



2000 Cambridge Avenue, Wyomissing, PA 19610-2714
(610) 775-2300

DISCLOSURE STATEMENT

As of
June 30, 2009

Filed
October 31, 2009

The Highlands at Wyomissing, a Continuing Care Retirement Community,
is owned and operated by
The Highlands at Wyomissing,
a Pennsylvania Not-For-Profit Corporation

THE ISSUANCE OF A CERTIFICATE OF AUTHORITY BY THE INSURANCE DEPARTMENT OF PENNSYLVANIA DOES NOT CONSTITUTE THAT DEPARTMENT'S APPROVAL, RECOMMENDATION OR ENDORSEMENT OF THE HIGHLANDS AT WYOMISSING, NOR IS IT EVIDENCE OF, NOR DOES IT ATTEST TO, THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT.

NOTICE

This Statement is provided in accordance with the provisions of The Pennsylvania Continuing Care Provider Regulation and Disclosure Act 40 P.S. Paragraph 3201 et seq and was filed with the office of the Insurance Commissioner, Commonwealth of Pennsylvania, Office of Regulation of Companies, 1345 Strawberry Square, Harrisburg, Pennsylvania 17120 on October 31, 2009, as the annual update of the original statement filed on August 26, 1987.

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SUMMARY OF INFORMATION

1. The facility name and address:

The Highlands at Wyomissing
2000 Cambridge Avenue
Wyomissing, PA 19610-2714

2. The name and address of the licensed provider is the same as above.

3. The name, location, and telephone number of the person to be contacted to discuss admissions is:

Residential - Jodi A. Gibble, Director of Marketing
Healthcare - Danielle L. Hammer, LSW, NHA, Director of Health Services
The Highlands at Wyomissing
2000 Cambridge Avenue
Wyomissing, PA 19610-2714
(610) 775-2300

4. The Highlands at Wyomissing is located on approximately 113 acres on the eastern side of Cambridge Avenue in the southernmost section of the Borough of Wyomissing in Berks County, Pennsylvania. Access is from Cambridge Avenue directly opposite Logan Avenue.

The property is southwest of the City of Reading in a suburban area close to U.S. Route 222 and PA Route 724, adjoining Spring Township, Cumru Township, and Shillington Borough.

Adjoining the immediate parcel on which The Highlands at Wyomissing is built is open property, which is part of the Borough of Wyomissing's parklands.

The Highlands at Wyomissing consists of 250 residential living apartments (ranging from studio to two-bedroom deluxe), 28 two-and three-bedroom duplex cottages, 12 three-bedroom with den single family homes (including the Farmstead), central activity, dining, and meeting spaces, the Fitness Center, as well as an 80-bed Medicare-certified nursing care facility (which includes 18 cognitive care beds), and a 70-apartment personal care center. The residential living apartments and personal care residences are in two and three-floor elevator serviced buildings. Commons and the nursing care facility are in one-story buildings. All are interconnected.

5. The Highlands at Wyomissing will provide housing and continuing care services for individuals age sixty-two (62) and older. In double occupancy situations, services will be provided where one occupant is age sixty-two (62) or older and the other occupant is at least age fifty-five (55). The Highlands at Wyomissing will provide up to three (3) accommodations for contract residents who wish to have a dependent child under the age of sixty-two (62) live in their residence. A "dependent child" is an adult child, forty (40) to sixty-one (61) years of age, who requires parental support and supervision to live in a residential setting. A dependent child who qualifies is dependent due to a disability.

6. The Highlands at Wyomissing is a joint venture organized as a not-for-profit Pennsylvania Corporation qualified as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Highlands at Wyomissing is directly related by board structure to The Lutheran Home at Topton and The Reading Hospital. It is separate and freestanding but has a Board made up of a total of 15 directors, seven from each joint venture partner (i.e., The Lutheran Home at Topton and The Reading Hospital), plus the president of the Resident Council of The Highlands at Wyomissing.

The Lutheran Home at Topton is a long-term care provider located in northeastern Berks County (Topton). The Reading Hospital, the parent of The Reading Hospital and Medical Center, is a health care provider located in central Berks County (West Reading).

On July 23, 2009, The Reading Hospital purchased The Lutheran Home at Topton's interest in The Highlands at Wyomissing.

