



## 2024 Disclosure Statement

**FILED**  
**Commonwealth of Virginia**  
**State Corporation Commission**  
**Bureau of Insurance**  
**April 30, 2024**  
**Commissioner of Insurance**  
**BY: Sarowar Jahan**





## 2024 Disclosure Statement

Patriots Colony, Inc. D.B.A. Patriots Colony. Continuing Care Retirement  
Community registration statement and disclosure statement.

The filing of this disclosure statement with the State Corporation Commission does  
not constitute approval, recommendation, or endorsement of the community-based  
continuing care program by the State Corporation Commission.



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# I. The Organization Introduction and Information

## A. The Organization and Its Operation

Patriots Colony, Inc., 6000 Patriots Colony Drive, Williamsburg, VA 23188-1396 is a nonprofit Virginia nonstock corporation organized to plan, develop, and operate a continuing care retirement community located on property on Route 5, approximately 5 miles west of the city of Williamsburg, in James City County, Virginia.

Patriots Colony, Inc., was incorporated on June 8, 1993, as a nonprofit, nonstock corporation and became a member corporation of the parent Riverside Healthcare Association, Inc., which generally uses the name Riverside Health System or Riverside in January 1995. It is a nonprofit, nonstock Virginia corporation organized to plan and provide a multitude of healthcare services.

Patriots Colony believes in a preventive and proactive approach to wellness in an environment that promotes independence, well-being, and quality of life. Our approach to healthful living is holistic – encompassing body, mind, and spirit – and that philosophy resonates throughout our community. This commitment echoes Riverside Health System’s fundamental vision for older adults, which is “As I age, I will control my destiny in a place of my choosing.”

Our focus is on providing a broad array of services for our residents, including development of an active lifestyle and a secure environment. Patriots Colony supports and enhances the highest degree of independence appropriate to each individual resident. A copy of Riverside’s Philosophy Statement and Statement of Mission, Vision and Values are presented in Appendix F.





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# **I. The Organization Introduction and Information**

## **B. Not-for-Profit Status**

Patriots Colony, Inc., was incorporated on June 8, 1993, as a nonprofit, nonstock corporation in Virginia. The purpose of organizing Patriots Colony, Inc. was to plan, develop and operate an affordable continuing care retirement community primarily for retired officers of the uniformed services, federal employees, their spouses, widows, and widowers and those with a close association to the above.

In January 1995, Patriots Colony, Inc. elected to become a nonprofit member corporation in the Riverside Healthcare Association, Inc. trading as Riverside Health System (Riverside). Riverside approved this reorganization in January 1995 as well. Riverside is a nonstock, nonprofit, Virginia corporation organized to plan and provide a multitude of health care-related services.

Patriots Colony, Inc. has received exemption from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

## **C. Affiliations**

Patriots Colony, Inc. was incorporated June 8, 1993, as a nonprofit, nonstock corporation and became a member corporation of Riverside Healthcare Association in January 1995. The specific affiliation between the two corporations is limited to the following:

1. Patriots Colony, Inc. has as its sole member Riverside Healthcare Association.
2. Riverside Healthcare Association elects the board members for Patriots Colony, Inc.

There exists no direct or indirect responsibility of Riverside Healthcare Association for the financial or contractual obligations of Patriots Colony, Inc.

## **D. Licensure**

Patriots Colony, Inc. is licensed to provide continuing care in Virginia in accordance with Commonwealth law. The license is issued by the Virginia Bureau of Insurance.

Patriots Colony is also licensed by the Virginia Department of Social Services to operate a 68-bed assisted living facility comprised of Patriots Colony Berkeley Assisted Living and Springhouse Memory Support.

Patriots Colony is also licensed by the Virginia Department of Health to operate a 60-bed nursing home, which is certified for Medicare participation.

## **E. Credit Rating**

In October 2023, S&P Global Ratings assigned Riverside Health System its 'A-' long-term rating with a stable outlook.





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## II. Facility Introduction and Information

### A. Physical Location and Capacity

Riverside Healthcare Association Inc. holds title to the real property, which includes 90+ acres fronting State Route 5 in James City County, west of the City of Williamsburg. Patriots Colony, Inc. owns the buildings and improvements to the property.

The property is bounded by Greensprings Plantation Historical Site on the north and east, Route 5 on the south and a low contour of a steep ravine on the west side.

The community's first phase consisted of 150 residential living units in several single-story buildings and one five-story apartment building attached to the Cannon Community Center via enclosed walkways. Patriots Colony added eight additional villas in 1999 bringing the total residential living units to 158. Thirty-four assisted living apartments and 60 nursing care facility beds were attached to the community center. The substantial completion date for Phase I of Patriots Colony was December 1996.

During 2001-2004, Patriots Colony completed construction of 24 single-family homes built on approximately 15 acres in the northwest section of the property. Residents of these homes enter into continuing care contracts as independent living residents at Patriots Colony.





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## II. Facility Introduction and Information

Expansion of the assisted living residence building opened in July 2004. Total assisted living apartments increased from 34 to 68.

Renovation and expansion of the community center was completed in November 2010.

Patriots Colony broke ground for the Presidents Pavilion in November 2016. These three buildings located close to the Cannon Community Center feature 60 independent living apartments. Each building has ground floor covered parking and four levels of five apartments each centered around a lounge for residents. Residents moved into Presidents Pavilion during the fall of 2018.

In 2023 the assisted living facility was certified by CARF International.

The approximate distribution of square footage for the above is as follows:

Residential living units (242)	533,454 square feet
Community center building	55,000 square feet
Assisted living and nursing home	96,724 square feet

Expansion and renovations of the dining rooms, kitchen, and tavern were completed in March of 2018.

### B. Board of Directors

A voluntary board of directors appointed by Riverside Health System at its annual meeting manages the business and affairs of Patriots Colony, Inc. The current members of the board of directors, any office they hold in the corporation, and their principal business affiliation and addresses are shown in the following listing. See Appendix B for any changes since this annual update.





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## II. Facility Introduction and Information

### Patriots Colony at Williamsburg BOARD OF DIRECTORS 2022

**Major General Celia (Cecie) L. Adolphi,  
USA (Retired)**  
110 Heathery  
Williamsburg, VA 23188

**Lieutenant General Jared L. Bates,  
USA (Retired) – Vice Chairman**  
3017 Margaret Jones Lane  
Williamsburg, VA 23185

**Colonel Michael T. Chase  
(Retired)**  
153 Oak Hollow  
Williamsburg, VA 23188

**Major General Robert J. Courter Jr,  
USAF (Retired)**  
2080 Hornes Lake Road  
Williamsburg, VA 23185

**William B. Downey**

**Executive Vice Chairman**  
*Non-Voting Member*  
Riverside Health System  
701 Town Center Drive  
Suite 1000  
Newport News, VA 23606

**Robert Nutwell  
Resident Council Rep.**  
2224 Patriots Colony Drive  
Williamsburg VA 23188

**Ed Heckler  
Senior Vice  
President,**  
*Nonvoting Member*

1020 Old Denbigh Blvd., Suite 1020A  
Newport News, VA 23602

**Julie Bayly  
Executive Director**  
*Nonvoting Member*  
Patriots Colony  
6000 Patriots Colony Drive  
Williamsburg, VA 23188

**Diana Jarrett  
Chief Nursing Officer, LLH**  
Riverside Lifelong  
Health  
Mintonville Point  
Suffolk, VA 23435

**Thomas F. Morehouse, III**  
2222 Chesapeake Avenue  
Hampton, VA 23661

**Eric Harrell**  
6301 Thomas Paine Dr.  
Williamsburg, VA 23188

**Major General Stephen Silvasy Jr,  
USA (Retired)**  
104 Dunes  
Williamsburg, VA 23188

**Brig. General Daniel J. Sherlock,  
USAF (Retired) - Chairman**  
2693 Jockey's Neck Trail  
Williamsburg, VA 23185

**Brig. General Philip G. Stowell,  
USA (Retired)**  
314 Colony Trail  
Lanexa, VA 23185

**Colonel Paul Treola, USA (Retired)**  
3017 Kitchums Close  
Williamsburg, VA 23185



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## II. Facility Introduction and Information

### C. Executive Staff



**Julie Bayly**

**Executive Director of Patriots Colony at Williamsburg.** Julie Bayly re-joined PCAW in October 2021. Julie started with Riverside in 1999 as the Administrator of Patriots Colony overseeing the health care operations. Julie continued her career with Riverside as the Administrator for Riverside Convalescent Center Saluda and later as the Administrator for Sanders Retirement Village. Julie is thoroughly familiar with the operational and business needs of Patriots Colony as well as within the health system and will be responsible for providing leadership, direction and administration of day-to-day operations associated with

the PCAW campus to increase visibility and engagement within the community. Julie holds a degree in health care administration and is a licensed nursing home administrator.



**Ed Heckler, PT, MSHA**

**SVP/President, Riverside Lifelong Health,** joined the Riverside team in 1997. Throughout his many positions, he has remained dedicated to high quality, patient-centered care, interdisciplinary collaboration, and the operational success of the organization. His over 23 years of experience across the health care spectrum, from physical therapist to manager to multi-department director, gives him a unique and valuable perspective. In his

current role, Ed oversees Riverside's nursing facilities, assisted living facilities, continuing care retirement communities, home health, hospice agencies, wellness centers and rehabilitation services. Under his leadership, nursing facilities received an average four-star rating under the five-star CMS rating system, in addition to achieving the Virginia Health Care Association Bronze Award for Quality Improvement in four facilities. Prior to his current role as President of Lifelong Health and Aging Related Services, Ed served as Administrator of Riverside Rehabilitation Institute, a 50-bed acute rehabilitation hospital, creating significant financial and patient satisfaction improvements. He holds a Bachelor's degree of Science in Physical Therapy from the University of Buffalo and a Master of Science in Health Care Administration from Virginia Commonwealth University. Ed lives in York County with his wife and two children.



**Diana Jarett, RN, LNHA, CIC, QCP Chief Nursing Officer, Lifelong Health**

Diana Jarett is the Chief Nursing Officer of Riverside Lifelong Health Services. She joined Riverside in 2020 bringing over 35 years' experience in long-term care and post-acute care services. Diana has a diverse background having served as Director of Nursing, Administrator, Director of Clinical Operations & Quality and a Regional Executive Administrator of skilled and assisted living facilities. Diana was tasked as the Enterprise Director of Project Administration where she successfully transitioned 14 facilities from paper to electronic records. She was a guest panelist at the 2019 Point Click Care speaking on "Bridging the Gap in Transitions of Care." Diana has received honors such as VADONA Director of Nursing of the Year and Bon Secours Dedicated Service Award, the highest recognition award.



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## II. Facility Introduction and Information

### C. Executive Staff



**Gregg Shivers, MD**

**Service Line Chief, Lifelong Health and Aging Related Services** attended Rutgers Medical School and completed his residency at Hennepin County Medical Center in Minneapolis, Minnesota. He is board certified in internal medicine. He began his career in the Northern Neck at Rappahannock General Hospital where he worked as a hospitalist. There he served as hospitalist Medical Director and Medical Staff President.

He later moved to New Zealand, where he worked in geriatrics as part of an interdisciplinary team caring for those with age related illnesses. He returned to the Northern Neck in 2010, began his career at Riverside Walter Reed Hospital as a hospitalist and served as Regional Service Line Chief for four years. He was later appointed as associate director of patient safety for the Riverside Health System. He served as Medical Director of Riverside Walter Reed Hospice in January 2014. At the beginning of 2015, he transitioned from his duties as a hospitalist to become Medical Director of Riverside Sanders, Saluda, and Mathews Convalescent Centers. In August 2018, he was appointed as the service line chief for Riverside's division of Lifelong Health and remains in this role focusing on improved safety and quality outcomes through provider engagement.



**William B. Downey, MHA**

**Executive Vice Chairman, Riverside Health System**, originally joined the Riverside team in May of 1981 as an administrative extern. After receiving his MHA from the Medical College of Virginia, he rejoined the Riverside team in May 1985 as an Assistant Administrator. He served as Vice President/Administrator at Riverside Walter Reed Hospital from January 1986 to December 1991. He served as Senior Vice President,

Riverside Regional Medical Center from January 1992 until July 1995 and as Executive Vice President and COO of Riverside Health System until March 2011. He is a fellow in the American College of Healthcare Executives. He has been involved in many community service projects. He currently serves on the Board of the Virginia Living Museum, Virginia Hospital and Healthcare Association, the United Way of the Virginia Peninsula and the Board of Virginia Health Network.



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## II. Facility Introduction and Information

**D.** Riverside Healthcare Association is an organization of owned or managed health care facilities, wellness and fitness services, retirement communities and associated support service facilities. These facilities include, but are not limited to, over 350 retirement housing units, 470 long-term care beds and 819 acute care beds. The Association is organized as a private, nonprofit corporation. The responsibility and authority for the management is vested in a voluntary board of directors.

The purposes of the Riverside Healthcare Association are to provide a comprehensive range of health care, wellness, housing, and associated support services to all persons who can benefit from them and to organize these services in an economical manner and in accordance with standards of excellence.

The association willingly accepts the responsibility to provide this comprehensive health care in the form of programs of acute, long-term, mental health, ambulatory, rehabilitative, preventative, terminal and home care.

These services and programs are conducted without regard to race, color, religion, sex, sexual orientation, gender identity or national origin.





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## II. Facility Introduction and Information

### E. Full Disclosure Practice

Patriots Colony Inc. discloses to its residents' policies in a resident handbook and summary financial information related to the continuing care retirement community in the annual disclosure statement. Copies of the annual disclosure statement are archived in the Patriots Colony library for resident and public reference.

No member of the board of directors, staff member, nor consultant has a financial interest in Patriots Colony, Inc. Patriots Colony, Inc. does not hire nor pay board members on either a contractual or any other basis. Patriots Colony, Inc. has not received nor intends to receive goods, leases, or services of an aggregate value of \$500 or more from any professional service firm, association, trust, partnership, or corporation in which a member of the board has a 10 percent or greater interest. There is a board policy that governs the evaluation and disclosure of potential conflicts of interest.

Residents are free to have business relationships with board members or with organizations they own, control, are employed by, or are otherwise affiliated. Patriots Colony, Inc. neither endorses nor encourages residents to do business with board members or related organizations. Patriots Colony, Inc. is not involved in establishing continuing business relationships between residents and Board members.

Each board member is asked each year to disclose whether they have business relationships with residents.





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## Appendices

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## **APPENDIX A**

### **Patriots Colony at Williamsburg Continuing Care Retirement Community**

Patriots Colony, Inc. Disclosure Statement. The filing of this disclosure statement with the State Corporation Commission does not constitute approval, recommendation, or endorsement of the facility by the State Corporation Commission.



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# Appendix A

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## I. Continuing Care Provider

Give the name and business address of the provider and a statement of whether the provider is a partnership, foundation, association, corporation, or other type of business or legal entity. Such statement shall also set forth the jurisdiction in which the provider is organized if applicable.

If the provider is composed of multiple legal entities, give the required information for all such entities, and provide a specific description of their relationship to each other.

**Response:** Patriots Colony, Inc., 6000 Patriots Colony Drive, Williamsburg, VA 23188-1396 is a non-profit Virginia nonstock corporation organized to plan, develop, and operate a continuing care retirement community located on property on Route 5, approximately 5 miles west of the city of Williamsburg, in James City County, Virginia.

Patriots Colony, Inc., was incorporated on June 8, 1993, as a nonprofit, nonstock corporation in Virginia. The purpose of organizing Patriots Colony, Inc. was to plan, develop and operate an affordable continuing care retirement community primarily for retired officers of the seven uniformed services, their spouses, widows, widowers, and those with a close association to the above.

In January 1995, Patriots Colony, Inc. elected to become a nonprofit member corporation in the Riverside Healthcare Association, Inc. trading as Riverside Health System (Riverside). Riverside approved this reorganization in January 1995 as well. Riverside is a nonstock, nonprofit, Virginia corporation organized to plan and provide a multitude of health care-related services. Neither Riverside nor Patriots Colony currently has a public debt rating. Riverside has been providing health-related services since 1915.





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## II. Officers, Directors, Trustees, Managing and General Partners and Certain Persons Who Hold Equity or Beneficial Interests

Give the names and business addresses of the officers, directors, trustees, managing or general partners, and any person having a 10 percent or greater equity or beneficial interest in the provider, and a description of such person's interest in or occupation with the provider. In the case of a nonstock corporation also provide the required information for members of the nonstock corporation.

**Response:** A voluntary board of directors appointed by Riverside Health System at its annual meeting manages the business and affairs of Patriots Colony, Inc. The current members of the board of directors, any office they hold in the corporation, and their principal business affiliation and addresses are detailed in the introduction.

Patriots Colony, Inc. is a nonprofit, nonstock corporation that has, as its sole member, Riverside Healthcare Association, Inc., a nonprofit, nonstock corporation. Riverside Healthcare Association provides planning, consulting and management services to Patriots Colony, Inc. at cost.

## III. Beneficial Interests

"Beneficial interest" means any current interest in a provider that is directly related to the financial performance of that provider. Beneficial interest includes:

1. All forms of direct or indirect ownership of a provider, including ownership through another legal entity.

**Response:** None

2. Ownership or control of any voting class of securities issued by the provider.

**Response:** None

3. Any contract, including a lease of management contract, with a provider where the amount of consideration under the contract is tied to the financial performance of the provider.

**Response:** None



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## IV. Business Experience of; Acquisition of Goods and Services from; and Criminal, Civil and Regulatory Proceedings Against the Provider, its Officers, Directors, Trustees, Managing and General Partners; Certain Persons Who Hold Equity or Interests; and the Management

For (i) the provider, (ii) any person named in the previous section, or (iii) the proposed management, if the facility will be managed on a day-to-day basis by a person other than an individual directly employed by the provider;

**a.** Give a description of any specific business experience in the operation or management of similar facilities.

**Response:** Patriots Colony, Inc., as a corporation within the Riverside Health System, draws on the expertise of those experienced in the development and operation of retirement communities and other services to older adults. The board of directors of Patriots Colony, Inc. is comprised of retired military officers who have spent years of research and investigation during the development years and now have several years of oversight experience. Further, key professionals at Riverside Health System have vast experience in planning, development and management of large-scale health care and retirement housing projects. Patriots Colony draws on such experience within Riverside for overall development and operational expertise. Riverside has engaged the services of a qualified, experienced administrator for direct supervision and management of operations.





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## II. Facility Introduction and Information

### Executive Staff



**Julie Bayly**

**Executive Director of Patriots Colony at Williamsburg**, has experience in long-term care and continuing care retirement community administration. She has a Bachelor's Degree from Mary Baldwin University. She is a licensed Nursing home administrator. She joined Riverside Health System in 1999 as Administrator of Patriots Colony at Williamsburg healthcare operations. In 2002 she became the Administrator of Riverside Convalescent Center. In 2012 Julie became the Administrator of Sanders Retirement Village, a small retirement community owned by Riverside Health System.



**Ed Heckler, PT, MSHA**

**President, Lifelong Health and Aging Related Services**, joined the Riverside team in 1997. Throughout his many positions, he has remained dedicated to high quality, patient-centered care, interdisciplinary collaboration and the operational success of the organization. His over 23 years of experience across the health care spectrum, from physical therapist to manager to multi-department director, gives him a unique and valuable perspective. In his

current role, Ed oversees Riverside's nursing facilities, assisted living facilities, continuing care retirement communities, home health, hospice agencies, wellness centers and rehabilitation services. Under his leadership, nursing facilities received an average four-star rating under the five-star CMS rating system, in addition to achieving the Virginia Health Care Association Bronze Award for Quality Improvement in four facilities. Prior to his current role as President of Lifelong Health and Aging Related Services, Ed served as Administrator of Riverside Rehabilitation Institute, a 50-bed acute rehabilitation hospital, creating significant financial and patient satisfaction improvements. He holds a Bachelor's degree of Science in Physical Therapy from the University of Buffalo and a Master of Science in Health Care Administration from Virginia Commonwealth University. Ed lives in York County with his wife and two children. Diana Jarett, Nurse Executive Lifelong Health

Diana Jarett is the Nurse Executive of Riverside Lifelong Health Services. She joined Riverside in 2020 bringing over 35 years experience in long-term care and post-acute care services. Diana has a diverse background having served as Director of Nursing, Administrator, Director of Clinical Operations & Quality and a Regional Executive Administrator of skilled and assisted living facilities. Diana was tasked as the Enterprise Director of Project Administration where she successfully transitioned 14 facilities from paper to electronic records. She was a guest panelist at the 2019 Point Click Care speaking on "Bridging the Gap in Transitions of Care." Diana has received honors such as VADONA Director of Nursing of the Year and Bon Secours Dedicated Service Award, the highest recognition award.

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## II. Facility Introduction and Information



**Gregg Shivers, MD**

**Service Line Chief, Lifelong Health and Aging Related Services** attended Rutgers Medical School and completed his residency at Hennepin County Medical Center in Minneapolis, Minnesota. He is board certified in internal medicine. He began his career in the Northern Neck at Rappahannock General Hospital where he worked as a hospitalist. There he served as hospitalist Medical Director and Medical Staff President.

He later moved to New Zealand, where he worked in geriatrics as part of an interdisciplinary team caring for those with age related illnesses. He returned to the Northern Neck in 2010, began his career at Riverside Walter Reed Hospital as a hospitalist and served as Regional Service Line Chief for four years. He was later appointed as associate director of patient safety for the Riverside Health System. He served as Medical Director of Riverside Walter Reed Hospice in January 2014. At the beginning of 2015, he transitioned from his duties as a hospitalist to become Medical Director of Riverside Sanders, Saluda and Mathews Convalescent Centers. In August 2018, he was appointed as the service line chief for Riverside's division of Lifelong Health and remains in this role focusing on improved safety and quality outcomes through provider engagement.



**William B. Downey, MHA**

**, Riverside Health System**, originally joined the Riverside team in May of 1981 as an administrative extern. After receiving his MHA from the Medical College of Virginia, he rejoined the Riverside team in May 1985 as an Assistant Administrator. He served as Vice President/Administrator at Riverside Walter Reed Hospital from January 1986 to December 1991. He served as Senior Vice President,

Riverside Regional Medical Center from January 1992 until July 1995 and as Executive Vice President and COO of Riverside Health System until March 2011. He is a fellow in the American College of Healthcare Executives. He has been involved in many community service projects. He currently serves on the Board of the Virginia Living Museum, Virginia Hospital and Healthcare Association, the United Way of the Virginia Peninsula and the Board of Virginia Health Network.



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**Riverside Healthcare Association, Inc.** is an organization of owned or managed healthcare facilities, retirement communities and associated support programs and service facilities. These facilities include but are not limited to over 350 retirement housing units, 470 long-term care beds, and 814 acute care beds. Riverside Health System is organized as a private, nonprofit corporation. The responsibility and authority for the management is vested in a voluntary board of directors.

The purposes of the Riverside Healthcare Association are to provide a comprehensive range of health care, wellness, housing, and associated support services to all persons who can benefit from them and to organize these services in an economical manner and in accordance with standards of excellence.

The Association willingly accepts the responsibility to provide this comprehensive health care in the form of programs of acute, long-term, mental health, ambulatory, rehabilitative, preventative, end-of-life and home care.

These services and programs are conducted without regard to race, creed, religion, gender, sexual orientation or gender expression. Patriots Colony is open to both couples (married or unmarried) and singles.

**b.** Give the name and address of any professional service, firm association, foundation, trust, partnership or corporation or any other business or legal entity in which such person has, or which has in such person, a 10 percent or greater direct or indirect interest and which is presently intended will or may provide goods, leases or services to the provider of a value of \$500 or more within any year, including.

1. A description of the goods, leases or services and the probable or anticipated cost thereof to the provider;
2. The process by which the contract was awarded;
3. Any additional offers that were received; and
4. Any additional information requested by the Commission detailing how and why a contract was awarded.

**Response:** Patriots Colony, Inc. is a nonprofit, nonstock corporation which has as its sole member, Riverside Healthcare Association, a non-profit, non-stock corporation.

Riverside Healthcare Association provides planning, consulting and operational services to Patriots Colony, Inc., at cost.

Because of the member affiliation between Patriots Colony, Inc., and Riverside Healthcare Association there was no formal process used, nor a formal contract signed in the provision of planning, consulting and operational services by RHA. No additional offers for such services were either solicited or received. Costs for such services by RHA are charged on an actual cost basis.

Costs for 2023 were \$8,224,915 and include various direct contracted services, supplies and contract management services and related costs. Because of the inherent efficiencies of scale available to RHA, substantial savings inure to the benefit of Patriots Colony, Inc. over the cost of such services and products had they not been acquired through RHA. These costs also cover a wide range of services and goods such as food, insurance, accounting, and various labor costs.

Other than the affiliation arrangement, neither the provider or officers or board members of the corporation have a 10 percent or greater direct or indirect interest in any professional firm, service, association,

foundation, trust, partnership, corporation or any other business or legal entity which is presently intended will or may provide goods, leases, or services to Patriots Colony, Inc. of a value of \$500 or more within any year.

**C.** Give a description of any matter in which such person:

1. Has been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; or
2. Is subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including without limitation actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state; or
3. Is currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property?

**Response:** It has been certified that none of the above items is or has been applicable to the provider or any person or member noted in the “Officers, Directors . . .” section of this document.





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## V. Ownership of Real Property

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

**Response:** Riverside Healthcare Association Inc. holds title to the real property, which includes 90+ acres fronting State Route 5 in James City County, west of the City of Williamsburg. Patriots Colony, Inc. owns the buildings and improvements to the property.

## VI Location and Description of Real Property

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

**Response:** Patriots Colony is located on approximately 90 acres of property in James City County, west of the City of Williamsburg. The property is bounded by Greensprings Plantation Historical Site on the north and east, Route 5 on the south and a low contour of a steep ravine on the West side.

The project's first phase consisted of 150 residential living units in several single story buildings and one five-story building attached to the Cannon Community Center via enclosed walkways. Patriots Colony added eight additional villas in 1999 bringing the total residential living units to 158. Thirty-four assisted living apartments and 60 nursing care facility beds were attached to the community center. The substantial completion date for Phase I of Patriots Colony was December 1996.

During 2001-2004, Patriots Colony completed construction of 24 single-family homes built on approximately 15 acres in the northwest section of the property. Residents of these homes enter into continuing care contracts as independent living residents at Patriots Colony.

Expansion of the assisted living residence building opened in July 2004. Total assisted living apartments increased from 34 to 68.

The approximate distribution of square footage for the above is as follows:

<b>Residential Living Units (242) .....</b>	<b>533,454 square feet</b>
<b>Community Center Building .....</b>	<b>55,000 square feet</b>
<b>Assisted Living and Nursing Home .....</b>	<b>96,724 square feet</b>

Renovation and expansion of the community center was completed in November 2010. Patriots Colony broke ground for the Presidents Pavilion in November 2016. These three buildings located close to the Cannon Community Center feature 60 independent living apartments. Each building has ground floor covered parking and four levels of five apartments each centered around a lounge for residents. Residents moved into Presidents Pavilion during the fall of 2018.

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## VII Affiliation with Religious, Charitable or Other Nonprofit Organizations; Tax Status of Provider

### Give a statement as to:

a. Whether the provider is or ever has been affiliated with a religious, charitable, or other nonprofit organization, the nature of any such affiliation, and the extent to which the affiliate organization is or will be responsible for the financial and contractual obligation of the provider.

**Response:** Patriots Colony, Inc. was incorporated June 8, 1993, as a nonprofit, nonstock corporation and became a member corporation of Riverside Healthcare Association in January 1995. The specific affiliation between the two corporations is limited to the following:

1. Patriots Colony, Inc. has as its sole member Riverside Healthcare Association.
2. Riverside Healthcare Association elects the board members for Patriots Colony, Inc.

There exists no direct or indirect responsibility of Riverside Healthcare Association for the financial or contractual obligations of Patriots Colony, Inc.

b. Any provision of the Federal Internal Revenue Code under which the provider is exempt from the payment of income tax. This section shall be divided into appropriately labeled subsections for parts a. and b. A response for each part is required.

**Response:** Patriots Colony, Inc. has received exemption from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.





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## VIII Continuing Care Agreements

Describe the services provided or proposed to be provided under continuing care contracts, including the extent to which medical care is furnished. The disclosure statement shall clearly state which services are included in basic continuing care contracts and which services are made available by the provider at extra charge.

**Response:** Patriots Colony offers two standard continuing care contracts (agreements) with variations. Please refer to Continuing Care Standard Agreements (Appendix E).

**a. LifeCare Agreement:** The Patriots Colony LifeCare Agreement covers a full range of services including a substantial lifetime subsidy of long-term medical care, acting as financial protection against possible future assisted living and nursing home expenses. Please refer to the LifeCare Agreement, II A and III (Appendix E).


**b. Residence and Services Agreement:** Offered to individuals who are able to live independently but who cannot medically qualify for the LifeCare Agreement or who prefer the Residence and Services Agreement without the lifetime subsidy of long-term care.

With this Agreement individuals cover potential long-term care costs through private pay with a long-term care insurance policy or other resources. Also offered to individuals who desire and are qualified for the LifeCare Agreement but who must defer payment of the Entrance Fee at closing. In this situation, the LifeCare Agreement may be offered at a later date once the LifeCare Entrance Fee is paid in full. Please refer to the Residency and Services Agreement, II A and III (Appendix E).

**c. Combined LifeCare/Residence and Services Agreement:** Offered to couples who are able to live independently whereby one individual is covered by the LifeCare Agreement, with a lifetime subsidy of long-term care, and the other individual is covered by the Residence and Services Agreement without the lifetime subsidy. Please refer to the Combined LifeCare/Residence & Services Agreement (Appendix E).

