A copy of this Disclosure Statement has been filed with the State Corporation Commission pursuant to Chapter 49, Title 38.2 of the Code of Virginia of 1950, as amended. Such filing does not constitute approval, recommendation or endorsement of the facility by the State Corporation Commission.
Certified Financial Statements and Financial Condition

Attached as Appendix C are the audited financial statements of Williamsburg Landing for the two years ended December 31, 2015 and 2016. Below is a summary of financial condition for Williamsburg Landing:

Summary of Financial Information as of 12/31/2016

<table>
<thead>
<tr>
<th></th>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$145,598,427</td>
<td>$145,626,725</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$199,422,465</td>
<td>$199,234,005</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$-53,824,038</td>
<td>$-53,607,280</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$29,957,511</td>
<td>$29,236,900</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$31,449,642</td>
<td>$30,480,827</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>$-1,492,131</td>
<td>$-1,243,927</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$-367,870</td>
<td>$-2,127,537</td>
</tr>
</tbody>
</table>

Narrative on financial condition:

In 2016, operating revenue was 3% below budget and operating expenses were 1% above budget resulting in a net operating margin of 13.3% which was below target.

The debt service coverage ratio ended 2016 at 1.70 compared to a budget of 2.12, and was above the minimum loan requirement of 1.2. At the end of 2016, days cash on hand was 319 which is below benchmark of 419.

The change in unrestricted net deficit was a negative $367,870 primarily due to loss from operations, unrealized losses on investments, and loss on early extinguishment of debt, plus net assets released for capital purposes. For more detailed information, please refer to Appendix C attached for the most recent financial audit results.

<table>
<thead>
<tr>
<th>Occupancy Information</th>
<th>Capacity of Units</th>
<th>Average Occupancy</th>
<th>Percentage Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Living</td>
<td>312</td>
<td>266.7</td>
<td>85.5%</td>
</tr>
<tr>
<td>Assisted Living</td>
<td>61</td>
<td>55</td>
<td>90.2%</td>
</tr>
<tr>
<td>Nursing</td>
<td>58</td>
<td>49</td>
<td>84.6%</td>
</tr>
</tbody>
</table>

Independent Advice. Prospective residents should consult independent legal and tax advisors regarding residency at Williamsburg Landing and the tax and legal implications as would be prudent with any other major financial decision.
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Continuing Care Provider.

Williamsburg Landing, Inc.
5700 Williamsburg Landing Drive
Williamsburg, Virginia  23185-3779
(757) 253-0303

Williamsburg Landing, Inc. (“Williamsburg Landing”) is the Owner and opened its facility for occupancy in September 1985. It is a not-for-profit Virginia non-stock corporation formed on September 23, 1982. The mission of Williamsburg Landing is to offer excellent facilities and services, promote independence and diversity, provide access to a continuum of quality health care services, and actively collaborate with the broader Williamsburg senior community. In 2014, an on-site re-accreditation survey by the Commission of Accreditation of Rehabilitation Facilities (CARF) and Continuing Care Accreditation Commission (CCAC) was conducted and Williamsburg Landing was awarded a five year re-accreditation as a CCRC and Person-Centered Long Term Care Community and was also awarded accreditation as an Assisted Living Program and Dementia Care Specialty Program.

Officers, Directors, Trustees, Managing or General Partners, and Certain Persons Who Hold Equity or Beneficial Interests; Real Property.

Directors.

Williamsburg Landing is governed by a Board of Directors consisting of:

Chair
James R. Golden
Retired, Senior Counselor to the President
College of William & Mary
2967 Hornes Lake Road
Williamsburg, VA 23185

Vice Chairman
Virginia L. McLaughlin
Chancellor Professor
School of Education
College of William and Mary
3336 N. Riverside Drive
Lanexa, VA 23089

Treasurer
Alfred L. Woods
Retired, Business Executive
P.O. Box 5247
Williamsburg, VA 23188

Anton Campanella
President, Residents’ Association
3003 Downing Street
Williamsburg, VA 23185

Catherine Chaplain
National Sales Director
Colonial Williamsburg Hotels
P.O. Box 247
Bena, VA 23018

Richard Costello
Director of Special Projects
AES Consulting Engineers
10020 Sycamore Landing Road
Williamsburg, VA 23188

Tracey Dowling
Administrative Director, Business Development and Real Estate Services
Riverside Health System
10133 Squires Way
Toano, VA 23168
Election of Directors.

Directors are elected at the annual meeting of the Corporation in May of each year. Under typical circumstances, the By-laws of Williamsburg Landing allow directors to serve no more than two consecutive terms of three years each in addition to serving any unexpired portion of a resigning director’s term. In addition, the By-laws provide for the President and Immediate Past President of the Residents’ Association to each hold voting memberships on the Board of Directors. The President of the Residents’ Association is a member of, and elected annually by, the Residents’ Council for the Residents’ Association.

Officers.

At the April 2017 meeting of the Board of Directors, the Governance Committee of the Board made its report of officers and directors proposed for election to the Board of Directors.
At the May 31, 2017 annual meeting of the Board, an election of up to 2 directors to replace those with expiring terms or those who have relinquished their Board position and of all officers of the Corporation will be held. In addition to the above, the following persons are officers of Williamsburg Landing, or serve in administrative positions or serve as independent contractors:

**President/Chief Executive Officer**
Gregory T. Storer  
5700 Williamsburg Landing Drive  
Williamsburg, VA 23185

**Executive Vice President/Chief Operating Officer**
Vernon M. Baker  
5700 Williamsburg Landing Drive  
Williamsburg, VA 23185

**Vice President of Finance/Chief Financial Officer**
Chester Tellis  
5700 Williamsburg Landing Drive  
Williamsburg, VA 23185

**Senior Director of Community Relations**
Kathleen M. Kammer  
5700 Williamsburg Landing Drive  
Williamsburg, VA 23185

**Senior Director of Development**
Sally P. Wolfe  
5700 Williamsburg Landing Drive  
Williamsburg, VA 23185

**Medical Director**
Riverside Medical Group  
Kathleen Mary Meehan, M.D.  
5700 Williamsburg Landing Drive  
Williamsburg, VA 23185

**Secretary**
Paul W. Gerhardt, Esquire  
Kaufman & Canoles, P.C.  
4801 Courthouse St., Suite 300  
Williamsburg, VA 23188

**Assistant Secretary**
Alexander W. Powell Jr., Esquire  
Kaufman & Canoles, P.C.  
4801 Courthouse Street, Suite 300  
Williamsburg, VA 23188

*Employed by Williamsburg Landing, Inc.
**Scheduled to assume office on June 1, 2017
***Riverside Medical Group acts as Independent Contractor providing the Medical Director
****Kaufman & Canoles, P.C. acts as general counsel to Williamsburg Landing, Inc.
Management.

Williamsburg Landing has entered into written Employment Agreements with Gregory T. Storer, the President/Chief Executive Officer, Vernon M. Baker, the Executive Vice President/Chief Operating Officer (effective June 1, 2017), Chester Tellis, the Vice President of Finance/Chief Financial Officer, Brandy Day, the Chief Talent Officer, Sally P. Wolfe, the Senior Director of Development, Kathleen M. Kammer, the Senior Director of Community Relations, andLisa A. Bates, CMD, the Senior Director of Marketing and Sales, all of which agreements specify the duration of employment, duties, compensation and benefits for each and expressly provide for covenants not to compete in the event of termination of employment.

Effective November 1, 2010, Williamsburg Landing retained the services of Riverside Medical Group (“Riverside”) and through Riverside certain professional medical services and twenty-four hour medical coverage are provided and Kathleen Mary Meehan, M.D. serves as medical director. Both Riverside and its employee, Dr. Meehan, serve in the capacity of independent contractors.

Beneficial Interests.

There are no managing or general partners or any persons having an equity or beneficial interest in Williamsburg Landing consistent with its status as a not-for-profit organization.

Experience of Owner.

Williamsburg Landing exclusively operates the Williamsburg Landing facility and does not operate, and has not in the past operated, any other continuing care facilities or other similar facilities.

Experience of Management.

Greg Storer, President/CEO, has had a career in a variety of organizations providing services for seniors. He was retained by Williamsburg Landing, Inc. as of June 1, 2016. He previously served as President of Skilled Care Pharmacy, a privately held institutional pharmacy and one of the largest independent pharmacies in the Midwest. Prior to that, Greg served as Vice President of Operations and COO at Eliza Jennings Senior Care Network, a provider of independent and assisted living, skilled nursing, adult day care and rehabilitation and in-home services. Earlier in his career, he was COO of Heather Hill Hospital, where he supervised a long-term acute care hospital, rehabilitation services, skilled nursing, assisted living and residential care facilities. Greg attended Bowling Green State University and graduated with a degree in Gerontology/Health Care Administration. He has served as a surveyor for the Commission on Accreditation of Rehabilitation Facilities (CARF), and a preceptor to more than 25 Administrators in Training (AITs), helping them become licensed Nursing Home Administrators.

Vernon M. Baker, Executive Vice President and Chief Operating Officer, will be joining Williamsburg Landing on June 1, 2017, from Dogwood Village of Orange County Health and Rehab, in Orange, Virginia. He served as Administrator of Dogwood Village since 2002, where he reported directly to a commission appointed by the Board of Supervisors of the County of
Orange. Vernon is a licensed Nursing Home Administrator with over 28 years of operational experience in senior living. Earlier in his career, he held the position of Senior Vice President of Operations for American HealthCare in Roanoke. Vernon holds a Bachelor of Science in Education from Virginia Polytechnic Institute and State University. He currently serves as Board Chairman of the Virginia Health Care Association (VHCA), is a member of LeadingAge Virginia and served as a council member for the American Health Care Association.

Chester (Chet) Tellis, Vice President of Finance/Chief Financial Officer, served from May 1995 to July 2009 as Chief Financial Officer of Westminster at Lake Ridge, a Northern Virginia CCRC. He served in the same capacity for Harbor’s Edge, a Norfolk, Virginia CCRC, from January 2011 to April 2012. He joined Williamsburg Landing in April 2012. Mr. Tellis has been a surveyor for the Commission on Accreditation of Rehabilitation Facilities (CARF) since January 2001. He received his B.B.A degree from Cleveland State University in 1979 and has been a CPA in the Commonwealth since 1986. He is an active member of AICPA and Virginia Society of CPAs.

Lisa A. Bates, CMD, CMP, CASP, CDP, Senior Director of Marketing & Sales was retained by Williamsburg Landing, Inc. as of August 1, 2011. Ms. Bates holds a Bachelor of Science degree in Business Public Management & Marketing from the State University of New York at Utica-Rome and has earned her Certified Marketing Director designation from the International Council of Shopping Centers and her Certified Marketing Professional designation from The Life Services Network. Lisa also holds a Certified Aging Services Professional designation from University of North Texas and a Certified Dementia Practitioner designation from the National Council of Dementia Practitioners. After many years in insurance sales and marketing, Ms. Bates focused her marketing skills on strategic planning and business development for national property developers such as Pyramid Management Group, Prime Retail and Ariel Preferred Retail Group. Ms. Bates held Director of Marketing positions on both local and corporate levels where she was responsible for strategic planning, sales, brand management, advertising, community, client and public relations. Ms. Bates chairs the LeadingAge Marketing Networking Committee and is a member of Leadership Historic Triangle and the American Marketing Association.

Brandy Day, M.Ed., PHR, IPMA-CP, SHRM-CP, Chief Talent Officer, joined Williamsburg Landing, Inc. on April 21, 2014. She holds a Bachelor of Arts degree in Government & International Politics from George Mason University and a Master of Education in Policy, Planning & Leadership from the College of William & Mary. In addition, she is a certified Professional in Human Resources (PHR) through the Human Resources Certification Institute (HRCI), a Certified Professional through the International Public Management Association for Human Resources (IPMA), and recently earned the designation of Certified Professional through the Society of Human Resources Management (SHRM). Prior to joining Williamsburg Landing in April 2014, Brandy served as the Director of Human Resources for the County of Isle of Wright and as the Supervisor of Human Resources for Williamsburg-James City County Public Schools. Brandy is actively involved in her community having volunteered with the United Way, Beyond Boobs!, the Arc of Greater Williamsburg, and DreamCatchers. Brandy currently serves on the Employer Advisory Board of the Cohen Career Center at the College of William & Mary.
Sally P. Wolfe, Senior Director of Development, was retained as such by Williamsburg Landing, Inc., as of April 11, 2008. Mrs. Wolfe graduated from Randolph-Macon Woman’s College with a B.A. in English in 1983. She also completed coursework at Cannon Financial Institute as a corporate trust specialist. She has been previously employed by NationsBank of Virginia, N.A. (and its predecessor Sovran Bank) in trust administration. Thereafter, she served as Director of Major Gifts with Commonwealth Public Broadcasting and most recently as Director of Development for the Muscarelle Museum of Art at the College of William and Mary.

Kathleen M. Kammer, Senior Director of Community Relations, was retained as such by Williamsburg Landing, Inc., as of January 1, 2011. She previously served on the Williamsburg Landing staff as marketing representative from 2005 to 2008, at which time she began serving as Director of Public Relations. Ms. Kammer attended Indiana University of Pennsylvania. She commenced her career in the airline industry at Trans World Airlines where she served in a variety of service and marketing capacities from 1974 to 1986. Relocating to Williamsburg in 1987, Ms. Kammer served the College of William and Mary for nine years in a variety of capacities concluding as Assistant Director of Marketing for William and Mary’s Athletics Department. Ms. Kammer also served as event planner in Williamsburg for American Management Association, N.Y., NY, from 1991 to 2004.

Effective November 1, 2013, Kathleen Mary Meehan, M.D., through a contract with Riverside as an independent contractor, was appointed as Williamsburg Landing’s Medical Director and full time attending physician. She received a B.S. Degree from LaSalle College, a M.S. Degree from University of Pennsylvania and, in 1985, an M.D. degree from Temple University. She completed her residency in family medicine in 1998 and thereafter served as a family practice physician with a geriatric medicine focus in Pennsylvania, including serving as Medical Director for Kirkland Village, a continuing care retirement community in Bethlehem, Pennsylvania. She is Board Certified in Family Medicine and has been associated with Riverside since 2013.

**Acquisition of Goods and Services.**

Paul W. Gerhardt, Secretary to Williamsburg Landing, and Alexander W. Powell Jr., Assistant Secretary to Williamsburg Landing, are members of the law firm of Kaufman & Canoles, P.C., which acts as general counsel to Williamsburg Landing. Kaufman & Canoles, P.C. has been retained for basic corporate legal services by Williamsburg Landing on a monthly retainer basis and is paid an additional amount each calendar year for services rendered not included within the retainer. Director James Golden serves as a Director on the Williamsburg Board of TowneBank from which bank Williamsburg Landing secured a $9,000,000 bank qualified tax exempt bond financing in 2007 and received $20,000,000 in bank qualified tax-exempt bond financing as hereinafter described. Director Robert J. Singley is a Director of Chesapeake Financial Shares, Inc., a holding company for Chesapeake Bank, from which bank Williamsburg Landing secured a $5,515,000 bank qualified tax exempt bond financing in 2007. Directors Catherine Chaplain and Richard Costello serve on the Williamsburg Advisory Board of Chesapeake Bank. In addition, Chesapeake Bank is a participant in the previously referenced $20,000,000 bank qualified tax-exempt bond financing from TowneBank. Chesapeake Bank rents space at Williamsburg Landing for the operation of retail banking and trust services offices to serve the residents of Williamsburg Landing. Director Tracey Dowling is employed by
Riverside Healthcare Associates, Inc. or one of its affiliated entities, and Riverside Medical Group, previously noted as providing medical services to Williamsburg Landing, is a part of Riverside Healthcare Association, Inc. and Riverside Health System. Please see the section of this Disclosure Statement entitled “Affiliations” for additional information regarding relationships with Riverside Healthcare Association, Inc. and its affiliates.

**Criminal, Civil and Regulatory Proceedings.**

Neither Williamsburg Landing nor any of the directors, officers or members of Williamsburg Landing, or other persons listed above, have been convicted of a felony or pleaded nolo contendere to a criminal charge, or held liable or enjoined by final judgment in a civil action involving fraud, embezzlement, fraudulent conversion, misappropriation of property or moral turpitude. None of such persons are subject to an injunctive or restrictive order of a court of record, nor within the past five years have any of such persons 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 any business activity or health care, including, without limitation, actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state. None of such persons are currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

**Affiliations.**

Williamsburg Landing is a member of a limited liability company, At Home Partners, LLC, established for the purpose of providing clinical, managerial, and administrative support services for the operations of the community-based continuing care provider Riverside Retirement Services, Inc. d/b/a ChooseHome, which is also a member of the limited liability company and is affiliated with Riverside Healthcare Association, Inc., a not-for-profit organization. As noted in the section of this Disclosure Statement entitled “Management”, Riverside and Williamsburg Landing have a contractual relationship whereby Riverside provides Williamsburg Landing with its Medical Director and related medical services. Further, Williamsburg Landing has established a limited liability company known as Williamsburg Landing Home Health, LLC and entered into a services and advisory agreement with Senior Options, LLC, an affiliate of Westminster-Canterbury of Hampton Roads, Inc., a not-for-profit organization. Williamsburg Landing Home Health, LLC is a Virginia limited liability company that was created as a subsidiary entity of Williamsburg Landing, Inc., with the objective of establishing a Medicare-certified home health care program to provide an additional option for delivery of skilled services to home bound residents through nursing, physical, speech and occupational therapies, social work and nursing assistants for limited periods of time, as well as hospice services. It is to maintain its own Medicare licensure. Services must be ordered by and under the supervision of a physician. A senior registered nurse will direct the program. Services are planned to be provided to several user profiles: residents of Williamsburg Landing who will be the primary clients, non-residents who use Williamsburg Landing’s skilled care for rehab and then return to their home in the community, residents of other senior living communities, and residents of the greater community who have, or desire to have, a relationship with Williamsburg Landing (e.g., wait list depositors, etc.).
Neither Riverside Healthcare Association, Inc. nor Westminster-Canterbury of Hampton Roads, Inc. nor any of their respective affiliates are responsible for the financial or contractual obligations of Williamsburg Landing. Williamsburg Landing is not and has not been affiliated with any other religious, charitable or not-for-profit organizations.

**Tax Status.**

The Internal Revenue Service has issued a final ruling determining Williamsburg Landing to be exempt from Federal income taxation under Section 501(c)(3) and a public charity under 509(a)(2) of the Internal Revenue Code of 1986, as amended.

**Ownership, Location and Description of Real Property.**

Williamsburg Landing, Inc. owns real estate of approximately 138.56 acres upon which the community is built. As of April 1, 2017, all of the land and buildings thereon are subject to a first lien deed of trust securing a total principal amount of $117,288,984 for the holders of a total of $81,936,911 of indebtedness and a $1,000,000 line of credit facility. (See Debt Service Table, pages 15 and 16 and the section below under the heading Reserve Funding; Indebtedness)

Of the parcels comprising the real estate, the first parcel fronts on College Creek in James City County, Virginia, just off Route 199, with the entrance to the facility near the intersection of Brookwood Drive and Lake Powell Road. The facilities on this parcel consist of 220 residential units comprised of (i) 102 cluster houses in duplex structures, including one, two and three bedroom units, (ii) 71 apartment units located in the Landing Building (one and two bedroom units), and (iii) 48 apartment units (two bedrooms each) located in the four “River Court Apartments” (sometimes referred to as “Manor Houses”). The Landing Building also houses central services for the residents of the facility.

The second parcel (“Boatwright Circle”) lies south-east of Williamsburg Landing Drive, near the entrance to Williamsburg Landing. This parcel is developed with 28 units, 26 of which are dwelling units in duplex structures and two of which are single residences. In recognition of the adjacent Williamsburg-Jamestown Airport, a portion of this parcel is within the Airport-Approach Overlay District as specified by the James City County Zoning Ordinance. As such, height limitations on structures are imposed and noise from the airport may be heard.

The third parcel lies northwest of Williamsburg Landing Drive. The facility (called “Woodhaven at Williamsburg Landing”) built on this third parcel includes a 105,000 square foot facility and contains 61 assisted living units, of which 15 are special care units for residents with dementia, and 58 nursing beds. Also located on this third parcel are 32 cluster homes known as “Edgewood”, a 24,000 square foot fitness/wellness facility known as the “William A. Doig Health Club & Spa” and 31 two bedroom independent living apartments in a single building known as “Earl’s Court”. In 2016, with the approval of the Board of Directors, Williamsburg Landing proceeded with an expansion of Woodhaven at Williamsburg Landing facility to include (i) construction of a memory center to allow for consolidation of dementia services and the net addition of 9 beds to memory care, (ii) reconfiguration of skilled care in the current Woodhaven building to add 15 beds to skilled care or long-term nursing, and (iii) construction of a new three-story addition to the Woodhaven building to add up to 37 units to assisted living. In October
2016, Williamsburg Landing closed on the financing for the expansion of Woodhaven at Williamsburg, which financing was in the amount of $38,758,630.

These parcels are served by a parcel comprising Williamsburg Landing Drive and a parcel serving as a parking lot behind the Landing Building.

**Services Provided; Fees; Financial; Funding.**

**Residency and General Services.**

The services provided by Williamsburg Landing, those covered by the Monthly Service Fee and those available at extra charge, are described in Articles I and II of the Residency Agreements. The various Agreements to which this disclosure statement applies are attached as **Appendices A1-A4**:

- **Appendix A1** is the Residency Agreement for Independent Living Units (0%, 50% and 90% Refundable Entrance Fee Plans)
- **Appendix A2** is the Residency Agreement for Independent Living Units (0%, 50% and 90% Refundable Entrance Fee Plans – Security Plus Plan)
- **Appendix A3** is the Residency Agreement for Woodhaven Manor, Assisted Living Unit (50% and 0% Refundable Entrance Fee Plans)
- **Appendix A4** is the Residency Agreement for Woodhaven House, Assisted Living Unit – Special Care (50% and 0% Refundable Entrance Fee Plans)

In addition, there are Residency Agreements without entrance fee available for Woodhaven to a very limited degree and further information is available from Williamsburg Landing upon request. The agreements without entrance fee are not continuing care retirement community agreements because, among other things, they do not guarantee the availability of health care services.

**Health Care Services.**

**Temporary Care.** While a resident of either an Independent Living unit or an Assisted Living unit, up to ten days per calendar year (non-cumulative) of care, at the shared bath room rate, in the Williamsburg Landing Nursing Facility (also known as Woodhaven Hall) are provided for no additional fee unless otherwise specifically agreed by a resident and Williamsburg Landing as noted in an addendum to the Residency Agreement; provided, however, transfers to the Nursing Facility, even those that are temporary or short-term, are subject to the approval of the Medical Director or its designee.

**Permanent Care.** For permanent transfers to the Nursing Facility (Woodhaven Hall), the Entrance Fee and Monthly Service Fee schedules are as set forth in **Appendix B** unless otherwise specifically agreed by a resident and Williamsburg Landing as noted in an addendum to the Residency Agreement. Once a resident is permanently transferred to the Nursing Facility (Woodhaven Hall), after the calendar year of that transfer, that resident is no longer entitled to the inclusion of ten days of care in the Monthly Service Fee.
Access to Nursing Facility. If space is not then available within the Nursing Facility, nursing care required by the Resident may be provided by contract in another licensed nursing home facility on a temporary basis and Resident will not be required to pay more than Resident would have been required to pay if space were available in the Nursing Facility. Thereafter, the Resident will be required to pay the per diem rate established for temporary stays in Woodhaven Hall in addition to the Monthly Service Fee on the Resident’s living quarters.

Available Additional Healthcare Services. Pursuant to subsection B(2) of Article II of the Residency Agreement, additional health care services may be provided by independent contractors, the charges of which will be paid by residents and are not included in the Monthly Service Fee. Williamsburg Landing is affiliated with Williamsburg Landing Home Health, LLC, which is one of several such independent contractors available to provide home health services to Residents.

Security Plus Plan. The Security Plus Plan is an option offered to residents age 85 and younger at entry. The Plan is optional and provides a 3 year limit on long term care costs for a single, non-refundable fee paid at admission. The fee is determined by Williamsburg Landing’s actuarial consultant and will be supported by a dedicated reserve fund. The benefit is provided in the form of a substantial discount on fees in the Nursing Facility (Woodhaven Hall) and in the Assisted Living Facilities (Woodhaven Manor for assisted living and Woodhaven House for assisted living with memory care) after 3 years (1,095 days). For the first 3 years of stay in any level of care (assisted living, memory care, or skilled nursing), the resident pays the normal fee as published from time to time in the fee schedule. If the length of stay extends beyond 3 years (1,095 days), the monthly fee is reduced to an amount equivalent to the single person monthly fee established annually for a River Court independent living apartment. This discount continues for the remaining life of the resident, as long as they continue to live at Williamsburg Landing. Any combination of time spent in any of the 3 levels of care at Woodhaven Hall, House or Manor classified as a permanent resident, regardless of whether the stay is continuous, is counted toward the 3 year limit.

Food Service.

For Independent Living Residency Agreements, one meal per day per person is included in the Monthly Service Fee. A 20 meal per month plan may be chosen and a credit received. Additional meals are available at an extra charge. For Assisted Living and Special Care Residency Agreements, three meals per day are included in the Monthly Service Fee.

Utilities.

The Residency Agreements set forth those utility charges not included in the Monthly Service Fee, which charges may vary depending on the type of unit occupied.

Fees Required of Residents.

Besides the Residency Agreements described in Appendix A1 and Appendix A2, which require the payment of an entrance fee, if the initial Independent Living Residential Unit is occupied by more than one person as a Resident on the Effective Occupancy Date (which term is defined later in this Disclosure Statement), a Second Person Entrance Fee is payable on or before
the Effective Occupancy Date as set forth in the Fee Schedule in Appendix B. The Second Person Entrance Fee is included within the definition of Entrance Fee and as such may be subject to refund.

Subject to the projected needs of its existing residents, Williamsburg Landing may also offer on a limited basis Residency Agreements for direct admissions to Woodhaven Assisted Living Unit and Special Care with a Refundable Entrance Fee and may offer an Assisted Living Unit Residency Agreement and Special Care Residency Agreement without Entrance Fee. The agreements without entrance fee require an entrance deposit in the amount of one month’s Monthly Service Fee. These agreements provide no assurance of future placement/transfer to the Nursing Facility (Woodhaven Hall).

The types of fees required of residents at Williamsburg Landing are described in Article III of the Residency Agreements. The Residency Agreements, in Section C of Article III, also provide that the Monthly Service Fee may be increased with 30 days’ prior written notice to the Resident. Current Fees are set forth in the Williamsburg Landing Fee Schedule attached as Appendix B. The refund process is described in the Residency Agreements and in the section below under the heading Refunds.

The weighted average Monthly Service Fee for the Independent Living Residential Unit effective as of January 1, 2017, is $4,405, which amount includes basic cable television service. The weighted average Monthly Service Fees for the past five years are as follows:

- 2017  $4,405
- 2016  $4,285
- 2015  $4,164
- 2014  $4,043
- 2013  $3,915
- 2012  $3,761

Joint Occupancy.

Sections C of Article III (Monthly Service Fee), B of Article IV (Procedure for Permanent Transfer to the Nursing Facility), and G of Article VI and subsection D(2) of Article III (Second Person Fee) of the Residency Agreement in Appendices A1, A2, and A3 discuss the consequences of joint occupancy of a unit and termination of residency by one joint occupant.

If two co-Residents are entering into a Residency Agreement, each agrees to make all necessary provisions to ensure that each Resident will have sufficient financial resources to meet their obligations under the Residency Agreement even if one of the co-Residents leaves Williamsburg Landing by death, withdrawal or otherwise.

The Residency Agreement attached as Appendix A4 does not provide for joint occupancy arrangements.
Modifications to Residential Units.

For all existing residential units, Williamsburg Landing may charge residents for all expenses of resident-requested special modifications (including, without limitation, upgrades) to residential units, including an administrative fee. Such charges are based on policies and procedures established by Management and are subject to change, and all requests for changes are subject to Williamsburg Landing’s prior approval and are at its discretion. No portion of such charges is refundable.

Subordination.

The Residency Agreements expressly provide for subordination of the rights of residents to occupancy, services and refund of Entrance Fees to the present and future liens created in connection with the financing of the Williamsburg Landing facilities. Residents have no lien or claim against any property of Williamsburg Landing pursuant to the Residency Agreements. Foreclosure or other enforcement proceedings by the trustee for the bondholders or other creditors may adversely affect the rights of residents to services or for refund of Entrance Fees and other funds.

Escrow and Refund of Deposits.

Deposits toward the Entrance Fee made prior to occupancy will be held as provided in Section B (Entrance Fee) of Article III of the Residency Agreement. Refunds of such deposits are governed by the provisions of Section F of Article VI of the Residency Agreement. Subsection B(1) (Escrow Account) of Article III of the Residency Agreements describe the escrow account into which deposits paid by the Resident are to be deposited prior to occupancy. Currently the Escrow Agent is TowneBank. Funds are held in the escrow account as cash deposits or are in other investments which are authorized for the investment of public funds. Deposits may be released from the Escrow Account to Williamsburg Landing any time on or after the Effective Occupancy Date for the unit.

Moneys deposited in the escrow account will be returned without interest to the prospective resident within thirty days of a written request for a refund, if the prospective resident dies before occupancy, or upon any rescission of a Residency Agreement before the Effective Occupancy Date.

Reserve Funding; Indebtedness.

Williamsburg Landing previously borrowed proceeds of several series of tax-exempt bond financings from 1984 to 1996 and again in 2003 and 2005 to finance and refinance the initial construction and subsequent expansions of its facilities, and all such bonds have been repaid or refinanced. In November 2007, Williamsburg Landing refinanced some of its debt by obtaining a $9,000,000 loan by placing tax-exempt bonds with TowneBank and in December, 2007, a $5,515,000 loan was obtained by placing tax-exempt bonds with Chesapeake Bank. The outstanding balances of these two bank qualified tax-exempt bond financings, as of April 1, 2017, are $7,925,000 and $5,515,000, respectively. In December 2011, Williamsburg Landing closed on the first part of a two part $17,500,000 bank qualified tax-exempt bond financing placed with TowneBank to provide funds for substantial renovations, which first part was for
Series 2011A and Series 2011B bonds each in the amount of $5,000,000 for a total amount of $10,000,000. The second part of the two part financing closed in January 2012 in the amount of $7,500,000. The outstanding balances of these two bank qualified tax-exempt bond financings, as of April 15, 2017, are $9,300,000 and $6,980,000, respectively. In December 2012, Williamsburg Landing obtained through Union First Market Bank and M&T Bank a bank qualified tax-exempt bond financing in the amounts of $10,620,000 and $10,000,000, respectively, the outstanding balances of which, as of April 1, 2017, are $5,525,000 and $7,514,529, respectively. In January 2013, Williamsburg Landing obtained through M&T Bank a bank qualified tax-exempt financing in the amount of $13,460,000, the outstanding balance of which, as of April 1, 2017, is $13,460,000. In June 2015, Williamsburg Landing obtained through M&T Bank two bank qualified tax-exempt bond financing loans in the amount of $10,000,000 each, the outstanding balances of each, as of April 1, 2017, being $9,937,231, and $9,937,231, respectively. In October 2016, Williamsburg Landing closed on $38,758,630 in total principal amount of bank qualified tax-exempt bonds to finance the expansion of its Woodhaven health complex by placing $28,758,630 in bonds with M&T Bank and $10,000,000 in bonds with TowneBank. A $20,000,000 portion of the bonds placed with M&T Bank were made subject to a forward-starting interest rate swap to be effective on January 2, 2018, under which Williamsburg Landing will make monthly payments at a fixed rate and M&T Bank will make monthly payments at the variable rate index of such bonds through October 1, 2026. As of April 1, 2017, $5,929,598 of the available funds under the October 2016 financing have been drawn and applied to the Woodhaven project. All tax-exempt bond financings are required by federal tax law to be issued through government authorities; therefore, Williamsburg Landing has in the course of incurrence of tax-exempt bond obligations entered into agreements with the Economic Development Authority of James City County, Virginia, the Economic Development Authority of Mathews County, Virginia, the Economic Development Authority of Gloucester County, the Industrial Development Authority of Essex County, the Joint Industrial Development Authority of Northampton County and its Incorporated Towns, and the Economic Development Authority of the City of Williamsburg, under which Williamsburg Landing must provide funds from operations to pay debt service on the 2007 financing with TowneBank and Chesapeake Bank, the financings in 2011 and 2012 provided by TowneBank, the financings in 2012 and 2013 provided by Union First Market Bank, the financings in 2012, 2013 and 2015 provided by M&T Bank, and the financings in 2016 provided by TowneBank and M&T Bank.

Williamsburg Landing believes that it will continue to be able to operate its facilities on a sound basis and provide for payment of all the above-designated debt obligations when due.

Amounts in the funds held pursuant to the terms of the refinancing agreement are to be invested by the trustee in United States government or agency obligations, savings accounts of banks and savings and loan institutions, state and local government bonds, commercial paper and guaranteed investment agreements with banks or insurance companies.

As of March 31, 2017, Williamsburg Landing had unrestricted reserves of approximately $2,891,652 (cost basis) which was comprised of various funds with Vanguard, and unrestricted cash and certificates of deposit totaling $1,810,856 which is deposited in accounts with Raymond James and M&T Bank. As of March 31, 2017, the total market value of these reserves and unrestricted cash was $19,996,436.
Williamsburg Landing currently has no other material escrow or reserve funds except for funds held to receive charitable contributions.

The following table sets forth the annual amounts (which are payable in monthly installments) Williamsburg Landing is required to pay as debt service:

(Debt Service Table is on following 2 pages)
### Debt Service Table

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Admission Criteria/Process for New Residents.

Residents occupying under Residency Agreements must be 62 years of age or older at the time of occupancy; provided, however, in circumstances of joint occupancy, Management of Williamsburg Landing may, at its discretion and subject to such lawful terms and conditions as it may elect to apply, allow that only one of the joint occupants be 62 years of age or older at the time of occupancy when the other is not less than 55 years of age at the time of occupancy.

The processes that must take place prior to approval for residency at Williamsburg Landing include the following:

**Future Residency List.**

Williamsburg Landing maintains a Future Residency List for those interested in Williamsburg Landing but who are unsure of when they might commence residency. To be placed on the Future Residency List, an individual or couple need only complete an Application and pay a fee of $1,000 (which will be credited, without interest, towards the Entrance Fee at the Effective Occupancy Date). The Future Residency List Fee can be refunded at any time prior to the date the depositor completes the residency application and selects the depositor’s desired residence by signing a Depositor Reservation Letter.

**Ready Status List ($10,000 Deposit).**

Williamsburg Landing also maintains a separate Ready Status List for those approaching the time when they would become residents. To be placed on the Ready Status List, a Ready Status Fee (which will also be credited toward the Entrance Fee) of $9,000 is required if the Future Residency List Fee has been paid, or $10,000 is required if the Future Residency List Fee has not been paid. Such depositors will be placed on the Ready Status List in the sequence each Ready Status Fee deposit was made; this sequence determines the priority one depositor has over others in selecting specific units. The Ready Status Fee deposit (less $1,000 for each depositor which amount is to be held by Williamsburg Landing) will be held in escrow by a third party escrow agent selected by Williamsburg Landing, but will remain the property of the depositor until released to Williamsburg Landing on the Effective Occupancy Date. No interest is paid or credited to the depositor for money held in escrow or by Williamsburg Landing. The portion of the deposit held in escrow will be refunded within thirty (30) days after receipt of a written request for a refund at any time prior to the Effective Occupancy Date.

**Decision Process.**

The decision process commences on or before the date when the depositor’s choice of an independent living residential unit is projected to become available. At that point, the depositor will pay an Admissions Processing Fee ($1,000 per person) to partially pay for the expenses incurred by Williamsburg Landing in conducting the required financial and medical reviews described below. If admission is approved, the Admissions Processing Fee is neither refundable nor credited toward the Entrance Fee. In addition, the depositor executes a Depositor Reservation Letter. If the prospective Resident requests upgrades or modifications to the residential unit for which they commit or the carpeting and paint they have selected have been installed or applied, they are responsible for the cost of all those items and they will need to pay for the items. In
most instances payment will be required in advance of the changes, upgrades and modifications being made. The amounts paid for the changes, upgrades and modifications are not held in escrow and are non-refundable once the changes, upgrades and modifications have been started.

After the Admissions Processing Fee is paid, the depositor will be asked to provide financial and medical information on forms provided by Williamsburg Landing. Incomplete and missing information will delay a decision. Medical examinations by the Williamsburg Landing Medical Director will be required. Also, personal interviews may be required. All of such information must be no older than six (6) months before the anticipated Effective Occupancy Date. Any approval for admission is subject to re-evaluation if significant changes to a depositor’s financial and/or medical condition before the Residency Agreement Date occurs. If admission is denied, the Admission Processing Fee will be refunded.

Williamsburg Landing, in its sole discretion, makes the decision whether or not to admit each depositor on an individual basis based on admission criteria. The criteria, which may be amended from time to time, is consistent with the goals of providing high standards for residents while controlling the financial and physical risks for the protection of all residents. The depositor agrees to accept such decision as binding and final. If admission is not granted, the Admissions Processing Fee, the Future Residency List Fee and the Ready Status Fee paid by the depositor will be refunded in full, without interest, within thirty (30) days thereafter. At that time the depositor’s name will be removed from both the Future Residency List, the Ready Status List, and from further consideration for residency at Williamsburg Landing.

Residency Agreement Date.

If the depositor is approved for residency and the unit is ready for occupancy or the timing for when the unit will be ready for occupancy is determined, the depositor next signs a Residency Agreement paying to Williamsburg Landing the balance of all fees (Entrance and Second Person Fees). These will be held in escrow until the Effective Occupancy Date.

Effective Occupancy Date.

The Effective Occupancy Date is the date when all provisions of the Residency Agreement become effective, all escrowed money is released to Williamsburg Landing, and the Monthly Service Fee commences. The Effective Occupancy Date is the earliest date that: (1) at least one of the depositors occupies the selected residential unit or any unit used as an interim unit; or (2) the selected residential unit is available for immediate occupancy. Without regard to the Effective Occupancy Date, the depositor(s) shall have the right to rescind a continuing care contract, without penalty or forfeiture, within seven (7) days after making an initial deposit or executing the Residency Agreement. A Resident is not required to move into Williamsburg Landing before expiration of the seven-day period.

Refunds.

Prior to the Effective Occupancy Date. The Future Residency List Fee can be refunded, without interest, at any time prior to the date the depositor pays the Ready Status Fee and signs the Depositor Reservation Letter selecting their desired residence. This refund is
to be within thirty (30) days after receipt by Williamsburg Landing of a written request from the depositor to be removed from the Future Residency List.

After a Ready Status Fee is paid, $1000 per depositor will be held by Williamsburg Landing and not in escrow and it will not be subject to refund except in limited circumstances as described below in this Section. The balance of the Ready Status Fee paid will be held in escrow by a third party escrow agent designated by Williamsburg Landing. The funds held in escrow will remain the property of the depositor until released to Williamsburg Landing on the Effective Occupancy Date. No interest is paid or credited to the depositor for money held by Williamsburg Landing or in escrow. The amount of the Ready Status Fee held in escrow will be refunded within thirty (30) days after receipt of a written request for a refund at any time prior to the Effective Occupancy Date; provided, however, if the depositor terminates prior to signing the Depositor Reservation Letter or is precluded from becoming a Resident through illness, injury, incapacitation or death before the Effective Occupancy Date, all Ready Status Fee amounts paid plus any Future Residency List Fee paid, whether or not held by Williamsburg Landing or in escrow, will be refunded without interest to the depositor or his estate within thirty (30) days following receipt by Williamsburg Landing of written notice. If there is no qualified legal representative, Williamsburg Landing may refund monies to the depositor’s spouse, next of kin or other responsible persons. Upon making a refund, Williamsburg Landing shall be fully discharged from all further liability. All credits and refunds will be without interest. There is no refund for monies paid for modifications or upgrades once the work begins.

Following the Effective Occupancy Date. Refunds of a portion of the entrance fee after the Effective Occupancy Date will be made subject to Section G of Article VI of the Residency Agreements at Appendix A1 and Appendix A2 which provides that no refund will be made until full payment of a new entrance fee for the vacated unit is received (in certain instances, this may actually be another unit, as set forth in Section G of Article VI of those Residency Agreements). The amount of such refund will be the lesser of the new entrance fee received for the vacated unit or a percentage of the Entrance Fee actually paid by the resident seeking the refund. Such percentage of the refund amount decreases after the Effective Occupancy Date. Refund of the Entrance Fee is not guaranteed if the conditions of the applicable Residency Agreement, including receipt by Williamsburg Landing of another entrance fee with respect to the vacated unit, are not met.

Additional details regarding refunds of the Entrance Fee and deposits with respect to the Entrance Fee for Independent Living Units, including the termination of the Residency Agreement and the associated refunds due to termination by the Resident, termination by Williamsburg Landing or the death of the Resident, are governed by Article VI of the Residency Agreement at Appendix A1 or Appendix A2, as applicable.

Woodhaven Manor and Woodhaven House. Refunds of the Entrance Fee for residents directly admitted to Woodhaven Manor or Woodhaven House will be made pursuant to Sections F and G of Article VI of the Residency Agreements, attached as Appendices A3 and A4. These Agreements state that where termination occurs prior to occupancy, a full refund of any deposit, less $1,000 per each Resident (except if Resident dies before occupying the Residential Unit, or is later precluded through illness, injury, of incapacitation from becoming a resident) and less the Admissions Processing Fee, will be made within thirty days. Where
termination occurs after the date of occupancy in Woodhaven House and Woodhaven Hall, a stated percentage of the original Entrance Fee paid, adjusted as set forth in Section G of Article VI of Appendices A3 and A4, will be refunded.

Access to Facility by Non-Residents.

Williamsburg Landing is the home of its residents. Section C of Article VIII of the Residency Agreements, attached as Appendix A1 and Appendix A2, govern the manner in which additional persons may occupy residential units subject to Residency Agreements at Williamsburg Landing. Residents may have visitors at any time. In addition, in limited circumstances when approved by Management of Williamsburg Landing, live-in caregivers who are not qualified as residents of Williamsburg Landing may reside with Residents for purposes of performing substantial duties related to the management and maintenance of a residence and the providing of personal care. Guests are to be registered with security personnel. Access to the facilities is controlled and security personnel may refuse admission to persons attempting to enter without a proper purpose.

Residential Units at Woodhaven (see Appendices A3 and A4) are designed for single occupancy only, with the exception of a few units at Woodhaven Manor (assisted living facility) which are designated to accommodate two persons.

Subject to the projected needs of existing residents and in the sole discretion of Management, excess capacity in Woodhaven Hall, Woodhaven Manor, and Woodhaven House may be used by persons who are not residents at Williamsburg Landing by paying the rates established for such persons, and entering into a Nonresident Admissions Agreement. In addition, a limited number of non-residents are allowed to use the William A. Doig Health Club and Spa on a membership fee for service basis. From time to time outside groups are permitted to use portions of the facilities provided they (i) are sponsored by one or more of the residents, (ii) involve professional associations or educational institutions affiliated with residential or facility programs, or (iii) serve the interest of the local community and/or residents.

In early 2018 or late 2017, Williamsburg Landing will be opening a licensed adult day care service on its campus serving both residents and non-resident seniors from the surrounding Williamsburg community.

Other Matters.

General.

Future revenues and expenses of Williamsburg Landing and the ability of Williamsburg Landing to generate sufficient revenues from the Facility to meet its obligations under the Residency Agreements are subject to conditions which may change in the future to an extent that cannot be determined at this time. No entity or person other than Williamsburg Landing is responsible for any obligation of Williamsburg Landing. The feasibility of the continuing care facility is dependent upon the ability of Williamsburg Landing to attract sufficient residents and to maintain substantial occupancy by residents who can pay the full amount of the Monthly Service Fee. Williamsburg Landing sets its fees based on, among other things, forecasts and actuarial tables.
Fluctuation in Interest Rates.

A substantial portion of Williamsburg Landing’s non-operating revenues is expected to come from interest earnings on the investment of available funds. The amount of such interest earnings will fluctuate with changes in prevailing interest rates.

Increases in Medical Costs.

Unless otherwise agreed by Williamsburg Landing and a resident in special circumstances, and subject to the approval of the Medical Director or its designee, Williamsburg Landing is obligated to provide residents of independent living units and assisted living units with nursing care and certain other types of long-term care in the Nursing Facility for up to 10 days per year at the shared bath rate, without additional charge. Substantial unanticipated increases in the cost of providing nursing care and other types of long-term care could have an adverse impact on Williamsburg Landing.

Complaint Resolution/Concerns.

It is the intent of Williamsburg Landing, Inc. that all Residents entitled to occupying an Independent Living Residential Unit, an Assisted Living Unit or a Woodhaven Hall Nursing Unit pursuant to a Residency Agreement are able to freely and openly express complaints or concerns so that prompt and fair resolution can be accomplished. Complaints or concerns (beneficial suggestions or requests for change) are normally forwarded to the President/CEO or his designee who in consultation (as he deems necessary) with the President of the Residents’ Association, the appropriate Residents’ Association Committee and/or Residents’ Association Council shall seek to resolve the issue.

Complaints resulting from failure to resolve issues in the manner described above may be lodged with the Williamsburg Landing Corporate Board of Directors within 90 days following the failure to resolve the issues. For presentation to the Corporate Board, the resident shall submit the complaint to the President of the Williamsburg Landing Residents’ Association who, as member of the Corporate Board, shall present the complaint to the Chairman of the Corporate Board, with a copy to the President/CEO, for disposition pursuant to policies and procedures as may be established from time to time by the Corporate Board. The Williamsburg Landing Corporate Board is ultimately responsible for resolving such complaint.

Arbitration.

Unless a Resident exercises the Residents arbitration opt-out opportunity described in the Residency Agreement, a Resident’s sole remedy for resolving or deciding any legal dispute, controversy or claim, including any claim for monetary damages, against Williamsburg Landing shall be by binding arbitration in James City County, Virginia, in accordance with the Rules of the American Arbitration Association currently in effect, as described in the Residency Agreement, provided, such claims and disputes (1) are of a nature or type that can be submitted to arbitration for a decision, (2) cannot be resolved or settled by the parties pursuant to preceding sections or the section above entitled “Complaint Resolutions/Concerns,” (3) are not subject to a signed opt out agreement, or (4) are not excluded from being subject to this arbitration provision pursuant to law.
In consideration of entering into a Residency Agreement, a Resident not exercising the arbitration opt-out opportunity provided consents to binding arbitration as the sole remedy as set forth above and the rights, obligations and procedures associated with such arbitration are as described in Section X of Article VIII of the Residency Agreement. Resident further acknowledges that in agreeing to arbitration, Resident waives his or her rights to have any dispute or claim decided in a court of law before a judge or a jury, or otherwise to avail himself or herself of legal remedies other than binding arbitration.