7. As of June 30, 2009, The Highlands at Wyomissing had a resident population as follows:

	<u>Occupants</u>
Residential Living	326
Personal Care	66
Nursing Care	76

8. A sample of the current fees charged to residents for occupancy of a one-bedroom residential living apartment is as follows:

	<u>Single Occupancy</u>	<u>Double Occupancy</u>
Standard Entrance Fee	\$127,900	\$169,900
Monthly Service Fee	\$ 2,330	\$ 3,515

This summary is necessarily brief. Please read the full Disclosure Statement and the attached Residence and Care Agreement, for additional details.

DIRECTORS AND OFFICERS

The following persons have been duly elected to the Board of Directors from nominees provided by the joint venture partners as of June 30, 2009:

Steve A. Bobick, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Chair of the Board of Directors. He is also Chair of The Highlands' Executive Committee. Mr. Bobick was nominated by The Lutheran Home at Topton. He is the owner of UtiliTech, Inc.

Anita Lewis Chaney, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors and The Highlands' Marketing Committee. Mrs. Chaney was nominated by The Lutheran Home at Topton. She is active in numerous community efforts including being a member of the June Roedel Community General Hospital Scholarship Committee of the Berks County Community Foundation and Community General Healthcare Fund of Berks County Community Foundation. She is a member of the Board of Trustees of the YMCA of Reading and Berks County, and currently a Director, as well as a past Chairman and member, of the Board of Trustees of the Foundation Board of Community General Hospital and a director of the Community General Corporate Board of Trustees. Currently she is serving as a Director of the Wyomissing Alumni Association Board of Directors.

The Honorable Elizabeth Ehrlich, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. She was nominated by The Reading Hospital where she is a life member of the Board of Directors. She is a senior judge from the Court of Common Pleas of Berks County where she presides in juvenile court, orphans' court and family court. She serves on various community boards.

Steven I. Finkel, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Treasurer and Member of the Board of Directors. He serves as the Chief Financial Officer, Senior Vice President of Finance, and Treasurer of The Reading Hospital and Medical Center, its subsidiaries and affiliates.

Paul F. Lilienthal, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. He was nominated by The Lutheran Home at Topton. He is retired from AT&T where he was in engineering management. He serves on various community boards.

The Reverend Daun E. McKee, Ph.D., The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. He is a designated member of the Board by virtue of his position as President and CEO of Diakon Lutheran Social Ministries.

Margaret S. McShane, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Vice Chair of the Board of Directors and Chair of The Highlands' Marketing Committee. She was nominated by The Reading Hospital where she is a member of the Board of Directors and a member of the Board of Directors of The Friends of Reading Hospital and Medical Center.

The Rev. Fred S. Opalinski, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. He was nominated by The Lutheran Home at Topton. He is the Senior Pastor of Trinity Lutheran Church in Reading.

David P. Reinsel, CPA, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. He is the Chair of The Highlands' Finance Committee. Mr. Reinsel was nominated by The Lutheran Home at Topton. He is a founding partner of Reinsel Kuntz Lesher LLP.

Paul R. Roedel, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. He was nominated by The Lutheran Home at Topton. He is the retired Chairman and CEO of Carpenter Technology Corporation. Mr. Roedel serves on various community boards and is an active member of the Berks Business Education Coalition, the Goggle Works, and the Wyomissing Foundation.

John W. Roland, Esquire, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Secretary of the Board of Directors. He is also a former Chair of the Board and the current Chair of The Highlands' Planning Committee. Attorney Roland was nominated by The Reading Hospital. He is the Managing Partner at Roland & Schlegel, LLC. and serves on various community boards.

Elizabeth B. Rothermel, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. She was nominated by The Reading Hospital where she is a member of the Board of Directors and a member of the Board of Directors of The Friends of The Reading Hospital and Medical Center.

Col. George L. Spuhler, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. He is a designated member of the Board by virtue of his position as President of the Residents' Council of The Highlands at Wyomissing.

Charles B. Sullivan, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. He is a designated member of the Board by virtue of his position as President Emeritus of The Reading Hospital and Medical Center.

David L. Thun, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

Member of the Board of Directors. He is a former Chair of The Highlands' Board of Directors. Mr. Thun was nominated by The Reading Hospital. He is the retired Chairman and CEO of Magnatech International, L.P. and serves on various community boards.

