

**Disclosure Statement of Covenant Living of Cromwell,
f/k/a Covenant Village of Cromwell,
a division of Covenant Living of Cromwell, Inc., f/k/a Covenant Home, Inc.
(hereinafter referred to as "Provider")**

52 Missionary Road
Cromwell, CT 06416

THIS DISCLOSURE STATEMENT IS DATED APRIL 1, 2019.

DELIVERY OF THIS DISCLOSURE STATEMENT TO A CONTRACTING PARTY BEFORE THE EXECUTION OF A CONTRACT FOR THE PROVISION OF CONTINUING CARE IS REQUIRED BY PUBLIC LAW NO. 86-252 (AN ACT CONCERNING THE MANAGEMENT OF CONTINUING CARE FACILITIES), AS AMENDED (THE "ACT"). REGISTRATION UNDER THE ACT DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT OF THE FACILITY BY THE DEPARTMENT OF SOCIAL SERVICES OR THE STATE OF CONNECTICUT, NOR DOES IT EVIDENCE THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THE DISCLOSURE STATEMENT.

IN ADDITION, THE STATE OF CONNECTICUT REQUIRES THAT ALL CONTINUING-CARE (LIFECARE) COMMUNITIES INFORM YOU OF THE FOLLOWING:

1. A CONTINUING-CARE CONTRACT IS A FINANCIAL INVESTMENT AND THIS INVESTMENT MAY BE AT RISK;
2. THE COMMUNITY'S ABILITY TO MEET ITS CONTRACTUAL OBLIGATIONS UNDER THIS CONTRACT DEPENDS ON ITS FINANCIAL PERFORMANCE;
3. YOU SHOULD CONSULT AN ATTORNEY OR OTHER PROFESSIONAL EXPERIENCED IN MATTERS RELATING TO INVESTMENTS IN CONTINUING-CARE COMMUNITIES BEFORE SIGNING A CONTRACT FOR CONTINUING CARE; AND
4. THE DEPARTMENT OF SOCIAL SERVICES DOES NOT GUARANTEE THE SECURITY OF THIS INVESTMENT.

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ACKNOWLEDGEMENT

**Disclosure Statement of Covenant Living of Cromwell (formerly,
Covenant Village of Cromwell), a division of Covenant Living of Cromwell, Inc., formerly
Covenant Home, Inc. (hereinafter referred to as "Provider")**

NOTE: PROVIDER CHANGED ITS CORPORATE NAME, EFFECTIVE APRIL 1, 2019, FROM COVENANT HOME, INC., D/B/A COVENANT VILLAGE OF CROMWELL, TO COVENANT LIVING OF CROMWELL, INC., D/B/A COVENANT LIVING OF CROMWELL. AS SUCH, THIS DISCLOSURE STATEMENT IS BEING PROVIDED TO ACCOUNT FOR SUCH NAME CHANGE, ALONG WITH PROVIDING CERTAIN UPDATED RATE AND OTHER INFORMATION. PROVIDER IS PREPARING ITS UPDATED FINANCIAL INFORMATION AND AUDIT FOR FISCAL YEAR END JANUARY 31, 2019, AND WILL BE SUBMITTING AN UPDATED DISCLOSURE STATEMENT CONTAINING SUCH UPDATED FINANCIAL INFORMATION AND AUDIT WHEN SUCH INFORMATION IS COMPLETED AND OTHERWISE AS REQUIRED BY APPLICABLE STATUTE.

NAME AND ADDRESS OF PROVIDER

1. The name and business address of the Provider and a statement of whether the Provider is a partnership, corporation, or other legal entity:

Answer: Effective April 1, 2019, Provider changed its corporate name from Covenant Home, Inc., d/b/a Covenant Village of Cromwell, to Covenant Living of Cromwell, Inc., d/b/a Covenant Living of Cromwell. Provider's address remains 52 Missionary Road, Cromwell, CT 06416. Covenant Living of Cromwell, Inc., is a Connecticut non-stock corporation that was incorporated on March 19, 1962 as Covenant Home of the East Coast Conference, Inc. Covenant Living of Cromwell and Pilgrim Manor are unincorporated divisions of Covenant Living of Cromwell, Inc. Covenant Living of Cromwell (formerly Covenant Village of Cromwell) began its operation in 1977, and currently owns and operates the facility ("Facility") now known as Covenant Living of Cromwell, 52 Missionary Road, Cromwell, CT 06416.

OFFICERS, DIRECTORS, AND TRUSTEES

2. The names of the officers, directors, trustees or managing and general partners of the Provider, the names of persons having a five (5%) percent or greater ownership interest in the Provider, and a description of each such person's occupation with the Provider:

Answer: The corporate member of Covenant Living of Cromwell, Inc. is Covenant Living Communities and Services, f/k/a Covenant Retirement Communities, Inc., an Illinois not-for-profit corporation. Covenant Retirement Communities, Inc., formerly changed its corporate name, effective March 25, 2019, to Covenant Living Communities and Services, an Illinois not for profit corporation. The names of the officers and directors of Covenant Living of Cromwell, Inc. are as follows:

**CLCS Board of Directors
July 2018 to June 2019**

Jon P. Aagaard
Sara Bentley
Pamela Christensen
Kara Davis
Mark Eastburg
Donald Hodgkinson
Kurt Kincanon
Matthew Manlove
Robert Martin
Mary Palmer
Dale Rinard
Marlene E. Stante
Andrew Vanover

Ex Officio:

Roger Oxendale
Terri S. Cunliffe
John Wenrich
Richard Nelson

Provider Officers July 2018 to June 2019

Terri S. Cunliffe	CEO/President
Jody Holt	CFO/Treasurer/Assistant Secretary
David G. Erickson	Senior VP/General Counsel/Assistant Secretary
Rebekah Erickson	Assistant Secretary

BUSINESS EXPERIENCE

3. A description of the business of the Provider and of the manager of the Facility if the Facility will be managed on a day-to-day basis by an organization other than the Provider, in the administration of continuing-care contracts or in the administration of similar contractual arrangements:

Answer: The parent corporation of the Provider, Covenant Living Communities and Services ("CLCS"), is an Illinois not-for-profit corporation, activated in 1986 to give formal recognition to the administrative organization that operated the retirement personal care and health care facilities within the Board of Benevolence, an administrative board of the Evangelical Covenant Church (the "Church"). Covenant Ministries of Benevolence, an Illinois not for profit corporation, supervises the operations of each of the institutions of the Board of Benevolence, including Provider and various other retirement and health care institutions in various states.

The Church has been involved in caring for the sick and the elderly for over 132 years beginning with its Home of Mercy in April 1886. In addition to the facilities operated by the

national church organizations, regional conferences of the Church also sponsored facilities. These have now been transferred to the Board of Benevolence of the Church. In the early 1980's it was recognized that the retirement centers and related health care facilities had become of sufficient size to require a separate administrative organization apart from the hospitals. A separate management committee was elected and a CLCS management organization created to oversee the operations of the individual facilities.

In the early 1950's, the Church developed its first continuing care campus at Covenant Palms in Miami, Florida, with residential housing and nursing facilities sharing the same campus. Building on this experience, CLCS through acquisition, development and/or transfer of responsibility from other organizations within the Church, now operates facilities on thirteen campuses in eight states with four locations in Illinois, three locations in California, and single locations in Colorado, Connecticut, Florida, Michigan, Minnesota, and Washington. Nearly 4,500 residents are currently being cared for in the facilities.

The Facility will not be managed on a day-to-day basis by an organization other than the Provider.

JUDICIAL PROCEEDINGS

4. A description of any matter in which the provider, any of the persons described in paragraph (2) above (Section 2 of this Disclosure Statement), or the manager has been convicted of a felony or pleaded nolo contendere to a felony charge, or held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; or is subject to a currently effective injunction or remedial order of a court of record, within the past five years has 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 but not limited to actions affecting the operation of a foster care facility, nursing home, retirement home, home for the aged, or any facility subject to Section 17b-520 to 17b-535, inclusive, of the Connecticut General Statutes, or a similar statute in another state or country:

Answer: There are no applicable judicial proceedings at this time.

AFFILIATION

5. A statement as to whether or not the Provider is, or is affiliated with, a religious, charitable, non-profit, or for-profit organization; the extent of the affiliation, if any; the extent to which the affiliate organization will be responsible for the financial and contractual obligations of the Provider; and the provision of the Federal internal Revenue Code, if any, under which the Provider or affiliate is exempt from the payment of income tax:

Answer: Provider is affiliated with The Evangelical Covenant Church, an Illinois not-for-profit corporation, which is exempt from the payment of Federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. Provider is exempt from the payment of Federal income tax as a member of the group exemption that has been granted to The Evangelical Covenant Church pursuant to Section 501(c)(3) of the Internal Revenue Code. Covenant Living Communities and Services, also an Illinois not-for-profit corporation affiliated with The Evangelical Covenant Church, is the parent corporation of Provider and

administers the retirement communities and nursing homes on behalf of the Board of Benevolence of The Evangelical Covenant Church. The foregoing affiliated entities are not responsible for the financial and contractual obligations of Provider; except that Covenant Living Communities and Services is a member of the "obligated group" under certain long-term financing of which the Provider is a part, described in Note 11 of the audit attached hereto as Exhibit "B". Provider is not affiliated with any for-profit organization.

DESCRIPTION OF PROPERTY

6. The location and description of the physical properties of Provider, existing or proposed; and, if proposed, the estimated completion date or dates, whether or not construction has begun, and the contingencies subject to which construction may be deferred:

Answer: The Facility, Covenant Living of Cromwell (formerly Covenant Village of Cromwell), is located at 52 Missionary Road, Cromwell, CT 06416, and currently consists of 211 units of residential living including 169 apartment, 28 patio home and 12 cottage accommodations for the elderly. Note, the Facility removed 15 cottage units from inventory in 2018 to accommodate the planned construction project described in Exhibit E of this Disclosure Statement.

Pineview is located at 52 Missionary Road, Cromwell, CT 06416, and has 14 residential living apartments (included in the 226 stated above), 41 assisted living apartments, and 9 assisted living apartments with memory support.

Pilgrim Manor, also at 52 Missionary Road, Cromwell, CT 06416 comprises 60 chronic and convalescent home beds.

Legal description: A certain piece or parcel of land and improvements contained thereon located in the Town of Cromwell, County of Middlesex, State of Connecticut, and more particularly bounded and described as follows, to-wit:

Commencing at a point on the southerly street line of West Street, said point being the northwesterly corner of the herein described parcel and the northeasterly corner of land now or formerly of St. John's Housing Corp.;

Thence running south 63° 37' 23" east 165.89 feet along the southerly street line of West Street; Thence running south 17° 14' 50" west 101.61 feet, south 32° 14' 55" east 28.42 feet, south 07° 02' 36" west 78.00 feet along land now or formerly of Jennie Zawacki and Ann Medolago; Thence running south 63° 37' 33" east 109.47 feet along land now or formerly of Jennie Zawacki and Ann Medolago, and land now or formerly of Francis H. Grace, partly by each; Thence running south 55° 34' 51" east 200.53 feet along land now or formerly of Francis H. Grace, and land now or formerly of Kenneth L. Bobenski and Katherine A. Bobenski, partly by each; Thence running south 07° 02' 36" west 27.15 feet along land now or formerly of Nicholas J. Oslander, et al.; Thence running south 54° 38' 36" east 922.60 feet along land now or formerly of Nicholas J. Oslander, et al., land now or formerly of Ursula M. Gulliksen, land now or formerly of Judy Gugliemino Santoro, land now or formerly of Aldo Casarella and Esperanza Casarella, land now or formerly of Robert Tourville and land now or formerly of Louis S. Jasion and Shirley A. Jasion, other land now or formerly of Covenant Home, Inc., land now or formerly of James E. Valentin and Barbara L. Gross, land now or formerly of Joseph Pitruzzello and Lowrey M. Pitruzzello, land now or

formerly of Gilbert R. Anderson and Haruko S. Anderson and land now or formerly of Connecticut Light and Power Company, partly by each; Thence running south 05° 43' 34" east 223.00 feet along land now or formerly of Michael A. Garafalo and land now or formerly of Missionary, LLC, partly by each; Thence running south 76° 43' 20" west 36.30 feet along the northerly street line of Missionary Road; Thence running south 09° 11' 50" east 39.12 feet along the westerly street line of Missionary Road; Thence running 77° 17' 43" west 154.30 feet along land now or formerly of Giuseppe Spagnulo and Rosaria Spagnulo; Thence running south 08° 03' 29" east 399.00 feet along land now or formerly of Giuseppe Spagnulo and Rosaria Spagnulo, land now or formerly of John L. Ceplenski and Pauline S. Ceplenski, land now or formerly of Frank V. Carta and Carol Carta, land now or formerly of Serafino Calafiore, land now or formerly of Francesco Briganti and Giuseppa Briganti, partly by each; Thence running north 80° 03' 11" east 133.50 feet along land now or formerly of Francesco Briganti and Giuseppa Briganti; Thence running south 03° 00' 49" east 5.04 feet along the northerly street line of Catherine Street; Thence running south 80° 03' 11" west 138.30 feet along land now or formerly of Richard Przekopski and Ann Claire Przekopski and land now or formerly of George J. Asfalg and Rochelle Asfalg, partly by each; Thence running south 80° 50' 11" west 411.37 feet along land now or formerly of George J. Asfalg and Rochelle Asfalg, land now or formerly of Clayton T. Brown and Tracey T. Brown, land now or formerly of Jeffrey T. Pandolfi and Joann M. Pandolfi, land now or formerly of Thomas Savinelli and Margaret Savinelli and land now or formerly of Adrienne Runowicz, partly by each; Thence running south 08° 39' 49" east 55.73 feet along land now or formerly of Adrienne Runowicz; Thence running south 80° 49' 11" west 167.60 feet along land now or formerly of Adrienne Runowicz, land now or formerly of Maureen M. Lozinski and land now or formerly of Mary Lou Ferrara, partly by each; Thence running south 80° 52' 16" west 414.53 feet along land now or formerly of Mary Lou Ferrara, land now or formerly of Ronald J. Mercier and Patricia S. Mercier, land now or formerly of Kathleen Chimblo, land now or formerly of Justin D. Millar and Deborah C. Millar and land now or formerly of Kenneth D. Rice and Kara L. Rice, partly by each; Thence running north 08° 42' 06" west 390.80 feet, south 76° 56' 31" west 287.26 feet and north 08° 01' 03" west 494.51 feet along land now or formerly of Childrens Home of Cromwell; Thence running north 77° 22' 19" east 351.00 feet and north 00° 23' 40" east 1024.01 feet along land now or formerly of St. John's Housing Corp. to the point and place of commencement.

ADDRESS OF PROPERTY: 52 MISSIONARY ROAD, CROMWELL, CONNECTICUT 06416

Please see Exhibit "E" for a description of proposed construction projects.

BENEFITS INCLUDED

7. The goods and services provided or proposed to be provided without additional charge under the contract for continuing-care including the extent to which medical or nursing care or other health-related benefits are furnished:

Answer: Goods and services provided under continuing care contracts:

Provider's services are offered through its Standard Residency Agreement attached hereto as Exhibit "A". Provider offers variations of the Standard Residency Agreement consisting of a Refundable Residency Agreement and 50% Refundable Residency Agreement that provide for increased entrance fees and a partial refund of such entrance fees upon death or termination of the residency agreement and a 30 Day Health Care Residency Agreement that

provides for 30 "health care days" instead of the 60 "health care days" provided in the Standard Residency Agreement. Provider also offers a monthly option. Please see Sections III and IV(C) of the attached Residency Agreement and Residency Agreement Exhibit E for the general description of the goods and services provided under the various residency options.

Provisions of medical care under continuing care contracts:

The Standard Residency Agreement, Refundable Residency Agreement, and 50% Refundable Residency Agreement each provides a health care benefit of sixty (60) days of health care incurred at another campus facility with limited additional costs (subject to charges for services and supplies not normally provided for in the Residency Agreement) and a ten (10%) percent reduction toward the basic daily or monthly rate incurred at another campus facility. See Sections VI (B), and (C) of the Standard Residency Agreement, Refundable Residency Agreement, and 50% Refundable Residency Agreement.

The 30 Day Health Care Residency Agreement provides a health care benefit of thirty (30) days of health care incurred at another campus facility with limited additional costs (subject to charges for services and supplies not normally provided for in the Residency Agreement). The ten (10%) percent reduction toward the basic daily or monthly rate incurred at another campus facility offered in the Standard Residency Agreement, Refundable Residency Agreement, and 50% Refundable Residency Agreement is not applicable to the 30 Day Health Care Residency Agreement. See Sections VI (B), and (C) of the 30 Day Health Care Residency Agreement.