**d. Residence & Services Agreement with Promissory Note Option:** Offered to individuals who are able to live independently but who cannot medically qualify for the LifeCare Agreement or who prefer the Residence and Services Agreement without the lifetime subsidy of long-term care.

With this Agreement individuals cover potential long-term care costs through private pay with a long-term care insurance policy or other resources. Also offered to individuals who desire and are qualified for the LifeCare Agreement but who must defer payment of the Entrance Fee at closing. In this situation, the LifeCare Agreement may be offered at a later date once the LifeCare Entrance Fee is paid in full. Please refer to the Residence and Services Agreement with Promissory Note Option (Appendix E).



### **LifeCare Agreement Appendix E**

Residents of Patriots Colony who transfer to the Health Center under a LifeCare Agreement pay the then current health care rate. This charge, known as the Resident Health Care Rate, includes the use of a private assisted living suite (The Patriot, The Colony or The Springhouse) or a semi-private nursing facility room, nursing care, housekeeping, and meals. Personal laundry and linen service is provided to residents of Springhouse and the nursing home. Services at additional charge include private nursing room, larger than standard assisted living suite, prescription medicine, medical equipment and supplies, ambulance service, nutritional supplements, special nursing care, professional therapies, physician care, and barber/beauty services.

### **Residence and Services Agreement Appendix E**

Residents who transfer to the Health Center under a Residence and Services Agreement pay current published public charges for any stay, temporary or permanent, in any level of care in the Health Center. Accommodations in assisted living and the nursing home include meals, nursing care and housekeeping. Personal laundry and linen service is provided to residents of Springhouse and the nursing home. Services at additional charge include prescription medicine, medical equipment and supplies, ambulance service, nutritional supplements, special nursing care, professional therapies, physician care, and barber/beauty services.





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## IX Fees Required of Residents

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

**Response:** Patriots Colony offers two standard continuing care contracts (agreements) with variations. Please refer to Continuing Care Standard Agreements (Appendix E). Continuing Care Fee Schedules are included in Appendix D.

1. Please refer to Patriots Colony LifeCare and Residency and Services Agreement, Articles II and III and Reservation Agreement, Section III (Appendix E).
2. Please refer to Patriots Colony LifeCare and Residency and Services Agreement, Article I and Reservation Agreement, Section IV (Appendix E).
3. Increases in Monthly Fees

While the intent of Patriots Colony, a not-for-profit provider, is to adjust periodic charges (monthly fees) only to a level that does not exceed the adjustments incurred by Patriots Colony in the operation of the community, there is no contractual limitation on the size or frequency of fee adjustments. Periodic fee adjustments will be made with at least 30 days' notice to residents.



## Independent Living Monthly Fee Adjustment History

		Weighted Average Dollar Amount of Each Increase	
Year	Rate Increase	Single Person	Second Person
2024	5.0%	\$205.00	\$64.00
2023	6.0%	\$232.00	\$73.00
2022	3.0%	\$114.00	\$29.00
2021	2.25%	\$106.00	\$26.00
2020	2.75%	\$106.00	\$31.00
2019	3.8%	\$152.00	\$41.00

## X Reserve Funding

Describe any provisions that have been made or will be made to provide reserve funding or security to enable the provider to fully perform its obligations under continuing care contracts, including the establishment of escrow accounts, trusts, or reserve funds, together with the manner in which such funds will be invested and the names and experience of persons who will make the investment decisions. The disclosure statement shall clearly state whether or not reserve funds are maintained.

This description shall include a specific explanation of how the value of any such reserve funding was established and, if available, it shall include the opinion of a qualified actuary.

**Response:** In addition to equity contributions, private placement tax-exempt bonds were issued by Riverside Healthcare Association, Inc. in 1997, which served as the long-term financing of Patriots Colony, Inc. This financing did not require any construction fund, sinking funds, debt service revenue funds, operations funds, replacement and retirement reserve funds, revenue funds, or any other funds requiring specific use of bond proceeds or project revenue.



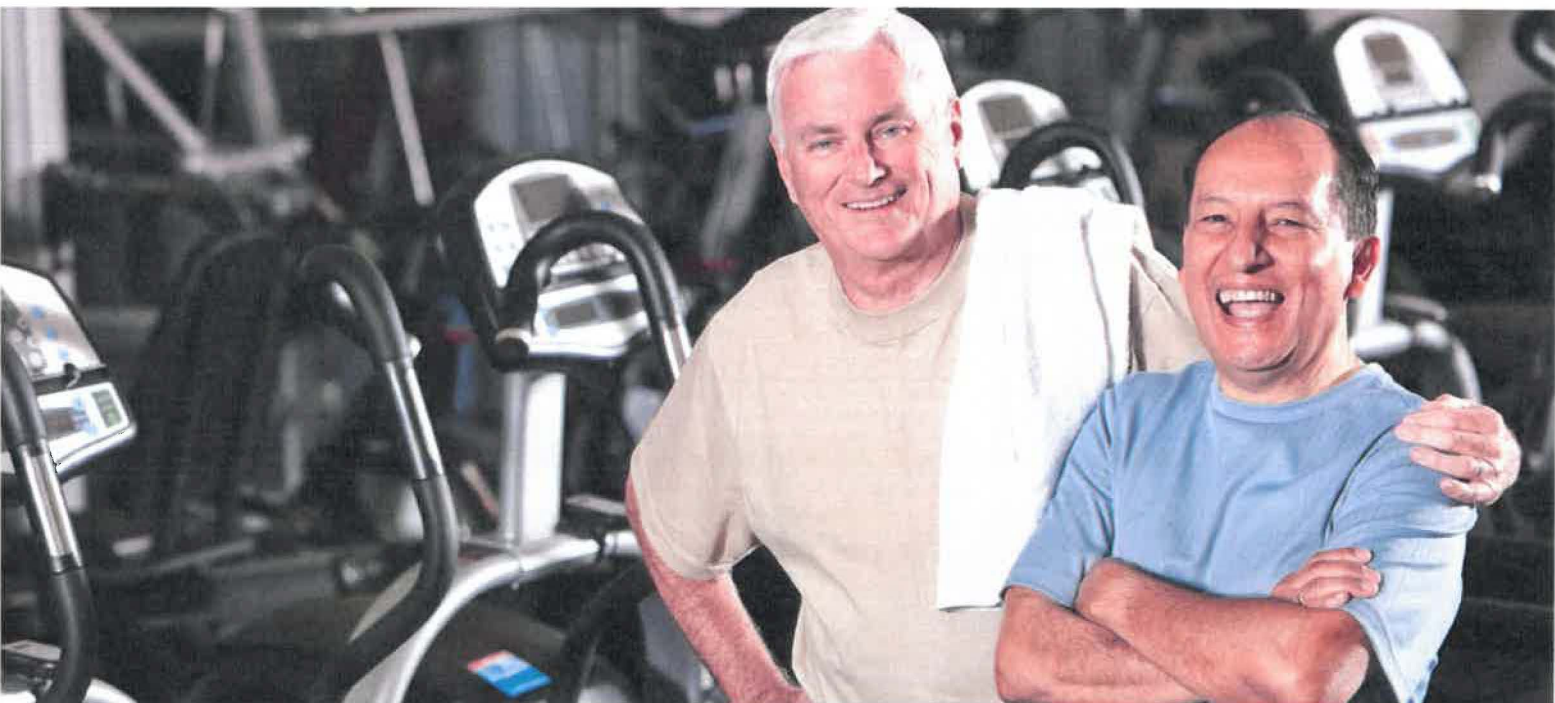
Due to the strength of its own balance sheet (see the 12/31/23 investment balance of \$82 million which far exceeds the long-term debt of \$10 million), Patriots Colony, Inc., is able to fund all interest and principal payments on funds borrowed and to make payments for replacements and retirement reserve funds and to make payments to residents for refunds which are due and to make payments to long-term care providers for the care of residents to the extent specified in the Residence Agreement. Patriots Colony, Inc., does not intend to set up different funds for these purposes.

There are no restrictions or limitations on the amounts of indebtedness or liability which Patriots Colony, Inc. may incur nor are there any restrictions on the disposition of assets, nor are there any restrictions on the investment of funds. The RHA board, with the advice of independent investment consultants, controls and sets investment strategy.

Security to enable Patriots Colony, Inc. to fully perform its obligations under continuing care contracts include:

1. a sound actuarially based fee structure which will cover capital costs and operating costs as they change, and
2. the financial strength of Patriots Colony, Inc., and
3. the financial resources and investment experience of Riverside Healthcare Association.

The projected cash flow of Patriots Colony reflects substantial growth in unrestricted cash reserves, which insulates the community from shortfalls in meeting general refund and health care liabilities. Patriots Colony is subject to annual independent audit as a requirement of this disclosure statement. Such an audit requires a periodic calculation of the "future service obligation" of Patriots Colony to its residents using approved actuarial methodology. This procedure affords added stability and security to residents and others having an interest in knowing if Patriots Colony is able to fully perform its continuing care obligations.



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## **XI Certified Financial Statements**

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

**Response:** Please refer to Appendix G (Financial Statements).

## **XII Patriots Colony at Williamsburg ProForma Income Statement and Actual Operations January 1 to December 31, 2024**

**Response:** Please Refer to Appendix C (Pro Forma Income Statement)

## **XIII Admission of New Residents**

Give a description of the provider's criteria for admission of new residents.

### **Patriots Colony Admissions Policy**

Applicants shall be deemed to be eligible for admission to Patriots Colony as continuing care residents if they meet the following guidelines:

#### **1. Age**

Residents must be at least 55 years of age by the date of occupancy, except that a co-applicant may be younger than 55 years of age.

#### **2. Uniformed Services Officers and Equivalents**

**a.** A retired or honorably discharged commissioned officer, commissioned warrant officer or warrant officer of the uniformed services (Army, Navy, Marine Corps, Air Force, Coast Guard, Space Force, National Oceanic and Atmospheric Administration and Public Health Service) of the Active, Reserve or National Guard components and his/her spouse if applicable;

**b.** A widow or widower of the foregoing who was married to the officer at the time of his/her death and otherwise eligible for residency;

**c.** A divorced spouse who holds a renewable or indefinite dependent identification card based on his/her marriage to an officer as defined in paragraph 2.a above; or

**d.** A retired (GS-7 and higher) Federal civilian employee, equivalent foreign service officer/FBI/CIA, and his/her spouse or widow or widower who has not remarried, retired military officer from a foreign country and his/her spouse, or a selected individual with close association to the uniformed services with the approval of the board of directors.



### 3. Physical/Medical Eligibility

- a.** Resident must be in good health and capable of independent living as certified by Patriots Colony.
- b.** Resident must submit to an interview assessment by a Patriots Colony representative designed to determine the applicant's ability to live independently for the foreseeable future. It is the intent of this policy that the residents be active, able to independently carry out activities of daily living, and be able to function at a high level physically and mentally into the foreseeable future.
- c.** Be free of communicable diseases that would threaten the well-being of himself or herself, other residents, or the staff and visitors of Patriots Colony.
- d.** Resident must submit a physical exam by a medical doctor, reflecting they are free from TB and are not in need of nursing or supervisory care.

### 4. Financial Eligibility

- a.** An applicant shall be deemed financially eligible if their income and assets are projected to be adequate to cover their applicable entrance and monthly fee and normal living expenses based on average life expectancies.
- b.** Applicant must meet the requirement for insuring against health care costs as outlined in the Residency Agreement.
- c.** Resident must have obtained a priority list number prior to or at the time of reserving a residence. This priority number will be maintained for the remainder of the resident's stay at Patriots Colony.

### 5. Social Eligibility

An applicant shall be deemed to be socially eligible if the applicant is suited for a congregate living environment. This decision will be based upon information provided in the application and from staff handling the application.



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## **6. Confidentiality**

All information and discussions related to the applicant's application for admission shall be held in strictest confidence.

## **7. Non-discrimination**

In the approval process of applications for residency at Patriots Colony, there shall be no discrimination against any applicant for reason of sex, gender identification, race, religion, creed, or national origin.

## **8. Residence Change**

Prior to occupancy, a resident may choose a different size or style of residence. Any increase in the reservation fee based on a larger entrance fee must be paid immediately at the rates then in effect. Any decrease in reservation fee, based on a smaller apartment, villa, or house will be refunded to the resident by Patriots Colony within 30 days. After occupancy, the opportunity to move is available. If moving to a larger residence, the difference in the entrance fee and monthly fee is due. If moving to a smaller residence, the resident will be billed at the lower monthly rate. No consideration is given for the difference in the entrance fee.

## **9. Waiting List**

Waiting lists are actively managed to offer the opportunity to reserve residences in a fair and equitable manner. Individuals and couples eligible for residency may join the Patriots Colony Future Priority List (waiting list) by paying a refundable deposit of \$1,000 (single) or \$1,500 (couple). Depositors provide occupancy preferences in terms of type of residence and preferred year of occupancy. Vacancies are first offered to residents on the internal transfer list and then to nonresidents on the waiting list.

## **10. Shared Residences**

Residences may be shared by individuals that are related by blood or by marriage. Exceptions can be made to this guideline in cases of individuals who have been sharing living arrangements for an extended period of time, where one individual meets the affiliation admissions criteria of Patriots Colony and where both individually meet the financial, health and general admissions criteria for Patriots Colony.

## **11. Documentation**

Residents must have submitted the following to Patriots Colony to be considered eligible for admission:

- a.** Signed reservation agreement
- b.** Payment of future priority list number deposit and reservation deposit
- c.** Confidential application/financial form
- d.** Confidential health history
- e.** Copy of military I.D. card denoting status for retired officers/spouses/widows(ers) or DD Form 214 (or equivalent) for former officers honorably discharged (if applicable)
- f.** Proof of health insurance coverage (Medicare Parts A&B and a Medicare Supplement Plan or equivalent hospital and medical insurance coverage)



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12. Prior to or upon admission, the resident will be given a copy of the Resident Handbook. The handbook is subject to change at the discretion of Administration. The most recent update supersedes all previous ones. The handbook outlines the policies and procedures of the community. For the betterment of the community, residents are subject to the handbook provisions.

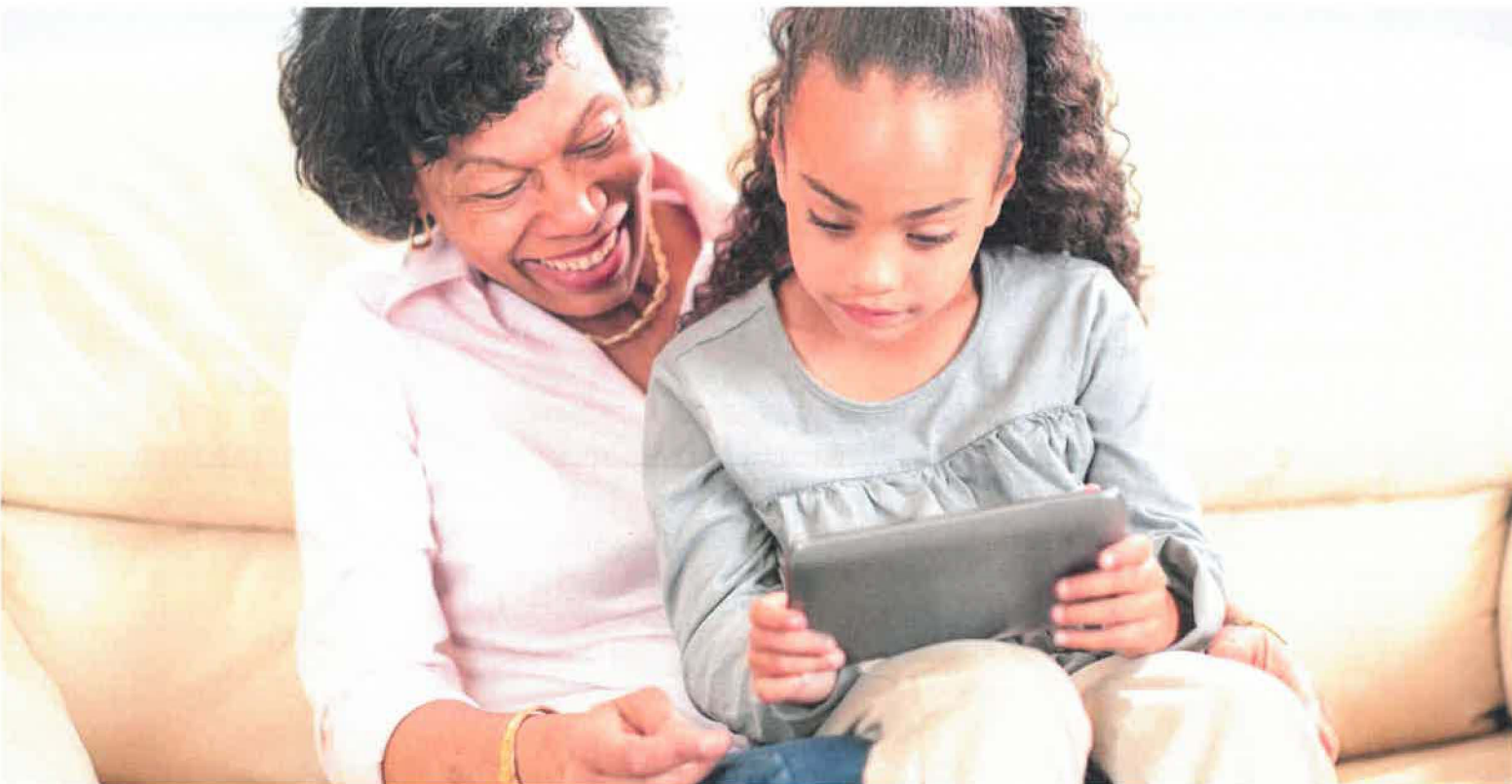
## **XIV. Access to Facility by Nonresidents**

Give a description of the provider's policies regarding access to the facility and its services for nonresidents.

**Response:** Patriots Colony policy on access to the facility by nonresidents.

It is intended that the facilities and services of Patriots Colony are provided primarily for the use of residents, not for nonresidents. However, residents are free to invite guests to their individual residence for transient visits and to make available to nonresidents, on a temporary basis, such services as guest meals, accommodations, and open entertainment functions at a cost of service basis.

1. Patriots Colony shall have total authority and control over the access to its services by nonresidents and may decide when such services have been or are being used to excess.
2. Information regarding charges for services accessible to nonresidents shall be readily available.
3. Any nonresident utilizing Patriots Colony facilities and services shall be an invited guest of a resident, Patriots Colony management, or the board of directors.



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## XV. Anticipated Source and Application of Purchase or Construction Fund

If operation of the facility has not yet commenced, give a statement of the anticipated source and application of the funds used or to be used in the purchase or construction of the facility, including:

**Response:** Operation of the facility commenced Dec. 9, 1996.

## XVI Procedure for Resident to File a Complaint or Disclose Concern

Give a description of the procedure by which a resident may file a complaint or disclose any concern:

**Response:** Patriots Colony believes it can provide a valuable service only if open communication occurs between residents and management. To this end, management provides residents with various avenues to the solution of problems. The complaint procedure provides easy access to all levels of staff for the sake of efficiency. In addition, management helps to foster an active and involved Residents Association by meeting regularly with that organization's governing body and its various committees.

More specifically, for routine problem-solving or registering a complaint, the following procedure will be offered residents through their orientation to the community and through their Resident Handbook: "If you have a problem or concern, please contact individuals in the following positions in the listed order until the problem is rectified. 1. The front desk receptionist. 2. Director of Resident Services. 3. Individual department directors. 4. Executive Director. You will find that the vast majority of your issues can be resolved by talking to these individuals. Please know that you may approach administration at any time with your suggestions or problems."

For more broad-based issues, a Residents Association has been formed. The purpose of the Residents Association is to:

- a.** Promote and further the interests and welfare of all residents of Patriots Colony.
- b.** Represent the interests and concerns of all members of the Residents Association through cooperation and effective communication, including the offering of advice and consideration of unresolved complaints and grievances, with those management entities responsible for the overall management and control of Patriots Colony.
- c.** Coordinate with Patriots Colony management entities, to create and cultivate a healthful, active and constructive lifestyle that will contribute to an enjoyable living experience for Patriots Colony residents.





## **APPENDIX B**

### **Changes Since Last Annual Update**

Patriots Colony, Inc. Disclosure Statement. The filing of this disclosure statement with the State Corporation Commission does not constitute approval, recommendation, or endorsement of the facility by the State Corporation Commission.

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## **Appendix B**

### **Changes to the Disclosure and Board Member Changes Since the Annual Registration**

As of April 30, 2024 there have been no changes.





## APPENDIX C

### Pro Forma Income Statement 2024

Patriots Colony, Inc. Disclosure Statement. The filing of this disclosure statement with the State Corporation Commission does not constitute approval, recommendation, or endorsement of the facility by the State Corporation Commission.

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## Appendix C

### Patriots Colony at Williamsburg

### Pro Forma Income Statement

### Jan. 1 to Dec. 31, 2024

**Response:** The following anticipates income and expense for the fiscal year beginning Jan. 1, 2024 and ending Dec. 31, 2024

#### Revenue

Long-term care revenues	\$14,133,142
Provision for bad debts	(53,762)
Other revenues	<u>20,182,291</u>
Total revenue	\$34,261,671

#### Expenses

Salaries and benefits	\$13,376,615
Services and other	10,631,331
Supplies	3,030,649
Depreciation/amortization	4,918,759
Interest	<u>599,270</u>
Total expenses	\$32,556,624
Operating gain (loss)	\$1,705,047

#### Nonoperating gains and losses:

Investment income, including realized and unrealized gains	<u>\$3,024,862</u>
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#### Excess of revenues, gains and other support over expenses

\$4,729,909

Occupancy was budgeted based on actual experience and industry trends. Increase in monthly fees revenue is the result of rate adjustments competitive with area markets and the anticipated occupancy of the new independent living apartments. Labor costs are expected to increase to allow for annual reviews, anticipated changes in the hiring market and additional staffing needs of the new independent living apartments. Expenses were increased with a 3 percent inflation factor, unless a specific inflation factor was received by a vendor, as well as the market benchmark.



## Appendix C

### Patriots Colony At Williamsburg Pro Forma Income Statement-Comparison

Revenue	Budget 2023	Actual 2023	Difference	% Difference
Long-term care revenues	\$13,111,741	\$13,407,429	\$295,688	2%
Provision for bad debts	(69,786)	213	69,999	-100%
Other revenues	18,705,002	19,697,059	992,057	5%
<b>Total revenues</b>	<b>\$31,746,957</b>	<b>\$33,104,701</b>	<b>\$1,357,744</b>	<b>4%</b>

Expenses	Budget 2023	Actual 2023	Difference	%
Salaries and benefits	\$12,282,438	\$12,008,843	\$273,595	2%
Services and other expenses	10,256,739	10,790,260	(533,521)	-5%
Supplies	2,894,415	2,816,987	77,428	3%
Depreciation/ Amortization	4,507,271	4,819,807	312,536	-7%
Interest	366,808	541,602	(174,794)	-48%
<b>Total Expenses</b>	<b>\$30,307,671</b>	<b>\$30,977,499</b>	<b>\$(669,828)</b>	<b>-2%</b>
<b>Operating gain (loss)</b>	<b>\$1,439,286</b>	<b>\$2,127,202</b>	<b>\$687,916</b>	<b>48%</b>
<b>Nonoperating gains and losses:</b>				
Investment income, including realized and unrealized gains	\$4,182,935	\$2,975,305	\$(1,207,630)	-29%
<b>Excess of revenues, gains, and other support</b>	<b>\$5,622,221</b>	<b>\$5,102,507</b>	<b>\$(519,714)</b>	<b>-9%</b>

**Material Differences between 2023 Pro Forma Income Statement and the Actual Results of Operation as Reported in the 2023 Certified Financial Statements**

## Appendix C

Total Revenue was above budget due to higher than expected occupancy and rate changes effective Jan. 1, 2023. Salaries and Benefits were lower than expected due vacant job positions that remained open throughout the year. Services and Other Expenses were over budget due to the use of Contract Labor to fill open jobs. Supplies came in below budget due to reduced spending in Medical Supplies. Interest Expense was higher than anticipated due to variable interest rates, and Investment Income was less than budget due to unfavorable market returns.

### Summary of Financial Information Patriots Colony at Williamsburg as of 12/31/2023

	2023	2022
Total Assets	\$141,186,709	\$131,949,566
Total Liabilities	\$51,859,644	\$47,727,008
Total Net Assets	\$89,327,065	\$84,222,558
Total Revenues	\$33,104,701	\$30,029,360
Total Expenses	\$30,977,499	\$28,754,361
Operating Income (Loss)	\$2,172,202	\$1,274,999

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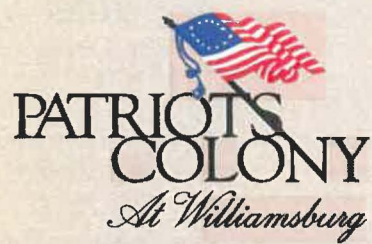
Net Income (Loss)	\$5,102,507	\$(9,743,912)
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#### Narrative on financial condition:

Patriots Colony, Inc. has a fiscally strong balance sheet, cash flow, and income statement and does not anticipate any negative financial outcomes that would interfere with its ability to meet contracted 9d obligations to its residents.

Occupancy Information	Capacity of Units	Average Occupancy	Percentage Occupancy
Independent Living	242	225	93%
Assisted Living	66	63	95%
Nursing Home	60	52	83%





## **APPENDIX D**

### **Fee Schedules**

Patriots Colony, Inc. Disclosure Statement. The filing of this disclosure statement with the State Corporation Commission does not constitute approval, recommendation, or endorsement of the facility by the State Corporation Commission.

# Patriots Colony LifeCare Fee Schedule

EFFECTIVE JAN. 1, 2024

	FLOOR	SQUARE	RESIDENCE STYLE	CHOICE 1		CHOICE 2	
	PLAN	FEET		First Person Entrance Fee - Plan 0	First Person Monthly Fee	First Person Entrance Fee - Plan 0	First Person Monthly Fee
Apartments	A	835	1 BR/1 Bath	\$219,239	\$3,102	\$179,779	\$3,731
	B	891	1 BR/1 Bath (Deluxe)	\$252,200	\$3,223	\$206,672	\$3,856
	D	1182	2 BR/2 Bath	\$314,905	\$3,856	\$267,632	\$4,473
	E	1250	2 BR/2 Bath (Deluxe)	\$340,396	\$4,001	\$286,597	\$4,627
	G	1443	2 BR/2 Bath/Study	\$401,220	\$4,406	\$328,813	\$5,025
	I & J	1582	2 BR/2 Bath/Study (Deluxe)	\$451,489	\$4,676	\$370,200	\$5,300
Villas	C-1	1125	1 BR/1 Bath/Sunroom	\$299,330	\$3,471	\$247,843	\$4,126
	F	1361	2 BR/2 Bath	\$410,540	\$4,198	\$336,360	\$4,826
	F-1	1549	2 BR/2 Bath/Sunroom	\$438,561	\$4,372	\$362,222	\$5,023
	K/L	1707	2 BR/2 Bath/Study	\$502,858	\$4,897	\$412,400	\$5,493
	K/L-1	1895	2 BR/2 Bath/Study/Sunroom	\$526,499	\$5,050	\$434,019	\$5,693
Residents Pavilion	Yorktown	1460	1 BR/2 Bath/Den	\$427,301	\$4,692	\$350,386	\$5,257
	Jamestown	1610	2 BR/2 Bath/Den	\$467,067	\$5,028	\$382,995	\$5,631
	Williamsburg	1870	2 BR/2 Bath/Den (Deluxe)	\$560,721	\$5,378	\$459,791	\$6,025
Greenspring	GS-1	2212	Base Plan/Upstairs Room	\$641,522	\$5,917	\$534,521	\$6,633
	GS-2	2382	Base Plan/Sunroom/Upstairs Room	\$662,015	\$6,147	\$551,337	\$6,889
	GS-4	2850	Base Plan/Sunroom/Second Floor	\$733,755	\$6,759	\$610,161	\$7,580

## Entrance Plan Type:

## Entrance Fee:

Declining Refund (Plan 0).....Shown above (declines 2 percent per month for 50 months)

50 Percent Refund.....Add 35 percent to Plan 0 Fee

95 Percent Refund.....Add 75 percent to Plan 0 Fee

**Second Person Entrance Fee: \$40,381**

**Second Person Monthly Fee: \$1,345**

- 50 Percent and 95 Percent Refund Plans higher for age 81-85 (at date of occupancy): add 75 percent and 150 percent respectively, to Plan 0
- 50 Percent and 95 Percent Refund Plans not applicable For age 86+ (at date of occupancy)

Resident Health Care Monthly Rate

(See Continuing Care brochure):

Choice 1 - \$4,304

Choice 2 - \$4,931



6000 Patriots Colony Drive

Williamsburg, VA 23188

**757-585-7006 1-800-716-9000**

[patriotscolony.org](http://patriotscolony.org)





# Patriots Colony Residence and Services Fee Schedule

EFFECTIVE JAN. 1, 2024

	FLOOR PLAN	SQUARE FEET	RESIDENCE STYLE	CHOICE 1		CHOICE 2	
				First Person Entrance Fee - Plan 0	First Person Monthly Fee	First Person Entrance Fee - Plan 0	First Person Monthly Fee
Apartments	A	835	1 BR/1 Bath	\$174,121	\$3,102	\$142,783	\$3,731
	B	891	1 BR/1 Bath (Deluxe)	\$200,297	\$3,223	\$164,142	\$3,856
	D	1182	2 BR/2 Bath	\$259,281	\$3,856	\$197,523	\$4,473
	E	1250	2 BR/2 Bath (Deluxe)	\$277,781	\$4,001	\$227,618	\$4,627
	G	1443	2 BR/2 Bath/Study	\$318,650	\$4,406	\$261,148	\$5,025
	I & J	1582	2 BR/2 Bath/Study (Deluxe)	\$358,580	\$4,676	\$294,018	\$5,300
	C-1	1125	1 BR/1 Bath/Sunroom	\$240,431	\$3,471	\$199,537	\$4,126
	F	1361	2 BR/2 Bath	\$325,676	\$4,198	\$267,137	\$4,826
	F-1	1549	2 BR/2 Bath/Sunroom	\$350,992	\$4,372	\$290,248	\$5,023
	K/L	1707	2 BR/2 Bath/Study	\$399,373	\$4,879	\$327,529	\$5,493
	K/L-1	1895	2 BR/2 Bath/Study/Sunroom	\$420,699	\$5,050	\$347,252	\$5,693
	Yorktown	1460	1 BR/2 Bath/Den	\$339,362	\$4,692	\$278,277	\$5,257
	Jamestown	1610	2 BR/2 Bath/Den	\$373,806	\$5,028	\$306,521	\$5,631
	Williamsburg	1870	2 BR/2 Bath/Den (Deluxe)	\$448,046	\$5,378	\$367,397	\$6,025
	GS-1	2212	Base Plan/Upstairs Room	\$509,500	\$5,917	\$424,521	\$6,633
	GS-2	2382	Base Plan/Sunroom/Upstairs Room	\$525,780	\$6,147	\$437,878	\$6,889
	GS-4	2850	Base Plan/Sunroom/Second Floor	\$582,757	\$6,758	\$484,594	\$7,580

## Entrance Plan Type: Entrance Fee:

Declining Refund (Plan 0).....Shown above (declines 2 percent per month for 50 months)

50 Percent Refund.....Add 35 percent to Plan 0 Fee

95 Percent Refund.....Add 75 percent to Plan 0 Fee

**Second Person Entrance Fee: \$5,733**

**Second Person Monthly Fee: \$1,345**

- 50 Percent and 95 Percent Refund Plans higher for age 81-85 (at date of occupancy): add 75 percent and 150 percent respectively, to Plan 0
- 50 Percent and 95 Percent Refund Plans not applicable for age 86+ (at date of occupancy)

Residents pay market rates for health care services if needed.