The following person has been duly elected as an officer but is not a member of the Board of Directors:

James E. Adamowicz, The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA 19610-2714

President, was elected by the Board to that position. He serves the Board as President of The Highlands at Wyomissing.

No Board of Directors members or officers have affiliated contracts, or criminal/injunctive actions.

There are no corporate trustees.

The Highlands at Wyomissing is a self-managed corporation.

The Highlands at Wyomissing is a non-stock corporation with no shareholders.

There have been two subsequent changes to the Directors and Officers since June 30, 2009. As a result of The Reading Hospital purchasing The Lutheran Home at Topton's interest in The Highlands at Wyomissing on July 23, 2009, Mr. Paul F. Lilienthal and The Rev. Daun E. McKee, Ph.D. are no longer members of the Board of Directors.

The following persons were members of The Highlands at Wyomissing's Executive Staff on June 30, 2009:

James E. Adamowicz, President
Emily W. Boyle, PHR, Manager of Human Resources
Kevin P. DeAcosta, Chief Financial Officer
Danielle Hammer, LSW, Director of Health Services
Jodi A. Gible, Director of Marketing
Mary Beth Kelly, Director of Resident & Community Services
Stephen R. Murray, Director of Food Services

None of the directors, officers, or executives listed above have a 10% or greater equity interest in or of The Highlands at Wyomissing or beneficial interest by providing goods, leases, or services to the facility of a value of \$500 or more, nor have any been convicted of a felony or pleaded nolo contendere to a felony charge.

The Highlands is affiliated with The Lutheran Home at Topton and The Reading Hospital. The affiliates have no direct financial responsibility for The Highlands at Wyomissing.

Subsequent Events

The Highlands has evaluated subsequent events through October 9, 2009. Management reviews and identifies subsequent events through participation at meetings of the Board of Directors and its subcommittees.

During July 2009, The Reading Hospital acquired the remaining 50% interest in The Highlands from The Lutheran Home at Topton. This represented a change in control as The Reading Hospital now controls 100% of The Highlands.

On July 15, 2009, The Highlands borrowed \$38,900,000 in the form of a Promissory Note from The Reading Hospital. The proceeds from this Note were used to repay the existing debt of The Highlands effectively curing the covenant violation at June 30, 2009. This Note is due on August 1, 2039 and bears interest at the Revenue Bond Interest Rate plus 1.50%.

FACILITY AND SERVICES PROVIDED

The Highlands at Wyomissing is a Type A Continuing Care Retirement Community (CCRC) offering a full range of residential, lifestyle, and health care services.

The 250 residential living apartments consist of 9 studio, 56 one-bedroom, 1 one-bedroom grand, 71 one-bedroom with den, 1 one-bedroom with den grand, 57 two-bedroom, 6 two-bedroom combo, 3 Plus, 13 two-bedroom special, 12 two-bedroom extended, 3 two-bedroom with den consolidated, 15 two-bedroom with den, and 3 two-bedroom deluxe units. Residential living also includes 13 two-bedroom, 15 three-bedroom duplex cottages, 12 three-bedroom with den single-family homes (including the Farmstead), various community and activity rooms, storage areas, and laundry facilities.

The residential living apartment Monthly Service Fee includes:

- Bi-weekly Housekeeping
- Cable Television
- Centrally Located Washers and Dryers
- Indoor/Outdoor Maintenance
- Landscaping
- Linen for Bed and Bath Furnished and Laundered Weekly
- Long-Term Care
- Security Personnel on Duty
- Semi-Private Room in Nursing Care or a Studio in Personal Care
- Social/Recreational Activities
- One Meal per Day
- Transportation
- Utilities (except Telephone)
- 24-hour Emergency Medical Response

Services available for an additional charge include:

- Cafe
- Gift Shop
- Guest Apartment
- Guest Meals
- Hair Care Center
- Maintenance (non-routine)
- Meals (additional)
- Medical Supplies (in Nursing Care and Personal Care)
- Pharmacy (in Nursing Care and Personal Care)
- Room Service (unless medically necessary)
- Storage Lockers (additional)
- Therapies
- Transportation (non-scheduled/non-medical)
- Educational Seminars

Note: The Monthly Service Fee for cottage residents includes all services and amenities that are available to residential living apartment residents, with the following exceptions:

- Linens are not furnished or laundered for cottage residents.
- Cottage residents receive ten (10) meals per month.
- Cottage residents pay their own electric/gas bills.