The Monthly Residency Agreement provides for a lifetime reserve of sixty (60) days of health care incurred at another campus facility with limited additional costs (subject to charges for services and supplies not normally provided for in the Residency Agreement). The lifetime reserve of sixty (60) days of health care incurred at another campus facility with limited additional costs shall be available on the basis of one (1) day for every month of occupancy of the residential unit, up to a lifetime total of sixty (60) days. The Monthly Residency Agreement is subject to limited availability. See Sections VI (B) and (C) of the Monthly Residency Agreement.

Goods and services made available at or by the Facility at extra charge:

See Section IV(E) of the attached Standard Residency Agreement and Residency Agreement Exhibit F attached hereto and entitled "Charges for Optional Services".

INTEREST ON DEPOSITS

8. The disposition of interest earned on entrance fees or other deposits held in escrow:

Answer: Interest earned on entrance fees, reserve funds and other deposits held in escrow is the property of Provider and not paid to the applicant/resident.

TERMINATION OF CONTRACT

9. A description of the conditions under which the continuing-care contract may be terminated, whether before or after occupancy, by the Provider or by the resident. In the

case of termination by Provider, a description of the manner and procedures by which a decision to terminate is reached by Provider, including grounds for termination, the participation of a resident's council or other group, if any, in reaching such a decision, and any grievance appeal or other similar procedures available to a resident whose contract has been terminated by Provider:

Answer: The terms and conditions relating to termination and cancellation of the Residency Agreement, and corresponding refunds of entrance fees are discussed at length and in detail in Section VII of each of the Residency Agreements. This Section of the Residency Agreement, as applicable, discusses the thirty (30) day rescission period, pre-occupancy termination rights of the residents and the Provider, refunds applicable to the ninety (90) day adjustment period and termination subsequent to the adjustment period by both the resident and Provider. Section VII of the Residency Agreement attached hereto should be reviewed in full with respect to termination of the contract for continuing-care. There is no formal appeal process available to a resident whose contract for continuing-care has been terminated by Provider.

RIGHTS OF A SURVIVING SPOUSE

10. A statement setting forth the rights of a surviving spouse who is a resident of the Facility and the effect of the continuing-care contract on the rights of a surviving spouse who is not a resident of the Facility, in the event of the death of a resident, subject to any limitations imposed upon such rights by statute, or common law principles:

Answer: A married couple is afforded the rights and privileges as individuals as set forth in the Residency Agreement. In the event of the death of one spouse, the resident surviving spouse's rights and privileges remain unchanged as set forth in the Residency Agreement. Any person not signing a residency agreement has no rights or benefits within the Residency Agreement.

MARRIAGE OF A RESIDENT

11. A statement of the effect of a resident's marriage or remarriage while in the Facility on the terms of his continuing-care contract:

Answer: See Residency Agreement Section IV(K). If the non-resident spouse does not meet the requirements for entry to the Facility, Provider reserves the right to refuse admission of the spouse to the Facility.

DISPOSITION OF PERSONAL PROPERTY

12. A statement of Provider's policy regarding disposition of a resident's personal property in the event of death, temporary or permanent transfer to a nursing facility, or termination of the contract by Provider:

Answer: See Sections V(D) and VII(K) of the Residency Agreement.

TAX CONSEQUENCES

13. PAYMENT OF AN ENTRANCE FEE OR OTHER TRANSFER OF ASSETS PURSUANT TO A CONTINUING-CARE CONTRACT MAY HAVE SIGNIFICANT TAX CONSEQUENCES. ANY PERSON CONSIDERING SUCH A PAYMENT OR TRANSFER MAY WISH TO CONSULT A QUALIFIED ADVISOR.

RESERVE FUNDING ESCROWS

14. The provisions that have been made or will be made by Provider for reserve funding and any other security to enable the provider to perform fully its obligations under continuing-care contracts, including but not limited to escrow accounts established in compliance with Sections 17b-524 and 17b-525, trusts, or reserve funds, together with the manner in which such funds will be invested and the names and experience of persons making or who will make the investment decisions:

Answer: In accordance with Connecticut General Statutes Section 17b-524 regarding entrance fee escrows, Provider maintains an entrance fee escrow, whereby each entrance fee or portion of an entrance fee received by Provider from or on behalf of a resident prior to the date the resident is permitted to occupy a unit in the Facility is placed in escrow, subject to release as provided in said escrow agreement. The balance in said entrance fee escrow fund was \$96,771.81 as of March 31, 2018, in compliance with this state regulation. The funds are held on deposit with Bank of America, N.A., 99 Founders Plaza, 5th Floor, East Hartford, CT 06108.

In accordance with Connecticut General Statutes Section 17b-525 regarding reserve fund escrows, Provider maintains an escrow account which contains a portion of all entrance fees received by Provider in an aggregate amount of up to the total of all principal and interest payments due during the next six (6) months on account of any first mortgage loan or other long term financing by the Facility, and the total cost of operations of the Facility for a one (1) month period. The balance in said fund was \$1,310,081.47, as of March 31, 2018, in compliance with this State regulation. The escrow account is currently held at Bank of America, N.A., 99 Founders Plaza, 5th Floor, East Hartford, CT 06108. The funds are invested in accordance with state requirements and CLCS policy as monitored by the Covenant Ministries of Benevolence Finance Committee.

FINANCIAL STATEMENTS

15. Provider's financial statements, including a balance sheet, income statement and statement of cash flow, associated notes or comments to those statement, audited by an independent certified public accounting firm for the two most recent fiscal years of the Provider or such shorter period of time as the Provider shall have been in existence:

Answer: The portion of the audit which pertains to Covenant Home, Inc. and has been prepared by Plante & Moran, PLLC is attached hereto as Exhibit "B". These audited financial statements have been derived from the audit of the Provider's parent company, Covenant Retirement Communities, Inc. Interim financial statements prepared by management of the Provider are also contained in Exhibit "B".

Note, Provider and CLCS, in addition to the recent name change, are undertaking a change in their fiscal year end. Currently the fiscal year end for Provider and CLSC is January 31st of each year. That fiscal year end has been changed to September 30th of each year, starting September 30, 2019. Provider will update this disclosure statement after September 30, 2019, as required under applicable law based on the new fiscal year end.

SOURCE OF FUNDS (IF FACILITY IS NOT IN OPERATION)

16. If operation of the Facility has not yet commenced, 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 ... (Sections (A)-(D)):

Answer: Operation of the Facility has commenced. See Exhibit E, however, regarding new construction Project.

PRO FORMA CASH FLOW STATEMENTS

17. Pro forma cash flow statements for the Facility for the next three fiscal years, including a summary of projections used in the assumptions for such pro forma statements, including, but not limited to, anticipated resident turnover rates, average age of residents, health care utilization rates, the number of health care facility admissions per year, days of care per year and the number of permanent transfers.

Answer: See Exhibit "C" attached hereto for such pro forma statements and related assumptions for such statements.

OCCUPANCY

18. The Facility's current rate schedules for entrance fees, monthly fees, fees for ancillary services and current occupancy rates.

Answer: See following charts and rate sheets.

Residency Type	Occupancy as of December 31, 2018
Independent Living	94.30%
Assisted Living	96.00%
Assisted Living with Memory Support	86.00%
Skilled Nursing	83.40%

Covenant Village of Cromwell
Pricing Effective 2/1/2019

Residential Living Homes - *First Person	Sq. Ft.	Standard Contract	Entry Fee for 1st Person			Monthly Fee - **First Person
			30 Day Health Care Contract	50% Refundable Contract	90% Refundable Contract	
Studio Apartments	490-500	\$83,506	\$48,506	\$116,908	\$150,311	\$2,140
1 BR Apartment	617-674	\$106,194	\$71,194	\$148,671	\$191,149	\$2,645
1 BR apartment/Den	818	\$141,497	\$106,497	\$198,096	\$254,694	\$3,078
1 BR Dix apartment	920-960	\$162,739	\$127,739	\$227,834	\$292,930	\$2,909
2 BR Apartment	857-939	\$193,341	\$158,341	\$270,677	\$348,013	\$3,144
2 BR Dix Apartment:	1020-1150	\$210,422	\$175,422	\$294,591	\$378,760	\$3,204
2 BR Dix Suite Apartment	1164	\$255,625	\$220,625	\$357,875	\$460,125	\$3,411
2BR Custom Deluxe	1329	\$293,509	\$258,509	\$410,912	\$528,316	\$3,651
1 Br Cottage	730	\$123,528	\$88,528	\$172,940	\$222,351	\$2,913
1 BR Dix Cottage	1077	\$184,513	\$149,513	\$258,318	\$332,123	\$3,304
2 BR Cottage	948	\$197,579	\$162,579	\$276,611	\$355,642	\$3,385
2 BR Dix Cottage	1328	\$276,632	\$241,632	\$387,285	\$497,938	\$3,749
Patio Home A&B	1466-1636	\$302,421	\$267,421	\$423,390	\$544,358	\$3,325
Patio Home C	1412	\$286,185	\$251,185	\$400,659	\$515,133	\$3,158
Patio Home Dix with basement	1563-1592	\$366,197	\$331,197	\$512,675	\$659,154	\$3,596
*Entry Fee for second person standard contract, 50%, 90% (add)			\$37,372			
*Entry Fee for second person 30 day Health Care Contract (add)			\$5,950 (studio/1BR) and \$5,673 (2BR/patio home)			
**Monthly Fee for second person (add)			\$886			
Monthly Fee for second person / patio home (add)			\$451			

Monthly fees on this exhibit include property taxes and the State assessment. Property taxes are billed separately and are subject to a mid-year revaluation and/or mill-rate adjustment by the Town of Cromwell. Those increases or decreases will be reflected on the monthly statement and will be retroactive to February 1st, the start of our fiscal year.

State assessment is \$2

The entrance fee for the Monthly, and Alternative Monthly Agreements is \$5,000. The monthly fee for the Monthly Residency Agreement is the standard monthly fee noted above plus a monthly fixed fee equal to 2% of the entrance fee for the Standard Residency Agreement.

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The fees for the Assisted Living and Skilled Nursing Facilities are as follows:

Assisted Living and Skilled Nursing Rates and Fees					
Effective February 1, 2019					
Pineview Assisted Living Rates	Monthly Care Fee	Monthly Service Level Fee	Monthly State Assessment	Monthly Property Taxes	Total Monthly Charges
Alcove - base fee	\$6,352		\$2	\$134	\$6,488
Service Level 2 - ancillary fee	\$6,352	\$404	\$2	\$134	\$6,892
Service Level 3 - ancillary fee	\$6,352	\$808	\$2	\$134	\$7,296
Service Level 4 - ancillary fee	\$6,352	\$1,616	\$2	\$134	\$8,104
Service Level 5 - ancillary fee	\$6,352	\$2,424	\$2	\$134	\$8,912
Alcove Deluxe - base fee	\$6,916		\$2	\$200	\$7,118
Service Level 2 - ancillary fee	\$6,916	\$404	\$2	\$200	\$7,522
Service Level 3 - ancillary fee	\$6,916	\$808	\$2	\$200	\$7,926
Service Level 4 - ancillary fee	\$6,916	\$1,616	\$2	\$200	\$8,734
Service Level 5 - ancillary fee	\$6,916	\$2,424	\$2	\$200	\$9,542
One Bedroom - base fee	\$7,411		\$2	\$262	\$7,675
Service Level 2 - ancillary fee	\$7,411	\$404	\$2	\$262	\$8,079
Service Level 3 - ancillary fee	\$7,411	\$808	\$2	\$262	\$8,483
Service Level 4 - ancillary fee	\$7,411	\$1,616	\$2	\$262	\$9,291
Service Level 5 - ancillary fee	\$7,411	\$2,424	\$2	\$262	\$10,099
Two Bedroom - base fee	\$7,830		\$2	\$388	\$8,220
Service Level 2 - ancillary fee	\$7,830	\$404	\$2	\$388	\$8,624
Service Level 3 - ancillary fee	\$7,830	\$808	\$2	\$388	\$9,028
Service Level 4 - ancillary fee	\$7,830	\$1,616	\$2	\$388	\$9,836
Service Level 5 - ancillary fee	\$7,830	\$2,424	\$2	\$388	\$10,644
Second person fee - base fee	\$3,774				\$3,774
Second person fee - Service Level 2	\$3,774	\$404			\$4,178
Second person fee - Service Level 3	\$3,774	\$808			\$4,582
Second person fee - Service Level 4	\$3,774	\$1,616			\$5,390
Second person fee - Service Level 5	\$3,774	\$2,424			\$6,198
Well Spouse Fee	\$1,234				\$1,234
Pineview Memory Support Rates	Monthly Care Fee	Monthly Service Level Fee	Monthly State Assessment	Monthly Property Taxes	Total Monthly Charges
Alcove - base fee	\$8,397		\$2	\$190	\$8,589
Service Level 2 - ancillary fee	\$8,397	\$822	\$2	\$190	\$9,411
Alcove Deluxe - base fee	\$9,080		\$2	\$206	\$9,288
Service Level 2 - ancillary fee	\$9,080	\$822	\$2	\$206	\$10,110
One Bedroom - base fee	\$9,467		\$2	\$214	\$9,683
Service Level 2 - ancillary fee	\$9,467	\$822	\$2	\$214	\$10,505
Pilgrim Manor Care Center Fees	Daily Room Charge	Daily Property Tax	Total Daily Charges		
Private	\$636	\$1.22	\$637.22		
Semi-Private	\$544	\$0.80	\$544.80		
*Additional clinical services may be provided for residents in assisted living. Costs for those services are listed on the "optional services" price sheet.					
*The optional services rate sheet for Pilgrim Manor Care Center is available from the health care administrator or the nursing office. The optional services rate sheet for Pineview assisted living is available from the Pineview receptionist or health care administrator.					
*Property taxes are billed separately and are subject to a mid-year revaluation and/or mil-rate adjustment by the town of Cromwell. Those increases or decreases will be reflected on the monthly statement and will be retroactive to February 1st, the start of our fiscal year.					

Please see Exhibit "D" attached hereto for a list of ancillary/optional services and the current rates relating to such services.

ENTRANCE FEES/PERIODIC CHARGES

19. A description of all entrance fees and periodic charges, if any, required of residents, and a record of past increases in such fees and charges during the previous five (5) years:

Answer: The basic fees charged by Provider comprise a one-time entrance fee and a monthly service fee (also referred to as a periodic charge) which covers the use of the apartment of choice for the entire period of residence and the monthly operational costs such as meals, housekeeping, utilities, linens and towels, health monitoring, etc. The entrance fee and the monthly fee vary, depending upon the residency type; the location, size and type of unit; and whether a second person occupies the unit. The fees for the various residency options are summarized in the tables below. In addition, residents are responsible for health care costs as described above in Section 7 of this Disclosure Statement based on the residency option selected, and for the charges associated with the various optional services used by such residents from time to time as described in Section IV(E) of the Residency Agreements entitled "Charges for Optional Services" and Exhibit F of such Residency Agreements. An additional charge is made every month to a resident for his pro rata share of the Facility's real estate taxes, special assessments, and expenses and fees incurred in connection thereto, as more specifically set forth in Section IV(I) of the Residency Agreement.

The entrance fees are paid by residents as follows: (i) \$1,350 is paid at the time of application; \$3,650 is paid when the application is accepted by Provider; and (iii) the balance of the entrance fee, if any, is paid on or before occupancy. Realizing that liquidating assets may require time, Provider is open to reasonable requests to vary the above schedule of payments, in its sole discretion, subject to interest charges **All rates subject to change.**

Under the Refundable Residency Agreement, 90% of the entrance fee less certain deductions, as provided in the Residency Agreement, is refundable to the resident or resident's estate upon death or termination of the Residency Agreement. Similarly, under the 50% Refundable Residency Agreement, 50% of the entrance fee less certain deductions, as provided in the 50% Residency Agreement, is refundable to the resident or resident's estate upon death or termination of the Residency Agreement. See Sections VI (B), (C), and VII of the Refundable Residency Agreement and the 50% Refundable Residency Agreement.

The monthly service fee due under the Residency Agreements may be adjusted from time to time by the Provider in accordance with Section IV of the Residency. A summary of the increases of such monthly service fees and entrances fees for the past five (5) years are shown in the following schedules of entrance fees and monthly fees:

[See Schedules on Following Page]

Schedule of Entrance Fees - Standard Residency Agreement

Year	Apartment			Cottage			2nd Person Entrance Fee
2014	\$71,400	to	\$265,800	\$106,600	to	\$250,600	\$32,600
2015	\$72,800	to	\$271,116	\$108,800	to	\$256,600	\$32,600
2016	\$74,900	to	\$276,600	\$111,000	to	\$226,000	\$33,250
2017	\$75,785	to	\$279,365	\$112,110	to	\$263,305	\$33,915
2018*	\$77,680	to	\$286,350	\$114,910	to	\$192,760	\$34,765

* **Note:** The maximum entrance fee stated for cottages for 2018 is reduced from \$269,885 as a result of Provider removing 15 cottage units from service in anticipation of Provider's construction of additional residential units and Town Center as described in this Disclosure Statement.