**Pro Forma Income Statement.**

Attached as Appendix D is a pro forma statement of revenues and expenses for the fiscal year of Williamsburg Landing ending December 31, 2017.

**Independent Advice.** Prospective residents should consult independent legal and tax advisors regarding residency at Williamsburg Landing and the tax and legal implications as would be prudent with any other major financial decision.
APPENDIX A1

FORM OF RESIDENCY AGREEMENT
FOR INDEPENDENT LIVING RESIDENTIAL UNIT
WILLIAMSBURG LANDING
RESIDENCY AGREEMENT
FOR INDEPENDENT LIVING RESIDENTIAL UNIT

between

Williamsburg Landing, Inc.
(“Owner”)

and

____________________________________
____________________________________
(" Resident", whether one or more)

Residency Agreement Date:_____________________

Initial Independent Living Residential Unit Number: ________________________________
Type Unit: ________________________________ (does/does not include garage)
Location: __________________________________________________________

Entrance Fee Plan:
☐ 90% Refundable Entrance Fee  ☐ 50% Refundable Entrance Fee  ☐ 0% Refundable Entrance Fee

Entrance Fee Under Applicable Entrance Fee Plan $ __________
Plus Second Person Fee $ __________
Less: Misc. Credits $ __________
Total Entrance Fee $ __________

Minus Prior Deposit(s):
Future Residency List Fee (Payment Date) $ __________
Ready Status Fee (Payment Date) $ __________

Balance of Entrance Fee due on Residency Agreement Date $ __________

A fee of $1,000.00 per person previously paid by Resident to Owner (the “Admissions Processing Fee”) includes a portion of the costs of the required physical examination(s) of Resident and other expenses assessed by Owner, is not part of or credited against the Entrance Fee and, as such, is nonrefundable unless the Resident is not accepted for admission.

Effective Occupancy Date:
To Be Entered When Established:
*Initial Monthly Service Fee $ __________
Less: Credit if Resident Elects Reduced Meal Plan Option $ __________
Total Initial Monthly Service Fee $ __________

*THE INITIAL MONTHLY SERVICE FEE IS AN ESTIMATE BASED UPON THE MONTHLY SERVICE FEE(S) IN EFFECT ON THE DATE OF THE EXECUTION OF THIS AGREEMENT. THE INITIAL ACTUAL MONTHLY SERVICE FEE(S) AND CREDIT(S) WILL BE IN THE AMOUNT OF THIS ESTIMATE UNLESS RESIDENT IS OTHERWISE NOTIFIED IN WRITING ON OR BEFORE THE EFFECTIVE OCCUPANCY DATE IS DETERMINED, SUBJECT TO INCREASE OR DECREASE SUBSEQUENT TO THE EFFECTIVE OCCUPANCY DATE AS PROVIDED IN THIS AGREEMENT.
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This RESIDENCY AGREEMENT (the “Agreement”) is made on the date shown on the cover page between WILLIAMSBURG LANDING, INC., a Virginia non-profit corporation (“Owner”), and the person or persons listed on the cover page as Resident.

Owner operates “Williamsburg Landing,” a Continuing Care Retirement Community (CCRC) in James City County, Virginia, which provides housing and certain services for its residents.

Resident has applied for residency at Williamsburg Landing and submitted a Future Residency Application (“Future Residency Application”), a copy of which is attached and made a part of this Agreement. Owner, by the execution of this Agreement, has accepted the Future Residency Application, subject to the terms of this Agreement.

Owner and Resident, in consideration of the mutual covenants, agreements and undertakings set forth below, agree as follows:

ARTICLE I.
INDEPENDENT LIVING RESIDENTIAL UNIT

A. Independent Living Residential Unit. The initial independent living residential unit selected by Resident and to which Resident is assigned is shown on the cover page of this Agreement, and Resident shall have the privilege of occupying the agreed upon residential unit or any other residential unit to which Resident is at any time assigned (the “Residential Unit”) so long as Resident meets the terms and conditions of this Agreement and conforms to the policies and procedures of Owner. Owner agrees to furnish and maintain, at Owner’s expense, the following for the Residential Unit:

(1) Heating and air conditioning units with individually controlled thermostats
(2) Smoke detectors
(3) Emergency response system
(4) Stove with microwave and hood
(5) Refrigerator
(6) Dishwasher
(7) Garbage disposal in kitchen sink

In addition, Owner will furnish floor coverings as specified on the Residential Unit Furnishings exhibit attached to this Agreement as Appendix 1. Replacement of floor coverings is at the sole discretion of Owner. All other furnishings shall be provided and maintained by Resident.
B. Change of Residential Unit.

(1) Request for Change by Resident. Resident may request a change of the Residential Unit (i) subject to the availability of an alternate residential unit (the “Alternate Unit”), and (ii) in accordance with Owner’s policies in effect from time to time, including, without limitation, payment to Owner of a refurbishment fee and other costs. Upon Owner’s approval, Resident’s current Residential Unit shall be offered for reoccupancy. Upon receipt from a new resident of the then current Entrance Fee for the vacated Residential Unit, the change to the Alternate Unit shall become effective subject to the following:

a. First Change. If the change of Residential Unit is the first change by Resident, then the lesser of: (i) the entrance fee for Resident’s “Entrance Fee Plan” in effect (without deduction for any entrance fee credits or other incentives then in effect) for the Residential Unit being vacated by Resident on the date that Residential Unit is occupied by a successor resident; or (ii) the Entrance Fee previously paid by Resident (as reduced by any credits provided, but without taking into consideration any reduction for amortization under the applicable Entrance Fee Plan), shall be applied against the Entrance Fee for the same Entrance Fee Plan then in effect for the Alternate Unit. Resident shall pay to Owner prior to occupancy of the Alternate Unit any deficit between the entrance fee for the Alternate Unit and such lesser amount. The excess, if any, shall be refunded to Resident after it is reduced by 2% per full or partial month of occupancy after the “Effective Occupancy Date” (as defined in Section A of Article III) up through and including the applicable number of full or partial months of amortization under Resident’s Entrance Fee Plan after the Effective Occupancy Date until the remaining amount of the refund of the excess, if any, is reduced to the percentage of said excess corresponding to the Resident’s Entrance Fee Plan.

b. Subsequent Changes. If the change of Residential Unit is the second or subsequent such change by Resident, the lesser of: (i) the Entrance Fee for Resident’s Entrance Fee Plan in effect (without deduction for any entrance fee credits or other incentives then in effect) for the Residential Unit being vacated by Resident on the date that Residential Unit is occupied by a successor resident; or (ii) the Entrance Fee previously paid (as reduced by any credits provided) by Resident without any reduction for amortization under the applicable Entrance Fee Plan but as adjusted by all additional entrance fees paid or refunds made in connection with previous relocations, shall be applied against the Entrance Fee for the applicable Entrance Fee Plan then in effect for the Alternate Unit. Resident shall pay to Owner prior to occupancy of the Alternate Unit.
c. The revised Entrance Fee computed in “a” or “b” described above, as applicable, is hereinafter referred to as the “Adjusted Entrance Fee.” Refunds of the Adjusted Entrance Fee, if any, shall be in accordance with Article VI of this Agreement. All amounts not refunded shall be retained by Owner.
d. Resident shall also pay his relocation expenses and the administrative fee then in effect to compensate Owner for such relocation.

(2) Relocation to Another Residential Unit by Owner. Owner may require Resident to move to another residential unit if such a move has been recommended by the Medical Director of Williamsburg Landing, in consultation with Resident’s private physician, for the health or safety of Resident. Such relocation shall be at the expense of Resident, but without any increase of the Entrance Fee. The Entrance Fee previously paid by Resident shall be applied as set forth in subsections B(1)a or B(1)b of this Article I above except that no deficit shall be paid by Resident.

(3) Transfer Made by One of Two Joint Occupants. In the event that one of two joint occupants of the Residential Unit discontinues the occupancy of the Residential Unit for any reason, the remaining Resident may continue to occupy the Residential Unit as a single occupant, paying the “Monthly Service Fee” (as described in Section C of Article III of this Agreement) on the basis of single occupancy, or the remaining Resident may move to a smaller residential unit when one becomes available, in which case adjustments and charges shall be made in accordance with subsection B(1) of this Article I above.
ARTICLE II.
SERVICES PROVIDED

A. Residential Services Provided by Owner. Owner shall furnish the following services to all residents of Williamsburg Landing, the costs of which shall be covered by the Monthly Service Fees, except where specifically noted:

1) Maintenance and Repairs. Owner will perform necessary repairs, maintenance and replacement of its own property and equipment, the common areas of Williamsburg Landing and the exterior and interior of the residential units. Repairs, maintenance and replacement of Resident’s own property will be the responsibility of Resident.

2) Security. Owner will equip the Residential Unit with an emergency response system which will be monitored on a 24 hour basis and an automatic smoke alarm. Owner will staff a security station and will patrol the grounds on a scheduled basis.

3) Meals. Owner will operate at least one dining facility for three meals per day (excluding Sundays on which day only 1 meal is served for Independent Living Residents); included in the Monthly Service Fee is 1 meal per day for each Resident. Other than Residents in the Nursing Facility and the Assisted Living Facility, all Residents may elect to have only 20 meals per month and receive a credit against the Monthly Service Fee. For an additional charge, Residents may elect to receive 2 or 3 meals per day. Private dining facilities will be available to Resident to be used on a reserved basis at an additional charge to him. Special diets, as may be prescribed by Resident’s physician, will be provided for Resident and Owner, at its discretion, may charge Resident the expense.

4) Scheduled Transportation. Owner will provide scheduled transportation from Williamsburg Landing to local shopping areas and events. Transportation for medical treatment in the local Williamsburg area will be provided by Owner if Resident is unable to furnish his own transportation. Transportation for other personal needs may be provided at an additional charge.

5) Planned Activities. Owner will coordinate special events which may include such items as concerts, tours and cultural, social and athletic events. Additional charges may apply for participation in these activities.

6) Management Services. Owner will provide professional management services to the community.

7) Buildings and Grounds. Owner will maintain the common areas of all buildings and the grounds including the lawns, walkways and driveways.
(8) **Utilities.** Owner will furnish water, sewer, heat, light, power, and air conditioning for the residential units located in the Landing Building. Owner will furnish only water and sewer for residential units located in the River Court Apartments, Boatwright Circle, Edgewood and Earl’s Court areas of Williamsburg Landing, and all other utilities furnished to such residential units shall be at the expense of Resident. All utilities furnished to residential units at the Mooring Houses area shall be at the expense of Resident. Owner will provide for access to basic cable television but Resident will pay for telephone service, any telephone equipment provided, internet access and premium cable television channels, if utilized.

(9) **Common Facilities.** Resident may use, in common with others, facilities such as dining rooms, lounges and lobbies, chapel, library, swimming pool, social and recreation rooms, shops, and all other common facilities designated by Owner for resident use. Common facilities for which additional charges will be made include any shops providing services such as beauty parlors and barber shops and facilities requiring an attendant, and any rooms or accommodations provided for the overnight accommodation of guests. An additional charge may also be made for supplies used in connection with recreational and social activities.

(10) **Housekeeping.** Owner will clean the Residential Unit every other week.

(11) **Taxes.** Owner will pay all real and personal property taxes assessed against Owner.

B. **Health Care Services Provided.**

(1) **Health Care Offered by Owner.** The following health care services will be provided by Owner and included in the Monthly Service Fee:

a. Emergency call system

b. An Outpatient Clinic providing:

   (i) initial health screenings for new Residents (weight check, blood pressure screening, nurse consultation)

   (ii) blood pressure checks

   (iii) phlebotomy service (does not include lab charges)

   (iv) scheduled nurse consultation

c. Initial one time nutrition counseling for new Residents (subsequent counseling is at Resident’s expense)
d. Subject to the review and approval of the Medical Director or its
designee and the Medical Transfer procedures provided for in
Article IV below and provided that Resident is an occupant of an
Independent Living or Assisted Living Facility Residential Unit
during that calendar year, up to ten (10) days of care in the Nursing
Facility per calendar year (non-cumulative from year to year) on a
private room (shared bath) basis.

Additional stays in the Nursing Facility beyond such ten (10) days per
calendar year (non-cumulative from year to year) of care, or stays in the
Nursing Facility that do not qualify for such ten (10) days, will be at
Resident’s expense at the then current rate for the applicable private
room. For care in other than a private room (shared bath) basis during
such ten (10) days, Resident will be charged the per diem private room
rate, less the private room (shared bath) rate.

Owner will operate a nursing facility on site, licensed by the
Commonwealth of Virginia as a nursing home (the “Nursing Facility”).
Nursing care provided by Owner shall be limited to that care given in the
Nursing Facility or in another part of Williamsburg Landing designated by
Owner. Resident may employ private duty nurses and sitters at
Resident’s expense, but only after approval by Owner of the nurses and
sitters and/or firm providing such nurses and sitters and subject to policies
and procedures of Owner. Owner assumes no responsibility for
overseeing such private duty providers of services.

Owner will operate an assisted living facility (the “Assisted Living Facility”)
licensed by the Commonwealth of Virginia. Typical services to be provided
in the Assisted Living Facility are as follows:

a. Three nutritious meals daily, including special diets as may be
prescribed by Resident’s physician
b. Assistance with activities of daily living
c. Assistance with problems resulting from loss of speech, hearing or
sight
d. Administration of medication
e. Assistance in bathing
f. Special treatments such as blood pressure checks
g. Availability of private duty services; such services to be paid for by
Resident after approval by Owner of persons and firms involved
h. Assistance in maintenance and housekeeping to provide a clean, safe environment
i. Respite care
j. Specialized activities programs

Owner will designate as medical director a licensed physician who shall be responsible for monitoring the health care services at Williamsburg Landing (the “Medical Director”) and shall be available to Owner for advice and consultation.

(2) **Additional Health Care Services.** Additional health care services will be provided or made available through independent or related contractors approved by Owner. Resident will be responsible for paying the rates charged for any of these additional services utilized. Typical services to be provided are as follows:

a. Primary care physician services
b. Home health care
c. Licensed nurses
d. Nurses aides for companion care or assistance with activities of daily living
e. Homemakers
f. Physical therapists
g. Occupational therapists
h. Speech therapists

(3) **Consent to Release of Medical Information.** Resident hereby consents to, and will provide, such additional documentation as may be requested by Owner for the release of medical information by any physician, hospital or other medical provider providing any medical services or consultation to Resident.

C. **Additional Services.** Owner may offer other services in addition to those listed specifically in this Article II. If Resident chooses to accept those additional services, Resident agrees to pay all applicable additional charges.

D. **Notice of Change in Services Provided or Fees.** Thirty (30) days prior written notice shall be provided to Resident concerning any change that decreases the scope of services described in this Article II. A listing of charges for services
provided by Owner that are not covered by the Monthly Service Fee will be available to all Residents. Thirty (30) days prior written notice shall be provided to Resident concerning increases in these charges or Monthly Service Fees.

ARTICLE III.
FEES

A. Effective Occupancy Date. The Effective Occupancy Date is the earliest date when: (i) at least one of the Residents commences occupancy at Williamsburg Landing in any unit; or (ii) the selected independent living residential unit is available for immediate occupancy, regardless of whether the unit is physically occupied (the “Effective Occupancy Date”). Subject to the preceding sentence, the Effective Occupancy Date shall be mutually agreed upon and listed on the cover page of this Agreement. All applicable fees (See Sections B and C of this Article III) will commence on the Effective Occupancy Date. The foregoing is subject to the seven (7) day right of rescission as set forth in Section V of Article VIII below.

B. Entrance Fee. In consideration of Owner making the Residential Unit and services available to Resident as described above, Resident agrees to pay an entrance fee in the amount shown on the cover page of this Agreement (the “Entrance Fee”) in the following manner:

- Resident shall make partial payment(s) of the Entrance Fee prior to the Residency Agreement Date; and

- the balance of the Entrance Fee is payable in full on or before the Residency Agreement Date.

There are three Entrance Fee Plans available according to the terms below. An Entrance Fee Plan must be declared at the Residency Agreement Date and is designated on page one of the Agreement. The selection of the Entrance Fee Plan may not be changed by Resident after the Effective Occupancy Date. Detailed terms for any Entrance Fee refunds are outlined in Article VI and Section B of Article I of this Agreement.

- The 0% Entrance Fee Plan accrues to Owner at a rate of, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per month beginning with the first day of the month of the Effective Occupancy Date or portion thereof until the entire Entrance Fee paid has been accrued. Prior to such full accrual by Owner, Resident may be due a refund of the Entrance Fee paid by the Resident less a percentage thereof equal to 2% times the number of months (or partial months) of occupancy, less any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for
reasonable wear and tear). Refer to Article VI and Section B of Article I for specific refund information.

- The 50% Entrance Fee Plan accrues to Owner at a rate of, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per month beginning with the first day of the month of the Effective Occupancy Date or portion thereof until 50% of the Entrance Fee has been accrued. Thereafter, any refund to Resident will be limited to 50% of the Entrance Fee originally paid by the Resident less a sum equal to any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for reasonable wear and tear). Refer to Article VI and Section B of Article I for specific refund information.

- The 90% Entrance Fee Plan accrues to Owner at a rate of, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per month beginning with the first day of the month of the Effective Occupancy Date or portion thereof until 10% of the Entrance Fee has been accrued. Thereafter, any refund to Resident will be limited to 90% of the Entrance Fee originally paid by the Resident less a sum equal to any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for reasonable wear and tear). Refer to Article VI and Section B of Article I for specific refund information.

**Escrow Account.** Prior to the Effective Occupancy Date, all sums (except less $1000 per each Resident held by Owner, which amounts are non-refundable except if Resident dies before occupying the Residential Unit, or is later precluded through illness, injury or incapacitation from becoming a resident and less the Admissions Processing Fee) received from Resident for entrance fees or portions of entrance fees pursuant to this Agreement will be deposited by Owner into an escrow account maintained at a financial institution designated by Owner (the “Escrow Agent”), pursuant to the terms and provisions of an escrow agreement (“Escrow Agreement”) by and between Owner and the Escrow Agent. All such escrowed sums (“Escrow Deposits”) will remain the property of Resident until released to Owner as hereinafter provided. No interest shall be due or payable to Resident on such sums. All Escrow Deposits shall be released to Owner on the Effective Occupancy Date when Owner presents to the Escrow Agent evidence that: (i) at least one of Residents has commenced occupancy at Williamsburg Landing in any unit; or (ii) the selected independent living residential unit is available for immediate occupancy. If Resident dies before occupying the Residential Unit, or is
later precluded through illness, injury or incapacitation from becoming a resident under the terms of this Residency Agreement, Resident shall receive a refund of the Escrow Deposits, without interest, reduced by those costs, if any, specifically incurred by Owner at the request of Resident including, but not limited to, costs of changes to the Residential Unit as set forth in a separate written Addendum signed by both Resident and Owner. Notwithstanding the aforesaid, all Escrow Deposits shall be released if such Escrow Deposits have not otherwise been released within three years after placement in escrow or within three years after construction has started, whichever is later or if the construction of the facility, not yet operating is stopped indefinitely before the facility is completed.

(2) Refund of Entrance Fee. Refunds of the Entrance Fee to Resident shall be pursuant to the terms and provisions of Article VI and Section B of Article I of this Agreement.

C. Monthly Service Fee. Resident shall pay Owner a monthly service fee (the "Monthly Service Fee") for certain services provided to Resident, as more fully described above, and to pay for a portion of the construction and financing costs of Williamsburg Landing. The Monthly Service Fee shall be payable in advance on the first day of each month until the applicable date specified in this Agreement pursuant to Article VI, hereof. The full Monthly Service Fee for the month in which the Effective Occupancy Date occurs shall be due in advance on the Effective Occupancy Date. A prorated credit for the portion, if any, of the month of occupancy from the first day of such month to the Effective Occupancy Date will be applied to the first regular Monthly Service Fee following such month.

The actual Monthly Service Fee for initial occupancy will be established prior to the Effective Occupancy Date. Written notice of any such change to the Monthly Service Fee shall be given to Resident no later than thirty (30) days prior to the Effective Occupancy Date. Subsequent to the Effective Occupancy Date, Owner may increase or decrease the Monthly Service Fee after giving thirty (30) days prior written notice to Resident.

(1) Joint Occupancy of Residential Unit. Owner may maintain different Monthly Service Fees for single and double occupancy of the Residential Unit, and any change in the status of occupancy may result in the appropriate change in Resident’s Monthly Service Fee. If the Residential Unit is occupied by more than one Resident, each Resident shall be jointly and severally liable for the Monthly Service Fee.

(2) Reduction of Monthly Service Fee for Extended Absence. In the event of an absence by Resident of more than fourteen (14) consecutive days for a period of visiting, traveling or extended but not permanent stay in a medical institution such as a hospital, Resident may be entitled to a
reduction in the Monthly Service Fee at rates determined by Owner pursuant to its policies then in effect. To receive such a reduction, Resident must give at least seven (7) days’ prior written notice to Owner, except in the case of unscheduled hospitalization, in which case no notice is required.

(3) Termination of Occupancy by One Joint Occupant. In the event of the termination of occupancy of one joint occupant of the Residential Unit for any reason, effective on the first day of the following month, the Monthly Service Fee charged to the remaining occupant shall be reduced by the then current fee, if any, for the second resident in the Residential Unit. Any applicable meal credits for single-occupied units will apply according to the then current fee schedule.

D. Other Fees.

(1) Admissions Processing Fee. The Admissions Processing Fee of $1,000.00 per person previously paid by Resident prior to the execution of this Agreement covered a portion of the costs and expenses incurred by Owner, and as such, is not part of or credited against the Entrance Fee. The Admissions Processing Fee is nonrefundable and becomes the property of Owner upon payment, unless admission is denied by Owner in which event it will be refunded. No interest shall be payable or otherwise credited to Resident on the Admissions Processing Fee.

(2) Second Person Fee. In consideration of Owner making the Residential Unit available for the benefit of an additional person to be included within the definition of Resident, Resident agrees to pay a second person fee in the amount shown on the cover page of this Agreement which fee shall be paid in full on or before the Residency Agreement Date. The second person fee is included within the definition of Entrance Fee and is subject to refund as part of the Entrance Fee pursuant to the terms and provisions of Article VI and Section B of Article I of this Agreement.

(3) Fees For Additional Services. Owner may provide additional services which are not included in the Monthly Service Fee for which an additional charge may be made pursuant to Owner’s published fee schedule.

E. Nonpayment of Fees. In the event that payment of the Entrance Fee (including any second person fee) is delayed beyond the Effective Occupancy Date for any reason, Resident will be liable for payment of Monthly Service Fees commencing on the Effective Occupancy Date. A delay of full payment of the Entrance Fee (including any second person fee) beyond thirty (30) days after the Effective Occupancy Date will be considered a voluntary termination of this Agreement by Resident after the Effective Occupancy Date and the terms of Section A of Article VI will apply. Owner may terminate this Agreement for nonpayment of the
Monthly Service Fee if such nonpayment is not cured within thirty (30) days of the date Owner gives written notice of the overdue payment to Resident.

F. Joint and Several Obligations of Co-Residents. If two co-Residents are entering into this Agreement, each agrees to make all necessary provisions to ensure that each Resident will have sufficient financial resources to meet their obligations under this Agreement even if the other Resident leaves Williamsburg Landing by death, withdrawal or otherwise, to include, without limitation, making provision in his or her respective estate planning documents (whether by will, trust, survivorship, pay-on-death, beneficiary designation or other designation) to satisfy the continuing obligations of the remaining Resident under this Agreement after the death of the first Resident to die. Further, each Resident hereby agrees (i) to be bound jointly and severally by the terms and conditions hereof, and (ii) that such obligations shall become an obligation of his or her estate. Each Resident hereby agrees to provide to Owner from time to time, upon Owner’s request, written evidence satisfactory to Owner of the Resident’s compliance with the Resident’s obligations under this Section.

G. Benevolence. Notwithstanding the provisions of Section E of Article III above, it is the policy of Owner not to terminate a Resident’s occupancy because of financial inability to pay all or part of the Monthly Service Fee and other fees, provided that Resident is otherwise in compliance with the terms of this Agreement and provided, further, that Resident establishes facts to justify a waiver or reduction of the Monthly Service Fee and any other such fees. Such waiver or reduction can be granted, based solely on the opinion of Owner and compliance of the request with the Benevolence policies established by the Board of Directors of Williamsburg Landing, without impairing the ability of Owner to operate Williamsburg Landing on a sound financial basis. To justify a waiver or reduction of the Monthly Service Fee, Resident must prove conclusively to Owner that inability to pay is due to financial reverses over which Resident had no control or is due to depletion of Resident’s assets in a reasonable manner by the passage of time. Resident shall not, without Owner’s consent, have impaired his ability to meet the financial obligations of this Agreement by reason of expending and/or transferring his income or assets after execution of this Residency Agreement, other than to meet ordinary and customary living expenses.

To the extent that the Monthly Service Fee or other fee(s) are waived or reduced, Owner will have a claim against Resident’s remaining estate and a right to set off against any refund of the Entrance Fee to which Resident or his estate may be entitled under this Agreement. Resident hereby agrees that, in consideration of such reduction:

(1) Resident shall transfer to another residential unit upon request by Owner, if and when available;
(2) Resident shall not sell or otherwise transfer any real or personal property, financial assets or income without the written consent of Owner;

(3) Resident shall enter into such agreements, powers of attorney, assignments or transfers as may be required for the purpose of making available to Resident and Owner any other assets of Resident to offset such financial needs;

(4) Resident shall promptly provide periodic statements of financial condition and copies of income tax returns as may be requested from time to time by Owner; and

(5) Resident shall notify Owner of any and all assets acquired thereafter through any means whatsoever, and shall assign or pay such property received to Owner in an amount equivalent to the total cumulative monthly or other fee reductions which have been allowed to Resident.

If the conditions of this Agreement for waiver or reduction of the Monthly Service Fee cannot be met, and Resident fails to pay such fee in full, interest may be charged on past due fees and charges and/or Owner may terminate this Agreement as provided above.

ARTICLE IV.
MEDICAL TRANSFER

A. Procedure for Temporary Transfer to the Nursing Facility. Temporary transfer of Resident to the Nursing Facility will require the review and approval of the Medical Director or its designee. In the event of such temporary transfer, Resident shall continue paying the then effective Monthly Service Fee and shall continue to have the right to occupy the Residential Unit. After Resident has received his ten (10) days per calendar year (non-cumulative from year to year) of a private room (shared bath) care in the Nursing Facility, Resident shall pay a per diem charge in addition to the Monthly Service Fee for services received, in accordance with Owner's rates effective at that time for residents of Williamsburg Landing paying the Monthly Service Fee.

B. Procedure for Permanent Transfer to the Nursing Facility. Whenever, in the opinion of Owner, a permanent transfer to the Nursing Facility is required because Resident is no longer capable of living independently in the Residential Unit or is incapable of either managing his properties or caring for himself or both, Resident shall willingly transfer to the Nursing Facility. In making this decision, Owner shall consult with the Medical Director, Resident and Resident's personal physician if different from the Medical Director, legal guardian, spouse or closest relative, and shall take into consideration the physical capacity of the facilities at Williamsburg Landing and the health, welfare, safety, comfort and well-being of Resident and other residents. Failure to transfer to the Nursing Facility
Facility shall constitute a material breach of this Agreement by Resident and provide good cause for Owner to terminate this Agreement.

If Resident permanently transfers to the Nursing Facility, after he has used any remaining days of his ten (10) days per calendar year (non-cumulative from year to year) of a private room (shared bath) care for the year in which he is so transferred, he shall pay for any nursing or health services in the Nursing Facility on a per diem basis in accordance with Owner’s rates effective at that time. Effective upon the date of such permanent transfer, Resident shall no longer pay the Monthly Service Fee or, if Resident was a joint occupant of the Residential Unit, the additional fee then in effect, if any, for double occupancy. After the initial calendar year during which such permanent transfer occurs, the ten (10) days per calendar year of care in the Nursing Facility previously included in the Monthly Service Fee shall no longer be provided by Owner.

If Resident permanently transfers to the Nursing Facility, this Agreement shall not terminate, and if the Residential Unit is jointly occupied, the remaining occupant shall assume all obligations under this Agreement with respect to the Residential Unit. No refund of the Entrance Fee shall be due in connection with the permanent transfer to the Nursing Facility of one, both or all occupants of a Residential Unit. If Resident was the sole occupant of the Residential Unit, upon his permanent transfer to the Nursing Facility this Agreement shall not terminate, but the Residential Unit may be reoccupied by a successor resident or Owner.

C. **Procedure for Temporary or Permanent Care in an Alternative Facility.** Notwithstanding the procedures outlined in Section A or B of this Article IV above, Owner may provide nursing care required by Resident either in Resident’s Residential Unit or by contract in another licensed nursing home facility on a temporary basis if space is not available within the Nursing Facility. Resident shall pay for care on the same basis as outlined in Section A or B of this Article IV, except that Resident will not be required to pay more than he would be required to pay if space were available in the Nursing Facility. Residents who receive care according to this Section C of this Article IV will be offered care in the Nursing Facility in such order as Owner deems to be in the mutual best interest of Owner and all such Residents, but prior to any admission of non-residents to the Nursing Facility.

D. **Procedure for Permanent Transfer to the Assisted Living Facility.** The procedure for permanent transfer to the Assisted Living Facility will be the same as in Section B in this Article IV above, except the provisions for up to ten (10) days per calendar year (non-cumulative from year to year) of care being included in the Monthly Service Fee shall not apply.

E. **Procedure for Transfer to a Medical Institution.** If circumstances arise which, in the opinion of Owner, necessitate the transfer of Resident to a hospital or other institutional medical facility, Owner will endeavor to assist Resident in locating an acceptable institution with a non-restrictive environment.
(1) Temporary Transfer to a Medical Institution. In the event that temporary transfer of Resident from Williamsburg Landing to an institutional medical facility is required as described above, Resident shall continue paying the then effective Monthly Service Fee (and additional fee for double occupancy, if applicable) less a credit in accordance with subsection C(2) of Article III.

(2) Permanent Transfer to a Medical Institution. If, in the opinion of Owner, a permanent transfer by Resident to an institutional medical facility is required because Resident is no longer capable of living independently in the Residential Unit or requires a different level of nursing or health care than is available in the Nursing Facility, Resident shall transfer to such institutional medical facility as the Medical Director or his designee may direct. In making this decision, Owner shall consult with the Medical Director, Resident, Resident’s personal physician if different from the Medical Director, legal guardian, spouse or closest relative and shall take into consideration the health, welfare, safety comfort and well-being of Resident and all residents of Williamsburg Landing.

If Resident transfers to an institutional medical facility as described above and such transfer is deemed permanent, this Agreement shall automatically terminate; provided, however, that the permanent transfer of one occupant of a jointly occupied unit (including joint occupants one or both of whom have permanently transferred to the Nursing Facility), shall not effect a termination of this Agreement with respect to the remaining occupant, in which case the remaining occupant shall no longer pay an additional Monthly Service Fee, if any, for joint occupancy of the Residential Unit, if applicable. If Resident was the sole occupant of the Residential Unit, the Residential Unit may be occupied by a successor resident or Owner.

ARTICLE V.
INSURANCE

A. Medical Insurance and Long Term Care Insurance. Resident agrees to maintain health insurance coverage under Parts A and B of the Medicare Program. If Resident is not eligible for coverage under Parts A and B of the Medicare Program, Resident agrees to obtain equivalent insurance coverage acceptable to Owner. If Resident had long term care insurance in place at the time of approval for admission and existence of that insurance was considered as part of that Resident’s financial approval, then Resident must maintain that insurance or equivalent coverage during the term of this Residency Agreement.

B. Liability and Casualty Insurance. Owner will maintain liability and casualty insurance coverage for all buildings, the contents of the common areas and miscellaneous scheduled property as deemed necessary by Owner. In addition, Owner will carry professional liability insurance coverage, boiler and machinery insurance coverage, as deemed necessary by Owner, and business interruption
insurance coverage for loss of earnings/rent and extra expenses as deemed necessary by Owner.

C. **Resident Provided Insurance.** It is the responsibility of Resident to provide all personal property and liability insurance coverage desired by Resident, and Resident is required to secure and maintain in effect at all times a liability, fire and extended coverage policy or liability and casualty insurance policy, insuring his tangible personal property against loss or damage by reason of fire or other casualty and protect Owner and Resident with regard to damage to property of others, personal injury and death. Owner’s insurance will not protect Resident against theft or destruction of Resident’s personal property whether located inside or outside the Residential Unit.

**ARTICLE VI.\nTERMINATION AND REFUND**

A. **Termination by Resident.** Resident may terminate this Agreement at any time, both before and on or after the Effective Occupancy Date, by giving written notice to Owner. Such written notice shall state a date when termination is to become effective, and at or prior to such date Resident shall vacate and release the Residential Unit. On or after the Effective Occupancy Date, the notice of termination must be given at least one hundred twenty (120) days prior to the date on which Resident desires to terminate this Agreement and Resident shall continue to pay the Monthly Service Fee until the later of one hundred twenty (120) days after the date of such written notice of termination or until the Residential Unit is vacated and released.

The joint occupants constituting Resident of any Residential Unit may, by written notice bearing their joint signatures, at any time terminate this Agreement by delivering to Owner written notice of their intent to do so. Such written notice shall state the date when termination is to become effective and whether either occupant desires to retain the Residential Unit or another residential unit, if available, on a single occupancy basis. If termination is being made after the Effective Occupancy Date, at or prior to the termination effective date, one or both occupants, as the case may be, will move out of the Residential Unit. Such date shall be not less than one hundred twenty (120) days after the date of such written notice. In the event that one occupant elects to remain a resident, this Agreement shall continue in effect with respect to that occupant, with the modification of the Monthly Service Fee specified in Article III. of this Agreement.

B. **Termination by Owner.** Owner may not terminate this Agreement with Resident without good cause. Good cause shall be limited to: (i) proof that Resident is a danger to himself or others; (ii) non-payment by Resident of the Monthly Service Fee; (iii) repeated conduct by Resident that interferes with other residents’ quiet enjoyment of any portion of Williamsburg Landing; (iv) persistent refusal to comply with reasonable written rules and regulations of Williamsburg Landing; (v) a material misrepresentation made intentionally or recklessly by Resident in his
application for residency or related materials, regarding information which, if accurately provided, would have resulted in either a failure of Resident to qualify for residency or a material increase in the cost of providing to Resident the care and services provided under the Residency Agreement; or (vi) material breach by Resident of the terms and conditions of the Residency Agreement.

If Owner seeks to cancel a residency agreement and terminate Resident’s occupancy, Owner shall give Resident written notice of, and a reasonable opportunity to cure within a reasonable period, whatever conduct is alleged to warrant the cancellation of the residency agreement.

Upon such termination by Owner for any of the aforesaid reasons, Owner shall provide Resident with a dated and signed statement by the licensee, administrator or CEO of Williamsburg Landing which contains the following information: (a) date of notification of termination and person so notified; (b) reason(s) for termination; (c) action taken by Owner to assist Resident in the discharge and relocation process; (d) date of actual termination and Resident’s destination; and (e) in situations which present emergency conditions, such as where Resident presents a risk to the health, safety or welfare of Resident or others, the statement shall contain the above information if appropriate and such statement shall be provided or mailed to Resident within 48 hours from the time of the decision to terminate.

C. Automatic Termination.

(1) Termination by Death. This Agreement shall automatically terminate (i) immediately upon the death of Resident if such death occurs prior to the Effective Occupancy Date; or (ii) if such death occurs on or after the Effective Occupancy Date, this Agreement shall then terminate but subject to the obligation of Resident’s estate to pay the Monthly Service Fee until the later of thirty (30) days after such death or until the Residential Unit is vacated and released. In the event of death after the Effective Occupancy Date, the refund provisions of Section G of this Article VI shall govern, provided that the death of one occupant of a jointly occupied unit (including joint occupants one or both of whom have permanently transferred to the Nursing Facility) shall not effect a termination with respect to the other occupant.

(2) Termination Prior to Occupancy. This Agreement shall automatically terminate prior to the Effective Occupancy Date as provided in the preceding paragraph or if Resident’s mental or physical health or financial condition changes to the extent that Resident (i) no longer meets the health and financial conditions required for occupancy at Williamsburg Landing; (ii) is no longer capable of living independently in the Residential Unit on the Effective Occupancy Date, as determined by the Medical Director; or (iii) is unable to perform his obligations in accordance with this Agreement. In the event of such automatic termination prior to the
Effective Occupancy Date, the refund provisions of Section F of this Article VI shall govern as if this Agreement had been terminated by Owner.

(3) Termination Prior to Occupancy Pursuant to Statutory Requirements. This Agreement shall automatically terminate upon the legally required release of Escrow Deposits described in subsection B(1) of Article III as follows:

a. If such Escrow Deposits have not been released within three years after placement in escrow or within three years after construction has started (whichever is later) (but in any event within six years after placement in escrow); or

b. Upon death of Resident as provided in subsection C(1) of this Article VI; or

c. If the Residential Unit has not been constructed and the construction of the Residential Unit is stopped indefinitely before the Residential Unit is completed; or

d. Upon any other termination of this Residency Agreement in accordance with its terms or under applicable law.

D. Release upon Termination.

(1) Upon the earlier of the vacation and release of the Residential Unit or the termination of this Agreement, Owner shall have the right to take full control of the Residential Unit, and Owner shall be released from any further obligation to Resident except for payment of any refund which may be due under this Agreement.

(2) Prior to or upon the termination of this Agreement, Resident or his estate shall remove or cause to be removed all of his personal property from Williamsburg Landing, and, upon payment of all sums due to Owner, Resident shall be released from all further obligation to Owner. In the event of failure of Resident to remove all personal property, Resident shall remain liable to Owner for any moving and storage charges incurred by Owner, pursuant to Section E of this Article VI below.

E. Disposition of Personal Property.

(1) In the event of termination of this Agreement as a result of the death of Resident, within thirty (30) days after the date of death, any personal property of Resident that remains in the Residential Unit shall be removed by Resident’s executor, personal representative or administrator or, if no one has qualified or been appointed as executor, personal representative or administrator, by any of Resident’s relatives.
(2) In the event of termination of this Agreement for any reason other than the death of Resident, within fourteen (14) days after the effective date of termination, any personal property of Resident which remains in the Residential Unit shall be removed by Resident or (if applicable) Resident’s guardian, conservator or committee, or if no guardian, conservator or committee has qualified, by any of Resident’s relatives.

(3) Items not removed may be held in storage by Owner at Resident’s expense, but after a period of thirty (30) days, such property may be sold or discarded by Owner. The sale proceeds shall be applied to the satisfaction of any payment due from Resident under this Agreement, the debt and expenses of the storage and sale, and the surplus, if any, shall be paid to the Resident or Resident’s executor, personal representative or administrator, or, if no one has been qualified or appointed as executor, personal representative or administrator, to any of Resident’s relatives designated by Owner.

(4) Resident agrees that Owner will not be held liable for misdelivery of personal effects pursuant to this Section E., provided that Owner shall exercise ordinary care in ascertaining the identity of the person to whom delivery is made.

F. Refund of Entrance Fee Deposits Prior to Effective Occupancy Date. If this Agreement is terminated prior to the Effective Occupancy Date, Owner will refund that portion of Resident’s refundable Entrance Fee paid within thirty (30) days after the effective date of such termination reduced by those costs specifically described in subsection B(1) of Article III.

G. Refund of Entrance Fee After Effective Occupancy Date.

(1) If this Agreement is terminated after the Effective Occupancy Date, by either Owner or Resident, Resident or his estate may be entitled to a refund of a portion of the refundable Entrance Fee as described below. Such refund shall be due within thirty (30) days after the date on which Owner has received from a successor resident full payment of the then applicable entrance fee with respect to the Residential Unit. However, if the successor resident is a current resident of Williamsburg Landing who is relocating to the Residential Unit (and, in certain cases, who may be one of a series of several current residents relocating among independent living residential units), no refund shall be paid to Resident until Owner has received from a new resident of Williamsburg Landing full payment of the then applicable entrance fee with respect to the independent living residential unit previously occupied by a relocating current resident.

(2) Unless Owner, in its sole and absolute discretion, has reduced its then applicable entrance fees for the last independent living Residential Unit occupied by Resident, upon termination of this Agreement and termination
of occupancy of the last independent living Residential Unit or Assisted Living Unit or Nursing Facility room occupied by Resident, Resident or his estate shall be entitled to a refund computed as follows: (a) if Resident has changed his initial Residential Unit, the adjusted refundable Entrance Fee (determined in accordance with Section B of Article I above) reduced by, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per full or partial month of occupancy after the Effective Occupancy Date for the Residential Unit initially occupied by Resident up through and including sufficient full or partial months after such Effective Occupancy Date until the refund amount is reduced to the applicable percentage of the Adjusted Entrance Fee under Resident’s applicable Entrance Fee Plan; or (b) if Resident has not changed his initial Residential Unit, the Entrance Fee paid reduced by, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per full or partial month of occupancy after the Effective Occupancy Date until the refund amount is reduced to the applicable percentage of the Entrance Fee paid under Resident’s applicable Entrance Fee Plan.

(3) If, at the time Resident is otherwise entitled to a refund, Owner, in its sole and absolute discretion, has reduced its then applicable entrance fees for the last independent living residential unit occupied by Resident, notwithstanding the aforesaid, the amount of the refund shall be, the lesser of the refund to which Resident or his estate is otherwise entitled as described above or the Entrance Fee in effect (for the same Entrance Fee Plan selection as Resident’s) on the date a successor resident takes occupancy of the last independent living Residential Unit occupied by Resident. For the purpose of determining the applicable percentage reduction to calculate the portion of the Entrance Fee to be refunded, the independent living Residential Unit, Assisted Living Unit or Nursing Facility room shall be deemed to be occupied and the monthly percentage reduction described above shall continue to apply until all personal effects have been removed therefrom.

(4) Before making any refund, Owner may also deduct any fees or charges due to Owner from Resident under the terms of this Agreement. All amounts not refunded shall become the property of Owner.

(5) If the Entrance Fee was paid on behalf of two joint residents occupying the Residential Unit (regardless of whether either has permanently transferred to the Nursing Facility), then, in the event of the termination of occupancy by one of the joint residents or by Owner, the Entrance Fee shall be deemed to have been paid on behalf of the remaining occupant whether
residing in the Residential Unit, an Assisted Living Unit or the Nursing Facility, as the case may be, and no refund shall be due by reason of only one of two joint residents terminating occupancy.

ARTICLE VII.
PAYMENT OF MONTHLY SERVICE FEES DURING TRANSFERS

A. Temporary Transfer to the Nursing Facility. During a temporary transfer to the Nursing Facility, Resident will continue to pay the Monthly Service Fee for the Residential Unit as specified in Section A of Article IV.

B. Permanent Transfer to the Nursing Facility or Assisted Living Facility. Upon the effective date of permanent transfer to either of the Nursing Facility or the Assisted Living Facility, the Monthly Service Fee for single or double occupancy of the Residential Unit (as appropriate) will cease or be adjusted as provided in Sections B and D of Article IV above; however, failure to remove all personal property from the vacated unit within the required time as specified in Section E of Article VI will result in reinstatement of Monthly Service Fees until all personal property is removed.

C. Voluntary Transfers Between Residential Units. If Resident is transferred voluntarily from one independent living unit to another as specified in subsection B(1) of Article I, Monthly Service Fees will be paid as follows:

(1) If the new unit to be occupied is vacant with no Monthly Service Fee being collected, Monthly Service Fees on the new unit will commence on the earlier of the date on which Resident takes possession of the unit, or fifteen (15) days from the date the unit is available for occupancy by Resident. Monthly Service Fees on the unit being vacated will be discontinued on the date the unit is vacated.

(2) If the new unit to be occupied is occupied by another resident and Monthly Service Fees are being collected from that resident who is leaving Williamsburg Landing, Monthly Service Fees on the new unit to be occupied shall begin on the earlier of:

a. Seven (7) days after Owner completes renovation work, if any, and notifies Resident that the new unit is available for occupancy;

or

b. Resident occupies the new unit.

Monthly Service Fees on the unit being vacated will cease on the date the unit is vacated.

D. Transfer to Another Residential Unit By Owner. If a transfer between residential units is being made by Owner as a result of a recommendation by the Medical
Director of Williamsburg Landing as specified in subsection B (2) of Article I, Monthly Service Fees on the new unit will begin on the earlier of the date on which Resident takes possession of the residential unit, or seven (7) days from the date on which Resident is notified of the decision by the Medical Director and Resident is notified that the new unit is ready for occupancy. Monthly Service Fees on the residential unit being vacated will cease on the date the residential unit is vacated.

ARTICLE VIII.
MISCELLANEOUS

A. Resident's Covenant of Performance. Resident hereby covenants to perform all of the obligations of Resident set forth in this Agreement, including but not limited to Resident's obligations to pay all fees and charges described in this Agreement. As provided in Section F of Article III above, Resident specifically covenants not to make gifts or expend his personal assets in such a manner as to impair his ability to meet Resident's financial obligations under this Agreement. Resident agrees to pay reasonable attorney's fees to Owner in the event that any suit is brought by Owner to enforce the provisions of this Agreement against Resident or to terminate this Agreement for breach by Resident and Owner prevails.

B. Pets. Resident may be able to keep pets in accordance with the "Policies and Procedures" as defined in Section H of this Article VIII.

C. Increase in Number of Occupants. Without the prior written permission of Owner, no person other than Resident may occupy the Residential Unit except on an occasional basis as permitted by the Policies and Procedures. Guests staying for more than thirty (30) days in a twelve (12) month period must first obtain the permission of Owner, and Owner may charge Resident a guest fee in accordance with Owner's then effective schedule of rates and charges. If such permission is granted, such persons shall acquire no rights or privileges in or under this Agreement.

Should Resident desire to have another person (including a relative through marriage or otherwise) live with him or her on a long-term or permanent basis as a qualified resident of Williamsburg Landing, prior permission of Owner must be obtained, the proposed resident must meet the age, mental and physical health and financial requirements for occupancy at Williamsburg Landing, and Owner may require an adjustment of the Monthly Service Fee and the Entrance Fee. In addition, such person may be required to execute this Agreement and submit a Future Residency Application at the date of execution of this Agreement. The adjustment, if any, that would be made to the Monthly Service Fee at the date of execution of this Agreement due to the entry of any additional occupant of the Residential Unit is shown on the cover page of this Agreement. If the proposed additional occupant does not qualify for occupancy at Williamsburg Landing, Resident, if he or she so desires, may terminate this Agreement as provided in
Section A of Article VI. Also, if it is intended that an additional person reside with Resident in the limited capacity as a care-giver and not as a resident of Williamsburg Landing, prior permission of Owner must be sought and obtained and Owner may require an adjustment of the Monthly Service Fee and, as a condition of its consent, impose additional contractual requirements regulating such person’s occupancy at Williamsburg Landing.