An 80-bed Medicare-certified nursing care facility (which includes 18 cognitive care beds), and a 70-apartment personal care center provide health care, which, together with the residential living apartments and cottages, completes the continuum of service in an atmosphere of security and comfort.

A one-time Entrance Fee is charged upon admission. (See Schedule of Entrance Fees on pages 9 and 10).

All services provided, plus benefits and conditions imposed, are set forth in the Residence and Care Agreement. A complete copy is provided as Exhibit I to this document.

**THE HIGHLANDS AT WYOMISSING
SCHEDULE OF ENTRANCE FEES**

Apartment/Cottage Size	1/1/2004 ³			1/1/2005 ⁴		1/1/2006 ⁵	
	Basic	Health	Total	Standard ⁷	Or EPR ⁸	Standard ⁷	Or EPR ⁸
Studio	\$56,630	\$24,270	\$80,900	\$86,900	\$108,900	\$92,900	\$116,900
One Bedroom	\$76,230	\$32,670	\$108,900	\$114,900	\$143,900	\$120,900	\$151,900
One Bedroom w/Den and 1 1/2 Baths	\$102,130	\$43,770	\$145,900	\$154,900	\$193,900	\$162,900	\$203,900
One Bedroom Grand	n / a	n / a	n / a	n / a	n / a	n / a	n / a
One Bedroom w/Den Grand	n / a	n / a	n / a	n / a	n / a	n / a	n / a
Two Bedroom, 2 Baths	\$114,030	\$48,870	\$162,900	\$169,900	\$212,900	\$174,900	\$218,900
Plus	\$123,130	\$52,770	\$175,900	\$181,900	\$227,900	\$188,900	\$236,900
Two Bedroom Extended & Two Bedroom Special	\$144,130	\$61,770	\$205,900	\$212,900	\$266,900	\$220,900	\$276,900
Two Bedroom w/Den Consolidated	\$151,130	\$64,770	\$215,900	\$222,900	\$278,900	\$230,900	\$288,900
Two Bedroom w/Den	\$162,330	\$69,570	\$231,900	\$238,900	\$298,900	\$246,900	\$308,900
Two Bedroom Deluxe	\$172,130	\$73,770	\$245,900	\$253,900	\$317,900	\$264,900	\$331,900
Two Bedroom Cottage	\$165,130	\$70,770	\$235,900	\$248,900	\$311,900	\$266,900	\$333,900
Three Bedroom Cottage	\$200,130	\$85,770	\$285,900	\$294,900	\$368,900	\$306,900	\$383,900
Farmstead	\$279,930	\$119,970	\$399,900	\$411,900	\$514,900	\$432,900	\$541,900
Gaelsong Cottage	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹ Add \$17,500 for second person Entrance Fee, divided proportionately between Basic and Health Fund.

² Add \$20,000 for second person Entrance Fee, divided proportionately between Basic and Health Fund.

³ Add \$30,000 for second person Entrance Fee, divided proportionately between Basic and Health Fund.

⁴ Add \$35,000 for second person Entrance Fee to the Standard Entrance Fee or 25% to the Estate Preservation (EPR) option Entrance Fee.

⁵ Add \$40,000 for second person Entrance Fee to the Standard Entrance Fee or 25% to the Estate Preservation (EPR) option Entrance Fee.

⁶ Add \$42,000 for second person Entrance Fee to the Standard Entrance Fee.

⁷ Standard Entrance Fee, with no refund after 50 months of occupancy.

⁸ Estate Preservation (EPR) option, 30% guaranteed refund of the Standard Entrance Fee. The remainder of the EPR Entrance Fee is amortized over 50 months.

⁹ Effective January 1, 2008, the Estate Preservation (EPR) option is no longer offered.