Schedule of Monthly Fees - Standard Residency Agreement

Year	Apartment			Cottage			2nd Person Monthly Fee		
2014	\$ 1,782	to	\$ 2,858	\$ 2,437	to	\$ 3,143	\$ 375	to	\$ 736
2015	\$ 1,852	to	\$ 3,116	\$ 2,532	to	\$ 3,265	\$ 390	to	\$ 736
2016	\$ 1,923	to	\$ 3,377	\$ 2,621	to	\$ 3,376	\$ 405	to	\$ 795
2017	\$ 1,980	to	\$ 3,381	\$ 2,697	to	\$ 3,472	\$ 417	to	\$ 819
2018	\$ 2,042	to	\$ 3,397	\$ 2,782	to	\$ 3,583	\$ 430	to	\$ 844

**DEPARTMENT OF SOCIAL SERVICES - FILINGS
ELDERLY SERVICES DIVISION**

20. A statement that all materials required to be filed with the department are on file, a brief description of such materials, and the address of the department at which such materials may be reviewed:

Answer: Covenant Village of Cromwell submitted a Disclosure Statement for the year ending December 31, 1986 to the Department of Social Services prior to the promulgation of regulations. As of May 9, 1988, an updated Disclosure Statement for Covenant Village of Cromwell was accepted for filing by the Department of Social Services. The required financial and actuarial data has been filed for the fiscal years ending January 1987 through January 2018.

These materials may be reviewed at:

State of Connecticut
Department of Social Services
25 Sigourney St.
Hartford, CT 06106
Phone: (860) 424-5103

EXHIBIT "A"
TO DISCLOSURE STATEMENT
OF COVENANT LIVING OF CROMWELL

RESIDENCY AGREEMENT

STANDARD RESIDENCY AGREEMENT
COVENANT LIVING OF CROMWELL
Cromwell, Connecticut

This Residency Agreement (the "Agreement") is between COVENANT LIVING OF CROMWELL, INC., a Connecticut non-stock corporation, authorized to do business in Connecticut as COVENANT LIVING OF CROMWELL, Cromwell, Connecticut (referred to in this Agreement as "Corporation"), and _____ (referred to in this Agreement as "Resident"). "Resident" shall be considered plural in the event that two individuals are named as Residents in this Agreement.

THE CORPORATION is wholly owned by COVENANT LIVING COMMUNITIES AND SERVICES, which is managed and governed by the BOARD OF BENEVOLENCE OF THE EVANGELICAL COVENANT CHURCH (The Evangelical Covenant Church is referred to in this Agreement as "Church"); and

THE CORPORATION owns and operates COVENANT LIVING OF CROMWELL, a continuing care retirement community (referred to in this Agreement as "Community") located at 52 Missionary Road, Cromwell, Connecticut 06416 (referred to in this Agreement as "Property"); and

RESIDENT desires to enter into an agreement with the Corporation in order to become a resident at the Community and to occupy one of the residential units at the Community.

THEREFORE, in consideration of the terms of this Agreement, the Corporation and Resident agree as follows:

I. **STATEMENT OF PURPOSE:**

The Corporation has been established by the Church to provide a Christian continuing care retirement community. Residency at the Community is open, as space permits, regardless of race, color, national origin or gender, to people who respect The Evangelical Covenant Church's Christian principles. The Corporation will operate in the spirit of Christian principles as stated in the Bible and believed and practiced in The Evangelical Covenant Church. Residency normally does not begin before the age of 62. **The Church, its Board of Benevolence, and Covenant Ministries of Benevolence shall not be and are not financially responsible in any manner for the obligations of the Corporation under this Agreement.**

II. **APPLICATION PROCESS AND DISCLOSURES:**

II. A. **Incorporation of Resident's Application:**

Resident certifies to the Corporation that all of the information contained in Resident's application for residency, including the financial information, is complete and accurate. A copy of Resident's application is either incorporated by reference or attached to this Agreement as Exhibit A. The Corporation has relied on all of the information contained in Resident's application in accepting Resident and in its execution of this Agreement. Any misrepresentation or omission on the part of Resident shall render this Agreement null and void at the option of the Corporation. Resident agrees to notify the Corporation of any material change in Resident's physical, financial or mental condition prior to residency.

II. B. **Acknowledgement of Receipt of Financial Disclosure Statements:**

Resident acknowledges receipt of the financial disclosure statement required by state law on or before the date of this Agreement. Upon request, Resident shall be provided with the Corporation's subsequent financial disclosure statements and, if applicable, the name, address and telephone number of the escrow agent for the Entrance Fee escrow account.

III. **DESIGNATION OF RESIDENTIAL UNIT:**

The Corporation agrees to provide, for the exclusive use of Resident, subject to the terms of this Agreement and the general rules and regulations governing residents, the following designated initial residential unit: _____, known as a _____ type (referred to in this Agreement as "Residential Unit"). The date that Monthly Service Fees begin for use of the Residential Unit is referred to in this Agreement as the "Date of Occupancy." Except for circumstances beyond the control of the Corporation, the Date of Occupancy of the Residential Unit is _____, 20_____.

The Corporation's obligation to provide care and services according to this Agreement, shall not become effective until the day Resident occupies the Residential Unit. The Entrance Fees are due, and the Monthly Service Fees and other charges begin as of the Date of Occupancy or as agreed upon in writing.

Resident's right to occupy the Residential Unit or such other unit to which Resident is transferred according to this Agreement, shall continue throughout the lifetime of Resident unless terminated in the manner provided in this Agreement. This Agreement is not a lease and does not transfer any property interest to Resident.

Resident's rights as set forth in this Agreement apply exclusively to Resident and do not extend to any other individuals. This Agreement and the right to reside at the Community are not assignable by act of Resident or by law. In addition, no person other than Resident may occupy the Residential Unit, except with the express written approval of the Community's Executive Director.

IV. **RESIDENT'S FINANCIAL OBLIGATIONS:**

IV. A. **Entrance Fee:**

Resident agrees to pay an Entrance Fee in the sum of _____ Dollars (\$) (referred to in this Agreement as "Entrance Fee") and an additional sum of _____ Dollars (\$) for a second Resident, (referred to in this Agreement as the "Second Person Entrance Fee") if applicable, as follows:

IV. A. 1. In the event the Residential Unit is not a newly constructed unit:

IV. A. 1. (a) Application deposit of \$1,350.00. This application deposit includes a \$350.00 filing fee which is non-refundable after the Rescission Period as defined in Subsection A of Section VII of this Residency Agreement; and

IV. A. 1. (b) An additional sum of \$3,650.00 at the time of reservation of the Residential Unit.

IV. A. 1. (c) The balance in the amount of _____ Dollars (\$) at the Date of Occupancy or as agreed upon in writing.

- IV. A. 2. In the event that the Residential Unit is a newly constructed unit, Resident shall pay the fees according to the terms of the Escrow Agreement and Reservation Agreement as required by state statutes, copies of which are incorporated by reference as Exhibit D.

The Entrance Fee paid by Resident is deemed to be the sole property of the Corporation, and the right of refund upon termination or death of Resident is limited only to the express provisions contained in Section VII of this Agreement and shall not be subject to the claims of creditors of Resident. However the Corporation can make partial refunds of the Entrance Fee to Resident at the Corporation's sole discretion at any time.

IV. B. **Monthly Service Fees:**

Resident also agrees to pay, on a timely basis, a monthly fee (referred to in this Agreement as "Monthly Service Fee"). The Monthly Service Fee covers the cost of the basic care and services provided to Resident by the Corporation.

The Monthly Service Fee for single occupancy of the Residential Unit is initially established at _____ Dollars (\$) per month. In the event that a second Resident is named in this Agreement, the additional Monthly Service Fee to cover the second person's basic care and services is initially established at _____ Dollars (\$) per month. These charges will be adjusted from time to time as provided for in this Agreement.

Monthly Service Fees and any other charges will be billed in advance to Resident on or before the first day of each month (for the month to follow) and shall be paid by Resident on or before the 10th day of each month. Resident agrees to pay interest to the Corporation at the current rate as established periodically by the Corporation on all Monthly Service Fees and any other fees received by the Corporation after the 10th day of the month. Except as provided in Subsection H of Section IV, occupancy and use of the accommodations by Resident are contingent upon the regular payment of these fees.

It is understood that when Resident is away from the Community for an extended period of time no credit to the Monthly Service Fee including second person Monthly Service Fee will be allowed for the time away except as expressly granted under policies established by the Corporation. Monthly Service Fees shall be considered as payment for services rendered, and shall not be refunded.

IV. C. **Care and Services Included in Monthly Service Fees:**

The care and services as described in Exhibit E are included in the Monthly Service Fee.

IV. D. **Furnishings, Other Care and Service Providers, Housekeeping and Maintenance, and Redecorating:**

IV. D. 1. **Furnishings:**

The Corporation will provide fixtures and appliances for the Residential Unit including the following: kitchen appliances (refrigerator-freezer, range with oven and hood, and garbage disposal), wall-to-wall carpeting, and window treatments. Laundry

facilities for personal items are also located on the campus. Furniture and other furnishings within the Residential Unit will not be provided by the Corporation.

Resident agrees that furniture and furnishings provided by Resident will not interfere with the health, safety, peaceful habitation and general welfare of other residents. The Corporation reserves the right to monitor and, if necessary, to require changes in the furnishings, carpeting, appliances, etc., in the living accommodations consistent with the health or safety of Resident or the health, safety and general welfare of other residents of the Community.

IV. D. 2. **Other Care and Service Providers:**

No services may be provided to Resident at the Community by another care provider unless such provider has previously registered with the Corporation and provided proof of appropriate licensure and insurance coverage. Registration with the Corporation is not to be construed in any way as an endorsement of the provider by the Corporation. The selection of such provider is in Resident's discretion and at Resident's expense.

IV. D. 3. **Housekeeping, Repairs, Maintenance and Replacements:**

Except as provided in Exhibit E, Resident shall perform all usual light housekeeping tasks necessary to keep the Residential Unit in a clean, sanitary and orderly condition. In the event Resident fails to keep the Residential Unit in such condition, the Corporation shall have the right, but not the obligation, to perform, at Resident's expense, all work necessary to do so.

The Corporation shall maintain the building and grounds of the Community on a regular basis. Necessary repairs, maintenance and replacement of property or equipment owned by the Corporation shall be performed and provided by the Corporation. Resident is responsible for repair, maintenance and replacement expenses of Resident's property.

IV. D. 4. **Redecorating:**

The Corporation will redecorate the Residential Unit from time to time as may be, in its sole discretion, necessary to maintain the quality standards of the residential units. Any redecoration or modification of the Residential Unit by Resident shall be at Resident's expense and requires the prior written approval and supervision of the Corporation.

IV. E. **Charges for Optional Services:**

Services and items not specifically set forth in Exhibit E of this Agreement as included in the Monthly Service Fee are optional services (referred to as "Optional Services") and are an additional charge to Resident. A list of the currently offered Optional Services and fees is attached as Exhibit F. However, the Corporation does not guarantee that the Optional Services shall be available throughout the entire term of this Agreement. Resident shall pay for Optional Services as billed on or before the 10th day of each month.

IV. F. **Adjustments in Monthly Service Fees and Included Services:**

The Corporation may increase or decrease the Monthly Service Fee and the fees for any or all of the Optional Services, or modify the care and services included in the Monthly Service Fee or available Optional Services from time to time upon thirty (30) days advance notice of any change, except for changes required by State or Federal assistance programs. Any such adjustment(s) shall be based upon the Corporation's projected costs, prior year per capita costs and economic indicators, as determined by the Corporation in its sole discretion, which costs and indicators may include, without limitation, all costs of providing services and amenities, administrative costs and fees, employee expenses, marketing costs, insurance (including, without limitation, property, casualty and liability insurance), costs of maintenance, repair, replacement, improvement and acquisition of capital items (including furniture, fixtures and equipment), operating and capital reserves, bond reserve requirements, working capital, related organization fees, changes in various economic indicators, actuarial requirements, State and Federal regulations, and changes in contract services or other costs deemed to be in the best interest of the Community.

IV. G. **Joint and Severable Liability:**

In the event that more than one Resident executed this Agreement, each Resident agrees that they are jointly and severally liable for all payments hereunder.

IV. H. **Inability to Pay Monthly Charges:**

Failure to pay the Monthly Service Fee or any other charges described in this Agreement may be cause for termination of this Agreement. However, if the sole reason for Resident's inability to pay, is insufficient funds and if such lack of funds was not caused by Resident's, Resident's agent's (under power of attorney, joint tenancy account or as co-signer on an account) or Resident's trustee's willful or negligent action (such as Resident's, Resident's agent's or Resident's trustee's gifting of assets to others without regard to Resident's financial responsibility under this Agreement) the Corporation will review the situation with Resident. If the facts, in the Corporation's opinion, justify special financial consideration, the Corporation, to the extent public assistance of any sort is unavailable, will partially or wholly subsidize or defer Resident's monthly charges provided that such subsidy or deferral can be granted or continued without jeopardizing the ability of the Corporation to operate on a sound financial basis for the benefit of all residents. Any such subsidies or deferrals will be accrued and will continue to be an obligation of Resident and his or her estate, together with interest as stated in this Agreement.

In the event Resident's finances are not sufficient to pay the Monthly Service Fee or other monthly charges, Resident hereby agrees to make every effort to meet these costs and to take the necessary steps to obtain Social Security, Supplemental Income, Medicaid or other available benefits from any source. The Corporation, at the expense of Resident is granted the right to initiate necessary proceedings on Resident's behalf to obtain all sources of income. The Corporation shall not be obligated to furnish subsidies which are available from any kind of public assistance and subsidies furnished by the Corporation will be limited to the cost of care not covered by public assistance. Resident shall spend down any refund of the Entrance Fee prior to receiving a deferral of fees or applying for Medicaid benefits.

Resident certifies that Resident has not made any gifts, sales or other disposition of real or personal property or changed beneficiaries under any insurance policies during the past 5 years which has affected his or her ability to meet his or her financial responsibility to the

Corporation, and Resident agrees not to do so pending his or her admission and during his or her residency at the Community. Resident shall not add parties as joint owners or as co-signers to any accounts, execute any durable powers of attorney, or transfer property to any trustee, without providing notice to the Corporation. The Corporation shall have the right to require any agent in custody of Resident's funds to certify in writing that the agent will preserve Resident's financial ability to pay all of Resident's responsibilities under this Agreement.

If a resident receiving assistance shall acquire property and sources of income which were not taken into account at the time of the application, it shall be the obligation of Resident to disclose the same to the Corporation, and the Corporation shall have the right in its discretion, to make such adjustments to the monthly charges, or any other charges described in this Agreement, as may be appropriate in the circumstances.

IV. I. **Real Estate Taxes:**

An additional charge shall be made every month to Resident for Resident's prorata share of the real estate taxes, if any, levied against the Community. Resident's prorata share is based upon the Residential Unit and Resident's share of the common areas of the Community. The monthly charge shall vary from year to year based upon an estimate of the next year's real estate tax bill.

When the final real estate tax bill is received, the Corporation will recalculate Resident's share of the taxes. If Resident's actual share exceeds the amount paid by Resident towards the taxes, Resident shall pay the remaining balance to the Corporation within 10 days of written notice by the Corporation. If Resident's actual share of taxes is less than the amount paid by Resident, the Corporation will issue a credit to Resident.

In addition, Resident shall be obligated to pay a prorata share of any special assessments and a prorata share of all appraisal fees, legal fees and other fees incurred with regard to the real estate taxes or special assessments. Any real estate tax refunds or benefit received because of any special tax exemptions shall be credited directly to any Resident qualifying for the exemption.

IV. J. **Voluntary Change of Accommodations to Another Residential Unit:**

In general, movement of residents between residential units is not encouraged. However, certain circumstances may create a need for such a move. If Resident requests a transfer to another residential unit, the Corporation will attempt to comply with such request so long as a suitable requested residential unit is available, and such move will be made in accordance with established corporate policy including a transfer fee to Resident.

IV. K. **Marriage:**

If Resident marries another, changes to health care benefits, Monthly Service Fees and additional fees upon transfer to another residential unit shall be according to established corporate policy.

IV. K. 1. If a Resident marries another resident, any changes in the residential units and Monthly Service Fees will be made according to established corporate policy.

IV. K. 2. If a Resident marries a non-resident and they wish to live at the Community, the non-resident must complete an application and must fully qualify under

all regular requirements for entrance to the Community. A new residency agreement shall be signed by the new resident, and an entrance fee for the non-resident spouse shall be required equal to the lesser of (i) 50% of the then current first-person entrance fee for the residential unit to be occupied and residency agreement option selected or (ii) the then current entrance fee for a studio residence for the residency agreement option selected at the Community.

IV. L. **Separation of Joint Residents:**

IV. L. 1. **Separate Living Accommodations:**

If each Resident desires separate residential units and one Resident remains in the Residential Unit, no refund of the Entrance Fee is given and a new Residency Agreement must be submitted for the Corporation's approval accompanied by the current entrance fee for the second residential unit. The single person Monthly Service Fee for each of the residential units is charged to the respective Residents.