6000 Patriots Colony Drive  
Williamsburg, VA 23188

**757-585-7006 1-800-716-9000**

[patriotscolony.org](http://patriotscolony.org)



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## 2024 Ancillary Charges

### Effective Jan. 1, 2024

#### BEAUTY SHOP:

Haircut for Men	Visit	\$16.50
Haircut (Shampoo & Set)	Visit	\$40.00
Shampoo & Cut	Visit	\$32.00
Shampoo & Set/Blow-dry	Visit	\$29.00
Perm w/Shampoo, Cut & Blow-dry	Visit	\$88.00
Neck Trim/Beard Trim	Visit	\$11.00

Hair Color, Shampoo & Set	Visit	\$84.00
Hair Color, Cut & Set	Visit	\$95.00

Manicure	Visit	\$18.00
Pedicure	Visit	\$34.00
Mani/Pedi	Visit	\$52.00
Eyebrow Tint	Visit	\$22.00
Shampoo Only	Visit	\$8.00
Color Rinse	Visit	\$6.00
Waxing (Brow)	Visit	\$9.00
Waxing (Lip)	Visit	\$6.00

#### GUEST SERVICES:

IL Guest Room	Night	\$88.00
Rollaway Rental	Night	\$8.00



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## 2024 Ancillary Charges

### Effective Jan. 1, 2024

#### WELLNESS CLINIC:

RN Footcare Specialist	Visit		\$41.00
Large Sharps Container	Each		\$9.00
Small Sharps Container	Each		\$6.00
Dressing Change, Small	Each		\$4.00
Dressing Change, Medium	Each		\$6.00
Dressing Change, Large	Each		\$8.00
Ear Irrigation	Each		\$8.00
Pendants (New/Replacement)	Each		\$150.00

#### OTHER:

Housekeeping	Per Hour	Min	\$31.00
Maintenance	Per Man Hour	Min	\$83.00
Private Room Differential (CC)	Per Day		\$30.00
Replacement Key Cards	Each		\$8.00
Key Fobs (New/Replacement)	Each		\$15.00
Additional Storage Unit	Each		\$27.00
Additional Carpet Cleaning	Per Occurrence	Market Value	
Medical Transportation	Hour		Varies
Transition Fee (not medical or upgrade)			\$10,000.00



## **APPENDIX E**

### **Continuing Care Standard Agreements**

Patriots Colony, Inc. Disclosure Statement. The filing of this disclosure statement with the State Corporation Commission does not constitute approval, recommendation, or endorsement of the facility by the State Corporation Commission.





**Patriots Colony at Williamsburg  
LifeCare Agreement**

**Patriots Colony at Williamsburg**

**LifeCare Agreement**

**2024**

**6000 Patriots Colony Drive**

**Williamsburg, VA 23188**

**(757) 220-9000**



**Patriots Colony at Williamsburg  
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**ARTICLE I**

**Glossary of Terms**

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

**“Admission Policy”** means the policy in which the admission guidelines are described for residents at Patriots Colony and is provided to resident along with the Residency Agreement.

**“Agreement”** or **“Residency Agreement”** means any agreement between Patriots Colony and a prospective resident of the Facility pursuant to which such resident will occupy a unit in the Community.

**“Riverside Retirement Services, Inc.”** referred to as "Patriots Colony" means a continuing care retirement community and a Virginia, non-stock, not-for-profit Corporation in Williamsburg, Virginia.

**“Closing Date”** means the date the Residence is ready for occupancy and the date on which the resident pays the balance of the Entrance Fee and begins paying the Monthly Fee pursuant to the Agreement.

**“Co-Resident”** means the second person included in this Residency Agreement.

**“Entrance Fee”** means the initial fees paid by residents of “Patriots Colony” for the purpose of obtaining the right to reside in the Community, but shall not include any monthly charges payable by said residents.

**“Patriots Colony”** means the Continuing Care Retirement Community located at, 6000 Patriots Colony Dr., Williamsburg, Virginia, which is the subject of the Agreement; including the Patriots Colony Independent Living Apartments and Cottages, Assisted Living, and “The Convalescent Center at Patriots Colony” Nursing Center.

**“Assisted Living Center”** means that part of Patriots Colony that provides Assisted Living accommodations.

**“Health Services”** means the licensed nursing care provided by “The Convalescent Center at Patriots Colony” and the licensed assisted living care.



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**“Interdisciplinary Team”** also referred to as **“IDT”** means an inter-professional team working jointly to discuss and determine the best level of care for the Resident and develop the appropriate care plan. The Interdisciplinary Team generally consists of the resident and/or responsible party, attending physician, Director of Nursing, Care Coordinator, Social Services representative, Activities representative, and the Dietary representative.

**“Monthly Fee”** means payment in advance at the beginning of each month for services to be provided by Patriots Colony under this Agreement.

**“Occupancy Date”** means the date that the entrance fee is paid and to begin and continue paying the Monthly Fee applicable to the Resident's Residence.

**“Per Diem Charge/Fee-For-Service”** means the daily rate charged by Patriots Colony and billed to the resident each month for the days the resident receives services in the Convalescent Center at Patriots Colony Nursing Center and/or the Berkeley Assisted Living Center.

**“Priority Access”** means admission into Health Services is determined by available space; first priority to Life Care residents, second priority to LifeCare residents, and third priority to private, non-Patriots Colony residents if space is available.

**“Residence”** means an independent living unit; i.e., apartment or cottage.

**“Resident”** means the Resident or Residents who sign(s) the Agreement.

**“The Convalescent Center at Patriots Colony”** means that part of Patriots Colony which provides nursing accommodations pursuant to this Agreement.

**“We”** or **“Us”** or **“Our”** means the Riverside Retirement Services, d.b.a. Patriots Colony; a non-stock, not-for-profit corporation licensed in the Commonwealth of Virginia to provide continuing care.

**“You,” “Your”** or **“Yours”** means the resident or residents signing this Agreement.

**Patriots Colony at Williamsburg  
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This Agreement is made and entered into by and between Patriots Colony, Inc. (hereinafter referred to as "Patriots Colony") and **XXX** (hereinafter referred to as "Resident", whether one or more persons) this **XXXX**.

**ARTICLE II  
Fees and Refunds**

Resident has selected "Choice **X**", and the fees below will be reflective of the "Choice **X**" fee schedule.

**A. ENTRANCE FEE**

**1. Residence Number & Type**

Resident has selected and shall have a personal non-assignable right to reside in **XXXX**, subject to removal only under the conditions and terms of this agreement.

**2. Amount**

In consideration of the continuing care program outlined in this Agreement and residency in the above described Residence, the Resident agrees to pay Patriots Colony the total amount of **XXXX** which if for two persons, the sum of **XXXX** shall be construed to be the Entrance Fee for the first person, and **XXXX** be construed to be the Entrance Fee for the second person. Resident's deposit of ten percent (10%) of the Entrance Fee shall be made at the time the Resident agrees to reserve the Residence (the "Reservation Deposit"). The Reservation Deposit will be applied towards payment of the Entrance Fee. Except as otherwise provided in Section A.3 of this Article II below, the balance of the Entrance Fee shall be due and payable on the date that shall occur within seven (7) days prior to the assigned occupancy date and at a date and time mutually agreeable to all parties (the "Closing Date"). The Entrance Fee principle amount above will not change during the duration of this Agreement, unless the Resident chooses to upgrade to a larger residence (see "Change of Residence", Article IV, Section D).

**3. Financing Arrangement**

**a. Eligibility**

In lieu of paying the entire balance of the Entrance Fee as provided in Section 2 above, Resident may participate in the financing arrangement made available by Patriots Colony to prospective residents, as more fully described below. If Resident desires to participate in this arrangement, Resident shall: (i) initial the box below the financing arrangement evidencing Resident's agreement to be bound by the terms contained therein; (ii) disclose to Patriots Colony such information as Patriots Colony may request to determine Resident's eligibility for participation; and (iii) execute such documents as required herein to effect such



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participation upon Patriots Colony's determination that Resident is eligible to participate.

**b. General Description**

The Reservation Deposit shall be applied toward payment of the Entrance Fee. Resident shall pay an additional ten percent (10%) of the total Entrance Fee upon the Closing Date, with the remaining balance being due and payable in accordance with the terms of a promissory note evidencing the Resident's financial obligation, a form of which is attached hereto as Exhibit A and made a part hereof. Under the promissory note, the principal of which shall be the unpaid balance of the Entrance Fee (the "Financed Amount"). The date of the promissory note shall be the Closing Date. Payments of principal shall be made in four (4) equal installments on the next four (4) anniversary dates of the Closing Date. All accrued principal and interest on the Financed Amount will be due on the fourth anniversary of the Closing Date. Interest shall accrue at the Prime Rate plus one percent (1%) on the unpaid balance of the promissory note, but if Resident pays the entire Financed Amount to Patriots Colony on or before the one (1) year anniversary of the Closing Date, Patriots Colony shall waive all interest due by Resident to Patriots Colony under the promissory note. For purposes hereof, the "Prime Rate" shall mean the rate per annum that appears as the base rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest banks in the United States, as posted in the Money Rates section of the *Wall Street Journal* on the applicable date, or if the applicable date is not a business day, on the business day immediately prior to such date. Resident may prepay any portion of the Financed Amount in whole or in part, together with accrued interest, without penalty, at any time before the date on which the promissory note matures. Resident agrees that if at any time prior to the promissory note maturing the Resident sells his or her primary residence, the financed amount together with accrued interest shall be due and payable thirty (30) days after the sale of said residence.

\_\_\_\_\_ *Initial here to evidence Resident's agreement to the foregoing provisions in this subsection A.3 of article I.*

**B. MONTHLY FEE**

**1. Current Amount**

The current Monthly Fee associated with the Residence selected by the Resident is the total amount of **XXXX**, which if for two persons, the sum of **XXXX** shall be construed to be the Monthly Fee for the first person and **XXXX** shall be construed to be the Monthly Fee for the second person occupying the Residence. The Monthly Fee shall be paid to Patriots Colony in advance before occupancy and by the first day of each month. The Monthly Fee charges shall begin on the first day of occupancy or ninety (90) days after the date that Resident reserved the Residence, whichever is

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earlier, and shall be paid on a pro-rated basis through the last day of the current month.

**2. Statement**

The Monthly Fee and any other applicable charges shall be considered delinquent if not paid within fourteen days following the due date. All delinquent accounts shall draw a finance charge at no more than the maximum rate allowed by law.

**3. Adjustments**

The Monthly Fee may be adjusted by Patriots Colony consistent with the cost of operating and maintaining Patriots Colony as well as the future service obligations of Patriots Colony and upon thirty (30) days notice to the Resident.

**C. ENTRANCE FEE OPTIONS**

Three different refund options are listed below. Only one refund option will apply for purposes of this agreement and all parties to this agreement will initial that option. The option selected cannot be changed during the term of this agreement or any subsequent agreements as may be required due to a change in Residence. By initialing below and by signing this Agreement you acknowledge that you have reviewed the current pricing associated with refund options selected and have selected the following Entrance Fee refund plan initialed below for purposes of this Agreement.

**1. Base Plan (Declining Refund)**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate less 2% per calendar month calculated from the first month of occupancy. After fifty (50) calendar months of occupancy, there will be no refund.

**2. Plan 50**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>)



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calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded to the Resident or the Resident's estate less 2% per calendar month from the first (1<sup>st</sup>) calendar month of occupancy and thereafter for twenty-four (24) additional months. After twenty-five (25) calendar months, the refund amount will remain unchanged at 50% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 50 availability and rates are age-rated based on age at occupancy. Plan 50 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents & couples where at least one individual is at least 81 but not yet 86. Plan 50 is not available to single Residents and couples where any individual is age 86 or higher.

**3. Plan 95**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by the Resident or Patriots Colony for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded, at 95% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 95 availability and rates are age-rated based on age at occupancy. Plan 95 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents and couples where at least one individual is at least age 81 but not yet 86. Plan 95 is not available to single Residents and couples where any individual is age 86 or higher.

**D. CALCULATION & PAYMENT OF ENTRANCE FEE REFUNDS**

**1. Adjustments for Financing Arrangement**

Notwithstanding any provision herein to the contrary, Resident agrees and acknowledges that, if Resident participates in the financing arrangement set forth in Section A.3 of Article II, Resident shall not be entitled to a refund under the foregoing provision of this Section C until the Financed Amount has been paid in full to Patriots Colony. However, if Resident has executed a promissory note in connection with Resident's participation in the Financing Arrangement set forth in subsection A.3 of Article I above and terminates this Agreement prior to the one year anniversary of the Closing Date and provides no less than thirty (30) days' notice of such termination, Patriots Colony shall cancel the promissory note as the Financed Amount will no longer be due by Resident to Patriots Colony, and Resident shall no longer have any obligations to Patriots Colony under the promissory note.

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**2. Calculation**

For purposes of the above Plans no Entrance Fee refund will include amounts paid for improvements to the Residence, Monthly Fees or other periodic charges. Any Entrance Fee refund shall not include interest that has accrued from the date the Resident's Entrance Fee was paid. Refunds for additional Entrance Fee paid after initial occupancy for such reasons as "upgrade" or marriage will be calculated from the date of original occupancy and this Agreement.

**3. Payment of Refund**

All refunds due under the Entrance Fee refund option will be made within sixty (60) business days after the last of the following: (i) this agreement is terminated; (ii) your Residence has been vacated; and (iii) your Residence is occupied by a new Resident.

**ARTICLE III  
Continuing Care Program**

The Continuing Care Program provided by Patriots Colony in this Agreement includes the use of a number of services and facilities. Outlined below is a description of those services and facilities.

**A. SERVICES AND FACILITIES**

**1. Residence**

Subject to the terms of this Agreement, the Resident has the non-assignable right to reside in the previously described Residence for the remainder of the Resident's life or in the event Resident is more than one person, for the remainder of the life of the survivor. Patriots Colony shall furnish carpet, vinyl and other standard floor treatments, refrigerator, range/oven, microwave, washer/dryer, garbage disposal, dishwasher. The Resident shall provide all other furnishings for the Residence.

**2. Dining Plan**

The Dining Services Department offers three meals a day, six days a week and at least two meals on Sunday. Snacks and beverages are also available during the day. Residents may choose to eat any or all meals each day. Residents receive a generous dining allowance, on a quarterly basis, that is included in the monthly fee. In addition to any menu item, the dining allowance can also be used for bar charges and guest meals. Residents away from the campus in at least ten (10) consecutive days or more during a month are eligible for a meal credit of \$12 per day.

**3. Housekeeping**

The Residence will be cleaned once each week. This cleaning includes vacuuming floor surfaces that are accessible, light dusting on surfaces free of clutter, and necessary cleaning of bathroom and kitchen counters and fixtures. Additionally, heavier housekeeping services such as window washing and floor maintenance will be performed on a scheduled basis. Other housekeeping tasks such as dishwashing,



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laundry, bed making, etc., are the responsibility of the Resident but can be provided by Patriots Colony on an available basis at an additional charge.

**4. Maintenance**

Repairs, maintenance and replacements of property and equipment owned by Patriots Colony shall be performed and provided by Patriots Colony to keep such property and equipment in good repair and order as deemed necessary by Patriots Colony. The above work also includes custodial services for all public spaces and appropriate grounds maintenance. Repairs to Resident's personal possessions are the responsibility of the Resident.

**5. Utilities**

Utilities reasonably required in connection with the occupancy of the Residence, including water, sewer, heating, air-conditioning, electricity, basic cable T.V., and trash removal are included in the fees. Residence telephone and extended/premium cable T.V. charges are the responsibility of the Resident.

**6. Security**

Patriots Colony will use reasonable care in providing security on the premises including the use of personnel dedicated to that purpose, but will not be responsible for losses of personal property.

**7. Emergency Response**

Each residence will be equipped with emergency response systems which, when activated, will summon assistance from Patriots Colony.

**8. Property Insurance**

Patriots Colony insures property and equipment against reasonable losses. Personal property and personal liability insurance for Residents is the responsibility of the Resident.

**9. Taxes**

Patriots Colony pays all real estate, property, and use taxes on all Patriots Colony property and any applicable business operations. The Resident is responsible for his/her own personal property taxes and personal income taxes.

**10. Parking**

Covered parking spaces have been provided in sufficient number to allow one car per residence. Additional parking spaces for Residents, guests and staff are also provided and have been designed to be in close proximity to the ultimate user.

**11. Additional Storage**

Apartment residents without a designated storage space in the Residence shall have one additional secured storage space in the public area.

**12. Scheduled Transportation**

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Resident fees will cover regularly scheduled trips in Patriots Colony vehicles to nearby shopping and “other popular destinations.” Other special trips may be arranged at a nominal charge depending on demand.

**13. Planned Recreation, Wellness, and Activity Programs**

Social, cultural and recreational activities will be provided or arranged by Patriots Colony staff and made available to Residents. Participation is strictly voluntary.

**14. Congregate Facilities**

Residents shall have the right to the use and enjoyment, in concert with others, of the indoor and outdoor public areas and recreational facilities at no extra charge. Exceptions to this right will be a fee for use of certain spaces and purchases of supplies, merchandise and expendables by Residents and their guests for private purposes.

**15. Wellness Clinic**

The Resident Wellness Clinic will be staffed by a licensed nurse who will provide at no charge certain diagnostic monitoring and health promotion services. This individual can also, with the Resident’s physicians’ involvement, assist in coordinating the Resident’s health care services. Payments for any services arranged by the Wellness Clinic, which involve charges by other health professionals, are the responsibility of the Resident.

**16. Health Care**

Patriots Colony provides Resident guaranteed priority access to accommodations in the Patriots Colony Health Center if ordered by a physician and approved by the Health Services Director. If the Resident shall need accommodations in the on-site Health Center and the associated health care services, the Resident shall pay the Patriots Colony published public rates for long term care services then in effect. (See Article IV, “Patriots Colony Health Services”).

**B. SERVICES AVAILABLE AT EXTRA CHARGE**

1. Meals and Guest Meals, in addition to those purchased with the flexible monthly dining allowance.
2. Guest Rooms
3. Additional Housekeeping
4. Individual Telephone Use
5. Extended/Premium Cable T.V. Channels
6. Internet Services
7. Special Events or Transportation



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8. Variable Costs for Crafts/Supplies
9. Services of any On-Site Private Vendors (Such as: Barber, Beautician, Bank, etc.)
10. Catering or Set-up/Clean-up Services
11. Health Services
12. Other services may be made available.

Thirty days' notice will be provided if any changes in the scope of care or services

**C. EXCLUSIONS**

Patriots Colony will at no time be responsible for the debts of a Resident or for medical expenses incurred for services or related items (See Article III B).

**ARTICLE IV  
Patriots Colony Health Services**

**A. ACCESS**

Patriots Colony will guarantee Resident priority access to the Health Center, consisting of *The Berkeley* (assisted living), *Springhouse* (assisted living for the memory impaired), and *The Convalescent Center* (nursing residence). Even though non-residents will have access to the Health Center, Residents will have first priority on all Health Center accommodations and no Resident shall be denied an available space in favor of a non-resident. Patriots Colony offers licensed "Assisted Living" and "Nursing Facility" accommodations. If any such licensed levels of care are not available on-site or if such space is occupied and not immediately available, Patriots Colony will assist resident in transferring to such space off-site. Patriots Colony will notify Resident once the service can be provided on-site and will assist with return arrangements.

**B. CHARGES**

1. Resident agrees to pay the current published LifeCare rate for any stay, temporary or permanent, in any level of care in the Health Center, or for the equivalent service off-site as described above, for as long as those services are needed. If a monthly rate, the current public rate shall be calculated on a pro-rated daily basis for a partial month's stay.
2. If Resident alone occupies two physically connected Assisted Living suites, the public rate will apply for both suites.
3. If a couple occupies one Assisted Living suite, the applicable published public Monthly Fee will be calculated for each Resident. Once a single Resident occupies the suite, the

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applicable single person public rate will be charged.

4. If Resident occupies both Assisted Living and Convalescent accommodations simultaneously, Resident will be billed for both on a pro-rated basis for partial months.

**C. RETENTION OF RESIDENCE DURING HEALTH CENTER STAY**

The following outlines the effect of your stay in the Health Center on the Monthly Fee for your Residence.

**1. Temporary Stay**

Over the course of the Agreement, the LifeCare Resident is entitled up to ten (10) temporary days of assisted living or nursing facility care for temporary stays in The Patriot, The Colony, or The Springhouse private suites or semi-private Convalescent Center accommodations at no additional charge. During these temporary days, you will; not be charged the Resident Health Care Rate, but you are responsible for any additional charges you incur, such as Medicare/Insurance co-payments. During a temporary stay in the Health Center, you will continue to pay the Monthly Fee for the Residence.

**2. Permanent Stay**

- a. If Patriots Colony in its sole discretion, but after consultation with you, your family and your physician, determines that you are physically or mentally incapable of living independently for the foreseeable future, the Resident will be deemed to have permanent status at the Health Center and pay the appropriate public rate.
- b. Single Resident: Resident will release the Residence to Patriots Colony and the Residence Monthly Fee will terminate on the date it is vacated. Once permanent status in the Health Center has been determined, the Residence must be vacated within 30 days.
- c. Resident Couple: When one Resident's stay in the Health Center becomes permanent, the remaining Independent Living Resident will begin paying the first person Monthly Fee. In the case of a couple where both Residents are on permanent status in the Health Center, they will release the Residence to Patriots Colony and cease to pay the Monthly Fee on the date the Residence is vacated. The Independent Living Residence must be vacated within 30 days of the date the last Resident gains permanent Health Center status.
- d. If a permanent move is necessary within the Health Center (e.g. assisted living to convalescent center), Resident must vacate the previous accommodations within ten (10) days.
- e. If personal belongings are not removed by stated time, property will be removed by Patriots Colony and stored at Resident's expense. For the purposes of this Agreement "vacated" shall mean all of the Resident's personal belongings shall be removed from the Residence and the Residence left undamaged, except for normal "fair wear and tear", and in a trash-free condition.

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**3. Recovery from a Permanent Stay**

Should you release your Residence to Patriots Colony for a permanent stay in the Health Center and later be judged by Patriots Colony to be capable of living independently again, you will be offered the next available Residence of the type and size equivalent to that last occupied. If you wish to return to a different type and size Residence, the Upgrading or Downgrading provisions of Article IV, Section D will apply

**D. HEALTH CARE INSURANCE**

1. Resident agrees to procure and maintain Medicare Parts A and Part B, and a Medicare Supplement Plan (e.g. TRICARE for Life) or equivalent hospital and medical insurance coverage.
2. If Resident is entitled to medical care or payment by insurance or government agencies, the Resident shall make application for such care or payment.
3. Resident shall authorize, as necessary, any provider of hospitalization, medical or other health services to receive reimbursement under the above Medicare, TRICARE, and Supplemental insurance programs.

**ARTICLE V  
Change in Resident Status**

**A. MARRIAGE TO ANOTHER RESIDENT**

Should Resident marry another Resident, either may terminate the Residency Agreement, turn the Residence back to Patriots Colony, receive any refund due, and become a party to the new spouse's agreement. The Monthly Fee for the Residence turned back shall terminate upon vacancy, and the Monthly Fee for the Residence retained shall simultaneously be raised to the double occupancy level.

**B. MARRIAGE TO A NON-RESIDENT**

Should resident marry a Non-Resident who satisfies the guidelines for acceptance as outlined in Article V of this Agreement, Patriots Colony will offer the Non-Resident the opportunity to become a party to this Agreement or other applicable Patriots Colony agreement (LifeCare or Residence & Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residence & Services) and will be equal to the Second Person Entrance Fee and the Monthly Fee will be the corresponding Second Person Monthly Fee for the applicable residence. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the Non-Resident for residency at Patriots Colony. Upon occupancy of the Residence by the new spouse, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident



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**C. ADDITIONAL OCCUPANT TO RESIDENCE**

1. Should a resident wish to have a second person occupy the Residence who is not related by blood or marriage, Patriots Colony will offer that non-resident the opportunity to become a party to this Agreement or other applicable Patriots Colony Agreement (LifeCare or Residency and Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency and Services) and will be equal to the second person entrance fee and at the corresponding second person Monthly Fee for the applicable residence. Upon occupancy of the Residence by the new occupant, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.
2. An addendum to this Agreement and any other applicable Agreement (see paragraph immediately above) will be signed by both residents indicating financial responsibility for the other and designating the division calculation of the applicable refund to each upon termination of the Agreement(s) by the last Resident.
3. Patriots Colony's acceptance of this second person shall be contingent upon his/her ability to meet the health, financial and general criteria for admission to Patriots Colony.

Qualifying for, but declining to become part of, a Residency Agreement disqualifies the second person for residency at Patriots Colony.

**D. CHANGE OF RESIDENCE**

After occupancy, if Resident applies in writing to Patriots Colony to move from one Residence to another of either a larger or smaller size, and Patriots Colony agrees to such a move, the following provisions shall apply:

**1. Upgrading**

Should Resident move from one Residence to a larger one, Resident will pay the difference in Entrance Fees from the current Entrance Fee then in effect for the smaller Residence to the Entrance Fee then in effect for the larger Residence. The calculation for any future refunds will be based on the date of original occupancy of the smaller Residence, and the Monthly Fee will increase to that of the larger Residence at the time occupancy of the larger Residence commences.

**2. Downgrading**

If Resident moves from one Residence to a smaller Residence, there will not be a reduction in the Entrance Fee paid. Any refund at the time the smaller Residence is vacated, however, will be calculated based on the original Entrance Fee paid. Resident's Monthly Fee will be reduced to that of the smaller Residence at the time occupancy of the smaller Residence commences, and the larger unit is vacated.

**3. Refurbishment Fee**

A Resident who moves from one Residence to another within Independent Living will be charged for the refurbishment of the Residence vacated if refurbishment has been accomplished recently and, in the professional opinion of Patriots Colony staff,

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recently installed materials cannot be restored to like-new condition and must be replaced.

**ARTICLE VI  
Resident Rights & Responsibilities**

In addition to those rights and responsibilities noted elsewhere in this agreement, the following also apply to you and any authorized occupant of your Residence:

**A. ADMISSION AND CONTINUED OCCUPANCY**

Your acceptance as a Resident and your continued occupancy at Patriots Colony are based upon the following criteria:

1. You are a minimum of 55 years of age.
2. You are physically and mentally capable of living independently at admission and meet the medical requirements of Patriots Colony.
3. You are free of communicable diseases.
4. You possess the financial capabilities to meet your obligations to Patriots Colony for your expected lifetime (unless other arrangements have been made).
5. Your presence does not threaten the health, safety or wellbeing of others at Patriots Colony.
6. You agree to abide by the reasonable rules and regulations of Patriots Colony and the reasonable changes to those rules, which may be adopted later.
7. You respect the rights of other Residents.

**B. PROPERTY RIGHTS**

You understand and agree that this is an agreement primarily for shelter and services. Though you are granted a right of occupancy, this agreement is not a lease and you will have no right, title or interest in any of the real or personal property of Patriots Colony or the right to control or influence in any way the business or financial affairs of Patriots Colony. Your rights under this Agreement may not be assigned, transferred, inherited or devised.

**C. PRESERVATION OF RESIDENTS' ASSETS**

At the request of Patriots Colony, you agree to make arrangements for the preservation and management of your financial resources by a third party (or parties), including but not

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limited to the execution and funding of a trust agreement for your benefit whenever, in the sole judgment of Patriots Colony it appears that your continued management of your financial affairs may prevent you from meeting your financial obligations to Patriots Colony.

**D. POWER OF ATTORNEY**

You agree to execute and maintain in effect, a Durable Power of Attorney, valid under Virginia law. This Durable Power of Attorney shall designate as your attorney-in-fact, your spouse, a bank, lawyer, relative, or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits, as fully and completely as you would if acting personally. It should be in a form that survives your incapacity or disability and be otherwise satisfactory to Patriots Colony. You will deliver a fully executed copy of this Durable Power of Attorney to Patriots Colony prior to occupancy of your Residence. Any advanced directives such as a "living will" should be filed with Patriots Colony upon occupancy.