**THE HIGHLANDS AT WYOMISSING
SCHEDULE OF ENTRANCE FEES**

Apartment/Cottage Size	1/1/2007 ⁵		1/1/2008 ⁶		1/1/2009 ⁶	
	Standard ⁷	Or EPR ⁸	Standard ⁷	Standard ⁷	Standard ⁷	Standard ⁷
Studio	\$95,900	\$119,900	\$95,900		\$98,900	
One Bedroom	\$124,900	\$156,900	\$124,900		\$127,900	
One Bedroom w/Den and 1 1/2 Baths	\$167,900	\$209,900	\$167,900		\$169,900	
One Bedroom Grand	\$169,900	\$212,900	\$169,900		\$171,900	
One Bedroom w/Den Grand	\$173,900	\$217,900	\$173,900		\$176,900	
Two Bedroom, 2 Baths Plus	\$179,900	\$224,900	\$179,900		\$181,900	
Two Bedroom Extended & Two Bedroom Special	\$229,900	\$287,900	\$229,900		\$231,900	
Two Bedroom w/Den Consolidated	\$239,900	\$299,900	\$239,900		\$241,900	
Two Bedroom w/Den	\$259,900	\$324,900	\$259,900		\$261,900	
Two Bedroom Deluxe	\$276,900	\$346,900	\$276,900		\$285,900	
Two Bedroom Cottage	\$279,900	\$349,900	\$279,900		\$285,900	
Three Bedroom Cottage	\$319,900	\$399,900	\$319,900		\$326,900	
Farmstead	\$449,900	\$562,900	\$449,900		\$456,900	
Gaelsong Cottage	n / a	n / a	n / a		\$443,900	

¹ Add \$17,500 for second person Entrance Fee, divided proportionately between Basic and Health Fund.

² Add \$20,000 for second person Entrance Fee, divided proportionately between Basic and Health Fund.

³ Add \$30,000 for second person Entrance Fee, divided proportionately between Basic and Health Fund.

⁴ Add \$35,000 for second person Entrance Fee to the Standard Entrance Fee or 25% to the Estate Preservation (EPR) option Entrance Fee.

⁵ Add \$40,000 for second person Entrance Fee to the Standard Entrance Fee or 25% to the Estate Preservation (EPR) option Entrance Fee.

⁶ Add \$42,000 for second person Entrance Fee to the Standard Entrance Fee.

⁷ Standard Entrance Fee, with no refund after 50 months of occupancy.

⁸ Estate Preservation (EPR) option, 30% guaranteed refund of the Standard Entrance Fee. The remainder of the EPR Entrance Fee is amortized over 50 months.

⁹ Effective January 1, 2008, the Estate Preservation (EPR) option is no longer offered.