D. Arrangements for Guardianship or Conservatorship. If Resident becomes legally incompetent or is unable to care properly for himself or his property, and if Resident has made no other designation of a person or legal entity to serve as his legal guardian, conservator or committee, then Resident hereby agrees that Owner or a duly authorized officer of Owner, may act as his legal guardian, conservator or committee when qualified according to law or may seek the appointment of another guardian, conservator or committee, and in either case Resident agrees that any cost associated with the attempted qualification and service of a guardian, conservator or committee shall be paid by Resident or from the assets of Resident.

E. Character, Health, Credit and Financial Conditions. The information submitted by Resident to Owner in making application for residence at Williamsburg Landing is made a part hereof and includes all information to be provided hereafter pursuant to this Section. Resident acknowledges that Owner will rely on such information in determining eligibility for residency at Williamsburg Landing. This Agreement will be signed by the parties hereto subject to the following specific health and financial conditions:

1. Resident shall provide a report of physical examination by Resident's personal physician on forms provided by Owner. Such report shall be reviewed by the Medical Director, and in the event that Resident's reported physical condition does not meet the standards of Owner for entry into Williamsburg Landing, upon notice by Owner to Resident, this Agreement shall be rescinded, and Resident shall be entitled to a refund of any portion of the Entrance Fee paid by Resident, as provided herein.

2. Prior to the Effective Occupancy Date, Resident shall provide to Owner an updated financial statement in a form provided by Owner. Resident shall provide to Owner updated financial statements thereafter not less often than once every fifth year following the Effective Occupancy Date. All information so provided shall be confidential and shall not be disclosed to others except to the extent necessary to conduct the business of Williamsburg Landing. Owner may, on or before the Effective Occupancy Date and from time to time thereafter, undertake a credit check, and Resident hereby consents thereto. In the event that Resident’s credit or financial condition does not meet the standards of Owner for residents seeking accommodations of the type selected by Resident, Resident shall be given the choice of accepting a less costly residential unit for which Resident is qualified, if available, or terminating this Agreement.
event of selection of a less costly residential unit, Resident shall be entitled to a refund of any excess Entrance Fee paid, less any amount necessary to cover costs incurred by Owner in connection with the originally selected residential unit. In the event of termination, Resident shall be entitled to a refund of any portion of the Entrance Fee paid.

If Resident has made any material misrepresentations or omission on the Future Residency Application, or in any other financial or medical information submitted to Owner, with respect to the amount of his income, expenses or assets or the condition of his mental and physical health, which misrepresentations or omissions allowed Resident to qualify for acceptance at Williamsburg Landing when he would not otherwise have done so, Resident will be given written notice of the alleged misrepresentation or omission and Owner may take all available action in response to such misrepresentation or omission, including termination of this Agreement in accordance with Section B of Article VI.

F.  Responsibility for Damages.  Any loss or damage to real or personal property of Owner caused by the intentional or negligent acts of Resident or his invitees shall be paid for by Resident.  If any intentional or negligent act of another resident or the invitee of another resident results in injury, illness or damage to Resident, Owner assumes no responsibility therefor, and Resident hereby releases and discharges Owner from any liability or responsibility for injury or damage to Resident or to Resident's personal property caused by the fault or negligence of other residents or their invitees.

G.  Responsibility for Protection of Resident’s Property.  Owner shall not be responsible for the loss of any personal property belonging to Resident due to theft, fire, or any other cause, unless such property has been specifically entrusted in writing to the care and control of Owner, and then Owner shall only be responsible for the lack of ordinary care in the safeguarding of such property. Resident shall have the responsibility of providing insurance to protect against any such loss.

H.  Policies and Procedures.  Owner reserves the right to adopt such reasonable policies and procedures for the operation of Williamsburg Landing as Owner, in its sole discretion, determines necessary and to amend such policies and procedures from time to time as Owner may deem necessary (“Policies and Procedures”). Copies of Policies and Procedures shall be available at all times in the administration office of Williamsburg Landing.  Such Policies and Procedures are hereby incorporated into this Agreement by this reference, and Resident hereby agrees to abide by such Policies and Procedures.

Resident acknowledges receipt of a copy of the Residents’ Manual prior to execution hereof.
I. **Reservation of Right to Inspect.** Owner reserves the right to enter the Residential Unit, at all reasonable times upon reasonable notice to Resident, for all reasonable purposes, including, but not limited to the following purposes:

1. to assure the health, safety and welfare of Resident and other residents of Williamsburg Landing;
2. to make repairs and perform maintenance; and
3. to comply with rules, regulations and directives prescribed by any legal authorities, local, state or federal, or as may be required by the terms of any loan or financing document.

J. **Alterations, Additions, Use and Condition of Residential Unit.** Resident shall make no structural alteration, modification or additions or physical changes of any type to the Residential Unit without the prior written consent of Owner. Resident shall be fully liable for all costs of restoration in the event that any alteration, modification, addition or change is made without the prior written approval of Owner. Title to all such alterations, modifications, additions and changes to the Residential Unit shall immediately vest in Owner and remain the property of Owner.

Resident hereby agrees that he shall not use the Residential Unit or permit the same to be used contrary to any federal, state or local law or the rules and regulations of Williamsburg Landing or in any manner that would cause the value or the usefulness of the Residential Unit to diminish (ordinary wear and tear excepted) or that would constitute a public or private nuisance or waste. Resident further agrees that he will not do or permit anything to be done on or about the Residential Unit that will adversely affect any policies of insurance that are carried by Owner with respect to Williamsburg Landing. At the request of Owner, Resident will remove anything used or kept in the Residential Unit that, in the sole opinion of Owner, is harmful to Williamsburg Landing or disturbing to other residents or that is objectionable to Owner's insurance companies or would cause such insurance companies to increase Owner's insurance rates. Upon termination of this Agreement, Resident, or those acting on his behalf, shall leave the Residential Unit empty of personal property and in good and broom clean condition except for reasonable wear and tear, and Resident shall be liable to Owner for any costs incurred in restoring the Residential Unit to empty of personal property and in good and broom clean condition except for costs incurred as a result of reasonable wear and tear.

K. **No Property Interest.** Resident acknowledges that this Agreement grants Resident a contractual right of occupancy at Williamsburg Landing upon the terms and conditions stated in this Agreement and that Resident is not a lessee or owner of a life estate or any other interest in real property by virtue of this Agreement. The rights and privileges granted to Resident by this Agreement are not proprietary and do not include any right, title or interest in any part of the
personal property, land, buildings and improvements owned or administered by Owner.

L. **Events Beyond Owner’s Control which May Prevent Performance.** Owner shall not be required to perform any term, condition or covenant in this Agreement so long as such performance is delayed or prevented by Acts of God, strikes, lockouts, material or labor shortages or failures, restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Owner and which, by the exercise of ordinary care Owner is unable, wholly or in part, to prevent or overcome.

M. **Subordination to Financing.** Owner represents to Resident and Resident acknowledges, that Williamsburg Landing is and may be further encumbered by liens as security for indebtedness incurred in connection with the construction and/or operation of Williamsburg Landing. Resident further acknowledges that his right to occupancy, services and refund of the Entrance Fee pursuant to the terms of this Agreement are subordinate to the rights of all holders of such liens. Resident also agrees that his right to occupancy, services and refund of the Entrance Fee shall be and remain subordinate to any future debt financing for which Owner may hereafter contract.

N. **Payment Arrangements Not a Loan.** Owner and Resident intend that the payment arrangements under this Agreement compensate Owner for the provision of services pursuant to this Agreement and are not a loan of funds.

O. **Assignability.** This Agreement shall not be assigned by Resident, either in whole or in part, and the right to reside in the Residential Unit may not be subcontracted. Owner may, however, assign this Agreement in whole or in part to a successor owner or to a lender, either outright or as security for any indebtedness of Owner, without the consent of Resident. Resident hereby consents to any and all such assignments by the execution of this Agreement.

P. **Waiver of Breach.** Any waiver by Owner of any covenant or condition of this Agreement, including but not limited to waivers pursuant to Section E of Article III hereof, must be in writing, signed by Owner, shall extend to the particular case only, for the particular time only, and only in the manner specified in such waiver, and shall not be construed as applying to or in any way waiving any further, subsequent or other rights.

Q. **Binding Effect.** This Agreement and all rights and obligations hereunder shall be binding upon and inure to the benefit of Owner, its successors and assigns, and to the benefit of Resident, his respective heirs, assigns, and personal representatives, in accordance with its terms, and shall also specifically inure to the benefit of any mortgagee, assignee or lender.

R. **Gender and Plurality.** The masculine pronoun, when used herein, shall include the feminine, and the singular shall include the plural, and vice versa.
S. Partial Illegality. If any clause or provision of this Agreement operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Agreement shall remain operative and in full force and effect. If any such clause or provision is deemed to be not in conformity with the appropriate laws and regulations, such portion shall be deemed to have been modified by the parties to be in accordance with such laws and regulations, and the validity of the balance of this Agreement shall not be affected.

T. Power of Attorney. Upon Owner’s request, Resident shall execute and maintain in effect a Power of Attorney designating as Resident’s Attorney-in-fact a bank or a responsible person selected by Resident to act for Resident in the event Resident may become unable to handle his affairs. Such Power of Attorney shall be in a form satisfactory to Owner with a copy thereof being furnished to Owner.

U. Governing Law. This Agreement shall be construed and interpreted according to the laws of the Commonwealth of Virginia.

V. Right of Rescission. Virginia law provides that Resident shall have the right to rescind this Agreement without penalty or forfeiture, within seven (7) days after making the deposit or executing this Agreement. Resident shall not be required to occupy the Residential Unit prior to the expiration of the seven-day rescission period.

W. Complaint Resolution/Concerns. It is the intent of Williamsburg Landing, Inc. that all Residents entitled to occupy the Residential Unit pursuant to this Agreement are able to freely and openly express complaints or concerns so that prompt and fair resolution can be accomplished. Complaints or concerns (beneficial suggestions or requests for change) are normally forwarded to the President/CEO or his designee who in consultation (as he deems necessary) with the President of Residents’ Association, the appropriate Residents’ Association Committee and/or Residents’ Association Board of Directors shall seek to resolve the issue.

Complaints resulting from failure to resolve issues in the manner described above may be lodged with the Williamsburg Landing Corporate Board. For presentation to the Corporate Board, Resident, if entitled to occupy the Residential Unit pursuant to this Agreement, shall submit the complaint to the President of the Williamsburg Landing Residents’ Association who, as member of the Corporate Board, shall present the complaint to the Chairman of the Corporate Board, with a copy to the President/CEO, for disposition pursuant to the policies and procedures as may be established from time to time by the Corporate Board. The Williamsburg Landing Corporate Board is ultimately responsible for resolving such complaints.

X. Arbitration. A Resident’s sole remedy for resolving or deciding any legal dispute, controversy or claim, including any claim for monetary damages, against
Williamsburg Landing shall be by binding arbitration in James City County, Virginia, in accordance with the Rules of the American Arbitration Association currently in effect, as modified by any other instructions that the parties may mutually agree upon at the time. Claims or disputes subject to binding arbitration shall include, without limitation, those arising out of the terms of any Residency Agreement, residency at Williamsburg Landing, a Resident’s occupancy or intended occupancy of any premises or the provision of any services to a Resident by Williamsburg Landing, including but not limited to disputes, demands or claims arising from any contracts or agreements, express or implied; disputes or claims arising from the negligence, gross negligence or intentional acts of Resident, Resident’s guests or Owner; disputes or claims arising from any fraud or misrepresentation on the part of Resident or Owner; and, disputes and claims based on any federal or state statutory or common law theory, including, without limitation, any law governing or regulating discrimination or accommodation in the provision of premises, services, residency or public accommodation, and, provided, such claims and disputes (i) are of a nature or type that can be submitted to arbitration for a decision, (ii) cannot be resolved or settled by the parties pursuant to preceding sections or the section above entitled “Complaint Resolutions/Concerns,” (iii) are not subject to a signed opt out agreement, or (iv) are not excluded from being subject to this arbitration provision pursuant to law.

In consideration of entering into this Residency Agreement, Resident understands and consents to binding arbitration as the sole remedy as set forth above. Resident further understands and acknowledges that in agreeing to arbitration, Resident waives his or her rights to have any dispute or claim decided in a court of law before a judge or a jury, or otherwise to avail himself or herself of legal remedies other than binding arbitration.

Resident may opt out of arbitration as a sole remedy by signing an “opt out agreement” contemporaneous with the signing of this Agreement, or may do so within thirty (30) days of the date this Agreement is signed, by entering into a separate “opt out” of arbitration agreement. If an opt out agreement is not signed contemporaneous with Resident’s signature herein, or within thirty (30) days thereafter, Resident agrees that his or her sole remedy for resolving any legal dispute, controversy or claim shall be by binding arbitration, as described above.

Owner’s remedies shall not be limited to arbitration and shall include but not be limited to any action at law or equity in any court of competent jurisdiction, at Owner’s discretion.

In the event of any such arbitration, the controversy or dispute shall be submitted to and, to the extent possible, resolved by one arbitrator mutually selected by the parties. If the parties are unable to mutually agree, each of them shall select one arbitrator and the two arbitrators so selected shall select the third arbitrator; the decision of a majority of such arbitrators shall bind the parties. In the event either party does not select its arbitrator and give notice to the other as herein provided within fifteen (15) days after any notification of any demand for arbitration
hereunder, such arbitrator shall be selected by the American Arbitration Association. The arbitrator(s) shall promptly obtain such information regarding the matter as he (they) shall deem advisable and shall decide with dispatch the matter in accordance with applicable law, equitable principles and community and industry standards, but shall not modify the terms of this Agreement. The arbitrator(s) shall render a written award which shall be delivered to the parties. The decision of the arbitrator shall be final and binding upon the parties and may be enforced in any court of competent jurisdiction. Each party shall bear its own costs and expenses, including attorney’s fees, in any such proceeding, except that at the time of rendering the award, the arbitrator(s) shall establish his (their) fee and expenses in connection therewith. Such fees and expenses shall be allocable by the arbitrator(s) in his (their) award. Written notice of demand for arbitration shall be filed by certified mail within fifteen (15) days of the mailing of the decision by the Williamsburg Landing Corporate Board pursuant to the preceding paragraph. Time is of the essence and failure to file within said time shall terminate this and all other remedies of Resident.

Resident specifically agrees that notwithstanding anything to the contrary, the rights and obligations set forth in this Section X of Article VIII Arbitration survive (i) the termination of this Agreement by either party or (ii) the default of this Agreement by either party. The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Resident further agrees that any dispute brought by Resident involving Owner’s affiliates, directors, officers, employees and agents shall also be subject to this Section X of Article VIII Arbitration as set forth herein, and shall not be pursued in a court of law and, further, that arbitration will be limited to the parties specified herein.

Y. **Entire Contract.** Resident hereby acknowledges that he has read this Residency Agreement in its entirety. This Agreement constitutes the entire Agreement between Owner and Resident. **Owner is not liable for, nor bound in any manner by, any statements, representations, or promises made by any person representing or purporting to represent Owner, unless such statements, representations, or promises are set forth in this Agreement.** This Agreement supersedes all previous agreements between the parties, including any Reservation Application for Williamsburg Landing executed by Resident.
IN WITNESS WHEREOF, Owner has executed this Residency Agreement, by its duly authorized representative, and Resident has executed this Residency Agreement, in his or her own name, all as of the date first above written.

ATTEST:

__________________________________________

WILLIAMSBURG LANDING, INC.

By:_____________________________________

Date:______________________________

WITNESS:

__________________________________________

By:_____________________________________

Date:______________________________

__________________________________________

Date:______________________________

RESIDENT:

Arbitration Opt Out

I have read and understood the provisions in Section X of Article VIII Arbitration and hereby opt out of the arbitration provisions. I understand that I may avail myself of any legal remedies I have in a court of law for any claim, dispute or controversy I have with Williamsburg Landing in lieu of arbitration as a result of my decision to opt out of arbitration as my sole remedy.

RESIDENT:

__________________________________________

__________________________________________

Last Revised: 4/26/2017
Williamsburg Landing agrees to furnish and maintain those items noted below (X) for each residential unit other than designated Assisted Living Units. Maintenance for items upgraded at the resident’s expense is the responsibility of the resident.

<table>
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<th>Item</th>
<th>Landing Building</th>
<th>River Court Apartments</th>
<th>The Moorings</th>
<th>Boatwright Circle</th>
<th>Edgewood</th>
<th>Earl's Court</th>
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<td>(Except Seafarer model)</td>
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<td>Wood (1st Fl)</td>
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<td>Wood</td>
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_Last Revised: 4/26/2017_
APPENDIX A2

FORM OF RESIDENCY AGREEMENT
INDEPENDENT LIVING RESIDENTIAL UNIT-
SECURITY PLUS PLAN
WILLIAMSBURG LANDING
RESIDENCY AGREEMENT
FOR INDEPENDENT LIVING RESIDENTIAL UNIT (SECURITY PLUS PLAN)

between
Williamsburg Landing, Inc.
(“Owner”)

and

____________________________________
____________________________________
(“Resident”, whether one or more)

Residency Agreement Date: ______________________

Initial Independent Living Residential Unit Number: ______________________
Type Unit: ____________________________ (does/does not include garage)
Location: ________________________________

Entrance Fee Plan:
☐ 90% Refundable Entrance Fee  ☐ 50% Refundable Entrance Fee  ☐ 0% Refundable Entrance Fee

Entrance Fee Under Applicable Entrance Fee Plan $ ______________________
Plus Second Person Fee $ ________________
Less: Misc. Credits $ ______________________
Total Entrance Fee $ ______________________

Minus Prior Deposit(s):
Future Residency List Fee (Payment Date) $ ______________________
Ready Status Fee (Payment Date) $ ______________________

Balance of ENTRANCE FEE due on Residency Agreement Date $ ______________________

Security Plus Plan Fee (Non-refundable)
Resident 1 ____________________________ [Name] $ ______________________
Resident 2 ____________________________ [Name] $ ______________________

Total Balance of Fees due on Residency Agreement Date $ ______________________

A fee of $1,000.00 per person previously paid by Resident to Owner (the “Admissions Processing Fee”) includes a portion of the costs of the required physical examination(s) of Resident and other expenses assessed by Owner, is not part of or credited against the Entrance Fee and, as such, is nonrefundable unless the Resident is not accepted for admission.

Effective Occupancy Date:
To Be Entered When Established: ______________________

*Initial Monthly Service Fee $ ______________________
Less: Credit if Resident Elects Reduced Meal Plan Option $ ______________________

Total Initial Monthly Service Fee $ ______________________

*THE INITIAL MONTHLY SERVICE FEE IS AN ESTIMATE BASED UPON THE MONTHLY SERVICE FEE(S) IN EFFECT ON THE DATE OF THE EXECUTION OF THIS AGREEMENT. THE INITIAL ACTUAL MONTHLY SERVICE FEE(S) AND CREDIT(S) WILL BE IN THE AMOUNT OF THIS ESTIMATE UNLESS RESIDENT IS OTHERWISE NOTIFIED IN WRITING ON OR BEFORE THE EFFECTIVE OCCUPANCY DATE IS DETERMINED, SUBJECT TO INCREASE OR DECREASE SUBSEQUENT TO THE EFFECTIVE OCCUPANCY DATE AS PROVIDED IN THIS AGREEMENT.

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This RESIDENCY AGREEMENT (the “Agreement”) is made on the date shown on the cover page between WILLIAMSBURG LANDING, INC., a Virginia non-profit corporation (“Owner”), and the person or persons listed on the cover page as Resident.

Owner operates “Williamsburg Landing,” a Continuing Care Retirement Community (CCRC) in James City County, Virginia, which provides housing and certain services for its residents.

Resident has applied for residency at Williamsburg Landing and submitted a Future Residency Application (“Future Residency Application”), a copy of which is attached and made a part of this Agreement. Owner, by the execution of this Agreement, has accepted the Future Residency Application, subject to the terms of this Agreement.

Owner and Resident, in consideration of the mutual covenants, agreements and undertakings set forth below, agree as follows:

**ARTICLE I. INDEPENDENT LIVING RESIDENTIAL UNIT**

A. **Independent Living Residential Unit.** The initial independent living residential unit selected by Resident and to which Resident is assigned is shown on the cover page of this Agreement, and Resident shall have the privilege of occupying the agreed upon residential unit or any other residential unit to which Resident is at any time assigned (the “Residential Unit”) so long as Resident meets the terms and conditions of this Agreement and conforms to the policies and procedures of Owner. Owner agrees to furnish and maintain, at Owner’s expense, the following for the Residential Unit:

1. Heating and air conditioning units with individually controlled thermostats
2. Smoke detectors
3. Emergency response system
4. Stove with microwave and hood
5. Refrigerator
6. Dishwasher
7. Garbage disposal in kitchen sink

In addition, Owner will furnish floor coverings as specified on the Residential Unit Furnishings exhibit attached to this Agreement as **Appendix 1**. Replacement of floor coverings is at the sole discretion of Owner. All other furnishings shall be provided and maintained by Resident.
B. **Change of Residential Unit.**

(1) **Request for Change by Resident.** Resident may request a change of the Residential Unit (i) subject to the availability of an alternate residential unit (the “Alternate Unit”), and (ii) in accordance with Owner’s policies in effect from time to time, including, without limitation, payment to Owner of a refurbishment fee and other costs. Upon Owner’s approval, Resident’s current Residential Unit shall be offered for reoccupancy. Upon receipt from a new resident of the then current Entrance Fee for the vacated Residential Unit, the change to the Alternate Unit shall become effective subject to the following:

   a. **First Change.** If the change of Residential Unit is the first change by Resident, then the lesser of: (i) the entrance fee for Resident’s “Entrance Fee Plan” in effect (without deduction for any entrance fee credits or other incentives then in effect) for the Residential Unit being vacated by Resident on the date that Residential Unit is occupied by a successor resident; or (ii) the Entrance Fee previously paid by Resident (as reduced by any credits provided, but without taking into consideration any reduction for amortization under the applicable Entrance Fee Plan), shall be applied against the Entrance Fee for the same Entrance Fee Plan then in effect for the Alternate Unit. Resident shall pay to Owner prior to occupancy of the Alternate Unit any deficit between the entrance fee for the Alternate Unit and such lesser amount. The excess, if any, shall be refunded to Resident after it is reduced by 2% per full or partial month of occupancy after the “Effective Occupancy Date” (as defined in Section A of Article III) up through and including the applicable number of full or partial months of amortization under Resident’s Entrance Fee Plan after the Effective Occupancy Date until the remaining amount of the refund of the excess, if any, is reduced to the percentage of said excess corresponding to the Resident’s Entrance Fee Plan.

   b. **Subsequent Changes.** If the change of Residential Unit is the second or subsequent such change by Resident, the lesser of: (i) the Entrance Fee for Resident’s Entrance Fee Plan in effect (without deduction for any entrance fee credits or other incentives then in effect) for the Residential Unit being vacated by Resident on the date that Residential Unit is occupied by a successor resident; or (ii) the Entrance Fee previously paid (as reduced by any credits provided) by Resident without any reduction for amortization under the applicable Entrance Fee Plan but as adjusted by all additional entrance fees paid or refunds made in connection with previous relocations, shall be applied against the Entrance Fee for the applicable Entrance Fee Plan then in effect for the Alternate Unit. Resident shall pay to Owner prior to occupancy of the Alternate Unit any deficit between the entrance fee for the Alternate Unit and such lesser amount. The excess, if any, shall be refunded to Resident after it is reduced by 2% per full or partial month of occupancy after the “Effective Occupancy Date” (as defined in Section A of Article III) up through and including the applicable number of full or partial months of amortization under Resident’s Entrance Fee Plan after the Effective Occupancy Date until the remaining amount of the refund of the excess, if any, is reduced to the percentage of said excess corresponding to the Resident’s Entrance Fee Plan.
Unit any deficit between the entrance fee for the Alternate Unit and such lesser amount. If there is any excess, that excess shall be refunded to Resident after it is, with respect to the period of occupancy in an Independent Living Residential Unit, reduced by 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per full or partial month of occupancy after the Effective Occupancy Date of the initial Residential Unit occupied by Resident up through and including sufficient full or partial months after such Effective Occupancy Date until the remaining amount of the refund of the excess, if any, is reduced to a percentage of said excess corresponding to Resident’s applicable Entrance Fee Plan.

c. The revised Entrance Fee computed in “a” or “b” described above, as applicable, is hereinafter referred to as the “Adjusted Entrance Fee.” Refunds of the Adjusted Entrance Fee, if any, shall be in accordance with Article VI of this Agreement. All amounts not refunded shall be retained by Owner.

d. Resident shall also pay his relocation expenses and the administrative fee then in effect to compensate Owner for such relocation.

(2) Relocation to Another Residential Unit by Owner. Owner may require Resident to move to another residential unit if such a move has been recommended by the Medical Director of Williamsburg Landing, in consultation with Resident’s private physician, for the health or safety of Resident. Such relocation shall be at the expense of Resident, but without any increase of the Entrance Fee. The Entrance Fee previously paid by Resident shall be applied as set forth in subsections B(1)a or B(1)b of this Article I above except that no deficit shall be paid by Resident.

(3) Transfer Made by One of Two Joint Occupants. In the event that one of two joint occupants of the Residential Unit discontinues the occupancy of the Residential Unit for any reason, the remaining Resident may continue to occupy the Residential Unit as a single occupant, paying the “Monthly Service Fee” (as described in Section C of Article III of this Agreement) on the basis of single occupancy, or the remaining Resident may move to a smaller residential unit when one becomes available, in which case adjustments and charges shall be made in accordance with subsection B(1) of this Article I above.
ARTICLE II.
SERVICES PROVIDED

A. Residential Services Provided by Owner. Owner shall furnish the following services to all residents of Williamsburg Landing, the costs of which shall be covered by the Monthly Service Fees, except where specifically noted:

(1) Maintenance and Repairs. Owner will perform necessary repairs, maintenance and replacement of its own property and equipment, the common areas of Williamsburg Landing and the exterior and interior of the residential units. Repairs, maintenance and replacement of Resident’s own property will be the responsibility of Resident.

(2) Security. Owner will equip the Residential Unit with an emergency response system which will be monitored on a 24 hour basis and an automatic smoke alarm. Owner will staff a security station and will patrol the grounds on a scheduled basis.

(3) Meals. Owner will operate at least one dining facility for three meals per day (excluding Sundays on which day only 1 meal is served for Independent Living Residents); included in the Monthly Service Fee is 1 meal per day for each Resident. Other than Residents in the Nursing Facility and the Assisted Living Facility, all Residents may elect to have only 20 meals per month and receive a credit against the Monthly Service Fee. For an additional charge, Residents may elect to receive 2 or 3 meals per day. Private dining facilities will be available to Resident to be used on a reserved basis at an additional charge to him. Special diets, as may be prescribed by Resident’s physician, will be provided for Resident and Owner, at its discretion, may charge Resident the expense.

(4) Scheduled Transportation. Owner will provide scheduled transportation from Williamsburg Landing to local shopping areas and events. Transportation for medical treatment in the local Williamsburg area will be provided by Owner if Resident is unable to furnish his own transportation. Transportation for other personal needs may be provided at an additional charge.

(5) Planned Activities. Owner will coordinate special events which may include such items as concerts, tours and cultural, social and athletic events. Additional charges may apply for participation in these activities.

(6) Management Services. Owner will provide professional management services to the community.

(7) Buildings and Grounds. Owner will maintain the common areas of all buildings and the grounds including the lawns, walkways and driveways.
(8) **Utilities.** Owner will furnish water, sewer, heat, light, power, and air conditioning for the residential units located in the Landing Building. Owner will furnish only water and sewer for residential units located in the River Court Apartments, Boatwright Circle, Edgewood and Earl’s Court areas of Williamsburg Landing, and all other utilities furnished to such residential units shall be at the expense of Resident. All utilities furnished to residential units at the Mooring Houses area shall be at the expense of Resident. Owner will provide for access to basic cable television but Resident will pay for telephone service, any telephone equipment provided, internet access and premium cable television channels, if utilized.

(9) **Common Facilities.** Resident may use, in common with others, facilities such as dining rooms, lounges and lobbies, chapel, library, swimming pool, social and recreation rooms, shops, and all other common facilities designated by Owner for resident use. Common facilities for which additional charges will be made include any shops providing services such as beauty parlors and barber shops and facilities requiring an attendant, and any rooms or accommodations provided for the overnight accommodation of guests. An additional charge may also be made for supplies used in connection with recreational and social activities.

(10) **Housekeeping.** Owner will clean the Residential Unit every other week.

(11) **Taxes.** Owner will pay all real and personal property taxes assessed against Owner.

B. **Health Care Services Provided.**

(1) **Health Care Offered by Owner.** The following health care services will be provided by Owner and included in the Monthly Service Fee:

a. Emergency call system

b. An Outpatient Clinic providing:

   (i) initial health screenings for new Residents (weight check, blood pressure screening, nurse consultation)

   (ii) blood pressure checks

   (iii) phlebotomy service (does not include lab charges)

   (iv) scheduled nurse consultation

c. Initial one time nutrition counseling for new Residents (subsequent counseling is at Resident’s expense)
d. Subject to the review and approval of the Medical Director or its
designee and the Medical Transfer procedures provided for in
Article IV below and provided that Resident is an occupant of an
Independent Living or Assisted Living Facility Residential Unit
during that calendar year, up to ten (10) days of care in the Nursing
Facility per calendar year (non-cumulative from year to year) on a
private room (shared bath) basis.

Additional stays in the Nursing Facility beyond such ten (10) days per
calendar year (non-cumulative from year to year) of care, or stays in the
Nursing Facility that do not qualify for such ten (10) days, will be at
Resident’s expense at the then current rate for the applicable private
room. For care in other than a private room (shared bath) basis during
such ten (10) days, Resident will be charged the per diem private room
rate, less the private room (shared bath) rate.

Owner will operate a nursing facility on site, licensed by the
Commonwealth of Virginia as a nursing home (the “Nursing Facility”).
Nursing care provided by Owner shall be limited to that care given in the
Nursing Facility or in another part of Williamsburg Landing designated by
Owner. Resident may employ private duty nurses and sitters at
Resident’s expense, but only after approval by Owner of the nurses and
sitters and/or firm providing such nurses and sitters and subject to policies
and procedures of Owner. Owner assumes no responsibility for
overseeing such private duty providers of services.

Owner will operate an assisted living facility (the “Assisted Living Facility”)
licensed by the Commonwealth of Virginia. Typical services to be provided
in the Assisted Living Facility are as follows:

a. Three nutritious meals daily, including special diets as may be
   prescribed by Resident’s physician

b. Assistance with activities of daily living

c. Assistance with problems resulting from loss of speech, hearing or
   sight

d. Administration of medication

e. Assistance in bathing

f. Special treatments such as blood pressure checks

g. Availability of private duty services; such services to be paid for by
   Resident after approval by Owner of persons and firms involved
h. Assistance in maintenance and housekeeping to provide a clean, safe environment
i. Respite care
j. Specialized activities programs

Owner will designate as medical director a licensed physician who shall be responsible for monitoring the health care services at Williamsburg Landing (the “Medical Director”) and shall be available to Owner for advice and consultation.

(2) Additional Health Care Services. Additional health care services will be provided or made available through independent or related contractors approved by Owner. Resident will be responsible for paying the rates charged for any of these additional services utilized. Typical services to be provided are as follows:

a. Primary care physician services
b. Home health care
c. Licensed nurses
d. Nurses aides for companion care or assistance with activities of daily living
e. Homemakers
f. Physical therapists
g. Occupational therapists
h. Speech therapists

(3) Consent to Release of Medical Information. Resident hereby consents to, and will provide, such additional documentation as may be requested by Owner for the release of medical information by any physician, hospital or other medical provider providing any medical services or consultation to Resident.

C. Additional Services. Owner may offer other services in addition to those listed specifically in this Article II. If Resident chooses to accept those additional services, Resident agrees to pay all applicable additional charges.

D. Notice of Change in Services Provided or Fees. Thirty (30) days prior written notice shall be provided to Resident concerning any change that decreases the scope of services described in this Article II. A listing of charges for services
provided by Owner that are not covered by the Monthly Service Fee will be available to all Residents. Thirty (30) days prior written notice shall be provided to Resident concerning increases in these charges or Monthly Service Fees.

ARTICLE III.
FEES

A. Effective Occupancy Date. The Effective Occupancy Date is the earliest date when: (i) at least one of the Residents commences occupancy at Williamsburg Landing in any unit; or (ii) the selected independent living residential unit is available for immediate occupancy, regardless of whether the unit is physically occupied (the “Effective Occupancy Date”). Subject to the preceding sentence, the Effective Occupancy Date shall be mutually agreed upon and listed on the cover page of this Agreement. All applicable fees (See Sections B and C of this Article III) will commence on the Effective Occupancy Date. The foregoing is subject to the seven (7) day right of rescission as set forth in Section V of Article VIII below.

B. Entrance Fee. In consideration of Owner making the Residential Unit and services available to Resident as described above, Resident agrees to pay an entrance fee in the amount shown on the cover page of this Agreement (the “Entrance Fee”) in the following manner:

- Resident shall make partial payment(s) of the Entrance Fee prior to the Residency Agreement Date; and
- the balance of the Entrance Fee is payable in full on or before the Residency Agreement Date.

There are three Entrance Fee Plans available according to the terms below. An Entrance Fee Plan must be declared at the Residency Agreement Date and is designated on page one of the Agreement. The selection of the Entrance Fee Plan may not be changed by Resident after the Effective Occupancy Date. Detailed terms for any Entrance Fee refunds are outlined in Article VI and Section B of Article I of this Agreement.

- The 0% Entrance Fee Plan accrues to Owner at a rate of, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per month beginning with the first day of the month of the Effective Occupancy Date or portion thereof until the entire Entrance Fee paid has been accrued. Prior to such full accrual by Owner, Resident may be due a refund of the Entrance Fee paid by the Resident less a percentage thereof equal to 2% times the number of months (or partial months) of occupancy, less any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for
reasonable wear and tear). Refer to Article VI and Section B of Article I for specific refund information.

• The 50% Entrance Fee Plan accrues to Owner at a rate of, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per month beginning with the first day of the month of the Effective Occupancy Date or portion thereof until 50% of the Entrance Fee has been accrued. Thereafter, any refund to Resident will be limited to 50% of the Entrance Fee originally paid by the Resident less a sum equal to any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for reasonable wear and tear). Refer to Article VI and Section B of Article I for specific refund information.

• The 90% Entrance Fee Plan accrues to Owner at a rate of, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per month beginning with the first day of the month of the Effective Occupancy Date or portion thereof until 10% of the Entrance Fee has been accrued. Thereafter, any refund to Resident will be limited to 90% of the Entrance Fee originally paid by the Resident less a sum equal to any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for reasonable wear and tear). Refer to Article VI and Section B of Article I for specific refund information.

(1) Escrow Account. Prior to the Effective Occupancy Date, all sums (except less $1000 per each Resident held by Owner, which amounts are non-refundable except if Resident dies before occupying the Residential Unit, or is later precluded through illness, injury or incapacitation from becoming a resident and less the Admissions Processing Fee) received from Resident for entrance fees or portions of entrance fees pursuant to this Agreement will be deposited by Owner into an escrow account maintained at a financial institution designated by Owner (the “Escrow Agent”), pursuant to the terms and provisions of an escrow agreement (“Escrow Agreement”) by and between Owner and the Escrow Agent. All such escrowed sums (“Escrow Deposits”) will remain the property of Resident until released to Owner as hereinafter provided. No interest shall be due or payable to Resident on such sums. All Escrow Deposits shall be released to Owner on the Effective Occupancy Date when Owner presents to the Escrow Agent evidence that: (i) at least one of Residents has commenced occupancy at Williamsburg Landing in any unit; or (ii) the selected independent living residential unit is available for immediate occupancy. If Resident dies before occupying the Residential Unit, or is
later precluded through illness, injury or incapacitation from becoming a resident under the terms of this Residency Agreement, Resident shall receive a refund of the Escrow Deposits, without interest, reduced by those costs, if any, specifically incurred by Owner at the request of Resident including, but not limited to, costs of changes to the Residential Unit as set forth in a separate written Addendum signed by both Resident and Owner. Notwithstanding the aforesaid, all Escrow Deposits shall be released if such Escrow Deposits have not otherwise been released within three years after placement in escrow or within three years after construction has started, whichever is later or if the construction of the facility, not yet operating is stopped indefinitely before the facility is completed.

(2) **Refund of Entrance Fee.** Refunds of the Entrance Fee to Resident shall be pursuant to the terms and provisions of Article VI and Section B of Article I of this Agreement.

C. **Monthly Service Fee.** Resident shall pay Owner a monthly service fee (the “Monthly Service Fee”) for certain services provided to Resident, as more fully described above, and to pay for a portion of the construction and financing costs of Williamsburg Landing. The Monthly Service Fee shall be payable in advance on the first day of each month until the applicable date specified in this Agreement pursuant to Article VI. hereof. The full Monthly Service Fee for the month in which the Effective Occupancy Date occurs shall be due in advance on the Effective Occupancy Date. A prorated credit for the portion, if any, of the month of occupancy from the first day of such month to the Effective Occupancy Date will be applied to the first regular Monthly Service Fee following such month.

The actual Monthly Service Fee for initial occupancy will be established prior to the Effective Occupancy Date. Written notice of any such change to the Monthly Service Fee shall be given to Resident no later than thirty (30) days prior to the Effective Occupancy Date. Subsequent to the Effective Occupancy Date, Owner may increase or decrease the Monthly Service Fee after giving thirty (30) days prior written notice to Resident.

(1) **Joint Occupancy of Residential Unit.** Owner may maintain different Monthly Service Fees for single and double occupancy of the Residential Unit, and any change in the status of occupancy may result in the appropriate change in Resident’s Monthly Service Fee. If the Residential Unit is occupied by more than one Resident, each Resident shall be jointly and severally liable for the Monthly Service Fee.

(2) **Reduction of Monthly Service Fee for Extended Absence.** In the event of an absence by Resident of more than fourteen (14) consecutive days for a period of visiting, traveling or extended but not permanent stay in a medical institution such as a hospital, Resident may be entitled to a
reduction in the Monthly Service Fee at rates determined by Owner pursuant to its policies then in effect. To receive such a reduction, Resident must give at least seven (7) days' prior written notice to Owner, except in the case of unscheduled hospitalization, in which case no notice is required.

(3) **Termination of Occupancy by One Joint Occupant.** In the event of the termination of occupancy of one joint occupant of the Residential Unit for any reason, effective on the first day of the following month, the Monthly Service Fee charged to the remaining occupant shall be reduced by the then current fee, if any, for the second resident in the Residential Unit. Any applicable meal credits for single-occupied units will apply according to the then current fee schedule.

D. **Security Plus Plan.** Each Resident selecting the Security Plus Plan option as indicated on page IL/SPP-1 of this Agreement and who becomes classified as a permanent resident in the Assisted Living Facility or the Nursing Facility will be provided a per diem rate adjustment (see subsections B and D of Article IV) after having spent the aggregate period of 1,095 days as a permanent resident in either or both of the Assisted Living Facility and Nursing Facility regardless of whether the stay was continuous. This benefit is not an insurance policy and is not transferable among the Residents or any other parties.

E. **Other Fees.**

(1) **Admissions Processing Fee.** The Admissions Processing Fee of $1,000.00 per person previously paid by Resident prior to the execution of this Agreement covered a portion of the costs and expenses incurred by Owner, and as such, is not part of or credited against the Entrance Fee. The Admissions Processing Fee is nonrefundable and becomes the property of Owner upon payment, unless admission is denied by Owner in which event it will be refunded. No interest shall be payable or otherwise credited to Resident on the Admissions Processing Fee.

(2) **Second Person Fee.** In consideration of Owner making the Residential Unit available for the benefit of an additional person to be included within the definition of Resident, Resident agrees to pay a second person fee in the amount shown on the cover page of this Agreement which fee shall be paid in full on or before the Residency Agreement Date. The second person fee is included within the definition of Entrance Fee and is subject to refund as part of the Entrance Fee pursuant to the terms and provisions of Article VI and Section B of Article I of this Agreement.

(3) **Fees For Additional Services.** Owner may provide additional services which are not included in the Monthly Service Fee for which an additional charge may be made pursuant to Owner's published fee schedule.
F. **Nonpayment of Fees.** In the event that payment of the Entrance Fee (including any second person fee) is delayed beyond the Effective Occupancy Date for any reason, Resident will be liable for payment of Monthly Service Fees commencing on the Effective Occupancy Date. A delay of full payment of the Entrance Fee (including any second person fee) beyond thirty (30) days after the Effective Occupancy Date will be considered a voluntary termination of this Agreement by Resident after the Effective Occupancy Date and the terms of Section A of Article VI will apply. Owner may terminate this Agreement for nonpayment of the Monthly Service Fee if such nonpayment is not cured within thirty (30) days of the date Owner gives written notice of the overdue payment to Resident.

G. **Joint and Several Obligations of Co-Residents.** If two co-Residents are entering into this Agreement, each agrees to make all necessary provisions to ensure that each Resident will have sufficient financial resources to meet their obligations under this Agreement even if the other Resident leaves Williamsburg Landing by death, withdrawal or otherwise, to include, without limitation, making provision in his or her respective estate planning documents (whether by will, trust, survivorship, pay-on-death, beneficiary designation or other designation) to satisfy the continuing obligations of the remaining Resident under this Agreement after the death of the first Resident to die. Further, each Resident hereby agrees (i) to be bound jointly and severally by the terms and conditions hereof, and (ii) that such obligations shall become an obligation of his or her estate. Each Resident hereby agrees to provide to Owner from time to time, upon Owner's request, written evidence satisfactory to Owner of the Resident's compliance with the Resident's obligations under this Section.

H. **Benevolence.** Notwithstanding the provisions of Section F of Article III above, it is the policy of Owner not to terminate a Resident’s occupancy because of financial inability to pay all or part of the Monthly Service Fee and other fees, provided that Resident is otherwise in compliance with the terms of this Agreement and provided, further, that Resident establishes facts to justify a waiver or reduction of the Monthly Service Fee and any other such fees. Such waiver or reduction can be granted, based solely on the opinion of Owner and compliance of the request with the Benevolence policies established by the Board of Directors of Williamsburg Landing, without impairing the ability of Owner to operate Williamsburg Landing on a sound financial basis. To justify a waiver or reduction of the Monthly Service Fee, Resident must prove conclusively to Owner that inability to pay is due to financial reverses over which Resident had no control or is due to depletion of Resident’s assets in a reasonable manner by the passage of time. Resident shall not, without Owner’s consent, have impaired his ability to meet the financial obligations of this Agreement by reason of expending and/or transferring his income or assets after execution of this Residency Agreement, other than to meet ordinary and customary living expenses.

To the extent that the Monthly Service Fee or other fee(s) are waived or reduced, Owner will have a claim against Resident’s remaining estate and a right to set off
against any refund of the Entrance Fee to which Resident or his estate may be entitled under this Agreement. Resident hereby agrees that, in consideration of such reduction:

(1) Resident shall transfer to another residential unit upon request by Owner, if and when available;

(2) Resident shall not sell or otherwise transfer any real or personal property, financial assets or income without the written consent of Owner;

(3) Resident shall enter into such agreements, powers of attorney, assignments or transfers as may be required for the purpose of making available to Resident and Owner any other assets of Resident to offset such financial needs;

(4) Resident shall promptly provide periodic statements of financial condition and copies of income tax returns as may be requested from time to time by Owner; and

(5) Resident shall notify Owner of any and all assets acquired thereafter through any means whatsoever, and shall assign or pay such property received to Owner in an amount equivalent to the total cumulative monthly or other fee reductions which have been allowed to Resident.

If the conditions of this Agreement for waiver or reduction of the Monthly Service Fee cannot be met, and Resident fails to pay such fee in full, interest may be charged on past due fees and charges and/or Owner may terminate this Agreement as provided above.

ARTICLE IV.
MEDICAL TRANSFER

A. Procedure for Temporary Transfer to the Nursing Facility. Temporary transfer of Resident to the Nursing Facility will require the review and approval of the Medical Director or its designee. In the event of such temporary transfer, Resident shall continue paying the then effective Monthly Service Fee and shall continue to have the right to occupy the Residential Unit. After Resident has received his ten (10) days per calendar year (non-cumulative from year to year) of a private room (shared bath) care in the Nursing Facility, Resident shall pay a per diem charge in addition to the Monthly Service Fee for services received, in accordance with Owner’s rates effective at that time for residents of Williamsburg Landing paying the Monthly Service Fee.

B. Procedure for Permanent Transfer to the Nursing Facility. Whenever, in the opinion of Owner, a permanent transfer to the Nursing Facility is required because Resident is no longer capable of living independently in the Residential Unit or is incapable of either managing his properties or caring for himself or both, Resident shall willingly transfer to the Nursing Facility. In making this
decision, Owner shall consult with the Medical Director, Resident and Resident’s personal physician if different from the Medical Director, legal guardian, spouse or closest relative, and shall take into consideration the physical capacity of the facilities at Williamsburg Landing and the health, welfare, safety, comfort and well-being of Resident and other residents. Failure to transfer to the Nursing Facility shall constitute a material breach of this Agreement by Resident and provide good cause for Owner to terminate this Agreement.

If Resident permanently transfers to the Nursing Facility, after he has used any remaining days of his ten (10) days per calendar year (non-cumulative from year to year) of a private room (shared bath) care for the year in which he is so transferred, he shall pay for any nursing or health services in the Nursing Facility on a per diem basis in accordance with Owner’s rates effective at that time. Effective upon the date of such permanent transfer, Resident shall no longer pay the Monthly Service Fee or, if Resident was a joint occupant of the Residential Unit, the additional fee then in effect, if any, for double occupancy. After the initial calendar year during which such permanent transfer occurs, the ten (10) days per calendar year of care in the Nursing Facility previously included in the Monthly Service Fee shall no longer be provided by Owner. After 1,095 combined days of permanent occupancy as a resident in the Assisted Living Facility and Nursing Facility, the per diem rate for that Resident shall be adjusted to the then applicable Security Plus Plan Rate. The Security Plus Plan Rate will be a per diem rate based upon the independent living Monthly Service Fee rate for a single resident in a River Court Apartments Independent Living Unit, as the same is adjusted from time to time.