**E. RESIDENTS' ASSOCIATION**

All Residents of Patriots Colony are members of the Residents' Association. The Administration will confer regularly with representatives of the Association about matters of interest and/or concern to the Residents.

**F. GUESTS, ACCESS, AND USE BY NON-RESIDENTS**

You will be free to invite guests to your residence for transient visits. You may purchase meals for your guests at prevailing rates. Patriots Colony reserves the right to make rules regarding visits and guest behavior. In general, the facilities and services of Patriots Colony are intended for the use of the Residents.

**G. FURNISHINGS**

You are expected to furnish and use your Residence in accordance with acceptable standards. In order to keep the Residence safe and sanitary, Patriots Colony reserves the right to enforce these standards.

**H. HOUSEKEEPING**

You agree to maintain your Residence in a clean, safe and orderly condition, as required by health and safety regulations, and to perform all usual light housekeeping. Patriots Colony may deem necessary, at Resident's expense, such tasks required to return the Residence to a safe, clean and orderly condition if day-to-day responsibilities of the Resident have been neglected.

**I. OTHER RIGHTS**

You have the right to use Patriots Colony public areas and amenities on an equal basis with other Residents and to participate as you choose in planned activities or programs with exception that you may be required to adhere to management programs implemented for the common safety and security of all Residents

**ARTICLE VII  
Patriots Colony Rights & Responsibilities**



## **Patriots Colony at Williamsburg LifeCare Agreement**

In addition to those rights and responsibilities of Patriots Colony noted elsewhere in this agreement, the following also apply:

### **A. MANAGEMENT**

Patriots Colony is responsible for the overall management and operation of Patriots Colony consistent with sound business practices and fairness to all Residents. Patriots Colony has the right to hire professional management services to meet this responsibility.

### **B. AUTHORITY FOR ADMISSIONS, DISMISSAL, AND FEES**

Patriots Colony retains all authority regarding admission, dismissal, and adjustment of fees of Patriots Colony.

### **C. RIGHT OF ENTRY**

Authorized employees shall be permitted into your Residence with reasonable notice at all reasonable times for housekeeping, maintenance, and inspection, and at any time in case of emergencies.

### **D. CONFIDENTIALITY**

Patriots Colony has the right to request and receive medical and financial data from you that is in our sole judgment, necessary to carry out our responsibilities. Patriots Colony has the responsibility to keep all of the personal, medical, and financial information you have supplied to us in confidence, and it will only be shared with those who, in our opinion, have a need to know.

## **ARTICLE VIII Termination Provisions**

### **A. TERMINATION FOR CAUSE**

Any one of the following conditions shall be cause for Patriots Colony to terminate this Agreement:

1. Resident's failure to perform obligations under this contract including the obligation to pay Monthly Fees and other charges. (Also see Article VIII, Non-Payment of Fees).
2. Resident's failure to abide by the rules and regulations of Patriots Colony including such reasonable amendments as may be adopted from time to time.
3. Resident's health or behavior resulting in a threat to the health, safety, peace or wellbeing of the Resident or others.
4. Resident's material misstatements or failure to state a material fact in the Resident application, financial statement or health history statement filed with Patriots

**Patriots Colony at Williamsburg  
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Colony.

Patriots Colony shall give you reasonable notice of your termination date, and determination that your continued occupancy represents a threat to safety of others or of yourself shall be a factor in determining the reasonableness of that notice. You will further be given reasonable opportunity to cure within a reasonable period whatever conduct is alleged to warrant the cancellation of the Agreement. Refund provisions of this Agreement will apply less any outstanding debts of Resident to Patriots Colony.

**B. DEATH**

In the event this Agreement is terminated due to your death, your estate will be responsible for the Monthly Fee until your Residence is vacated. Your estate will be responsible for moving any tangible personal property within thirty (30) days after your death. Should any property remain in your Residence after that date, you hereby authorize Patriots Colony to remove the property from your Residence and store it at the expense of your estate.

**C. TERMINATION PRIOR TO OCCUPANCY**

If Resident dies before occupying the facility, or is precluded through illness, injury, or incapacity from becoming a resident under the terms of the Residency Agreement, the Agreement is automatically rescinded and the Resident or his legal representative shall receive a full refund of all money paid to Patriots Colony, except those costs specifically incurred by Patriots Colony at the request of the Resident and set forth in writing in a separate addendum, signed by both parties to the Agreement.

**D. TERMINATION BY RESIDENT AFTER OCCUPANCY**

**1. Grace Period**

In the event Resident terminates this Agreement in writing within 7 days of the execution date and surrenders the Residence within 7 days of the execution date, Resident shall be entitled to a full refund of the Entrance Fee (less the application fee).

**2. Termination After Grace Period**

Resident may terminate this Agreement by providing written notice to Patriots Colony. The Monthly Fee will continue until the Residence is vacated or thirty (30) days expired whichever is later. The selected Entrance Fee refund option of this Agreement will apply.

**E. SPECIAL TERMS AND EXCEPTIONS**

Upon termination by either you or Patriots Colony you agree to pay Patriots Colony all amounts owed to it, any reasonable expenses incurred in connection with the termination, which includes, but is not limited to: Cost of any repairs, replacement of property, and painting or other refurbishment of your Residence considered necessary by Patriots Colony in order to prepare it for a new Resident. Patriots Colony may offset any amounts owed it by you against any refund due. These costs do not include fair wear and tear.

**F. SUPERSEDED AGREEMENT**

In the event Patriots Colony and Resident enter into a LifeCare Agreement or other residency agreement intended to supersede this Agreement, this Agreement will

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automatically terminate upon the effective date of such other agreement.

**ARTICLE IX  
Non-Payment of Fees**

If you become unable to pay the Monthly Service Fee for your Independent Living Residence for reasons other than willful dissipation of your assets, Patriots Colony, in our sole judgment, may elect to assist you financially. We may assist you in the identification and arrangement for funds from sources including, but not limited to, the Patriots Fund (the internal benevolence fund), and public assistance from local, state and federal governments.

You agree to assist us in the application for such support and to execute reasonable and necessary documents for this purpose. Additionally, any sums expended by Patriots Colony, excluding the Patriots Fund, plus interest at up to the maximum rate allowed by law, will represent a claim against you or your estate or against any Entrance Fee refund due at the time this agreement is terminated.

**ARTICLE X  
Modification of Residence**

We reserve the right to determine the serviceability and condition of carpeting, appliances, and all similar items provided by us in your Residence. You may apply in writing to and contract with Patriots Colony to make authorized modifications to your Residence at your expense and risk. Charges for such modifications will cover the complete cost of the work to be done and an additional charge to restore the Residence to its original condition upon your vacating the Residence, if in Patriots Colony's opinion, such modifications adversely affect the desirability of the Residence for re-occupancy. The modifications shall be done so as to create the least possible inconvenience to other Residents in Patriots Colony. Any modifications, which result in permanent installation, shall become Patriots Colony's property upon installation and shall remain with your Residence when you vacate your Residence. You waive all rights to compensation for the modifications made to your Residence. If the modification requires additional maintenance, either you may be required to procure such maintenance at your expense or additional ongoing charges from Patriots Colony may apply. An example of the latter is conversion of a Villa or Greenspring Home screened porch to a sunroom and thereby changing the Residence model and the required Monthly Fee.

**ARTICLE XI  
Personal Injury or Loss of Property**



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**A. Injury or Damage by You**

You agree to reimburse Patriots Colony for any costs incurred or damages suffered by it resulting from your carelessness, negligence or wrongful acts, or that of your guests. You hereby release Patriots Colony from liability for your death, injury to your person or your property caused by any theft, fire, assault or other cause beyond the control of Patriots Colony and from liability resulting from the negligence or wrongful acts of other Residents and do waive any claim that may accrue to you arising against Patriots Colony there from.

**B. Injury by a Third Party**

In case of accident or injury to you caused by third parties you hereby agree to bring any claims or initiate legal action, if necessary, against the person who has caused injury to you for compensation for the injury. You hereby authorize and direct the person or firm designated by you as your attorney-in-fact to prosecute such claims or causes of action. After recovering damages from such claims or causes of action you agree to reimburse Patriots Colony for all costs and damages incurred by it (including reasonable costs of care furnished to you by Patriots Colony because of such accident or injury).

**ARTICLE XII  
Miscellaneous**

**A. STATEMENT OF NON-DISCRIMINATION**

Neither race, nor color, nor sex, nor religion, nor national origin has any bearing upon your acceptance or rejection for admission, the execution of this agreement, or normal conduct of business of Patriots Colony.

**B. REPRESENTATIONS MADE BY RESIDENT**

The application and the statements of your finances, personal data, and health history filed with Patriots Colony are incorporated into this agreement and all statements therein are deemed to be true as of the date made. You represent that there have been no material changes in the information provided since the date of application. Any material misstatement, or any material omission to state a fact called for, may result in the termination of this Agreement by Patriots Colony.

**C. REQUIREMENTS PRIOR TO OCCUPANCY**

Resident must provide the following to Patriots Colony prior to occupancy:

1. Proof of the required Medicare, TRICARE or other Supplemental Insurance coverage, or their equivalent.
2. All required personal, confidential, financial, and medical information.
3. Copy of Durable Power of Attorney and Advanced Directives, if any.
4. Certification of name and address of the administrator or executor of your last will and testament and trustee, if any, and location of your last will and testament and trust, if

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any.

5. Signed authorization and payment for modifications (if any) to your Residence.
6. Execution of the Agreement.
7. Payment of the balance of your Entrance Fee and applicable Monthly Fee.

**D. SUCCESSORS AND ASSIGNS**

Resident Responsibilities owed Patriots Colony under this Agreement shall inure to the benefits of its successors and assigns.

**E. OTHER PROMISES**

Patriots Colony representatives have made no other promises or representations regarding your Residence, facilities, refunds or services and this agreement has precedence over the description of services in promotional materials or presentations. This Agreement constitutes the entire contract between you and Patriots Colony, and no waiver or modification shall be valid unless made in writing, signed by you and by Patriots Colony and attached herewith as a part of this agreement.

In witness whereof, the parties hereto have executed this Agreement the day and year first above mentioned.

BY: \_\_\_\_\_  
Patriots Colony Representative

Resident: \_\_\_\_\_

Resident: \_\_\_\_\_

Witness: \_\_\_\_\_

In and for James City County, Commonwealth of Virginia,  
the foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Notary Public

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Residence and Services Agreement**

**Patriots Colony at Williamsburg  
Resident and Services Agreement  
2024**

**6000 Patriots Colony Drive**

**Williamsburg, VA 23188**

**(757) 220-9000**



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**Patriots Colony At Williamsburg  
Residence and Services Agreement**

This Agreement is made and entered into by and between Patriots Colony, Inc. (hereinafter referred to as "Patriots Colony") and **XXX**, hereinafter referred to as "Resident," whether one or more persons) this **XXXX**.

**ARTICLE I  
Fees and Refunds**

Resident has selected "Choice **XX**" and the fees below will be reflective of the "Choice **XX**" fee schedule.

**A. ENTRANCE FEE**

**1. Residence Number & Type**

Resident has selected and shall have a personal non-assignable right to reside in **XXX**, subject to removal only under the conditions and terms of this agreement.

**2. Amount**

In consideration of the continuing care program outlined in this Agreement and residency in the above described Residence, the Resident agrees to pay Patriots Colony the total amount of **XXXX** which if for two persons, the sum of **XXXX** shall be construed to be the Entrance Fee for the first person, and N/A be construed to be the Entrance Fee for the second person. Resident's deposit of ten percent (10%) of the Entrance Fee shall be made at the time the Resident agrees to reserve the Residence (the "Reservation Deposit"). The Reservation Deposit will be applied towards payment of the Entrance Fee. Except as otherwise provided in Section A.3 of this Article I below, the balance of the Entrance Fee shall be due and payable on the date that shall occur within seven (7) days prior to the assigned occupancy date and at a date and time mutually agreeable to all parties (the "Closing Date"). The Entrance Fee principle amount above will not change during the duration of this Agreement, unless the Resident chooses to upgrade to a larger residence (see "Change of Residence", Article IV, Section D).

**3. Financing Arrangement**

**a. Eligibility**

In lieu of paying the entire balance of the Entrance Fee as provided in Section 2 above, Resident may participate in the financing arrangement made available by Patriots Colony to prospective residents, as more fully described below. If Resident desires to participate in this arrangement, Resident shall: (i) initial the box below the financing arrangement evidencing Resident's agreement to be bound by the terms contained therein; (ii) disclose to Patriots Colony such information as Patriots Colony may request to determine Resident's eligibility for participation; and (iii) execute such documents as required herein to effect such participation upon Patriots Colony's determination that Resident is eligible to participate.

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**b. General Description**

The Reservation Deposit shall be applied toward payment of the Entrance Fee. Resident shall pay an additional ten percent (10%) of the total Entrance Fee upon the Closing Date, with the remaining balance being due and payable in accordance with the terms of a promissory note evidencing the Resident's financial obligation, a form of which is attached hereto as Exhibit A and made a part hereof. Under the promissory note, the principal of which shall be the unpaid balance of the Entrance Fee (the "Financed Amount"). The date of the promissory note shall be the Closing Date. Payments of principal shall be made in four (4) equal installments on the next four (4) anniversary dates of the Closing Date. All accrued principal and interest on the Financed Amount will be due on the fourth anniversary of the Closing Date. Interest shall accrue at the Prime Rate plus one percent (1%) on the unpaid balance of the promissory note, but if Resident pays the entire Financed Amount to Patriots Colony on or before the one (1) year anniversary of the Closing Date, Patriots Colony shall waive all interest due by Resident to Patriots Colony under the promissory note. For purposes hereof, the "Prime Rate" shall mean the rate per annum that appears as the base rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest banks in the United States, as posted in the Money Rates section of the *Wall Street Journal* on the applicable date, or if the applicable date is not a business day, on the business day immediately prior to such date. Resident may prepay any portion of the Financed Amount in whole or in part, together with accrued interest, without penalty, at any time before the date on which the promissory note matures. Resident agrees that if at any time prior to the promissory note maturing the Residents sells his or her primary residence, the financed amount together with accrued interest shall be due and payable thirty (30) days after the sale of said residence.

\_\_\_\_\_ *Initial here to evidence Resident's agreement to the foregoing provisions of this subsection A.3 of Article I.*

**B. MONTHLY FEE**

**1. Current Amount**

The current Monthly Fee associated with the Residence selected by the Resident is the total amount of **XXX** which, if for two persons, the sum of **XXX** shall be construed to be the Monthly Fee for the first person and **N/A** shall be construed to be the Monthly Fee for the second person occupying the Residence. The Monthly Fee shall be paid to Patriots Colony in advance before occupancy and by the first day of each month. The Monthly Fee charges shall begin on the first day of occupancy or ninety (90) days after the date that Resident reserved the Residence, whichever is earlier, and shall be paid on a pro-rated basis through the last day of the current month.



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**2. Statement**

The Monthly Fee and any other applicable charges shall be considered delinquent if not paid within fourteen days following the due date. All delinquent accounts shall draw a finance charge at no more than the maximum rate allowed by law.

**3. Adjustments**

The Monthly Fee may be adjusted by Patriots Colony consistent with the cost of operating and maintaining Patriots Colony as well as the future service obligations of Patriots Colony and upon thirty (30) days notice to the Resident.

**C. ENTRANCE FEE OPTIONS**

Three different refund options are listed below. Only one refund option will apply for purposes of this agreement and all parties to this agreement will initial that option. The option selected cannot be changed during the term of this agreement or any subsequent agreements as may be required due to a change in Residence. By initialing below and by signing this Agreement you acknowledge that you have reviewed the current pricing associated with refund options selected and have selected the following Entrance Fee refund plan initialed below for purposes of this Agreement.

**1. Base Plan (Declining Refund)**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate less 2% per calendar month calculated from the first month of occupancy. After fifty (50) calendar months of occupancy, there will be no refund.

**2. Plan 50**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded to the Resident or the Resident's estate less 2% per calendar month from the first (1<sup>st</sup>) calendar month of occupancy and thereafter for twenty-four (24) additional months. After twenty-five (25) calendar months, the refund amount will remain unchanged at 50% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

**Patriots Colony At Williamsburg  
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For actuarial reasons, Plan 50 availability and rates are age-rated based on age at occupancy. Plan 50 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents & couples where at least one individual is at least age 81 but not yet 86. Plan 50 is not available to single Residents and couples where any individual is age 86 or higher.

**3. Plan 95**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by the Resident or Patriots Colony for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded, at 95% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 95 availability and rates are age-rated based on age at occupancy. Plan 95 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents and couples where at least one individual is at least age 81 but not yet 86. Plan 95 is not available to single Residents and couples where any individual is age 86 or higher.

**D. CALCULATION & PAYMENT OF ENTRANCE FEE REFUNDS**

**1. Adjustments for Financing Arrangement**

Notwithstanding any provision herein to the contrary, Resident agrees and acknowledges that, if Resident participates in the financing arrangement set forth in Section A.3 of Article I, Resident shall not be entitled to a refund under the foregoing provision of this Section C until the Financed Amount has been paid in full to Patriots Colony. However, if Resident has executed a promissory note in connection with Resident's participation in the Financing Arrangement set forth in subsection A.3 of Article I above and terminates this Agreement prior to the one year anniversary of the Closing Date and provides no less than thirty (30) days notice of such termination, Patriots Colony shall cancel the promissory note as the Financed Amount will no longer be due by Resident to Patriots Colony, and Resident shall no longer have any obligations to Patriots Colony under the promissory note.

**2. Calculation**

For purposes of the above Plans no Entrance Fee refund will include amounts paid for improvements to the Residence, Monthly Fees or other periodic charges. Any Entrance Fee refund shall not include interest that has accrued from the date the Resident's Entrance Fee was paid. Refunds for additional Entrance Fee paid after initial occupancy for such reasons as "upgrade" or marriage will be calculated from the date of original occupancy and this Agreement.

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**3. Payment of Refund**

All refunds due under the Entrance Fee refund option will be made within sixty (60) business days after the last of the following: (i) this agreement is terminated; (ii) your Residence has been vacated; and (iii) your Residence is occupied by a new Resident.

**ARTICLE II**

**Continuing Care Program**

The Continuing Care Program provided by Patriots Colony in this Agreement includes the use of a number of services and facilities. Outlined below is a description of those services and facilities.

**A. SERVICES AND FACILITIES**

**1. Residence**

Subject to the terms of this Agreement, the Resident has the non-assignable right to reside in the previously described Residence for the remainder of the Resident's life or in the event Resident is more than one person, for the remainder of the life of the survivor. Patriots Colony shall furnish carpet, vinyl and other standard floor treatments, refrigerator, range/oven, microwave, washer/dryer, garbage disposal, dishwasher. The Resident shall provide all other furnishings for the Residence.

**2. Dining Plan**

The Dining Services Department offers three meals a day, six days a week and at least one meal on Sunday. Snacks and beverages are also available during the day. Residents may choose to eat any or all meals each day. Residents receive a generous dining allowance, on a quarterly basis, that is included in the monthly fee. In addition to any menu item, the dining allowance can also be used for bar charges and guest meals. Residents away from the campus in at least ten (10) consecutive days or more during a month are eligible for a meal credit of \$12 per day.

**3. Housekeeping**

The Residence will be cleaned once each week. This cleaning includes vacuuming floor surfaces that are accessible, light dusting on surfaces free of clutter, and necessary cleaning of bathroom and kitchen counters and fixtures. Additionally, heavier housekeeping services such as window washing and floor maintenance will be performed on a scheduled basis. Other housekeeping tasks such as dishwashing, laundry, bed making, etc., are the responsibility of the Resident but can be provided by Patriots Colony on an available basis at an additional charge.



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**4. Maintenance**

Repairs, maintenance and replacements of property and equipment owned by Patriots Colony shall be performed and provided by Patriots Colony to keep such property and equipment in good repair and order as deemed necessary by Patriots Colony. The above work also includes custodial services for all public spaces and appropriate grounds maintenance. Repairs to Resident's personal possessions are the responsibility of the Resident.

**5. Utilities**

Utilities reasonably required in connection with the occupancy of the Residence, including water, sewer, heating, air-conditioning, electricity, basic cable T.V., and trash removal are included in the fees. Residence telephone and extended/premium cable TV charges are the responsibility of the Resident.

**6. Security**

Patriots Colony will use reasonable care in providing security on the premises including the use of personnel dedicated to that purpose, but will not be responsible for losses of personal property.

**7. Emergency Response**

Each residence will be equipped with emergency response systems which, when activated, will summon assistance from Patriots Colony.

**8. Property Insurance**

Patriots Colony insures property and equipment against reasonable losses. Personal property and personal liability insurance for Residents is the responsibility of the Resident.

**9. Taxes**

Patriots Colony pays all real estate, property, and use taxes on all Patriots Colony property and any applicable business operations. The Resident is responsible for his/her own personal property taxes and personal income taxes.

**10. Parking**

Covered parking spaces have been provided in sufficient number to allow one car per residence. Additional parking spaces for Residents, guests and staff are also provided and have been designed to be in close proximity to the ultimate user.

**11. Additional Storage**

Apartment residents without a designated storage space in the Residence shall have one additional secured storage space in the public area.

**12. Scheduled Transportation**

Resident fees will cover regularly scheduled trips in Patriots Colony vehicles to nearby shopping and "other popular destinations." Other special trips may be arranged at a nominal charge depending on demand.

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**13. Planned Recreation, Wellness, and Activity Programs**

Social, cultural and recreational activities will be provided or arranged by Patriots Colony staff and made available to Residents. Participation is strictly voluntary.

**14. Congregate Facilities**

Residents shall have the right to the use and enjoyment, in concert with others, of the indoor and outdoor public areas and recreational facilities at no extra charge. Exceptions to this right will be a fee for use of certain spaces and purchases of supplies, merchandise and expendables by Residents and their guests for private purposes.

**15. Wellness Clinic**

The Resident Wellness Clinic will be staffed by a licensed nurse who will provide at no charge certain diagnostic monitoring and health promotion services. This individual can also, with the Resident's physicians' involvement, assist in coordinating the Resident's health care services. Payments for any services arranged by the Wellness Clinic, which involve charges by other health professionals, are the responsibility of the Resident.

**16. Health Care**

Patriots Colony provides Resident guaranteed priority access to accommodations in the Patriots Colony Health Center if ordered by a physician and approved by the Health Services Director. If the Resident shall need accommodations in the on-site Health Center and the associated health care services, the Resident shall pay the Patriots Colony published public rates for long term care services then in effect. (See Article III, "Patriots Colony Health Services").

**B. SERVICES AVAILABLE AT EXTRA CHARGE**

1. Meals and Guest Meals, in addition to those purchased with the flexible monthly dining allowance.
2. Guest Rooms
3. Additional Housekeeping
4. Individual Telephone Use
5. Extended/Premium Cable T.V. Channels
6. Internet Services
7. Special Events or Transportation
8. Variable Costs for Crafts/Supplies
9. Services of any On-Site Private Vendors (Such as: Barber, Beautician, Bank, etc.)
10. Catering or Set-up/Clean-up Services

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**11. Health Services**

**12. Other services that may be made available**

Thirty (30) days notice will be provided of any changes in the scope of care or services.

**C. LIFECARE**

Patriots Colony offers a LifeCare Program through a separate agreement. The LifeCare Program offers Health Services and other additional services described above available to residents at a discounted rate, subject to a qualification determination by Patriots Colony. In the event Resident pays the full Residence and Services Entrance Fee at occupancy but later desires to convert to the LifeCare program, the then current Entrance Fee must first be paid to Patriots Colony in full. In the event Resident participates in a Financing Arrangement, Resident will have the right to convert to the LifeCare program within thirty (30) days after the payment of the Entrance Fee, and the Entrance Fee will be credited towards the then current entrance fee for the new LifeCare contract. Notwithstanding anything herein to the contrary, Resident's conversion to the LifeCare Program will be subject to the admission and qualification requirements, a health assessment and a financial review to determine Resident's qualification.

**D. EXCLUSIONS**

Patriots Colony will at no time be responsible for the debts of a Resident or for medical expenses incurred for services or related items (See Article III B).

**ARTICLE III**

**Patriots Colony Health Services**

**A. ACCESS**

Patriots Colony will guarantee Resident priority access to the Health Center, consisting of *The Berkeley* (assisted living), *Springhouse* (assisted living for the memory impaired), and *The Convalescent Center* (nursing residence). Even though non-residents will have access to the Health Center, Residents will have first priority on all Health Center accommodations and no Resident shall be denied an available space in favor of a non-resident. Patriots Colony offers licensed "Assisted Living" and "Nursing Facility" accommodations. If any such licensed levels of care are not available on-site or if such space is occupied and not immediately available, Patriots Colony will assist resident in transferring to such space off-site. Patriots Colony will notify Resident once the service can be provided on-site and will assist with return arrangements.

**B. CHARGES**

1. Resident agrees to pay the current published public rate for any stay, temporary or permanent, in any level of care in the Health Center, or for the equivalent service



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off-site as described above, for as long as those services are needed. If a monthly rate, the current public rate shall be calculated on a pro-rated daily basis for a partial month's stay.

2. If Resident alone occupies two physically connected Assisted Living suites, the public rate will apply for both suites.
3. If a couple occupies one Assisted Living suite, the applicable published public monthly Fee will be calculated for each Resident. Once a single Resident occupies the suite, the applicable single person public rate will be charged.
4. If Resident occupies both Assisted Living and Convalescent accommodations simultaneously, Resident will be billed for both on a pro-rated basis for partial months.

**C. RETENTION OF RESIDENCE DURING HEALTH CENTER STAY**

The following outlines the effect of your stay in the Health Center on the Monthly Fee for your Residence.

**1. Temporary Stay**

During a temporary stay in the Health Center, the Resident will continue to pay the Monthly Fee for the Residence plus the current public rate for the care received at the Health Center.

**2. Permanent Stay**

- a. If Patriots Colony in its sole discretion, but after consultation with you, your family and your physician, determines that you are physically or mentally incapable of living independently for the foreseeable future, the Resident will be deemed to have permanent status at the Health Center and pay the appropriate public rate.

**b. Single Resident**

Resident will release the Residence to Patriots Colony and the Residence Monthly Fee will terminate on the date it is vacated. Once permanent status in the Health Center has been determined, the Residence must be vacated within 30 days.

**c. Resident Couple**

When one Resident's stay in the Health Center becomes permanent, the remaining Independent Living Resident will begin paying the first person Monthly Fee. In the case of a couple where both Residents are on permanent status in the Health

Center, they will release the Residence to Patriots Colony and cease to pay the Monthly Fee on the date the Residence is vacated. The Independent Living Residence must be vacated within 30 days of the date the last Resident gains permanent Health Center status.

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- d. If a permanent move is necessary within the Health Center (e.g. assisted living to convalescent center), Resident must vacate the previous accommodations within ten (10) days.
- e. If personal belongings are not removed by stated time, property will be removed by Patriots Colony and stored at Resident's expense. For the purposes of this Agreement "vacated" shall mean all of the Resident's personal belongings shall be removed from the Residence and the Residence left undamaged, except for normal "fair wear and tear", and in a trash-free condition.

**3. Recovery from a Permanent Stay**

Should you release your Residence to Patriots Colony for a permanent stay in the Health Center and later be judged by Patriots Colony to be capable of living independently again, you will be offered the next available Residence of the type and size equivalent to that last occupied. If you wish to return to a different type and size Residence, the Upgrading or Downgrading provisions of Article IV, Section D will apply.

**D. HEALTH CARE INSURANCE**

- 1. Resident agrees to procure and maintain Medicare Parts A and Part B, and a Medicare Supplement Plan (e.g. TRICARE for Life) or equivalent hospital and medical insurance coverage.
- 2. If Resident is entitled to medical care or payment by insurance or government agencies, the Resident shall make application for such care or payment.
- 3. Resident shall authorize, as necessary, any provider of hospitalization, medical or other health services to receive reimbursement under the above Medicare, TRICARE, and Supplemental insurance programs.

**ARTICLE IV**

**Change in Resident Status**

**A. MARRIAGE TO ANOTHER RESIDENT**

Should Resident marry another Resident, either may terminate the Residency Agreement, turn the Residence back to Patriots Colony, receive any refund due, and become a party to the new spouse's agreement. The Monthly Fee for the Residence turned back shall terminate upon vacancy, and the Monthly Fee for the Residence retained shall simultaneously be raised to the double occupancy level.

**B. MARRIAGE TO A NON-RESIDENT**

Should resident marry a Non-Resident who satisfies the guidelines for acceptance as outlined in Article V of this Agreement, Patriots Colony will offer the Non-Resident the opportunity to become a party to this Agreement or other applicable Patriots Colony

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agreement (LifeCare or Residence & Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency & Services) and will be equal to the Second Person Entrance Fee and the Monthly Fee will be the corresponding Second Person Monthly

Fee for the applicable residence. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the Non-Resident for residency at Patriots Colony. Upon occupancy of the Residence by the new spouse, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.

**C. ADDITIONAL OCCUPANT TO RESIDENCE**

1. Should a resident wish to have a second person occupy the Residence who is not related by blood or marriage, Patriots Colony will offer that non-resident the opportunity to become a party to this Agreement or other applicable Patriots Colony Agreement (LifeCare or Residency and Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency and Services) and will be equal to the second person Entrance and at the corresponding second person Monthly Fee for the applicable residence. Upon occupancy of the Residence by the new occupant, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.
2. An addendum to this Agreement and any other applicable Agreement (see paragraph immediately above) will be signed by both residents indicating financial responsibility for the other and designating the division calculation of the applicable refund to each upon termination of the Agreement(s) by the last Resident.
3. Patriots Colony's acceptance of this second person shall be contingent upon his/her ability to meet the health, financial and general criteria for admission to Patriots Colony. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the second person for residency at Patriots Colony.