IV. L. 2. **Termination of Residency by One Resident:**

If one Resident desires to terminate residency and move from the Community, the remaining Resident retains full rights as a Resident. The second person Monthly Service Fee shall be discontinued. The refund provisions as set forth in Section VII are followed.

IV. L. 3. **Termination of Residency by Both Residents:**

If both Residents desire to terminate the Residency Agreement following the separation or divorce, the refund provisions as set forth in Section VII of the Residency Agreement are followed.

V. **RESIDENT'S OTHER OBLIGATIONS:**

V. A. **Power of Attorney, Guardianship:**

Resident shall within sixty (60) days of this Agreement execute or provide copies of durable powers of attorney for general/financial and health care purposes. The Corporation should be provided with copies of such powers of attorney and any amendments thereto. In the event Resident is unable to properly handle his or her affairs and there is no power of attorney or the person designated is unable or unwilling to act, the Corporation is empowered to have a guardian or conservator appointed at Resident's expense.

V. B. **Cost of Physicians, Medicine, Etc.:**

Resident, while living at any of the Corporation's facilities, is responsible for all personal medical expenses including but not limited to the cost of physicians, medicines, prescription drugs, medical supplies, vitamins, food supplements, crutches, braces, walkers, wheelchairs, special duty nursing, private rooms including private rooms at the Other Campus Facilities, special diets that require special purchasing or preparation, hospitalization, care and treatment of eyes, ears and teeth, therapies, and any and all other personal medical expenses. Resident shall go to the physician of his or her choice and at his or her expense. In an emergency, the Corporation is authorized to seek assistance on Resident's behalf if Resident's physician cannot be reached. The Corporation will also assist Resident in arranging

transportation for medical needs, but payment for such transportation will be the responsibility of Resident.

V. C. **Health Insurance:**

Medicare may cover a portion of Resident's medical needs. Each Resident must be enrolled in both parts (A and B) of the Medicare program and have a supplemental health insurance policy (or an equivalent health insurance plan) acceptable to the Corporation. If Resident is ineligible for Medicare, Resident must have adequate health insurance. Resident must make the premium payments required to keep these policies in force. It is agreed that any responsibility of the Corporation under this Agreement to furnish the cost of medical care shall be deferred during periods and to the extent such cost is covered by insurance, Medicare, any other government agencies, or other programs then available. Resident agrees to prepare claim forms and to take required actions to receive all health insurance benefits available to Resident.

V. D. **Testamentary Disposition of Resident's Property:**

Resident shall within sixty (60) days of the date of this Agreement, make provisions for testamentary disposition by will, trust agreement or otherwise, of all furniture, possessions, and property located at the Corporation if not done already.

V. E. **Guests:**

Guests are welcome at the Community. Extended guest stays must be approved in advance and additional charges will be made. Resident agrees to notify the Community when Resident will have overnight guests in the Residential Unit. The Corporation shall have the right to regulate guest visits. Subletting of the Residential Unit is not permitted.

V. F. **Structural and Physical Changes to Residential Unit:**

Resident shall not make any alterations, additions or improvements to the interior or exterior of the Residential Unit without first obtaining the written consent of the Corporation, and any such repairs shall be at Resident's sole expense.

V. G. **Community Guidelines:**

The Community is a place for people to live in peace, contentment, cooperative good will, and Christian neighborliness. Resident and Corporation agree to strive conscientiously to promote these objectives. Activities that infringe on the rights and comfort of others are prohibited. Smoking is not permitted in common areas or other areas where the safety, health and personal consideration of others is affected as determined by the Corporation in its sole discretion.

V. H. **Resident's Handbook:**

The Corporation will provide a Resident's Handbook, acquainting Resident with the Community guidelines. The Corporation may change the Resident's Handbook from time to time. Resident agrees to abide by the terms of the Resident's Handbook in effect from time to time. In the event that any provision of this Agreement conflicts with the Resident's Handbook in effect from time to time, the terms of this Agreement shall and do control.

V. I. **Right of Entry:**

Resident hereby authorizes the Corporation, through the Corporation's duly authorized employees, to enter Resident's Residential Unit upon reasonable notice as required by law and without notice in case of an emergency for management, repair or emergency purposes, including without limitation (1) observation of the condition of the Residential Unit; (2) observation of the physical and/or mental condition of Resident; (3) alteration or addition to the Residential Unit; (4) compliance with applicable laws, ordinances and/or statutes; (5) protection of the premises; or (6) for any other lawful purposes.

V. J. **Updates to Resident's Financial Statements:**

Resident agrees to provide complete updates to Resident's Financial Status included in Resident Application for Residency, including without limitation updating Resident's personal financial statements listing all of Resident's assets and obligations, in the form required by the Corporation upon the earlier of: (i) a material change in Resident's personal financial condition, or (ii) at such additional times as requested by the Corporation.

VI. **OTHER FACILITIES:**

VI. A. **Other Campus Facilities:**

There are two other facilities located on the Corporation's campus: PINEVIEW and PILGRIM MANOR (collectively referred to in this Agreement as "Other Campus Facilities" or individually as "Other Campus Facility").

PINEVIEW is an assisted living facility, with assisted living services provided by a licensed Assisted Living Services Agency, for residents who require additional assistance in activities of daily living.

PILGRIM MANOR an infirmary which has as its purpose the care of residents who require skilled nursing care.

VI. B. **Cost of Care at Other Campus Facilities:**

VI. B. 1. As a Resident of the Community, access to additional levels of care will be provided by the Corporation. All applicable health care benefits under this Residency Agreement apply only to the Other Campus Facilities. The fees for care at the Other Campus Facilities are separate from and in addition to the Monthly Service Fees, except as provided in this Section.

VI. B. 2. Upon transfer to one of the Other Campus Facilities, each individual named in this agreement as Resident is entitled to a lifetime reserve of sixty (60) "health care days." During the use of such "health care days," Resident shall be responsible for the cost of services and supplies which are an additional charge beyond the basic room fee at the assisted living facility or semi-private room fee at the skilled nursing care facility. The Community's policy is to apply the "health care days" to Resident's first use of one of the Other Campus Facilities unless Resident directs otherwise in writing. Unused "health care days" are cancelled on termination of this Agreement.

During the time the "health care days" are being used (including any time "health care days" are used after Resident has vacated the Residential Unit), Resident

will continue to pay the then applicable Monthly Service Fee for the Residential Unit to the Corporation. If the Residential Unit is occupied by two Residents, and if one or both Residents are using the "health care days," Residents will continue to pay the then applicable first and second person Monthly Service Fees for the Residential unit.

- VI. B. 3. Once Resident has used all of Resident's "health care days," Resident will be provided a 10% discount off the basic room fee at the Community's assisted living facility or a 10% discount off the semi-private room fee at the Community's skilled nursing facility. Resident specifically acknowledges and agrees that the 10% discount only applies to the basic room fee and semi-private room fee as described above, and does not apply to additional services required by Resident, including but not limited to additional service levels, packages, supplies and medications provided to Resident at the Community's assisted living facilities or skilled nursing facility.

Resident shall continue to pay the full Monthly Service Fee for the Residential Unit if there is a second Resident named in this Agreement remaining in the Residential Unit or until the Residential Unit is vacated and released to the Community for use by another resident.

VI. C. **Cost of Care at Off-Campus Facilities:**

In the event of a transfer from the Community to an off-campus facility, Resident shall be responsible for the total cost of moving to the off-campus facility and the total cost of all care at such other off-campus facility. However, in the event the transfer is made solely because space is unavailable at the Other Campus Facilities, Resident will be reimbursed to the extent that the Corporation would have paid such expense had Resident been cared for on the Corporation's campus. In addition, until Resident's Residential Unit is vacated and released for use by another resident, Resident shall continue to pay the Monthly Service Fees applicable to the Residential Unit.

VI. D. **Decision Process for Move From Residential Unit:**

Resident recognizes and agrees that at some future time it may be in Resident's best interests, or may be required by law due to Resident's physical or mental condition, to be transferred to another residential unit, to one of the Other Campus Facilities or to a care facility or hospital which is not on the campus. Such decisions shall be made in the best interests of Resident by the Corporation after consultation with Resident, Resident's family, and Resident's physician in accordance with the Corporation's Resident Assessment Policies and in accordance with applicable law. In the event that such a decision is made, Resident agrees to relocate as decided.

Circumstances in which it shall be considered to be in the best interests of Resident to be transferred include but are not limited to:

- VI. D. 1. The determination that Resident's remaining at the Residential Unit, Other Campus Facility or at the Community would be harmful to either Resident or other residents at the Community;
- VI. D. 2. The determination that Resident is no longer able to function at the Residential Unit in an independent manner;

VI. D. 3. The determination that Resident requires additional assistance in activities of daily living or nursing care; or that Resident is unable to remain ambulatory. The term "ambulatory" is used to describe a person who is capable of demonstrating the mental competence and physical ability to leave a building without assistance or supervision in case of emergency; or

VI. D. 4. The determination that applicable law, including but not limited to all State statutes and regulations, prevents Resident from continuing to occupy a specific Residential Unit or any residential unit.

VI. E. **Resident's Responsibility For all Moving Expenses:**

In the event of any move to another facility or residential unit according to this Section, Resident shall be responsible for any and all relocation expenses other than routine painting, carpeting and draperies of a residential unit. If Corporation personnel are used by Resident to move to the new facility or residential unit, Resident shall be charged at the hourly rate for additional maintenance services as set forth in the then current Schedule of Optional Services.

VI. F. **Disputes Regarding Transfer:**

In the event Resident's attending physician and Resident, if competent, or if not competent, Resident's representative, disagree with the Corporation's determination regarding Resident's relocation, such disagreement shall be submitted to the Corporation for reconsideration and resolution. The decision of the Corporation shall be final and binding.

VI. G. **Additional Health Care Agreements:**

Resident agrees to execute such health care agreements with the other facility provider as may reasonably be required by the other facility provider so long as the cost of care at the other facility is consistent with the terms of this Agreement.

VII. **TERMINATION OF AGREEMENT:**

VII. A. **Rescission Period:**

Resident or Corporation may unilaterally rescind this Agreement without penalty or forfeiture, with or without cause, by notifying the other party in writing by registered or certified mail during the Rescission Period. The Rescission Period (referred to in this Agreement as "Rescission Period") shall be a thirty (30) day period of time beginning with the first full calendar day after the date when this Agreement has been executed by both Resident and the Corporation.

Resident shall not be required to move into the Facility before the expiration of the Rescission Period. During this Rescission Period, Resident's deposit shall be retained in an escrow account under terms approved by the State.

In the event that such rescission is made, all monies paid by Resident to the Corporation with regard to this Agreement shall be refunded to Resident less (a) those costs specifically incurred by the Corporation at the request of Resident and described in this Agreement or in any addendum hereto signed by Resident; and (b) a service charge of \$350.00.

VII. B. **Termination Before Date of Occupancy:**

VII. B. 1. Resident may terminate this Agreement after the Rescission Period at any time prior to the Date of Occupancy by providing written notice of termination to the Corporation.

VII. B. 2. If, after the Rescission Period, a Resident dies before the Date of Occupancy, or on account of illness, injury or incapacity is precluded from initially occupying the Residential Unit under the terms of this Agreement this Agreement shall terminate upon written notice to the Corporation.

VII. B. 3. The Corporation shall have the right to terminate this Agreement after the Rescission Period at any time prior to the Date of Occupancy for good and sufficient cause. Good and sufficient cause would include but is not limited to a change in the financial or health status of Resident, or either Resident if this is a two-party Agreement, prior to Resident's occupying the Residential Unit.

VII. B. 4. In the event of a termination according to this Subsection B of Section VII, the Corporation will refund to Resident or Resident's legal representative all money or property transferred to the Corporation, less (a) those costs specifically incurred by the Corporation at the request of Resident and described in this Agreement or in any addendum hereto to this Agreement signed by Resident; and (b) the filing fee of \$350.00. However, in the event termination of this Agreement is made by the Corporation according to this Subsection B of Section VII, the Corporation will also refund the \$350.00 filing fee.

VII. C. **Adjustment Period:**

The first ninety (90) day period of residency beginning as of the Date of Occupancy, shall be considered an adjustment period (referred to in this Agreement as "Adjustment Period"). At any time during this period either Resident or the Corporation may terminate this Agreement by giving two weeks prior written notice to the other party. If termination is initiated by either Resident or Corporation the refund of Resident's entrance fee is determined according to Subsection D-3 of this Section VII.

VII. D. **Termination After Adjustment Period:**

VII. D. 1. **Termination by Resident:**

Resident may terminate this Agreement at any time after the Adjustment Period by providing ninety (90) days written notice to the Corporation and, if requested by the Corporation, certification by a physician approved by the Corporation that Resident is in reasonably good health. The Agreement shall not terminate until the end of the ninety (90) day period or at such earlier date as agreed to by the parties. Until such termination date, Resident shall continue to pay all fees required under this Agreement. Upon termination, the refund of the Entrance Fee, if any, is determined according to Subsection D-3 of Section VII.

VII. D. 2. **Termination by Corporation:**

The Corporation may terminate this Agreement at any time after the Adjustment Period for good and sufficient cause with ninety (90) days written notice.

Good and sufficient cause shall include, but is not limited to, any misrepresentations or omissions in Resident's application, failure of Resident to comply with the terms of this Agreement, and Resident's incompatibility with the lifestyle of the community. The Agreement shall not terminate until the end of the ninety (90) day period or at such earlier date as agreed to by the parties. Until such termination date, Resident shall continue to pay all fees required under this Agreement. Upon termination, the refund of the Entrance Fee, if any, is determined according to Subsection D-3 of Section VII.

VII. D. 3. **Calculation of Refund of Entrance Fee:**

The amount of the refund of the Entrance Fee to Resident in the event of termination under Subsection C or D of Section VII shall be Resident's Entrance Fee paid (including the Second Person Entrance Fee if there are two Residents and both have terminated the Agreement and there has been no prior refund of the Second Person Entrance Fee), less the following amounts: (a) the \$350.00 filing fee; (b) 2% of the Entrance Fee for each full or partial month beginning with the Date of Occupancy through the effective date of termination of this Agreement; and (c) any other accrued financial obligations of Resident under this Agreement.

In the event two individuals are named as Resident in this Agreement and only one Resident terminates this agreement according to Subsection C or D of Section VII, there shall be a refund in the amount of the Second Person Entrance Fee paid less the following amounts: (a) 2% of the Second Person Entrance Fee for each full or partial month beginning with the Date of Occupancy through the effective date of termination of this Agreement; and (b) any other accrued financial obligations of Resident under this Agreement.

VII. D. 4. **No Termination During Stay at Health Care Facility:**

When in the best interest of Resident, this Agreement may not be terminated by Resident while any Resident, or the surviving Resident, is a patient in a health care facility operated or arranged for according to this Agreement by the Corporation, except by reasonable mutual agreement of all parties to this Agreement. This Agreement may not be terminated by the Corporation while Resident, or the surviving Resident, is a patient in a health care facility operated or arranged for pursuant to this Agreement by the Corporation, except for good and sufficient cause or by mutual agreement of all parties to this Agreement.

VII. E. **Death of Resident After Occupancy:**

In the event of the death of Resident, this Agreement shall with respect to such deceased Resident terminate, but it shall continue in full force and effect with respect to any surviving Resident named in this Agreement. A partial refund of the Entrance Fee paid by such Resident, if any, is determined as follows:

In the event of death where there is no surviving Resident, there shall be a refund in the amount of the Entrance Fee paid less the following amounts: (a) the \$350.00 filing fee; (b) 2% of the Entrance Fee for each full or partial month beginning with the Date of Occupancy through the effective date of termination of this Agreement; and (c) any other accrued financial obligations of Resident under this Agreement.

In the event of death of one Resident, where there is a surviving Resident, there shall be a refund in the amount of the Second Person Entrance Fee paid less the following amounts: (a) the \$350.00 filing fee; (b) 2% of the Second Person Entrance Fee for each full or partial month beginning with the Date of Occupancy through the effective date of termination of this Agreement; and (c) any other accrued financial obligations of Resident under this Agreement. There shall be no further refunds of the Second Person Entrance Fee in the event the Agreement is later terminated.

VII. F. **Refund Procedures:**

VII. F. 1. **Notices of Termination:**

The Corporation will honor notices of termination signed by all of the persons signing this Agreement as Resident, or by the last survivor of them. Notices signed by a guardian, or an attorney in fact under a durable general power of attorney shall also be accepted. No other persons shall have the right to terminate this Agreement on behalf of Resident. All notices required by this Agreement shall be delivered to the Corporation at the office of the Administrator and to Resident at his or her Residential Unit. Notices required by this Agreement shall be effective when delivered in person at the office of the Administrator or when deposited in the mail properly addressed and with postage prepaid.