If Resident permanently transfers to the Nursing Facility, this Agreement shall not terminate, and if the Residential Unit is jointly occupied, the remaining occupant shall assume all obligations under this Agreement with respect to the Residential Unit. No refund of the Entrance Fee shall be due in connection with the permanent transfer to the Nursing Facility of one, both or all occupants of a Residential Unit. If Resident was the sole occupant of the Residential Unit, upon his permanent transfer to the Nursing Facility this Agreement shall not terminate, but the Residential Unit may be reoccupied by a successor resident or Owner.

C. Procedure for Temporary or Permanent Care in an Alternative Facility. Notwithstanding the procedures outlined in Section A or B of this Article IV above, Owner may provide nursing care required by Resident either in Resident’s Residential Unit or by contract in another licensed nursing home facility on a temporary basis if space is not available within the Nursing Facility. Resident shall pay for care on the same basis as outlined in Section A or B of this Article IV, except that Resident will not be required to pay more than he would be required to pay if space were available in the Nursing Facility. Residents who receive care according to this Section C of this Article IV will be offered care in the Nursing Facility in such order as Owner deems to be in the mutual best interest of Owner and all such Residents, but prior to any admission of non-residents to the Nursing Facility. If the transfer to the alternative nursing
facility is designated by the Owner as permanent even if the transfer is on an
interim basis pending admission to the Williamsburg Landing Nursing Facility,
then the days spent at the alternative nursing facility shall count toward the
1,095 days under the Security Plus Plan program.

D. Procedure for Permanent Transfer to the Assisted Living Facility. The procedure
for permanent transfer to the Assisted Living Facility will be the same as in
Section B in this Article IV above, except the provisions for up to ten (10) days
per calendar year (non-cumulative from year to year) of care being included in
the Monthly Service Fee shall not apply. After 1,095 combined days of
permanent occupancy as a resident in the Assisted Living Facility and Nursing
Facility, the per diem rate for that Resident shall be adjusted to the then
applicable Security Plus Plan Rate. The Security Plus Plan Rate will be a per
diem rate based upon the then current independent living Monthly Service Fee
rate for a single resident in a River Court Apartments Independent Living Unit, as
the same is adjusted from time to time.

E. Procedure for Transfer to a Medical Institution. If circumstances arise which, in
the opinion of Owner, necessitate the transfer of Resident to a hospital or other
institutional medical facility, Owner will endeavor to assist Resident in locating an
acceptable institution with a non-restrictive environment.

(1) Temporary Transfer to a Medical Institution. In the event that temporary
transfer of Resident from Williamsburg Landing to an institutional medical
facility is required as described above, Resident shall continue paying the
then effective Monthly Service Fee (and additional fee for double
occupancy, if applicable) less a credit in accordance with subsection C(2)
of Article III.

(2) Permanent Transfer to a Medical Institution. If, in the opinion of Owner, a
permanent transfer by Resident to an institutional medical facility is
required because Resident is no longer capable of living independently in
the Residential Unit or requires a different level of nursing or health care
than is available in the Nursing Facility, Resident shall transfer to such
institutional medical facility as the Medical Director or his designee may
direct. In making this decision, Owner shall consult with the Medical
Director, Resident, Resident’s personal physician if different from the
Medical Director, legal guardian, spouse or closest relative and shall take
into consideration the health, welfare, safety comfort and well-being of
Resident and all residents of Williamsburg Landing.

If Resident transfers to an institutional medical facility as described above and
such transfer is deemed permanent, this Agreement shall automatically
terminate; provided, however, that the permanent transfer of one occupant of a
jointly occupied unit (including joint occupants one or both of whom have
permanently transferred to the Nursing Facility), shall not effect a termination of
this Agreement with respect to the remaining occupant, in which case the
remaining occupant shall no longer pay an additional Monthly Service Fee, if any, for joint occupancy of the Residential Unit, if applicable. If Resident was the sole occupant of the Residential Unit, the Residential Unit may be occupied by a successor resident or Owner.

ARTICLE V.
INSURANCE

A. Medical Insurance and Long Term Care Insurance. Resident agrees to maintain health insurance coverage under Parts A and B of the Medicare Program. If Resident is not eligible for coverage under Parts A and B of the Medicare Program, Resident agrees to obtain equivalent insurance coverage acceptable to Owner. If Resident had long term care insurance in place at the time of approval for admission and existence of that insurance was considered as part of that Resident’s financial approval, then Resident must maintain that insurance or equivalent coverage during the term of this Residency Agreement.

B. Liability and Casualty Insurance. Owner will maintain liability and casualty insurance coverage for all buildings, the contents of the common areas and miscellaneous scheduled property as deemed necessary by Owner. In addition, Owner will carry professional liability insurance coverage, boiler and machinery insurance coverage, as deemed necessary by Owner, and business interruption insurance coverage for loss of earnings/rent and extra expenses as deemed necessary by Owner.

C. Resident Provided Insurance. It is the responsibility of Resident to provide all personal property and liability insurance coverage desired by Resident, and Resident is required to secure and maintain in effect at all times a liability, fire and extended coverage policy or liability and casualty insurance policy, insuring his tangible personal property against loss or damage by reason of fire or other casualty and protect Owner and Resident with regard to damage to property of others, personal injury and death. Owner’s insurance will not protect Resident against theft or destruction of Resident’s personal property whether located inside or outside the Residential Unit.

ARTICLE VI.
TERMINATION AND REFUND

A. Termination by Resident. Resident may terminate this Agreement at any time, both before and on or after the Effective Occupancy Date, by giving written notice to Owner. Such written notice shall state a date when termination is to become effective, and at or prior to such date Resident shall vacate and release the Residential Unit. On or after the Effective Occupancy Date, the notice of termination must be given at least one hundred twenty (120) days prior to the date on which Resident desires to terminate this Agreement and Resident shall continue to pay the Monthly Service Fee until the later of one hundred twenty
(120) days after the date of such written notice of termination or until the Residential Unit is vacated and released.

The joint occupants constituting Resident of any Residential Unit may, by written notice bearing their joint signatures, at any time terminate this Agreement by delivering to Owner written notice of their intent to do so. Such written notice shall state the date when termination is to become effective and whether either occupant desires to retain the Residential Unit or another residential unit, if available, on a single occupancy basis. If termination is being made after the Effective Occupancy Date, at or prior to the termination effective date, one or both occupants, as the case may be, will move out of the Residential Unit. Such date shall be not less than one hundred twenty (120) days after the date of such written notice. In the event that one occupant elects to remain a resident, this Agreement shall continue in effect with respect to that occupant, with the modification of the Monthly Service Fee specified in Article III. of this Agreement.

B. Termination by Owner. Owner may not terminate this Agreement with Resident without good cause. Good cause shall be limited to: (i) proof that Resident is a danger to himself or others; (ii) non-payment by Resident of the Monthly Service Fee; (iii) repeated conduct by Resident that interferes with other residents’ quiet enjoyment of any portion of Williamsburg Landing; (iv) persistent refusal to comply with reasonable written rules and regulations of Williamsburg Landing; (v) a material misrepresentation made intentionally or recklessly by Resident in his application for residency or related materials, regarding information which, if accurately provided, would have resulted in either a failure of Resident to qualify for residency or a material increase in the cost of providing to Resident the care and services provided under the Residency Agreement; or (vi) material breach by Resident of the terms and conditions of the Residency Agreement.

If Owner seeks to cancel a residency agreement and terminate Resident’s occupancy, Owner shall give Resident written notice of, and a reasonable opportunity to cure within a reasonable period, whatever conduct is alleged to warrant the cancellation of the residency agreement.

Upon such termination by Owner for any of the aforesaid reasons, Owner shall provide Resident with a dated and signed statement by the licensee, administrator or CEO of Williamsburg Landing which contains the following information: (a) date of notification of termination and person so notified; (b) reason(s) for termination; (c) action taken by Owner to assist Resident in the discharge and relocation process; (d) date of actual termination and Resident’s destination; and (e) in situations which present emergency conditions, such as where Resident presents a risk to the health, safety or welfare of Resident or others, the statement shall contain the above information if appropriate and such statement shall be provided or mailed to Resident within 48 hours from the time of the decision to terminate.
C. Automatic Termination.

(1) **Termination by Death.** This Agreement shall automatically terminate (i) immediately upon the death of Resident if such death occurs prior to the Effective Occupancy Date; or (ii) if such death occurs on or after the Effective Occupancy Date, this Agreement shall then terminate but subject to the obligation of Resident’s estate to pay the Monthly Service Fee until the later of thirty (30) days after such death or until the Residential Unit is vacated and released. In the event of death after the Effective Occupancy Date, the refund provisions of Section G of this Article VI shall govern, provided that the death of one occupant of a jointly occupied unit (including joint occupants one or both of whom have permanently transferred to the Nursing Facility) shall not affect a termination with respect to the other occupant.

(2) **Termination Prior to Occupancy.** This Agreement shall automatically terminate prior to the Effective Occupancy Date as provided in the preceding paragraph or if Resident’s mental or physical health or financial condition changes to the extent that Resident (i) no longer meets the health and financial conditions required for occupancy at Williamsburg Landing; (ii) is no longer capable of living independently in the Residential Unit on the Effective Occupancy Date, as determined by the Medical Director; or (iii) is unable to perform his obligations in accordance with this Agreement. In the event of such automatic termination prior to the Effective Occupancy Date, the refund provisions of Section F of this Article VI shall govern as if this Agreement had been terminated by Owner.

(3) **Termination Prior to Occupancy Pursuant to Statutory Requirements.** This Agreement shall automatically terminate upon the legally required release of Escrow Deposits described in subsection B(1) of Article III as follows:

   a. If such Escrow Deposits have not been released within three years after placement in escrow or within three years after construction has started (whichever is later) (but in any event within six years after placement in escrow); or

   b. Upon death of Resident as provided in subsection C(1) of this Article VI; or

   c. If the Residential Unit has not been constructed and the construction of the Residential Unit is stopped indefinitely before the Residential Unit is completed; or

   d. Upon any other termination of this Residency Agreement in accordance with its terms or under applicable law.
D. Release upon Termination.

(1) Upon the earlier of the vacation and release of the Residential Unit or the termination of this Agreement, Owner shall have the right to take full control of the Residential Unit, and Owner shall be released from any further obligation to Resident except for payment of any refund which may be due under this Agreement.

(2) Prior to or upon the termination of this Agreement, Resident or his estate shall remove or cause to be removed all of his personal property from Williamsburg Landing, and, upon payment of all sums due to Owner, Resident shall be released from all further obligation to Owner. In the event of failure of Resident to remove all personal property, Resident shall remain liable to Owner for any moving and storage charges incurred by Owner, pursuant to Section E of this Article VI below.

E. Disposition of Personal Property.

(1) In the event of termination of this Agreement as a result of the death of Resident, within thirty (30) days after the date of death, any personal property of Resident that remains in the Residential Unit shall be removed by Resident’s executor, personal representative or administrator or, if no one has qualified or been appointed as executor, personal representative or administrator, by any of Resident’s relatives.

(2) In the event of termination of this Agreement for any reason other than the death of Resident, within fourteen (14) days after the effective date of termination, any personal property of Resident which remains in the Residential Unit shall be removed by Resident or (if applicable) Resident’s guardian, conservator or committee, or if no guardian, conservator or committee has qualified, by any of Resident’s relatives.

(3) Items not removed may be held in storage by Owner at Resident’s expense, but after a period of thirty (30) days, such property may be sold or discarded by Owner. The sale proceeds shall be applied to the satisfaction of any payment due from Resident under this Agreement, the debt and expenses of the storage and sale, and the surplus, if any, shall be paid to the Resident or Resident’s executor, personal representative or administrator, or, if no one has been qualified or appointed as executor, personal representative or administrator, to any of Resident’s relatives designated by Owner.

(4) Resident agrees that Owner will not be held liable for misdelivery of personal effects pursuant to this Section E., provided that Owner shall exercise ordinary care in ascertaining the identity of the person to whom delivery is made.
F. Refund of Entrance Fee Deposits and Security Plus Plan Fees Prior to Effective Occupancy Date. If this Agreement is terminated prior to the Effective Occupancy Date, Owner will refund that portion of Resident’s refundable Entrance Fee and Security Plus Plan fees paid within thirty (30) days after the effective date of such termination reduced by those costs specifically described in subsection B(1) of Article III.

G. Refund of Entrance Fee After Effective Occupancy Date.

(1) If this Agreement is terminated after the Effective Occupancy Date, by either Owner or Resident, Resident or his estate may be entitled to a refund of a portion of the refundable Entrance Fee as described below. Such refund shall be due within thirty (30) days after the date on which Owner has received from a successor resident full payment of the then applicable entrance fee with respect to the Residential Unit. However, if the successor resident is a current resident of Williamsburg Landing who is relocating to the Residential Unit (and, in certain cases, who may be one of a series of several current residents relocating among independent living residential units), no refund shall be paid to Resident until Owner has received from a new resident of Williamsburg Landing full payment of the then applicable entrance fee with respect to the independent living residential unit previously occupied by a relocating current resident.

(2) Unless Owner, in its sole and absolute discretion, has reduced its then applicable entrance fees for the last independent living Residential Unit occupied by Resident, upon termination of this Agreement and termination of occupancy of the last independent living Residential Unit or Assisted Living Unit or Nursing Facility room occupied by Resident, Resident or his estate shall be entitled to a refund computed as follows: (a) if Resident has changed his initial Residential Unit, the adjusted refundable Entrance Fee (determined in accordance with Section B of Article I above) reduced by, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per full or partial month of occupancy after the Effective Occupancy Date for the Residential Unit initially occupied by Resident up through and including sufficient full or partial months after such Effective Occupancy Date until the refund amount is reduced to the applicable percentage of the Adjusted Entrance Fee under Resident’s applicable Entrance Fee Plan; or (b) if Resident has not changed his initial Residential Unit, the Entrance Fee paid reduced by, with respect to the period of occupancy in an Independent Living Residential Unit, 2% and, with respect to the period of occupancy as a permanent resident in an Assisted Living Facility Residential Unit or the Nursing Facility, reduced by 4%, per full or partial month of occupancy after the Effective Occupancy Date until the refund amount is reduced to
the applicable percentage of the Entrance Fee paid under Resident’s applicable Entrance Fee Plan.

(3) If, at the time Resident is otherwise entitled to a refund, Owner, in its sole and absolute discretion, has reduced its then applicable entrance fees for the last independent living residential unit occupied by Resident, notwithstanding the aforesaid, the amount of the refund shall be, the lesser of the refund to which Resident or his estate is otherwise entitled as described above or the Entrance Fee in effect (for the same Entrance Fee Plan selection as Resident’s) on the date a successor resident takes occupancy of the last independent living Residential Unit occupied by Resident. For the purpose of determining the applicable percentage reduction to calculate the portion of the Entrance Fee to be refunded, the independent living Residential Unit, Assisted Living Unit or Nursing Facility room shall be deemed to be occupied and the monthly percentage reduction described above shall continue to apply until all personal effects have been removed therefrom.

(4) Before making any refund, Owner may also deduct any fees or charges due to Owner from Resident under the terms of this Agreement. All amounts not refunded shall become the property of Owner.

(5) If the Entrance Fee was paid on behalf of two joint residents occupying the Residential Unit (regardless of whether either has permanently transferred to the Nursing Facility), then, in the event of the termination of occupancy by one of the joint residents or by Owner, the Entrance Fee shall be deemed to have been paid on behalf of the remaining occupant whether residing in the Residential Unit, an Assisted Living Unit or the Nursing Facility, as the case may be, and no refund shall be due by reason of only one of two joint residents terminating occupancy.

(6) All Security Plus Plan Fees are non-refundable.

ARTICLE VII.
PAYMENT OF MONTHLY SERVICE FEES DURING TRANSFERS

A. Temporary Transfer to the Nursing Facility. During a temporary transfer to the Nursing Facility, Resident will continue to pay the Monthly Service Fee for the Residential Unit as specified in Section A of Article IV.

B. Permanent Transfer to the Nursing Facility or Assisted Living Facility. Upon the effective date of permanent transfer to either of the Nursing Facility or the Assisted Living Facility, the Monthly Service Fee for single or double occupancy of the Residential Unit (as appropriate) will cease or be adjusted as provided in Sections B and D of Article IV above; however, failure to remove all personal property from the vacated unit within the required time as specified in Section E of Article VI will result in reinstatement of Monthly Service Fees in addition to
other per diem fees due for occupancy in the Assisted Living Facility and Nursing Facility until all personal property is removed.

C. **Voluntary Transfers Between Residential Units.** If Resident is transferred voluntarily from one independent living unit to another as specified in subsection B(1) of Article I, Monthly Service Fees will be paid as follows:

1. If the new unit to be occupied is vacant with no Monthly Service Fee being collected, Monthly Service Fees on the new unit will commence on the earlier of the date on which Resident takes possession of the unit, or fifteen (15) days from the date the unit is available for occupancy by Resident. Monthly Service Fees on the unit being vacated will be discontinued on the date the unit is vacated.

2. If the new unit to be occupied is occupied by another resident and Monthly Service Fees are being collected from that resident who is leaving Williamsburg Landing, Monthly Service Fees on the new unit to be occupied shall begin on the earlier of:
   
   a. Seven (7) days after Owner completes renovation work, if any, and notifies Resident that the new unit is available for occupancy;
   
   or
   
   b. Resident occupies the new unit.

   Monthly Service Fees on the unit being vacated will cease on the date the unit is vacated.

D. **Transfer to Another Residential Unit By Owner.** If a transfer between residential units is being made by Owner as a result of a recommendation by the Medical Director of Williamsburg Landing as specified in subsection B(2) of Article I, Monthly Service Fees on the new unit will begin on the earlier of the date on which Resident takes possession of the residential unit, or seven (7) days from the date on which Resident is notified of the decision by the Medical Director and Resident is notified that the new unit is ready for occupancy. Monthly Service Fees on the residential unit being vacated will cease on the date the residential unit is vacated.

---

**ARTICLE VIII. MISCELLANEOUS**

A. **Resident’s Covenant of Performance.** Resident hereby covenants to perform all of the obligations of Resident set forth in this Agreement, including but not limited to Resident’s obligations to pay all fees and charges described in this Agreement. As provided in Section G of Article III above, Resident specifically covenants not to make gifts or expend his personal assets in such a manner as to impair his ability to meet Resident’s financial obligations under this Agreement.
Resident agrees to pay reasonable attorney’s fees to Owner in the event that any suit is brought by Owner to enforce the provisions of this Agreement against Resident or to terminate this Agreement for breach by Resident and Owner prevails.

B. **Pets.** Resident may be able to keep pets in accordance with the “Policies and Procedures” (as defined in Section H of this Article VIII).

C. **Increase in Number of Occupants.** Without the prior written permission of Owner, no person other than Resident may occupy the Residential Unit except on an occasional basis as permitted by the Policies and Procedures. Guests staying for more than thirty (30) days in any twelve (12) month period must first obtain the permission of Owner, and Owner may charge Resident a guest fee in accordance with Owner’s then effective schedule of rates and charges. If such permission is granted, such persons shall acquire no rights or privileges in or under this Agreement.

Should Resident desire to have another person (including a relative through marriage or otherwise) live with him or her on a long-term or permanent basis as a qualified resident of Williamsburg Landing, prior permission of Owner must be obtained, the proposed resident must meet the age, mental and physical health and financial requirements for occupancy at Williamsburg Landing, and Owner may require an adjustment of the Monthly Service Fee and the Entrance Fee. In addition, such person may be required to execute this Agreement and submit a Future Residency Application at the date of execution of this Agreement. The adjustment, if any, that would be made to the Monthly Service Fee at the date of execution of this Agreement due to the entry of any additional occupant of the Residential Unit is shown on the cover page of this Agreement. If the proposed additional occupant does not qualify for occupancy at Williamsburg Landing, Resident, if he or she so desires, may terminate this Agreement as provided in Section A of Article VI. Also, if it is intended that an additional person reside with Resident in the limited capacity as a care-giver and not as a resident of Williamsburg Landing, prior permission of Owner must be sought and obtained and Owner may require an adjustment of the Monthly Service Fee and, as a condition of its consent, impose additional contractual requirements regulating such person’s occupancy at Williamsburg Landing.

D. **Arrangements for Guardianship or Conservatorship.** If Resident becomes legally incompetent or is unable to care properly for himself or his property, and if Resident has made no other designation of a person or legal entity to serve as his legal guardian, conservator or committee, then Resident hereby agrees that Owner or a duly authorized officer of Owner, may act as his legal guardian, conservator or committee when qualified according to law or may seek the appointment of another guardian, conservator or committee, and in either case Resident agrees that any cost associated with the attempted qualification and service of a guardian, conservator or committee shall be paid by Resident or from the assets of Resident.
E. **Character, Health, Credit and Financial Conditions.** The information submitted by Resident to Owner in making application for residence at Williamsburg Landing is made a part hereof and includes all information to be provided hereafter pursuant to this Section. Resident acknowledges that Owner will rely on such information in determining eligibility for residency at Williamsburg Landing. This Agreement will be signed by the parties hereto subject to the following specific health and financial conditions:

1. Resident shall provide a report of physical examination by Resident’s personal physician on forms provided by Owner. Such report shall be reviewed by the Medical Director, and in the event that Resident’s reported physical condition does not meet the standards of Owner for entry into Williamsburg Landing, upon notice by Owner to Resident, this Agreement shall be rescinded, and Resident shall be entitled to a refund of any portion of the Entrance Fee paid by Resident, as provided herein.

2. Prior to the Effective Occupancy Date, Resident shall provide to Owner an updated financial statement in a form provided by Owner. Resident shall provide to Owner updated financial statements thereafter not less often than once every fifth year following the Effective Occupancy Date. All information so provided shall be confidential and shall not be disclosed to others except to the extent necessary to conduct the business of Williamsburg Landing. Owner may, on or before the Effective Occupancy Date and from time to time thereafter, undertake a credit check, and Resident hereby consents thereto. In the event that Resident’s credit or financial condition does not meet the standards of Owner for residents seeking accommodations of the type selected by Resident, Resident shall be given the choice of accepting a less costly residential unit for which Resident is qualified, if available, or terminating this Agreement. In the event of selection of a less costly residential unit, Resident shall be entitled to a refund of any excess Entrance Fee paid, less any amount necessary to cover costs incurred by Owner in connection with the originally selected residential unit. In the event of termination, Resident shall be entitled to a refund of any portion of the Entrance Fee paid.

If Resident has made any material misrepresentations or omission on the Future Residency Application, or in any other financial or medical information submitted to Owner, with respect to the amount of his income, expenses or assets or the condition of his mental and physical health, which misrepresentations or omissions allowed Resident to qualify for acceptance at Williamsburg Landing when he would not otherwise have done so, Resident will be given written notice of the alleged misrepresentation or omission and Owner may take all available action in response to such misrepresentation or omission, including termination of this Agreement in accordance with Section B of Article VI.

F. **Responsibility for Damages.** Any loss or damage to real or personal property of Owner caused by the intentional or negligent acts of Resident or his invitees shall
be paid for by Resident. If any intentional or negligent act of another resident or the invitee of another resident results in injury, illness or damage to Resident, Owner assumes no responsibility therefor, and Resident hereby releases and discharges Owner from any liability or responsibility for injury or damage to Resident or to Resident’s personal property caused by the fault or negligence of other residents or their invitees.

G. Responsibility for Protection of Resident’s Property. Owner shall not be responsible for the loss of any personal property belonging to Resident due to theft, fire, or any other cause, unless such property has been specifically entrusted in writing to the care and control of Owner, and then Owner shall only be responsible for the lack of ordinary care in the safeguarding of such property. Resident shall have the responsibility of providing insurance to protect against any such loss.

H. Policies and Procedures. Owner reserves the right to adopt such reasonable policies and procedures for the operation of Williamsburg Landing as Owner, in its sole discretion, determines necessary and to amend such policies and procedures from time to time as Owner may deem necessary (“Policies and Procedures”). Copies of Policies and Procedures shall be available at all times in the administration office of Williamsburg Landing. Such Policies and Procedures are hereby incorporated into this Agreement by this reference, and Resident hereby agrees to abide by such Policies and Procedures.

Resident acknowledges receipt of a copy of the Residents’ Manual prior to execution hereof.

I. Reservation of Right to Inspect. Owner reserves the right to enter the Residential Unit, at all reasonable times upon reasonable notice to Resident, for all reasonable purposes, including, but not limited to the following purposes:

(1) to assure the health, safety and welfare of Resident and other residents of Williamsburg Landing;

(2) to make repairs and perform maintenance; and

(3) to comply with rules, regulations and directives prescribed by any legal authorities, local, state or federal, or as may be required by the terms of any loan or financing document.

J. Alterations, Additions, Use and Condition of Residential Unit. Resident shall make no structural alteration, modification or additions or physical changes of any type to the Residential Unit without the prior written consent of Owner. Resident shall be fully liable for all costs of restoration in the event that any alteration, modification, addition or change is made without the prior written approval of Owner. Title to all such alterations, modifications, additions and changes to the Residential Unit shall immediately vest in Owner and remain the property of Owner.
Resident hereby agrees that he shall not use the Residential Unit or permit the same to be used contrary to any federal, state or local law or the rules and regulations of Williamsburg Landing or in any manner that would cause the value or the usefulness of the Residential Unit to diminish (ordinary wear and tear excepted) or that would constitute a public or private nuisance or waste. Resident further agrees that he will not do or permit anything to be done on or about the Residential Unit that will adversely affect any policies of insurance that are carried by Owner with respect to Williamsburg Landing. At the request of Owner, Resident will remove anything used or kept in the Residential Unit that, in the sole opinion of Owner, is harmful to Williamsburg Landing or disturbing to other residents or that is objectionable to Owner’s insurance companies or would cause such insurance companies to increase Owner’s insurance rates. Upon termination of this Agreement, Resident, or those acting on his behalf, shall leave the Residential Unit empty of personal property and in good and broom clean condition except for reasonable wear and tear, and Resident shall be liable to Owner for any costs incurred in restoring the Residential Unit to empty of personal property and in good and broom clean condition except for costs incurred as a result of reasonable wear and tear.

K. No Property Interest. Resident acknowledges that this Agreement grants Resident a contractual right of occupancy at Williamsburg Landing upon the terms and conditions stated in this Agreement and that Resident is not a lessee or owner of a life estate or any other interest in real property by virtue of this Agreement. The rights and privileges granted to Resident by this Agreement are not proprietary and do not include any right, title or interest in any part of the personal property, land, buildings and improvements owned or administered by Owner.

L. Events Beyond Owner’s Control which May Prevent Performance. Owner shall not be required to perform any term, condition or covenant in this Agreement so long as such performance is delayed or prevented by Acts of God, strikes, lockouts, material or labor shortages or failures, restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Owner and which, by the exercise of ordinary care Owner is unable, wholly or in part, to prevent or overcome.

M. Subordination to Financing. Owner represents to Resident and Resident acknowledges, that Williamsburg Landing is and may be further encumbered by liens as security for indebtedness incurred in connection with the construction and/or operation of Williamsburg Landing. Resident further acknowledges that his right to occupancy, services and refund of the Entrance Fee pursuant to the terms of this Agreement are subordinate to the rights of all holders of such liens. Resident also agrees that his right to occupancy, services and refund of the Entrance Fee shall be and remain subordinate to any future debt financing for which Owner may hereafter contract.
N. Payment Arrangements Not a Loan. Owner and Resident intend that the payment arrangements under this Agreement compensate Owner for the provision of services pursuant to this Agreement and are not a loan of funds.

O. Assignability. This Agreement shall not be assigned by Resident, either in whole or in part, and the right to reside in the Residential Unit may not be subcontracted. Owner may, however, assign this Agreement in whole or in part to a successor owner or to a lender, either outright or as security for any indebtedness of Owner, without the consent of Resident. Resident hereby consents to any and all such assignments by the execution of this Agreement.

P. Waiver of Breach. Any waiver by Owner of any covenant or condition of this Agreement, including but not limited to waivers pursuant to Section F of Article III hereof, must be in writing, signed by Owner, shall extend to the particular case only, for the particular time only, and only in the manner specified in such waiver, and shall not be construed as applying to or in any way waiving any further, subsequent or other rights.

Q. Binding Effect. This Agreement and all rights and obligations hereunder shall be binding upon and inure to the benefit of Owner, its successors and assigns, and to the benefit of Resident, his respective heirs, assigns, and personal representatives, in accordance with its terms, and shall also specifically inure to the benefit of any mortgagee, assignee or lender.

R. Gender and Plurality. The masculine pronoun, when used herein, shall include the feminine, and the singular shall include the plural, and vice versa.

S. Partial Illegality. If any clause or provision of this Agreement operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Agreement shall remain operative and in full force and effect. If any such clause or provision is deemed to be not in conformity with the appropriate laws and regulations, such portion shall be deemed to have been modified by the parties to be in accordance with such laws and regulations, and the validity of the balance of this Agreement shall not be affected.

T. Power of Attorney. Upon Owner’s request, Resident shall execute and maintain in effect a Power of Attorney designating as Resident’s Attorney-in-fact a bank or a responsible person selected by Resident to act for Resident in the event Resident may become unable to handle his affairs. Such Power of Attorney shall be in a form satisfactory to Owner with a copy thereof being furnished to Owner.

U. Governing Law. This Agreement shall be construed and interpreted according to the laws of the Commonwealth of Virginia.

V. Right of Rescission. Virginia law provides that Resident shall have the right to rescind this Agreement without penalty or forfeiture, within seven (7) days after making the deposit or executing this Agreement. Resident shall not be required
to occupy the Residential Unit prior to the expiration of the seven-day rescission period.

W. **Complaint Resolution/Concerns.** It is the intent of Williamsburg Landing, Inc. that all Residents entitled to occupy the Residential Unit pursuant to this Agreement are able to freely and openly express complaints or concerns so that prompt and fair resolution can be accomplished. Complaints or concerns (beneficial suggestions or requests for change) are normally forwarded to the President/CEO or his designee who in consultation (as he deems necessary) with the President of Residents’ Association, the appropriate Residents’ Association Committee and/or Residents’ Association Board of Directors shall seek to resolve the issue.

Complaints resulting from failure to resolve issues in the manner described above may be lodged with the Williamsburg Landing Corporate Board. For presentation to the Corporate Board, Resident, if entitled to occupy the Residential Unit pursuant to this Agreement, shall submit the complaint to the President of the Williamsburg Landing Residents’ Association who, as member of the Corporate Board, shall present the complaint to the Chairman of the Corporate Board, with a copy to the President/CEO, for disposition pursuant to the policies and procedures as may be established from time to time by the Corporate Board. The Williamsburg Landing Corporate Board is ultimately responsible for resolving such complaints.

X. **Arbitration.** A Resident’s sole remedy for resolving or deciding any legal dispute, controversy or claim, including any claim for monetary damages, against Williamsburg Landing shall be by binding arbitration in James City County, Virginia, in accordance with the Rules of the American Arbitration Association currently in effect, as modified by any other instructions that the parties may mutually agree upon at the time. Claims or disputes subject to binding arbitration shall include, without limitation, those arising out of the terms of any Residency Agreement, residency at Williamsburg Landing, a Resident’s occupancy or intended occupancy of any premises or the provision of any services to a Resident by Williamsburg Landing, including but not limited to disputes, demands or claims arising from any contracts or agreements, express or implied; disputes or claims arising from the negligence, gross negligence or intentional acts of Resident, Resident’s guests or Owner; disputes or claims arising from any fraud or misrepresentation on the part of Resident or Owner; and, disputes and claims based on any federal or state statutory or common law theory, including, without limitation, any law governing or regulating discrimination or accommodation in the provision of premises, services, residency or public accommodation, and, provided, such claims and disputes (i) are of a nature or type that can be submitted to arbitration for a decision, (ii) cannot be resolved or settled by the parties pursuant to preceding sections or the section above entitled “Complaint Resolutions/Concerns,” (iii) are not subject to a signed opt out agreement, or (iv) are not excluded from being subject to this arbitration provision pursuant to law.
In consideration of entering into this Residency Agreement, Resident understands and consents to binding arbitration as the sole remedy as set forth above. Resident further understands and acknowledges that in agreeing to arbitration, Resident waives his or her rights to have any dispute or claim decided in a court of law before a judge or a jury, or otherwise to avail himself or herself of legal remedies other than binding arbitration.

Resident may opt out of arbitration as a sole remedy by signing an "opt out agreement" contemporaneous with the signing of this Agreement, or may do so within thirty (30) days of the date this Agreement is signed, by entering into a separate “opt out” of arbitration agreement. If an opt out agreement is not signed contemporaneous with Resident’s signature herein, or within thirty (30) days thereafter, Resident agrees that his or her sole remedy for resolving any legal dispute, controversy or claim shall be by binding arbitration, as described above.

Owner’s remedies shall not be limited to arbitration and shall include but not be limited to any action at law or equity in any court of competent jurisdiction, at Owner’s discretion.

In the event of any such arbitration, the controversy or dispute shall be submitted to and, to the extent possible, resolved by one arbitrator mutually selected by the parties. If the parties are unable to mutually agree, each of them shall select one arbitrator and the two arbitrators so selected shall select the third arbitrator; the decision of a majority of such arbitrators shall bind the parties. In the event either party does not select its arbitrator and give notice to the other as herein provided within fifteen (15) days after any notification of any demand for arbitration hereunder, such arbitrator shall be selected by the American Arbitration Association. The arbitrator(s) shall promptly obtain such information regarding the matter as he (they) shall deem advisable and shall decide with dispatch the matter in accordance with applicable law, equitable principles and community and industry standards, but shall not modify the terms of this Agreement. The arbitrator(s) shall render a written award which shall be delivered to the parties. The decision of the arbitrator shall be final and binding upon the parties and may be enforced in any court of competent jurisdiction. Each party shall bear its own costs and expenses, including attorney’s fees, in any such proceeding, except that at the time of rendering the award, the arbitrator(s) shall establish his (their) fee and expenses in connection therewith. Such fees and expenses shall be allocable by the arbitrator(s) in his (their) award. Written notice of demand for arbitration shall be filed by certified mail within fifteen (15) days of the mailing of the decision by the Williamsburg Landing Corporate Board pursuant to the preceding paragraph. Time is of the essence and failure to file within said time shall terminate this and all other remedies of Resident.

Resident specifically agrees that notwithstanding anything to the contrary, the rights and obligations set forth in this Section X of Article VIII Arbitration survive (i) the termination of this Agreement by either party or (ii) the default of this Agreement by either party. The waiver or invalidity of any portion of this Section
shall not affect the validity or enforceability of the remaining portions of this Section. Resident further agrees that any dispute brought by Resident involving Owner’s affiliates, directors, officers, employees and agents shall also be subject to this Section X of Article VIII Arbitration as set forth herein, and shall not be pursued in a court of law and, further, that arbitration will be limited to the parties specified herein.

Y. **Entire Contract.** Resident hereby acknowledges that he has read this Residency Agreement in its entirety. This Agreement constitutes the entire Agreement between Owner and Resident. **Owner is not liable for, nor bound in any manner by, any statements, representations, or promises made by any person representing or purporting to represent Owner, unless such statements, representations, or promises are set forth in this Agreement.** This Agreement supersedes all previous agreements between the parties, including any Reservation Application for Williamsburg Landing executed by Resident.
IN WITNESS WHEREOF, Owner has executed this Residency Agreement, by its duly authorized representative, and Resident has executed this Residency Agreement, in his or her own name, all as of the date first above written.

ATTEST: WILLIAMSBURG LANDING, INC.

_________________________________________ By: ________________________________

Date: ________________________________

WITNESS: RESIDENT:

_________________________________________ ______________________________________

Date: ________________________________

_________________________________________ Date: ________________________________

Arbitration Opt Out

I have read and understood the provisions in Section X of Article VIII Arbitration and hereby opt out of the arbitration provisions. I understand that I may avail myself of any legal remedies I have in a court of law for any claim, dispute or controversy I have with Williamsburg Landing in lieu of arbitration as a result of my decision to opt out of arbitration as my sole remedy.

RESIDENT:

_________________________________________

_________________________________________
Williamsburg Landing agrees to furnish and maintain those items noted below (X) for each residential unit other than designated Assisted Living Units. Maintenance for items upgraded at the resident’s expense is the responsibility of the resident.

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<th>Landing Building</th>
<th>River Court Apartments</th>
<th>The Moorings</th>
<th>Boatwright Circle</th>
<th>Edgewood</th>
<th>Earl's Court</th>
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Last Revised: 4/26/2017
APPENDIX A3

FORM OF RESIDENCY AGREEMENT
WOODHAVEN MANOR
ASSISTED LIVING UNIT
WOODHAVEN MANOR AT WILLIAMSBURG LANDING
RESIDENCY AGREEMENT
FOR ASSISTED LIVING UNIT

between

Williamsburg Landing, Inc.
(“Owner”)

and

___________________________________________

("Resident", whether one or more)

Residency Agreement Date: _______________________

Assisted Living Unit Number: _______________________

Type Unit: _______________________

Location: _______________________

Entrance Fee Plan:

☐ 50% Refundable Entrance Fee  ☐ 0% Refundable Entrance Fee

Entrance Fee Under Applicable Entrance Fee Plan $ __________

Plus Second Person Fee $ __________

Total Entrance Fee $ __________

Minus Deposit(s) Paid: $ __________

Minus Value of all other property transferred, including donations, subscriptions, fees and any other amounts paid or payable by, or on behalf of Resident $ __________

Balance of Entrance Fee due on Residency Agreement Date $ __________

A fee of $1,000.00 per person previously paid by Resident to Owner (the "Admissions Processing Fee") includes a portion of the costs of the required physical examination(s) of Resident and other expenses assessed by Owner, is not part of or credited against the Entrance Fee and, as such, is nonrefundable unless the Resident is not accepted for admission.

Effective Occupancy Date:
To Be Entered When Established: _______________________

• Initial Monthly Service Fee $ __________

Initial Level of Service: ________

*THE INITIAL MONTHLY SERVICE FEE IS AN ESTIMATE BASED UPON THE MONTHLY SERVICE FEE(S) IN EFFECT ON THE DATE OF THE EXECUTION OF THIS AGREEMENT. THE INITIAL ACTUAL MONTHLY SERVICE FEE(S) AND CREDIT(S) WILL BE IN THE AMOUNT OF THIS ESTIMATE UNLESS RESIDENT IS OTHERWISE NOTIFIED IN WRITING ON OR BEFORE THE EFFECTIVE OCCUPANCY DATE IS DETERMINED, SUBJECT TO INCREASE OR DECREASE SUBSEQUENT TO THE EFFECTIVE OCCUPANCY DATE AS PROVIDED IN THIS AGREEMENT.
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This RESIDENCY AGREEMENT (the "Agreement") is made on the date shown on the cover page between WILLIAMSBURG LANDING, INC., a Virginia non-profit corporation ("Owner"), and the person or persons listed on the cover page as Resident.

Owner operates "Williamsburg Landing," a Continuing Care Retirement Community (CCRC) in James City County, Virginia, which provides housing and certain services for its residents.

Resident has applied for entry to Williamsburg Landing and submitted a Future Residency Application ("Future Residency Application"), a copy of which is attached and made a part of this Agreement. Owner, by the execution of this Agreement, has accepted the Future Residency Application, subject to the terms of this Agreement.

Owner and Resident, in consideration of the mutual covenants, agreements and undertakings set forth below, agree as follows:

ARTICLE I.
ASSISTED LIVING UNIT

A. Assisted Living Unit. The assisted living unit selected by Resident and to which Resident is assigned is shown on the cover page of this Agreement, and Resident shall have the privilege of occupying the agreed upon assisted living unit or any other assisted living unit to which Resident is at any time assigned (the "Assisted Living Unit") so long as Resident meets the terms and conditions of this Agreement and conforms to the policies and procedures of Owner. Owner agrees to furnish and maintain, at Owner's expense, the following for the Assisted Living Unit:

1. Heating and air conditioning units with individually controlled thermostats
2. Smoke Detectors
3. Emergency response system
4. Kitchenette with microwave oven, sink and under-counter refrigerator
5. Key operated safe

In addition, Owner will furnish mini-blinds and will furnish floor coverings consisting of wall-to-wall carpeting, except in bathrooms, for which vinyl floor coverings shall be furnished. Replacement of floor coverings is at the sole discretion of Owner. All other furnishings shall be provided and maintained by Resident.

B. Change of Assisted Living Unit.

(1) Request for Change by Resident. Resident may request a change of the Assisted Living Unit (i) subject to the availability of an alternate assisted living unit
(the "Alternate Unit"), and (ii) in accordance with Owner’s policies in effect from time to time. Upon Owner’s approval, the change to the Alternate Unit shall become effective subject to the following:

a. **First Change.** If the change of Assisted Living Unit is the first change by Resident, the original Entrance Fee previously paid by Resident (without any reduction for amortization under the “Entrance Fee Plan” in effect) shall be applied against the Entrance Fee for the Entrance Fee Plan then in effect for the Alternate Unit. Resident shall pay to Owner prior to occupancy of the Alternate Unit any deficit. The excess, if any, (i) with respect to Residents under the 50% Refundable Entrance Fee Plan, shall be refunded to Resident reduced by 4% per full or partial calendar month of occupancy after the "Effective Occupancy Date" (as hereinafter defined in Section A of Article III) up through and including twelve full or partial calendar months after said Effective Occupancy Date and by 2% per full or partial month after the last day of the twelfth calendar month after the Effective Occupancy Date, until the remaining amount of the refund of the excess, if any, is reduced to 50% of said excess, and (ii) with respect to Residents under the 0% Refundable Entrance Fee Plan, shall be refunded to Resident reduced by 4% per full or partial calendar month of occupancy after the Effective Occupancy Date (up through and including twenty-five full or partial calendar months after said Effective Occupancy Date, until the remaining amount of the refund of the excess, if any, is reduced to 0.

b. **Subsequent Changes.** If the change of Assisted Living Unit is the second or subsequent such change by Resident, the Entrance Fee previously paid by Resident without any reduction for amortization under the applicable Refundable Entrance Fee Plan as adjusted by all additional entrance fees paid or refunds made in connection with previous relocations, shall be applied against the Entrance Fee under the corresponding Entrance Fee Plan then in effect for the Alternate Unit. Resident shall pay to Owner prior to occupancy of the Alternate Unit any deficit. If there is any excess, that excess, (i) with respect to Residents under the 50% Refundable Entrance Fee Plan, shall be refunded to Resident reduced by 4% per full or partial calendar month of occupancy after the Effective Occupancy Date up through and including twelve full or partial calendar months after said Effective Occupancy Date and by 2% per full or partial calendar month after the last day of the twelfth full or partial calendar month after the Effective Occupancy Date, until the
remaining amount of the refund of the excess, if any, is reduced to 50% of said excess, and (ii) with respect to Residents under the 0% Refundable Entrance Fee Plan, shall be refunded to Resident reduced by 4% per full or partial calendar month of occupancy after the Effective Occupancy Date up through and including twenty-five full or partial calendar months after said Effective Occupancy Date, until the remaining amount of the refund of the excess, if any, is reduced to 0.

c. The revised Entrance Fee computed in "a" or "b" described above, as applicable, is hereinafter referred to as the "Adjusted Entrance Fee." Refunds of the Adjusted Entrance Fee, if any, shall be in accordance with Article VI, of this Agreement. All amounts not refunded shall be retained by Owner.

d. Resident shall also pay his relocation expenses and the administrative fee then in effect to compensate Owner for its actual costs as a result of such relocation.

(2) Relocation to Another Assisted Living Unit by Owner. Owner may require Resident to move to another assisted living unit if such a move has been recommended by the Medical Director of Williamsburg Landing, in consultation with Resident's private physician, for the health or safety of Resident. Such relocation shall be at the expense of Resident, but without any increase of the Entrance Fee. The Entrance Fee previously paid shall be applied as set forth in subsection B(1) of Article I above except that no deficit shall be paid by Resident.

ARTICLE II.
SERVICES PROVIDED

A. Residential Services Provided by Owner. Owner shall furnish the following services to all residents of Williamsburg Landing, the costs of which shall be covered by the Monthly Service Fees, except where specifically noted:

(1) Maintenance and Repairs. Owner will perform necessary repairs, maintenance and replacement of its own property and equipment, the common areas of Williamsburg Landing and the exterior and interior of the assisted living units. Repairs, maintenance and replacement of Resident's own property will be the responsibility of Resident.

(2) Security. Owner will equip the Assisted Living Unit with an emergency response system which will be monitored on a 24 hour basis and an automatic smoke alarm. Owner will staff a security station and will patrol the grounds on a scheduled basis.
(3) **Meals.** Owner will operate at least one dining facility for three meals per day; included in the Monthly Service Fee are 3 meals per day for each Resident. Private dining facilities will be available to Resident to be used on a reserved basis at an additional charge to him. Special diets, as may be prescribed by Resident’s physician, will be provided for Resident and Owner, at its discretion, may charge Resident the expense.

(4) **Scheduled Transportation.** Owner will provide scheduled transportation from Williamsburg Landing to local shopping areas and between the Woodhaven building and the Landing building. Transportation for medical treatment in the local Williamsburg area will be provided by Owner if Resident is unable to furnish his own transportation. Transportation for other personal needs may be provided at an additional charge.

(5) **Planned Activities.** Owner will coordinate special events which may include such items as concerts, tours and cultural or social events. Additional charges may apply for participation in these activities.

(6) **Management Services.** Owner will provide professional management services to the community.

(7) **Buildings and Grounds.** Owner will maintain the common areas of all buildings and the grounds including the lawns, walkways and driveways.

(8) **Utilities.** Owner will furnish water, sewer, heat, light, power, air conditioning, cable television service (excluding premium channels) and local telephone service for the assisted living units located in the Woodhaven Building. Resident will pay for long distance telephone charges and internet access.

(9) **Common Facilities.** Resident may use, in common with others, facilities such as dining rooms, lounges and lobbies, chapel, library, swimming pool, social and recreation rooms, shops, and all other common facilities designated by Owner for resident use. Common facilities for which additional charges will be made include any shops providing services such as beauty parlors and barber shops and facilities requiring an attendant, and any rooms or accommodations provided for the overnight accommodation of guests. An additional charge may also be made for supplies used in connection with recreational and social activities.

(10) **Housekeeping.** Owner will clean the Assisted Living Unit weekly.

(11) **Laundry.** Owner will provide personal laundry service.

(12) **Taxes.** Owner will pay all real and personal property taxes assessed against Owner.
B. Health Care Services Provided.

(1) Health Care Offered by Owner. The following health care services will be provided by Owner and included in the Monthly Service Fee:

a. Emergency call system

b. An Outpatient Clinic providing:

(i) initial health screenings for new Residents (weight check, blood pressure screening, nurse consultation)

(ii) blood pressure checks

(iii) phlebotomy service (does not include lab charges)

(iv) scheduled nurse consultation

c. Initial one time nutrition counseling for new Residents (subsequent counseling is at Resident’s expense)

d. Subject to the review and approval of the Medical Director or its designee and the Medical Transfer procedures provided for in Article IV below and provided that Resident is an occupant of an Independent Living or Assisted Living Facility Residential Unit during that calendar year, up to ten (10) days of care in the Nursing Facility per calendar year (non-cumulative from year to year) on a private room (shared bath) basis.