**D. CHANGE OF RESIDENCE**

After occupancy, if Resident applies in writing to Patriots Colony to move from one Residence to another of either a larger or smaller size, and Patriots Colony agrees to such a move, the following provisions shall apply:

**1. Upgrading**

Should Resident move from one Residence to a larger one, Resident will pay the difference in Entrance Fees from the current Entrance Fee then in effect for the smaller

Residence to the Entrance Fee then in effect for the larger Residence. The calculation for any future refunds will be based on the date of original occupancy of the smaller Residence, and the Monthly Fee will increase to that of the larger Residence at the time occupancy of the larger Residence commences.

**2. Downgrading**



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If Resident moves from one Residence to a smaller Residence, there will not be a reduction in the Entrance Fee paid. Any refund at the time the smaller Residence is vacated, however, will be calculated based on the original Entrance Fee paid. Resident's Monthly Fee will be reduced to that of the smaller Residence at the time occupancy of the smaller Residence commences, and the larger unit is vacated.

**3. Refurbishment Fee**

A Resident who moves from one Residence to another within Independent Living will be charged for the refurbishment of the Residence vacated if refurbishment has been accomplished recently and, in the professional opinion of Patriots Colony staff, recently installed materials cannot be restored to like-new condition and must be replaced.

**ARTICLE V**

**Resident Rights & Responsibilities**

In addition to those rights and responsibilities noted elsewhere in this agreement, the following also apply to you and any authorized occupant of your Residence:

**A. ADMISSION AND CONTINUED OCCUPANCY**

Your acceptance as a Resident and your continued occupancy at Patriots Colony are based upon the following criteria:

1. You are a minimum of 55 years of age.
2. You are physically and mentally capable of living independently at admission and meet the medical requirements of Patriots Colony.
3. You are free of communicable diseases.
4. You possess the financial capabilities to meet your obligations to Patriots Colony for your expected lifetime (unless other arrangements have been made).
5. Your presence does not threaten the health, safety or well being of others at Patriots Colony.
6. You agree to abide by the reasonable rules and regulations of Patriots Colony and the reasonable changes to those rules, which may be adopted later.
7. You respect the rights of other Residents.

**B. PROPERTY RIGHTS**

You understand and agree that this is an agreement primarily for shelter and services. Though you are granted a right of occupancy, this agreement is not a lease and you will have

no right, title or interest in any of the real or personal property of Patriots Colony or the right to control or influence in any way the business or financial affairs of Patriots Colony. Your rights under this Agreement may not be assigned, transferred, inherited or devised.

**C. PRESERVATION OF RESIDENTS' ASSETS**

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At the request of Patriots Colony, you agree to make arrangements for the preservation and management of your financial resources by a third party (or parties), including but not limited to the execution and funding of a trust agreement for your benefit whenever, in the sole judgment of Patriots Colony it appears that your continued management of your financial affairs may prevent you from meeting your financial obligations to Patriots Colony.

**D. POWER OF ATTORNEY**

You agree to execute and maintain in effect, a Durable Power of Attorney, valid under Virginia law. This Durable Power of Attorney shall designate as your attorney-in-fact, your spouse, a bank, lawyer, relative, or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits, as fully and completely as you would if acting personally. It should be in a form that survives your incapacity or disability and be otherwise satisfactory to Patriots Colony. You will deliver a fully executed copy of this Durable Power of Attorney to Patriots Colony prior to occupancy of your Residence. Any advanced directives such as a "living will" should be filed with Patriots Colony upon occupancy.

**E. RESIDENTS' ASSOCIATION**

All Residents of Patriots Colony are members of the Residents' Association. The Administration will confer regularly with representatives of the Association about matters of interest and/or concern to the Residents.

**F. GUESTS, ACCESS, AND USE BY NON-RESIDENTS**

You will be free to invite guests to your residence for transient visits. You may purchase meals for your guests at prevailing rates. Patriots Colony reserves the right to make rules regarding visits and guest behavior. In general, the facilities and services of Patriots Colony are intended for the use of the Residents.

**G. FURNISHINGS**

You are expected to furnish and use your Residence in accordance with acceptable standards. In order to keep the Residence safe and sanitary, Patriots Colony reserves the right to enforce these standards.

**H. HOUSEKEEPING**

You agree to maintain your Residence in a clean, safe and orderly condition, as required by health and safety regulations, and to perform all usual light housekeeping. Patriots Colony may deem necessary, at Resident's expense, such tasks required to return the Residence to a safe, clean and orderly condition if day-to-day responsibilities of the Resident have been neglected.

**I. OTHER RIGHTS**

You have the right to use Patriots Colony public areas and amenities on an equal basis with other Residents and to participate as you choose in planned activities or programs with exception that you may be required to adhere to management programs implemented for the common safety and security of all Residents.

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**ARTICLE VI**

**Patriots Colony Rights & Responsibilities**

In addition to those rights and responsibilities of Patriots Colony noted elsewhere in this agreement, the following also apply:

**A. MANAGEMENT**

Patriots Colony is responsible for the overall management and operation of Patriots Colony consistent with sound business practices and fairness to all Residents. Patriots Colony has the right to hire professional management services to meet this responsibility.

**B. AUTHORITY FOR ADMISSIONS, DISMISSAL, AND FEES**

Patriots Colony retains all authority regarding admission, dismissal, and adjustment of fees of Patriots Colony.

**C. RIGHT OF ENTRY**

Authorized employees shall be permitted into your Residence with reasonable notice at all reasonable times for housekeeping, maintenance, and inspection, and at any time in case of emergencies.

**D. CONFIDENTIALITY**

Patriots Colony has the right to request and receive medical and financial data from you that is in our sole judgment, necessary to carry out our responsibilities. Patriots Colony has the responsibility to keep all of the personal, medical, and financial information you have supplied to us in confidence, and it will only be shared with those who, in our opinion, have a need to know.

**ARTICLE VII**

**Termination Provisions**

**A. TERMINATION FOR CAUSE**

Any one of the following conditions shall be cause for Patriots Colony to terminate this Agreement:

1. Resident's failure to perform obligations under this contract including the obligation to pay Monthly Fees and other charges. (Also see Article VIII, Non-Payment of Fees).
2. Resident's failure to abide by the rules and regulations of Patriots Colony including such reasonable amendments as may be adopted from time to time.



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3. Resident's health or behavior resulting in a threat to the health, safety, peace or well being of the Resident or others.
4. Resident's material misstatements or failure to state a material fact in the Resident application, financial statement or health history statement filed with Patriots Colony.

Patriots Colony shall give you reasonable notice of your termination date, and determination that your continued occupancy represents a threat to safety of others or of yourself shall be a

factor in determining the reasonableness of that notice. You will further be given reasonable opportunity to cure within a reasonable period whatever conduct is alleged to warrant the cancellation of the Agreement. Refund provisions of this Agreement will apply less any outstanding debts of Resident to Patriots Colony.

**B. DEATH**

In the event this Agreement is terminated due to your death, your estate will be responsible for the Monthly Fee until your Residence is vacated. Your estate will be responsible for moving any tangible personal property within thirty (30) days after your death. Should any property remain in your Residence after that date, you hereby authorize Patriots Colony to remove the property from your Residence and store it at the expense of your estate.

**C. TERMINATION PRIOR TO OCCUPANCY**

If Resident dies before occupying the facility, or is precluded through illness, injury, or incapacity from becoming a resident under the terms of the Residency Agreement, the Agreement is automatically rescinded and the Resident or his legal representative shall receive a full refund of all money paid to Patriots Colony, except those costs specifically incurred by Patriots Colony at the request of the Resident and set forth in writing in a separate addendum, signed by both parties to the Agreement.

**D. TERMINATION BY RESIDENT AFTER OCCUPANCY**

**1. Grace Period**

In the event Resident terminates this Agreement in writing within 7 days of the execution date and surrenders the Residence within 7 days of the execution date, Resident shall be entitled to a full refund of the Entrance Fee (less the application fee).

**2. Termination After Grace Period**

Resident may terminate this Agreement by providing written notice to Patriots Colony. The Monthly Fee will continue until the Residence is vacated or thirty (30) days expired whichever is later. The selected Entrance Fee refund option of this Agreement will apply.

**E. SPECIAL TERMS AND EXCEPTIONS**

Upon termination by either you or Patriots Colony you agree to pay Patriots Colony all amounts owed to it, any reasonable expenses incurred in connection with the termination, which includes, but is not limited to: Cost of any repairs, replacement of property, and painting or other refurbishment of your Residence considered necessary by Patriots Colony

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in order to prepare it for a new Resident. Patriots Colony may offset any amounts owed it by you against any refund due. These costs do not include fair wear and tear.

**F. SUPERSEDED AGREEMENT**

In the event Patriots Colony and Resident enter into a LifeCare Agreement or other residency agreement intended to supersede this Agreement, this Agreement will automatically terminate upon the effective date of such other agreement.

**ARTICLE VIII**

**Non-Payment of Fees**

If you become unable to pay the Monthly Service Fee for your Independent Living Residence for reasons other than willful dissipation of your assets, Patriots Colony, in our sole judgment, may elect to assist you financially. We may assist you in the identification and arrangement for funds from sources including, but not limited to, the Patriots Fund (the internal benevolence fund), and public assistance from local, state and federal governments. You agree to assist us in the application for such support and to execute reasonable and necessary documents for this purpose. Additionally, any sums expended by Patriots Colony, excluding the Patriots Fund, plus interest at up to the maximum rate allowed by law, will represent a claim against you or your estate or against any Entrance Fee refund due at the time this agreement is terminated.

**ARTICLE IX**

**Modification of Residence**

We reserve the right to determine the serviceability and condition of carpeting, appliances, and all similar items provided by us in your Residence. You may apply in writing to and contract with Patriots Colony to make authorized modifications to your Residence at your expense and risk. Charges for such modifications will cover the complete cost of the work to be done and an additional charge to restore the Residence to its original condition upon your vacating the Residence, if in Patriots Colony's opinion, such modifications adversely affect the desirability of the Residence for re-occupancy. The modifications shall be done so as to create the least possible inconvenience to other Residents in Patriots Colony. Any modifications, which result in permanent installation, shall become Patriots Colony's property upon installation and shall remain with your Residence when you vacate your Residence. You waive all rights to compensation for the modifications made to your Residence. If the modification requires additional maintenance, either you may be required to procure such maintenance at your expense or additional ongoing charges from Patriots Colony may apply. An example of the latter is conversion of a Villa or Greenspring Home screened porch to a sunroom and thereby changing the Residence model and the required Monthly Fee.

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**ARTICLE X**

**Personal Injury or Loss of Property**

**A. INJURY OR DAMAGE BY YOU**

You agree to reimburse Patriots Colony for any costs incurred or damages suffered by it resulting from your carelessness, negligence or wrongful acts, or that of your guests. You hereby release Patriots Colony from liability for your death, injury to your person or your property caused by any theft, fire, assault or other cause beyond the control of Patriots Colony and from liability resulting from the negligence or wrongful acts of other Residents and do waive any claim that may accrue to you arising against Patriots Colony there from.

**B. INJURY BY A THIRD PARTY**

In case of accident or injury to you caused by third parties you hereby agree to bring any claims or initiate legal action, if necessary, against the person who has caused injury to you for compensation for the injury. You hereby authorize and direct the person or firm designated by you as your attorney-in-fact to prosecute such claims or causes of action. After recovering damages from such claims or causes of action you agree to reimburse Patriots Colony for all costs and damages incurred by it (including reasonable costs of care furnished to you by Patriots Colony because of such accident or injury).

**ARTICLE XI**

**Miscellaneous**

**A. STATEMENT OF NON-DISCRIMINATION**

Neither race, nor color, nor sex, nor religion, nor national origin has any bearing upon your acceptance or rejection for admission, the execution of this agreement, or normal conduct of business of Patriots Colony.

**B. REPRESENTATIONS MADE BY RESIDENT**

The application and the statements of your finances, personal data, and health history filed with Patriots Colony are incorporated into this agreement and all statements therein are deemed to be true as of the date made. You represent that there have been no material changes in the information provided since the date of application. Any material misstatement, or any material omission to state a fact called for, may result in the termination of this Agreement by Patriots Colony.

**C. REQUIREMENTS PRIOR TO OCCUPANCY**

Resident must provide the following to Patriots Colony prior to occupancy:

1. Proof of the required Medicare, TRICARE or other Supplemental Insurance coverage, or their equivalent.



**Patriots Colony At Williamsburg  
Residence and Services Agreement**

2. All required personal, confidential, financial, and medical information.
3. Copy of Durable Power of Attorney and Advanced Directives, if any.
4. Certification of name and address of the administrator or executor of your last will and testament and trustee, if any, and location of your last will and testament and trust, if any.
5. Signed authorization and payment for modifications (if any) to your Residence.
6. Execution of the Agreement.
7. Payment of the balance of your Entrance Fee and applicable Monthly Fee.

**D. SUCCESSORS AND ASSIGNS**

Resident Responsibilities owed Patriots Colony under this Agreement shall inure to the benefits of its successors and assigns.

**E. OTHER PROMISES**

Patriots Colony representatives have made no other promises or representations regarding your Residence, facilities, refunds or services and this agreement has precedence over the description of services in promotional materials or presentations. This Agreement constitutes the entire contract between you and Patriots Colony, and no waiver or modification shall be valid unless made in writing, signed by you and by Patriots Colony and attached herewith as a part of this agreement.

In witness whereof, the parties hereto have executed this Agreement the day and year first above mentioned.

BY: \_\_\_\_\_  
Patriots Colony Representative

Resident: \_\_\_\_\_

Resident: \_\_\_\_\_

Witness: \_\_\_\_\_

In and for James City County, Commonwealth of Virginia,  
the foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Notary Public

**Patriots Colony at Williamsburg  
LifeCare Agreement with Promissory Note**

**Patriots Colony at Williamsburg**

**LifeCare Agreement  
with Promissory Note  
2024**

**6000 Patriots Colony Drive  
Williamsburg, VA 23188  
(757)220-9000**

**Patriots Colony at Williamsburg  
LifeCare Agreement with Promissory Note**

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**Patriots Colony at Williamsburg  
LifeCare Agreement with Promissory Note**

**ARTICLE I**

**Glossary of Terms**

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

**“Admission Policy”** means the policy in which the admission guidelines are described for residents at Patriots Colony and is provided to resident along with the Residency Agreement.

**“Agreement”** or **“Residency Agreement”** means any agreement between Patriots Colony and a prospective resident of the Facility pursuant to which such resident will occupy a unit in the Community.

**“Riverside Retirement Services, Inc.”** referred to as "Patriots Colony" means a continuing care retirement community and a Virginia, non-stock, not-for-profit Corporation in Williamsburg, Virginia.

**“Closing Date”** means the date the Residence is ready for occupancy and the date on which the resident pays the balance of the Entrance Fee and begins paying the Monthly Fee pursuant to the Agreement.

**“Co-Resident”** means the second person included in this Residency Agreement.

**“Entrance Fee”** means the initial fees paid by residents of “Patriots Colony” for the purpose of obtaining the right to reside in the Community, but shall not include any monthly charges payable by said residents.

**“Patriots Colony”** means the Continuing Care Retirement Community located at, 6000 Patriots Colony Dr., Williamsburg, Virginia, which is the subject of the Agreement; including the Patriots Colony Independent Living Apartments and Cottages, Assisted Living, and “The Convalescent Center at Patriots Colony” Nursing Center.

**“Assisted Living Center”** means that part of Patriots Colony that provides Assisted Living accommodations.

**“Health Services”** means the licensed nursing care provided by “The Convalescent Center at Patriots Colony” and the licensed assisted living care.

**“Interdisciplinary Team”** also referred to as **“IDT”** means an inter-professional team working

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LifeCare Agreement with Promissory Note**

jointly to discuss and determine the best level of care for the Resident and develop the appropriate care plan. The Interdisciplinary Team generally consists of the resident and/or responsible party, attending physician, Director of Nursing, Care Coordinator, Social Services representative, Activities representative, and the Dietary representative.

**“Monthly Fee”** means payment in advance at the beginning of each month for services to be provided by Patriots Colony under this Agreement.

**“Occupancy Date”** means the date that the entrance fee is paid and to begin and continue paying the Monthly Fee applicable to the Resident's Residence.

**“Per Diem Charge/Fee-For-Service”** means the daily rate charged by Patriots Colony and billed to the resident each month for the days the resident receives services in the Convalescent Center at Patriots Colony Nursing Center and/or the Berkeley Assisted Living Center.

**“Priority Access”** means admission into Health Services is determined by available space; first priority to Life Care residents, second priority to LifeCare residents, and third priority to private, non-Patriots Colony residents if space is available.

**“Residence”** means an independent living unit; i.e., apartment or cottage.

**“Resident”** means the Resident or Residents who sign(s) the Agreement.

**“The Convalescent Center at Patriots Colony”** means that part of Patriots Colony which provides nursing accommodations pursuant to this Agreement.

**“We” or “Us” or “Our”** means the Riverside Retirement Services, d.b.a. Patriots Colony; a non-stock, not-for-profit corporation licensed in the Commonwealth of Virginia to provide continuing care.

**“You,” “Your” or “Yours”** means the resident or residents signing this Agreement.

**Patriots Colony at Williamsburg  
LifeCare Agreement with Promissory Note**

This Agreement is made and entered into by and between Patriots Colony, Inc. (hereinafter referred to as "Patriots Colony") and **XXXX** (hereinafter referred to as "Resident", whether one or more persons) this **XXXXXX**.

**ARTICLE II  
Fees and Refunds**

Resident has selected "Choice **XX**", and the fees below will be reflective of the "Choice **XX**" fee schedule.

**A. ENTRANCE FEE**

**1. Residence Number & Type**

Resident has selected and shall have a personal non-assignable right to reside in **XXX**, subject to removal only under the conditions and terms of this agreement.

**2. Amount**

In consideration of the continuing care program outlined in this Agreement and residency in the above described Residence, the Resident agrees to pay Patriots Colony the total amount of **XXX** which if for two persons, the sum of **XXX** shall be construed to be the Entrance Fee for the first person, and **\$0 (N/A)** be construed to be the Entrance Fee for the second person. Resident's deposit of ten percent (10%) of the Entrance Fee shall be made at the time the Resident agrees to reserve the Residence (the "Reservation Deposit"). The Reservation Deposit will be applied towards payment of the Entrance Fee. Except as otherwise provided in Section A.3 of this Article II below, the balance of the Entrance Fee shall be due and payable on the date that shall occur within seven (7) days prior to the assigned occupancy date and at a date and time mutually agreeable to all parties (the "Closing Date"). The Entrance Fee principle amount above will not change during the duration of this Agreement, unless the Resident chooses to upgrade to a larger residence (see "Change of Residence", Article IV, Section D).

**3. Financing Arrangement**

**a. Eligibility**

In lieu of paying the entire balance of the Entrance Fee as provided in Section 2 above, Resident may participate in the financing arrangement made available by Patriots Colony to prospective residents, as more fully described below. If Resident desires to participate in this arrangement, Resident shall: (i) initial the box below the financing arrangement evidencing Resident's agreement to be bound by the terms contained therein; (ii) disclose to Patriots Colony such information as Patriots Colony may request to determine Resident's eligibility for



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participation; and (iii) execute such documents as required herein to effect such participation upon Patriots Colony's determination that Resident is eligible to participate.

**b. General Description**

The Reservation Deposit shall be applied toward payment of the Entrance Fee. Resident shall pay an additional ten percent (10%) of the total Entrance Fee upon the Closing Date, with the remaining balance being due and payable in accordance with the terms of a promissory note evidencing the Resident's financial obligation, a form of which is attached hereto as Exhibit A and made a part hereof. Under the promissory note, the principal of which shall be the unpaid balance of the Entrance Fee (the "Financed Amount"). The date of the promissory note shall be the Closing Date. Payments of principal shall be made in four (4) equal installments on the next four (4) anniversary dates of the Closing Date. All accrued principal and interest on the Financed Amount will be due on the fourth anniversary of the Closing Date. Interest shall accrue at the Prime Rate plus one percent (1%) on the unpaid balance of the promissory note, but if Resident pays the entire Financed Amount to Patriots Colony on or before the one (1) year anniversary of the Closing Date, Patriots Colony shall waive all interest due by Resident to Patriots Colony under the promissory note. For purposes hereof, the "Prime Rate" shall mean the rate per annum that appears as the base rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest banks in the United States, as posted in the Money Rates section of the *Wall Street Journal* on the applicable date, or if the applicable date is not a business day, on the business day immediately prior to such date. Resident may prepay any portion of the Financed Amount in whole or in part, together with accrued interest, without penalty, at any time before the date on which the promissory note matures. Resident agrees that if at any time prior to the promissory note maturing the Resident sells his or her primary residence, the financed amount together with accrued interest shall be due and payable thirty (30) days after the sale of said residence.

\_\_\_\_\_ *Initial here to evidence Resident's agreement to the foregoing provisions in this subsection A.3 of article I.*

**B. MONTHLY FEE**

**1. Current Amount**

The current Monthly Fee associated with the Residence selected by the Resident is the total amount of **XXX**, which if for two persons, the sum of **XXX** shall be construed to be the Monthly Fee for the first person and \$0 (N/A) shall be construed to be the Monthly Fee for the second person occupying the Residence. The Monthly Fee shall be paid to Patriots Colony in advance before occupancy and by the first day of each month. The Monthly Fee charges shall begin on the first day of occupancy or ninety (90) days after the date that Resident reserved the Residence, whichever is

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earlier, and shall be paid on a pro-rated basis through the last day of the current month.

**2. Statement**

The Monthly Fee and any other applicable charges shall be considered delinquent if not paid within fourteen days following the due date. All delinquent accounts shall draw a finance charge at no more than the maximum rate allowed by law.

**3. Adjustments**

The Monthly Fee may be adjusted by Patriots Colony consistent with the cost of operating and maintaining Patriots Colony as well as the future service obligations of Patriots Colony and upon thirty (30) days notice to the Resident.

**C. ENTRANCE FEE OPTIONS**

Three different refund options are listed below. Only one refund option will apply for purposes of this agreement and all parties to this agreement will initial that option. The option selected cannot be changed during the term of this agreement or any subsequent agreements as may be required due to a change in Residence. By initialing below and by signing this Agreement you acknowledge that you have reviewed the current pricing associated with refund options selected and have selected the following Entrance Fee refund plan initialed below for purposes of this Agreement.

**1. Base Plan (Declining Refund)**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate less 2% per calendar month calculated from the first month of occupancy. After fifty (50) calendar months of occupancy, there will be no refund.

**2. Plan 50**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>)

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calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded to the Resident or the Resident's estate less 2% per calendar month from the first (1<sup>st</sup>) calendar month of occupancy and thereafter for twenty-four (24) additional months. After twenty-five (25) calendar months, the refund amount will remain unchanged at 50% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 50 availability and rates are age-rated based on age at occupancy. Plan 50 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents & couples where at least one individual is at least 81 but not yet 86. Plan 50 is not available to single Residents and couples where any individual is age 86 or higher.

**3. Plan 95**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by the Resident or Patriots Colony for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded, at 95% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 95 availability and rates are age-rated based on age at occupancy. Plan 95 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents and couples where at least one individual is at least 81 but not yet 86. Plan 95 is not available to single Residents and couples where any individual is age 86 or higher.

**D. CALCULATION & PAYMENT OF ENTRANCE FEE REFUNDS**

**1. Adjustments for Financing Arrangement**

Notwithstanding any provision herein to the contrary, Resident agrees and acknowledges that, if Resident participates in the financing arrangement set forth in Section A.3 of Article II, Resident shall not be entitled to a refund under the foregoing provision of this Section C until the Financed Amount has been paid in full to Patriots Colony. However, if Resident has executed a promissory note in connection with Resident's participation in the Financing Arrangement set forth in subsection A.3 of Article I above and terminates this Agreement prior to the one year anniversary of the Closing Date and provides no less than thirty (30) days' notice of such termination, Patriots Colony shall cancel the promissory note as the Financed Amount will no longer be due by Resident to Patriots Colony, and Resident shall no longer have any obligations to Patriots Colony under the promissory note.



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**2. Calculation**

For purposes of the above Plans no Entrance Fee refund will include amounts paid for improvements to the Residence, Monthly Fees or other periodic charges. Any Entrance Fee refund shall not include interest that has accrued from the date the Resident's Entrance Fee was paid. Refunds for additional Entrance Fee paid after initial occupancy for such reasons as "upgrade" or marriage will be calculated from the date of original occupancy and this Agreement.

**3. Payment of Refund**

All refunds due under the Entrance Fee refund option will be made within sixty (60) business days after the last of the following: (i) this agreement is terminated; (ii) your Residence has been vacated; and (iii) your Residence is occupied by a new Resident.

**ARTICLE III  
Continuing Care Program**

The Continuing Care Program provided by Patriots Colony in this Agreement includes the use of a number of services and facilities. Outlined below is a description of those services and facilities.

**A. SERVICES AND FACILITIES**

**1. Residence**

Subject to the terms of this Agreement, the Resident has the non-assignable right to reside in the previously described Residence for the remainder of the Resident's life or in the event Resident is more than one person, for the remainder of the life of the survivor. Patriots Colony shall furnish carpet, vinyl and other standard floor treatments, refrigerator, range/oven, microwave, washer/dryer, garbage disposal, dishwasher. The Resident shall provide all other furnishings for the Residence.

**2. Dining Plan**

The Dining Services Department offers three meals a day, six days a week and at least one meal on Sunday. Snacks and beverages are also available during the day. Residents may choose to eat any or all meals each day. Residents receive a generous dining allowance, on a quarterly basis, that is included in the monthly fee. In addition to any menu item, the dining allowance can also be used for bar charges and guest meals. Residents away from the campus in at least ten (10) consecutive days or more during a month are eligible for a meal credit of \$12 per day.

**3. Housekeeping**

The Residence will be cleaned once each week. This cleaning includes vacuuming floor surfaces that are accessible, light dusting on surfaces free of clutter, and necessary cleaning of bathroom and kitchen counters and fixtures. Additionally,

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heavier housekeeping services such as window washing and floor maintenance will be performed on a scheduled basis. Other housekeeping tasks such as dishwashing, laundry, bed making, etc., are the responsibility of the Resident but can be provided by Patriots Colony on an available basis at an additional charge.

**4. Maintenance**

Repairs, maintenance and replacements of property and equipment owned by Patriots Colony shall be performed and provided by Patriots Colony to keep such property and equipment in good repair and order as deemed necessary by Patriots Colony. The above work also includes custodial services for all public spaces and appropriate grounds maintenance. Repairs to Resident's personal possessions are the responsibility of the Resident.

**5. Utilities**

Utilities reasonably required in connection with the occupancy of the Residence, including water, sewer, heating, air-conditioning, electricity, basic cable T.V., and trash removal are included in the fees. Residence telephone and extended/premium cable T.V. charges are the responsibility of the Resident.

**6. Security**

Patriots Colony will use reasonable care in providing security on the premises including the use of personnel dedicated to that purpose, but will not be responsible for losses of personal property.

**7. Emergency Response**

Each residence will be equipped with emergency response systems which, when activated, will summon assistance from Patriots Colony.

**8. Property Insurance**

Patriots Colony insures property and equipment against reasonable losses. Personal property and personal liability insurance for Residents is the responsibility of the Resident.

**9. Taxes**

Patriots Colony pays all real estate, property, and use taxes on all Patriots Colony property and any applicable business operations. The Resident is responsible for his/her own personal property taxes and personal income taxes.

**10. Parking**

Covered parking spaces have been provided in sufficient number to allow one car per residence. Additional parking spaces for Residents, guests and staff are also provided and have been designed to be in close proximity to the ultimate user.

**11. Additional Storage**

Apartment residents without a designated storage space in the Residence shall have one additional secured storage space in the public area.

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**12. Scheduled Transportation**

Resident fees will cover regularly scheduled trips in Patriots Colony vehicles to nearby shopping and “other popular destinations.” Other special trips may be arranged at a nominal charge depending on demand.

**13. Planned Recreation, Wellness, and Activity Programs**

Social, cultural and recreational activities will be provided or arranged by Patriots Colony staff and made available to Residents. Participation is strictly voluntary.

**14. Congregate Facilities**

Residents shall have the right to the use and enjoyment, in concert with others, of the indoor and outdoor public areas and recreational facilities at no extra charge. Exceptions to this right will be a fee for use of certain spaces and purchases of supplies, merchandise and expendables by Residents and their guests for private purposes.

**15. Wellness Clinic**

The Resident Wellness Clinic will be staffed by a licensed nurse who will provide at no charge certain diagnostic monitoring and health promotion services. This individual can also, with the Resident’s physicians’ involvement, assist in coordinating the Resident’s health care services. Payments for any services arranged by the Wellness Clinic, which involve charges by other health professionals, are the responsibility of the Resident.

**16. Health Care**

Patriots Colony provides Resident guaranteed priority access to accommodations in the Patriots Colony Health Center if ordered by a physician and approved by the Health Services Director. If the Resident shall need accommodations in the on-site Health Center and the associated health care services, the Resident shall pay the Patriots Colony published public rates for long term care services then in effect. (See Article IV, “Patriots Colony Health Services”).

**B. SERVICES AVAILABLE AT EXTRA CHARGE**

1. Meals and Guest Meals, in addition to those purchased with the flexible monthly dining allowance.
2. Guest Rooms
3. Additional Housekeeping
4. Individual Telephone Use
5. Extended/Premium Cable T.V. Channels
6. Internet Services



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7. Special Events or Transportation
8. Variable Costs for Crafts/Supplies
9. Services of any On-Site Private Vendors (Such as: Barber, Beautician, Bank, etc.)
10. Catering or Set-up/Clean-up Services
11. Health Services
12. Other services may be made available.