VII. F. 2. **Time of Payment of Refund:**

Except as otherwise stated in this Agreement, in the event of termination of this Agreement or death of Resident, the applicable refund of the Entrance Fee shall be paid to Resident by the earlier of the following to occur, (a) one hundred twenty (120) days of Resident's vacating of and release of the Residential Unit to the Corporation; or (b) upon the re-occupancy of the Residential Unit by another resident.

VII. F. 3. **Apportionment:**

The Corporation shall have no responsibility for apportionment between signers of this Agreement if both persons signing as Resident are still alive.

VII. F. 4. **Payment of Refund:**

All refunds shall be made directly to Resident or Resident's estate. A refund to more than one signer of this Agreement shall be made by a single check payable to both signers or the survivor of them.

VII. G. **Termination Upon Transfer to an Off-Campus Facility:**

In the event that Resident is transferred to an off-campus health care facility, sheltered care facility, or hospital and it is determined by the Corporation that the kind and/or level of care required by Resident exceeds what the Corporation is able to provide on campus, and there is no reasonable prospect that Resident will return to the Corporation, and if Resident was the sole occupant of the Residential Unit, Resident shall have the right on 60 days written notice to declare this Agreement terminated. Any refund to Resident will be determined in accordance with Subsection D-3 of Section VII above, provided that the Residential Unit has been vacated and released for use by another resident.

VII. H. **Release of Residential Unit Upon Transfer:**

Following transfer to one of the Other Campus Facilities, or to another health care facility or hospital, and if Resident is the sole occupant of the Residential Unit, Resident's Residential Unit shall be released to the Corporation so that it may be made available to another resident when it is determined by the Corporation that it is unlikely for Resident to return to the Residential Unit. The Corporation may then enter into an agreement with another resident to reoccupy the Residential Unit. Resident grants to the Corporation the right to remove Resident's personal property from the Residential Unit and to store the same at Resident's sole expense.

VII. I. **Return to Residential Unit After Transfer:**

In the event that a Resident is transferred from his or her Residential Unit to one of the Other Campus Facilities or to an off-campus health care facility or hospital and Resident is subsequently able to return to a residential unit, then Resident shall be allowed to return to a residential unit at the Community. The approval of the Corporation and of Resident's personal physician is required prior to such return. Resident shall return at such time as there is a suitable and comparable residential unit at the Community available for Resident and provided that this Agreement has not been terminated. Upon such return the applicable and prevailing monthly service fees of the Corporation shall apply.

VII. J. **Burial Plans:**

The Corporation does not provide any burial or funeral benefits or services. Resident has or agrees to arrange for and take care of all such plans and costs.

VII. K. **Vacating of Premises:**

Upon the termination of this Agreement or upon permanent transfer to another residential unit, Resident or Resident's representative shall within thirty (30) days vacate Resident's Residential Unit. Monthly Service Fees will be continued until the unit has been vacated.

Upon permanent transfer of Resident to an Other Campus Facility or another facility, Resident shall vacate and release the Residential Unit to the Corporation. In the event there is no other individual named in this Agreement as Resident remaining in the Residential Unit, Resident shall vacate and release the Residential Unit within thirty (30) days of the decision of permanent transfer. Resident shall vacate the Residential Unit within said thirty (30) day period even if Resident has not used the full number of Resident's "health care days" as provided for in Section VI(B) of this Agreement. Monthly Service Fees will continue until the Residential Unit has been vacated and the "health care days" have been fully utilized.

Resident waives any notice to quit to which he is entitled by law of summary of process. In the event Resident's property is not removed within the thirty (30) day period as set forth above, the Corporation shall remove and store Resident's property at Resident's expense or at the expense of Resident's estate. Vacating of a unit in an Other Campus Facility by Resident shall be done in accordance with the care agreement and policies of such Other Campus Facility.

VIII. **MISCELLANEOUS PROVISIONS:**

VIII. A. **Subordination:**

Resident acknowledges and agrees that Resident's rights hereunder are at all times subordinate and junior to the lien of any mortgage or other document creating a lien encumbering the Property now or hereafter executed by the Corporation and/or the fee owner of the Property. Resident agrees to execute, acknowledge and deliver, in a timely manner, a separate subordination agreement or such other written evidence of subordination as may be required by the Corporation to establish such mortgage or other document as a prior and superior lien against the Property.

VIII. B. **Liability:**

VIII. B. 1. **Uncontrollable Interruption of Services:**

No breach of the Corporation's obligations under the Residency Agreement and no liability for injury to Resident or Resident's property shall result from an interruption of, or failure to provide, contracted services due to an act of God or other cause beyond the reasonable control of the Corporation, specifically including strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquakes, inclement weather or acts of Resident. The Corporation will make every effort to provide the usual services in such event.

VIII. B. 2. **Personal Injury:**

The Corporation shall not be liable for damages to Resident or Resident's heirs, executors or administrators for any personal injuries which Resident may sustain unless such injuries are the direct result of negligence on the part of the Corporation or its employees or agents.

VIII. B. 3. **Resident's Property:**

The Corporation shall not be responsible for the loss of or any damage to any furniture, furnishings or other property belonging to Resident resulting from theft, water, fire or any other cause. Resident acknowledges that the Corporation's insurance does not cover Resident's property. Resident acknowledges and agrees that it is Resident's responsibility to secure and maintain such insurance protection for Resident's property as Resident deems necessary or appropriate. Resident and the Community mutually waive their rights of subrogation against each other in the event of casualty loss or damage to property owned by the Community or Resident.

VIII. B. 4. **Third Party Liability:**

In case of injury to Resident caused as a result of the fault, negligence, or carelessness of a third party or parties, the Corporation shall have a lien on any judgment or recovery for all expenses incurred by the Corporation by reason of such injuries and shall have authority to take all reasonable steps necessary to enforce the payment of such expenses by those responsible for such injuries. Additionally, this right shall extend to recovery of expenses from any accident or medical insurance policies which Resident may carry up to the full amount of cost incurred, regardless of how or by whom the accident may have been caused, and is not limited to third party claims.

VIII. B. 5. **Resident Liability:**

Resident agrees to fully indemnify and reimburse the Corporation for any loss or damage beyond normal wear and tear sustained by the Corporation as a result of willful acts, carelessness or negligence of Resident.

VIII. C. **Reserves:**

The Corporation has a policy of maintaining reserve funds applicable to the financial security of the Corporation as required by its financing agreements and reserves the right to create and administer reserve funds in excess of those specifically dedicated to individual projects for the mutual benefit of all projects or institutions.

VIII. D. **Forbearance by Corporation Not a Waiver:**

Any forbearance by the Corporation in exercising any right or remedy set forth in this Agreement or otherwise granted to the Corporation shall not be a waiver of or preclude the exercise of that or any other right or remedy.

VIII. E. **Changes Required by Law:**

The Corporation shall have the right to make such changes to this Agreement as become appropriate or necessary to meet the requirements of law or the regulations of any governmental authorities or agencies. In addition, the Corporation shall have the right to make any alterations or changes to Resident's living unit as become appropriate or necessary.

VIII. F. **Invalidity of Provisions:**

In the event that any of the provisions of this Agreement are held to be invalid, unenforceable, or in conflict with any Federal, State, or local law or regulation which is now in effect or which may be enacted in the future, such invalidity, unenforceability or conflict shall not in any way impair or affect any of the remaining portions of this Agreement, but such remaining portions shall remain in full force and effect.

VIII. G. **Governing State Law:**

This Agreement will be interpreted according to the laws of the State of Connecticut.

VIII. H. **Complete Agreement:**

Resident and the Corporation acknowledge and agree that this Agreement, along with all documents which have been specifically incorporated by reference, contains the full and complete understanding of the parties and there are no representations, promises or other oral agreements between the parties to this Agreement. The Corporation shall not be liable for any statements, representations or promises made by any person representing or purporting to represent the Corporation unless such statement, representations or promises are set forth in this Agreement. This Agreement may only be amended by a written instrument dated and signed by all the parties to this Agreement.

VIII. I. **Other Residency Agreement Options:**

The Community may currently offer other residency agreement options. Resident has selected this residency agreement option knowing other options are available. Resident does not have the right to convert to other residency agreement options after signing this Agreement. The Community may currently or in the future offer different residency agreement options and fee arrangements to other residents without making these options available to Resident.

VIII. J. **Statement of Growth:**

In order to improve and enhance the campus, the Corporation may make changes and improvements to the buildings and grounds to maintain the Community's standards and to meet the changing needs of the residents. In order to achieve this goal, the Corporation may in the future make changes to the campus including expansion and new construction, replacement and renovation of buildings, changes to the landscaping and grounds and other modifications. These changes may affect Resident's Residential Unit including changes to views, access to parking or accessibility. Resident agrees to relocate to another similar residential unit in the event the Corporation's renovation plans ever include the replacement or renovation of the Residential Unit. In the event relocation is required, the Corporation will provide advance notice to Resident and will work with Resident to provide a similar residential unit for relocation. The Corporation will undertake reasonable efforts to minimize any inconvenience to Resident during any renovation or construction.

VIII. K. **Binding Nature of Agreement:**

This Agreement shall be binding on the heirs, executors, administrators, successors, or assignees of the parties to this Agreement.

VIII. L. **Authorized Agent Signature:**

This Agreement has been executed on behalf of the Corporation by its duly authorized agent, and no officer, director, agent or employee of the Corporation shall have any personal liability hereunder to Resident under any circumstances.

VIII. M. **Effective Date:**

This Agreement shall be effective upon the later to occur of: (a) the date of execution of the Agreement by the Corporation; and (b) the date of execution of the Agreement by Resident.

(The balance of this page is intentionally left blank.)

IN WITNESS WHEREOF, this Agreement has been signed in duplicate, one originally signed copy being retained by Resident.

COVENANT LIVING OF CROMWELL,
INC., a Connecticut non-stock corporation,
doing business as COVENANT LIVING OF
CROMWELL

By: _____
for Corporation ()

Date: _____

Resident ()

Date: _____

Resident ()

Date: _____

Exhibits to Residency Agreement

Exhibit A Applicant's Application for Residency and Financial Status.

Exhibit B Schedule of Payment of Fees Before Occupancy, Escrow Agreement and Reservation Agreement, If Applicable.

Exhibit E Care and Services Included in Monthly Service Fee.

Exhibit F Optional Services List.

Exhibit G Special Requirements of Resident Installed in Residential Unit. This Exhibit Has Been Separately Executed by Resident and Corporation.

***** Note: Exhibit C and Exhibit D have been intentionally omitted from this Agreement***

EXHIBIT A
COVENANT LIVING OF CROMWELL
APPLICATION

EXHIBIT B
COVENANT LIVING OF CROMWELL
Schedule of Payment of Fees Prior to Occupancy

Residential Unit Number:

Entrance Fee \$ _____

Second Person Entrance Fee \$ _____

Discounts: (delete field if N/A)

Total Entrance Fee \$ _____
(Same as entrance fee recorded in section IV A.)

PAYMENT SCHEDULE

DATE OF PAYMENT

Application Deposit \$ 1,000 _____

Filing Fee \$ 350 _____

Priority Choice \$ _____ _____

Reservation Deposit \$ 3,650 _____

Construction Deposit \$ _____ _____

Subtotal of payments \$ _____

Upgrades \$ _____

Balance Due \$ _____ _____

PROMISSORY NOTE (subject to limited availability)

Date Initiated _____

Amount Owed \$ _____

Due Date _____

Resident Name

Date

Resident Name

Date

EXHIBIT E
COVENANT LIVING OF CROMWELL
Care and Services Included in Monthly Service Fees

The care and services as described in this Exhibit E are included in the Monthly Service Fee. The Corporation will from time to time modify the care and services included in the Monthly Service Fee and appropriately adjust the Monthly Service Fee according to the changing needs of all residents. Modifications of the care and services described in this Exhibit E will be made according to the terms of the Residency Agreement.

1. **Meals:** The Corporation offers various meal plans at the Community as described in the Community's policies and procedures. The specific meal plan selected by Resident will affect the amount of the Monthly Service Fee paid by Resident. Resident may change the meal plan chosen by Resident from time to time, subject, however to the rules and procedures implemented from time to time by the Corporation relating to the selection of the meal plan. Any change in the selected meal plan may increase or decrease the Monthly Service Fee. Regardless of the selected meal plan, additional meals are available for an additional charge. Meals will be served in the campus dining venues designated by the Corporation, subject to exceptions that may be made.
2. **Utilities:** The Corporation provides water, electricity, heating, air conditioning, and refuse disposal for the Residential Unit. Resident shall be responsible for all telephone expenses.
3. **Social, Recreational, Cultural and Religious Activities:** The Corporation provides an activity program including regularly scheduled and planned social, recreational, cultural and religious activities. There may be an additional charge for certain activities such as off campus activities.
4. **Parking:** Limited Free outdoor parking for residents, as well as residents' guests, is available on the campus according to the Corporation's policies. A limited number of covered parking areas/garages are also available as space permits at additional cost to Resident.
5. **Health Care:** Limited health services are available on campus during scheduled business hours. A Licensed Nurse is on staff and is available for consultation, health monitoring (e.g. blood pressure and weight checks and clinical observation) and visiting the individual residential units when residents are ill on a temporary basis. There may be an additional charge for some of these services.
6. **Housekeeping:** The Corporation shall provide bi-weekly housekeeping service for the residential units (except for residents of the Patio Homes which receive monthly housekeeping service). The Corporation will periodically furnish such heavier housecleaning services, such as cleaning of carpets and draperies, as in its discretion are deemed to be necessary, and will clean corridors and common areas on a regular basis. The Corporation shall also provide fresh towels, sheets and pillowcases on a weekly basis (except for residents of the Patio Homes).
7. **Miscellaneous:** The Corporation may provide, as part of the Monthly Service Fees, such other care and services as it deems appropriate.

EXHIBIT F
COVENANT LIVING OF CROMWELL
OPTIONAL SERVICES

The following services are optional services and are provided to Resident at an additional charge to Resident:

EXHIBIT G
COVENANT LIVING OF CROMWELL
SPECIAL REQUIREMENTS OF RESIDENT

Special Requirements of Resident to be installed in a residential unit.

The undersigned agree that the following special requirements shall be installed by the corporation for Resident at Resident's sole cost and expense:

The cost of installation is \$_____ which shall be due and payable on or before _____.

Signature of Resident ()

Signature of Resident ()

Date: _____

**** Note: All costs and fees paid for the installation of special requirements are non-refundable to Resident.**

EXHIBIT "B"
TO DISCLOSURE STATEMENT
OF COVENANT LIVING OF CROMWELL

AUDITED FINANCIAL STATEMENTS
(derived from audited financial statement of
COVENANT LIVING COMMUNITIES AND SERVICES, f/k/a COVENANT
RETIREMENT COMMUNITIES, INC.)

NOTE: The audit for Provider's fiscal year ended January 31, 2019, is currently in process, and will be filed in conjunction with Provider's annual updated Disclosure Statement as in prior years.

**EXHIBIT "C"
TO DISCLOSURE STATEMENT
OF COVENANT LIVING OF CROMWELL**

3 YEAR PRO FORMA CASH FLOW STATEMENTS, INCLUDING SUMMARY OF PROJECTIONS USED IN THE PRO FORMA STATEMENTS. (NOTE: THE CALCULATIONS FOR THE PRO FORMA CASH FLOW STATEMENTS ARE NOT BASED ON THE AVERAGE AGE OF RESIDENTS OR THE ANTICIPATED NUMBER OF PERMANENT TRANSFERS AND DO NOT INCLUDE ANY PROJECTED RESULTS RELATING TO THE CONSTRUCTION PROJECT(S) DESCRIBED IN EXHIBIT E. SEE EXHIBIT E FOR PROJECTED OPERATING STATEMENTS THAT INCLUDE PROJECTED INFORMATION RELATING TO SUCH CONSTRUCTION PROJECT(S) AND THE RELATED FINANCING OF THE SAME)

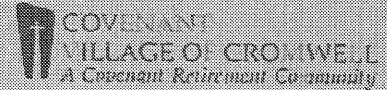
NOTE: Provider's financial information and projections are currently being updated. Such updated financial information and projections will be filed in conjunction with Provider's annual updated Disclosure Statement as in prior years.

EXHIBIT "D"
TO DISCLOSURE STATEMENT
OF COVENANT LIVING OF CROMWELL

LIST OF ANCILLARY/OPTIONAL SERVICES AND THE CURRENT RATES
RELATING TO SUCH SERVICES.

RESIDENTIAL ANCILLARY SERVICES

Convenience and service are two of the elements that distinguish the Covenant Retirement Community lifestyle from other retirement living options. We supplement our core services with a selection of a la carte services that enhance your experience at our community. You'll find a sample below, but many others are available. Please check with the appropriate department for the price of unlisted services and other details.