**The Highlands at Wyomissing
Schedule of Monthly Service Fees**

Apartment/Cottage Size	1/1/2004		1/1/2005		1/1/2006	
	Single	Double	Single	Double	Single	Double
Studio	\$1,515	n/a	\$1,575	n/a	\$1,645	n/a
One Bedroom	\$1,870	\$2,815	\$1,945	\$2,930	\$2,035	\$3,060
One Bedroom w/Den and 1 1/2 Baths	\$2,005	\$2,955	\$2,085	\$3,075	\$2,180	\$3,215
One Bedroom Grand	n/a	n/a	n/a	n/a	n/a	n/a
One Bedroom w/Den Grand	n/a	n/a	n/a	n/a	n/a	n/a
Two Bedroom, 2 Baths	\$2,145	\$3,105	\$2,230	\$3,230	\$2,330	\$3,375
Plus	\$2,320	\$3,270	\$2,415	\$3,400	\$2,525	\$3,555
Two Bedroom Extended & Two Bedroom Special	\$2,385	\$3,335	\$2,480	\$3,470	\$2,590	\$3,625
Two Bedroom w/Den Consolidated	\$2,665	\$3,630	\$2,770	\$3,775	\$2,895	\$3,945
Two Bedroom w/Den	\$2,665	\$3,630	\$2,770	\$3,775	\$2,895	\$3,945
Two Bedroom Deluxe	\$2,720	\$3,685	\$2,830	\$3,830	\$2,955	\$4,000
Two Bedroom Cottage	\$2,580	\$3,510	\$2,685	\$3,650	\$2,805	\$3,815
Three Bedroom Cottage	\$3,000	\$3,925	\$3,120	\$4,080	\$3,260	\$4,265
Farmstead	\$3,155	\$3,940	\$3,280	\$4,100	\$3,430	\$4,285
Gaelsong Cottage	n/a	n/a	n/a	n/a	n/a	n/a
Apartment/Cottage Size	1/1/2007		1/1/2008		1/1/2009	
	Single	Double	Single	Double	Single	Double
Studio	\$1,720	n/a	\$1,790	n/a	\$1,890	n/a
One Bedroom	\$2,125	\$3,200	\$2,210	\$3,330	\$2,330	\$3,515
One Bedroom w/Den and 1 1/2 Baths	\$2,280	\$3,360	\$2,370	\$3,495	\$2,500	\$3,685
One Bedroom Grand	\$2,365	\$3,480	\$2,460	\$3,620	\$2,595	\$3,820
One Bedroom w/Den Grand	\$2,490	\$3,595	\$2,590	\$3,740	\$2,730	\$3,945
Two Bedroom, 2 Baths	\$2,435	\$3,525	\$2,530	\$3,665	\$2,670	\$3,865
Plus	\$2,640	\$3,715	\$2,745	\$3,865	\$2,895	\$4,080
Two Bedroom Extended & Two Bedroom Special	\$2,705	\$3,790	\$2,815	\$3,940	\$2,970	\$4,155
Two Bedroom w/Den Consolidated	\$3,025	\$4,125	\$3,145	\$4,290	\$3,320	\$4,525
Two Bedroom w/Den	\$3,025	\$4,125	\$3,145	\$4,290	\$3,320	\$4,525
Two Bedroom Deluxe	\$3,090	\$4,180	\$3,215	\$4,345	\$3,390	\$4,585
Two Bedroom Cottage	\$2,930	\$3,985	\$3,045	\$4,145	\$3,210	\$4,375
Three Bedroom Cottage	\$3,405	\$4,455	\$3,540	\$4,635	\$3,735	\$4,890
Farmstead	\$3,585	\$4,480	\$3,730	\$4,660	\$3,935	\$4,915
Gaelsong Cottage	n/a	n/a	n/a	n/a	\$4,400	\$5,305

Fees may be adjusted periodically, normally not more frequently than annually.
Residents will receive a 30-day written notice of fee adjustments.

The Highlands at Wyomissing
Rate Schedule for Miscellaneous Fees
Effective: January 1, 2009

Description	Amount	Frequency
<u>Health & Wellness (Apartments and Cottages Only)</u>		
Residential Visits:		
First 48 hours of managed care after return from hospital, acute illness, etc.	No charge	
Regular visit	\$12.00	15 min
Supply charge for dressing changes	Varies based on supplies used	
B-12 Injections/supplies	Varies based on supplies used	
Medication Delivery:		
Daily or Twice Daily	\$27.00	Per week
Three or Four Times Daily	\$36.00	Per week
Medi-planner (Staff Re-Orders)	\$27.00	Per week
Pre-filled Medi-planner (Delivery)	\$10.00	Per week
Residential Unit Vital Signs:		
Daily	\$18.00	Per week
Twice Daily	\$32.00	Per week
Three or Four Times Daily (in residence)	\$4.50	Per visit
Three or Four Times Daily (in office)	\$3.50	Per visit
<u>Food Service</u>		
Additional Resident Meals – Residential	\$15.50	Per meal
Café	Varies	
Guest Meal – Residential	\$16.00	Per meal
Healthcare – Guest Meals:		
Nursing Care		
Breakfast	\$5.00	Per meal
Noon	\$11.00	Per meal
Evening	\$11.00	Per meal
Assisted Living		
Breakfast	\$5.00	Per meal
Noon – Full Meal	\$11.00	Per meal
Light Meal	\$8.00	Per meal
Evening	\$11.00	Per meal
Tray Service – Medically necessary	No charge	
Tray Service – Non medical reasons	\$7.00	Per meal

The Highlands at Wyomissing
Rate Schedule for Miscellaneous Fees
Effective: January 1, 2009