Thirty days' notice will be provided if any changes in the scope of care or services

**C. EXCLUSIONS**

Patriots Colony will at no time be responsible for the debts of a Resident or for medical expenses incurred for services or related items (See Article III B).

**ARTICLE IV  
Patriots Colony Health Services**

**A. ACCESS**

Patriots Colony will guarantee Resident priority access to the Health Center, consisting of *The Berkeley* (assisted living), *Springhouse* (assisted living for the memory impaired), and *The Convalescent Center* (nursing residence). Even though non-residents will have access to the Health Center, Residents will have first priority on all Health Center accommodations and no Resident shall be denied an available space in favor of a non-resident. Patriots Colony offers licensed "Assisted Living" and "Nursing Facility" accommodations. If any such licensed levels of care are not available on-site or if such space is occupied and not immediately available, Patriots Colony will assist resident in transferring to such space off- site. Patriots Colony will notify Resident once the service can be provided on-site and will assist with return arrangements.

**B. CHARGES**

1. Resident agrees to pay the current published LifeCare rate for any stay, temporary or permanent, in any level of care in the Health Center, or for the equivalent service off-site as described above, for as long as those services are needed. If a monthly rate, the current public rate shall be calculated on a pro-rated daily basis for a partial month's stay.
2. If Resident alone occupies two physically connected Assisted Living suites, the public rate will apply for both suites.

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3. If a couple occupies one Assisted Living suite, the applicable published public Monthly Fee will be calculated for each Resident. Once a single Resident occupies the suite, the applicable single person public rate will be charged.
4. If Resident occupies both Assisted Living and Convalescent accommodations simultaneously, Resident will be billed for both on a pro-rated basis for partial months.

**C. RETENTION OF RESIDENCE DURING HEALTH CENTER STAY**

The following outlines the effect of your stay in the Health Center on the Monthly Fee for your Residence.

**1. Temporary Stay**

Over the course of the Agreement, the LifeCare Resident is entitled up to ten (10) temporary days of assisted living or nursing facility care for temporary stays in The Patriot, The Colony, or The Springhouse private suites or semi-private Convalescent Center accommodations at no additional charge. During these temporary days, you will; not be charged the Resident Health Care Rate, but you are responsible for any additional charges you incur, such as Medicare/Insurance co-payments. During a temporary stay in the Health Center, you will continue to pay the Monthly Fee for the Residence.

**2. Permanent Stay**

- a. If Patriots Colony in its sole discretion, but after consultation with you, your family and your physician, determines that you are physically or mentally incapable of living independently for the foreseeable future, the Resident will be deemed to have permanent status at the Health Center and pay the appropriate public rate.
- b. Single Resident: Resident will release the Residence to Patriots Colony and the Residence Monthly Fee will terminate on the date it is vacated. Once permanent status in the Health Center has been determined, the Residence must be vacated within 30 days.
- c. Resident Couple: When one Resident's stay in the Health Center becomes permanent, the remaining Independent Living Resident will begin paying the first person Monthly Fee. In the case of a couple where both Residents are on permanent status in the Health Center, they will release the Residence to Patriots Colony and cease to pay the Monthly Fee on the date the Residence is vacated. The Independent Living Residence must be vacated within 30 days of the date the last Resident gains permanent Health Center status.
- d. If a permanent move is necessary within the Health Center (e.g. assisted living to convalescent center), Resident must vacate the previous accommodations within ten (10) days.
- e. If personal belongings are not removed by stated time, property will be removed by Patriots Colony and stored at Resident's expense. For the purposes of this Agreement "vacated" shall mean all of the Resident's personal belongings shall

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be removed from the Residence and the Residence left undamaged, except for normal "fair wear and tear", and in a trash-free condition.

**3. Recovery from a Permanent Stay**

Should you release your Residence to Patriots Colony for a permanent stay in the Health Center and later be judged by Patriots Colony to be capable of living independently again, you will be offered the next available Residence of the type and size equivalent to that last occupied. If you wish to return to a different type and size Residence, the Upgrading or Downgrading provisions of Article IV, Section D will apply

**D. HEALTH CARE INSURANCE**

1. Resident agrees to procure and maintain Medicare Parts A and Part B, and a Medicare Supplement Plan (e.g. TRICARE for Life) or equivalent hospital and medical insurance coverage.
2. If Resident is entitled to medical care or payment by insurance or government agencies, the Resident shall make application for such care or payment.
3. Resident shall authorize, as necessary, any provider of hospitalization, medical or other health services to receive reimbursement under the above Medicare, TRICARE, and Supplemental insurance programs.

**ARTICLE V  
Change in Resident Status**

**A. MARRIAGE TO ANOTHER RESIDENT**

Should Resident marry another Resident, either may terminate the Residency Agreement, turn the Residence back to Patriots Colony, receive any refund due, and become a party to the new spouse's agreement. The Monthly Fee for the Residence turned back shall terminate upon vacancy, and the Monthly Fee for the Residence retained shall simultaneously be raised to the double occupancy level.

**B. MARRIAGE TO A NON-RESIDENT**

Should resident marry a Non-Resident who satisfies the guidelines for acceptance as outlined in Article V of this Agreement, Patriots Colony will offer the Non-Resident the opportunity to become a party to this Agreement or other applicable Patriots Colony agreement (LifeCare or Residence & Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residence & Services) and will be equal to the Second Person Entrance Fee and the Monthly Fee will be the corresponding Second Person Monthly Fee for the applicable residence. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the Non-Resident for residency at Patriots Colony. Upon occupancy of the Residence by the new spouse, the Monthly Fee will then



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be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident

**C. ADDITIONAL OCCUPANT TO RESIDENCE**

1. Should a resident wish to have a second person occupy the Residence who is not related by blood or marriage, Patriots Colony will offer that non-resident the opportunity to become a party to this Agreement or other applicable Patriots Colony Agreement (LifeCare or Residency and Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency and Services) and will be equal to the second person entrance fee and at the corresponding second person Monthly Fee for the applicable residence. Upon occupancy of the Residence by the new occupant, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.
2. An addendum to this Agreement and any other applicable Agreement (see paragraph immediately above) will be signed by both residents indicating financial responsibility for the other and designating the division calculation of the applicable refund to each upon termination of the Agreement(s) by the last Resident.
3. Patriots Colony's acceptance of this second person shall be contingent upon his/her ability to meet the health, financial and general criteria for admission to Patriots Colony.

Qualifying for, but declining to become part of, a Residency Agreement disqualifies the second person for residency at Patriots Colony.

**D. CHANGE OF RESIDENCE**

After occupancy, if Resident applies in writing to Patriots Colony to move from one Residence to another of either a larger or smaller size, and Patriots Colony agrees to such a move, the following provisions shall apply:

**1. Upgrading**

Should Resident move from one Residence to a larger one, Resident will pay the difference in Entrance Fees from the current Entrance Fee then in effect for the smaller Residence to the Entrance Fee then in effect for the larger Residence. The calculation for any future refunds will be based on the date of original occupancy of the smaller Residence, and the Monthly Fee will increase to that of the larger Residence at the time occupancy of the larger Residence commences.

**2. Downgrading**

If Resident moves from one Residence to a smaller Residence, there will not be a reduction in the Entrance Fee paid. Any refund at the time the smaller Residence is vacated, however, will be calculated based on the original Entrance Fee paid. Resident's Monthly Fee will be reduced to that of the smaller Residence at the time occupancy of the smaller Residence commences, and the larger unit is vacated.

**3. Refurbishment Fee**

A Resident who moves from one Residence to another within Independent Living will be charged for the refurbishment of the Residence vacated if refurbishment has

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been accomplished recently and, in the professional opinion of Patriots Colony staff, recently installed materials cannot be restored to like-new condition and must be replaced.

**ARTICLE VI  
Resident Rights & Responsibilities**

In addition to those rights and responsibilities noted elsewhere in this agreement, the following also apply to you and any authorized occupant of your Residence:

**A. ADMISSION AND CONTINUED OCCUPANCY**

Your acceptance as a Resident and your continued occupancy at Patriots Colony are based upon the following criteria:

1. You are a minimum of 55 years of age.
2. You are physically and mentally capable of living independently at admission and meet the medical requirements of Patriots Colony.
3. You are free of communicable diseases.
4. You possess the financial capabilities to meet your obligations to Patriots Colony for your expected lifetime (unless other arrangements have been made).
5. Your presence does not threaten the health, safety or wellbeing of others at Patriots Colony.
6. You agree to abide by the reasonable rules and regulations of Patriots Colony and the reasonable changes to those rules, which may be adopted later.
7. You respect the rights of other Residents.

**B. PROPERTY RIGHTS**

You understand and agree that this is an agreement primarily for shelter and services. Though you are granted a right of occupancy, this agreement is not a lease and you will have no right, title or interest in any of the real or personal property of Patriots Colony or the right to control or influence in any way the business or financial affairs of Patriots Colony. Your rights under this Agreement may not be assigned, transferred, inherited or devised.

**C. PRESERVATION OF RESIDENTS' ASSETS**

At the request of Patriots Colony, you agree to make arrangements for the preservation and management of your financial resources by a third party (or parties), including but not limited to the execution and funding of a trust agreement for your benefit whenever, in the

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sole judgment of Patriots Colony it appears that your continued management of your financial affairs may prevent you from meeting your financial obligations to Patriots Colony.

**D. POWER OF ATTORNEY**

You agree to execute and maintain in effect, a Durable Power of Attorney, valid under Virginia law. This Durable Power of Attorney shall designate as your attorney-in-fact, your spouse, a bank, lawyer, relative, or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits, as fully and completely as you would if acting personally. It should be in a form that survives your incapacity or disability and be otherwise satisfactory to Patriots Colony. You will deliver a fully executed copy of this Durable Power of Attorney to Patriots Colony prior to occupancy of your Residence. Any advanced directives such as a “living will” should be filed with Patriots Colony upon occupancy.

**E. RESIDENTS’ ASSOCIATION**

All Residents of Patriots Colony are members of the Residents’ Association. The Administration will confer regularly with representatives of the Association about matters of interest and/or concern to the Residents.

**F. GUESTS, ACCESS, AND USE BY NON-RESIDENTS**

You will be free to invite guests to your residence for transient visits. You may purchase meals for your guests at prevailing rates. Patriots Colony reserves the right to make rules regarding visits and guest behavior. In general, the facilities and services of Patriots Colony are intended for the use of the Residents.

**G. FURNISHINGS**

You are expected to furnish and use your Residence in accordance with acceptable standards. In order to keep the Residence safe and sanitary, Patriots Colony reserves the right to enforce these standards.

**H. HOUSEKEEPING**

You agree to maintain your Residence in a clean, safe and orderly condition, as required by health and safety regulations, and to perform all usual light housekeeping. Patriots Colony may deem necessary, at Resident’s expense, such tasks required to return the Residence to a safe, clean and orderly condition if day-to-day responsibilities of the Resident have been neglected.

**I. OTHER RIGHTS**

You have the right to use Patriots Colony public areas and amenities on an equal basis with other Residents and to participate as you choose in planned activities or programs with exception that you may be required to adhere to management programs implemented for the common safety and security of all Residents.



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**ARTICLE VII  
Patriots Colony Rights & Responsibilities**

In addition to those rights and responsibilities of Patriots Colony noted elsewhere in this agreement, the following also apply:

**A. MANAGEMENT**

Patriots Colony is responsible for the overall management and operation of Patriots Colony consistent with sound business practices and fairness to all Residents. Patriots Colony has the right to hire professional management services to meet this responsibility.

**B. AUTHORITY FOR ADMISSIONS, DISMISSAL, AND FEES**

Patriots Colony retains all authority regarding admission, dismissal, and adjustment of fees of Patriots Colony.

**C. RIGHT OF ENTRY**

Authorized employees shall be permitted into your Residence with reasonable notice at all reasonable times for housekeeping, maintenance, and inspection, and at any time in case of emergencies.

**D. CONFIDENTIALITY**

Patriots Colony has the right to request and receive medical and financial data from you that is in our sole judgment, necessary to carry out our responsibilities. Patriots Colony has the responsibility to keep all of the personal, medical, and financial information you have supplied to us in confidence, and it will only be shared with those who, in our opinion, have a need to know.

**ARTICLE VIII  
Termination Provisions**

**A. TERMINATION FOR CAUSE**

Any one of the following conditions shall be cause for Patriots Colony to terminate this Agreement:

1. Resident's failure to perform obligations under this contract including the obligation to pay Monthly Fees and other charges. (Also see Article VIII, Non-Payment of Fees).
2. Resident's failure to abide by the rules and regulations of Patriots Colony including such reasonable amendments as may be adopted from time to time.
3. Resident's health or behavior resulting in a threat to the health, safety, peace or wellbeing of the Resident or others.

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4. Resident's material misstatements or failure to state a material fact in the Resident application, financial statement or health history statement filed with Patriots Colony.

Patriots Colony shall give you reasonable notice of your termination date, and determination that your continued occupancy represents a threat to safety of others or of yourself shall be a factor in determining the reasonableness of that notice. You will further be given reasonable opportunity to cure within a reasonable period whatever conduct is alleged to warrant the cancellation of the Agreement. Refund provisions of this Agreement will apply less any outstanding debts of Resident to Patriots Colony.

**B. DEATH**

In the event this Agreement is terminated due to your death, your estate will be responsible for the Monthly Fee until your Residence is vacated. Your estate will be responsible for moving any tangible personal property within thirty (30) days after your death. Should any property remain in your Residence after that date, you hereby authorize Patriots Colony to remove the property from your Residence and store it at the expense of your estate.

**C. TERMINATION PRIOR TO OCCUPANCY**

If Resident dies before occupying the facility, or is precluded through illness, injury, or incapacity from becoming a resident under the terms of the Residency Agreement, the Agreement is automatically rescinded and the Resident or his legal representative shall receive a full refund of all money paid to Patriots Colony, except those costs specifically incurred by Patriots Colony at the request of the Resident and set forth in writing in a separate addendum, signed by both parties to the Agreement.

**D. TERMINATION BY RESIDENT AFTER OCCUPANCY**

**1. Grace Period**

In the event Resident terminates this Agreement in writing within 7 days of the execution date and surrenders the Residence within 7 days of the execution date, Resident shall be entitled to a full refund of the Entrance Fee (less the application fee).

**2. Termination After Grace Period**

Resident may terminate this Agreement by providing written notice to Patriots Colony. The Monthly Fee will continue until the Residence is vacated or thirty (30) days expired whichever is later. The selected Entrance Fee refund option of this Agreement will apply.

**E. SPECIAL TERMS AND EXCEPTIONS**

Upon termination by either you or Patriots Colony you agree to pay Patriots Colony all amounts owed to it, any reasonable expenses incurred in connection with the termination, which includes, but is not limited to: Cost of any repairs, replacement of property, and painting or other refurbishment of your Residence considered necessary by Patriots Colony in order to prepare it for a new Resident. Patriots Colony may offset any amounts owed it by you against any refund due. These costs do not include fair wear and tear.

**Patriots Colony at Williamsburg  
LifeCare Agreement with Promissory Note**

**F. SUPERSEDED AGREEMENT**

In the event Patriots Colony and Resident enter into a LifeCare Agreement or other residency agreement intended to supersede this Agreement, this Agreement will automatically terminate upon the effective date of such other agreement.

**ARTICLE IX  
Non-Payment of Fees**

If you become unable to pay the Monthly Service Fee for your Independent Living Residence for reasons other than willful dissipation of your assets, Patriots Colony, in our sole judgment, may elect to assist you financially. We may assist you in the identification and arrangement for funds from sources including, but not limited to, the Patriots Fund (the internal benevolence fund), and public assistance from local, state and federal governments.

You agree to assist us in the application for such support and to execute reasonable and necessary documents for this purpose. Additionally, any sums expended by Patriots Colony, excluding the Patriots Fund, plus interest at up to the maximum rate allowed by law, will represent a claim against you or your estate or against any Entrance Fee refund due at the time this agreement is terminated.

**ARTICLE X  
Modification of Residence**

We reserve the right to determine the serviceability and condition of carpeting, appliances, and all similar items provided by us in your Residence. You may apply in writing to and contract with Patriots Colony to make authorized modifications to your Residence at your expense and risk. Charges for such modifications will cover the complete cost of the work to be done and an additional charge to restore the Residence to its original condition upon your vacating the Residence, if in Patriots Colony's opinion, such modifications adversely affect the desirability of the Residence for re-occupancy. The modifications shall be done so as to create the least possible inconvenience to other Residents in Patriots Colony. Any modifications, which result in permanent installation, shall become Patriots Colony's property upon installation and shall remain with your Residence when you vacate your Residence. You waive all rights to compensation for the modifications made to your Residence. If the modification requires additional maintenance, either you may be required to procure such maintenance at your expense or additional ongoing charges from Patriots Colony may apply. An example of the latter is conversion of a Villa or Greenspring Home screened porch to a sunroom and thereby changing the Residence model and the required Monthly Fee.

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**ARTICLE XI  
Personal Injury or Loss of Property**

**A. Injury or Damage by You**

You agree to reimburse Patriots Colony for any costs incurred or damages suffered by it resulting from your carelessness, negligence or wrongful acts, or that of your guests. You hereby release Patriots Colony from liability for your death, injury to your person or your property caused by any theft, fire, assault or other cause beyond the control of Patriots Colony and from liability resulting from the negligence or wrongful acts of other Residents and do waive any claim that may accrue to you arising against Patriots Colony there from.

**B. Injury by a Third Party**

In case of accident or injury to you caused by third parties you hereby agree to bring any claims or initiate legal action, if necessary, against the person who has caused injury to you for compensation for the injury. You hereby authorize and direct the person or firm designated by you as your attorney-in-fact to prosecute such claims or causes of action. After recovering damages from such claims or causes of action you agree to reimburse Patriots Colony for all costs and damages incurred by it (including reasonable costs of care furnished to you by Patriots Colony because of such accident or injury).

**ARTICLE XII  
Miscellaneous**

**A. STATEMENT OF NON-DISCRIMINATION**

Neither race, nor color, nor sex, nor religion, nor national origin has any bearing upon your acceptance or rejection for admission, the execution of this agreement, or normal conduct of business of Patriots Colony.

**B. REPRESENTATIONS MADE BY RESIDENT**

The application and the statements of your finances, personal data, and health history filed with Patriots Colony are incorporated into this agreement and all statements therein are deemed to be true as of the date made. You represent that there have been no material changes in the information provided since the date of application. Any material misstatement, or any material omission to state a fact called for, may result in the termination of this Agreement by Patriots Colony.

**C. REQUIREMENTS PRIOR TO OCCUPANCY**

Resident must provide the following to Patriots Colony prior to occupancy:

1. Proof of the required Medicare, TRICARE or other Supplemental Insurance coverage, or their equivalent.
2. All required personal, confidential, financial, and medical information.



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3. Copy of Durable Power of Attorney and Advanced Directives, if any.
4. Certification of name and address of the administrator or executor of your last will and testament and trustee, if any, and location of your last will and testament and trust, if any.
5. Signed authorization and payment for modifications (if any) to your Residence.
6. Execution of the Agreement.
7. Payment of the balance of your Entrance Fee and applicable Monthly Fee.

**D. SUCCESSORS AND ASSIGNS**

Resident Responsibilities owed Patriots Colony under this Agreement shall inure to the benefits of its successors and assigns.

**E. OTHER PROMISES**

Patriots Colony representatives have made no other promises or representations regarding your Residence, facilities, refunds or services and this agreement has precedence over the description of services in promotional materials or presentations. This Agreement constitutes the entire contract between you and Patriots Colony, and no waiver or modification shall be valid unless made in writing, signed by you and by Patriots Colony and attached herewith as a part of this agreement.

In witness whereof, the parties hereto have executed this Agreement the day and year first above mentioned.

BY: \_\_\_\_\_  
Patriots Colony Representative

Resident: \_\_\_\_\_

Resident: \_\_\_\_\_

Witness: \_\_\_\_\_

In and for James City County, Commonwealth of Virginia,  
the foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Notary Public

**Patriots Colony at Williamsburg  
LifeCare Agreement with Promissory Note**

**EXHIBIT A**

**IMPORTANT NOTICE**

**THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A MAKER AND ALLOWS THE HOLDER TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.**

**DEMAND PROMISSORY NOTE**

**\$XXXXXXX**

James City County, Virginia  
\_\_\_\_\_, 2024

**PROMISE TO PAY.** FOR VALUE RECEIVED, **XXXX** (“Maker”) promises to pay to Patriots Colony, Inc. (“Holder”) or to order, the principal sum of **XXXXXX**, which amount is equal to the amount advanced to Maker by Holder under the Residency and Services Agreement between Maker and Holder entered into as of even date herewith (the “Residency Agreement”). Further, all sums loaned will bear simple interest on the unpaid principal balance at the Prime Rate plus one percent (1%) per annum, provided, however, that no such interest shall accrue or be payable by Maker to Holder under this Note if the entire outstanding principal balance of this Note is paid in full on or before the one year anniversary of the Commencement Date (defined herein). For purposes hereof, the “Prime Rate” shall mean the rate per annum that appears as the base rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest banks in the United States, as posted in the Money Rates section of the *Wall Street Journal* on the applicable date, or if the applicable date is not a business day, on the business day immediately prior to such date. The interest rate will be calculated on the date of this Note (the “Commencement Date”) and will be recalculated on January 1 and July 1 of each year thereafter until all outstanding principal and interest has been paid in full.

**PAYMENT.** Unless Maker terminates the Residency Agreement prior to the one (1) year anniversary of the Commencement Date and provides Holder no less than thirty (30) days notice of such termination, as required under the Residency Agreement (an “Early Termination”), Maker will pay to Holder the principal amount in four (4) equal annual installments of **\$XXXX**, without offset, the first of which payments shall be due on the one year anniversary of the Commencement Date and continuing thereafter on each subsequent annual anniversary of the Commencement Date until paid in full. In addition, at the time of each such installment payment, Maker shall pay Holder all interest on the unpaid balance accrued as of such installment date. Payment will be made at the offices of Patriots Colony Inc., 6000 Patriots Colony Drive, Williamsburg, Virginia, 23188, to the attention of the **Billing Coordinator**, or at such other place as Holder in writing shall designate. In the event of an Early Termination, Maker’s obligation hereunder shall expire and Holder shall not be entitled to any principal or interest due it under this Note. All outstanding principal and accrued interest under this Note shall be due and payable no later than the four (4) years after the date of this Note. If not repaid in full on the date specified above or should Maker be granted by the Holder an extension for repayment of the debt created by this instrument, interest

**Patriots Colony at Williamsburg  
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will continue to accrue on the outstanding principal; provided, such balance will, from the date of default and/or extension, accrue interest at the rate specified above plus an additional one and one-half percent (1.5%) per month until paid in full. Extensions will be at the sole discretion of the Holder. Residents agree that if at any time prior to the promissory note maturing, Residents sell their primary residence, the Financed Amount together with accrued interest shall be due & payable 30 days after sale of said primary residence.

**PREPAYMENT.** Maker may prepay any obligations outstanding under this Note in whole or in part, without penalty, at any time before demand without paying any premium or interest charge on the amount of prepaid principal.

**ACCELERATION.** The Holder may exercise its option to accelerate the due date for payment of this Note in the event of any default by Maker, including any failure by Maker to comply either with the terms of this Note and/or the terms of the Residency Agreement, regardless of any prior forbearance. In such event, the entire principal amount outstanding, plus all accrued unpaid interest, if any, together with any other applicable fees, costs, and charges (including attorneys' fees as provided herein), will at once become due and payable at the option of the Holder. If suit is brought to collect this Note, the Holder will be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorney's fees equal to 25% of all amounts outstanding and collection costs.

**CONFESSION OF JUDGMENT.** The Maker hereby duly constitutes and appoints James M. Daniel, Jr. or John B. Mumford, Jr. of Hancock, Daniel, Johnson & Nagle, P.C., as the true and lawful attorney-in-fact for Maker in his/her name, place and stead, upon the failure of Maker to pay any payment when due and payable in accordance with any of the provisions of this Note, to confess judgment against Maker in the Circuit Court for the City of Newport News, Virginia, upon this Note and all amounts owed hereunder, including all costs of collection, attorneys' fees incurred by Holder and court costs, hereby ratifying and confirming the acts of said attorney-in-fact, expressly waiving benefit of any homestead or any exemption laws. The authority and power to appear for and enter judgment against the Maker will not be exhausted by one or more exercises thereof, or by any imperfect exercise thereof, and will not be extinguished by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Holder will deem necessary or desirable, for all of which this Note will be a sufficient warrant.

**GENERAL PROVISIONS.** Holder may delay or forego enforcing any of its rights or remedies under this Note without waiving or otherwise losing them. Maker, to the extent allowed by law, hereby waives presentment, demand, protest, the benefits of the homestead

exemption and all defenses and pleas on the ground of any extension or extensions of the time for payment of the due date of this Note, in whole or in part, before or after maturity, with or without notice. Maker further agrees to pay all expenses incurred in the collection of this Note, including attorney's fees.

**Patriots Colony at Williamsburg  
LifeCare Agreement with Promissory Note**

This Note is made and delivered in the Commonwealth of Virginia and shall be construed and enforced in accordance with its laws. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision.

**ACKNOWLEDGMENT.** Prior to signing this Note, Maker read and understood all the provisions of this Note. Maker agrees to the terms of this Note and acknowledges receipt of a completed copy of this Note.

**WITNESS** the following signatures and seals.

MAKER: \_\_\_\_\_  
Resident

MAKER: \_\_\_\_\_  
Resident

STATE OF VIRGINIA  
CITY/COUNTY OF Williamsburg/James City, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public





**Patriots Colony At Williamsburg  
Residence and Services Agreement**

**Patriots Colony at Williamsburg  
Resident and Services Agreement  
2024**

**6000 Patriots Colony Drive**

**Williamsburg, VA 23188**

**(757) 220-9000**

**Patriots Colony At Williamsburg  
Residence and Services Agreement**

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**Patriots Colony At Williamsburg  
Residence and Services Agreement**

This Agreement is made and entered into by and between Patriots Colony, Inc. (hereinafter referred to as "Patriots Colony") and **XXX**, hereinafter referred to as "Resident," whether one or more persons) this **XXXX**.

**ARTICLE I  
Fees and Refunds**

Resident has selected "Choice **XX**" and the fees below will be reflective of the "Choice **XX**" fee schedule.

**A. ENTRANCE FEE**

**1. Residence Number & Type**

Resident has selected and shall have a personal non-assignable right to reside in **XXX**, subject to removal only under the conditions and terms of this agreement.

**2. Amount**

In consideration of the continuing care program outlined in this Agreement and residency in the above described Residence, the Resident agrees to pay Patriots Colony the total amount of **XXXX** which if for two persons, the sum of **XXXX** shall be construed to be the Entrance Fee for the first person, and N/A be construed to be the Entrance Fee for the second person. Resident's deposit of ten percent (10%) of the Entrance Fee shall be made at the time the Resident agrees to reserve the Residence (the "Reservation Deposit"). The Reservation Deposit will be applied towards payment of the Entrance Fee. Except as otherwise provided in Section A.3 of this Article I below, the balance of the Entrance Fee shall be due and payable on the date that shall occur within seven (7) days prior to the assigned occupancy date and at a date and time mutually agreeable to all parties (the "Closing Date"). The Entrance Fee principle amount above will not change during the duration of this Agreement, unless the Resident chooses to upgrade to a larger residence (see "Change of Residence", Article IV, Section D).

**3. Financing Arrangement**

**a. Eligibility**

In lieu of paying the entire balance of the Entrance Fee as provided in Section 2 above, Resident may participate in the financing arrangement made available by Patriots Colony to prospective residents, as more fully described below. If Resident desires to participate in this arrangement, Resident shall: (i) initial the box below the financing arrangement evidencing Resident's agreement to be bound by the terms contained therein; (ii) disclose to Patriots Colony such information as Patriots Colony may request to determine Resident's eligibility for participation; and (iii) execute such documents as required herein to effect such participation upon Patriots Colony's determination that Resident is eligible to participate.



**Patriots Colony At Williamsburg  
Residence and Services Agreement**

**b. General Description**

The Reservation Deposit shall be applied toward payment of the Entrance Fee. Resident shall pay an additional ten percent (10%) of the total Entrance Fee upon the Closing Date, with the remaining balance being due and payable in accordance with the terms of a promissory note evidencing the Resident's financial obligation, a form of which is attached hereto as Exhibit A and made a part hereof. Under the promissory note, the principal of which shall be the unpaid balance of the Entrance Fee (the "Financed Amount"). The date of the promissory note shall be the Closing Date. Payments of principal shall be made in four (4) equal installments on the next four (4) anniversary dates of the Closing Date. All accrued principal and interest on the Financed Amount will be due on the fourth anniversary of the Closing Date. Interest shall accrue at the Prime Rate plus one percent (1%) on the unpaid balance of the promissory note, but if Resident pays the entire Financed Amount to Patriots Colony on or before the one (1) year anniversary of the Closing Date, Patriots Colony shall waive all interest due by Resident to Patriots Colony under the promissory note. For purposes hereof, the "Prime Rate" shall mean the rate per annum that appears as the base rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest banks in the United States, as posted in the Money Rates section of the *Wall Street Journal* on the applicable date, or if the applicable date is not a business day, on the business day immediately prior to such date. Resident may prepay any portion of the Financed Amount in whole or in part, together with accrued interest, without penalty, at any time before the date on which the promissory note matures. Resident agrees that if at any time prior to the promissory note maturing the Resident sells his or her primary residence, the financed amount together with accrued interest shall be due and payable thirty (30) days after the sale of said residence.