BEAUTY & BARBER

Color rinse.....	\$ 6.00
Foil.....	\$ 78.00
Haircut, men.....	\$ 19.00
Beard trim.....	\$ 8.00
Haircut, women.....	\$ 24.00
Hair treatment.....	\$ 11.00
Highlights, lowlights (cap).....	\$ 72.00
Manicure full.....	\$ 19.00
Mini-Pedicure.....	\$ 34.00
Nail trimming & polish.....	\$ 17.00
Pedicure.....	\$ 44.00
Permanent.....	\$ 83.00
Permanent color.....	\$ 40.00
Re-comb.....	\$ 8.00
Shampoo only.....	\$ 8.00
Shampoo & style.....	\$ 23.00
Shampoo cut & set.....	\$ 47.00
Waxing (per area).....	\$ 11.00



BUSINESS

Clerical Service.....	\$11 per 15 min
Fax, send or receive.....	\$ 2.00/page
Financial facilitator.....	\$11.00 per 15 min.
Financial facilitator-CTC Participant.....	no charge
Photocopy-Black and White.....	\$ 0.18 each
Photocopy-Color.....	\$ 0.75 each
Photocopy-legal size.....	Add \$ 0.10
Postage and additional mail service.....	\$ at cost
Return Check Fee.....	\$ 25 each
Finance charges.....	9% annual on late payments



DINING

Guest meals for adults and children in the dining room will be priced according to the menu. All holiday and special events meals for adults and children will be priced according to the menu and staffing needs.

All non-medical delivered trays.....\$7.00
Take out meals have an add'l surcharge of \$2.50



FITNESS

Programs & Supplies-See Recreation Coordinator for detailed charges.



GUEST ROOMS

Guest rooms 1-3 (three person limit).....	\$ 88 /night
Cot with linens.....	\$ 26 /night



HOUSEKEEPING

Housekeeping (30 min minimum).....	\$ 33 /hour
Carpet Cleaning.....	\$ 60 /hour



LAUNDRY

Wash, dry & fold.....	\$ 16 /load
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MAINTENANCE

Replacement key.....	\$ 20 each
Key FOB replacement.....	\$ 20 each
Replacement Pendants.....	\$ 180 each
Maintenance Services* (30 min minimum).....	\$ 45 /hour
Cable TV.....	\$31/month

*A signed proposal by residents must be in place for all professional services/repairs that require state/local licensed technicians. Proposals will be issued to residents for projects related to apartment refurb and services will be charged accordingly.

IT Services

Hourly Fee.....	\$ 56 /hour
Billed in 15 minute intervals; 30 minute minimum for in home service	
Basic Wifi.....	Free
Silver Wifi.....	\$15 / Month
Gold Wifi.....	\$25 / Month
See campus administration for details on plans	



TRANSPORTATION

Pricing available at the Commons Desk



PARKING

Garage.....	\$ 73 /month
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HEALTH OFFICE

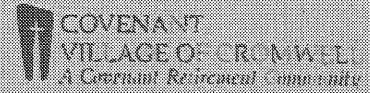
Monday-Friday, 8 a.m. to 4 p.m.

Consultative nursing services, informational material, suggestions on accessing health/homecare services, and assistance with navigating the continuum of care are complimentary during business hours.

SAIDO Programing.....	\$ 200 /month
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ASSISTED LIVING CHARGES & SERVICES

Convenience and service are two of the elements that distinguish the Covenant Retirement Community lifestyle from other retirement living options. We supplement our core services with a selection of a la carte services that enhance your experience at our community. You'll find a sample below, but many others are available. Please check with the appropriate department for the price of unlisted services and other details.



BEAUTY & BARBER



Color rinse.....	\$ 6.00
Foil.....	\$ 78.00
Haircut, men.....	\$ 19.00
Beard trim.....	\$ 8.00
Haircut, women.....	\$ 24.00
Hair treatment.....	\$ 11.00
Highlights, lowlights (cap).....	\$ 72.00
Manicure full.....	\$ 19.00
Mini-Pedicure.....	\$ 34.00
Nail trimming & polish.....	\$ 17.00
Pedicure.....	\$ 44.00
Permanent.....	\$ 83.00
Permanent color.....	\$ 40.00
Re-comb.....	\$ 8.00
Shampoo only.....	\$ 8.00
Shampoo & style.....	\$ 23.00
Shampoo cut & set.....	\$ 47.00
Waxing (per area).....	\$ 11.00

BUSINESS



Clerical Service.....	\$11 per 15 min
Fax, send or receive.....	\$ 2.00/page
Financial facilitator.....	\$11.00 per 15 min.
Financial facilitator-CTC Participant.....	no charge
Photocopy-Black and White.....	\$ 0.18 each
Photocopy-Color.....	\$ 0.75 each
Photocopy-legal size.....	Add \$ 0.10
Postage and additional mail service.....	\$ at cost
Return Check Fee.....	\$ 25 each
Finance charges.....	.9% annual on late payments

GUEST ROOMS



Through Commons Reception Desk... 860-635-2690	
Guest rooms 1-3 (three person limit).....	\$ 88 /night
Cot with linens.....	\$ 26 /night

TRANSPORTATION



Pricing available at Pineview Desk

HOME HEALTH

Saido Programming.....	\$ 200 /month
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DINING



Guest meal - Breakfast.....	\$ 6.50 /meal
Guest meal - Lunch (noon).....	\$ 13.00 /meal
Guest meal - Dinner.....	\$ 10.00 /meal
All holiday and special events meals for adults and children will be priced according to the menu and staffing needs.	
All non medical delivered trays.....	\$ 7.00

FITNESS



Programs & Supplies - See recreation coordinator for detailed charges.

HOUSEKEEPING



Housekeeping (30 min minimum).....	\$ 33 /hour
Carpet Cleaning.....	\$ 60 /hour

LAUNDRY



Wash, dry & fold.....	\$ 16.00 /load
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MAINTENANCE



Replacement key.....	\$ 20 each
Key FOB replacement.....	\$ 20 each
Replacement Pendants.....	\$ 180 each
Maintenance Services* (30 min minimum) ..	\$ 45 /hour
Cable TV.....	\$ 31 /month
Telephone-Basic Rate.....	\$ 16 /month
<i>*A signed proposal by residents must be in place for all professional services/repairs that require state/local licensed technicians. Proposals will be issued to residents for projects related to apartment refurb and services will be charged accordingly.</i>	

IT Services

Hourly Fee.....	\$56/hour
Billed in 15 minute intervals; 30 minute minimum for in home service	
Basic Wifi.....	Free
Silver Wifi.....	\$15 / Month
Gold Wifi.....	\$25 / Month
See campus administration for details on plans	

MEDICAL & PERSONAL SUPPLIES

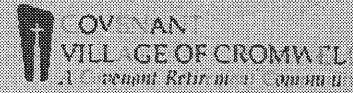


Nutritional supplements.....	ask for price list
Wheelchair cleaning.....	\$25/month

There are many personal and medical supplies available. Please ask nursing for more information.

ASSISTED LIVING MEMORY SUPPORT A LA CARTE SERVICES

Convenience and service are two of the elements that distinguish the Covenant Retirement Community lifestyle from other retirement living options. We supplement our core services with a selection of a la carte services that enhance your experience at our community. You'll find a sample below, but many others are available. Please check with the appropriate department for the price of unlisted services and other details.



BEAUTY & BARBER



Color rinse.....	\$ 6.00
Foil.....	\$ 78.00
Haircut, men.....	\$ 19.00
Beard trim.....	\$ 8.00
Haircut, women.....	\$ 24.00
Hair treatment.....	\$ 11.00
Highlights, lowlights (cap).....	\$ 72.00
Manicure full.....	\$ 19.00
Mini-Pedicure.....	\$ 34.00
Nail trimming & polish.....	\$ 17.00
Pedicure.....	\$ 44.00
Permanent.....	\$ 83.00
Permanent color.....	\$ 40.00
Re-comb.....	\$ 8.00
Shampoo only.....	\$ 8.00
Shampoo & style.....	\$ 23.00
Shampoo cut & set.....	\$ 47.00
Waxing (per area).....	\$ 11.00

BUSINESS



Clerical Service.....	\$11 per 15 min
Fax, send or receive.....	\$ 2.00/page
Financial facilitator.....	\$11.00 per 15 min.
Financial facilitator-CTC Participant.....	no charge
Photocopy-Black and White.....	\$ 0.18 each
Photocopy-Color.....	\$ 0.75 each
Photocopy-legal size.....	Add \$ 0.10
Postage and additional mail service.....	\$ at cost
Return Check Fee.....	\$ 25 each
Finance charges.....	.9% annual on late payments

GUEST ROOMS



Through Commons Reception Desk... 860-635-2690	
Guest rooms 1-3 (three person limit).....	\$ 88 /night
Cot with linens.....	\$ 26 /night

TRANSPORTATION



Pricing available at Pineview Desk

DINING



Guest meal – Breakfast.....	\$ 6.50 /meal
Guest meal – Lunch (noon).....	\$ 13.00 /meal
Guest meal – Dinner.....	\$ 10.00 /meal
All holiday and special events meals for adults and children will be priced according to the menu and staffing needs.	
All non medical delivered trays.....	\$ 7.00



FITNESS

Programs & Supplies - See recreation coordinator for detailed charges.



HOUSEKEEPING

Housekeeping (30 min minimum).....	\$ 33 /hour
Carpet Cleaning.....	\$ 60 /hour



LAUNDRY

Wash, dry & fold.....	\$ 16.00 /load
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MAINTENANCE



Replacement key.....	\$ 20 each
Key FOB replacement.....	\$ 20 each
Replacement Pendants.....	\$ 180 each
Maintenance Services* (30 min minimum) ..	\$ 45 /hour
Cable TV.....	\$ 31 /month
Telephone-Basic Rate.....	\$ 16 /month
*A signed proposal by residents must be in place for all professional services/repairs that require state/local licensed technicians. Proposals will be issued to residents for projects related to apartment refurb and services will be charged accordingly.	

IT Services

Hourly Fee.....	\$56/hour
Billed in 15 minute intervals; 30 minute minimum for in home service	
Basic Wifi.....	Free
Silver Wifi.....	\$15 / Month
Gold Wifi.....	\$25 / Month
See campus administration for details on plans	



MEDICAL & PERSONAL SUPPLIES

Nutritional supplements.....	ask for price list
Wheelchair cleaning.....	\$25/month

There are many personal and medical supplies available. Please ask nursing for more information.

Exhibit F effective 2-1-19

ASSISTED LIVING CHARGES & SERVICES

Convenience and service are two of the elements that distinguish the Covenant Retirement Community lifestyle from other retirement living options. We supplement our core services with a selection of optional and ancillary services that enhance your experience at our community. You'll find a sample below, but many others are available. Please check with the appropriate department for prices of unlisted services and other details.



SERVICE LEVEL PRICING

Service Level 2	\$404.00 / Month
Service Level 3	\$808.00 / Month
Service Level 4	\$1,616.00 / Month
Service Level 5	\$2,424.00 / Month

Service Level prices above are incremental to Service Level 1.



PACKAGES

Packages below can be purchased with the possibility of a lower Service Level, as determined by the LifeConnect Profile, to provide an economical option to the resident.

Bathing Assistance Package	\$202.00 / Month
Continence Management Package	\$808.00 / Month
Dressing/Grooming/Hygiene Package	\$393.00 / Month
Eating Assistance Package	\$242.00 / Month
Escort On Campus Package	\$827.00 / Month
Extra Housekeeping Service Package	\$269.00 / Month
Linen Changes Package	\$496.00 / Month
Medication Delivery Package - Unlicensed	\$196.00 / Month
Oxygen Assistance Service Package - Unlicensed	\$269.00 / Month
Status Check Package	\$548.00 / Month
Transfer Assistance Package	\$539.00 / Month

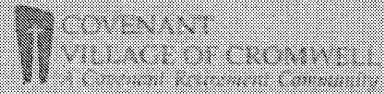


ADDITIONAL SERVICES

Blood Glucose Check by Nurse	\$11.00 / Each
Blood Glucose Monitoring Package - Nurse	\$1,027.00 / Month
Consultative Nursing Service	\$23.00 / Each
Emotional Support Package	\$685.00 / Month
Escort Off Campus	\$54.00 / Hour
Eye drops 1	\$5.00 / Each
Eye drops 2	\$16.00 / Each
Eye drops 3	\$27.00 / Each
Injection	\$11.00 / Each
Medication Administration Service - Nurse	\$822.00 / Month
Medication Re-Order	\$6.00 / Each
Medication Set-Up	\$23.00 / Each
Oxygen Assistance Service - Nurse	\$685.00 / Month
Patch Placement	\$11.00 / Each
Personal Shopping Service	\$54.00 / Hour
Wound Care	\$18.00 / Each

ASSISTED LIVING MEMORY SUPPORT CHARGES & SERVICES

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SERVICE LEVEL PRICING

Service Level 2 \$822.00 / Month

Service Level prices above are incremental to Service Level 1.



PACKAGES

Packages below can be purchased with the possibility of a lower Service Level, as determined by the LifeConnect Profile, to provide an economical option to the resident.

Continence Management Package \$822.00 / Month

Dressing/Grooming/Hygiene Package \$400.00 / Month

Escort On Campus Package \$841.00 / Month

Oxygen Assistance Service Package - Unlicensed \$274.00 / Month



ADDITIONAL SERVICES

Blood Glucose Check by Nurse \$11.00 / Each

Blood Glucose Monitoring Package - Nurse \$1,044.00 / Month

Consultative Nursing Service \$23.00 / Each

Escort Off Campus \$54.00 / Hour

Injection \$11.00 / Each

Oxygen Assistance Service - Nurse \$696.00 / Month

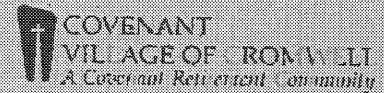
Personal Shopping Service \$54.00 / Hour

Wound Care \$18.00 / Each

EXHIBIT F EFFECTIVE 2019-02-01

SKILLED NURSING CHARGES & SERVICES

Convenience and service are two of the elements that distinguish the Covenant Retirement Community lifestyle from other retirement living options. We supplement our core services with a selection of a la carte services that enhance your experience at our community. You'll find a sample below, but many others are available. Please check with the appropriate department for the price of unlisted services and other details.



BEAUTY & BARBER

Color rinse.....	\$ 6.00
Foil.....	\$ 78.00
Haircut, men.....	\$ 19.00
Beard trim.....	\$ 8.00
Haircut, women.....	\$ 24.00
Hair treatment.....	\$ 11.00
Highlights, lowlights (cap).....	\$ 72.00
Manicure full.....	\$ 19.00
Mini-Pedicure.....	\$ 34.00
Nail trimming & polish.....	\$ 17.00
Pedicure.....	\$ 44.00
Permanent.....	\$ 83.00
Permanent color.....	\$ 40.00
Re-comb.....	\$ 8.00
Shampoo only.....	\$ 8.00
Shampoo & style.....	\$ 23.00
Shampoo cut & set.....	\$ 47.00
Waxing (per area).....	\$ 11.00



BUSINESS

Clerical Service.....	\$11 per 15 min
Fax, send or receive.....	\$ 2.00/page
Financial facilitator.....	\$11.00 per 15 min.
Financial facilitator-CTC Participant.....	no charge
Photocopy-Black and White.....	\$ 0.18 each
Photocopy-Color.....	\$ 0.75 each
Photocopy-legal size.....	Add \$ 0.10
Postage and additional mail service.....	\$ at cost
Return Check Fee.....	\$ 25 each
Finance charges.....	9% annual on late payments



DINING

Guest meal - Breakfast.....	\$6.50 / meal
Guest meal - Lunch (noon).....	\$13.00 / meal
Guest meal - Dinner.....	\$10.00 / meal

All holiday and special events meals for adults and children will be priced according to the menu and staffing needs.



GUEST ROOMS

Through Commons Reception Desk...860-635-2690	
Guest rooms 1-3 (three person limit).....	\$88 / night
Cot with linens.....	\$26 / night



IT Services

Hourly Fee.....	\$56 / hour
<i>Billed in 15 minute intervals; 30 minute minimum for in home service.</i>	
Basic Wifi.....	Free
Silver Wifi.....	\$15 / Month
Gold Wifi.....	\$25 / Month
<i>See campus administration for details on plans</i>	



MEDICAL & PERSONAL SUPPLIES

Oxygen Concentrator Rental.....	\$225.00 / month
Incontinence Supplies...(please request current pricing)	

There are many personal and medical supplies available. Please ask for more information.