Description	Amount	Frequency
<u>Other</u>		
Away Allowance – Residential	\$7.75	Per day
Away Allowance – Apartment Resident Healthcare	\$5.75	Per day
Away Allowance – Cottage Resident Healthcare	\$10.00	Per day
Bed-making Fees	\$5.00	Per service
Cable Television – Basic Service	No charge	
Durable Medical Equipment	Prevailing rates	
Educational Enrichment	\$26.00	Per session
Guest Apartment	\$80.00	Per night
Healthcare Meals (Contract residents only – after health fund depletion)		
Apartment Residents	\$12.00	Per day
Cottage Residents	\$21.00	Per day
Maintenance Fees (billable in quarter hour increments)		
Light Maintenance	\$20.00	Per hour
Regular Maintenance	\$27.00	Per hour
Technical Maintenance	\$32.00	Per hour
Medical Supplies	Prevailing rates	
Rehabilitative supplies	Prevailing rates	
Medicare Co-insurance	Medicare rates	
Medicare Deductibles	Medicare rates	
Nutritional Supplements	Prevailing rates	
Oxygen (Healthcare only)	Prevailing rates	Per day
Storage Locker Rental	\$250.00	Per year
Telephone (Healthcare only)		
Assisted Living – Local Service	\$19.99	Per month
Assisted Living – Long Distance	Prevailing rates	Per minute
Nursing – Local Service	No charge	
Nursing – Long Distance	Prevailing rates	Per minute
Toiletry Items	Prevailing rates	
Therapy (provided in The Highlands' Rehab Center)		
Occupational Therapy	Medicare rates	
Physical Therapy	Medicare rates	
Speech Therapy	Medicare rates	

The Highlands at Wyomissing
Rate Schedule for Miscellaneous Fees
Effective: January 1, 2009

Description	Amount	Frequency
<u>Transportation</u>		
Bus trips Involving a Charge (within a 10 mile radius)	\$4.00	Per trip
Medical Trips within a 10 mile radius during normally scheduled business hours	No charge	
Medical trips scheduled to occur during other than normally scheduled business hours will be billed at the Non Medical transportation rates – see below		
Non Medical within a 10 mile radius		
Standard passenger vehicle	\$20.00	Per trip
Wheel chair van	\$30.00	Per trip
Non Medical outside a 10 mile radius (during normally scheduled business hours - minimum 1 hour)		
Standard passenger vehicle	\$27.00	Per hour
Plus	IRS pub. rates	Per mile
Wheel chair van	\$37.00	Per hour
Plus	IRS pub. rates	Per mile
Non Medical (weekends and evenings – initial 2 hours of service)		
Standard passenger vehicle	\$65.00	Per trip
Each additional hour	\$27.00	Per hour
Wheel chair van	\$75.00	Per trip
Each additional hour	\$37.00	Per hour
Travel Companion (Nursing/Assisted Living)	Prevailing rates	Per hour
Valet Services:		
Bus Services		
Funeral services during normal business hours	\$100.00	Per trip
Funeral services - weekends and evenings (minimum 2 hours)	\$125.00	Per trip
Each additional hour	\$27.00	Per hour
Car Services		
Reserved trips outside a 50 mile radius (Initial 4 hours of service)	\$125.00	Per trip
Each additional hour	\$27.00	Per hour

The Highlands at Wyomissing
Schedule of Monthly Service Fees
Effective: January 1, 2009

Description	Amount	Frequency
<u>Highlands Hair Care Center (Tips are Included in Prices)</u>		
Shampoo & Style	\$25.00	Each
Shampoo & Cut with Style	47.00	Each
Women's Haircut	\$20.00 & Up	Each
Men's Haircut	\$15.00 & Up	Each
Permanent Wave (with deep rich conditioner)	\$75.00 & Up	Each
Hair Tint (with deep rich conditioner)	\$28.00	Each
Frosting with Shampoo & Style	\$65.00	Each
Manicure	\$17.00	Each
Color Rinse or Hair and Scalp Treatment	\$5.00	Each
Re-comb Hair Style	\$10.00	Each

RESERVE FUNDS

Reserves have been established to ensure the performance of The Highlands at Wyomissing's contractual obligations under the provisions of the Continuing Care Provider Registration and Disclosure Act. These reserves were in excess of \$3,273,288 on June 30, 2009.