\_\_\_\_\_ *Initial here to evidence Resident's agreement to the foregoing provisions of this subsection A.3 of Article I.*

**B. MONTHLY FEE**

**1. Current Amount**

The current Monthly Fee associated with the Residence selected by the Resident is the total amount of **XXX** which, if for two persons, the sum of **XXX** shall be construed to be the Monthly Fee for the first person and **N/A** shall be construed to be the Monthly Fee for the second person occupying the Residence. The Monthly Fee shall be paid to Patriots Colony in advance before occupancy and by the first day of each month. The Monthly Fee charges shall begin on the first day of occupancy or ninety (90) days after the date that Resident reserved the Residence, whichever is earlier, and shall be paid on a pro-rated basis through the last day of the current month.

**Patriots Colony At Williamsburg  
Residence and Services Agreement**

**2. Statement**

The Monthly Fee and any other applicable charges shall be considered delinquent if not paid within fourteen days following the due date. All delinquent accounts shall draw a finance charge at no more than the maximum rate allowed by law.

**3. Adjustments**

The Monthly Fee may be adjusted by Patriots Colony consistent with the cost of operating and maintaining Patriots Colony as well as the future service obligations of Patriots Colony and upon thirty (30) days notice to the Resident.

**C. ENTRANCE FEE OPTIONS**

Three different refund options are listed below. Only one refund option will apply for purposes of this agreement and all parties to this agreement will initial that option. The option selected cannot be changed during the term of this agreement or any subsequent agreements as may be required due to a change in Residence. By initialing below and by signing this Agreement you acknowledge that you have reviewed the current pricing associated with refund options selected and have selected the following Entrance Fee refund plan initialed below for purposes of this Agreement.

**1. Base Plan (Declining Refund)**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate less 2% per calendar month calculated from the first month of occupancy. After fifty (50) calendar months of occupancy, there will be no refund.

**2. Plan 50**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded to the Resident or the Resident's estate less 2% per calendar month from the first (1<sup>st</sup>) calendar month of occupancy and thereafter for twenty-four (24) additional months. After twenty-five (25) calendar months, the refund amount will remain unchanged at 50% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

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For actuarial reasons, Plan 50 availability and rates are age-rated based on age at occupancy. Plan 50 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents & couples where at least one individual is at least age 81 but not yet 86. Plan 50 is not available to single Residents and couples where any individual is age 86 or higher.

**3. Plan 95**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by the Resident or Patriots Colony for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded, at 95% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 95 availability and rates are age-rated based on age at occupancy. Plan 95 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents and couples where at least one individual is at least age 81 but not yet 86. Plan 95 is not available to single Residents and couples where any individual is age 86 or higher.

**D. CALCULATION & PAYMENT OF ENTRANCE FEE REFUNDS**

**1. Adjustments for Financing Arrangement**

Notwithstanding any provision herein to the contrary, Resident agrees and acknowledges that, if Resident participates in the financing arrangement set forth in Section A.3 of Article I, Resident shall not be entitled to a refund under the foregoing provision of this Section C until the Financed Amount has been paid in full to Patriots Colony. However, if Resident has executed a promissory note in connection with Resident's participation in the Financing Arrangement set forth in subsection A.3 of Article I above and terminates this Agreement prior to the one year anniversary of the Closing Date and provides no less than thirty (30) days notice of such termination, Patriots Colony shall cancel the promissory note as the Financed Amount will no longer be due by Resident to Patriots Colony, and Resident shall no longer have any obligations to Patriots Colony under the promissory note.

**2. Calculation**

For purposes of the above Plans no Entrance Fee refund will include amounts paid for improvements to the Residence, Monthly Fees or other periodic charges. Any Entrance Fee refund shall not include interest that has accrued from the date the Resident's Entrance Fee was paid. Refunds for additional Entrance Fee paid after initial occupancy for such reasons as "upgrade" or marriage will be calculated from the date of original occupancy and this Agreement.

**Patriots Colony At Williamsburg  
Residence and Services Agreement**

**3. Payment of Refund**

All refunds due under the Entrance Fee refund option will be made within sixty (60) business days after the last of the following: (i) this agreement is terminated; (ii) your Residence has been vacated; and (iii) your Residence is occupied by a new Resident.

**ARTICLE II**

**Continuing Care Program**

The Continuing Care Program provided by Patriots Colony in this Agreement includes the use of a number of services and facilities. Outlined below is a description of those services and facilities.

**A. SERVICES AND FACILITIES**

**1. Residence**

Subject to the terms of this Agreement, the Resident has the non-assignable right to reside in the previously described Residence for the remainder of the Resident's life or in the event Resident is more than one person, for the remainder of the life of the survivor. Patriots Colony shall furnish carpet, vinyl and other standard floor treatments, refrigerator, range/oven, microwave, washer/dryer, garbage disposal, dishwasher. The Resident shall provide all other furnishings for the Residence.

**2. Dining Plan**

The Dining Services Department offers three meals a day, six days a week and at least one meal on Sunday. Snacks and beverages are also available during the day. Residents may choose to eat any or all meals each day. Residents receive a generous dining allowance, on a quarterly basis, that is included in the monthly fee. In addition to any menu item, the dining allowance can also be used for bar charges and guest meals. Residents away from the campus in at least ten (10) consecutive days or more during a month are eligible for a meal credit of \$12 per day.

**3. Housekeeping**

The Residence will be cleaned once each week. This cleaning includes vacuuming floor surfaces that are accessible, light dusting on surfaces free of clutter, and necessary cleaning of bathroom and kitchen counters and fixtures. Additionally, heavier housekeeping services such as window washing and floor maintenance will be performed on a scheduled basis. Other housekeeping tasks such as dishwashing, laundry, bed making, etc., are the responsibility of the Resident but can be provided by Patriots Colony on an available basis at an additional charge.



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**4. Maintenance**

Repairs, maintenance and replacements of property and equipment owned by Patriots Colony shall be performed and provided by Patriots Colony to keep such property and equipment in good repair and order as deemed necessary by Patriots Colony. The above work also includes custodial services for all public spaces and appropriate grounds maintenance. Repairs to Resident's personal possessions are the responsibility of the Resident.

**5. Utilities**

Utilities reasonably required in connection with the occupancy of the Residence, including water, sewer, heating, air-conditioning, electricity, basic cable T.V., and trash removal are included in the fees. Residence telephone and extended/premium cable TV charges are the responsibility of the Resident.

**6. Security**

Patriots Colony will use reasonable care in providing security on the premises including the use of personnel dedicated to that purpose, but will not be responsible for losses of personal property.

**7. Emergency Response**

Each residence will be equipped with emergency response systems which, when activated, will summon assistance from Patriots Colony.

**8. Property Insurance**

Patriots Colony insures property and equipment against reasonable losses. Personal property and personal liability insurance for Residents is the responsibility of the Resident.

**9. Taxes**

Patriots Colony pays all real estate, property, and use taxes on all Patriots Colony property and any applicable business operations. The Resident is responsible for his/her own personal property taxes and personal income taxes.

**10. Parking**

Covered parking spaces have been provided in sufficient number to allow one car per residence. Additional parking spaces for Residents, guests and staff are also provided and have been designed to be in close proximity to the ultimate user.

**11. Additional Storage**

Apartment residents without a designated storage space in the Residence shall have one additional secured storage space in the public area.

**12. Scheduled Transportation**

Resident fees will cover regularly scheduled trips in Patriots Colony vehicles to nearby shopping and "other popular destinations." Other special trips may be arranged at a nominal charge depending on demand.

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**13. Planned Recreation, Wellness, and Activity Programs**

Social, cultural and recreational activities will be provided or arranged by Patriots Colony staff and made available to Residents. Participation is strictly voluntary.

**14. Congregate Facilities**

Residents shall have the right to the use and enjoyment, in concert with others, of the indoor and outdoor public areas and recreational facilities at no extra charge. Exceptions to this right will be a fee for use of certain spaces and purchases of supplies, merchandise and expendables by Residents and their guests for private purposes.

**15. Wellness Clinic**

The Resident Wellness Clinic will be staffed by a licensed nurse who will provide at no charge certain diagnostic monitoring and health promotion services. This individual can also, with the Resident's physicians' involvement, assist in coordinating the Resident's health care services. Payments for any services arranged by the Wellness Clinic, which involve charges by other health professionals, are the responsibility of the Resident.

**16. Health Care**

Patriots Colony provides Resident guaranteed priority access to accommodations in the Patriots Colony Health Center if ordered by a physician and approved by the Health Services Director. If the Resident shall need accommodations in the on-site Health Center and the associated health care services, the Resident shall pay the Patriots Colony published public rates for long term care services then in effect. (See Article III, "Patriots Colony Health Services").

**B. SERVICES AVAILABLE AT EXTRA CHARGE**

1. Meals and Guest Meals, in addition to those purchased with the flexible monthly dining allowance.
2. Guest Rooms
3. Additional Housekeeping
4. Individual Telephone Use
5. Extended/Premium Cable T.V. Channels
6. Internet Services
7. Special Events or Transportation
8. Variable Costs for Crafts/Supplies
9. Services of any On-Site Private Vendors (Such as: Barber, Beautician, Bank, etc.)
10. Catering or Set-up/Clean-up Services

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**11. Health Services**

**12. Other services that may be made available**

Thirty (30) days notice will be provided of any changes in the scope of care or services.

**C. LIFECARE**

Patriots Colony offers a LifeCare Program through a separate agreement. The LifeCare Program offers Health Services and other additional services described above available to residents at a discounted rate, subject to a qualification determination by Patriots Colony. In the event Resident pays the full Residence and Services Entrance Fee at occupancy but later desires to convert to the LifeCare program, the then current Entrance Fee must first be paid to Patriots Colony in full. In the event Resident participates in a Financing Arrangement, Resident will have the right to convert to the LifeCare program within thirty (30) days after the payment of the Entrance Fee, and the Entrance Fee will be credited towards the then current entrance fee for the new LifeCare contract. Notwithstanding anything herein to the contrary, Resident's conversion to the LifeCare Program will be subject to the admission and qualification requirements, a health assessment and a financial review to determine Resident's qualification.

**D. EXCLUSIONS**

Patriots Colony will at no time be responsible for the debts of a Resident or for medical expenses incurred for services or related items (See Article III B).

**ARTICLE III**

**Patriots Colony Health Services**

**A. ACCESS**

Patriots Colony will guarantee Resident priority access to the Health Center, consisting of *The Berkeley* (assisted living), *Springhouse* (assisted living for the memory impaired), and *The Convalescent Center* (nursing residence). Even though non-residents will have access to the Health Center, Residents will have first priority on all Health Center accommodations and no Resident shall be denied an available space in favor of a non-resident. Patriots Colony offers licensed "Assisted Living" and "Nursing Facility" accommodations. If any such licensed levels of care are not available on-site or if such space is occupied and not immediately available, Patriots Colony will assist resident in transferring to such space off-site. Patriots Colony will notify Resident once the service can be provided on-site and will assist with return arrangements.

**B. CHARGES**

1. Resident agrees to pay the current published public rate for any stay, temporary or permanent, in any level of care in the Health Center, or for the equivalent service

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off-site as described above, for as long as those services are needed. If a monthly rate, the current public rate shall be calculated on a pro-rated daily basis for a partial month's stay.

2. If Resident alone occupies two physically connected Assisted Living suites, the public rate will apply for both suites.
3. If a couple occupies one Assisted Living suite, the applicable published public monthly Fee will be calculated for each Resident. Once a single Resident occupies the suite, the applicable single person public rate will be charged.
4. If Resident occupies both Assisted Living and Convalescent accommodations simultaneously, Resident will be billed for both on a pro-rated basis for partial months.

**C. RETENTION OF RESIDENCE DURING HEALTH CENTER STAY**

The following outlines the effect of your stay in the Health Center on the Monthly Fee for your Residence.

**1. Temporary Stay**

During a temporary stay in the Health Center, the Resident will continue to pay the Monthly Fee for the Residence plus the current public rate for the care received at the Health Center.

**2. Permanent Stay**

- a. If Patriots Colony in its sole discretion, but after consultation with you, your family and your physician, determines that you are physically or mentally incapable of living independently for the foreseeable future, the Resident will be deemed to have permanent status at the Health Center and pay the appropriate public rate.

**b. Single Resident**

Resident will release the Residence to Patriots Colony and the Residence Monthly Fee will terminate on the date it is vacated. Once permanent status in the Health Center has been determined, the Residence must be vacated within 30 days.

**c. Resident Couple**

When one Resident's stay in the Health Center becomes permanent, the remaining Independent Living Resident will begin paying the first person Monthly Fee. In the case of a couple where both Residents are on permanent status in the Health

Center, they will release the Residence to Patriots Colony and cease to pay the Monthly Fee on the date the Residence is vacated. The Independent Living Residence must be vacated within 30 days of the date the last Resident gains permanent Health Center status.



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- d. If a permanent move is necessary within the Health Center (e.g. assisted living to convalescent center), Resident must vacate the previous accommodations within ten (10) days.
- e. If personal belongings are not removed by stated time, property will be removed by Patriots Colony and stored at Resident's expense. For the purposes of this Agreement "vacated" shall mean all of the Resident's personal belongings shall be removed from the Residence and the Residence left undamaged, except for normal "fair wear and tear", and in a trash-free condition.

**3. Recovery from a Permanent Stay**

Should you release your Residence to Patriots Colony for a permanent stay in the Health Center and later be judged by Patriots Colony to be capable of living independently again, you will be offered the next available Residence of the type and size equivalent to that last occupied. If you wish to return to a different type and size Residence, the Upgrading or Downgrading provisions of Article IV, Section D will apply.

**D. HEALTH CARE INSURANCE**

- 1. Resident agrees to procure and maintain Medicare Parts A and Part B, and a Medicare Supplement Plan (e.g. TRICARE for Life) or equivalent hospital and medical insurance coverage.
- 2. If Resident is entitled to medical care or payment by insurance or government agencies, the Resident shall make application for such care or payment.
- 3. Resident shall authorize, as necessary, any provider of hospitalization, medical or other health services to receive reimbursement under the above Medicare, TRICARE, and Supplemental insurance programs.

**ARTICLE IV**

**Change in Resident Status**

**A. MARRIAGE TO ANOTHER RESIDENT**

Should Resident marry another Resident, either may terminate the Residency Agreement, turn the Residence back to Patriots Colony, receive any refund due, and become a party to the new spouse's agreement. The Monthly Fee for the Residence turned back shall terminate upon vacancy, and the Monthly Fee for the Residence retained shall simultaneously be raised to the double occupancy level.

**B. MARRIAGE TO A NON-RESIDENT**

Should resident marry a Non-Resident who satisfies the guidelines for acceptance as outlined in Article V of this Agreement, Patriots Colony will offer the Non-Resident the opportunity to become a party to this Agreement or other applicable Patriots Colony

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agreement (LifeCare or Residence & Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency & Services) and will be equal to the Second Person Entrance Fee and the Monthly Fee will be the corresponding Second Person Monthly

Fee for the applicable residence. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the Non-Resident for residency at Patriots Colony. Upon occupancy of the Residence by the new spouse, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.

**C. ADDITIONAL OCCUPANT TO RESIDENCE**

1. Should a resident wish to have a second person occupy the Residence who is not related by blood or marriage, Patriots Colony will offer that non-resident the opportunity to become a party to this Agreement or other applicable Patriots Colony Agreement (LifeCare or Residency and Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency and Services) and will be equal to the second person Entrance and at the corresponding second person Monthly Fee for the applicable residence. Upon occupancy of the Residence by the new occupant, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.
2. An addendum to this Agreement and any other applicable Agreement (see paragraph immediately above) will be signed by both residents indicating financial responsibility for the other and designating the division calculation of the applicable refund to each upon termination of the Agreement(s) by the last Resident.
3. Patriots Colony's acceptance of this second person shall be contingent upon his/her ability to meet the health, financial and general criteria for admission to Patriots Colony. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the second person for residency at Patriots Colony.

**D. CHANGE OF RESIDENCE**

After occupancy, if Resident applies in writing to Patriots Colony to move from one Residence to another of either a larger or smaller size, and Patriots Colony agrees to such a move, the following provisions shall apply:

**1. Upgrading**

Should Resident move from one Residence to a larger one, Resident will pay the difference in Entrance Fees from the current Entrance Fee then in effect for the smaller

Residence to the Entrance Fee then in effect for the larger Residence. The calculation for any future refunds will be based on the date of original occupancy of the smaller Residence, and the Monthly Fee will increase to that of the larger Residence at the time occupancy of the larger Residence commences.

**2. Downgrading**

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If Resident moves from one Residence to a smaller Residence, there will not be a reduction in the Entrance Fee paid. Any refund at the time the smaller Residence is vacated, however, will be calculated based on the original Entrance Fee paid. Resident's Monthly Fee will be reduced to that of the smaller Residence at the time occupancy of the smaller Residence commences, and the larger unit is vacated.

**3. Refurbishment Fee**

A Resident who moves from one Residence to another within Independent Living will be charged for the refurbishment of the Residence vacated if refurbishment has been accomplished recently and, in the professional opinion of Patriots Colony staff, recently installed materials cannot be restored to like-new condition and must be replaced.

**ARTICLE V**

**Resident Rights & Responsibilities**

In addition to those rights and responsibilities noted elsewhere in this agreement, the following also apply to you and any authorized occupant of your Residence:

**A. ADMISSION AND CONTINUED OCCUPANCY**

Your acceptance as a Resident and your continued occupancy at Patriots Colony are based upon the following criteria:

1. You are a minimum of 55 years of age.
2. You are physically and mentally capable of living independently at admission and meet the medical requirements of Patriots Colony.
3. You are free of communicable diseases.
4. You possess the financial capabilities to meet your obligations to Patriots Colony for your expected lifetime (unless other arrangements have been made).
5. Your presence does not threaten the health, safety or well being of others at Patriots Colony.
6. You agree to abide by the reasonable rules and regulations of Patriots Colony and the reasonable changes to those rules, which may be adopted later.
7. You respect the rights of other Residents.

**B. PROPERTY RIGHTS**

You understand and agree that this is an agreement primarily for shelter and services. Though you are granted a right of occupancy, this agreement is not a lease and you will have

no right, title or interest in any of the real or personal property of Patriots Colony or the right to control or influence in any way the business or financial affairs of Patriots Colony. Your rights under this Agreement may not be assigned, transferred, inherited or devised.

**C. PRESERVATION OF RESIDENTS' ASSETS**

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At the request of Patriots Colony, you agree to make arrangements for the preservation and management of your financial resources by a third party (or parties), including but not limited to the execution and funding of a trust agreement for your benefit whenever, in the sole judgment of Patriots Colony it appears that your continued management of your financial affairs may prevent you from meeting your financial obligations to Patriots Colony.

**D. POWER OF ATTORNEY**

You agree to execute and maintain in effect, a Durable Power of Attorney, valid under Virginia law. This Durable Power of Attorney shall designate as your attorney-in-fact, your spouse, a bank, lawyer, relative, or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits, as fully and completely as you would if acting personally. It should be in a form that survives your incapacity or disability and be otherwise satisfactory to Patriots Colony. You will deliver a fully executed copy of this Durable Power of Attorney to Patriots Colony prior to occupancy of your Residence. Any advanced directives such as a "living will" should be filed with Patriots Colony upon occupancy.

**E. RESIDENTS' ASSOCIATION**

All Residents of Patriots Colony are members of the Residents' Association. The Administration will confer regularly with representatives of the Association about matters of interest and/or concern to the Residents.

**F. GUESTS, ACCESS, AND USE BY NON-RESIDENTS**

You will be free to invite guests to your residence for transient visits. You may purchase meals for your guests at prevailing rates. Patriots Colony reserves the right to make rules regarding visits and guest behavior. In general, the facilities and services of Patriots Colony are intended for the use of the Residents.

**G. FURNISHINGS**

You are expected to furnish and use your Residence in accordance with acceptable standards. In order to keep the Residence safe and sanitary, Patriots Colony reserves the right to enforce these standards.

**H. HOUSEKEEPING**

You agree to maintain your Residence in a clean, safe and orderly condition, as required by health and safety regulations, and to perform all usual light housekeeping. Patriots Colony may deem necessary, at Resident's expense, such tasks required to return the Residence to a safe, clean and orderly condition if day-to-day responsibilities of the Resident have been neglected.

**I. OTHER RIGHTS**

You have the right to use Patriots Colony public areas and amenities on an equal basis with other Residents and to participate as you choose in planned activities or programs with exception that you may be required to adhere to management programs implemented for the common safety and security of all Residents.



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Residence and Services Agreement**

**ARTICLE VI**

**Patriots Colony Rights & Responsibilities**

In addition to those rights and responsibilities of Patriots Colony noted elsewhere in this agreement, the following also apply:

**A. MANAGEMENT**

Patriots Colony is responsible for the overall management and operation of Patriots Colony consistent with sound business practices and fairness to all Residents. Patriots Colony has the right to hire professional management services to meet this responsibility.

**B. AUTHORITY FOR ADMISSIONS, DISMISSAL, AND FEES**

Patriots Colony retains all authority regarding admission, dismissal, and adjustment of fees of Patriots Colony.

**C. RIGHT OF ENTRY**

Authorized employees shall be permitted into your Residence with reasonable notice at all reasonable times for housekeeping, maintenance, and inspection, and at any time in case of emergencies.

**D. CONFIDENTIALITY**

Patriots Colony has the right to request and receive medical and financial data from you that is in our sole judgment, necessary to carry out our responsibilities. Patriots Colony has the responsibility to keep all of the personal, medical, and financial information you have supplied to us in confidence, and it will only be shared with those who, in our opinion, have a need to know.

**ARTICLE VII**

**Termination Provisions**

**A. TERMINATION FOR CAUSE**

Any one of the following conditions shall be cause for Patriots Colony to terminate this Agreement:

1. Resident's failure to perform obligations under this contract including the obligation to pay Monthly Fees and other charges. (Also see Article VIII, Non-Payment of Fees).
2. Resident's failure to abide by the rules and regulations of Patriots Colony including such reasonable amendments as may be adopted from time to time.

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3. Resident's health or behavior resulting in a threat to the health, safety, peace or well being of the Resident or others.
4. Resident's material misstatements or failure to state a material fact in the Resident application, financial statement or health history statement filed with Patriots Colony.

Patriots Colony shall give you reasonable notice of your termination date, and determination that your continued occupancy represents a threat to safety of others or of yourself shall be a

factor in determining the reasonableness of that notice. You will further be given reasonable opportunity to cure within a reasonable period whatever conduct is alleged to warrant the cancellation of the Agreement. Refund provisions of this Agreement will apply less any outstanding debts of Resident to Patriots Colony.

**B. DEATH**

In the event this Agreement is terminated due to your death, your estate will be responsible for the Monthly Fee until your Residence is vacated. Your estate will be responsible for moving any tangible personal property within thirty (30) days after your death. Should any property remain in your Residence after that date, you hereby authorize Patriots Colony to remove the property from your Residence and store it at the expense of your estate.

**C. TERMINATION PRIOR TO OCCUPANCY**

If Resident dies before occupying the facility, or is precluded through illness, injury, or incapacity from becoming a resident under the terms of the Residency Agreement, the Agreement is automatically rescinded and the Resident or his legal representative shall receive a full refund of all money paid to Patriots Colony, except those costs specifically incurred by Patriots Colony at the request of the Resident and set forth in writing in a separate addendum, signed by both parties to the Agreement.

**D. TERMINATION BY RESIDENT AFTER OCCUPANCY**

**1. Grace Period**

In the event Resident terminates this Agreement in writing within 7 days of the execution date and surrenders the Residence within 7 days of the execution date, Resident shall be entitled to a full refund of the Entrance Fee (less the application fee).

**2. Termination After Grace Period**

Resident may terminate this Agreement by providing written notice to Patriots Colony. The Monthly Fee will continue until the Residence is vacated or thirty (30) days expired whichever is later. The selected Entrance Fee refund option of this Agreement will apply.

**E. SPECIAL TERMS AND EXCEPTIONS**

Upon termination by either you or Patriots Colony you agree to pay Patriots Colony all amounts owed to it, any reasonable expenses incurred in connection with the termination, which includes, but is not limited to: Cost of any repairs, replacement of property, and painting or other refurbishment of your Residence considered necessary by Patriots Colony

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Residence and Services Agreement**

in order to prepare it for a new Resident. Patriots Colony may offset any amounts owed it by you against any refund due. These costs do not include fair wear and tear.

**F. SUPERSEDED AGREEMENT**

In the event Patriots Colony and Resident enter into a LifeCare Agreement or other residency agreement intended to supersede this Agreement, this Agreement will automatically terminate upon the effective date of such other agreement.

**ARTICLE VIII**

**Non-Payment of Fees**

If you become unable to pay the Monthly Service Fee for your Independent Living Residence for reasons other than willful dissipation of your assets, Patriots Colony, in our sole judgment, may elect to assist you financially. We may assist you in the identification and arrangement for funds from sources including, but not limited to, the Patriots Fund (the internal benevolence fund), and public assistance from local, state and federal governments. You agree to assist us in the application for such support and to execute reasonable and necessary documents for this purpose. Additionally, any sums expended by Patriots Colony, excluding the Patriots Fund, plus interest at up to the maximum rate allowed by law, will represent a claim against you or your estate or against any Entrance Fee refund due at the time this agreement is terminated.

**ARTICLE IX**

**Modification of Residence**

We reserve the right to determine the serviceability and condition of carpeting, appliances, and all similar items provided by us in your Residence. You may apply in writing to and contract with Patriots Colony to make authorized modifications to your Residence at your expense and risk. Charges for such modifications will cover the complete cost of the work to be done and an additional charge to restore the Residence to its original condition upon your vacating the Residence, if in Patriots Colony's opinion, such modifications adversely affect the desirability of the Residence for re-occupancy. The modifications shall be done so as to create the least possible inconvenience to other Residents in Patriots Colony. Any modifications, which result in permanent installation, shall become Patriots Colony's property upon installation and shall remain with your Residence when you vacate your Residence. You waive all rights to compensation for the modifications made to your Residence. If the modification requires additional maintenance, either you may be required to procure such maintenance at your expense or additional ongoing charges from Patriots Colony may apply. An example of the latter is conversion of a Villa or Greenspring Home screened porch to a sunroom and thereby changing the Residence model and the required Monthly Fee.

**Patriots Colony At Williamsburg  
Residence and Services Agreement**

**ARTICLE X**

**Personal Injury or Loss of Property**

**A. INJURY OR DAMAGE BY YOU**

You agree to reimburse Patriots Colony for any costs incurred or damages suffered by it resulting from your carelessness, negligence or wrongful acts, or that of your guests. You hereby release Patriots Colony from liability for your death, injury to your person or your property caused by any theft, fire, assault or other cause beyond the control of Patriots Colony and from liability resulting from the negligence or wrongful acts of other Residents and do waive any claim that may accrue to you arising against Patriots Colony there from.

**B. INJURY BY A THIRD PARTY**

In case of accident or injury to you caused by third parties you hereby agree to bring any claims or initiate legal action, if necessary, against the person who has caused injury to you for compensation for the injury. You hereby authorize and direct the person or firm designated by you as your attorney-in-fact to prosecute such claims or causes of action. After recovering damages from such claims or causes of action you agree to reimburse Patriots Colony for all costs and damages incurred by it (including reasonable costs of care furnished to you by Patriots Colony because of such accident or injury).

**ARTICLE XI**

**Miscellaneous**

**A. STATEMENT OF NON-DISCRIMINATION**

Neither race, nor color, nor sex, nor religion, nor national origin has any bearing upon your acceptance or rejection for admission, the execution of this agreement, or normal conduct of business of Patriots Colony.

**B. REPRESENTATIONS MADE BY RESIDENT**

The application and the statements of your finances, personal data, and health history filed with Patriots Colony are incorporated into this agreement and all statements therein are deemed to be true as of the date made. You represent that there have been no material changes in the information provided since the date of application. Any material misstatement, or any material omission to state a fact called for, may result in the termination of this Agreement by Patriots Colony.

**C. REQUIREMENTS PRIOR TO OCCUPANCY**

Resident must provide the following to Patriots Colony prior to occupancy:

1. Proof of the required Medicare, TRICARE or other Supplemental Insurance coverage, or their equivalent.



**Patriots Colony At Williamsburg  
Residence and Services Agreement**

2. All required personal, confidential, financial, and medical information.
3. Copy of Durable Power of Attorney and Advanced Directives, if any.
4. Certification of name and address of the administrator or executor of your last will and testament and trustee, if any, and location of your last will and testament and trust, if any.
5. Signed authorization and payment for modifications (if any) to your Residence.
6. Execution of the Agreement.
7. Payment of the balance of your Entrance Fee and applicable Monthly Fee.

**D. SUCCESSORS AND ASSIGNS**

Resident Responsibilities owed Patriots Colony under this Agreement shall inure to the benefits of its successors and assigns.

**E. OTHER PROMISES**

Patriots Colony representatives have made no other promises or representations regarding your Residence, facilities, refunds or services and this agreement has precedence over the description of services in promotional materials or presentations. This Agreement constitutes the entire contract between you and Patriots Colony, and no waiver or modification shall be valid unless made in writing, signed by you and by Patriots Colony and attached herewith as a part of this agreement.

In witness whereof, the parties hereto have executed this Agreement the day and year first above mentioned.

BY: \_\_\_\_\_  
Patriots Colony Representative

Resident: \_\_\_\_\_

Resident: \_\_\_\_\_

Witness: \_\_\_\_\_

In and for James City County, Commonwealth of Virginia,  
the foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Notary Public

**Patriots Colony At Williamsburg  
Residence and Services Agreement with Promissory Note**

**Patriots Colony at Williamsburg**

**Resident and Services Agreement  
with Promissory Note  
2024**

**6000 Patriots Colony Drive**

**Williamsburg, VA 23188**

**(757) 220-9000**

**Patriots Colony At Williamsburg  
Residence and Services Agreement with Promissory Note**

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**Patriots Colony At Williamsburg  
Residence and Services Agreement with Promissory Note**

This Agreement is made and entered into by and between Patriots Colony, Inc. (hereinafter referred to as "Patriots Colony") and [REDACTED], hereinafter referred to as "Resident," whether one or more persons) this [REDACTED] day of [REDACTED], 2024.