SUPPORT SERVICES

SAIDO Programming.....	\$200.00 / month
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MAINTENANCE SERVICES

Non-Routine Maintenance.....	inquire for pricing
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TRANSPORTATION

Pricing available at Pineview Desk.	
Transportation Chaperone.....	\$54.00 / hour



DAILY RATES

Private Room.....	\$636.00 / day
Semi-Private Room.....	\$544.00 / day

EXHIBIT "E"
TO DISCLOSURE STATEMENT
OF COVENANT LIVING OF CROMWELL

DESCRIPTION OF PROPOSED CONSTRUCTION PROJECTS

The Corporation is commencing preparation for the expansion of the Community with the additions of approximately 54 new independent living residential units and a new town center building to contain various amenities (the "Project"). Construction of this Project will require the elimination of approximately fifteen (15) existing cottage units. These cottage units have already been removed by Provider from the available unit inventory offered for occupancy, with such removal being reflected in the information provided in the Disclosure Statement. Other specific information relating to this new Project is as follows, and Provider will update this Disclosure Statement in accordance with applicable statutes as additional information is available and such update is necessary:

Project Description: Construction of approximately 110,000 additional square feet of new space at the Covenant Village of Cromwell campus in Cromwell, Connecticut, consisting of 54 new Independent Living Units (totaling approximately 76,000 square feet), and a town center that will include new dining venues, an arts studio, a wellness center and other common spaces (totaling approximately 34,000 square feet). Master Plan approval from the township of Cromwell has been received for the project. Early start construction date is currently scheduled for February 2019, with substantial completion currently scheduled for November 2020. The Project will be constructed on land already owned by the Provider, and as such Provider does not anticipate acquiring additional land for the Project. **The Project will not be completed in separate stages. All services described in the applicable residency agreement will be available to the residents upon completion of the construction of the Project and execution of the applicable residency agreement.**

In addition to the project described above being undertaken by Provider, certain other projects at facilities owned and operated by Covenant Living Communities and Services, an Illinois not for profit corporation ("CLCS"), and/or other Members of the Obligated Group, as described in Provider's audit that is included in this Disclosure Statement are also being considered and evaluated. These other projects are not located within the State of Connecticut, and are separate and independent from the Project described above, and may be altered, modified, or abandoned at any time by CLCS. Specifically, CLCS, itself and through various Members of the Obligated Group, is undertaking (the "Series 2018A Projects"):

(i) the design, development and construction of approximately 30 Independent Living Units totaling approximately 45,000-55,000 additional square feet at the

Covenant Living at Mount Miguel, f/k/a Mt. Miguel Covenant Village, campus located in Spring Valley, California;

(ii) an addition to, and renovation of, the current health care facility at the Covenant Living at Windsor Park, f/k/a Windsor Park Manor, campus located in Carol Stream, Illinois, which will consist of approximately 40 new assisted living units and a potential reduction of skilled nursing beds to address current resident needs;

(iii) improvements of the health care facility located at the Covenant Living of Colorado, f/k/a Covenant Village of Colorado, campus, Westminster, Colorado.

(iv) the renovation, remodeling, constructing and equipping of certain facilities located at some or all of the following campuses: (i) Covenant Living at the Samarkand, f/k/a The Samarkand, Santa, Barbara, California; (ii) Covenant Living at Turlock, f/k/a Covenant Village of Turlock, Turlock, California; (iii) Covenant Living at the Holmstad, f/k/a The Holmstad, Batavia, Illinois; and (iv) Covenant Living of Northbrook, f/k/a Covenant Village of Northbrook, Northbrook, Illinois, which projects may include, without limitation, the addition of new residential units, upgrades and modifications to assisted living and skilled nursing rooms, corridor renovations and dining facility improvements.

Estimated Project Cost:

The total budget for the Project located in Connecticut is approximately \$50.5 million, which includes project fund deposits of approximately \$44 million, funded interest of approximately \$4.6 million, and debt service reserve fund deposits of approximately \$3.1 million. The chart below summarizes Provider's current estimates of the costs associated with obtaining the financing relating to the Project only and the overall Series 2018 Bonds in total, including the constructing and marketing the Project and the Series 2018A Projects (Note, all amounts are estimates only):

	Cromwell Project Financing	Other Project Financing	Total 2018 Financing Costs
Financing Expenses:	\$629,781.48	\$630,251.99	\$1,260,033.47
Legal Expenses (Financing):	\$131,000.00	\$309,000.00	\$440,000.00
Legal Expenses (Construction):	\$304,326.00	\$388,728.00	\$693,054.00
Land Costs:	\$0.00	\$0.00	\$0.00
Marketing Costs:	\$1,095,573.00	\$1,399,422.00	\$2,494,995.00
Other Construction/Project Costs:	\$48,401,522.32	\$60,120,516.01	\$108,522,038.33
TOTAL	\$50,562,202.80	\$62,847,918.00	\$113,410,120.80

NOTE: All costs are estimates only. The actual amount of the various financing costs may vary from the estimate noted above.

Please see Schedule E-2 to this Exhibit E containing updated three (3) year proforma financial statements for Provider specifically and for the Members of the Obligated Group collectively after giving effect to the proposed financing structure.

Financing Plan:

Provider, in conjunction with its sole member, Covenant Living Communities and Services, an Illinois not for profit corporation ("CLCS"), and other affiliated entities that comprise the members of the Obligated Group, have completed a tax exempt bond financing transaction, structured similarly as Provider's current outstanding long term debt, which transaction will provide for a new tax exempt bond issuance in an amount of ONE HUNDRED SIX MILLION SIX HUNDRED THIRTY THOUSAND and NO/100 DOLLARS (\$106,630,000.00) (the "Series 2018 Bonds"). The Series 2018 Bonds will be (i) new debt of CLCS and the other members of the Obligated Group, and not a refinancing of current outstanding debt; and (ii) issued through a combination of two separate new tax exempt bond issuances; one through the Colorado Health Facilities Authority ("COHFA") for FIFTY-NINE MILLION SEVEN HUNDRED EIGHTY THOUSAND and NO/100 DOLLARS (\$59,780,000.00), and the other through the State of Connecticut Health and Educational Facilities Authority ("CHEFA") for FOURTY-SIX MILLION EIGHT HUNDRED FIFTY THOUSAND and NO/100 DOLLARS (\$46,850,000.00), all to be used for the specific uses described below. The closing of this financing with respect to the Series 2018 Bonds occurred on November 13, 2018.

The proceeds of the Series 2018 Bonds to be issued through COHFA (the "Series 2018A Bonds") are being used to (i) pay or reimburse CLCS for the payment of the costs of the Series 2018 Projects, (ii) fund some or all of a debt service reserve fund to secure the Series 2018A Bonds, (iii) pay a portion of the interest on the Series 2018A Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2018A Bonds.

The proceeds of the Series 2018 Bonds issued through CHEFA (the "Series 2018B Bonds") are being used solely to (i) pay or reimburse CLCS for the payment of the costs of acquiring, constructing, remodeling, renovating and equipping long-term care facilities, including, without limitation, the acquisition, construction, equipping, remodeling and renovation of Covenant Village of Cromwell in Cromwell, Connecticut, (ii) fund some or all of a debt service reserve fund to secure the Series 2018B Bonds, (iii) pay a portion of the interest on the Series 2018B Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2018B Bonds. No part of the proceeds of the Series 2018B Bonds will be utilized by CLCS or any other Member of the

Obligated Group at any facilities other than Covenant Living of Cromwell located in Cromwell, Connecticut.

The issued bonds have various maturities will have coupon rates and yields ranging from 2.00% to 6.00%, with repayment amortized over a thirty (30) year period. CLCS does not anticipate increasing monthly care fees beyond CLCS's annual historical rate increases as a result of the transactions described in this letter. Rather, it is anticipated that the repayment of these obligations will be achieved through future operating revenue from monthly fees and ancillary services and re-occupancy entrance fees received by CLCS in the future, including anticipated increases in revenues as a result of the construction of the additional residential units at the specified facilities.

Projected Operating Statements for Provider and the Members of the Obligated Group collectively are attached to this Exhibit E as Schedule E-2 and incorporated herein by reference.

Estimated Entrance Fees: Currently, Provider estimates that the entrance fees to be charged for the first resident under a residency agreement for the new residential units to be as part of the Project will range, under the standard residency agreement form, from \$249,000.00 to \$379,000.00 depending on the type of unit. The entrance fees for the form refundable residency agreements offered will be 18% above the entrance fee charged for a specific residential unit under the standard residency agreement form. The second resident entrance fee for all such new units of the Project is currently estimated to be 10.00% of the entrance fee charged to the first resident. It is also anticipated that the monthly fees to be charged to a resident under the various forms of the residency agreements for the new units of the Project will range from \$2,825.00 per month to \$3,225.00 per month depending on the type of unit and residency agreement selected by a resident.

Estimated Start-up Funds: Provider, as stated above relating to the financing plan, is currently working to determine the final financial details, including final costs of construction, financing, and other items relating to the overall construction of the Project. As these items are not yet known, Provider is unable at this time to provide an estimate of the amount of funds necessary to be reserved by Provider to fund potential start-up losses to ensure full performance of Provider's obligations under the residency agreements to be entered into by Provider with the various residents of the units of the Project. As this information becomes known by Provider, Provider will update this description and file the same as required under applicable law.

Available Services: The same services currently offered by Provider to current residents of the Community will be offered by Provider to residents of the new units of the Project.

Residency Agreements: The form residency agreements currently used by Provider at the Community will be used by Provider for the new units to be constructed as part of the Project. Only a limited number of refundable residency agreements will be offered for the new units constructed as part of the Project, however. Provider does not anticipate executing any residency agreements for any new units constructed as part of the Project until construction of the Project is complete and Provider has received the appropriate certificate(s) of occupancy or other approval permitting occupancy of the various residential units to be constructed as part of the Project.

Presales: Provider, per Provider's internal policies and procedures, anticipates offering prospective residents the opportunity to enter into a Reservation Agreement with Provider for a residential unit at the Project. Construction of the Project, however, will not be commenced by Provider unless Provider has received reservations for a sufficient number of residential units at the Project and has also received final approval of Provider's board of directors to proceed with construction of the Project. As such, Provider may, at Provider's discretion, terminate the Project and not construct the Project, may commence construction of the Project despite not having received sufficient reservations for units at the Project, or may modify the Project as deemed appropriate by Provider based upon the number of reservations received and other factors deemed pertinent by Provider.

The form Reservation Agreement, detailing the deposit amounts and other terms and conditions of such reservation, is attached to this Exhibit E as Schedule E-1, and made a part hereof. Any and all deposits received by Provider under any such Reservation Agreements will be deposited by Provider and held in escrow in accordance with applicable law in Provider's entrance fee escrow account currently maintained by Provider through U.S. Trust, which entrance fee escrow is further described in Exhibit F of this Disclosure Statement.

NOTE: The above outlines the current anticipated plan and structure of the proposed Project and implementation and administration of the construction of the Project, unit sales and subsequent administration and operation of the residential units after completion of construction of the Project and remains subject to change or termination by Provider at Provider's discretion. Provider will provide the necessary updates required under applicable law in the event of any such change or termination of the Project and as more information and details become known by Provider.

**SCHEDULE E-1
TO EXHIBIT E TO DISCLOSURE STATEMENT
OF COVENANT LIVING OF CROMWELL**

RESERVATION AGREEMENT

RESERVATION AGREEMENT – NEW CONSTRUCTION
COVENANT LIVING OF CROMWELL
Cromwell, Connecticut

This Reservation Agreement is made between COVENANT LIVING OF CROMWELL, INC., a Connecticut non-stock corporation, doing business in Connecticut as COVENANT LIVING OF CROMWELL (the "Community") and: _____ (referred to as the "Applicant"). Applicant shall be considered plural in the event that 2 individuals are named as Applicants in this Agreement.

Background:

- A. The Community owns a continuing care retirement community located at 52 Missionary Road, Cromwell, Connecticut 06416.
- B. The Community is contemplating the construction of a new town center building with residential units (hereinafter the "Town Center Building").
- C. Applicant desires to become a resident at the Community and to occupy one of the new residential units at the Town Center Building.

Agreement:

Therefore, in consideration of the mutual promises and conditions contained in this Agreement, the Community and the Applicant hereby agree as follows:

1. **RESERVATION OF RESIDENTIAL UNIT:**

The Community agrees to reserve for Applicant, residential unit number _____, a _____ bedroom residential unit, at the Town Center Building (the "Residential Unit").

Applicant agrees to pay a reservation deposit in the amount of \$ _____ (the "Reservation Deposit") which is equal to 10% of the proposed Entrance Fee minus any previous deposits made to the Community to reserve the Residential Unit. The Reservation Deposit is payable as follows:

- A. FIVE THOUSAND and NO/100 DOLLARS (\$5,000.00) shall be paid by Applicant to the Community simultaneously with the signing of this Agreement.
- B. The balance of the Reservation Deposit shall be paid by Applicant to the Community within seven (7) days after the date of this Agreement.

The Reservation Deposit represents 10% of the proposed entrance fee and

second person entrance fee if applicable for the Residential Unit according to the residency agreement selected below.

2. **IDENTIFICATION OF RESIDENCY AGREEMENT AND ENTRANCE FEE:**

Applicant acknowledges receipt of a copy of the Community's most current Disclosure Statement filed with the State of Connecticut for the Community and has received information regarding the various types of residency agreements offered by the Community for residency at the Community.

Applicant has selected a _____ type residency agreement related to Applicant's future occupancy of the Residential Unit (the "Residency Agreement"). The proposed entrance fee, and second person entrance fee if applicable, for the Residential unit based on Applicant's Residency Agreement selection is \$_____ (the "Entrance Fee").

Applicant agrees to sign the Residency Agreement and pay the Entrance Fee less the Reservation Deposit upon completion of the Town Center Building. The Community reserves the right to modify the Entrance Fee at any time prior to signing of the Residency Agreement.

The Community may, at such times as with such frequency as determined by the Community, provide periodic updates to Applicant regarding the scope and schedule of the construction of the Town Center Building.

3. **APPLICANT'S APPLICATION FOR RESIEDNCY:**

Applicant has completed an application for residency with the Community and has been preliminarily approved for residency at the Community.

The Community reserves the right to request an update of the application, financial report and require an additional health and safety interview prior to the signing of the Residency Agreement and the proposed occupancy of the Residential Unit.

The Applicant shall provide an update to Applicant's application, financial report or health status, as applicable, if there have been any material changes since the date of Applicant's application.

The Community may rescind its approval of the Applicant's application and terminate this Agreement based on any changes to the Applicant's application.

4. **RESERVATION DEPOSIT:**

The entire amount of the Reservation Deposit as paid by Applicant, shall be deposited by the Community into the Community's Entrance Fee Escrow previously established by the Community in accordance with applicable law, and shall be and remain fully refundable to Applicant until Applicant and the Community sign the Residency Agreement.

Upon signing the Residency Agreement, the Reservation Deposit shall be considered partial payment of the Entrance Fee due under the Residency Agreement and shall be administered in accordance with the terms of the escrow account and Residency Agreement.

5. **MODIFICATIONS TO THE TOWN CENTER BUILDING:**

Applicant understands and agrees that the Town Center Building, including the Residential Unit, is currently contemplated for construction by the Community, and that the Community, in accordance with the Community's policies and procedures, will not begin construction of the Town Center Building unless the Community has received reservations for a sufficient number of residential units at the Town Center Building and has received final board approval to proceed with the construction of the Town Center Building.

The Community may modify the Town Center Building or the Residential Unit at any time in its sole discretion. The Community does not make any representation for the time frame for start of construction or completion of construction of the Town Center Building. The Community may determine to terminate the Town Center Building at any time and terminate this Agreement.

6. **TERMINATION OF THIS RESERVATION AGREEMENT:**

This Agreement and the reservation of the Residential Unit may be terminated by Applicant or the Community at any time upon written notice of termination to the other party prior to the signing of the Residency Agreement. This Agreement will also terminate upon death of the Applicant prior to signing of the Residency Agreement.

If this Agreement is terminated by either party at any time, as provided above, the entire Reservation Deposit paid by Applicant to the Community shall be refunded to Applicant from the escrow account within thirty (30) days after the date of such termination.

Upon such termination, this Agreement shall be of no further force or effect, and the Reservation Deposit paid by Applicant under this Agreement shall be refunded to Applicant as provided below.

This Agreement shall terminate upon signing of the Residency Agreement and payment of the Entrance Fee by the Applicant. Thereafter the provisions of the Residency Agreement shall apply including termination rights of the Applicant.

7. **MISCELLANEOUS:**

The rights of Applicant under this Agreement do not include any proprietary interest in the properties of the Community and are subject to such subordination agreements as may be allowed by the Residency Agreement.

This Agreement has been signed in duplicate, one originally signed copy being retained by the Applicant.

COVENANT LIVING OF CROMWELL, INC.,
d/b/a COVENANT LIVING OF CROMWELL,
a Connecticut nonstock corporation,

By: _____
(for the Community)

Applicant

Date: _____

Applicant

Date: _____

**SCHEDULE E-2
TO EXHIBIT E TO DISCLOSURE STATEMENT
OF COVENANT LIVING OF CROMWELL**

**PROJECTED OPERATING STATEMENTS FOR PROVIDER AND MEMBERS OF THE
OBLIGATED GROUP SHOWING PROJECTED EFFECT OF 2018 SERIES BONDS**

46 – Covenant Village of Cromwell

Notes Regarding Series 2018 Bonds:

As shown in the blue/bold line items below, the forecasted financial statements have been modified to add the impact of the Series 2018 Bonds and the new project. Interest is not shown below because interest will be funded from the Series 2018 Bonds for two years. After the funded interest period, annual debt service is estimated to be approximately \$2.42 million.