THE HIGHLANDS AT WYOMISSING
Pro-Forma Statements of Operations (Current and Revised)
June 30, 2009 and June 30, 2010

	Current Pro-Forma 2009	Current Actual 2009	Revised Pro-Forma 2010
Revenue, gains, and other support			
Residential services, including amortization of entrance fees	\$ 15,348,404	\$ 14,810,452	\$ 16,237,004
Net patient service revenue	5,229,123	5,517,384	5,761,440
Investment income	1,750,000	(5,771,271)	700,000
Other income	846,981	691,457	804,050
Net assets released from restrictions for operations	-	8,556	-
Total revenue, gains, and other support	<u>23,174,508</u>	<u>15,256,578</u>	<u>23,502,494</u>
Expenses			
General and administrative	2,130,800	2,144,494	2,326,295
Marketing	445,500	301,812	510,720
Support services	3,324,756	3,272,620	3,403,772
Food service	3,662,883	3,610,482	3,602,496
Health care	5,436,498	5,658,452	5,627,793
Utilities	966,875	885,873	1,009,440
Real estate taxes	1,121,916	1,108,310	1,318,248
Depreciation and amortization	2,465,768	2,422,870	2,585,682
Interest expense	<u>2,581,592</u>	<u>1,677,662</u>	<u>2,746,018</u>
Total expenses	<u>22,136,588</u>	<u>21,082,575</u>	<u>23,130,464</u>
Operating (loss) income	1,037,920	(5,825,997)	372,030
Non-operating income			
Realized and unrealized losses on swap contracts	-	(2,826,388)	-
Surplus (Deficiency) of expenses over revenue	1,037,920	(8,652,385)	372,030
Change in unrealized gains on investments	<u>-</u>	<u>(1,032,632)</u>	<u>-</u>
Change in unrestricted net assets	<u>1,037,920</u>	<u>(9,685,017)</u>	<u>372,030</u>

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Notes to Pro-Forma Statements of Operations

For the fiscal year ended June 30, 2009 total revenues, gains, and other support were \$7,917,930 less than those budgeted. An unfavorable investment income variance of (\$7,521,271) resulted from dramatic declines in investment results.

Actual expenditures for the fiscal year ended June 30, 2009 were \$1,054,013 less than budgeted. Total expenses were impacted by an accounting reclassification required by the adoption of Financial Accounting Standards (FAS) 161 “disclosures about derivative instruments and hedging activities.” This entry reclassified \$1,328,000 of interest expense associated with the swap contracts from the line item “interest expense” to the line item “unrealized losses on swap contracts” and needs to be considered when reviewing operating results.

The combination of the unfavorable actual 2009 total revenues, gains, and other support and favorable total expense variances resulted in an actual 2009 operating loss of (\$5,825,997) which was significantly less than the planned results for the fiscal year.

Significant unfavorable non-operating losses impacted the organizations financial performance for June 30, 2009 which reported a deficit or reduction in unrestricted net assets for the year of (\$9,685,017).

Pro-Forma 2010 reflects an anticipated increase in total revenues, gains, and other support and an increase in total expenses from actual 2009 results. The anticipated increase in total revenues, gains, and other support is based upon conservative assumptions used to estimate investment income and stable occupancy levels in all business lines. The anticipated increase in total expenses primarily reflects conservative assumptions used to project inflationary increases.

Due to the complexities of predicting changes in interest rate and stock market conditions, the change in fair value of derivative instruments and change in unrealized gains (losses) on investments are not included in Pro-Forma 2010 projections.

NOTICE OF RIGHT TO RESCIND

The Continuing Care Provider Registration and Disclosure Act states that a prospective resident shall have the right to rescind the Residence and Care Agreement, as follows:

Prospective Resident(s) Name(s)

Date rescission period begins _____

You may rescind and terminate your Residence and Care Agreement, without penalty or forfeiture, within seven (7) days of the above date. You are not required to move into the continuing care facility before the expiration of this seven-day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind your agreement within the seven (7) day period.

To rescind your Residence and Care Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to: The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA, 19610-2714, not later than midnight of _____ (the last day for rescission).

Pursuant to this notice, I hereby cancel my Residence and Care Agreement.

DATE

PROSPECTIVE RESIDENT'S SIGNATURE

_____(If more than one Prospective Resident)

PROSPECTIVE RESIDENT'S SIGNATURE

A Notice of Right to Rescind form is also attached to and made a part of the Residence and Care Agreement.