Additional stays in the Nursing Facility beyond such ten (10) days per calendar year (non-cumulative from year to year) of care, or stays in the Nursing Facility that do not qualify for such ten (10) days, will be at Resident’s expense at the then current rate for the applicable private room. For care in other than a private room (shared bath) basis during such ten (10) days, Resident will be charged the per diem private room rate, less the private room (shared bath) rate.

Nursing Facility. Owner will operate a nursing facility on site, licensed by the Commonwealth of Virginia as a nursing home (the “Nursing Facility”). Nursing care provided by Owner shall be limited to that care given in the Nursing Facility or in another part of Williamsburg Landing designated by Owner. Resident may employ private duty nurses and sitters at Resident’s expense, but only after approval by Owner of the nurses and sitters and/or firm providing such nurses and sitters and subject to policies and procedures of Owner. Owner assumes no responsibility for overseeing such private duty providers of services.
**Assisted Living Facility.** Owner will provide assisted living services to Residents of Woodhaven Manor and shall staff such with trained personnel. Typical services to be provided are as follows:

a. Three nutritious meals daily, including special diets as may be prescribed by Resident’s physician
b. Assistance with activities of daily living as needed
c. Assistance with problems resulting from loss of speech, hearing or sight
d. Administration of medication as needed
e. Assistance in bathing
f. Special treatments such as blood pressure checks
g. Availability of private duty services; such services to be paid for by Resident after approval by Owner of persons and firms involved
h. Specialized activities programs

**Levels of Service.** Resident will be assigned to one of three levels of service (Level I, II, or III) based on an assessment using the Uniform Assessment Instrument (UAI), on or before the Effective Occupancy Date. Periodic reassessments of Resident’s condition will be conducted. Changes in level of service will result in an automatic adjustment in the Monthly Service Fee based on the then current Fee Schedule.

**Medical Director.** Owner will designate as medical director a licensed physician who shall be responsible for monitoring the health care services at Williamsburg Landing (the "Medical Director") and shall be available to Owner for advice and consultation.

(2) **Additional Health Care Services.** Additional health care services will be provided or made available through independent or related contractors approved by Owner. Resident will be responsible for paying the rates charged for any of these additional services utilized. Typical services to be provided are as follows:

a. Primary care physician services
b. Home health care
c. Licensed nurses
d. Physical therapists
e. Occupational therapists
f. Speech therapists
g. Massage therapy
h. Primary and specialty physicians services in the outpatient clinic

(3) Consent to Release of Medical Information. Resident hereby consents to, and will provide, such additional documentation as may be requested by Owner for the release of medical information by any physician, hospital or other medical provider providing any medical services or consultation to Resident.

(4) Additional Services. Owner may offer other services in addition to those listed specifically in this Article II. If Resident chooses to accept those additional services, Resident agrees to pay all applicable additional charges.

(5) Notice of Change in Services Provided or Fees. Thirty (30) days prior written notice shall be provided to Resident concerning any change that decreases the scope of services described in this Article II. A listing of charges for services provided by Owner that are not covered by the Monthly Service Fee will be available to all Residents. Thirty (30) days prior written notice shall be provided to Resident concerning increases in these charges or Monthly Service Fees.

ARTICLE III.
FEES

A. Effective Occupancy Date. The Effective Occupancy Date is the date upon which the Assisted Living Unit is available for occupancy, regardless of whether the unit is physically occupied (the "Effective Occupancy Date"). Subject to the preceding sentence, the Effective Occupancy Date shall be mutually agreed upon and listed on the cover page of this Agreement. All applicable fees (See Sections B and C of Article III) will commence on the Effective Occupancy Date. The foregoing is subject to the seven (7) day right of rescission as set forth in Section V of Article VIII below.

B. Entrance Fee. In consideration of Owner making the Assisted Living Unit and services available to Resident as described above, Resident agrees to pay an entrance fee in the amount shown on the cover page of this Agreement (the "Entrance Fee") in the following manner:

- Resident may make partial payments of the Entrance Fee at any time prior to the Residency Agreement Date.
- The balance of the Entrance Fee is payable in full on or before the Residency Agreement Date.
• The **50% Entrance Fee Plan** accrues to Owner at a rate of 4% per month beginning with the month of the Effective Occupancy Date or portion thereof until the last day of the twelfth consecutive month after the Effective Occupancy Date with the month in which the Effective Occupancy Date occurs being the first month of the twelve month period, then thereafter at a rate of 2% per calendar month or portion thereof until 50% of the Entrance Fee has been accrued. Thereafter, any refund to Resident will be limited to 50% of the Entrance Fee originally paid by the Resident less a sum equal to any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for reasonable wear and tear). Refer to Article VI and Section B of Article I for specific refund information.

• The **0% Entrance Fee Plan** accrues to Owner at a rate of 4% per month beginning with the month (such accrual shall apply to partial months even if the Effective Occupancy Date is other than the first day of a month or this Agreement terminates on other than the last day of a month) of the Effective Occupancy Date until the entire Entrance Fee paid has been accrued. Prior to such full accrual by Owner, Resident may be due a refund of the Entrance Fee paid by the Resident less a percentage thereof equal to 4% times the number of months (or partial months) of occupancy, less any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for reasonable wear and tear). Refer to Article VI and Section B of Article I for specific refund information.

In the event that payment of the Entrance Fee is delayed beyond the Effective Occupancy Date for any reason, Resident will be liable for payment of Monthly Service Fees commencing on the Effective Occupancy Date. A delay of full payment of the Entrance Fee beyond thirty (30) days after the Effective Occupancy Date will be considered a voluntary termination of this Agreement by Resident after the Effective Occupancy Date and the terms of Section A of Article VI will apply.

(1) **Escrow Account.** Prior to the Effective Occupancy Date, all sums (except less $1000 per Resident held by Owner, which amounts are non-refundable except if Resident dies before occupying the Residential Unit, or is later precluded through illness, injury or incapacitation from becoming a resident and less the Admissions Processing Fee) received from Resident for entrance fees or portions of entrance fees pursuant to this Agreement will be deposited by Owner into an escrow account maintained at a financial institution designated by Owner (the "Escrow Agent"), pursuant to the terms and provisions of an escrow agreement ("Escrow Agreement") by and between Owner and the Escrow Agent. All such escrowed sums ("Escrow Deposits") will remain the property of Resident until released to Owner as hereinafter provided. No interest shall be due or payable to Resident on such sums. All Escrow Deposits shall be released to Owner on the earliest date when Owner presents to the Escrow Agent evidence that: (i) at least one of the Residents has commenced occupancy at Williamsburg Landing in the Assisted Living Unit; or (ii) Resident occupies
the selected Assisted Living Unit; or (iii) the selected Assisted Living Unit is available for immediate occupancy. If Resident dies before occupying the Assisted Living Unit, or is later precluded through illness, injury or incapacitation from becoming a resident under the terms of this Residency Agreement, Resident shall receive a refund of the Escrow Deposits, without interest, reduced by those costs, if any, specifically incurred by Owner at the request of Resident including, but not limited to, costs of changes to the Assisted Living Unit as set forth in a separate written Addendum signed by both Resident and Owner. However, any interest earned on such sums will be paid to Owner. Any costs and expenses incurred by the Escrow Agent in the administration of such escrow account shall be payable from such interest earnings, but if such interest earnings are insufficient, such costs and expenses may be deducted from the amount of Resident’s deposit.

(2) Refund of Entrance Fee. A portion of the Entrance Fee shall be refunded by Owner to Resident under the terms and provisions of Section B of Article I, Section B of Article IV, and Article VI of this Agreement.

C. Monthly Service Fee. Resident shall pay Owner a monthly service fee (the "Monthly Service Fee") for certain services provided to Resident, as more fully described above, and to pay for a portion of the construction and financing costs of Williamsburg Landing. The Monthly Service Fee shall be payable in advance on the first day of each month until the applicable date specified in this Agreement pursuant to Article VI hereof. The full Monthly Service Fee for the month in which the Effective Occupancy Date occurs shall be due in advance on the Effective Occupancy Date. A prorated credit for the portion, if any, of the month of occupancy from the first day of such month to the Effective Occupancy Date will be applied to the first regular Monthly Service Fee following such month.

The actual Monthly Service Fee for initial occupancy will be established prior to the Effective Occupancy Date. Written notice of any such change to the Monthly Service Fee shall be given to Resident no later than thirty (30) days prior to the Effective Occupancy Date. Subsequent to the Effective Occupancy Date, Owner may increase or decrease the Monthly Service Fee after giving thirty (30) days prior written notice to Resident.

(1) Joint Occupancy of Residential Unit. Owner may maintain different Monthly Service Fees for single and double occupancy of the Assisted Living Unit, and any change in the status of occupancy may result in the appropriate change in Resident’s Monthly Service Fee. If the Assisted Living Unit is occupied by more than one Resident, each Resident shall be jointly and severally liable for the Monthly Service Fee.

(2) Termination of Occupancy by One Joint Occupant. In the event of the termination of occupancy of one joint occupant of the Assisted Living Unit for any reason, effective on the first day of the following month, the Monthly Service Fee charged to the remaining occupant shall be reduced by the then current fee, if any, for
the second resident in the Assisted Living Unit. Any applicable meal credits for single-occupied units will apply according to the then current fee schedule.

D. Other Fees.

(1) Admissions Processing Fee. The Admissions Processing Fee of $1,000.00 per person previously paid by Resident prior to the execution of this Agreement covered a portion of the costs and expenses incurred by Owner, and as such, is not part of or credited against the Entrance Fee. The Admissions Processing Fee is nonrefundable and becomes the property of Owner upon payment, unless admission is denied by Owner in which event it will be refunded. No interest shall be payable or otherwise credited to Resident on the Admissions Processing Fee.

(2) Second Person Fee. In consideration of Owner making the Assisted Living Unit available for the benefit of an additional person to be included within the definition of Resident, Resident agrees to pay a second person fee in the amount shown on the cover page of this Agreement which fee shall be paid in full on or before the Residency Agreement Date. The second person fee is included within the definition of Entrance Fee and is subject to refund as part of the Entrance Fee pursuant to the terms and provisions of Section B of Article I and Article VI of this Agreement.

(3) Fees For Additional Services. Owner may provide additional services which are not included in the Monthly Service Fee for which an additional charge may be made pursuant to Owner’s published fee schedule.

E. Nonpayment of Fees. In the event that payment of the Entrance Fee (including any second person fee) is delayed beyond the Effective Occupancy Date for any reason, Resident will be liable for payment of Monthly Service Fees commencing on the Effective Occupancy Date. A delay of full payment of the Entrance Fee (including any second person fee) beyond thirty (30) days after the Effective Occupancy Date will be considered a voluntary termination of this Agreement by Resident after the Effective Occupancy Date and the terms of Section A of Article VI will apply. Owner may terminate this Agreement for nonpayment of the Monthly Service Fee if such nonpayment is not cured within thirty (30) days of the date Owner gives written notice of the overdue payment to Resident. If two co-Residents are entering into this Agreement, each agrees to make all necessary provisions to ensure that each Resident will have sufficient financial resources to meet their obligations under this Agreement even if the other Resident leaves Williamsburg Landing by death, withdrawal or otherwise.

F. Joint and Several Obligations of Co-Residents. If two co-Residents are entering into this Agreement, each agrees to make all necessary provisions to ensure that each Resident will have sufficient financial resources to meet their obligations under this Agreement even if the other Resident leaves Williamsburg Landing by death, withdrawal or otherwise, to include, without limitation, making provision in his or her respective estate planning documents (whether by will, trust, survivorship, pay-on-death, beneficiary designation or other designation) to satisfy the continuing obligations of the remaining Resident under this Agreement after the death of the first Resident to

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die. Further, each Resident hereby agrees (i) to be bound jointly and severally by the terms and conditions hereof, and (ii) that such obligations shall become an obligation of his or her estate. Each Resident hereby agrees to provide to Owner from time to time, upon Owner’s request, written evidence satisfactory to Owner of the Resident’s compliance with the Resident’s obligations under this Section.

G. Benevolence. Notwithstanding the provisions of Section E of Article III above, it is the policy of Owner not to terminate a Resident’s occupancy because of financial inability to pay all or part of the Monthly Service Fee and other fees, provided that Resident is otherwise in compliance with the terms of this Agreement and provided, further, that Resident establishes facts to justify a waiver or reduction of the Monthly Service Fee and any other such fees. Such waiver or reduction can be granted, based solely on the opinion of Owner and compliance of the request with the Benevolence policies established by the Board of Williamsburg Landing, without impairing the ability of Owner to operate Williamsburg Landing on a sound financial basis. To justify a waiver or reduction of the Monthly Service Fee, Resident must prove conclusively to Owner that inability to pay is due to financial reverses over which Resident had no control or is due to depletion of Resident’s assets in a reasonable manner by the passage of time. Resident shall not, without Owner’s consent, have impaired his ability to meet the financial obligations of this Agreement by reason of expending and/or transferring his income or assets after execution of this Residency Agreement, other than to meet ordinary and customary living expenses.

To the extent that the Monthly Service Fee or other fee(s) are waived or reduced, Owner will have a claim against Resident’s remaining estate and a right to set off against any refund of the Entrance Fee to which Resident or his estate may be entitled under this Agreement. Resident hereby agrees that, in consideration of such reduction:

(1) Resident shall transfer to another assisted living unit upon request by Owner, if and when available;

(2) Resident shall not sell or otherwise transfer any real or personal property, financial assets or income without the written consent of Owner;

(3) Resident shall enter into such agreements, powers of attorney, assignments or transfers as may be required for the purpose of making available to Resident and Owner any other assets of Resident to offset such financial needs;

(4) Resident shall promptly provide periodic statements of financial condition and copies of income tax returns as may be requested from time to time by Owner; and

(5) Resident shall notify Owner of any and all assets acquired thereafter through any means whatsoever, and shall assign or pay such property received to Owner in an amount equivalent to the total cumulative monthly or other fee reductions which have been allowed to Resident.
If the conditions of this Agreement for waiver or reduction of the Monthly Service Fee cannot be met, and Resident fails to pay such fee in full, interest may be charged on past due fees and charges and/or Owner may terminate this Agreement as provided above.

ARTICLE IV.
MEDICAL TRANSFER

A. Procedure for Temporary Transfer to the Nursing Facility. Temporary transfer of Resident to the Nursing Facility will require the review and approval of the Medical Director or designee or a physician approved by the Williamsburg Landing Medical Director or his designee. In the event of such temporary transfer, Resident shall continue paying the then effective Monthly Service Fee and shall continue to have the right to occupy the Assisted Living Unit. After Resident has received his ten (10) days per calendar year (non-cumulative from year to year) of a private room (shared bath) care in the Nursing Facility, Resident shall pay a per diem charge in addition to the Monthly Service Fee for services received, in accordance with Owner's rates effective at that time for residents of Williamsburg Landing paying the Monthly Service Fee.

B. Procedure for Permanent Transfer to the Nursing Facility. Whenever, in the opinion of Owner, a permanent transfer to the Nursing Facility is required because Resident is no longer capable of living in the Assisted Living Unit or is incapable of either managing his properties or caring for himself or both, Resident shall willingly transfer to the Nursing Facility. In making this decision, Owner shall consult with the Medical Director, Resident and Resident’s personal physician if different from the Medical Director, legal guardian, spouse or closest relative, and shall take into consideration the physical capacity of the facilities at Williamsburg Landing and the health, welfare, safety, comfort and well-being of Resident and other residents. Failure to transfer to the Nursing Facility shall constitute a material breach of this Agreement by Resident and provide good cause for Owner to terminate this Agreement.

If Resident permanently transfers to the Nursing Facility, after he has used any remaining days of his ten (10) days per calendar year (non-cumulative from year to year) of a private room (shared bath) care for the year in which he is so transferred, he shall pay for any nursing or health services in the Nursing Facility on a per diem basis in accordance with Owner's rates effective at that time. Effective upon the date of such permanent transfer, Resident shall no longer pay the Monthly Service Fee or, if Resident was a joint occupant of the Assisted Living Unit, the additional fee then in effect, if any, for double occupancy. After the initial calendar year during which such permanent transfer occurs, the ten (10) days per calendar year of care in the Nursing Facility previously included in the Monthly Service Fee shall no longer be provided by Owner.

If Resident permanently transfers to the Nursing Facility, this Agreement shall not terminate, and if the Assisted Living Unit is jointly occupied, the remaining occupant shall assume all obligations under this Agreement with respect to the Assisted Living
Unit. No refund of the Entrance Fee shall be due in connection with the permanent transfer to the Nursing Facility of one, both or all occupants of an Assisted Living Unit. If Resident was the sole occupant of the Assisted Living Unit, upon his permanent transfer to the Nursing Facility this Agreement shall not terminate, but the Assisted Living Unit may be reoccupied by a successor resident or Owner.

C. Procedure for Temporary or Permanent Care in an Alternative Facility. Notwithstanding the procedures outlined in Sections A or B of Article VI above, Owner may provide nursing care required by Resident either in Resident’s Assisted Living Unit or by contract in another licensed nursing home facility on a temporary basis if space is not available within the Nursing Facility. Resident shall pay for care on the same basis as outlined in Sections A or B of Article VI, except that Resident will not be required to pay more than he would be required to pay if space were available in the Nursing Facility. Residents who receive care according to this Section will be offered care in the Nursing Facility in such order as Owner deems to be in the mutual best interest of Owner and all such Residents, but prior to any admission of non-residents to the Nursing Facility.

D. Procedure for Transfer to a Medical Institution. If circumstances arise which, in the opinion of Owner, necessitate the transfer of Resident to a hospital or other institutional medical facility, Owner will endeavor to assist Resident in locating an acceptable institution with a non-restrictive environment.

(1) Temporary Transfer to a Medical Institution. In the event that temporary transfer of Resident from Williamsburg Landing to an institutional medical facility is required as described above, Resident shall continue paying the then effective Monthly Service Fee (and additional fee for double occupancy, if applicable).

(2) Permanent Transfer to a Medical Institution. If, in the opinion of Owner, a permanent transfer by Resident to an institutional medical facility is required because Resident is no longer capable of living in the Assisted Living Unit or requires a different level of nursing or health care than is available in the Nursing Facility, Resident shall transfer to such institutional medical facility as the Medical Director or his designee may direct. In making this decision, Owner shall consult with the Medical Director, Resident, Resident’s personal physician if different from the Medical Director, legal guardian, spouse or closest relative and shall take into consideration the health, welfare, safety comfort and well-being of Resident and all residents of Williamsburg Landing.

If Resident transfers to an institutional medical facility as described above and such transfer is deemed permanent, this Agreement shall automatically terminate; provided, however, that the permanent transfer of one occupant of a jointly occupied unit (including joint occupants one or both of whom have permanently transferred to the Nursing Facility), shall not effect a termination of this Agreement with respect to the remaining occupant if such occupant assumes all obligations under this Agreement, in which case Resident shall no longer pay an additional fee, if any, for joint occupancy of the Assisted Living Unit, if applicable. If Resident was the sole occupant of the Assisted
Living Unit, a refund of a portion of Resident’s Entrance Fee shall be granted in accordance with this Section G of Article VI of this Agreement.

**ARTICLE V.**

**INSURANCE**

A. **Medical Insurance and Long Term Care Insurance.** Resident agrees to maintain health insurance coverage under Parts A and B of the Medicare Program. If Resident is not eligible for coverage under Parts A and B of the Medicare Program, Resident agrees to obtain equivalent insurance coverage acceptable to Owner. If Resident had long term care insurance in place at the time of approval for admission and existence of that insurance was considered as part of that Resident's financial approval, then Resident must maintain that insurance or equivalent coverage during the term of this Residency Agreement.

B. **Liability and Casualty Insurance.** Owner will maintain liability and casualty insurance coverage for all buildings, the contents of the common areas and miscellaneous scheduled property as deemed necessary by Owner. In addition, Owner will carry professional liability insurance coverage, boiler and machinery insurance coverage, as deemed necessary by Owner, and business interruption insurance coverage for loss of earnings/rent and extra expenses as deemed necessary by Owner.

C. **Resident Provided Insurance.** It is the responsibility of Resident to provide all personal property and liability insurance coverage desired by Resident, and Resident is required to secure and maintain in effect at all times a liability, fire and extended coverage policy or liability and casualty insurance policy, insuring his tangible personal property against loss or damage by reason of fire or other casualty and protect Owner and Resident with regard to damage to property of others, personal injury and death. Owner’s insurance will not protect Resident against theft or destruction of Resident’s personal property whether located inside or outside the Residential Unit.

**ARTICLE VI.**

**TERMINATION AND REFUND**

A. **Termination by Resident.** Resident may terminate this Agreement at any time, both before and on or after the Effective Occupancy Date, by giving written notice to Owner. Such written notice shall state a date when termination is to become effective, and at or prior to such date Resident shall vacate and release the Assisted Living Unit. On or after the Effective Occupancy Date, the notice of termination must be given at least forty five (45) days prior to the date on which Resident desires to terminate this Agreement and Resident shall continue to pay the Monthly Service Fee until the later of forty five (45) days after the date of such written notice of termination or until the Assisted Living Unit is vacated and released.

The joint occupants constituting Resident of any Assisted Living Unit may, by written notice bearing their joint signatures, at any time terminate this Agreement by delivering to Owner written notice of their intent to do so. Such written notice shall state
the date when termination is to become effective and whether either occupant desires to retain the Assisted Living Unit or another Assisted Living Unit, if available, on a single occupancy basis. If termination is being made after the Effective Occupancy Date, at or prior to the termination effective date, one or both occupants, as the case may be, will move out of the Assisted Living Unit. Such date shall be not less than forty five (45) days after the date of such written notice. In the event that one occupant elects to remain a resident, this Agreement shall continue in effect with respect to that occupant, with the modification of the Monthly Service Fee specified in Article III. of this Agreement.

B. Termination by Owner. Owner may not terminate this Agreement with Resident without good cause. Good cause shall be limited to: (i) proof that Resident is a danger to himself or others; (ii) non-payment by Resident of the Monthly Service Fee; (iii) repeated conduct by Resident that interferes with other residents’ quiet enjoyment of any portion of Williamsburg Landing; (iv) persistent refusal to comply with reasonable written rules and regulations of Williamsburg Landing; (v) a material misrepresentation made intentionally or recklessly by Resident in his application for residency or related materials, regarding information which, if accurately provided, would have resulted in either a failure of Resident to qualify for residency or a material increase in the cost of providing to Resident the care and services provided under the Residency Agreement; or (vi) material breach by Resident of the terms and conditions of the Residency Agreement.

If Owner seeks to cancel a residency agreement and terminate Resident’s occupancy, Owner shall give Resident written notice of, and a reasonable opportunity to cure within a reasonable period, whatever conduct is alleged to warrant the cancellation of the residency agreement.

Upon such termination by Owner for any of the aforesaid reasons, Owner shall provide Resident with a dated and signed statement by the licensee, administrator or CEO of Williamsburg Landing which contains the following information: (a) date of notification of termination and person so notified; (b) reason(s) for termination; (c) action taken by Owner to assist Resident in the discharge and relocation process; (d) date of actual termination and Resident’s destination; and (e) in situations which present emergency conditions, such as where Resident presents a risk to the health, safety or welfare of Resident or others, the statement shall contain the above information if appropriate and such statement shall be provided or mailed to Resident within 48 hours from the time of the decision to terminate.

C. Automatic Termination.

(1) Termination by Death. This Agreement shall automatically terminate (a) immediately upon the death of Resident if such death occurs prior to the Effective Occupancy Date; or (b) if such death occurs on or after the Effective Occupancy Date, this Agreement shall then terminate but subject to the obligation of Resident’s estate to pay the Monthly Service Fee until the later of thirty (30) days after such death or until the Assisted Living Unit is vacated and released. In the event of
death after the Effective Occupancy Date, the refund provisions of Section G of Article VI shall govern, provided that the death of one occupant of a jointly occupied unit (including joint occupants one or both of whom have permanently transferred to the Nursing Facility) shall not effect a termination with respect to the other occupant.

(2) Termination Prior to Occupancy. This Agreement shall automatically terminate prior to the Effective Occupancy Date as provided in preceding paragraph or if Resident's mental or physical health or financial condition changes to the extent that Resident (a) no longer meets the health and financial conditions required for occupancy at Woodhaven Manor, or (b) is no longer capable of living in the Assisted Living Unit on the Effective Occupancy Date, as determined by the Medical Director, or (c) is unable to perform his obligations in accordance with this Agreement. In the event of such automatic termination prior to the Effective Occupancy Date, the refund provisions of Section F of Article VI shall govern as if this Agreement had been terminated by Owner.

(3) Termination Prior to Occupancy Pursuant to Statutory Requirements. This Agreement shall automatically terminate upon the legally required release of Escrow Deposits described in subsection B(1) of Article III as follows:

a. if Resident has not initially occupied the Assisted Living Unit on or prior to the date which is three years after the date of this Residency Agreement; or

b. upon death of Resident as provided in subsection C(1) of Article VI; or

c. if the Assisted Living Unit has not been constructed and the construction of the Assisted Living Unit is stopped indefinitely; or

d. upon any other termination of this Residency Agreement in accordance with its terms or under applicable law.

(4) Termination Upon Involuntary Closure of Williamsburg Landing. This Agreement shall automatically terminate upon the involuntary closure of Williamsburg Landing for any reason. Upon closure, Resident may be eligible as its sole remedy to receive a portion of the Entrance Fee on a pro-rata basis pursuant to Section G of Article VI, subsequent to Owner’s satisfaction of any and all debts, liabilities and fees involved in such closure, and pursuant to any applicable state or federal laws governing such closure.

D. Release upon Termination.

(1) Upon the earlier of the vacation and release of the Assisted Living Unit or the termination of this Agreement, Owner shall have the right to take full control of the Assisted Living Unit, and Owner shall be released from any further obligation to Resident except for payment of any refund which may be due under this Agreement.
(2) Prior to or upon the termination of this Agreement, Resident or his estate shall remove or cause to be removed all of his personal property from Williamsburg Landing, and, upon payment of all sums due to Owner, Resident shall be released from all further obligation to Owner. In the event of failure of Resident to remove all personal property, Resident shall remain liable to Owner for any moving and storage charges incurred by Owner, pursuant to Section E below.

E. Disposition of Personal Property.

(1) In the event of termination of this Agreement as a result of the death of Resident, or as a result of Resident’s permanent transfer to the Nursing Facility, within seven (7) days after the date of death or permanent transfer, any personal property of Resident that remains in the Assisted Living Unit shall be removed by Resident’s executor, personal representative or administrator or, if no one has qualified or been appointed as executor, personal representative or administrator, by any of Resident’s relatives.

(2) In the event of termination of this Agreement for any reason other than the death of Resident, within fourteen (14) days after the effective date of termination, any personal property of Resident which remains in the Assisted Living Unit shall be removed by Resident or (if applicable) Resident’s guardian, conservator or committee, or if no guardian, conservator or committee has qualified, by any of Resident’s relatives.

(3) Items not removed may be held in storage by Owner at Resident’s expense, but after a period of thirty (30) days, such property may be sold or discarded by Owner. The sale proceeds shall be applied to the satisfaction of any payment due from Resident under this Agreement, the debt and expenses of the storage and sale, and the surplus, if any, shall be paid to the Resident or Resident’s executor, personal representative or administrator, or, if no one has been qualified or appointed as executor, personal representative or administrator, to any of Resident’s relatives designated by Owner.

F. Refund of Entrance Fee Prior to Effective Occupancy Date. If this Agreement is terminated prior to the Effective Occupancy Date, Owner will refund that portion of Resident’s Entrance Fee paid within thirty (30) days after the effective date of such termination reduced by those costs specifically described in subsection B(1) of Article III.

G. Refund of Entrance Fee After Effective Occupancy Date.

(1) If this Agreement is terminated after the Effective Occupancy Date, by either Owner or Resident, Resident or his estate shall be entitled to a refund of a portion of the Entrance Fee as described below. Such refund shall be due within thirty (30) days after the effective date of such termination. Resident or his estate shall be entitled to a refund computed as follows:
With respect to a Resident under the 50% Refundable Entrance Fee Plan, (1) if Resident has changed Resident’s initial Assisted Living Unit, the Adjusted Entrance Fee (determined in accordance with Section B of Article I above) reduced by 4% per full or partial calendar month of occupancy for a continuous period of twelve calendar months and by 2% per full or partial thirteenth month of occupancy after the Effective Occupancy Date for the Assisted Living Unit initially occupied by Resident up through and including thirteen full or partial calendar months after such Effective Occupancy Date until the refund amount is reduced to 50% of the Adjusted Entrance Fee; or (2) if Resident has not changed Resident’s initial Assisted Living Unit, the Entrance Fee paid reduced by 4% per full or partial calendar month of occupancy after the Effective Occupancy Date up through and including twelve full or partial calendar months and by 2% per full or partial thirteenth month of occupancy after the Effective Occupancy Date until the refund amount is reduced to 50% of the Entrance Fee paid by the Resident.

With respect to a Resident under the 0% Refundable Entrance Fee Plan, (1) if Resident has changed his initial Assisted Living Unit, the Adjusted Entrance Fee (determined in accordance with Section B of Article I above) reduced by 4% per full or partial calendar month of occupancy after the Effective Occupancy Date for the Assisted Living Unit initially occupied by Resident up through and including twenty-five full or partial calendar months after such Effective Occupancy Date until the refund amount is reduced to 0% of the Adjusted Entrance Fee; or (2) if Resident has not changed his initial Assisted Living Unit, the Entrance Fee paid reduced by 4% per full or partial calendar month of occupancy after the Effective Occupancy Date up through and including twenty-five full or partial calendar months after the Effective Occupancy Date until the refund amount is reduced to 0.

(2) If, at the time Resident is otherwise entitled to a refund, Owner, in its sole and absolute discretion, has reduced its then applicable entrance fee for the last Assisted Living Unit occupied by Resident, notwithstanding the aforesaid, the amount of the refund shall be, the lesser of the refund to which Resident or his estate is otherwise entitled as described above or the Entrance Fee Plan in effect on the date a successor resident takes occupancy of the last Assisted Living Unit occupied by Resident. For the purpose of determining the applicable percentage reduction to calculate the portion of the Entrance Fee to be refunded, the Assisted Living Unit or Nursing Facility room shall be deemed to be occupied and the monthly percentage reduction described above shall continue to apply until all personal effects have been removed therefrom.

(3) Before making any refund, Owner may deduct any fees or charges due to Owner from Resident under the terms of this Agreement.

(4) If the Entrance Fee was paid on behalf of two joint residents occupying the Assisted Living Unit (regardless of whether either has permanently transferred to the Nursing Facility), then, in the event of the termination of occupancy by one of such joint residents or by Owner, the Entrance Fee shall be deemed to have been paid on behalf of the remaining occupant whether residing in the Assisted Living
Unit or the Nursing Facility, as the case may be, and no refund shall be due by reason of only one of two residents terminating occupancy.

ARTICLE VII.
PAYMENT OF MONTHLY SERVICE FEES DURING TRANSFERS

A. Temporary Transfer to the Nursing Facility. During a temporary transfer to the Nursing Facility, Resident will continue to pay the Monthly Service Fee for the Assisted Living Unit as specified in Section A of Article IV.

B. Permanent Transfer to the Nursing Facility. Upon the effective date of permanent transfer to the Nursing Facility, the Monthly Service Fee for single or double occupancy of the Assisted Living Unit (as appropriate) will cease; however, failure to remove all personal property from the vacated unit within the required time as specified in Section E of Article VI will result in continuation of Monthly Service Fees until all personal property is removed.

C. Voluntary Transfers Between Assisted Living Units. If Resident is transferred voluntarily from one assisted living unit to another as specified in subsection B(1) of Article I, Monthly Service Fees will be paid as follows:

(1) If the new unit to be occupied is vacant with no Monthly Service Fee being collected, Monthly Service Fees on the new unit will commence on the earlier of the date on which Resident takes possession of the unit, or seven (7) days from the date the unit is available for occupancy by Resident. Monthly Service Fees on the unit being vacated will be discontinued on the date the unit is vacated.

(2) If the new unit to be occupied is occupied by another resident and Monthly Service Fees are being collected from that resident who is leaving Williamsburg Landing, Monthly Service Fees on the new unit to be occupied shall begin on the earlier of:

a. Seven (7) days after Owner completes renovation work, if any, and notifies Resident that the new unit is available for occupancy;

or

b. Resident occupies the new unit.

Monthly Service Fees on the unit being vacated will cease on the date the unit is vacated.

D. Transfer to Another Assisted Living Unit By Owner. If a transfer between assisted living units is being made by Owner as a result of a recommendation by the Medical Director of Williamsburg Landing as specified in subsection B(2) of Article I, Monthly Service Fees on the new unit will begin on the earlier of the date on which Resident takes possession of the unit, or seven (7) days from the date on which
ARTICLE VIII.
MISCELLANEOUS

A. Resident’s Covenant of Performance. Resident hereby covenants to perform all of the obligations of Resident set forth in this Agreement, including but not limited to Resident’s obligations to pay all fees and charges described in this Agreement. As provided in Section F of Article III above, Resident specifically covenants not to make gifts or expend his personal assets in such a manner as to impair his ability to meet Resident's financial obligations under this Agreement. Resident agrees to pay reasonable attorney’s fees to Owner in the event that any suit is brought by Owner to enforce the provisions of this Agreement against Resident or to terminate this Agreement for breach by Resident and Owner prevails.

B. Pets. Resident may be able to keep pets in accordance with the "Policies and Procedures" (as defined in Section H of this Article VIII).

C. Increase in Number of Occupants. Without the prior written permission of Owner, no person other than Resident may occupy the Assisted Living Unit except on an occasional basis as permitted by the Policies and Procedures. Guests staying for more than thirty (30) days in any twelve (12) month period must first obtain the prior written permission of Owner, and Owner will charge Resident a guest fee in accordance with Owner's then effective schedule of rates and charges. If such permission is granted, such persons shall acquire no rights or privileges in or under this Agreement.

D. Arrangements for Guardianship or Conservatorship. If Resident becomes legally incompetent or is unable to care properly for himself or his property, and if Resident has made no other designation of a person or legal entity to serve as his legal guardian, conservator or committee, then Resident hereby agrees that Owner or a duly authorized officer of Owner, may act as his legal guardian, conservator or committee when qualified according to law or may seek the appointment of another guardian, conservator or committee, and in either case Resident agrees that any cost associated with the attempted qualification and service of a guardian, conservator or committee shall be paid by Resident or from the assets of Resident.

E. Character, Health, Credit and Financial Conditions. The information submitted by Resident to Owner in making application for residence at Williamsburg Landing is made a part hereof and includes all information to be provided hereafter pursuant to this Section. Resident acknowledges that Owner will rely on such information in determining eligibility for residency at Williamsburg Landing. This Agreement will be signed by the parties hereto subject to the following specific health and financial conditions:
(1) Resident shall provide a report of physical examination, which examination must be conducted within thirty (30) days prior to admission, by Resident’s personal physician on forms provided by Owner. Such report shall be reviewed by the Medical Director, and in the event that Resident’s reported physical condition does not meet the standards of Owner for entry into Woodhaven Manor upon notice by Owner to Resident, this Agreement shall be rescinded, and Resident shall be entitled to a refund of any portion of the Entrance Fee paid by Resident, as provided herein.

(2) Prior to the Effective Occupancy Date, Resident shall provide to Owner an updated financial statement in a form provided by Owner. Resident shall provide to Owner updated financial statements thereafter not less often than once every fifth year following the Effective Occupancy Date. All information so provided shall be confidential and shall not be disclosed to others except to the extent necessary to conduct the business of Williamsburg Landing. Owner may, on or before the Effective Occupancy Date and from time to time thereafter, undertake a credit check, and Resident hereby consents thereto. In the event that Resident’s credit or financial condition does not meet the standards of Owner for residents seeking accommodations of the type selected by Resident, Resident shall be given the choice of accepting a less costly assisted living unit for which Resident is qualified, if available, or terminating this Agreement. In the event of selection of a less costly assisted living unit, Resident shall be entitled to a refund of any excess Entrance Fee paid, less any amount necessary to cover costs incurred by Owner in connection with the originally selected assisted living unit. In the event of termination, Resident shall be entitled to a refund of any portion of the Entrance Fee paid.

If Resident has made any material misrepresentations or omission on the Future Residency Application, or in any other financial or medical information submitted to Owner, with respect to the amount of his income, expenses or assets or the condition of his mental and physical health, which misrepresentations or omissions allowed Resident to qualify for acceptance at Williamsburg Landing when he would not otherwise have done so, Resident will be given written notice of the alleged misrepresentation or omission and Owner may take all available action in response to such misrepresentation or omission, including termination of this Agreement in accordance with subsection B(4) of Article VI.

In conformance with Virginia regulations on licensed adult care residences, Owner shall use its best efforts to provide to the care giving facility to which Resident may transfer any information related to Resident concerning his character, health, credit or financial condition as is necessary to ensure continuity of care and services and Resident hereby consents to such disclosure.

F. Responsibility for Damages. Any loss or damage to real or personal property of Owner caused by the intentional or negligent acts of Resident or his invitees shall be paid for by Resident. If any intentional or negligent act of another resident or the invitee of another resident results in injury, illness or damage to Resident, Owner assumes no responsibility therefor, and Resident hereby releases and discharges Owner from any liability or responsibility for injury or damage to Resident or to
Resident’s personal property caused by the fault or negligence of other residents or their invitees.

G. Responsibility for Protection of Resident’s Property. Owner shall not be responsible for the loss of any personal property belonging to Resident due to theft, fire, or any other cause, unless such property has been specifically entrusted in writing to the care and control of Owner, and then Owner shall only be responsible for the lack of ordinary care in the safeguarding of such property. Resident shall have the responsibility of providing any insurance desired by him to protect against any such loss.

H. Policies and Procedures. Owner reserves the right to adopt such reasonable policies and procedures for the operation of Williamsburg Landing as Owner, in its sole discretion, determines necessary and to amend such policies and procedures from time to time as Owner may deem necessary ("Policies and Procedures"). Copies of Policies and Procedures shall be available at all times in the administration office of Williamsburg Landing. Such Policies and Procedures are hereby incorporated into this Agreement by this reference, and Resident hereby agrees to abide by such Policies and Procedures, as in effect from time to time.

Resident acknowledges receipt of a copy of the Residents’ Manual prior to execution hereof.

I. Reservation of Right to Inspect. Owner reserves the right to enter the Assisted Living Unit, at all reasonable times upon reasonable notice to Resident, for all reasonable purposes, including, but not limited to the following purposes:

1. to assure the health, safety and welfare of Resident and other residents of Williamsburg Landing;

2. to make repairs and perform maintenance; and

3. to comply with rules, regulations and directives prescribed by any legal authorities, local, state or federal, or as may be required by the terms of any loan or financing document.

J. Alterations, Additions, Use and Condition of Assisted Living Unit. Resident shall make no structural alteration, modification or additions or physical changes of any type to the Assisted Living Unit without the prior written consent of Owner. Resident shall be fully liable for all costs of restoration in the event that any alteration, modification, addition or change is made without the prior written approval of Owner. Title to all such alterations, modifications, additions and changes to the Assisted Living Unit shall immediately vest in Owner and remain the property of Owner.

Resident hereby agrees that he shall not use the Assisted Living Unit or permit the same to be used contrary to any federal, state or local law or the rules and regulations of Williamsburg Landing or in any manner that would cause the value or the usefulness of the Assisted Living Unit to diminish (ordinary wear and tear excepted) or
that would constitute a public or private nuisance or waste. Resident further agrees that he will not do or permit anything to be done on or about the Assisted Living Unit that will adversely affect any policies of insurance that are carried by Owner with respect to Williamsburg Landing. At the request of Owner, Resident will remove anything used or kept in the Assisted Living Unit that, in the sole opinion of Owner, is harmful to Williamsburg Landing or disturbing to other residents or that is objectionable to Owner’s insurance companies or would cause such insurance companies to increase Owner’s insurance rates. Upon termination of this Agreement, Resident, or those acting on his behalf, shall leave the Assisted Living Unit empty of personal property and in good and broom clean condition except for reasonable wear and tear, and Resident shall be liable to Owner for any costs incurred in restoring the Assisted Living Unit to empty of personal property and in good and broom clean condition except for costs incurred as a result of reasonable wear and tear.

K. No Property Interest. Resident acknowledges that this Agreement grants Resident a contractual right of occupancy at Williamsburg Landing upon the terms and conditions stated in this Agreement and that Resident is not a lessee or owner of a life estate or any other interest in real property by virtue of this Agreement. The rights and privileges granted to Resident by this Agreement are not proprietary and do not include any right, title or interest in any part of the personal property, land, buildings and improvements owned or administered by Owner.

L. Events Beyond Owner’s Control which May Prevent Performance. Owner shall not be required to perform any term, condition or covenant in this Agreement so long as such performance is delayed or prevented by Acts of God, strikes, lockouts, material or labor shortages or failures, restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Owner and which, by the exercise of ordinary care Owner is unable, wholly or in part, to prevent or overcome.

M. Subordination to Financing. Owner represents to Resident and Resident acknowledges, that Williamsburg Landing is and may be further encumbered by liens as security for indebtedness incurred in connection with the construction and/or operation of Williamsburg Landing. Resident further acknowledges that his right to occupancy, services and refund of the Entrance Fee pursuant to the terms of this Agreement are subordinate to the rights of all holders of such liens. Resident also agrees that his right to occupancy, services and refund of the Entrance Fee shall be and remain subordinate to any future debt financing for which Owner may hereafter contract.

N. Payment Arrangements Not a Loan. Owner and Resident intend that the payment arrangements under this Agreement compensate Owner for the provision of services pursuant to this Agreement and are not a loan of funds.

O. Assignability. This Agreement shall not be assigned by Resident, either in whole or in part, and the right to reside in the Assisted Living Unit may not be subcontracted. Owner may, however, assign this Agreement in whole or in part to a successor owner or to a lender, either outright or as security for any indebtedness of
Owner, without the consent of Resident. Resident hereby consents to any and all such assignments by the execution of this Agreement.

P. **Waiver of Breach.** Any waiver by Owner of any covenant or condition of this Agreement, including but not limited to waivers pursuant to Section E of Article III hereof, must be in writing, signed by Owner, shall extend to the particular case only, for the particular time only, and only in the manner specified in such waiver, and shall not be construed as applying to or in any way waiving any further, subsequent or other rights.

Q. **Binding Effect.** This Agreement and all rights and obligations hereunder shall be binding upon and inure to the benefit of Owner, its successors and assigns, and to the benefit of Resident, his respective heirs, assigns, and personal representatives, in accordance with its terms, and shall also specifically inure to the benefit of any mortgagee, assignee or lender.

R. **Gender and Plurality.** The masculine pronoun, when used herein, shall include the feminine, and the singular shall include the plural, and vice versa.

S. **Partial Illegality.** If any clause or provision of this Agreement operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Agreement shall remain operative and in full force and effect. If any such clause or provision is deemed to be not in conformity with the appropriate laws and regulations, such portion shall be deemed to have been modified by the parties to be in accordance with such laws and regulations, and the validity of the balance of this Agreement shall not be affected.

T. **Power of Attorney.** Upon Owner’s request, Resident shall execute and maintain in effect a Power of Attorney and Advance Medical Directive designating as Resident’s Attorney-in-fact and agent, respectfully, a bank or a responsible person selected by Resident to act for Resident in the event Resident may become unable to handle his affairs. Such Power of Attorney and Advance Medical Directive shall be in a form satisfactory to Owner with a copy thereof being furnished to Owner.

U. **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the Commonwealth of Virginia.

V. **Right of Rescission.** Virginia law provides that Resident shall have the right to rescind this Agreement without penalty or forfeiture, within seven (7) days after making the deposit or executing this Agreement. Resident shall not be required to occupy the Assisted Living Unit prior to the expiration of the seven-day rescission period.

W. **Complaint Resolution/Concerns.** It is the intent of Williamsburg Landing, Inc. that all Residents entitled to occupy the Assisted Living Unit pursuant to this Agreement are able to freely and openly express complaints or concerns so that prompt and fair resolution can be accomplished. Complaints or concerns (beneficial
suggestions or requests for change) are normally forwarded to the President/CEO or his designee who in consultation (as he deems necessary) with the President of Residents' Association, the appropriate Residents’ Association Committee and/or Residents’ Association Board of Directors shall seek to resolve the issue.

Complaints resulting from failure to resolve issues in the manner described above may be lodged with the Williamsburg Landing Corporate Board. For presentation to the Corporate Board, Resident, if entitled to occupy the Assisted Living Unit pursuant to this Agreement, shall submit the complaint to the President of the Williamsburg Landing Residents’ Association who, as member of the Corporate Board, shall present the complaint to the Chairman of the Corporate Board, with a copy to the President/CEO, for disposition pursuant to the policies and procedures as may be established from time to time by the Corporate Board. The Williamsburg Landing Corporate Board is ultimately responsible for resolving such complaints.

X. Arbitration. A Resident’s sole remedy for resolving or deciding any legal dispute, controversy or claim, including any claim for monetary damages, against Williamsburg Landing shall be by binding arbitration in James City County, Virginia, in accordance with the Rules of the American Arbitration Association currently in effect, as modified by any other instructions that the parties may mutually agree upon at the time. Claims or disputes subject to binding arbitration shall include, without limitation, those arising out of the terms of any Residency Agreement, residency at Williamsburg Landing, a Resident’s occupancy or intended occupancy of any premises or the provision of any services to a Resident by Williamsburg Landing, including but not limited to disputes, demands or claims arising from any contracts or agreements, express or implied; disputes or claims arising from the negligence, gross negligence or intentional acts of Resident, Resident’s guests or Owner; disputes or claims arising from any fraud or misrepresentation on the part of Resident or Owner; and, disputes and claims based on any federal or state statutory or common law theory, including, without limitation, any law governing or regulating discrimination or accommodation in the provision of premises, services, residency or public accommodation, and, provided, such claims and disputes (i) are of a nature or type that can be submitted to arbitration for a decision, (ii) cannot be resolved or settled by the parties pursuant to preceding sections or the section above entitled "Complaint Resolutions/Concerns," (iii) are not subject to a signed opt out agreement, or (iv) are not excluded from being subject to this arbitration provision pursuant to law.

In consideration of entering into this Residency Agreement, Resident understands and consents to binding arbitration as the sole remedy as set forth above. Resident further understands and acknowledges that in agreeing to arbitration, Resident waives his or her rights to have any dispute or claim decided in a court of law before a judge or a jury, or otherwise to avail himself or herself of legal remedies other than binding arbitration.