	Operating Statement Summary			
	2018	2019	2020	2021
Resident Days	127,924	129,640	130,363	131,453
Adjusted Resident Care Revenue	19,131,008	20,411,305	21,001,799	21,638,401
Less: Contractual Adjustments	(3,392,435)	(3,768,950)	(3,930,414)	(3,967,883)
Incremental Revenues-2018 Project				1,991,355
Net Resident Care Revenue	15,738,573	16,642,354	17,071,385	19,661,873
Ancillary Services Revenue	1,452,934	1,480,635	1,531,432	1,581,026
Other Operating Revenue	828,479	873,800	952,802	981,385
Total Operating Revenues	18,019,987	18,996,789	19,555,619	22,224,284
Routine Nursing Services	3,671,379	3,766,584	3,896,759	4,051,378
Ancillary Services	829,179	720,472	736,147	756,205
Resident Benefits	1,127,848	1,239,226	1,281,048	1,330,476
Dietary Expense	2,721,100	2,757,814	2,857,760	2,975,944
Laundry Expense	86,750	104,077	107,475	111,463
Housekeeping Expense	648,140	640,559	665,539	696,417
Maintenance Expense	1,280,280	1,329,478	1,374,857	1,431,497
Utilities Expense	1,123,441	1,207,841	1,234,347	1,266,031
Insurance	303,865	326,863	334,037	342,612
Administrative and General	3,308,811	3,594,394	3,729,684	3,852,734
Property Taxes	659,410	674,380	688,900	706,429
Incremental Expenses-2018 Project				796,542
Total Operating Expenses	15,760,203	16,361,687	16,906,553	18,317,729
Internal Operating Margin	2,259,784	2,635,101	2,649,066	3,906,555
Internal Operating Ratio	12.5%	13.9%	13.5%	17.6%
Entrance Fees - Net	2,296,271	2,588,286	2,802,327	2,884,883
Entrance Fees - New Project				16,331,931
Contributions - Net	1,257,959	0	500,000	500,000
Investment Income	629,008	435,245	435,245	435,245
Other Non-Operating Income	107,594	100,800	100,800	100,800
Health Subsidy Expense	703,119	816,431	840,924	866,152
Benevolent Care	541,614	630,000	648,900	668,367
Interest - External				
Interest - 2018 Bonds (net of funded int)				
Interest - Internal	662,098	677,136	766,916	780,848
Sales and Marketing	772,968	833,230	861,494	890,790
Other Non-Operating Expense	127,201	129,695	133,586	137,594
Net Non-Operating Income/(Expense)	1,483,831	37,840	587,552	16,909,168
Net Excess/(Deficit)	3,743,615	2,672,941	3,236,618	20,815,723
Depreciation	2,834,052	2,930,635	2,991,635	3,117,435
Net Excess/(Deficit)	909,563	(257,694)	244,983	17,698,288
Net Excess/(Deficit)-ADJUSTED (1)	909,563	(257,694)	244,983	1,366,297

(1) For comparison purposes, this line excludes the initial entrance fees associated with the Series 2018 Project at Covenant Village of Cromwell.

46 - Covenant Village of Cromwell

Notes regarding Series 2018 Bonds:

As shown in the blue/bold line items below, the forecasted financial statements have been modified to add the impact of the Series 2018 Bonds and the new project. Interest is not shown below because interest will be funded from the Series 2018 Bonds for two years. After the funded interest period, annual debt service is estimated to be approximately \$2.42 million.

	Balance Sheet Summary			
	2018	2019	2020	2021
ASSETS				
Current Assets				
Additional Cash from 2018 Initial Entrance Fees				16,331,991
Cash - Unrestricted	7,766	23,083	23,083	23,083
Unrestrict Short Term Invest	-	-	-	-
Restricted Cash	106,875	123,039	123,039	123,039
Assets Whose Use Is Limited				
Board Designated Cur	2,731,597	2,842,177	2,842,177	2,842,177
Restricted Und Debt Agreements	-	-	-	-
Residents - AR	585,431	811,818	811,818	811,818
Third Party	540,213	477,644	477,644	477,644
Other Receivables	3,919	2,818	2,818	2,818
Prepaid Expen And Other Assets	336,478	167,092	167,092	167,092
Total Current Assets	4,312,278	4,447,670	4,447,670	20,779,661
Benevolent Care Fund	6,918,627	6,714,421	6,714,421	6,714,421
Property Replacement Reserve	191	180,565	281,492	385,643
Capital Reserve Fund	-	0	0	(0)
Operating Reserve Fund	-	-	-	-
Future Health Care Reserve	-	-	-	-
Other Reserves	12,623	13,137	20,480	28,058
Total Designated Funds	6,931,441	6,908,123	7,016,393	7,128,122
Bond Project Fund	-	-	-	-
Debt Service Reserve Fund	-	0	-	-
Debt Service Reserve Fund - 2018	-	3,113,541	3,113,541	3,113,541
State Required Reserve	1,308,420	1,380,559	1,402,196.64	1,424,525.20
Total Restricted Funds	1,308,420	4,494,100	4,515,738	4,538,066
Total Assets Whose Use is Limited	8,239,861	11,402,224	11,532,130	11,666,188
Investments	2,321,033	1,804,094	1,804,094	1,804,094
Other Assets	-	-	-	-
Investments and Other Assets	2,321,033	1,804,094	1,804,094	1,804,094
Property And Equipment	54,352,016	60,605,325	63,045,325	65,637,325
Property - Series 2018 Project	-	43,818,701	43,818,701	43,818,701
Property And Equipment	54,352,016	104,424,026	106,864,026	109,456,026
Accumulated Depreciation	(24,703,870)	(29,006,550)	(31,998,185)	(35,115,620)
Net Property and Equipment	29,648,146	75,417,476	74,865,841	74,340,406
Total Assets	44,521,318	93,071,465	92,649,736	108,590,350
LIABILITIES				
Accounts Payable	34,377	45,894	45,894	45,894
Other Accrued Expenses	0	104,514	104,514	104,514
Other Current Liabilities	103,449	127,312	127,312	127,312
Advance Deposits	272,250	151,450	151,450	151,450
Total Current Liabilities	410,076	429,170	429,170	429,170
Other Liabilities and Intercompany	24,920,536	27,983,640	27,316,929	26,754,067
Series 2018 Bonds	-	48,625,000	47,720,000	46,590,000
Total Liabilities	25,330,612	77,037,810	75,466,099	73,773,237
Net Asset	19,190,706	17,726,412	17,971,395	18,142,879
Net Asset Adjustment	-	(1,692,758)	(787,758)	16,674,233
Total Liabilities & Fund Balances	44,521,318	93,071,465	92,649,736	108,590,349

46 - Covenant Village of Cromwell

Notes regarding Series 2018 Bonds:

As shown in the blue/bold line items below, the forecasted financial statements have been modified to add the impact of the Series 2018 Bonds and the new project. Interest is not shown below because interest will be funded from the Series 2018 Bonds for two years. After the funded interest period, annual debt service is estimated to be approximately \$3,130,000.

	Cash Flow Summary			
	2018	2019	2020	2021
Cash Flows from Operating Activities:				
Excess / (Deficit) from Operations	909,563	(257,694)	244,983	17,698,288
Add back Depreciation and Amortization	2,834,052	2,930,635	2,991,635	3,117,435
Inc/(Dec) in Refundable Contracts	-	190,195	263,059	271,465
Other Operating Activities	(163,954)	53,613	-	-
Cash Flows from Operating Activities	3,579,661	2,916,749	3,499,677	21,087,188
Cash Flows from Investing Activities:				
Capital Expenditures	(3,468,189)	(1,754,833)	(2,440,000)	(2,592,000)
Capital Expenditures-Series 2018	-	(2,005,275)	(9,265,203)	(30,062,167)
(Increase)/Decrease in reserves	(694,427)	(495,129)	(129,905)	(134,057)
Cash Flows Used In Investing Activities	(4,162,616)	(4,255,237)	(11,835,108)	(32,788,225)
Cash Flows from Financing Activities-2018	-	48,625,000	(905,000)	(1,130,000)
Net Cash Generated	(582,955)	47,286,512	(9,240,431)	(12,831,037)

Covenant Retirement Communities Obligated Group

Income Statement

	FORECAST				
	2019	2020	2021	2022	2023
Resident Days	1,881,645	1,893,627	1,902,585	1,898,299	1,898,299
Adjusted Resident Care Revenue	247,174,180	252,288,837	257,829,479	262,928,758	268,478,860
Less: Contractual Adjustments	(29,203,116)	(30,044,092)	(30,972,027)	(31,770,849)	(32,699,478)
Incremental Revenues-2018 Projects			4,398,798	7,406,223	7,627,523
Net Resident Care Revenue	217,971,065	222,244,746	231,256,251	238,564,132	243,406,905
Ancillary Services Revenue	31,621,850	32,537,718	33,541,752	34,420,527	35,430,429
Other Operating Revenue	29,171,660	29,883,130	30,631,606	31,366,638	32,140,702
Optimization census related revenue	1,568,208	3,564,827	4,296,228	4,492,374	4,614,596
Total Operating Revenues	280,332,783	288,230,421	299,725,837	308,843,671	315,592,632
Routine Nursing Services	56,891,400	59,221,740	61,725,443	64,205,330	66,869,607
Ancillary Services	16,806,630	17,356,620	17,945,375	18,514,731	19,124,325
Resident Benefits	13,688,399	14,219,076	14,788,759	15,350,022	15,952,557
Dietary Expense	39,364,940	41,084,691	42,929,834	44,763,228	46,729,653
Laundry Expense	1,801,659	1,867,202	1,937,525	2,006,398	2,080,309
Housekeeping Expense	8,384,244	8,735,752	9,128,800	9,489,443	9,893,450
Maintenance Expense	19,267,565	19,971,993	20,760,400	21,468,543	22,263,460
Utilities Expense	11,543,770	11,890,083	12,246,785	12,614,188	12,992,614
Insurance	5,212,521	5,368,897	5,529,965	5,695,864	5,866,738
Administrative and General	71,568,329	73,843,063	76,255,858	78,658,403	81,207,737
Property Taxes	2,777,985	2,861,323	2,947,163	3,035,579	3,126,645
Optimization census related expense	516,086	1,156,313	1,402,341	1,494,429	1,552,996
Optimization other (Revenue)/Expense	(6,818,114)	(10,223,569)	(14,219,797)	(18,024,655)	(18,024,655)
Incremental Operating Expense-2018 Projects			1,513,932	2,417,141	2,484,445
Total Operating Expenses	241,005,414	247,353,184	254,892,383	261,688,644	272,119,881
Internal Operating Margin	39,327,369	40,877,237	44,833,454	47,155,027	43,472,751
Internal Operating Ratio	14.03%	14.18%	14.96%	15.27%	13.77%
Entrance Fees - Net (Turnover Entrance Fees)	59,222,741	54,722,706	57,352,116	59,899,366	56,986,640
Contributions - Net	1,194,268	1,194,268	1,194,268	1,194,268	1,194,268
Investment Income	12,455,073	13,133,387	13,860,834	14,617,925	18,458,289
Other Non-Operating Income	1,368,778	1,402,999	1,438,073	1,474,025	1,510,876
Health Subsidy Expense	10,765,167	11,088,124	11,420,766	11,763,388	12,116,288
Benevolent Care	4,757,583	4,900,312	5,047,322	5,198,741	5,354,703
Interest - External	16,866,566	16,325,269	15,761,391	15,135,422	16,351,724
Interest - Internal	0	0	0	0	0
Interest on Series 2018 Bonds		5,565,053	5,254,800	5,198,300	5,139,050
Payment of Interest From Funded Interest Funds		(5,565,053)	(5,254,800)		
Sales and Marketing	13,211,171	13,666,528	14,138,966	14,629,208	15,138,021
Other Non-Operating Expense	6,045,745	6,227,118	6,413,933	6,606,352	6,804,543
Net Non-Operating Income/(Expense)	22,594,628	18,246,009	21,062,913	18,654,173	17,245,744
Net Excess/(Deficit) before depreciation/amortization	61,921,997	59,123,246	65,896,367	65,809,200	60,718,495
Depreciation	45,375,073	47,449,948	49,465,048	51,485,573	53,385,447
Amortization	464,065	447,393	352,227	334,297	316,029
Net Excess/(Deficit) after depreciation/amortization	16,082,859	11,225,905	16,079,092	13,989,330	7,017,019
Pro Forma Annual Debt Service with Series 2018 (FY19 includes TEMPS repayment of \$7.55mm) (all years include guarantees)	35,944,019	29,012,662	29,440,536	34,379,541	34,325,036
Revenues Available for Debt Service	78,788,563	75,448,515	81,657,758	86,142,922	82,209,269
Debt Service Coverage with Series 2018	2.19x	2.60x	2.77x	2.51x	2.40x

Note: The Income statement is presented using Management's internal format as opposed to a strict GAAP format. GAAP format would add the amortization of entrance fees as a revenue source and would remove net entrance fees from turnover in the table above. The debt service coverage ratio is calculated in a manner consistent with CRC's bond documents and industry standards.

Balance Sheet

	FORECAST				
	2019	2020	2021	2022	2023
Assets					
Current assets	108,421,244	108,421,244	108,421,244	108,421,244	108,421,244
Assets whose use is limited - investments	200,209,559	200,209,559	200,209,559	200,209,559	200,209,559
Additional cash from initial entrance fees			21,419,157	32,719,749	32,719,749
Series 2018 Debt Service Reserve Funds	6,950,000	6,950,000	6,950,000	6,950,000	6,950,000
Other assets	6,465,546	6,912,939	7,265,166	7,599,463	7,915,492
Net property and equipment	531,788,278	524,179,330	514,787,282	503,663,709	485,811,193
Series 2018 Projects	2,651,941	23,788,344	89,634,311	98,118,701	98,118,701
Construction	0	0	0	0	0
Total Assets	856,486,568	870,461,416	948,686,719	957,682,425	940,145,938
Liabilities and Net Assets					
Current liabilities	40,476,439	40,949,874	42,106,049	40,553,713	39,626,333
Long term debt, less current maturities	322,666,016	309,306,225	294,790,259	281,826,629	269,790,379
Series 2018 Bonds	108,540,000	107,635,000	106,505,000	105,320,000	104,075,000
Other liabilities	87,827,226	81,878,729	72,652,247	61,846,091	67,968,869
Deferred revenue from entrance fees	0	0	0	0	0
Total net assets	296,976,888	330,691,588	432,633,164	468,135,992	458,685,358
Total Liabilities and Net Assets	856,486,569	870,461,416	948,686,719	957,682,425	940,145,938
	(0)	(0)	0	(0)	(0)
Cash Flow					
Cash Flows from Operating Activities:					
Excess / (Deficit) from Operations	16,082,859	11,225,905	16,079,092	13,989,330	7,017,019
Add back Depreciation and Amortization	45,839,138	47,897,341	49,817,275	51,819,870	53,701,476
Other Operating Activities	0	0	0	0	0
Initial Entrance Fees on 2018 Projects			21,419,157	11,300,592	
Cash Flows from Operating Activities	61,921,997	59,123,246	87,315,524	77,109,792	60,718,495
Cash Flows from Investing Activities:					
Capital Expenditures	(41,968,500)	(39,841,000)	(40,073,000)	(40,362,000)	(35,532,931)
Construction of 2018 Projects	(2,652,030)	(21,136,403)	(65,845,967)	(8,484,390)	(8,484,390)
(Increase)/Decrease in reserves	(464,065)	(447,393)	(352,227)	(334,297)	(316,029)
Cash Flows Used In Investing Activities	(45,084,595)	(61,424,796)	(106,271,194)	(49,180,687)	(35,848,960)
Cash Flows from Financing Activities:					
Long Term Debt Payments	(12,555,459)	(12,886,356)	(13,359,791)	(14,515,966)	(12,963,630)
Issuance of Series 2018 Bonds	108,540,000				
Principal Payments Series 2018		(905,000)	(1,130,000)	(1,185,000)	(1,245,000)
Other Financing Activities	0	0	0	0	0
Cash Flows Used In Financing Activities	95,984,541	(13,791,356)	(14,489,791)	(15,700,966)	(14,208,630)
Net Cash Generated	112,821,942	(16,092,906)	(33,445,462)	12,228,140	10,660,905

**EXHIBIT "F"
TO DISCLOSURE STATEMENT
OF COVENANT LIVING OF CROMWELL**

SWORN STATEMENTS OF ESCROW AGENT.

[Attached]

ACKNOWLEDGMENT

I hereby acknowledge receipt of the **Disclosure Statement of Covenant Living of Cromwell** this _____ day of _____, 20_____. I acknowledge that the Disclosure Statement and continuing care contract have been reviewed by me or my legal representative.

RESIDENT/APPLICANT:

(Signature)

(Printed Name)

RESIDENT/APPLICANT:

(Signature)

(Printed Name)

Address: _____

