	<b>\$7,375,275</b>
<b>Average Occupancy</b>										
Independent Living <sup>1</sup>	50%	77%	87%	92%	94%	94%	94%	94%	94%	94%
Assisted Living <sup>2</sup>	2%	14%	30%	50%	67%	79%	89%	94%	95%	95%
Memory Support <sup>2</sup>	3%	17%	34%	53%	68%	82%	90%	94%	95%	95%
Skilled Nursing <sup>3</sup>	3%	12%	24%	40%	56%	71%	82%	91%	95%	95%

<sup>1</sup>Independent living occupancy is based on anticipated move-ins and move-outs throughout each year. Occupancy is expected to stabilize at 95% in Year 5.

<sup>2</sup>Assisted Living and Memory Support occupancy is based on actuarially projected utilization, and is expected to stabilize at 95% in Year 8.

<sup>3</sup>Skilled Nursing occupancy is based on actuarially projected utilization, and is expected to stabilize at 95% in Year 8.



## Attachment B

### Projection of Estimated Operating Income and Expenses Assumptions

#### **ESCALATION**

For the initial six years of operations the projected revenues and expenses are primarily driven by occupancy rates. Independent Living occupancy is forecasted to stabilize at 95% in year 5 however additional labor will be added to the continuum of care in the following year as health care occupancy won't yet be stabilized. An average escalation of 3.2% is used to project future revenues, and an average escalation of 3.0% is used to project future expenses through the final year of our Pro Forma model.

Below are the assumptions used in forecasting the community operations for The Mather.

#### **REVENUES**

##### **Independent Living Fees**

	Type A Fee (2024)	Type B Fee (2024)
Average IL Monthly Fee: (single occupancy)	\$7,587	\$6,327
IL Monthly Fee: (second occupant)	\$2,365	\$1,105

##### **Independent Living Projections**

- Opening date: First quarter of 2024
- Total Independent Living apartments: 293
- Stabilized Occupancy Rate: 95.0% (2028)
- Average annual inflation rate on IL monthly fees after opening: 3.2%

**Life Centre Revenues:** Note anticipated opening of the Life Centre is first quarter of 2025

##### **Assisted Living Fees**

PRICING	Fee (2024\$)
AL Fee-for-service (monthly)	\$9,070

##### **Assisted Living Projections**

- Opening Date: First quarter of 2025
- Total Assisted Living apartments: 16
- Stabilized Occupancy Rate: 95.0% (2031)
- Average annual inflation rate on monthly fee: 3.2%

### Memory Support Fees

	Fee (2024\$)
MS Fee-for-service (monthly)	\$10,687

### Memory Support Projections

- Opening Date: First quarter of 2025
- Total Memory Support suites: 20
- Stabilized Occupancy Rate: 95.0% (2031)
- Average annual inflation rate on monthly fee: 3.2%

### Skilled Nursing Fees

	Fee (2024\$)
SN Fee-for-service (daily)	\$493

### Skilled Nursing Projections

- Opening Date: First quarter of 2025
- Total Skilled Nursing suites: 42
- Stabilized Occupancy Rate: 93.0% (2033)
- Average annual inflation rate on daily rate: 3.2%

## Department Revenue

### Administration

Administration department revenue, which is derived from Monthly Service Fees, is the largest source of revenue for The Mather.

### Life Centre

The Life Centre consists of Assisted Living, Memory Support, and Skilled Nursing.

- Revenue is derived from Monthly Service Fees from Type A contract residents who have permanently transferred to the Life Centre and a la carte service fees from residents with Type B contracts.

### Food & Beverage

Food & Beverage revenue is derived from alcohol sales and food beyond the meal plan chosen by the Resident, and also includes guest meals.

### Spa

The Spa and salon generate “Other” revenue.

## **EXPENSES**

**Department Expenses** – For Food & Beverage, Resident Services, Life Centre, and Sales & Marketing expenses, operating information from a stabilized affiliate was used as the basis for projecting operating departmental expenses.

- Payroll average annual inflation rate: 3.0% depending on work area
- All other expenses average annual inflation rate 3.0%.
- Yearly average inflation rate: 3.0%

**Utilities** – Historical utilities expenses from an affiliate community were used as the basis for projecting utilities costs for The Mather.

- Pro-rated to larger GSF: 35% increase

**General & Administrative** – Administration, Accounting, and Human Resources are the departments that make up General & Administrative expenses.

### **Management Fee**

- A Management fee of 6.0% of total revenues is paid to a management company affiliated with Virginia Mather LPC, LLC.

### **Real Estate Taxes**

- Assessed value of the property: 100% of Fair Market Value
- Estimated tax 2023-2028

	Proj. Yr 1	Proj. Yr 2	Proj. Yr 3	Proj. Yr 4	Proj. Yr 5	Proj. Yr 6
RE Tax Est.	3,630,284	3,005,266	3,245,414	3,366,605	3,508,002	3,655,339