Resident may opt out of arbitration as a sole remedy by signing an "opt out agreement" contemporaneous with the signing of this Agreement, or may do so within thirty (30) days of the date this Agreement is signed, by entering into a separate "opt
out" of arbitration agreement. If an opt out agreement is not signed contemporaneous with Resident’s signature herein, or within thirty (30) days thereafter, Resident agrees that his or her sole remedy for resolving any legal dispute, controversy or claim shall be by binding arbitration, as described above.

Owner’s remedies shall not be limited to arbitration and shall include but not be limited to any action at law or equity in any court of competent jurisdiction, at Owner’s discretion.

In the event of any such arbitration, the controversy or dispute shall be submitted to and, to the extent possible, resolved by one arbitrator mutually selected by the parties. If the parties are unable to mutually agree, each of them shall select one arbitrator and the two arbitrators so selected shall select the third arbitrator; the decision of a majority of such arbitrators shall bind the parties. In the event either party does not select its arbitrator and give notice to the other as herein provided within fifteen (15) days after any notification of any demand for arbitration hereunder, such arbitrator shall be selected by the American Arbitration Association. The arbitrator(s) shall promptly obtain such information regarding the matter as he (they) shall deem advisable and shall decide with dispatch the matter in accordance with applicable law, equitable principles and community and industry standards, but shall not modify the terms of this Agreement. The arbitrator(s) shall render a written award which shall be delivered to the parties. The decision of the arbitrator shall be final and binding upon the parties and may be enforced in any court of competent jurisdiction. Each party shall bear its own costs and expenses, including attorney’s fees, in any such proceeding, except that at the time of rendering the award, the arbitrator(s) shall establish his (their) fee and expenses in connection therewith. Such fees and expenses shall be allocable by the arbitrator(s) in his (their) award. Written notice of demand for arbitration shall be filed by certified mail within fifteen (15) days of the mailing of the decision by the Williamsburg Landing Corporate Board pursuant to the preceding paragraph. Time is of the essence and failure to file within said time shall terminate this and all other remedies of Resident.

Resident specifically agrees that notwithstanding anything to the contrary, the rights and obligations set forth in this Section X of Article VIII Arbitration survive (i) the termination of this Agreement by either party or (ii) the default of this Agreement by either party. The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Resident further agrees that any dispute brought by Resident involving Owner’s affiliates, directors, officers, employees and agents shall also be subject to this Section X of Article VIII Arbitration as set forth herein, and shall not be pursued in a court of law and, further, that arbitration will be limited to the parties specified herein.

Y. Entire Contract. Resident hereby acknowledges that he has read this Residency Agreement in its entirety. This Agreement constitutes the entire Agreement between Owner and Resident. **Owner is not liable for, nor bound in any manner by, any statements, representations, or promises made by any person representing or purporting to represent Owner, unless such statements, representations, or promises are set forth in this Agreement.** This Agreement supersedes all previous
agreements between the parties, including any Reservation Application for Williamsburg Landing executed by Resident.
IN WITNESS WHEREOF, Owner has executed this Residency Agreement, by its duly authorized representative, and Resident has executed this Residency Agreement, in his or her own name, all as of the date first above written.

ATTEST: WILLIAMSBURG LANDING, INC.

__________________________________________

By:________________________________________

Date:_______________________________________

WITNESS: RESIDENT:

__________________________________________

Date:_______________________________________

__________________________________________

Date:_______________________________________

Arbitration Opt Out

I have read and understood the provisions in Section X of Article VIII Arbitration and hereby opt out of the arbitration provisions. I understand that I may avail myself of any legal remedies I have in a court of law for any claim, dispute or controversy I have with Williamsburg Landing in lieu of arbitration as a result of my decision to opt out of arbitration as my sole remedy.

RESIDENT:

__________________________________________

__________________________________________
APPENDIX A4

FORM OF RESIDENCY AGREEMENT
WOODHAVEN HOUSE
ASSISTED LIVING UNIT - SPECIAL CARE
WOODHAVEN HOUSE AT WILLIAMSBURG LANDING
RESIDENCY AGREEMENT
FOR ASSISTED LIVING UNIT SPECIAL CARE

between

Williamsburg Landing, Inc.
(“Owner”)

and

________________________________________
(“Resident”)

Residency Agreement Date: ____________________________

Assisted Living Unit Number: ____________________________

Type Unit: ____________________________

Location: ____________________________

Entrance Fee Plan:
☐ 50% Refundable Entrance Fee  ☐ 0% Refundable Entrance Fee

Total Entrance Fee: $ __________

Minus Deposit(s) Paid: $ __________

Minus Value of all other property transferred, including donations, subscriptions, fees and any other amounts paid or payable by, or on behalf of Resident $ __________

Balance of Entrance Fee Due On Residency Agreement Date: $ __________

A fee of $1,000.00 per person previously paid by Resident to Owner (the “Admissions Processing Fee”) includes a portion of the costs of the required physical examination(s) of Resident and other expenses assessed by Owner, is not part of or credited against the Entrance Fee and, as such, is nonrefundable unless the Resident is not accepted for admission.

Effective Occupancy Date:
To Be Entered When Established: ____________________________

*Initial Monthly Service Fee $ __________

(Initials of Resident’s Agent _____ )

*THE INITIAL MONTHLY SERVICE FEE IS AN ESTIMATE BASED UPON THE MONTHLY SERVICE FEE(S) IN EFFECT ON THE DATE OF THE EXECUTION OF THIS AGREEMENT. THE INITIAL ACTUAL MONTHLY SERVICE FEE(S) AND CREDIT(S) WILL BE IN THE AMOUNT OF THIS ESTIMATE UNLESS RESIDENT IS OTHERWISE NOTIFIED IN WRITING ON OR BEFORE THE EFFECTIVE OCCUPANCY DATE IS DETERMINED, SUBJECT TO INCREASE OR DECREASE SUBSEQUENT TO THE EFFECTIVE OCCUPANCY DATE AS PROVIDED IN THIS AGREEMENT.
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This RESIDENCY AGREEMENT (the “Agreement”) is made on the date shown on the cover page between WILLIAMSBURG LANDING, INC., a Virginia non-profit corporation (“Owner”), and the person or persons listed on the cover page as Resident.

Owner operates “Williamsburg Landing,” a Continuing Care Retirement Community (CCRC) in James City County, Virginia, which provides housing and certain services for its residents.

Resident has applied for entry to Williamsburg Landing and submitted a Future Residency Application (“Future Residency Application”), a copy of which is attached and made a part of this Agreement. Owner, by the execution of this Agreement, has accepted the Future Residency Application, subject to the terms of this Agreement.

Owner and Resident, in consideration of the mutual covenants, agreements and undertakings set forth below, agree as follows:

ARTICLE I.
ASSISTED LIVING UNIT

A. Assisted Living Unit. The assisted living unit selected by Resident and to which Resident is assigned is shown on the cover page of this Agreement, and Resident shall have the privilege of occupying the agreed upon assisted living unit or any other assisted living unit to which Resident is at any time assigned (the “Assisted Living Unit”) so long as Resident meets the terms and conditions of this Agreement and conforms to the policies and procedures of Owner. Owner agrees to furnish and maintain, at Owner’s expense, the following for the Assisted Living Unit:

1. Heating and air conditioning units with individually controlled thermostats
2. Emergency call system
3. Smoke detectors

In addition, Owner will furnish mini-blinds and will furnish floor coverings consisting of wall-to-wall carpeting, except in bathrooms, for which vinyl floor coverings shall be furnished. Replacement of floor coverings is at the sole discretion of Owner. All other furnishings shall be provided and maintained by Resident.

B. Unit Occupancy. The units covered by this Agreement are designed for single occupancy only. A Resident’s spouse who does not meet the conditions of admission to the unit shown on the cover page of this Agreement shall be eligible for admission to a unit as physically close as possible to the spouse, but suitable to the care needs of the spouse.

A Resident’s spouse who does meet the conditions for admission to the unit shown on the cover page of this Agreement, shall be admitted to a separate room in the
unit, as physically close as possible and shall be responsible for all corresponding fees as a single occupant under a separate residency agreement.

ARTICLE II.
SERVICES PROVIDED

A. Residential Services Provided by Owner. Owner shall furnish the following services to all residents of Williamsburg Landing, the costs of which shall be covered by the Monthly Service Fees, except where specifically noted:

   (1) Maintenance and Repairs. Owner will perform necessary repairs, maintenance and replacement of its own property and equipment, the common areas of Williamsburg Landing and the exterior and interior of the assisted living units. Repairs, maintenance and replacement of Resident’s own property will be the responsibility of Resident.

   (2) Security. Owner will equip the Assisted Living Unit with a Nurse Call system which will be monitored on a 24 hour basis and an automatic smoke alarm. Owner will staff a security station and will patrol the grounds on a scheduled basis.

   (3) Meals. Owner will operate at least one dining facility for three meals per day; included in the Monthly Service Fee are 3 meals per day for each Resident. Private dining facilities will be available to Resident to be used on a reserved basis at an additional charge to him. Special diets, as may be prescribed by Resident’s physician, will be provided for Resident and Owner, at its discretion, may charge Resident the expense.

   (4) Scheduled Transportation. Owner will provide scheduled transportation from Williamsburg Landing to local shopping areas and between the Woodhaven building and the Landing building. Transportation for medical treatment in the local Williamsburg area will be provided by Owner if Resident is unable to furnish his own transportation. Transportation for other personal needs may be provided at an additional charge.

   (5) Planned Activities. Owner will coordinate special events which may include such items as concerts, tours and cultural or social events. Additional charges may apply for participation in these activities.

   (6) Management Services. Owner will provide professional management services to the community.

   (7) Buildings and Grounds. Owner will maintain the common areas of all buildings and the grounds including the lawns, walkways and driveways.

   (8) Utilities. Owner will furnish water, sewer, heat, light, power, air conditioning and local telephone service. Resident will pay for long distance telephone charges, cable television and internet access, if utilized.
(9) **Housekeeping.** Owner will clean the Assisted Living Unit weekly.

(10) **Laundry.** Owner will provide personal laundry service.

(11) **Taxes.** Owner will pay all real and personal property taxes assessed against Owner.

B. **Health Care Services Provided.**

(1) **Health Care Offered by Owner.** The following health care services will be provided by Owner and included in the Monthly Service Fee:

a. Emergency call system

b. An Outpatient Clinic providing:

   (i) initial health screenings for new Residents (weight check, blood pressure screening, nurse consultation)

   (ii) blood pressure checks

   (iii) phlebotomy service (does not include lab charges)

   (iv) scheduled nurse consultation

c. Initial one time nutrition counseling for new Residents (subsequent counseling is at Resident’s expense)

d. Subject to the review and approval of the Medical Director or its designee and the Medical Transfer procedures provided for in Article IV below and provided that Resident is an occupant of an Independent Living or Assisted Living Facility Residential Unit during that calendar year, up to ten (10) days of care in the Nursing Facility per calendar year (non-cumulative from year to year) on a private room (shared bath) basis.

   Additional stays in the Nursing Facility beyond such ten (10) days per calendar year (non-cumulative from year to year) of care, or stays in the Nursing Facility that do not qualify for such ten (10) days, will be at Resident’s expense at the then current rate for the applicable private room. For care in other than a private room (shared bath) basis during such ten (10) days, Resident will be charged the per diem private room rate, less the private room (shared bath) rate.

   **Nursing Facility.** Owner will operate a nursing facility on site, licensed by the Commonwealth of Virginia as a nursing home (the “Nursing Facility”). Nursing care provided by Owner shall be limited to that care given in the Nursing Facility or in another part of Williamsburg Landing designated by Owner. Resident may employ private duty nurses and sitters at Resident’s expense, but only after approval by Owner of the
nurses and sitters and/or firm providing such nurses and sitters and subject to rules and regulations of Owner. Owner assumes no responsibility for overseeing such private duty providers of services.

**Assisted Living Facility.** Owner will provide assisted living services to Residents of Woodhaven House and shall staff such with trained personnel. Typical services to be provided are as follows:

a. Three nutritious meals daily, including special diets as may be prescribed by Resident’s physician
b. Assistance with activities of daily living as needed
c. Assistance with problems resulting from loss of speech, hearing or sight
d. Administration of medication as needed
e. Assistance in bathing
f. Special treatments such as blood pressure checks
g. Availability of private duty services; such services to be paid for by Resident after approval by Owner of persons and firms involved
h. Specialized activities programs for residents with memory impairment

**Medical Director.** Owner will designate as medical director a licensed physician who shall be responsible for monitoring the health care services at Williamsburg Landing (the “Medical Director”) and shall be available to Owner for advice and consultation.

(2) **Additional Health Care Services.** Additional health care services will be provided or made available through independent or related contractors approved by Owner. Resident will be responsible for paying the rates charged for any of these additional services utilized. Typical services to be provided are as follows:

a. Primary care physician services
b. Home health care
c. Licensed nurses
d. Physical therapists
e. Occupational therapists
f. Speech therapists

g. Massage therapy

h. Primary and specialty physicians services in the outpatient clinic

(3) Consent to Release of Medical Information. Resident hereby consents to, and will provide, such additional documentation as may be requested by Owner for, the release of medical information by any physician, hospital or other medical provider providing any medical services or consultation to Resident.

C. Additional Services. Owner may offer other services in addition to those listed specifically in this Article II. If Resident chooses to accept those additional services, Resident agrees to pay all applicable additional charges.

D. Notice of Change in Services Provided or Fees. Thirty (30) days prior written notice shall be provided to Resident concerning any change that decreases the scope of services described in this Article II. A listing of charges for services provided by Owner that are not covered by the Monthly Service Fee will be available to all Residents. Thirty (30) days prior written notice shall be provided to Resident concerning increases in these charges or Monthly Service Fees.

ARTICLE III.
FEES

A. Effective Occupancy Date. The Effective Occupancy Date is the date upon which the Assisted Living Unit is available for occupancy, regardless of whether the unit is physically occupied (the “Effective Occupancy Date”). Subject to the preceding sentence, the Effective Occupancy Date shall be mutually agreed upon and listed on the cover page of this Agreement. All applicable fees (See Sections B and C of Article III) will commence on the Effective Occupancy Date. The foregoing is subject to the seven (7) day right of rescission as set forth in Section V of Article VIII below.

B. Entrance Fee. In consideration of Owner making the Assisted Living Unit and services available to Resident as described above, Resident agrees to pay an entrance fee in the amount shown on the cover page of this Agreement (the “Entrance Fee”) in the following manner:

- Resident may make partial payments of the balance of the Entrance Fee at any time prior to the Residency Agreement Date.

- The Entrance Fee is payable in full on or before the Residency Agreement Date as shown on the cover of this Agreement.

- The 50% Entrance Fee Plan accrues to Owner at a rate of 4% per month beginning with the month of the Effective Occupancy Date or portion thereof until the last day of the twelfth consecutive month after the
Effective Occupancy Date with the month in which the Effective Occupancy Date occurs being the first month of the twelve month period, then thereafter at a rate of 2% per calendar month or portion thereof until 50% of the Entrance Fee has been accrued. Thereafter, any refund to Resident will be limited to 50% of the Entrance Fee originally paid by the Resident less a sum equal to any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for reasonable wear and tear). Refer to Article VI for specific refund information.

- The **0% Entrance Fee Plan** accrues to Owner at a rate of 4% per month beginning with the month (such accrual shall apply to partial months even if the Effective Occupancy Date if other than the first day of a month or this Agreement terminates on other than the last day of a month) of the Effective Occupancy Date until the entire Entrance Fee paid has been accrued. Prior to such full accrual by Owner, Resident may be due a refund of the Entrance Fee paid by the Resident less a percentage thereof equal to 4% times the number of months (or partial months) of occupancy, less any costs owed Owner by Resident, and less any amount necessary to restore the Residential Unit to an acceptable condition (except for reasonable wear and tear). Refer to Article VI for specific refund information.

In the event that payment of the Entrance Fee is delayed beyond the Effective Occupancy Date for any reason, Resident will be liable for payment of Monthly Service Fees commencing on the Effective Occupancy Date. A delay of full payment of the Entrance Fee beyond thirty (30) days after the Effective Occupancy Date will be considered a voluntary termination of this Agreement by Resident after the Effective Occupancy Date and the terms of Section A of Article VI will apply.

1. **Escrow Account.** Prior to the Effective Occupancy Date, all sums (except less $1000 held by Owner, which amount is non-refundable except if Resident dies before occupying the Residential Unit, or is later precluded through illness, injury or incapacitation from becoming a resident and less the Admissions Processing Fee) received from Resident for entrance fees or portions of entrance fees pursuant to this Agreement will be deposited by Owner into an escrow account maintained at a financial institution designated by Owner (the “Escrow Agent”), pursuant to the terms and provisions of an escrow agreement (“Escrow Agreement”) by and between Owner and the Escrow Agent. All such escrowed sums (“Escrow Deposits”) will be held for the benefit of Resident until released to Owner as hereinafter provided. No interest shall be due or payable to Resident on such sums. All Escrow Deposits shall be released to Owner on the earliest date when Owner presents to the Escrow Agent evidence that: (i) Resident has commenced occupancy at Williamsburg Landing in the Assisted Living Unit; or (ii) Resident occupies the selected Assisted Living Unit; or (iii) the selected Assisted Living Unit is available for immediate occupancy. If Resident dies before occupying the Assisted Living Unit, or is later precluded through illness, injury or incapacitation from becoming a resident under the terms of this Residency Agreement,
Resident shall receive a refund of the Escrow Deposits, without interest, reduced by those costs, if any, specifically incurred by Owner at the request of Resident including, but not limited to, costs of changes to the Assisted Living Unit as set forth in a separate written Addendum signed by both Resident and Owner. However, any interest earned on such sums will be paid to Owner. Any costs and expenses incurred by the Escrow Agent in the administration of such escrow account shall be payable from such interest earnings, but if such interest earnings are insufficient, such costs and expenses may be deducted from the amount of Resident's deposit.

(2) Refund of Entrance Fee. A portion of the Entrance Fee shall be refunded by Owner to Resident under the terms and provisions of Section B of Article IV and Article VI of this Agreement.

C. Monthly Service Fee. Resident shall pay Owner a monthly service fee (the “Monthly Service Fee”) for certain services provided to Resident, as more fully described above, and to pay for a portion of the construction and financing costs of Williamsburg Landing. The Monthly Service Fee shall be payable in advance on the first day of each month until the applicable date specified in this Agreement pursuant to Article VI. The full Monthly Service Fee for the month in which the Effective Occupancy Date occurs shall be due in advance on the Effective Occupancy Date. A prorated credit for the portion, if any, of the month of occupancy from the first day of such month to the Effective Occupancy Date will be applied to the first regular Monthly Service Fee following such month.

The actual Monthly Service Fee for initial occupancy will be established prior to the Effective Occupancy Date. Written notice of any such change to the Monthly Service Fee shall be given to Resident no later than thirty (30) days prior to the Effective Occupancy Date. Subsequent to the Effective Occupancy Date, Owner may increase or decrease the Monthly Service Fee after giving thirty (30) days prior written notice to Resident.

D. Other Fees.

(1) Admissions Processing Fee. The Admissions Processing Fee of $1,000.00 per person previously paid by Resident prior to the execution of this Agreement covered a portion of the costs and expenses incurred by Owner, and as such, is not part of or credited against the Entrance Fee. The Admissions Processing Fee is nonrefundable, fully earned by and becomes the property of Owner upon payment, unless admission is denied by Owner in which event it will be refunded. No interest shall be payable or otherwise credited to Resident on the Admissions Processing Fee.

(2) Fees For Additional Services. Owner may provide additional services which are not included in the Monthly Service Fee for which an additional charge may be made pursuant to Owner's published fee schedule.

E. Nonpayment of Fees. In the event that payment of the Entrance Fee is delayed beyond the Effective Occupancy Date for any reason, Resident will be liable for
payment of Monthly Service Fees commencing on the Effective Occupancy Date. A delay of full payment of the Entrance Fee and beyond thirty (30) days after the Effective Occupancy Date will be considered a voluntary termination of this Agreement by Resident after the Effective Occupancy Date and the terms of Section A of Article VI will apply. Owner may terminate this Agreement for nonpayment of the Monthly Service Fee if such nonpayment is not cured within thirty (30) days of the date Owner gives written notice of the overdue payment to Resident.

F. Benevolence. Notwithstanding the provisions of Section E of Article III above, it is the policy of Owner not to terminate a Resident’s occupancy because of financial inability to pay all of part of the Monthly Service Fee and other fees, provided that Resident is otherwise in compliance with the terms of this Agreement and provided, further, that Resident establishes facts to justify a waiver or reduction of the Monthly Service Fee and any other such fees. Such waiver or reduction can be granted, based solely on the opinion of Owner and compliance of the request with the Benevolence policies established by the Board of Williamsburg Landing, without impairing the ability of Owner to operate Williamsburg Landing on a sound financial basis. To justify a waiver or reduction of the Monthly Service Fee, Resident must prove conclusively to Owner that inability to pay is due to financial reverses over which Resident had no control or is due to depletion of Resident’s assets in a reasonable manner by the passage of time. Resident shall not, without Owner’s consent, have impaired his ability to meet the financial obligations of this Agreement by reason of expending and/or transferring his income or assets after execution of this Residency Agreement, other than to meet ordinary and customary living expenses.

To the extent that the Monthly Service Fee or other fee(s) are waived or reduced, Owner will have a claim against Resident’s remaining estate and a right to set off against any refund of the Entrance Fee to which Resident or his estate may be entitled under this Agreement. Resident hereby agrees that, in consideration of such reduction:

1. Resident shall transfer to another assisted living unit upon request by Owner, if and when available;

2. Resident shall not sell or otherwise transfer any real or personal property, financial assets or income without the written consent of Owner;

3. Resident shall enter into such agreements, powers of attorney, assignments or transfers as may be required for the purpose of making available to Resident and Owner any other assets of Resident to offset such financial needs;

4. Resident shall promptly provide periodic statements of financial condition and copies of income tax returns as the same may be requested from time to time by Owner; and

5. Resident shall notify Owner of any and all assets acquired thereafter through any means whatsoever, and shall assign or pay such property received to Owner in an amount equivalent to the total cumulative monthly or other fee reductions which have been allowed to Resident.
If the conditions of this Agreement for waiver or reduction of the Monthly Service Fee cannot be met, and Resident fails to pay such fee in full, interest may be charged on past due fees and charges and/or Owner may terminate this Agreement as provided above.

ARTICLE IV.
MEDICAL TRANSFER

A. Procedure for Temporary Transfer to the Nursing Facility. Temporary transfer of Resident to the Nursing Facility will require the review and approval of the Medical Director or designee or a physician approved by the Williamsburg Landing Medical Director or his designee. In the event of such temporary transfer, Resident shall continue paying the then effective Monthly Service Fee and shall continue to have the right to occupy the Assisted Living Unit. After Resident has received his ten (10) days per calendar year (non-cumulative from year to year) of a private room (shared bath) care in the Nursing Facility, Resident shall pay a per diem charge in addition to the Monthly Service Fee for services received, in accordance with Owner's rates effective at that time for residents of Williamsburg Landing paying the Monthly Service Fee.

B. Procedure for Permanent Transfer to the Nursing Facility. Whenever a permanent transfer to the Nursing Facility is required because Resident is no longer capable of living in the Assisted Living Unit or is incapable of either managing his properties or caring for himself or both, as determined by Owner, Resident shall willingly transfer to the Nursing Facility. In making this decision, Owner shall consult with the Medical Director, Resident and Resident's personal physician if different from the Medical Director, legal guardian, spouse or closest relative, and shall take into consideration the physical capacity of the facilities at Williamsburg Landing and the health, welfare, safety, comfort and well-being of Resident and all other residents. Failure to transfer to the Nursing Facility shall constitute a material breach of this Agreement by Resident and provide good cause for Owner to terminate this Agreement.

If Resident permanently transfers to the Nursing Facility, after he has used any remaining days of his ten (10) days per calendar year (non-cumulative from year to year) of a private room (shared bath) care for the year in which he is so transferred, he shall pay for any nursing or health services in the Nursing Facility on a per diem basis in accordance with Owner's rates for residents effective at that time. Effective upon the date of such permanent transfer, Resident shall no longer pay the Monthly Service Fee. After the initial calendar year during which such permanent transfer occurs, the ten (10) days per calendar year of care in the Nursing Facility previously included in the Monthly Service Fee shall no longer be provided by Owner.

If Resident permanently transfers to the Nursing Facility, this Agreement shall not terminate, but upon his permanent transfer to the Nursing Facility the Assisted Living Unit may be reoccupied by a successor resident or Owner.

C. Procedure for Temporary or Permanent Care in an Alternative Facility. Notwithstanding the procedures outlined in Section A or B of Article VI above, Owner
may provide nursing care required by Resident either in Resident’s Assisted Living Unit or by contract in another licensed nursing home facility on a temporary basis if space is not available within the Nursing Facility. Resident shall pay for care on the same basis as outlined in Section A or B of Article VI, except that Resident will not be required to pay more than he would be required to pay if space were available in the Nursing Facility. Residents who receive care according to this Section will be offered care in the Nursing Facility in such order as Owner deems to be in the mutual best interest of Owner and all such Residents, but prior to any admission of non-residents to the Nursing Facility.

D. Procedure for Transfer to a Medical Institution. If circumstances arise which, in the opinion of Owner, necessitate the transfer of Resident to a hospital or other institutional medical facility, Owner will endeavor to assist Resident in locating an acceptable institution with a non-restrictive environment.

(1) Temporary Transfer to a Medical Institution. In the event that temporary transfer of Resident from Williamsburg Landing to an institutional medical facility is required as described above, Resident shall continue paying the then effective Monthly Service Fee.

(2) Permanent Transfer to a Medical Institution. If, in the opinion of Owner, a permanent transfer by Resident to an institutional medical facility is required because Resident is no longer capable of living in the Assisted Living Unit or requires a different level of nursing or health care than is available in the Nursing Facility, Resident shall transfer to such institutional medical facility as the Medical Director or his designee may direct. In making this decision, Owner shall consult with the Medical Director, Resident, Resident’s personal physician if different from the Medical Director, legal guardian, spouse or closest relative and shall take into consideration the health, welfare, safety comfort and well-being of Resident and all residents of Williamsburg Landing.

If Resident transfers to an institutional medical facility as described above and such transfer is deemed permanent, this Agreement shall automatically terminate and a refund of a portion of Resident’s Entrance Fee shall be granted in accordance with Section G of Article VI of this Agreement.

ARTICLE V.
INSURANCE

A. Medical Insurance and Long Term Care Insurance. Resident agrees to maintain health insurance coverage under Parts A and B of the Medicare Program. If Resident is not eligible for coverage under Parts A and B of the Medicare Program, Resident agrees to obtain equivalent insurance coverage acceptable to Owner. If Resident had long term care insurance in place at the time of approval for admission and existence of that insurance was considered as part of that Resident’s financial approval, then Resident must maintain that insurance or equivalent coverage during the term of this Residency Agreement.
B. **Liability and Casualty Insurance.** Owner will maintain liability and casualty insurance coverage for all buildings, the contents of the common areas and miscellaneous scheduled property as deemed necessary by Owner. In addition, Owner will carry professional liability insurance coverage, boiler and machinery insurance coverage, as deemed necessary by Owner, and business interruption insurance coverage for loss of earnings/rent and extra expenses as deemed necessary by Owner.

C. **Resident Provided Insurance.** It is the responsibility of Resident to provide all personal property and liability insurance coverage desired by Resident, and Resident is required to secure and maintain in effect at all times a liability, fire and extended coverage policy or liability and casualty insurance policy, insuring his tangible personal property against loss or damage by reason of fire or other casualty and protect Owner and Resident with regard to damage to property of others, personal injury and death. Owner's insurance will not protect Resident against theft or destruction of Resident's personal property whether located inside or outside the Residential Unit.

**ARTICLE VI.**
**TERMINATION AND REFUND**

A. **Termination by Resident.** Resident may terminate this Agreement at any time, both before and on or after the Effective Occupancy Date, by giving written notice to Owner. Such written notice shall state a date when termination is to become effective, and at or prior to such date Resident shall vacate and release the Assisted Living Unit. On or after the Effective Occupancy Date, the notice of termination must be given at least forty five (45) days prior to the date on which Resident desires to terminate this Agreement and Resident shall continue to pay the Monthly Service Fee until the later of forty five (45) days after the date of such written notice of termination or until the Assisted Living Unit is vacated and released.

B. **Termination by Owner.** Owner may not terminate this Agreement with Resident without good cause. Good cause shall be limited to: (i) proof that Resident is a danger to himself or others; (ii) non-payment by Resident of the Monthly Service Fee; (iii) repeated conduct by Resident that interferes with other residents' quiet enjoyment of any portion of Williamsburg Landing; (iv) persistent refusal to comply with reasonable written rules and regulations of Williamsburg Landing; (v) a material misrepresentation made intentionally or recklessly by Resident in his application for residency or related materials, regarding information which, if accurately provided, would have resulted in either a failure of Resident to qualify for residency or a material increase in the cost of providing to Resident the care and services provided under the Residency Agreement; or (vi) material breach by Resident of the terms and conditions of the Residency Agreement.

If Owner seeks to cancel a Residency Agreement and terminate Resident's occupancy, Owner shall give Resident written notice of, and a reasonable opportunity to cure within a reasonable period, whatever conduct is alleged to warrant the cancellation of the Residency Agreement.
Upon such termination by Owner for any of the aforesaid reasons, Owner shall provide Resident and Resident’s Agent with a dated and signed statement by the licensee, administrator or CEO of Williamsburg Landing which contains the following information: (a) date of notification of termination and person so notified; (b) reason(s) for termination; (c) action taken by Owner to assist Resident in the discharge and relocation process; (d) date of actual termination and Resident’s destination; and (e) in situations which present emergency conditions, such as where Resident presents a risk to the health, safety or welfare of Resident or others, the statement shall contain the above information if appropriate and such statement shall be provided or mailed to Resident within 48 hours from the time of the decision to terminate.

C. Automatic Termination.

(1) Termination by Death. This Agreement shall automatically terminate (a) immediately upon the death of Resident if such death occurs prior to the Effective Occupancy Date, or (b) if such death occurs on or after the Effective Occupancy Date, this Agreement shall then terminate but subject to the obligation of Resident’s estate to pay the Monthly Service Fee until the later of thirty (30) days after such death or until the Assisted Living Unit is vacated and released. In the event of death after the Effective Occupancy Date, the refund provisions of Section G of Article VI shall govern.

(2) Termination Prior to Occupancy. This Agreement shall automatically terminate prior to the Effective Occupancy Date as provided in preceding paragraph or if Resident’s mental or physical health or financial condition changes to the extent that Resident (a) no longer meets the health and financial conditions required for occupancy at Woodhaven House, or (b) is no longer capable of living in the Assisted Living Unit on the Effective Occupancy Date, as determined by the Medical Director, or (c) is unable to perform his obligations in accordance with this Agreement. In the event of such automatic termination prior to the Effective Occupancy Date, the refund provisions of Section F of Article VI shall govern as if this Agreement had been terminated by Owner.

(3) Termination Prior to Occupancy Pursuant to Statutory Requirements. This Agreement shall automatically terminate upon the legally required release of Escrow Deposits described in subsection B(1) of Article III as follows:

a. if Resident has not initially occupied the Assisted Living Unit on or prior to the date which is three years after the date of this Residency Agreement;

b. upon death of Resident as provided in subsection C(1) of Article VI;

c. if the Assisted Living Unit has not been constructed, if the construction of the Assisted Living Unit is stopped indefinitely; or
d. upon any other termination of this Residency Agreement in accordance with its terms.

(4) Termination Upon Involuntary Closure of Williamsburg Landing. This Agreement shall automatically terminate upon the involuntary closure of Williamsburg Landing for any reason. Upon closure, Resident may be eligible as its sole remedy to receive a portion of the Entrance Fee on a pro-rata basis pursuant to Section G of Article VI, subsequent to Owner’s satisfaction of any and all debts, liabilities and fees involved in such closure, and pursuant to any applicable state or federal laws governing such closure.

D. Release upon Termination.

(1) Upon the earlier of the vacation and release of the Assisted Living Unit or the termination of this Agreement, Owner shall have the right to take full control of the Assisted Living Unit, and Owner shall be released from any further obligation to Resident except for payment of any refund which may be due under this Agreement.

(2) Prior to or upon the termination of this Agreement, Resident’s Agent shall remove or cause to be removed all of his personal property from Williamsburg Landing, and, upon payment of all sums due to Owner, Resident shall be released from all further obligation to Owner. In the event of failure of Resident to remove all personal property, Resident shall remain liable to Owner for any moving and storage charges incurred by Owner, pursuant to Section E below.

E. Disposition of Personal Property.

(1) In the event of termination of this Agreement as a result of the death of Resident, or as a result of Resident’s permanent transfer to the Nursing Facility, within three (3) days after the date of death or permanent transfer, any personal property of Resident that remains in the Assisted Living Unit shall be removed by Resident’s executor, personal representative or administrator or, if no one has qualified or been appointed as executor, personal representative or administrator, by any of Resident’s relatives.

(2) In the event of termination of this Agreement for any reason other than the death of Resident, within fourteen (14) days after the effective date of termination, any personal property of Resident which remains in the Assisted Living Unit shall be removed by Resident or (if applicable) Resident’s guardian, conservator or committee, or if no guardian, conservator or committee has qualified, by any of Resident’s relatives.

(3) Items not removed may be held in storage by Owner at Resident’s expense, but after a period of thirty (30) days, such property may be sold or discarded by Owner. The sale proceeds shall be applied to the satisfaction of any payment due from Resident under this Agreement, the debt and expenses of the storage and sale, and the surplus, if any, shall be paid to the Resident or Resident’s executor, personal representative or administrator, or, if no one has been qualified or appointed as
executor, personal representative or administrator, to any of Resident’s relatives designated by Owner.

F. Refund of Entrance Fee Prior to Effective Occupancy Date. If this Agreement is terminated prior to the Effective Occupancy Date, Owner will refund that portion of Resident’s Entrance Fee paid within thirty (30) days after the effective date of such termination reduced by those costs specifically described in subsection B(1) of Article III.

G. Refund of Entrance Fee After Effective Occupancy Date.

(1) If this Agreement is terminated after the Effective Occupancy Date, by either Owner or Resident, Resident or his estate shall be entitled to a refund of a portion of the Entrance Fee as described below. Such refund shall be due within thirty (30) days after the effective date of such termination. Resident or his estate shall be entitled to a refund computed as follows:

* With respect to a Resident under the 50% Refundable Entrance Fee Plan, the Entrance Fee paid reduced by 4% per full or partial calendar month of occupancy after the Effective Occupancy Date up through and including twelve full or partial calendar months and by 2% per full or partial thirteenth month of occupancy after the Effective Occupancy Date until the refund amount is reduced to 50% of the Entrance Fee paid by the Resident.

* With respect to a Resident under the 0% Refundable Entrance Fee Plan, the Entrance Fee paid reduced by 4% per full or partial calendar month of occupancy after the Effective Occupancy Date up through and including twenty-five full or partial calendar months after the Effective Occupancy Date until the refund amount is reduced to 0.

(2) If, at the time Resident is otherwise entitled to a refund, Owner, in its sole and absolute discretion, has reduced its then applicable entrance fee for the last Assisted Living Unit occupied by Resident, notwithstanding the aforesaid, the amount of the refund shall be, the lesser of the refund to which Resident or his estate is otherwise entitled as described above or the Entrance Fee Plan in effect on the date a successor resident takes occupancy of the last Assisted Living Unit occupied by Resident. For the purpose of determining the applicable percentage reduction to calculate the portion of the Entrance Fee to be refunded, the Assisted Living Unit or Nursing Facility room shall be deemed to be occupied and the monthly percentage reduction described above shall continue to apply until all personal effects have been removed therefrom.

(3) Before making any refund, Owner may deduct any fees or charges due to Owner from Resident under the terms of this Agreement.
ARTICLE VII.
PAYMENT OF MONTHLY SERVICE FEES DURING TRANSFERS

A. Temporary Transfer to the Nursing Facility. During a temporary transfer to the Nursing Facility, Resident will continue to pay the Monthly Service Fee for the Assisted Living Unit as specified in Section A of Article IV.

B. Permanent Transfer to the Nursing Facility. Upon the effective date of permanent transfer to the Nursing Facility, the Monthly Service Fee for single or double occupancy of the Assisted Living Unit (as appropriate) will cease; however, failure to remove all personal property from the vacated unit within the required time as specified in Section E of Article VI will result in continuation of Monthly Service Fees until all personal property is removed.

ARTICLE VIII.
MISCELLANEOUS

A. Resident's Covenant of Performance. Resident and Resident's Agent hereby covenant to perform all of the obligations of Resident set forth in this Agreement, including but not limited to Resident’s obligations to pay all fees and charges described in this Agreement. As provided in Section F of Article III above, Resident specifically covenants not to make gifts or expend his personal assets in such a manner as to impair his ability to meet Resident’s financial obligations under this Agreement. Resident agrees to pay reasonable attorney’s fees to Owner in the event that any suit is brought by Owner to enforce the provisions of this Agreement against Resident or to terminate this Agreement for breach by Resident and Owner prevails.

B. (THIS SECTION INTENTIONALLY LEFT BLANK).

C. (THIS SECTION INTENTIONALLY LEFT BLANK).

D. Arrangements for Guardianship or Conservatorship. If Resident becomes legally incompetent or is unable to care properly for himself or his property, and if Resident has made no other designation of a person or legal entity to serve as his legal guardian, conservator or committee, then Resident hereby agrees that Owner or a duly authorized officer of Owner, may act as his legal guardian, conservator or committee when qualified according to law or may seek the appointment of another guardian, conservator or committee, and in either case Resident agrees that any cost associated with the attempted qualification and service of a guardian, conservator or committee shall be paid by Resident or from the assets of Resident.

E. Character, Health, Credit and Financial Conditions. The information submitted on behalf of Resident to Owner in making application for residence at Williamsburg Landing is made a part hereof and includes all information to be provided hereafter pursuant to this Section. Resident acknowledges that Owner will rely on such information in determining eligibility for residency at Williamsburg Landing. This Agreement will be signed by the parties hereto subject to the following specific health and financial conditions:
(1) Resident shall provide a report of physical examination, which examination must be conducted within thirty (30) days prior to admission, by Resident’s personal physician on forms provided by Owner. Such report shall be reviewed by the Medical Director, and in the event that Resident’s reported physical condition does not meet the standards of Owner for entry into Woodhaven House upon notice by Owner to Resident, this Agreement shall be rescinded, and Resident shall be entitled to a refund of any portion of the Entrance Fee paid by Resident, as provided herein.

(2) Prior to the Effective Occupancy Date, Resident shall provide to Owner an updated financial statement in a form provided by Owner. Resident shall provide to Owner updated financial statements thereafter not less often than once every fifth year following the Effective Occupancy Date. All information so provided shall be confidential and shall not be disclosed to others except to the extent necessary to conduct the business of Williamsburg Landing. Owner may, on or before the Effective Occupancy Date and from time to time thereafter, undertake a credit check, and Resident hereby consents thereto.

If Resident or Resident’s Agent has made any material misrepresentations or omission on the Future Residency Application, or in any other financial or medical information submitted to Owner, with respect to the amount of his income, expenses or assets or the condition of his mental and physical health, which misrepresentations or omissions allowed Resident to qualify for acceptance at Woodhaven House when he would not otherwise have done so, Resident will be given written notice of the alleged misrepresentation or omission and Owner may take all available action in response to such misrepresentation or omission, including termination of this Agreement in accordance with subsection B(4) of Article VI.

In conformance with Virginia regulations on licensed adult care residences, Owner shall use its best efforts to provide to the care giving facility to which Resident may transfer any information related to Resident concerning his character, health, credit or financial condition as is necessary to ensure continuity of care and services and Resident hereby consents to such disclosure.

F. Responsibility for Damages. Any loss or damage to real or personal property of Owner caused by the intentional or negligent acts of Resident or his invitees shall be paid for by Resident. If any intentional or negligent act of another resident or the invitee of another resident results in injury, illness or damage to Resident, Owner assumes no responsibility therefor, and Resident hereby releases and discharges Owner from any liability or responsibility for injury or damage to Resident or to Resident’s personal property caused by the fault or negligence of other residents or their invitees.

G. Responsibility for Protection of Resident’s Property. Owner shall not be responsible for the loss of any personal property belonging to Resident due to theft, fire, or any other cause, unless such property has been specifically entrusted in writing to the care and control of Owner, and then Owner shall only be responsible for the lack of ordinary care in the safeguarding of such property. Resident shall have the
responsibility of providing any insurance desired by him to protect against any such loss.

H. Policies and Procedures. Owner reserves the right to adopt such reasonable policies and procedures for the operation of Williamsburg Landing as Owner, in its sole discretion, determines necessary and to amend such policies and procedures from time to time as Owner may deem necessary (“Policies and Procedures”). Copies of Policies and Procedures shall be available at all times in the administration office of Williamsburg Landing. Such Policies and Procedures are hereby incorporated into this Agreement by this reference, and Resident hereby agrees to abide by such Policies and Procedures, as in effect from time to time.

Resident’s Agent acknowledges receipt of a copy of the Residents’ Manual prior to execution hereof.

I. Reservation of Right to Inspect. Owner reserves the right to enter the Assisted Living Unit, at all reasonable times upon reasonable notice to Resident, for all reasonable purposes, including, but not limited to the following purposes:

(1) to assure the health, safety and welfare of Resident and other residents of Williamsburg Landing;

(2) to make repairs and perform maintenance; and

(3) to comply with rules, regulations and directives prescribed by any legal authorities, local, state or federal, or as may be required by the terms of any loan or financing document.

J. Alterations, Additions, Use and Condition of Assisted Living Unit. Resident shall make no structural alteration, modification or additions or physical changes of any type to the Assisted Living Unit without the prior written consent of Owner. Resident shall be fully liable for all costs of restoration in the event that any alteration, modification, addition or change is made without the prior written approval of Owner. Title to all such alterations, modifications, additions and changes to the Assisted Living Unit shall immediately vest in Owner and remain the property of Owner.

Resident hereby agrees that he shall not use the Assisted Living Unit or permit the same to be used contrary to any federal, state or local law or the rules and regulations of Williamsburg Landing or in any manner that would cause the value or the usefulness of the Assisted Living Unit to diminish (ordinary wear and tear excepted) or that would constitute a public or private nuisance or waste. Resident further agrees that he will not do or permit anything to be done on or about the Assisted Living Unit that will adversely affect any policies of insurance that are carried by Owner with respect to Williamsburg Landing. At the request of Owner, Resident will remove anything used or kept in the Assisted Living Unit that, in the sole opinion of Owner, is harmful to Williamsburg Landing or disturbing to other residents or that is objectionable to Owner’s insurance companies or would cause such insurance companies to increase Owner’s insurance rates. Upon termination of this Agreement, Resident, or those acting on his
behalf, shall leave the Assisted Living Unit empty of personal property and in good and broom clean condition except for reasonable wear and tear, and Resident shall be liable to Owner for any costs incurred in restoring the Assisted Living Unit to empty of personal property and in good and broom clean condition except for costs incurred as a result of reasonable wear and tear.

K. **No Property Interest.** Resident acknowledges that this Agreement grants Resident a contractual right of occupancy at Williamsburg Landing upon the terms and conditions stated in this Agreement and that Resident is not a lessee or owner of a life estate or any other interest in real property by virtue of this Agreement. The rights and privileges granted to Resident by this Agreement are not proprietary and do not include any right, title or interest in any part of the personal property, land, buildings and improvements owned or administered by Owner.

L. **Events Beyond Owner’s Control which May Prevent Performance.** Owner shall not be required to perform any term, condition or covenant in this Agreement so long as such performance is delayed or prevented by Acts of God, strikes, lockouts, material or labor shortages or failures, restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Owner and which, by the exercise of ordinary care Owner is unable, wholly or in part, to prevent or overcome.

M. **Subordination to Financing.** Owner represents to Resident and Resident acknowledges, that Williamsburg Landing is and may be further encumbered by liens as security for indebtedness incurred in connection with the construction and operation of Williamsburg Landing. Resident further acknowledges that his right to occupancy, services and refund of the Entrance Fee pursuant to the terms of this Agreement are subordinate to the rights of all holders of such liens. Resident also agrees that his right to occupancy, services and refund of the Entrance Fee shall be and remain subordinate to any future debt financing for which Owner may hereafter contract.

N. **Payment Arrangements Not a Loan.** Owner and Resident intend that the payment arrangements under this Agreement compensate Owner for the provision of services pursuant to this Agreement and are not a loan of funds.

O. **Assignability.** This Agreement shall not be assigned by Resident, either in whole or in part, and the right to reside in the Assisted Living Unit may not be subcontracted. Owner may, however, assign this Agreement in whole or in part to a successor owner or to a lender, either outright or as security for any indebtedness of Owner, without the consent of Resident. Resident hereby consents to any and all such assignments by the execution of this Agreement.

P. **Waiver of Breach.** Any waiver by Owner of any covenant or condition of this Agreement, including but not limited to waivers pursuant to Section E of Article III hereof, must be in writing, signed by Owner, shall extend to the particular case only, for the particular time only, and only in the manner specified in such waiver, and shall not be construed as applying to or in any way waiving any further, subsequent or other rights.
Q. **Binding Effect.** This Agreement and all rights and obligations hereunder shall be binding upon and inure to the benefit of Owner, its successors and assigns, and to the benefit of Resident, his respective heirs, assigns, and personal representatives, in accordance with its terms, and shall also specifically inure to the benefit of any mortgagee, assignee or lender.

R. **Gender and Plurality.** The masculine pronoun, when used herein, shall include the feminine, and the singular shall include the plural, and vice versa.

S. **Partial Illegality.** If any clause or provision of this Agreement operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Agreement shall remain operative and in full force and effect. If any such clause or provision is deemed to be not in conformity with the appropriate laws and regulations, such portion shall be deemed to have been modified by the parties to be in accordance with such laws and regulations, and the validity of the balance of this Agreement shall not be affected.

T. **Power of Attorney.** Resident shall provide and maintain in effect prior to, on and after the Effective Occupancy Date a Power of Attorney and Advance Medical Directive or comparable order(s) from a court of competent jurisdiction designating as Resident’s Attorney-in-fact and agent, or conservator and guardian respectively, a bank or a responsible person to act for Resident. Such Power of Attorney and Advance Medical Directive or court order(s) shall be in a form satisfactory to Owner with a copy thereof being furnished to Owner.

U. **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the Commonwealth of Virginia.

V. **Right of Rescission.** Virginia law provides that Resident shall have the right to rescind this Agreement without penalty or forfeiture, within seven (7) days after making the deposit or executing this Agreement. Resident shall not be required to occupy the Assisted Living Unit prior to the expiration of the seven-day rescission period.

W. **Complaint Resolution/Concerns.** It is the intent of Williamsburg Landing, Inc. that all Residents entitled to occupy the Assisted Living Unit pursuant to this Agreement are able to freely and openly express complaints or concerns so that prompt and fair resolution can be accomplished. Complaints or concerns (beneficial suggestions or requests for change) are normally forwarded to the President/CEO or his designee who in consultation (as he deems necessary) with the President of Residents' Association, the appropriate Residents' Association Committee and/or Residents' Association Board of Directors shall seek to resolve the issue.

Complaints resulting from failure to resolve issues in the manner described above may be lodged with the Williamsburg Landing Corporate Board. For presentation to the Corporate Board, Resident, if entitled to occupy the Assisted Living Unit pursuant to this Agreement, shall submit the complaint to the President of the Williamsburg
Landing Residents’ Association who, as member of the Corporate Board, shall present the complaint to the Chairman of the Corporate Board, with a copy to the President/CEO, for disposition pursuant to the policies and procedures as may be established from time to time by the Corporate Board. The Williamsburg Landing Corporate Board is ultimately responsible for resolving such complaints.

X. **Arbitration.** A Resident’s sole remedy for resolving or deciding any legal dispute, controversy or claim, including any claim for monetary damages, against Williamsburg Landing shall be by binding arbitration in James City County, Virginia, in accordance with the Rules of the American Arbitration Association currently in effect, as modified by any other instructions that the parties may mutually agree upon at the time. Claims or disputes subject to binding arbitration shall include, without limitation, those arising out of the terms of any Residency Agreement, residency at Williamsburg Landing, a Resident’s occupancy or intended occupancy of any premises or the provision of any services to a Resident by Williamsburg Landing, including but not limited to disputes, demands or claims arising from any contracts or agreements, express or implied; disputes or claims arising from the negligence, gross negligence or intentional acts of Resident, Resident’s guests or Owner; disputes or claims arising from any fraud or misrepresentation on the part of Resident or Owner; and, disputes and claims based on any federal or state statutory or common law theory, including, without limitation, any law governing or regulating discrimination or accommodation in the provision of premises, services, residency or public accommodation, and, provided, such claims and disputes (i) are of a nature or type that can be submitted to arbitration for a decision, (ii) cannot be resolved or settled by the parties pursuant to preceding sections or the section above entitled “Complaint Resolutions/Concerns,” (iii) are not subject to a signed opt out agreement, or (iv) are not excluded from being subject to this arbitration provision pursuant to law.

In consideration of entering into this Residency Agreement, Resident understands and consents to binding arbitration as the sole remedy as set forth above. Resident further understands and acknowledges that in agreeing to arbitration, Resident waives his or her rights to have any dispute or claim decided in a court of law before a judge or a jury, or otherwise to avail himself or herself of legal remedies other than binding arbitration.

Resident may opt out of arbitration as a sole remedy by signing an “opt out agreement” contemporaneous with the signing of this Agreement, or may do so within thirty (30) days of the date this Agreement is signed, by entering into a separate “opt out” of arbitration agreement. If an opt out agreement is not signed contemporaneous with Resident’s signature herein, or within thirty (30) days thereafter, Resident agrees that his or her sole remedy for resolving any legal dispute, controversy or claim shall be by binding arbitration, as described above.

Owner’s remedies shall not be limited to arbitration and shall include but not be limited to any action at law or equity in any court of competent jurisdiction, at Owner’s discretion.
In the event of any such arbitration, the controversy or dispute shall be submitted to and, to the extent possible, resolved by one arbitrator mutually selected by the parties. If the parties are unable to mutually agree, each of them shall select one arbitrator and the two arbitrators so selected shall select the third arbitrator; the decision of a majority of such arbitrators shall bind the parties. In the event either party does not select its arbitrator and give notice to the other as herein provided within fifteen (15) days after any notification of any demand for arbitration hereunder, such arbitrator shall be selected by the American Arbitration Association. The arbitrator(s) shall promptly obtain such information regarding the matter as he (they) shall deem advisable and shall decide with dispatch the matter in accordance with applicable law, equitable principles and community and industry standards, but shall not modify the terms of this Agreement. The arbitrator(s) shall render a written award which shall be delivered to the parties. The decision of the arbitrator shall be final and binding upon the parties and may be enforced in any court of competent jurisdiction. Each party shall bear its own costs and expenses, including attorney’s fees, in any such proceeding, except that at the time of rendering the award, the arbitrator(s) shall establish his (their) fee and expenses in connection therewith. Such fees and expenses shall be allocable by the arbitrator(s) in his (their) award. Written notice of demand for arbitration shall be filed by certified mail within fifteen (15) days of the mailing of the decision by the Williamsburg Landing Corporate Board pursuant to the preceding paragraph. Time is of the essence and failure to file within said time shall terminate this and all other remedies of Resident.

Resident specifically agrees that notwithstanding anything to the contrary, the rights and obligations set forth in this Section X of Article VIII Arbitration survive (i) the termination of this Agreement by either party or (ii) the default of this Agreement by either party. The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Resident further agrees that any dispute brought by Resident involving Owner’s affiliates, directors, officers, employees and agents shall also be subject to this Section X of Article VIII Arbitration as set forth herein, and shall not be pursued in a court of law and, further, that arbitration will be limited to the parties specified herein.

Y. Notices. Any written notice required to be given by Owner to Resident shall be given to both Resident and Resident’s Agent at the addresses indicated herein.

Z. Authority of Resident’s Agent. Resident’s Agent by signing this Agreement on behalf of Resident represents that he has the legal authority to sign this Agreement and that by doing so Resident is legally bound by all of the terms of this Agreement.

AA. Entire Contract. Resident hereby acknowledges that he has read this Residency Agreement in its entirety. This Agreement constitutes the entire Agreement between Owner and Resident. **Owner is not liable for, nor bound in any manner by, any statements, representations, or promises made by any person representing or purporting to represent Owner, unless such statements, representations, or promises are set forth in this Agreement.** This Agreement supersedes all previous agreements between the parties, including any Reservation Agreement for Williamsburg Landing executed by Resident.
IN WITNESS WHEREOF, Owner has executed this Residency Agreement, by its duly authorized representative, and Resident has executed this Residency Agreement, in his or her own name, all as of the date first above written.

ATTEST:

__________________________________________

By:________________________________________

Date:______________________________________

WITNESS:

__________________________________________

Date:______________________________________

__________________________________________

Date:______________________________________

WILLIAMSBURG LANDING, INC.

__________________________________________

RESIDENT:

__________________________________________

Date:______________________________________

Acting: (mark one)

☐ Under Power of Attorney

☐ As Conservator and Guardian under Court Order

Address of Agent:

__________________________________________

__________________________________________
Arbitration Opt Out

I have read and understood the provisions in Section X of Article VIII Arbitration and hereby opt out of the arbitration provisions. I understand that I may avail myself of any legal remedies I have in a court of law for any claim, dispute or controversy I have with Williamsburg Landing in lieu of arbitration as a result of my decision to opt out of arbitration as my sole remedy.

RESIDENT:

________________________________________

________________________________________

Acting: (mark one)

☐ Under Power of Attorney

☐ As Conservator and Guardian under Court Order

Address of Agent:

________________________________________

________________________________________
APPENDIX B

FEE SCHEDULE
### WILLIAMSBURG LANDING 2017 FEE SCHEDULE

<table>
<thead>
<tr>
<th>Home or Apartment Type</th>
<th>Description</th>
<th>Average Square Feet</th>
<th>0% Refundable Entrance Fee</th>
<th>50% Refundable Entrance Fee</th>
<th>90% Refundable Entrance Fee</th>
<th>Single Occupancy Monthly Fee</th>
<th>Second Person Monthly Fee</th>
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</thead>
<tbody>
<tr>
<td><strong>Cluster Homes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elizabeth</td>
<td>2 bdrm/den</td>
<td>2,260</td>
<td>$441,519</td>
<td>$546,255</td>
<td>$758,687</td>
<td>$4,935</td>
<td>$710</td>
</tr>
<tr>
<td>Chickahominy</td>
<td>2 bdrm/den</td>
<td>2,340</td>
<td>$450,211</td>
<td>$557,009</td>
<td>$773,623</td>
<td>$5,020</td>
<td>$710</td>
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<tr>
<td>Shenandoah</td>
<td>2 bdrm/den</td>
<td>2,540</td>
<td>$481,305</td>
<td>$595,479</td>
<td>$827,054</td>
<td>$5,155</td>
<td>$710</td>
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<tr>
<td>Roanoke</td>
<td>3 bdrm/den</td>
<td>2,620</td>
<td>$483,245</td>
<td>$597,880</td>
<td>$830,387</td>
<td>$5,210</td>
<td>$710</td>
</tr>
<tr>
<td>Powhatan</td>
<td>2 bdrm/den</td>
<td>2,650</td>
<td>$487,533</td>
<td>$603,186</td>
<td>$837,758</td>
<td>$5,265</td>
<td>$710</td>
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<tr>
<td>Skipper IV</td>
<td>2 bdrm/den</td>
<td>1,634</td>
<td>$291,237</td>
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<td>$500,450</td>
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<td>Skipper III</td>
<td>2 bdrm/den</td>
<td>1,634</td>
<td>$279,418</td>
<td>$345,701</td>
<td>$480,141</td>
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<tr>
<td>Skipper II</td>
<td>2 bedrooms</td>
<td>1,513</td>
<td>$265,736</td>
<td>$328,774</td>
<td>$456,630</td>
<td>$4,215</td>
<td>$710</td>
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<tr>
<td>Harbour II</td>
<td>2 bdrm/den</td>
<td>1,582</td>
<td>$272,053</td>
<td>$336,588</td>
<td>$467,484</td>
<td>$4,305</td>
<td>$710</td>
</tr>
<tr>
<td>Harbour I</td>
<td>2 bedrooms</td>
<td>1,442</td>
<td>$256,221</td>
<td>$317,003</td>
<td>$440,281</td>
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<td>$710</td>
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<tr>
<td>Binnacle II</td>
<td>2 bdrm/den</td>
<td>1,651</td>
<td>$282,051</td>
<td>$348,959</td>
<td>$484,665</td>
<td>$4,370</td>
<td>$710</td>
</tr>
<tr>
<td>Binnacle I</td>
<td>2 bedrooms</td>
<td>1,476</td>
<td>$262,264</td>
<td>$324,478</td>
<td>$450,663</td>
<td>$4,145</td>
<td>$710</td>
</tr>
<tr>
<td>Mariner II</td>
<td>3 bdrm/den</td>
<td>2,448</td>
<td>$368,952</td>
<td>$456,475</td>
<td>$633,992</td>
<td>$4,530</td>
<td>$710</td>
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<tr>
<td>Mariner I</td>
<td>3 bedrooms</td>
<td>2,273</td>
<td>$350,085</td>
<td>$433,132</td>
<td>$601,572</td>
<td>$4,455</td>
<td>$710</td>
</tr>
<tr>
<td>Skipjack</td>
<td>2 bdrm/den</td>
<td>1,623</td>
<td>$361,809</td>
<td>$447,638</td>
<td>$621,719</td>
<td>$4,675</td>
<td>$710</td>
</tr>
<tr>
<td>Schooner</td>
<td>2 bdrm/den</td>
<td>1,716</td>
<td>$378,303</td>
<td>$468,044</td>
<td>$650,061</td>
<td>$4,790</td>
<td>$710</td>
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<tr>
<td>Seafarer</td>
<td>2 bdrm/den</td>
<td>1,899</td>
<td>$414,325</td>
<td>$512,611</td>
<td>$711,960</td>
<td>$4,920</td>
<td>$710</td>
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<tr>
<td>Sandpiper</td>
<td>2 bdrm/den</td>
<td>1,955</td>
<td>$417,860</td>
<td>$516,985</td>
<td>$718,033</td>
<td>$4,975</td>
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<td><strong>Earl's Court Apartments:</strong></td>
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<td></td>
</tr>
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<td>Allegheny</td>
<td>2 bdrm/den</td>
<td>1,810</td>
<td>$327,707</td>
<td>$405,445</td>
<td>$563,117</td>
<td>$4,755</td>
<td>$710</td>
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<tr>
<td>Piedmont</td>
<td>2 bdrm/den</td>
<td>1,870</td>
<td>$337,107</td>
<td>$417,074</td>
<td>$579,269</td>
<td>$4,810</td>
<td>$710</td>
</tr>
<tr>
<td>Tidewater</td>
<td>2 bdrm/den</td>
<td>1,900</td>
<td>$343,075</td>
<td>$424,458</td>
<td>$589,525</td>
<td>$4,835</td>
<td>$710</td>
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<tr>
<td><strong>River Court Apartments:</strong></td>
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<td></td>
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<td></td>
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<tr>
<td>Ensign</td>
<td>2 bdrm-2nd FL</td>
<td>1,268</td>
<td>$246,661</td>
<td>$305,282</td>
<td>$424,003</td>
<td>$3,785</td>
<td>$710</td>
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<tr>
<td>Windjammer</td>
<td>2 bdrm-1st FL</td>
<td>1,268</td>
<td>$243,719</td>
<td>$301,534</td>
<td>$418,796</td>
<td>$3,785</td>
<td>$710</td>
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<tr>
<td><strong>The Landing Apartments:</strong></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Clipper A</td>
<td>1 bedroom</td>
<td>1,068</td>
<td>$186,420</td>
<td>$230,642</td>
<td>$320,336</td>
<td>$3,980</td>
<td>$710</td>
</tr>
<tr>
<td>Clipper B</td>
<td>1 bedroom</td>
<td>900</td>
<td>$159,450</td>
<td>$197,275</td>
<td>$273,992</td>
<td>$3,730</td>
<td>$710</td>
</tr>
<tr>
<td>Clipper C</td>
<td>1 bedroom</td>
<td>790</td>
<td>$144,266</td>
<td>$178,489</td>
<td>$247,900</td>
<td>$3,580</td>
<td>$710</td>
</tr>
<tr>
<td>Spinnaker A</td>
<td>2 bedrooms</td>
<td>1,387</td>
<td>$262,961</td>
<td>$325,341</td>
<td>$451,862</td>
<td>$4,200</td>
<td>$710</td>
</tr>
<tr>
<td>Spinnaker B</td>
<td>2 bedrooms</td>
<td>1,134</td>
<td>$233,515</td>
<td>$288,908</td>
<td>$401,261</td>
<td>$4,125</td>
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<tr>
<td>Spinnaker C</td>
<td>2 bedrooms</td>
<td>1,500</td>
<td>$282,710</td>
<td>$349,775</td>
<td>$485,798</td>
<td>$4,325</td>
<td>$710</td>
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<tr>
<td>Garden Apartment 2A</td>
<td>2 bedrooms</td>
<td>955</td>
<td>$187,774</td>
<td>$232,318</td>
<td>$322,664</td>
<td>$4,020</td>
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<tr>
<td>Garden Apartment 2B</td>
<td>2 bedrooms</td>
<td>980</td>
<td>$193,672</td>
<td>$239,614</td>
<td>$332,798</td>
<td>$4,050</td>
<td>$710</td>
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<tr>
<td>Garden Apartment 2C</td>
<td>2 bdrm/den</td>
<td>1,025</td>
<td>$194,039</td>
<td>$240,069</td>
<td>$333,428</td>
<td>$4,055</td>
<td>$710</td>
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<td>Garden Apartment 1A</td>
<td>1 bedroom</td>
<td>645</td>
<td>$131,473</td>
<td>$162,661</td>
<td>$225,918</td>
<td>$3,420</td>
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<tr>
<td>Garden Apartment 1B</td>
<td>1 bedroom</td>
<td>738</td>
<td>$150,322</td>
<td>$185,981</td>
<td>$258,306</td>
<td>$3,510</td>
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<tr>
<td>Garden Apartment 1C</td>
<td>1 bedroom</td>
<td>850</td>
<td>$160,538</td>
<td>$198,621</td>
<td>$275,861</td>
<td>$3,595</td>
<td>$710</td>
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</tbody>
</table>

**A second person fee applies to all units above.**

<table>
<thead>
<tr>
<th>Home or Apartment Type</th>
<th>Description</th>
<th>Average Square Feet</th>
<th>0% Refundable Entrance Fee</th>
<th>50% Refundable Entrance Fee</th>
<th>90% Refundable Entrance Fee</th>
<th>Single Occupancy Monthly Fee</th>
<th>Second Person Monthly Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**A second person fee applies to all units above.**

13,058 16,555 21,800
Entrance Fee selections are limited for ages 86 or above at the time of occupancy. Age restrictions apply to the youngest member of the household.

- Age 90 and above are limited to a 0% Entrance Fee refund option only.
- Age 86 and above are limited to a 0% or 50% Entrance Fee refund option only.

Certain residences may have a premium rate due to location and/or modifications.

Monthly Fees are stated at 2017 rates and will be subject to periodic adjustment.

<table>
<thead>
<tr>
<th>Woodhaven Manor (AL) (Including Expansion):</th>
<th>0% Refundable Entrance Fee</th>
<th>50% Refundable Entrance Fee</th>
<th>Single Occupancy Monthly Fees*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sq. Ft.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Unit A - Studio</td>
<td>353</td>
<td>$27,138</td>
<td>$44,620</td>
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<tr>
<td>Unit B - 1 BR</td>
<td>426</td>
<td>$38,433</td>
<td>$63,191</td>
</tr>
<tr>
<td>Unit C - 1 BR</td>
<td>489</td>
<td>$42,198</td>
<td>$69,380</td>
</tr>
<tr>
<td>Unit H - 1 BR</td>
<td>545</td>
<td>$45,575</td>
<td>$74,930</td>
</tr>
<tr>
<td>Unit S - 1 BR</td>
<td>575</td>
<td>$46,976</td>
<td>$77,234</td>
</tr>
<tr>
<td>Unit J - 1 BR/den</td>
<td>638</td>
<td>$50,993</td>
<td>$83,839</td>
</tr>
<tr>
<td>Unit D - 1 BR/den</td>
<td>624</td>
<td>$50,017</td>
<td>$82,234</td>
</tr>
<tr>
<td>Unit T - 1 BR/den</td>
<td>665</td>
<td>$51,142</td>
<td>$84,084</td>
</tr>
<tr>
<td>Unit F - 1 BR</td>
<td>680</td>
<td>$51,263</td>
<td>$84,282</td>
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<tr>
<td>Combined A/E - 1 BR/2 ba</td>
<td>752</td>
<td>$54,041</td>
<td>$88,850</td>
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<tr>
<td>Combined A/B - 2 BR/2 ba.</td>
<td>779</td>
<td>$60,740</td>
<td>$99,864</td>
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<tr>
<td>Unit L - 2 BR/2 ba.</td>
<td>855</td>
<td>$64,837</td>
<td>$106,600</td>
</tr>
</tbody>
</table>

| Woodhaven House (MC): | $22,830 | $37,535 | $7,565 |

<table>
<thead>
<tr>
<th>Fees per day per person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident</td>
</tr>
<tr>
<td>Shared</td>
</tr>
<tr>
<td>Private</td>
</tr>
</tbody>
</table>

* -Monthly fees shown are at care level 1 and include 3 meals per day per person, local phone, cable and laundry service.
- Surcharges: For single occupancy at level 2, add $595 and at level 3, add $1,250.
- For double occupancy, add $1,460 for second person at level 1.
- Second Person Surcharges: At level 2, add $595 to the double occupancy fee of $1,460 and at level 3, add $1250 to the double occupancy fee of $1,460.
- Credit for single occupancy in combined unit (A/E, A/B) and Unit L is $405.
APPENDIX C

AUDITED FINANCIAL STATEMENTS
WILLIAMSBURG LANDING, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2016 AND 2015
# WILLIAMSBURG LANDING, INC. AND AFFILIATES
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### YEARS ENDED DECEMBER 31, 2016 AND 2015

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<th>Section</th>
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<tr>
<td>FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>CONSOLIDATED BALANCE SHEETS</td>
<td>3</td>
</tr>
<tr>
<td>CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS (DEFICIT)</td>
<td>5</td>
</tr>
<tr>
<td>CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (DEFICIT)</td>
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<tr>
<td>CONSOLIDATED STATEMENTS OF CASH FLOWS</td>
<td>7</td>
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<tr>
<td>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</td>
<td>8</td>
</tr>
<tr>
<td>SUPPLEMENTARY INFORMATION</td>
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<tr>
<td>CONSOLIDATING BALANCE SHEETS</td>
<td>31</td>
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<tr>
<td>CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS (DEFICIT)</td>
<td>33</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

Board of Directors
Williamsburg Landing, Inc. and Affiliates
Williamsburg, Virginia

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of Williamsburg Landing, Inc. and Affiliates (the “Community”), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of operations and changes in unrestricted net assets (deficit), changes in net assets (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Community’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Community’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Board of Directors
Williamsburg Landing, Inc. and Affiliates

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Community as of December 31, 2016 and 2015, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As discussed in Note 1 to the consolidated financial statements, the Community adopted a recently issued accounting standard related to the accounting for deferred financing costs. The new standard requires entities to present deferred financing costs as a direct deduction from the face amount of the related borrowings, amortize deferred financing costs using the effective interest method over the life of the debt, and record the amortization as a component of interest expense. Our opinion is not modified with respect to this matter.

Report on Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating schedules are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

Charlotte, North Carolina
April 17, 2017
## WILLIAMSBURG LANDING, INC. AND AFFILIATES
### CONSOLIDATED BALANCE SHEETS
### DECEMBER 31, 2016 AND 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,507,467</td>
<td>$2,101,617</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>449,710</td>
<td>275,779</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>322,910</td>
<td>250,649</td>
</tr>
<tr>
<td>Supplies Inventory</td>
<td>208,828</td>
<td>239,518</td>
</tr>
<tr>
<td>Prepaid Expenses and Other</td>
<td>172,751</td>
<td>635,371</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>2,661,666</strong></td>
<td><strong>3,502,934</strong></td>
</tr>
<tr>
<td><strong>INVESTMENTS</strong></td>
<td>20,042,724</td>
<td>22,381,110</td>
</tr>
<tr>
<td><strong>ASSETS LIMITED AS TO USE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Externally Designated Under Bond Indenture Agreement</td>
<td>-</td>
<td>2,218,427</td>
</tr>
<tr>
<td>Externally Restricted Under Residency Agreements (Held by Escrow Agents)</td>
<td>632,091</td>
<td>436,078</td>
</tr>
<tr>
<td>Externally Restricted by Donor:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library Fund</td>
<td>35,838</td>
<td>36,958</td>
</tr>
<tr>
<td>Flower Fund</td>
<td>111,639</td>
<td>111,639</td>
</tr>
<tr>
<td>Other</td>
<td>240,818</td>
<td>118,374</td>
</tr>
<tr>
<td>Restricted Under Continuing Care Plan Agreement (Held by Trustee)</td>
<td>9,337,308</td>
<td>9,375,577</td>
</tr>
<tr>
<td>Benevolence Fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated for Resident Care</td>
<td>1,263,320</td>
<td>1,103,950</td>
</tr>
<tr>
<td>Externally Restricted by Donor</td>
<td>1,137,669</td>
<td>1,160,137</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td><strong>2,400,989</strong></td>
<td><strong>2,264,087</strong></td>
</tr>
<tr>
<td>Charitable Gift Annuities</td>
<td>151,901</td>
<td>198,008</td>
</tr>
<tr>
<td>Other</td>
<td>13,784</td>
<td>25,589</td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT, LESS ACCUMULATED DEPRECIATION OF APPROXIMATELY $68,575,000 IN 2016 AND $62,209,000 IN 2015</strong></td>
<td>109,115,723</td>
<td>103,139,402</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in Joint Venture</td>
<td>150,400</td>
<td>183,000</td>
</tr>
<tr>
<td>Deferred Marketing Costs, Less Accumulated Amortization of Approximately $565,000 in 2016 and $510,000 in 2015</td>
<td>105,705</td>
<td>160,913</td>
</tr>
<tr>
<td>Pledges Receivable</td>
<td>597,841</td>
<td>472,841</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td><strong>853,946</strong></td>
<td><strong>816,754</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$145,598,427</strong></td>
<td><strong>$144,624,937</strong></td>
</tr>
</tbody>
</table>

See accompanying Notes to Consolidated Financial Statements.

(3)
<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS (DEFICIT)</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>$2,515,591</td>
<td>$804,072</td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>455,296</td>
<td>432,142</td>
</tr>
<tr>
<td>Accrued Annual Leave</td>
<td>452,850</td>
<td>412,151</td>
</tr>
<tr>
<td>Retainage Payable</td>
<td>272,324</td>
<td>-</td>
</tr>
<tr>
<td>Refundable Reservation Deposits</td>
<td>328,000</td>
<td>279,000</td>
</tr>
<tr>
<td>Advance Fee Deposits</td>
<td>632,000</td>
<td>436,000</td>
</tr>
<tr>
<td>Refundable Woodhaven Advance Fees</td>
<td>10,800,739</td>
<td>11,900,773</td>
</tr>
<tr>
<td>Interest Payable</td>
<td>69,187</td>
<td>107,575</td>
</tr>
<tr>
<td>Current Portion of Long-Term Debt</td>
<td>2,634,149</td>
<td>2,616,568</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>18,160,136</td>
<td>16,988,281</td>
</tr>
<tr>
<td><strong>LONG-TERM DEBT, LESS CURRENT PORTION</strong></td>
<td>74,486,058</td>
<td>76,072,819</td>
</tr>
<tr>
<td><strong>OTHER LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing Care Deposits</td>
<td>9,337,308</td>
<td>9,375,577</td>
</tr>
<tr>
<td>Deferred Revenue from Advance Fees</td>
<td>30,775,732</td>
<td>28,020,594</td>
</tr>
<tr>
<td>Refundable Advance Fees, Net of Current Portion</td>
<td>66,595,316</td>
<td>67,682,840</td>
</tr>
<tr>
<td>Gift Annuity Payment Liabilities</td>
<td>67,915</td>
<td>92,106</td>
</tr>
<tr>
<td><strong>Total Other Liabilities</strong></td>
<td>106,776,271</td>
<td>105,171,117</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>199,422,465</td>
<td>198,232,217</td>
</tr>
<tr>
<td><strong>NET ASSETS (DEFICIT)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(55,498,035)</td>
<td>(55,130,165)</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>1,642,357</td>
<td>1,491,245</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>31,640</td>
<td>31,640</td>
</tr>
<tr>
<td><strong>Total Net Deficit</strong></td>
<td>(53,824,038)</td>
<td>(53,607,280)</td>
</tr>
</tbody>
</table>

Total Liabilities and Net Assets (Deficit)  

$145,598,427  $144,624,937
### WILLIAMSBURG LANDING, INC. AND AFFILIATES
### CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS (DEFICIT)
### YEARS ENDED DECEMBER 31, 2016 AND 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Services, Including Amortization of Deferred Revenue from Advance Fees of Approximately $3,570,000 in 2016 and $3,411,000 in 2015</td>
<td>$21,478,339</td>
<td>$20,680,486</td>
</tr>
<tr>
<td>Health Care Services</td>
<td>6,786,403</td>
<td>6,499,098</td>
</tr>
<tr>
<td>Investment Income</td>
<td>494,173</td>
<td>429,987</td>
</tr>
<tr>
<td>Other (Includes Net Assets Released from Restrictions for Benevolence of Approximately $120,000 and $113,000 for the Years Ended December 31, 2016 and 2015, Respectively)</td>
<td>1,196,596</td>
<td>1,627,329</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>29,957,511</td>
<td>29,236,900</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EXPENSES</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administrative</td>
<td>2,579,597</td>
<td>2,258,908</td>
</tr>
<tr>
<td>Facilities, Grounds, and Security</td>
<td>3,310,973</td>
<td>3,155,092</td>
</tr>
<tr>
<td>Marketing and Public Relations</td>
<td>996,445</td>
<td>899,685</td>
</tr>
<tr>
<td>Development</td>
<td>239,357</td>
<td>173,169</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>891,280</td>
<td>902,828</td>
</tr>
<tr>
<td>Materials Management</td>
<td>184,272</td>
<td>175,508</td>
</tr>
<tr>
<td>Culinary Services</td>
<td>4,495,385</td>
<td>4,192,992</td>
</tr>
<tr>
<td>Skilled Nursing Facility</td>
<td>3,579,290</td>
<td>3,339,087</td>
</tr>
<tr>
<td>Human Resources</td>
<td>540,003</td>
<td>601,065</td>
</tr>
<tr>
<td>Assisted Living Facility</td>
<td>1,553,965</td>
<td>1,517,009</td>
</tr>
<tr>
<td>Home Care Services</td>
<td>603,645</td>
<td>591,527</td>
</tr>
<tr>
<td>Ambulatory Services</td>
<td>198,577</td>
<td>234,072</td>
</tr>
<tr>
<td>Transportation</td>
<td>329,583</td>
<td>284,023</td>
</tr>
<tr>
<td>Fitness Center</td>
<td>461,884</td>
<td>468,155</td>
</tr>
<tr>
<td>Activities</td>
<td>429,804</td>
<td>432,350</td>
</tr>
<tr>
<td>Resident Services</td>
<td>515,497</td>
<td>640,367</td>
</tr>
<tr>
<td>Utilities</td>
<td>673,138</td>
<td>679,001</td>
</tr>
<tr>
<td>Store</td>
<td>102,990</td>
<td>98,289</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>829,460</td>
<td>787,840</td>
</tr>
<tr>
<td>Benevolence</td>
<td>128,834</td>
<td>126,421</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6,415,311</td>
<td>5,944,778</td>
</tr>
<tr>
<td>Amortization of Deferred Costs</td>
<td>55,209</td>
<td>51,648</td>
</tr>
<tr>
<td>Interest</td>
<td>2,335,123</td>
<td>2,927,013</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31,449,642</td>
<td>30,480,827</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LOSS FROM OPERATIONS</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss Related to Extinguishment of Indebtedness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on Investment in Joint Venture</td>
<td>(32,600)</td>
<td>(17,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(1,492,131)</td>
<td>(1,243,927)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>DEFICIT OF REVENUES, GAINS AND OTHER SUPPORT UNDER EXPENSES</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,524,731)</td>
<td>(1,700,357)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>OTHER CHANGES IN UNRESTRICTED NET ASSETS (DEFICIT)</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Change in Unrealized Gain (Loss) on Investments</td>
<td>1,149,609</td>
<td>527,084</td>
</tr>
<tr>
<td>Net Assets Released for Capital Purchases</td>
<td>7,252</td>
<td>99,904</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ (367,870)</td>
<td>$ (2,127,537)</td>
</tr>
</tbody>
</table>

(5)
WILLIAMSBURG LANDING, INC. AND AFFILIATES  
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (DEFICIT)  
YEARS ENDED DECEMBER 31, 2016 AND 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNRESTRICTED NET DEFICIT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficit of Revenues, Gains and Other Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under Expenses</td>
<td>$(1,524,731)</td>
<td>$(1,700,357)</td>
</tr>
<tr>
<td>Net Change in Unrealized Gain (Loss) on Investments</td>
<td>1,149,609</td>
<td>(527,084)</td>
</tr>
<tr>
<td>Net Assets Released for Capital Purchases</td>
<td>7,252</td>
<td>99,904</td>
</tr>
<tr>
<td>Increase in Unrestricted Net Deficit</td>
<td>(367,870)</td>
<td>(2,127,537)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>TEMPORARILY RESTRICTED NET ASSETS</strong></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts, Grants and Bequests</td>
<td>435,391</td>
<td>528,267</td>
</tr>
<tr>
<td>Interest Income</td>
<td>4,906</td>
<td>6,052</td>
</tr>
<tr>
<td>Change in Value of Charitable Gift Annuities</td>
<td>9,517</td>
<td>(20,722)</td>
</tr>
<tr>
<td>Withdrawal of Quarterly Payments</td>
<td>(8,101)</td>
<td>-</td>
</tr>
<tr>
<td>Withdrawal of Charitable Gift Annuities</td>
<td>(27,010)</td>
<td>-</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions for Operating Purposes</td>
<td>(256,339)</td>
<td>(150,356)</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions for Capital Purchases</td>
<td>(7,252)</td>
<td>(99,904)</td>
</tr>
<tr>
<td>Increase in Temporarily Restricted Net Assets</td>
<td>151,112</td>
<td>263,337</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th><strong>INCREASE IN NET DEFICIT</strong></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Deficit at Beginning of Year</td>
<td>(53,607,280)</td>
<td>(51,743,080)</td>
</tr>
</tbody>
</table>

**NET DEFICIT AT END OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET DEFICIT AT END OF YEAR</strong></td>
<td><strong>(53,824,038)</strong></td>
<td><strong>(53,607,280)</strong></td>
</tr>
</tbody>
</table>
# WILLIAMSBURG LANDING, INC. AND AFFILIATES
# CONSOLIDATED STATEMENTS OF CASH FLOWS
# YEARS ENDED DECEMBER 31, 2016 AND 2015

## CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Net Deficit</td>
<td>(216,758)</td>
<td>(1,864,200)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Change in Net Assets to Net Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provided by Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of Deferred Revenue from Advance Fees</td>
<td>(3,569,701)</td>
<td>(3,410,516)</td>
</tr>
<tr>
<td>Amortization of Deferred Marketing Costs</td>
<td>55,209</td>
<td>51,648</td>
</tr>
<tr>
<td>Amortization of Deferred Financing Costs</td>
<td>80,024</td>
<td>81,979</td>
</tr>
<tr>
<td>Gain on Sale of Property and Equipment and Impairment Charges</td>
<td>3,845</td>
<td>(246)</td>
</tr>
<tr>
<td>Loss Related to Extinction of Indebtedness</td>
<td></td>
<td>439,430</td>
</tr>
<tr>
<td>Bad Debt Expense</td>
<td>(2,920)</td>
<td>20,292</td>
</tr>
<tr>
<td>Proceeds from Advance Fees and Deposits</td>
<td>10,245,557</td>
<td>10,394,179</td>
</tr>
<tr>
<td>Change in Continuing Care Plan Deposits</td>
<td>(38,269)</td>
<td>(745,552)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6,415,311</td>
<td>5,944,778</td>
</tr>
<tr>
<td>Net Unrealized (Gain) Loss on Investments</td>
<td>(1,149,609)</td>
<td>527,084</td>
</tr>
<tr>
<td>Realized Gain on Investments</td>
<td>(30,840)</td>
<td>(27,062)</td>
</tr>
<tr>
<td>Restricted Contributions Received</td>
<td>(435,391)</td>
<td>(528,267)</td>
</tr>
<tr>
<td>Decrease (Increase) in Operating Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>(171,011)</td>
<td>(48,336)</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>(197,261)</td>
<td>(393,441)</td>
</tr>
<tr>
<td>Supplies Inventory</td>
<td>30,690</td>
<td>3,592</td>
</tr>
<tr>
<td>Prepaid Expenses and Other</td>
<td>462,620</td>
<td>(336,955)</td>
</tr>
<tr>
<td>Increase (Decrease) in Operating Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>86,067</td>
<td>282,662</td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>23,154</td>
<td>(233,090)</td>
</tr>
<tr>
<td>Accrued Annual Leave</td>
<td>40,699</td>
<td>(23,081)</td>
</tr>
<tr>
<td>Refundable Reservation Deposits</td>
<td>49,000</td>
<td>(16,000)</td>
</tr>
<tr>
<td>Retainage Payable</td>
<td>272,324</td>
<td></td>
</tr>
<tr>
<td>Interest Payable</td>
<td>(38,388)</td>
<td>(328,280)</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>11,513,352</td>
<td>9,822,618</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of Property, Plant and Equipment</td>
<td>(10,769,025)</td>
<td>(4,708,700)</td>
</tr>
<tr>
<td>Net Change in Investments</td>
<td>3,373,007</td>
<td>(2,359,297)</td>
</tr>
<tr>
<td>Net Change in Assets Limited as to Use</td>
<td>1,992,690</td>
<td>(30,962)</td>
</tr>
<tr>
<td>Net Cash Used by Investing Activities</td>
<td>(5,403,328)</td>
<td>(7,098,959)</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refunds of Advance Fees</td>
<td>(5,912,276)</td>
<td>(5,095,684)</td>
</tr>
<tr>
<td>Repayment of Long-Term Debt</td>
<td>(2,624,816)</td>
<td>(2,418,693)</td>
</tr>
<tr>
<td>Refunding of Long-Term Debt</td>
<td></td>
<td>(15,741,020)</td>
</tr>
<tr>
<td>Proceeds from Long-Term Debt</td>
<td>1,663,438</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Increase in Deferred Financing Costs</td>
<td>(587,827)</td>
<td>(265,999)</td>
</tr>
<tr>
<td>Purchase of Charitable Gift Annuities, Net</td>
<td>21,916</td>
<td>(13,803)</td>
</tr>
<tr>
<td>Restricted Contributions Received</td>
<td>435,391</td>
<td>528,267</td>
</tr>
<tr>
<td>Net Cash Used by Financing Activities</td>
<td>(7,104,174)</td>
<td>(3,006,932)</td>
</tr>
</tbody>
</table>

## NET DECREASE IN CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents - Beginning of Year</td>
<td>2,101,617</td>
<td>2,384,890</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - End of Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS - END OF YEAR</td>
<td>$1,507,467</td>
<td>$2,101,617</td>
</tr>
</tbody>
</table>

## SUPPLEMENTAL CASH FLOWS INFORMATION

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and Equipment Additions in Accounts Payable, Including Retainage</td>
<td>$1,626,452</td>
</tr>
</tbody>
</table>
NOTE 1  ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations
Williamsburg Landing, Inc. was incorporated on September 23, 1982 as a not-for-profit, nonstock corporation under the laws of the Commonwealth of Virginia. Williamsburg Landing, Inc. is a continuing care retirement community located in James City County, Virginia that contains 312 residential units, 46 assisted living units, 15 special care (dementia) units and a 58-bed skilled nursing center which provides living accommodations and certain health care services to its residents.

Williamsburg Landing, Inc. operates under the concept in which residents enter into a residency agreement which requires payment of a one-time advance fee and monthly service fees. Generally, these payments entitle residents to the use and privileges of the Community for life, including the right to occupy designated residential units and to receive certain health care services. The residency agreement does not entitle the residents to an interest in the real estate and other property owned by Williamsburg Landing, Inc.

On May 27, 2010, Williamsburg Landing, Inc. became the sole member of Birchwood Land, LLC (“Birchwood”). Birchwood is a limited liability company under the laws of the Commonwealth of Virginia which purchased and leases residential property adjacent to Williamsburg Landing, Inc. As a result, Birchwood has been consolidated for presentation purposes.

On March 24, 2015, Williamsburg Landing, Inc. became the sole member of Williamsburg Landing Home Health, LLC (“Williamsburg Landing Home Health”). Williamsburg Landing Home Health was formed in 2015 as a limited liability company under the laws of the Commonwealth of Virginia organized for the purpose of providing home health care services for residents of Williamsburg Landing, Inc. and the greater community. As a result, Williamsburg Landing Home Health has been consolidated for presentation purposes.

Principles of Consolidation
The accompanying consolidated financial statements include the accounts of Williamsburg Landing, Inc., Birchwood, and Williamsburg Landing Home Health. Collectively, they are referred to as the “Community.” All significant intercompany transactions and balances have been eliminated in consolidation.

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

Cash and Cash Equivalents
The Community considers all highly liquid investments when purchased with a maturity of three months or less to be cash equivalents.
NOTE 1  ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Allowance for Uncollectible Accounts
The Community provides an allowance for uncollectible accounts using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required upon receipt of invoice or claim submitted. Accounts past due are individually analyzed for collectability. In addition, an allowance is estimated for other accounts based on the historical experience of the Community. At December 31, 2016 and 2015, the allowance for uncollectible accounts was approximately $6,000 and $16,000, respectively. At December 31, 2016 and 2015, no receivable or liability was recorded relating to pre-billed amounts.

Investments
Investments are carried at fair value. The fair values of debt securities and other investments are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Realized gains and losses are reported as unrestricted or temporarily restricted gains and losses, as appropriate. Unrealized gains and losses are excluded from the operating indicator. The cost of securities sold is based on the average cost method, adjusted for any other-than-temporary declines in value of investments.

The Community periodically evaluates whether any declines in the fair value of investments are other-than-temporary. This evaluation consists of a review of several factors, including but not limited to: length of time and extent that a security has been in an unrealized loss position; the existence of an event that would impair the issuer's future earnings potential; the near term prospects for recovery of the fair value of a security, and the intent and ability of the Community to hold the security until the fair value recovers. Declines in fair value below cost that are deemed to be other-than-temporary are included in the accompanying consolidated statements of operations and changes in unrestricted net assets (deficit) as nonoperating losses.

Property and Equipment
Property and equipment are reported on the basis of cost. Donated items are recorded at fair market value at the date of contribution. The Community capitalizes all assets over $2,000 with a useful life greater than one year.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The general range of useful lives estimated for buildings and building improvements is 10 to 40 years and for equipment is 3 to 25 years.
NOTE 1  ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Investment in Joint Venture
During 2014, the Community entered into an agreement to become a member of At Home Partners, LLC. At Home Partners, LLC provides clinical, managerial and administrative support services for the operations of the community-based continuing care program known as ChooseHome. The agreement is structured as a joint venture arrangement in which the Community became a 20% member following an initial capital contribution of $200,000. The arrangement is accounted for by the Community under the equity method of accounting. The current year activity is shown as a gain (loss) on investment in joint venture in the accompanying consolidated statements of operations and changes in unrestricted net assets (deficit) as a nonoperating activity.

Deferred Marketing Costs
Direct costs, including sales salaries, sales commissions and marketing expenses, associated with acquiring initial residential contracts were deferred and are being amortized using the straight-line method over the estimated life expectancy of the initial residents.

Deferred Financing Costs
Financing costs incurred in connection with the issuance of long-term debt are deferred and amortized using the effective interest method over the term of the related debt.

The Community has adopted the accounting guidance in FASB Accounting Standards update (ASU) No. 2015-03, Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt issuance Costs. ASU 2015-03 requires organizations to present deferred financing costs as a direct deduction from the face amount of the related borrowings, amortize deferred financing costs using the effective interest method over the life of the debt, and record the amortization as a component of interest expense. The effect of adopting the new standard decreased the debt liability by $1,001,788 as of December 31, 2015. The adoption of the standard had no effect on previously reported net assets and is retrospectively applied. The Community adopted this change in accounting principle as of January 1, 2016.

Pledges Receivable
Pledges receivable are unconditional promises to give and consist of pledges from current residents of the Community for amounts equal to the refundable portion of their entrance fee. Pledges are recorded as other long term assets in the accompanying consolidated financial statements.

Advance Fees
Non-refundable fees paid by a resident upon entering into a continuing care contract are recorded as deferred revenue and are amortized to income using the straight-line method over the estimated remaining life expectancy of the resident. The refundable portion of fees paid by a resident upon entering into a continuing care contract is recorded as a refundable advance fee liability.
NOTE 1  ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Community has been limited by donors to a specific time period or purpose. Permanently restricted net assets are those that carry donor-imposed restrictions that stipulate that donated assets be maintained in perpetuity, but may permit the Community to use or expend part or all of the income derived from the donated assets.

Uniform Prudent Management of Institutional Funds Act
During 2008, the Uniform Prudent Management of Institutional Funds Act became effective in the state of Virginia. In August 2008, the Financial Accounting Standards Board released the not-for-profit accounting standard for reporting endowment funds which was intended to improve the quality and consistency of financial reporting for endowments held by not-for-profit organizations. The Community has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments. This standard did not have a material impact on the Community’s financial position or results of operations as of or for the years ended December 31, 2016 and 2015.

Health Care Services Revenue
Health care services revenue is reported at the estimated net realizable amounts from residents, third-party payers, and others for services rendered, and include estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Revenue from the Medicare program accounted for approximately 5% of the Community’s operating revenues for the years ended December 31, 2016 and 2015. Laws and regulations governing the Medicare program are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Donor-Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in unrestricted net assets (deficit) as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated financial statements.
NOTE 1  ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Income Taxes
Williamsburg Landing, Inc. is a tax-exempt organization as defined under Section 501(c)(3)
of the Internal Revenue Code and as such is exempt from Federal income taxes. In addition,
Williamsburg Landing, Inc. is also exempt from state income taxes.

Birchwood and Williamsburg Landing Home Health are single member limited liability
companies solely owned by Williamsburg Landing, Inc. As such, they are considered
disregarded entities for tax purposes.

Williamsburg Landing, Inc. files as a tax-exempt organization. Management is not aware of
any activities that would jeopardize its tax-exempt status. Management is not aware of any
significant activities that are subject to tax on unrelated business income or excise or other
taxes, other than certain rental income received from Birchwood. Management does not
consider this income to be material for the years ended December 31, 2016 and 2015.

Williamsburg Landing, Inc. follows guidance in the income tax standard regarding
recognition and measurement of uncertain tax positions. This guidance had no impact
on the Community's consolidated financial statements for the years ended December 31,
2016 and 2015.

Professional Liability Insurance
The Community's professional liability insurance coverage is on a claims-made basis.

Deficit of Revenues over Expenses and Non-Operating Losses
The Community's operations include all unrestricted revenue, gains, expenses and losses
for the reporting period except for contributions of long-lived assets, other-than-temporary
debits in the value of investments, unrealized gains and losses on investments, and the
cumulative effect of changes in accounting methods. Nonoperating losses include losses on
investment in joint venture, losses related to extinguishment of indebtedness, and
income/losses on disposal of capital assets, if any.

Fair Value of Financial Instruments
The Community categorizes its assets and liabilities measured at fair value into a three-level
hierarchy based on the priority of the inputs to the valuation technique used to determine fair
value. The fair value hierarchy gives the highest priority to quoted prices in active markets
for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs
(Level 3). If the inputs used in the determination of the fair value measurement fall within
different levels of the hierarchy, the categorization is based on the lowest level input that is
significant to the fair value measurement.
NOTE 1  ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties
The Community holds investments in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will continue to occur in the near term and that such changes could materially affect the Community’s investment balances and the amounts reported in its consolidated balance sheets.

Subsequent Events
In preparing these consolidated financial statements, the Community has evaluated events and transactions for potential recognition or disclosure through April 17, 2017, the date the consolidated financial statements were available to be issued.

NOTE 2  INVESTMENTS AND ASSETS LIMITED AS TO USE

Investments are summarized as follows at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair Value</td>
<td>Cost</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>$18,792,722</td>
<td>$13,557,179</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>1,250,002</td>
<td>1,250,002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$20,042,724</strong></td>
<td><strong>$14,807,181</strong></td>
</tr>
</tbody>
</table>

(14)
NOTE 2  INVESTMENTS AND ASSETS LIMITED AS TO USE (CONTINUED)

Assets limited as to use are summarized as follows at December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair Value</td>
<td>Cost</td>
<td>Fair Value</td>
<td>Cost</td>
</tr>
<tr>
<td>Externally Designated Under</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Indenture Agreement:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 2,216,427</td>
<td>$ 2,216,427</td>
<td>$ 436,078</td>
<td>$ 436,078</td>
</tr>
<tr>
<td>Externally Restricted Under</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residency Agreements:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>632,091</td>
<td>632,091</td>
<td>436,078</td>
<td>436,078</td>
</tr>
<tr>
<td>Externally Restricted by Donors:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>498,808</td>
<td>498,808</td>
<td>284,442</td>
<td>284,442</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>1,027,156</td>
<td>851,981</td>
<td>1,142,666</td>
<td>992,464</td>
</tr>
<tr>
<td></td>
<td>1,525,964</td>
<td>1,350,789</td>
<td>1,427,108</td>
<td>1,276,906</td>
</tr>
<tr>
<td>Externally Restricted Under</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing Care Plan Agreement:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>284,540</td>
<td>284,540</td>
<td>373,162</td>
<td>373,162</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>9,052,768</td>
<td>6,546,908</td>
<td>9,002,415</td>
<td>6,864,512</td>
</tr>
<tr>
<td></td>
<td>9,337,308</td>
<td>6,831,448</td>
<td>9,375,577</td>
<td>7,257,674</td>
</tr>
<tr>
<td>Internally Restricted for</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident Care:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>1,263,320</td>
<td>1,047,868</td>
<td>1,103,950</td>
<td>958,838</td>
</tr>
<tr>
<td>Externally Restricted Under</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable Gift Annuities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
<td></td>
<td>155</td>
<td>155</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>146,060</td>
<td>131,113</td>
<td>152,580</td>
<td>138,506</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>5,841</td>
<td>5,841</td>
<td>6,463</td>
<td>6,463</td>
</tr>
<tr>
<td>Bond Funds</td>
<td></td>
<td></td>
<td>30,107</td>
<td>33,143</td>
</tr>
<tr>
<td>Equity Funds</td>
<td></td>
<td></td>
<td>8,703</td>
<td>9,700</td>
</tr>
<tr>
<td></td>
<td>151,901</td>
<td>136,954</td>
<td>198,008</td>
<td>187,967</td>
</tr>
<tr>
<td>Other</td>
<td>13,784</td>
<td>13,784</td>
<td>25,589</td>
<td>25,589</td>
</tr>
<tr>
<td></td>
<td>$ 12,924,369</td>
<td>$ 10,012,934</td>
<td>$ 14,784,737</td>
<td>$ 12,361,479</td>
</tr>
</tbody>
</table>
NOTE 2 INVESTMENTS AND ASSETS LIMITED AS TO USE (CONTINUED)

Investment income and unrealized gains (losses) for investments and assets limited as to use are comprised of the following for the years ended December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues, Gains, and Other Support:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$468,239</td>
<td>$463,333</td>
<td>$4,906</td>
</tr>
<tr>
<td>Realized Gains on Investments</td>
<td>$30,840</td>
<td>$30,840</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$499,079</td>
<td>$494,173</td>
<td>$4,906</td>
</tr>
<tr>
<td>Other Changes in Net Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized Gains on Investments</td>
<td>$1,149,609</td>
<td>$1,149,609</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Investment Return</strong></td>
<td>$1,648,688</td>
<td>$1,643,782</td>
<td>$4,906</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues, Gains, and Other Support:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$408,977</td>
<td>$402,925</td>
<td>$6,052</td>
</tr>
<tr>
<td>Realized Gains on Investments</td>
<td>$27,062</td>
<td>$27,062</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$436,039</td>
<td>$429,987</td>
<td>$6,052</td>
</tr>
<tr>
<td>Other Changes in Net Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized Losses on Investments</td>
<td>$(527,084)</td>
<td>$(527,084)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Investment Return</strong></td>
<td>$(91,045)</td>
<td>$(97,097)</td>
<td>$6,052</td>
</tr>
</tbody>
</table>

Management continually reviews its investment portfolio and evaluates whether declines in the fair value of securities should be considered other-than-temporary. Factored into this evaluation are the general market conditions, the issuer's financial condition and near-term prospects, conditions in the issuer's industry, the recommendation of advisors, and the length of time and extent to which the fair value was less than cost. As the Community does not place restrictions on the buying and selling of securities (other than those stated in the investment policy), any investment holdings meeting management's internal criteria for other-than-temporary declines could be considered impaired. During the years ended December 31, 2016 and 2015, the Community recorded no losses for other-than-temporary declines in the fair market value of investments.
NOTE 3  PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Improvements</td>
<td>$18,576,919</td>
<td>$18,513,415</td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>115,622,746</td>
<td>115,409,253</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>30,420,648</td>
<td>25,907,601</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>290,887</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$164,911,200</td>
<td>$159,830,269</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(68,574,929)</td>
<td>(62,209,503)</td>
</tr>
<tr>
<td><strong>Construction in Progress</strong></td>
<td>96,336,271</td>
<td>97,620,766</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$109,115,723</td>
<td>$103,139,402</td>
</tr>
</tbody>
</table>

Construction in progress at December 31, 2016 and 2015 related primarily to costs associated with the Woodhaven Building construction as well as costs associated with the turnover of units. Capitalized interest totaled approximately $294,000 for the year ended December 31, 2016. The Community did not capitalize any interest for the year ended December 31, 2015.

NOTE 4  LONG-TERM DEBT

At December 31, 2016 and 2015, long-term debt consisted of the following:

<table>
<thead>
<tr>
<th>Economic Development Authority of the City of Williamsburg, Revenue Bonds, Series 2007, assigned to Towne Bank</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serial bonds, due in graduated annual installments ranging from $95,000 in September 2012 to $575,000 in September 2037. Interest is paid semiannually at a rate of 2.58%.</td>
<td>$8,045,000</td>
<td>$8,275,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industrial Development Authority of Mathews County, Revenue and Refunding Bonds, Series 2007, assigned to Chesapeake Bank</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serial Coupon bonds due in annual installments ranging from $1,760,000 in March 2035 to $1,920,000 in March 2037. Interest is paid semiannually at a rate of 2.25%.</td>
<td>5,515,000</td>
<td>5,515,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue bonds due in annual installments ranging from $80,000 in December 2013 to $315,000 in December 2041. Interest is paid monthly (2.57% as of December 31, 2016).</td>
<td>9,300,000</td>
<td>9,490,000</td>
</tr>
</tbody>
</table>
NOTE 1  ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Community has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on the Community’s own assumptions, as there is little, if any, related market activity.

Subsequent to initial recognition, the Community may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Community adopted the policy to value certain financial instruments at fair value.

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security’s credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage backed securities that are traded by dealers or brokers in active over-the-counter markets. The Community does not have any assets or liabilities that are valued using Level 2 or Level 3 inputs.
### NOTE 4 LONG-TERM DEBT (CONTINUED)

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Development Authority of Mathews County, Virginia, Revenue Bonds, Series 2012, assigned to Towne Bank</td>
<td>$6,980,000</td>
<td>$7,120,000</td>
</tr>
<tr>
<td>Revenue bonds due in annual installments ranging from $120,000 in December 2013 to $470,000 in December 2041. Interest is paid monthly (2.57% as of December 31, 2016).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Development of Essex County, Virginia, Revenue and Refunding Bonds, Series 2012B, assigned to Union First Market Bank</td>
<td>1,362,500</td>
<td>2,665,000</td>
</tr>
<tr>
<td>Revenue and Refunding bonds due in semiannual installments ranging from $635,000 in September 2015 to $35,000 in March 2018. Interest is paid monthly at a rate of 2.40%.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development of the City of Williamsburg, Virginia, Revenue and Refunding Bonds, Series 2012C, assigned to Union First Market Bank</td>
<td>4,820,000</td>
<td>4,820,000</td>
</tr>
<tr>
<td>Revenue and Refunding bonds due in semiannual installments ranging from $635,000 in March 2018 to $730,000 in March 2021. Interest is paid monthly at a rate of 2.40%.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development of Gloucester County, Virginia, Revenue and Refunding Bonds, Series 2012D, assigned to M&amp;T Bank</td>
<td>7,668,011</td>
<td>8,280,685</td>
</tr>
<tr>
<td>Revenue and Refunding bonds due in monthly installments ranging from $50,188 in April 2013 to $97,084 in March 2023. Interest is paid monthly at a rate of 2.99%.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Development Authority of Mathews County, Virginia, Revenue and Refunding Bonds, Series 2013A, assigned to M&amp;T Bank</td>
<td>9,780,000</td>
<td>9,780,000</td>
</tr>
<tr>
<td>Revenue and Refunding bonds due in monthly installments ranging from $12,815 in April 2026 to $17,286 in December 2031. Interest is paid monthly at a rate of 3.05%.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Development Authority of Mathews County, Virginia, Revenue and Refunding Bonds, Series 2013B, assigned to M&amp;T Bank</td>
<td>3,680,000</td>
<td>3,680,000</td>
</tr>
<tr>
<td>Revenue and Refunding bonds due in monthly installments ranging from $867 in April 2026 to $33,926 in March 2032. Interest is paid monthly at a rate of 3.05%.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NOTE 4  LONG-TERM DEBT (CONTINUED)

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Industrial Development Authority of Northampton County and its Incorporated Towns, Revenue and Refunding Bond, Series 2015A, assigned to M&amp;T Bank</td>
<td>$ 9,949,603</td>
<td>$ 10,000,000</td>
</tr>
<tr>
<td>Revenue and Refunding bond due in monthly installments ranging from $3,856 in January 2016 to $116,996 in September 2039. Interest is paid monthly at a rate of 3.03%.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Development Authority of Mathews County, Virginia, Revenue and Refunding Bond, Series 2015B, assigned to M&amp;T Bank</td>
<td>9,949,603</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Revenue and Refunding bond due in monthly installments ranging from $3,856 in January 2016 to $116,996 in September 2039. Interest is paid monthly at a rate of 3.03%.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development Authority of Mathews County, Virginia, Revenue Bond, Series 2016A, assigned to Towne Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue bond due in semi-annual installments ranging from $97,200 in March 2019 to $270,969 in September 2046. Interest is paid semi-annually at a rate of 2.57%.</td>
<td>185,941</td>
<td></td>
</tr>
<tr>
<td>Revenue bond due in monthly installments ranging from $142,982 in January 2041 to $108,898 in December 2044. Interest is paid monthly at a variable rate of 67% of One-Month LIBOR, plus 1.8%. As of December 31, 2016 the rate was 2.218%.</td>
<td>1,158,935</td>
<td></td>
</tr>
<tr>
<td>Revenue bond due in monthly installments ranging from $195,936 in January 2044 to $389,091 in October 2046. Interest is paid monthly at a variable rate of 67% of One-Month Libor, plus 1.8%. As of December 31, 2016 the rate was 2.218%.</td>
<td>186,747</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 4  LONG-TERM DEBT (CONTINUED)

Joint Industrial Development Authority of Northampton County and its Incorporated Towns, Revenue Bond, Series 2016D, assigned to M&T Bank.

Revenue bond due in monthly installments ranging from $8,064 in January 2020 to $42,449 in December 2041. Interest is paid monthly at a variable rate of 67% of One-Month LIBOR, plus 1.8%. As of December 31, 2016 the rate was 2.218%.

$ 131,815  $ -

Note payable due in monthly installments ranging from $3,857 in May 2013 to $4,171 in April 2017. Interest is paid monthly at a rate of 2.0%.

16,641  65,490

Less: Current Portion
(2,634,149)  (2,616,568)

Less: Unamortized Deferred Financing Costs
(1,609,589)  (1,001,788)

$ 74,486,058  $ 76,072,819

Series 2007 Bonds

In November 2007, the Community issued a note in the amount of $9,000,000 to refinance borrowings under the Towne Bank line of credit. The note was issued to the Economic Development Authority of the City of Williamsburg which in turn assigned the note and payments to Towne Bank. The note is due September 1, 2037 and bears interest at a rate of 3.9%. The Bond was reset during 2016 and bears interest at a rate of 2.58% as of December 31, 2016.

In December 2007, the Community issued a note in the amount of $5,515,000 to refund the Series 2003B Bonds. The 2003B Bonds were repaid in March 2008. The note was issued to the Industrial Development Authority of Mathews County which in turn assigned the note and payments to Chesapeake Bank. The note is due March 1, 2037. Through November 30, 2012, the Series 2007 Bonds bore interest at 4.2%. On December 1, 2012, the interest rate was adjusted to equal the rate on the 5-year United States Treasury Bond plus .2%, with a floor of 2.25%.
NOTE 4  LONG-TERM DEBT (CONTINUED)

Series 2011 Bonds
In December 2011, the Community issued a note in the amount of $10,000,000 to finance construction of the Landing Building. The note was issued to the Industrial Development Authority of Mathews County, Virginia which in turn issued Revenue Bonds, Series 2011A, and Series 2011B (collectively, the “2011 Bonds”) in the same amount and then assigned the note and payments to Towne Bank. As of December 31, 2016, the Community had an outstanding balance of approximately $9,300,000 on the 2011 Bonds.

Annual payments of principal were due beginning December 15, 2013. Interest is payable monthly at a rate of 70% of the one-month LIBOR plus 1.30% (subject to a minimum rate of 2.90%) during a draw down period which ended December 1, 2013. During the draw down period, the Community could elect to convert the interest payable from a variable rate as described above to a fixed rate for re-occurring terms of three, five, seven or ten-year periods as the Community chooses, until the final maturity date of the Series 2011 Bonds in December 2041. During fiscal year 2013, $5,000,000 of the Series 2011 Bonds were converted to fixed rate bonds at a rate of 3.5%.

Series 2012 Bonds
On January 26, 2012, the Community issued a note in the amount of $7,500,000 to finance the renovations of the Landing Building. The note was part of a financing plan totaling $17.5 million, including the Series 2011A and Series 2011B Bonds (see above). The note was issued to the Industrial Development Authority of Mathews County, Virginia, which in turn issued Revenue Bond (Williamsburg Landing Project) Series 2012 in the same amount, and then assigned the note and payments to Towne Bank. Annual payments of principal were due beginning December 15, 2013. Interest is payable monthly at a rate of 70% of the 1 month LIBOR plus 1.30% (subject to a minimum rate of 2.90%) during a draw down period which ended December 1, 2013. During the draw down period, the Community could elect to convert the interest payable from a variable rate as described above to a fixed rate for re-occurring terms of three, five, seven or ten-year periods as the Community chooses, until the final maturity date of the Series 2012 Bonds in December 2041. As of December 31, 2016, the Community had an outstanding balance of approximately $6,980,000 on the 2012 Bonds.

On December 19, 2012, the Community issued a note in the amount of $3,300,000, the proceeds of which were used to partially refund the then outstanding Series 2003 Bonds. The note was issued to the Industrial Development Authority of Essex County, Virginia which in turn issued Revenue and Refunding Bonds, Series 2012B, in the same amount and then assigned the note and payments to Union First Market Bank. Semiannual payments of principal were due beginning September 1, 2015.
NOTE 4  LONG-TERM DEBT (CONTINUED)

Series 2012 Bonds (Continued)
Interest is payable monthly at a fixed rate of 2.4%. All outstanding principal and interest amounts are due March 1, 2018.

On December 19, 2012, the Community issued a note in the amount of $4,820,000, the proceeds of which were used to partially refund the then outstanding Series 2003 Bonds. The note was issued to the Economic Development Authority of the City of Williamsburg, Virginia which in turn issued Revenue and Refunding Bonds, Series 2012C, in the same amount and then assigned the note and payments to Union First Market Bank. Semiannual payments of principal are due beginning March 1, 2018. Interest is payable monthly at a fixed rate of 2.4%. All outstanding principal and interest amounts are due March 1, 2021.

On December 19, 2012, the Community issued a note in the amount of $10,000,000, the proceeds of which were used to partially refund the then outstanding Series 2003 Bonds. The note was issued to the Economic Development Authority of the Gloucester County, Virginia which in turn issued Revenue and Refunding Bonds, Series 2012D, in the same amount and then assigned the note and payments to M&T Bank. Monthly payments of principal were due beginning April 1, 2013. Interest is payable monthly at a fixed rate of 2.99%. All outstanding principal and interest amounts are due March 1, 2023. The Series 2012D Bonds are subject to mandatory prepayment on March 1, 2021, unless otherwise extended under mutually agreeable terms to the lender and the Community.

The Series 2012 A, B, C and D Bond documents all contain yield protection provisions which would trigger an adjustment to the interest rate if certain conditions (such as a decrease in the maximum federal corporate tax rate, the bond no longer qualifying as a tax-exempt obligation, an event of default, etc.) occur.

Series 2013 Bonds
On January 10, 2013, the Community issued a note in the amount of $9,780,000, the proceeds of which were used to partially refund the then outstanding Series 2003 Bonds. The note was issued to the Industrial Development Authority of Mathews County, Virginia which in turn issued Revenue and Refunding Bonds, Series 2013A, in the same amount and then assigned the note and payments to M&T Bank. Regular monthly payments of principal are due beginning April 1, 2026. Interest is payable monthly at a fixed rate of 3.05%. All outstanding principal and interest amounts are due December 1, 2031.

On January 10, 2013, the Community issued a note in the amount of $3,680,000, the proceeds of which were used to partially refund the then outstanding Series 2003 Bonds. The note was issued to the Economic Development Authority of James City County, Virginia which in turn issued Revenue and Refunding Bonds, Series 2013B, in the same amount and then assigned the note and payments to M&T Bank. Regular monthly payments of principal are due beginning April 1, 2026. Interest is payable monthly at a fixed rate of 3.05%. All outstanding principal and interest amounts are due March 1, 2032.

The Series 2013A and 2013B Bonds are subject to mandatory prepayment on March 1, 2021 and March 1, 2029, unless otherwise extended under mutually agreeable terms to the lender and the Community.
NOTE 4  LONG-TERM DEBT (CONTINUED)

Series 2015 Bonds
On June 4, 2015, the Community issued a note in the amount of $10,000,000, the proceeds of which were used to refund a portion of the then outstanding Series 2005 Bonds, financing certain preliminary and pre-development expenditures related to expansion, and financing certain costs of issuance. The note was issued to the Joint Industrial Development Authority of Northampton County and its Incorporated Towns which in turn issued a Revenue and Refunding Bond, Series 2015A, in the same amount and then assigned the note and payments to M&T Bank. Regular monthly payments of principal were due beginning January 1, 2016. Interest is payable monthly at a fixed rate of 3.03%. All outstanding principal and interest amounts are due September 1, 2039.

On June 4, 2015, the Community issued a note in the amount of $10,000,000, the proceeds of which were used to refund a portion of the then outstanding Series 2005 Bonds, financing certain preliminary and pre-development expenditures related to expansion, and financing certain costs of issuance. The note was issued to the Industrial Development Authority of Mathews County, Virginia which in turn issued a Revenue and Refunding Bond, Series 2015B, in the same amount and then assigned the note and payments to M&T Bank. Regular monthly payments of principal were due beginning January 1, 2016. Interest is payable monthly at a fixed rate of 3.03%. All outstanding principal and interest amounts are due September 1, 2039.

Series 2016 Bonds
On October 18, 2016, the Community issued a note in the amount of $10,000,000, to finance the construction, renovation and equipping of expanded memory care, assisted living and rehabilitation units and facilities at the Woodhaven health complex. The note was issued to the Economic Development Authority of Mathews County, Virginia, Revenue Bond, Series 2016A, in the same amount and then assigned the note and payments to Towne Bank. Semi-annual payments of principal will be due beginning March 1, 2019. Interest is payable semi-annually at a variable rate of 67% of One-Month LIBOR, plus 1.8%. As of December 31, 2016, $185,941 was drawn on the bond. All outstanding principal and interest payments are due September 1, 2046.

On October 18, 2016, the Community issued a note in the amount of $10,000,000, to finance the construction, renovation and equipping of expanded memory care, assisted living and rehabilitation units and facilities at the Woodhaven health complex. The note was issued to the Economic Development Authority of Lancaster County, Virginia, Revenue Bond, Series 2016B, in the same amount and then assigned the note and payments to M&T Bank. Monthly payments of principal will be due beginning January 1, 2041. Interest is payable monthly at a variable rate of 67% of One-Month LIBOR, plus 1.8%. As of December 31, 2016, $1,158,935 was drawn on the bond. All outstanding principal and interest amounts are due December 1, 2044.
NOTE 4  LONG-TERM DEBT (CONTINUED)

Series 2016 Bonds (Continued)

On October 18, 2016, the Community issued a note in the amount of $10,000,000, to finance the construction, renovation and equipping of expanded memory care, assisted living and rehabilitation units and facilities at the Woodhaven health complex. The note was issued to the Economic Development Authority of the City of Williamsburg, Virginia, Revenue Bond, Series 2016C, in the same amount and then assigned the note and payments to M&T Bank. Monthly payments of principal will be due beginning January 1, 2044. Interest is payable monthly at a variable rate of 67% of One-Month LIBOR, plus 1.8%. As of December 31, 2016, $186,747 was drawn on the bond. All outstanding principal and interest payments are due October 1, 2046.

On October 18, 2016, the Community issued a note in the amount of $8,758,630, to finance the construction, renovation and equipping of expanded memory care, assisted living and rehabilitation units and facilities at the Woodhaven health complex. The note was issued to the Joint Industrial Development Authority of Northampton County and its Incorporated Towns Revenue Bond, Series 2016D, in the same amount and then assigned the note and payments to M&T Bank. Monthly payments of principal will be due beginning January 1, 2020. Interest is payable monthly at a variable rate of 67% of One-Month LIBOR, plus 1.8%. As of December 31, 2016, $131,815 was drawn on the bond. All outstanding principal and interest payments are due December 1, 2041.

All Requisitions submitted after the Closing Date shall be paid, in accordance with the procedures and subject to the conditions as set forth in the agreement, first from the remaining Series 2016B Bond proceeds until all such Series 2016B Bond proceeds are advanced, then from the Series 2016C Bond proceeds until all such Series 2016C Bond proceeds are advanced and then from the Series 2016D Bond proceeds until all such Series 2016D Bond proceeds are advanced. Any costs of the Project unpaid after all the proceeds of the Series 2016B, 2016C and 2016D Bonds have been advanced shall be paid from the proceeds of the Series 2016A Bond or from capital contributions made by the Company.

2012 Note Payable

On March 2, 2012, the Community received notice from the James City County Office of Housing and Community Development that they were awarded a loan in the amount of $192,564 to pay for the costs of an exterior lighting replacement project. The project consisted of the replacement of approximately 279 metal halide and high pressure sodium fixtures, with LED fixtures, throughout the 125-acre campus.

The loan bears interest at an annual fixed rate of 2%. There was a twelve-month grace period after closing where the Community is not charged any interest or required to make payments. When the grace period ended, the Community was required to make forty-eight monthly payments of $4,178 beginning May 1, 2013 until the loan is paid off on April 1, 2017. At December 31, 2016, the outstanding balance of the note payable was $16,641.
NOTE 4  LONG-TERM DEBT (CONTINUED)

The following table sets forth the principal payments due under the long-term debt issuances:

<table>
<thead>
<tr>
<th>Year Ending December 31,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$ 2,634,149</td>
</tr>
<tr>
<td>2018</td>
<td>2,668,382</td>
</tr>
<tr>
<td>2019</td>
<td>3,162,373</td>
</tr>
<tr>
<td>2020</td>
<td>3,244,429</td>
</tr>
<tr>
<td>2021</td>
<td>3,408,224</td>
</tr>
<tr>
<td>Thereafter</td>
<td>63,594,239</td>
</tr>
<tr>
<td>Total</td>
<td>$ 78,729,796</td>
</tr>
</tbody>
</table>

The notes related to the Series 2007, Series 2011A and Series 2011B Bonds, all of the Series 2012 Bonds, the Series 2013 Bonds, the Series 2015 Bonds, and the Series 2016 Bonds require assignment of the revenues and receipts to be derived from the operation of the Community including all advance fees received from the residents. Additionally, the Deeds of Trust accompanying the notes are collateralized by an assignment of substantially all assets, as defined in the Deeds of Trust.

During the year ended December 31, 2014, the Community had a line of credit with a financial institution for an amount up to $1,000,000. The line was secured by the assets of the Community and accrued interest at a rate of one-month LIBOR plus 1.5% with monthly interest only payments. The line of credit expired on May 31, 2015 and was subsequently renewed until May 31, 2017. There were no outstanding balances at December 31, 2016 and 2015.

The assets held by the Trustee under the Bond Indenture Agreement for years ended December 31, 2016 and 2015 are as follows:

<table>
<thead>
<tr>
<th>Project Fund</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$ 2,218,427</td>
</tr>
</tbody>
</table>

The Master Trust Indenture agreement contains certain covenants for the Community including, among other things, requirements that days cash on hand (as defined) is in excess of 120 days for certain reporting periods and that the sum of debt service income (as defined) be not less than 120% of maximum annual debt service (as defined). At December 31, 2016, management believes the Community was in compliance with these covenant requirements.

During 2016 and 2015, the Community paid approximately $2,293,000 and $3,173,000, respectively, for interest.
NOTE 5  ADVANCE FEES AND DEPOSITS

A refundable deposit of $10,000 is made by the prospective resident which places the future resident on a “ready status list.” These deposits are held in an escrow account and can be used to fund operations under specified conditions.

At the time a residency agreement is executed the $10,000 advance deposit is applied towards the then due entrance fee. Generally, the entrance fees are refundable from the proceeds of a successor resident’s deposit. When a resident terminates their residency agreement while residing in Independent Living, the resident is not entitled to a refund of such resident’s advance fee until the Community has received from a new successor resident full payment of the entrance fee with respect to the residential unit previously occupied by the terminating resident. For those residents residing in Woodhaven, when their Independent Living unit has been “resold,” the resident is entitled to a refund of such resident’s advance fee within 30 days of the termination of the residency agreement.

Effective May 15, 1997, the Community established the Williamsburg Landing Continuing Care Trust (the “Trust Fund”) by placing funds in a trust account with SunTrust Bank (currently U.S. Bank is the Trustee). The Trust Fund was established to satisfy the Community’s continuing care obligations to provide assisted living, long-term and skilled nursing care services to the qualified residents of its facility participating in the program.

Monthly, the residents participating in the program pay a fee into the Trust Fund. Income earned on the investments in the Trust Fund is restricted to cover the costs of the program. Amounts in the Trust Fund will be used to provide for discounted rates in assisted living and nursing care. No portion of the Trust Fund is available to the Community for purposes other than those limited purposes set forth in the agreement establishing the Trust Fund. As provided in the residency agreements, the financial obligation of the Community with respect to the program is limited to the amount in the Trust Fund. On January 1, 2007, the program became optional for new residents. After December 31, 2007, the program was closed to new residents.
WILLIAMSBURG LANDING, INC. AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NOTE 6  TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

<table>
<thead>
<tr>
<th>Section</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement of Facilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memorial Garden</td>
<td>$1,310</td>
<td>$1,089</td>
</tr>
<tr>
<td>Library Fund</td>
<td>5,478</td>
<td>6,598</td>
</tr>
<tr>
<td>Other</td>
<td>13,352</td>
<td>26,560</td>
</tr>
<tr>
<td></td>
<td>20,140</td>
<td>34,247</td>
</tr>
<tr>
<td>Resident Care:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benevolence Fund</td>
<td>1,137,669</td>
<td>1,160,137</td>
</tr>
<tr>
<td>Nursing Scholarship</td>
<td>12,716</td>
<td>47,404</td>
</tr>
<tr>
<td>Other</td>
<td>276,207</td>
<td>31,916</td>
</tr>
<tr>
<td></td>
<td>1,426,592</td>
<td>1,239,457</td>
</tr>
<tr>
<td>Charitable Gift Annuities</td>
<td>83,986</td>
<td>105,902</td>
</tr>
<tr>
<td>Flower Fund</td>
<td>111,639</td>
<td>111,639</td>
</tr>
<tr>
<td></td>
<td>$1,642,357</td>
<td>$1,491,245</td>
</tr>
</tbody>
</table>

Permanently restricted net assets are restricted for the following purposes:

<table>
<thead>
<tr>
<th>Section</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library Fund</td>
<td>$30,360</td>
<td>$30,360</td>
</tr>
<tr>
<td>Chapel Fund</td>
<td>1,280</td>
<td>1,280</td>
</tr>
<tr>
<td></td>
<td>$31,640</td>
<td>$31,640</td>
</tr>
</tbody>
</table>

NOTE 7  FUNCTIONAL EXPENSES

The Community provides residential services to its residents which include independent living, assisted living, and certain nursing services. Expenses related to providing these services are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Services</td>
<td>$21,980,948</td>
<td>$20,425,568</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>9,468,694</td>
<td>10,055,259</td>
</tr>
<tr>
<td></td>
<td>$31,449,642</td>
<td>$30,480,827</td>
</tr>
</tbody>
</table>
NOTE 8  FAIR VALUE MEASUREMENTS

The Community uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Community measures fair value refer to Note 1 - Organization and Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the consolidated balances of the assets of the Community measured at fair value on a recurring basis as of December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th>Assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>$18,792,722</td>
<td>-</td>
</tr>
<tr>
<td>Assets Limited as to Use:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>146,060</td>
<td>-</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>11,343,244</td>
<td>-</td>
</tr>
<tr>
<td>Total Assets Measured at Fair Value</td>
<td>$30,282,026</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets</th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>$18,378,329</td>
<td>-</td>
</tr>
<tr>
<td>Assets Limited as to Use:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>152,580</td>
<td>-</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>11,249,031</td>
<td>-</td>
</tr>
<tr>
<td>Bond Funds</td>
<td>30,107</td>
<td>-</td>
</tr>
<tr>
<td>Equity Funds</td>
<td>8,703</td>
<td>-</td>
</tr>
<tr>
<td>Total Assets Measured at Fair Value</td>
<td>$29,818,750</td>
<td>-</td>
</tr>
</tbody>
</table>

The Community had $1,435,064 and $3,344,316 of cash and cash equivalents included with assets whose use is limited on the consolidated balance sheets at December 31, 2016 and 2015, respectively, which are not included in the above table. Additionally, the above table does not include certificates of deposit of $1,250,002 and $4,002,781 included with investments on the consolidated balance sheets at December 31, 2016 and 2015, respectively.
NOTE 9  CONCENTRATIONS OF CREDIT RISK

The Community places its temporary cash and investments with high credit quality financial institutions. At times, such cash and investments may be in excess of FDIC limits. Management believes these financial institutions have strong credit ratings and that credit risk related to those deposits is minimal.

NOTE 10  RELATED PARTY TRANSACTIONS

During 2016 and 2015, two members of the Community's Board of Directors served as board members of a financial institution or its affiliate. Balances on deposit with this financial institution totaled approximately $454,000 and $1,698,000 at December 31, 2016 and 2015, respectively. In addition, the Community has a serial coupon bond outstanding which has been assigned to this financial institution with a balance of approximately $5,515,000 at December 31, 2016 and 2015.

A member of the Community's Board of Directors is on the Board of another financial institution with which the Community does business. Balances on deposit with this financial institution totaled approximately $744,000 and $548,000 at December 31, 2016 and 2015, respectively. In addition, the Community maintains a line of credit with this financial institution (no outstanding balances at December 31, 2016 and 2015) and has outstanding notes payable with total balances of approximately $24,511,000 and $24,885,000 at December 31, 2016 and 2015, respectively.

Two non-voting officers of the Community's Board of Directors, serving the roles of Secretary and Assistant Secretary, respectively, are partners with a legal firm that provides legal services to the Community. These officers are not Board members. Fees paid to the legal firm for the years ended December 31, 2016 and 2015 totaled approximately $235,000 and $236,000, respectively.

NOTE 11  BENEVOLENT ASSISTANCE

The Community has a benevolence assistance program directed towards residents who are unable to pay for the cost of their care. The Community uses certain funds designated for benevolence assistance to subsidize the charges for services provided to residents who need such assistance. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. The charges for subsidized services are recorded as revenue, and the subsidies are recorded as benevolence assistance expense.
NOTE 11 BENEVOLENCE ASSISTANCE (CONTINUED)

The Community has estimated its direct and indirect costs of providing benevolence assistance under its benevolence assistance policy. In order to estimate the cost of providing such care, management calculated a cost-to-charge ratio by comparing the cost to provide services to residents and amount charged to residents. The cost-to-charge ratio is applied to the charges foregone to calculate the estimated direct and indirect cost of providing benevolence assistance. Using this methodology, the Community has estimated the costs for services under the Community's benevolence assistance policy to be approximately $129,000 and $126,000 for the years ended December 31, 2016 and 2016, respectively.

The Community received approximately $168,000 and $472,000 to subsidize the costs of providing benevolence assistance under its benevolence assistance policy for the years ended December 31, 2016 and 2015.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Litigation
The Community is subject to legal proceedings and claims which arise in the ordinary course of business. The Community maintains liability insurance coverage for claims made during the policy year. Under a claims-made policy, determination of coverage is triggered by the date the insured first becomes aware and notifies the insurer of a claim or potential claim. In management's opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for unasserted claims not covered by the policy and any other uninsured liability.

Construction Contracts
As of December 31, 2016 the Community has entered into commitments amounting to approximately $33,589,000 related to the Woodhaven health complex. As of December 31, 2016 the Community has incurred approximately $5,225,000.

NOTE 13 SUBSEQUENT EVENTS

In February 2017, the Community entered into two interest rate swap agreements with a financial institution for a notational amount of $10,000,000 each. The transaction is to limit the effect of increases in the interest rates of floating rate debt for the Series 2016B and 2016C Bonds for a current swap rate (fixed rate) of 3.5% on a monthly basis beginning February 1, 2018.
## WILLIAMSBURG LANDING, INC. AND AFFILIATES
### CONSOLIDATING BALANCE SHEETS
### DECEMBER 31, 2016

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Williamsburg Landing, Inc.</th>
<th>Birchwood Land, LLC</th>
<th>Williamsburg Landing Home Health, LLC</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,182,787</td>
<td>$50,156</td>
<td>$274,524</td>
<td>$</td>
<td>$1,507,467</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>1,136,129</td>
<td>13</td>
<td>148,758</td>
<td>(635,190)</td>
<td>449,710</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>322,910</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>322,910</td>
</tr>
<tr>
<td>Supplies Inventory</td>
<td>208,828</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>208,828</td>
</tr>
<tr>
<td>Prepaid Expenses and Other</td>
<td>172,751</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>172,751</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>3,025,405</td>
<td>50,169</td>
<td>423,282</td>
<td>(635,190)</td>
<td>2,661,666</td>
</tr>
<tr>
<td><strong>INVESTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20,042,724</td>
</tr>
<tr>
<td>Extremly Restricted Under Residency Agreements (held by Escrow Agents)</td>
<td>632,091</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>632,091</td>
</tr>
<tr>
<td>Extremly Restricted by Donor:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library Fund</td>
<td>35,838</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35,838</td>
</tr>
<tr>
<td>Flower Fund</td>
<td>111,629</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>111,629</td>
</tr>
<tr>
<td>Other</td>
<td>240,818</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>240,818</td>
</tr>
<tr>
<td>Restricted Under Continuing Care Plan Agreement (held by Trustee)</td>
<td>9,337,308</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,337,308</td>
</tr>
<tr>
<td>Benevolence Fund:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated for Resident Care</td>
<td>1,263,320</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,263,320</td>
</tr>
<tr>
<td>Extremly Restricted by Donor</td>
<td>1,137,669</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,137,669</td>
</tr>
<tr>
<td></td>
<td>2,400,989</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,400,989</td>
</tr>
<tr>
<td>Charitable Gift Annuities</td>
<td>151,901</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>151,901</td>
</tr>
<tr>
<td>Other</td>
<td>13,784</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,784</td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT, LESS ACCUMULATED DEPRECIATION OF APPROXIMATELY $85,525,000 IN 2016</strong></td>
<td>108,713,446</td>
<td>402,277</td>
<td>-</td>
<td>-</td>
<td>108,715,723</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in Joint Venture</td>
<td>150,400</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150,400</td>
</tr>
<tr>
<td>Deferred Marketing Costs, Less Accumulated</td>
<td>105,705</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>105,705</td>
</tr>
<tr>
<td>Amortization of Approximately $565,000 in 2016</td>
<td>159,841</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>159,841</td>
</tr>
<tr>
<td>Pledges Receivable</td>
<td>850,946</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>850,946</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>1,655,589</td>
<td>452,446</td>
<td>423,282</td>
<td>(635,190)</td>
<td>1,455,598,427</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$145,557,889</td>
<td>$452,446</td>
<td>$423,282</td>
<td>(835,190)</td>
<td>$145,598,427</td>
</tr>
</tbody>
</table>
### LIABILITIES AND NET ASSETS (DEFICIT)

<table>
<thead>
<tr>
<th></th>
<th>Williamsburg Landing, Inc.</th>
<th>Birchwood Land, LLC</th>
<th>Williamsburg Landing Home Health, LLC</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>$2,485,939</td>
<td>231,823</td>
<td>633,019</td>
<td>$ (835,190)</td>
<td>$2,515,611</td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>456,296</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>465,296</td>
</tr>
<tr>
<td>Accrued Annual Leave</td>
<td>452,850</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>452,850</td>
</tr>
<tr>
<td>Retainage Payable</td>
<td>272,324</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>272,324</td>
</tr>
<tr>
<td>Refundable Reservation Deposits</td>
<td>328,080</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>326,000</td>
</tr>
<tr>
<td>Advance Fee Deposits</td>
<td>632,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>632,000</td>
</tr>
<tr>
<td>Refundable Woodhaven Advance Fees</td>
<td>10,800,739</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,800,739</td>
</tr>
<tr>
<td>Interest Payable</td>
<td>69,167</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>69,167</td>
</tr>
<tr>
<td>Current Portion of Long-Term Debt</td>
<td>2,634,149</td>
<td>-</td>
<td>-</td>
<td>(835,190)</td>
<td>2,634,149</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>18,130,484</td>
<td>231,823</td>
<td>633,019</td>
<td>(835,190)</td>
<td>18,160,136</td>
</tr>
</tbody>
</table>

**LONG-TERM DEBT, LESS CURRENT PORTION**

|                      | 74,486,058                  | -                   | -                                     | -            | 74,486,058   |

**OTHER LIABILITIES**

|                      | 9,337,308                   | -                   | -                                     | -            | 9,337,308    |
| Deferred Revenue from Advance Fees, Less Current Portion | 30,775,732               | -                   | -                                     | -            | 30,775,732   |
| Refundable Advance Fees, Net of Current Portion | 66,595,316                | -                   | -                                     | -            | 66,595,316   |
| Gift Annuity Payment Liabilities | 67,915                    | -                   | -                                     | -            | 67,915       |
| **Total Other Liabilities** | 106,775,271               | -                   | -                                     | -            | 106,775,271  |
| **Total Liabilities** | 199,392,813                | 231,823             | 633,019                               | (835,190)    | 199,422,465  |

**NET ASSETS (DEFICIT)**

|                    | (55,508,921)               | 220,623             | (209,737)                            | -            | (55,498,035) |
|                    | 1,642,357                  | -                   | -                                     | -            | 1,642,357    |
|                    | 31,640                     | -                   | -                                     | -            | 31,640       |
| **Total Net Assets (Deficit)** | (55,634,924)              | 220,623             | (209,737)                            | -            | (55,824,038) |

**Total Liabilities and Net Assets (Deficit)**

|                      | $145,557,889               | $452,446             | $423,282                              | (835,190)    | $145,588,427 |
WILLIAMSBURG LANDING, INC. AND AFFILIATES
CONSOLIDATING STATEMENTS OF OPERATIONS AND
CHANGES IN UNRESTRICTED NET ASSETS (DEFICIT)
YEAR ENDED DECEMBER 31, 2016

<table>
<thead>
<tr>
<th>UNRESTRICTED REVENUES, GAINS AND</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER SUPPORT</td>
</tr>
<tr>
<td>Residential Services, Including Amortization of Deferred Revenue from Advance Fees of Approximately $3,570,000 in 2016</td>
</tr>
<tr>
<td>Health Care Services</td>
</tr>
<tr>
<td>Investment Income</td>
</tr>
<tr>
<td>Other (Includes Net Assets Released from Restrictions for Benevolence of Approximately $120,000 for the Year Ended December 31, 2016)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administrative</td>
</tr>
<tr>
<td>Facilities, Grounds, and Security</td>
</tr>
<tr>
<td>Marketing and Public Relations</td>
</tr>
<tr>
<td>Development</td>
</tr>
<tr>
<td>Environmental Services</td>
</tr>
<tr>
<td>Materials Management</td>
</tr>
<tr>
<td>Culinary Services</td>
</tr>
<tr>
<td>Skilled Nursing Facility</td>
</tr>
<tr>
<td>Human Resources</td>
</tr>
<tr>
<td>Assisted Living Facility</td>
</tr>
<tr>
<td>Home Care Services</td>
</tr>
<tr>
<td>Ambulatory Services</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Fitness Center</td>
</tr>
<tr>
<td>Activities</td>
</tr>
<tr>
<td>Resident Services</td>
</tr>
<tr>
<td>Utilities</td>
</tr>
<tr>
<td>Store</td>
</tr>
<tr>
<td>Property Taxes</td>
</tr>
<tr>
<td>Benevolence</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>Amortization of Deferred Costs</td>
</tr>
<tr>
<td>Interest</td>
</tr>
<tr>
<td><strong>Excess (Deficit) of Revenues, Gains and Other Support Under Expenses</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INCOME (LOSS) FROM OPERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss on Investment in Joint Venture</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXCESS (DEFICIT) OF REVENUES, GAINS AND OTHER SUPPORT UNDER EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,390,856)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER CHANGES IN UNRESTRICTED NET ASSETS (DEFICIT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Change in Unrealized Gains on Investments</td>
</tr>
<tr>
<td>Net Assets Released for Capital Purchases</td>
</tr>
<tr>
<td><strong>Decrease (Increase) in Unrestricted Net Deficit</strong></td>
</tr>
</tbody>
</table>
APPENDIX D

PRO-FORMA OF REVENUES
AND
EXPENSES STATEMENT
## Williamsburg Landing Inc.

### 2017 Pro Forma Income Statement

<table>
<thead>
<tr>
<th>Operating Revenues:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Living Revenue</td>
<td>14,316,655</td>
</tr>
<tr>
<td>Assisted Living Revenue</td>
<td>4,454,576</td>
</tr>
<tr>
<td>Skilled Nursing</td>
<td>7,408,568</td>
</tr>
<tr>
<td>Ancillary Revenue/ Contractual</td>
<td>167,196</td>
</tr>
<tr>
<td><strong>Total Monthly Fees</strong></td>
<td>26,346,995</td>
</tr>
<tr>
<td>Home Health Revenue</td>
<td>820,000</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>890,176</td>
</tr>
<tr>
<td>Net Assets Released for Benevolence</td>
<td>112,180</td>
</tr>
<tr>
<td>Investment Income</td>
<td>426,996</td>
</tr>
<tr>
<td>Earned Entrance Fees</td>
<td>3,667,678</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>32,264,025</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration, Business Office, IT</td>
<td>2,273,510</td>
</tr>
<tr>
<td>Marketing &amp; Public Relations</td>
<td>1,111,912</td>
</tr>
<tr>
<td>Development</td>
<td>130,564</td>
</tr>
<tr>
<td>Human Resources</td>
<td>478,661</td>
</tr>
<tr>
<td>Operations: Medical Services</td>
<td>6,369,911</td>
</tr>
<tr>
<td>Operations: Other Services</td>
<td>10,919,863</td>
</tr>
<tr>
<td>Property (Insurance, Taxes, Utilities)</td>
<td>1,844,735</td>
</tr>
<tr>
<td>Resident Services</td>
<td>394,739</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>6,692,957</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>2,285,010</td>
</tr>
<tr>
<td>Benevolence Expenses</td>
<td>222,240</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>32,724,102</td>
</tr>
</tbody>
</table>

**Net Income (Loss)**                             (460,077)
Notes to the Pro Forma:

The proposed 2017 budget is driven by several key themes: a monthly service fee increase by 2.75% for Independent Living Residents; a 3% increase for Woodhaven services which increase supports the rising costs of high quality care and staffing while maintaining competitive pricing; the slight increase of other ancillary fees across the campus to correspond to rising costs; and investing in Independent Living upgrades and campus improvements.
### Key Financial Indicators ($1,000’s)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Income</strong></td>
<td>$4,423</td>
<td>$3,742</td>
<td>$4,098</td>
<td>$3,752</td>
<td>$2,337</td>
<td>$3,264</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>18.2%</td>
<td>-6.5%</td>
<td>9.2%</td>
<td>60.5%</td>
<td>-28.4%</td>
<td>-15.9%</td>
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</tr>
<tr>
<td><strong>Net Operating Margin</strong></td>
<td>16.2%</td>
<td>14.7%</td>
<td>16.4%</td>
<td>15.2%</td>
<td>10.4%</td>
<td>10.6%</td>
<td>8.8%</td>
</tr>
<tr>
<td><strong>Net Operating Margin-Adjusted</strong></td>
<td>29.1%</td>
<td>24.8%</td>
<td>32.4%</td>
<td>32.0%</td>
<td>23.2%</td>
<td>22.7%</td>
<td>22.8%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>($460)</td>
<td>($144)</td>
<td>($1,264)</td>
<td>($446)</td>
<td>($780)</td>
<td>($1,152)</td>
<td></td>
</tr>
<tr>
<td><strong>Cash Flow</strong></td>
<td>$1,252</td>
<td>($2,446)</td>
<td>$1,060</td>
<td>($1,484)</td>
<td>$1,102</td>
<td>($323)</td>
<td></td>
</tr>
<tr>
<td><strong>Debt Coverage Ratio</strong></td>
<td>1.89</td>
<td>1.41</td>
<td>2.23</td>
<td>2.30</td>
<td>1.70</td>
<td>1.43</td>
<td>1.86</td>
</tr>
<tr>
<td><strong>Days Cash on Hand</strong></td>
<td>313</td>
<td>365</td>
<td>397</td>
<td>350</td>
<td>403</td>
<td>327</td>
<td>338</td>
</tr>
<tr>
<td><strong>Cash to Debt Ratio</strong></td>
<td>29%</td>
<td>27%</td>
<td>33%</td>
<td>30%</td>
<td>34%</td>
<td>29%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>Average Age of Plant (years)</strong></td>
<td>11.0</td>
<td>10.8</td>
<td>10.4</td>
<td>11.5</td>
<td>12.4</td>
<td>11.9</td>
<td>10.6</td>
</tr>
</tbody>
</table>

*2016p Cash Flow excludes Woodhaven expansion expenditures
*2017b Cash Flow excludes Marclay Road Property expenditures