**ARTICLE I  
Fees and Refunds**

Resident has selected "Choice **X**" and the fees below will be reflective of the "Choice **X**" fee schedule.

**A. ENTRANCE FEE**

**1. Residence Number & Type**

Resident has selected and shall have a personal non-assignable right to reside in [REDACTED], subject to removal only under the conditions and terms of this agreement.

**2. Amount**

In consideration of the continuing care program outlined in this Agreement and residency in the above described Residence, the Resident agrees to pay Patriots Colony the total amount of \$[REDACTED] which if for two persons, the sum of \$[REDACTED] shall be construed to be the Entrance Fee for the first person, and \$[REDACTED] be construed to be the Entrance Fee for the second person. Resident's deposit of ten percent (10%) of the Entrance Fee shall be made at the time the Resident agrees to reserve the Residence (the "Reservation Deposit"). The Reservation Deposit will be applied towards payment of the Entrance Fee. Except as otherwise provided in Section A.3 of this Article I below, the balance of the Entrance Fee shall be due and payable on the date that shall occur within seven (7) days prior to the assigned occupancy date and at a date and time mutually agreeable to all parties (the "Closing Date"). The Entrance Fee principle amount above will not change during the duration of this Agreement, unless the Resident chooses to upgrade to a larger residence (see "Change of Residence", Article IV, Section D).

**3. Financing Arrangement**

**a. Eligibility**

In lieu of paying the entire balance of the Entrance Fee as provided in Section 2 above, Resident may participate in the financing arrangement made available by Patriots Colony to prospective residents, as more fully described below. If Resident desires to participate in this arrangement, Resident shall: (i) initial the box below the financing arrangement evidencing Resident's agreement to be bound by the terms contained therein; (ii) disclose to Patriots Colony such information as Patriots Colony may request to determine Resident's eligibility for participation; and (iii)

execute such documents as required herein to effect such participation upon Patriots Colony's determination that Resident is eligible to participate.



**Patriots Colony At Williamsburg**  
**Residence and Services Agreement with Promissory Note**

**b. General Description**

The Reservation Deposit shall be applied toward payment of the Entrance Fee. Resident shall pay an additional ten percent (10%) of the total Entrance Fee upon the Closing Date, with the remaining balance being due and payable in accordance with the terms of a promissory note evidencing the Resident's financial obligation, a form of which is attached hereto as Exhibit A and made a part hereof. Under the promissory note, the principal of which shall be the unpaid balance of the Entrance Fee (the "Financed Amount"). The date of the promissory note shall be the Closing Date. Payments of principal shall be made in four (4) equal installments on the next four (4) anniversary dates of the Closing Date. All accrued principal and interest on the Financed Amount will be due on the fourth anniversary of the Closing Date. Interest shall accrue at the Prime Rate plus one percent (1%) on the unpaid balance of the promissory note, but if Resident pays the entire Financed Amount to Patriots Colony on or before the one (1) year anniversary of the Closing Date, Patriots Colony shall waive all interest due by Resident to Patriots Colony under the promissory note. For purposes hereof, the "Prime Rate" shall mean the rate per annum that appears as the base rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest banks in the United States, as posted in the Money Rates section of the *Wall Street Journal* on the applicable date, or if the applicable date is not a business day, on the business day immediately prior to such date. Resident may prepay any portion of the Financed Amount in whole or in part, together with accrued interest, without penalty, at any time before the date on which the promissory note matures. Resident agrees that if at any time prior to the promissory note maturing the Resident sells his or her primary residence, the financed amount together with accrued interest shall be due and payable thirty (30) days after the sale of said residence.

                     *Initial here to evidence Resident's agreement to the foregoing provisions of this subsection A.3 of Article I.*

**B. MONTHLY FEE**

**1. Current Amount**

The current Monthly Fee associated with the Residence selected by the Resident is the total amount of \$          , which, if for two persons, the sum of \$           shall be construed to be the Monthly Fee for the first person and \$           shall be construed to be the Monthly Fee for the second person occupying the Residence. The Monthly Fee shall be paid to Patriots Colony in advance before occupancy and by the first day of each month. The Monthly Fee charges shall begin on the first day of occupancy or ninety (90) days after the date that Resident reserved the Residence, whichever is earlier, and shall be paid on a pro-rated basis through the last day of the current month.

**2. Statement**

The Monthly Fee and any other applicable charges shall be considered delinquent if not paid within fourteen days following the due date. All delinquent accounts shall draw a finance charge at no more than the maximum rate allowed by law.

**Patriots Colony At Williamsburg**  
**Residence and Services Agreement with Promissory Note**

**3. Adjustments**

The Monthly Fee may be adjusted by Patriots Colony consistent with the cost of operating and maintaining Patriots Colony as well as the future service obligations of Patriots Colony and upon thirty (30) days notice to the Resident.

**C. ENTRANCE FEE OPTIONS**

Three different refund options are listed below. Only one refund option will apply for purposes of this agreement and all parties to this agreement will initial that option. The option selected cannot be changed during the term of this agreement or any subsequent agreements as may be required due to a change in Residence. By initialing below and by signing this Agreement you acknowledge that you have reviewed the current pricing associated with refund options selected and have selected the following Entrance Fee refund plan initialed below for purposes of this Agreement.

**1. Base Plan (Declining Refund)**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee". Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate less 2% per calendar month calculated from the first month of occupancy. After fifty (50) calendar months of occupancy, there will be no refund.

**2. Plan 50**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee". Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded to the Resident or the Resident's estate less 2% per calendar month from the first (1<sup>st</sup>) calendar month of occupancy and thereafter for twenty-four (24) additional months. After twenty-five (25) calendar months, the refund amount will remain unchanged at 50% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force. For actuarial reasons, Plan 50 availability and rates are age-rated based on age at occupancy. Plan 50 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents & couples where at least one individual is at least age 81 but not yet 86. Plan 50 is not available to single Residents and couples where any individual is age 86 or higher.

**3. Plan 95**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the

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“application fee”. Should this Agreement be terminated by the Resident or Patriots Colony for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the

Entrance Fee paid will be refunded, at 95% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force. For actuarial reasons, Plan 95 availability and rates are age-rated based on age at occupancy. Plan 95 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents and couples where at least one individual is at least age 81 but not yet 86. Plan 95 is not available to single Residents and couples where any individual is age 86 or higher.

## **D. CALCULATION & PAYMENT OF ENTRANCE FEE REFUNDS**

### **1. Adjustments for Financing Arrangement**

Notwithstanding any provision herein to the contrary, Resident agrees and acknowledges that, if Resident participates in the financing arrangement set forth in Section A.3 of Article I, Resident shall not be entitled to a refund under the foregoing provision of this Section C until the Financed Amount has been paid in full to Patriots Colony. However, if Resident has executed a promissory note in connection with Resident’s participation in the Financing Arrangement set forth in subsection A.3 of Article I above and terminates this Agreement prior to the one year anniversary of the Closing Date and provides no less than thirty (30) days notice of such termination, Patriots Colony shall cancel the promissory note as the Financed Amount will no longer be due by Resident to Patriots Colony, and Resident shall no longer have any obligations to Patriots Colony under the promissory note.

### **2. Calculation**

For purposes of the above Plans no Entrance Fee refund will include amounts paid for improvements to the Residence, Monthly Fees or other periodic charges. Any Entrance Fee refund shall not include interest that has accrued from the date the Resident’s Entrance Fee was paid. Refunds for additional Entrance Fee paid after initial occupancy for such reasons as “upgrade” or marriage will be calculated from the date of original occupancy and this Agreement.

### **3. Payment of Refund**

All refunds due under the Entrance Fee refund option will be made within sixty (60) business days after the last of the following: (i) this agreement is terminated; (ii) your Residence has been vacated; and (iii) your Residence is occupied by a new Resident.

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**ARTICLE II**

**Continuing Care Program**

The Continuing Care Program provided by Patriots Colony in this Agreement includes the use of a number of services and facilities. Outlined below is a description of those services and facilities.

**A. SERVICES AND FACILITIES**

**1. Residence**

Subject to the terms of this Agreement, the Resident has the non-assignable right to reside in the previously described Residence for the remainder of the Resident's life or in the event Resident is more than one person, for the remainder of the life of the survivor. Patriots Colony shall furnish carpet, vinyl and other standard floor treatments, refrigerator, range/oven, microwave, washer/dryer, garbage disposal, dishwasher. The Resident shall provide all other furnishings for the Residence.

**2. Dining Plan**

The Dining Services Department offers three meals a day, six days a week and at least one meal on Sunday. Snacks and beverages are also available during the day. Residents may choose to eat any or all meals each day. Residents receive a generous dining allowance, on a quarterly basis, that is included in the monthly fee. In addition to any menu item, the dining allowance can also be used for bar charges and guest meals. Residents away from the campus in at least ten (10) consecutive days or more during a month are eligible for a meal credit of \$12 per day.

**3. Housekeeping**

The Residence will be cleaned once each week. This cleaning includes vacuuming floor surfaces that are accessible, light dusting on surfaces free of clutter, and necessary cleaning of bathroom and kitchen counters and fixtures. Additionally, heavier housekeeping services such as window washing and floor maintenance will be performed on a scheduled basis. Other housekeeping tasks such as dishwashing, laundry, bed making, etc., are the responsibility of the Resident but can be provided by Patriots Colony on an available basis at an additional charge.

**4. Maintenance**

Repairs, maintenance and replacements of property and equipment owned by Patriots Colony shall be performed and provided by Patriots Colony to keep such property and equipment in good repair and order as deemed necessary by Patriots Colony. The above work also includes custodial services for all public spaces and appropriate grounds maintenance. Repairs to Resident's personal possessions are the responsibility of the Resident.

**5. Utilities**

Utilities reasonably required in connection with the occupancy of the Residence, including water, sewer, heating, air-conditioning, electricity, basic cable T.V., and trash



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removal are included in the fees. Residence telephone and extended/premium cable TV charges are the responsibility of the Resident.

#### **6. Security**

Patriots Colony will use reasonable care in providing security on the premises including the use of personnel dedicated to that purpose, but will not be responsible for losses of personal property.

#### **7. Emergency Response**

Each residence will be equipped with emergency response systems which, when activated, will summon assistance from Patriots Colony.

#### **8. Property Insurance**

Patriots Colony insures property and equipment against reasonable losses. Personal property and personal liability insurance for Residents is the responsibility of the Resident.

#### **9. Taxes**

Patriots Colony pays all real estate, property, and use taxes on all Patriots Colony property and any applicable business operations. The Resident is responsible for his/her own personal property taxes and personal income taxes.

#### **10. Parking**

Covered parking spaces have been provided in sufficient number to allow one car per residence. Additional parking spaces for Residents, guests and staff are also provided and have been designed to be in close proximity to the ultimate user.

#### **11. Additional Storage**

Apartment residents without a designated storage space in the Residence shall have one additional secured storage space in the public area.

#### **12. Scheduled Transportation**

Resident fees will cover regularly scheduled trips in Patriots Colony vehicles to nearby shopping and "other popular destinations." Other special trips may be arranged at a nominal charge depending on demand.

#### **13. Planned Recreation, Wellness, and Activity Programs**

Social, cultural and recreational activities will be provided or arranged by Patriots Colony staff and made available to Residents. Participation is strictly voluntary.

#### **14. Congregate Facilities**

Residents shall have the right to the use and enjoyment, in concert with others, of the indoor and outdoor public areas and recreational facilities at no extra charge. Exceptions to this right will be a fee for use of certain spaces and purchases of supplies, merchandise and expendables by Residents and their guests for private purposes.

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**15. Wellness Clinic**

The Resident Wellness Clinic will be staffed by a licensed nurse who will provide at no charge certain diagnostic monitoring and health promotion services. This individual can also, with the Resident's physicians' involvement, assist in coordinating the Resident's health care services. Payments for any services arranged by the Wellness Clinic, which involve charges by other health professionals, are the responsibility of the Resident.

**16. Health Care**

Patriots Colony provides Resident guaranteed priority access to accommodations in the Patriots Colony Health Center if ordered by a physician and approved by the Health Services Director. If the Resident shall need accommodations in the on-site Health Center and the associated health care services, the Resident shall pay the Patriots Colony published public rates for long term care services then in effect. (See Article III, "Patriots Colony Health Services").

**B. SERVICES AVAILABLE AT EXTRA CHARGE**

1. Meals and Guest Meals, in addition to those purchased with the flexible monthly dining allowance.
2. Guest Rooms
3. Additional Housekeeping
4. Individual Telephone Use
5. Extended/Premium Cable T.V. Channels
6. Internet Services
7. Special Events or Transportation
8. Variable Costs for Crafts/Supplies
9. Services of any On-Site Private Vendors (Such as: Barber, Beautician, Bank, etc.)
10. Catering or Set-up/Clean-up Services
11. Health Services
12. Other services that may be made available

Thirty (30) days notice will be provided of any changes in the scope of care or services.

**C. LIFECARE**

Patriots Colony offers a LifeCare Program through a separate agreement. The LifeCare Program offers Health Services and other additional services described above available to residents at a discounted rate, subject to a qualification determination by Patriots Colony. In

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the event Resident pays the full Residence and Services Entrance Fee at occupancy but later desires to convert to the LifeCare program, the then current Entrance Fee must first be paid to Patriots Colony in full. In the event Resident participates in a Financing Arrangement, Resident will have the right to convert to the LifeCare program within thirty (30) days after the payment of the Entrance Fee, and the Entrance Fee will be credited towards the then current entrance fee for the new LifeCare contract. Notwithstanding anything herein to the contrary, Resident's conversion to the LifeCare Program will be subject to the admission and qualification requirements, a health assessment and a financial review to determine Resident's qualification.

#### **D. EXCLUSIONS**

Patriots Colony will at no time be responsible for the debts of a Resident or for medical expenses incurred for services or related items (See Article III B).

## **ARTICLE III**

### **Patriots Colony Health Services**

#### **A. ACCESS**

Patriots Colony will guarantee Resident priority access to the Health Center, consisting of *The Berkeley* (assisted living), *Springhouse* (assisted living for the memory impaired), and *The Convalescent Center* (nursing residence). Even though non-residents will have access to the Health Center, Residents will have first priority on all Health Center accommodations and no Resident shall be denied an available space in favor of a non-resident. Patriots Colony offers licensed "Assisted Living" and "Nursing Facility" accommodations. If any such

licensed levels of care are not available on-site or if such space is occupied and not immediately available, Patriots Colony will assist resident in transferring to such space off-site. Patriots Colony will notify Resident once the service can be provided on-site and will assist with return arrangements.

#### **B. CHARGES**

1. Resident agrees to pay the current published public rate for any stay, temporary or permanent, in any level of care in the Health Center, or for the equivalent service off-site as described above, for as long as those services are needed. If a monthly rate, the current public rate shall be calculated on a pro-rated daily basis for a partial month's stay.
2. If Resident alone occupies two physically connected Assisted Living suites, the public rate will apply for both suites.
3. If a couple occupies one Assisted Living suite, the applicable published public monthly Fee will be calculated for each Resident. Once a single Resident occupies the suite, the applicable single person public rate will be charged.

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4. If Resident occupies both Assisted Living and Convalescent accommodations simultaneously, Resident will be billed for both on a pro-rated basis for partial months.

**C. RETENTION OF RESIDENCE DURING HEALTH CENTER STAY**

The following outlines the effect of your stay in the Health Center on the Monthly Fee for your Residence.

**1. Temporary Stay**

During a temporary stay in the Health Center, the Resident will continue to pay the Monthly Fee for the Residence plus the current public rate for the care received at the Health Center.

**2. Permanent Stay**

- a. If Patriots Colony in its sole discretion, but after consultation with you, your family and your physician, determines that you are physically or mentally incapable of living independently for the foreseeable future, the Resident will be deemed to have permanent status at the Health Center and pay the appropriate public rate.

**b. Single Resident**

Resident will release the Residence to Patriots Colony and the Residence Monthly Fee will terminate on the date it is vacated. Once permanent status in the Health Center has been determined, the Residence must be vacated within 30 days.

**c. Resident Couple**

When one Resident's stay in the Health Center becomes permanent, the remaining Independent Living Resident will begin paying the first person Monthly Fee. In the case of a couple where both Residents are on permanent status in the Health

Center, they will release the Residence to Patriots Colony and cease to pay the Monthly Fee on the date the Residence is vacated. The Independent Living Residence must be vacated within 30 days of the date the last Resident gains permanent Health Center status.

- d. If a permanent move is necessary within the Health Center (e.g. assisted living to convalescent center), Resident must vacate the previous accommodations within ten (10) days.

- e. If personal belongings are not removed by stated time, property will be removed by Patriots Colony and stored at Resident's expense. For the purposes of this Agreement "vacated" shall mean all of the Resident's personal belongings shall be removed from the Residence and the Residence left undamaged, except for normal "fair wear and tear", and in a trash-free condition.

**3. Recovery from a Permanent Stay**

Should you release your Residence to Patriots Colony for a permanent stay in the Health Center and later be judged by Patriots Colony to be capable of living independently



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again, you will be offered the next available Residence of the type and size equivalent to that last occupied. If you wish to return to a different type and size Residence, the Upgrading or Downgrading provisions of Article IV, Section D will apply.

#### **D. HEALTH CARE INSURANCE**

1. Resident agrees to procure and maintain Medicare Parts A and Part B, and a Medicare Supplement Plan (e.g. TRICARE for Life) or equivalent hospital and medical insurance coverage.
2. If Resident is entitled to medical care or payment by insurance or government agencies, the Resident shall make application for such care or payment.
3. Resident shall authorize, as necessary, any provider of hospitalization, medical or other health services to receive reimbursement under the above Medicare, TRICARE, and Supplemental insurance programs.

## **ARTICLE IV**

### **Change in Resident Status**

#### **A. MARRIAGE TO ANOTHER RESIDENT**

Should Resident marry another Resident, either may terminate the Residency Agreement, turn the Residence back to Patriots Colony, receive any refund due, and become a party to the new spouse's agreement. The Monthly Fee for the Residence turned back shall terminate

upon vacancy, and the Monthly Fee for the Residence retained shall simultaneously be raised to the double occupancy level.

#### **B. MARRIAGE TO A NON-RESIDENT**

Should resident marry a Non-Resident who satisfies the guidelines for acceptance as outlined in Article V of this Agreement, Patriots Colony will offer the Non-Resident the opportunity to become a party to this Agreement or other applicable Patriots Colony agreement (LifeCare or Residence & Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency & Services) and will be equal to the Second Person Entrance Fee and the Monthly Fee will be the corresponding Second Person Monthly

Fee for the applicable residence. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the Non-Resident for residency at Patriots Colony. Upon occupancy of the Residence by the new spouse, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.

#### **C. ADDITIONAL OCCUPANT TO RESIDENCE**

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1. Should a resident wish to have a second person occupy the Residence who is not related by blood or marriage, Patriots Colony will offer that non-resident the opportunity to become a party to this Agreement or other applicable Patriots Colony Agreement (LifeCare or Residency and Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency and Services) and will be equal to the second person Entrance and at the corresponding second person Monthly Fee for the applicable residence. Upon occupancy of the Residence by the new occupant, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.
2. An addendum to this Agreement and any other applicable Agreement (see paragraph immediately above) will be signed by both residents indicating financial responsibility for the other and designating the division calculation of the applicable refund to each upon termination of the Agreement(s) by the last Resident.
3. Patriots Colony's acceptance of this second person shall be contingent upon his/her ability to meet the health, financial and general criteria for admission to Patriots Colony. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the second person for residency at Patriots Colony.

**D. CHANGE OF RESIDENCE**

After occupancy, if Resident applies in writing to Patriots Colony to move from one Residence to another of either a larger or smaller size, and Patriots Colony agrees to such a move, the following provisions shall apply:

**1. Upgrading**

Should Resident move from one Residence to a larger one, Resident will pay the difference in Entrance Fees from the current Entrance Fee then in effect for the smaller

Residence to the Entrance Fee then in effect for the larger Residence. The calculation for any future refunds will be based on the date of original occupancy of the smaller Residence, and the Monthly Fee will increase to that of the larger Residence at the time occupancy of the larger Residence commences.

**2. Downgrading**

If Resident moves from one Residence to a smaller Residence, there will not be a reduction in the Entrance Fee paid. Any refund at the time the smaller Residence is vacated, however, will be calculated based on the original Entrance Fee paid. Resident's Monthly Fee will be reduced to that of the smaller Residence at the time occupancy of the smaller Residence commences, and the larger unit is vacated.

**3. Refurbishment Fee**

A Resident who moves from one Residence to another within Independent Living will be charged for the refurbishment of the Residence vacated if refurbishment has been accomplished recently and, in the professional opinion of Patriots Colony staff, recently installed materials cannot be restored to like-new condition and must be replaced.

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ARTICLE V**

**Resident Rights & Responsibilities**

In addition to those rights and responsibilities noted elsewhere in this agreement, the following also apply to you and any authorized occupant of your Residence:

**A. ADMISSION AND CONTINUED OCCUPANCY**

Your acceptance as a Resident and your continued occupancy at Patriots Colony are based upon the following criteria:

1. You are a minimum of 55 years of age.
2. You are physically and mentally capable of living independently at admission and meet the medical requirements of Patriots Colony.
3. You are free of communicable diseases.
4. You possess the financial capabilities to meet your obligations to Patriots Colony for your expected lifetime (unless other arrangements have been made).
5. Your presence does not threaten the health, safety or well being of others at Patriots Colony.
6. You agree to abide by the reasonable rules and regulations of Patriots Colony and the reasonable changes to those rules, which may be adopted later.
7. You respect the rights of other Residents.

**B. PROPERTY RIGHTS**

You understand and agree that this is an agreement primarily for shelter and services. Though you are granted a right of occupancy, this agreement is not a lease and you will have

no right, title or interest in any of the real or personal property of Patriots Colony or the right to control or influence in any way the business or financial affairs of Patriots Colony. Your rights under this Agreement may not be assigned, transferred, inherited or devised.

**C. PRESERVATION OF RESIDENTS' ASSETS**

At the request of Patriots Colony, you agree to make arrangements for the preservation and management of your financial resources by a third party (or parties), including but not limited to the execution and funding of a trust agreement for your benefit whenever, in the sole judgment of Patriots Colony it appears that your continued management of your financial affairs may prevent you from meeting your financial obligations to Patriots Colony.

**D. POWER OF ATTORNEY**

You agree to execute and maintain in effect, a Durable Power of Attorney, valid under Virginia law. This Durable Power of Attorney shall designate as your attorney-in-fact, your spouse, a bank, lawyer, relative, or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits, as fully and completely as you would if acting personally. It should be in a form that survives your incapacity or disability and be otherwise satisfactory to Patriots Colony. You will deliver a fully executed copy of this Durable Power of Attorney to Patriots Colony prior to

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occupancy of your Residence. Any advanced directives such as a “living will” should be filed with Patriots Colony upon occupancy.

**E. RESIDENTS’ ASSOCIATION**

All Residents of Patriots Colony are members of the Residents’ Association. The Administration will confer regularly with representatives of the Association about matters of interest and/or concern to the Residents.

**F. GUESTS, ACCESS, AND USE BY NON-RESIDENTS**

You will be free to invite guests to your residence for transient visits. You may purchase meals for your guests at prevailing rates. Patriots Colony reserves the right to make rules regarding visits and guest behavior. In general, the facilities and services of Patriots Colony are intended for the use of the Residents.

**G. FURNISHINGS**

You are expected to furnish and use your Residence in accordance with acceptable standards. In order to keep the Residence safe and sanitary, Patriots Colony reserves the right to enforce these standards.

**H. HOUSEKEEPING**

You agree to maintain your Residence in a clean, safe and orderly condition, as required by health and safety regulations, and to perform all usual light housekeeping. Patriots Colony may deem necessary, at Resident’s expense, such tasks required to return the Residence to a safe, clean and orderly condition if day-to-day responsibilities of the Resident have been neglected.

**I. OTHER RIGHTS**

You have the right to use Patriots Colony public areas and amenities on an equal basis with other Residents and to participate as you choose in planned activities or programs with exception that you may be required to adhere to management programs implemented for the common safety and security of all Residents.

**ARTICLE VI**

**Patriots Colony Rights & Responsibilities**

In addition to those rights and responsibilities of Patriots Colony noted elsewhere in this agreement, the following also apply:

**A. MANAGEMENT**

Patriots Colony is responsible for the overall management and operation of Patriots Colony consistent with sound business practices and fairness to all Residents. Patriots Colony has the right to hire professional management services to meet this responsibility.

**B. AUTHORITY FOR ADMISSIONS, DISMISSAL, AND FEES**



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Patriots Colony retains all authority regarding admission, dismissal, and adjustment of fees of Patriots Colony.

**C. RIGHT OF ENTRY**

Authorized employees shall be permitted into your Residence with reasonable notice at all reasonable times for housekeeping, maintenance, and inspection, and at any time in case of emergencies.

**D. CONFIDENTIALITY**

Patriots Colony has the right to request and receive medical and financial data from you that is in our sole judgment, necessary to carry out our responsibilities. Patriots Colony has the responsibility to keep all of the personal, medical, and financial information you have supplied to us in confidence, and it will only be shared with those who, in our opinion, have a need to know.

**ARTICLE VII**

**Termination Provisions**

**A. TERMINATION FOR CAUSE**

Any one of the following conditions shall be cause for Patriots Colony to terminate this Agreement:

1. Resident's failure to perform obligations under this contract including the obligation to pay Monthly Fees and other charges. (Also see Article VIII, Non-Payment of Fees).
2. Resident's failure to abide by the rules and regulations of Patriots Colony including such reasonable amendments as may be adopted from time to time.
3. Resident's health or behavior resulting in a threat to the health, safety, peace or well being of the Resident or others.
4. Resident's material misstatements or failure to state a material fact in the Resident application, financial statement or health history statement filed with Patriots Colony.

Patriots Colony shall give you reasonable notice of your termination date, and determination that your continued occupancy represents a threat to safety of others or of yourself shall be a factor in determining the reasonableness of that notice. You will further be given reasonable opportunity to cure within a reasonable period whatever conduct is alleged to warrant the cancellation of the Agreement. Refund provisions of this Agreement will apply less any outstanding debts of Resident to Patriots Colony.

**B. DEATH**

In the event this Agreement is terminated due to your death, your estate will be responsible for the Monthly Fee until your Residence is vacated. Your estate will be responsible for

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moving any tangible personal property within thirty (30) days after your death. Should any property remain in your Residence after that date, you hereby authorize Patriots Colony to remove the property from your Residence and store it at the expense of your estate.

**C. TERMINATION PRIOR TO OCCUPANCY**

If Resident dies before occupying the facility, or is precluded through illness, injury, or incapacity from becoming a resident under the terms of the Residency Agreement, the Agreement is automatically rescinded and the Resident or his legal representative shall receive a full refund of all money paid to Patriots Colony, except those costs specifically incurred by Patriots Colony at the request of the Resident and set forth in writing in a separate addendum, signed by both parties to the Agreement.

**D. TERMINATION BY RESIDENT AFTER OCCUPANCY**

**1. Grace Period**

In the event Resident terminates this Agreement in writing within 7 days of the execution date and surrenders the Residence within 7 days of the execution date, Resident shall be entitled to a full refund of the Entrance Fee (less the application fee).

**2. Termination After Grace Period**

Resident may terminate this Agreement by providing written notice to Patriots Colony. The Monthly Fee will continue until the Residence is vacated or thirty (30) days expired whichever is later. The selected Entrance Fee refund option of this Agreement will apply.

**E. SPECIAL TERMS AND EXCEPTIONS**

Upon termination by either you or Patriots Colony you agree to pay Patriots Colony all amounts owed to it, any reasonable expenses incurred in connection with the termination, which includes, but is not limited to: Cost of any repairs, replacement of property, and painting or other refurbishment of your Residence considered necessary by Patriots Colony in order to prepare it for a new Resident. Patriots Colony may offset any amounts owed it by you against any refund due. These costs do not include fair wear and tear.

**F. SUPERSEDED AGREEMENT**

In the event Patriots Colony and Resident enter into a LifeCare Agreement or other residency agreement intended to supersede this Agreement, this Agreement will automatically terminate upon the effective date of such other agreement.

## **ARTICLE VIII**

### **Non-Payment of Fees**

If you become unable to pay the Monthly Service Fee for your Independent Living Residence for reasons other than willful dissipation of your assets, Patriots Colony, in our sole judgment, may elect to assist you financially. We may assist you in the identification

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and arrangement for funds from sources including, but not limited to, the Patriots Fund (the internal benevolence fund), and public assistance from local, state and federal governments. You agree to assist us in the application for such support and to execute reasonable and necessary documents for this purpose. Additionally, any sums expended by Patriots Colony, excluding the Patriots Fund, plus interest at up to the maximum rate allowed by law, will represent a claim against you or your estate or against any Entrance Fee refund due at the time this agreement is terminated.

## **ARTICLE IX**

### **Modification of Residence**

We reserve the right to determine the serviceability and condition of carpeting, appliances, and all similar items provided by us in your Residence. You may apply in writing to and contract with Patriots Colony to make authorized modifications to your Residence at your expense and risk. Charges for such modifications will cover the complete cost of the work to be done and an additional charge to restore the Residence to its original condition upon your vacating the Residence, if in Patriots Colony's opinion, such modifications adversely affect the desirability of the Residence for re-occupancy. The modifications shall be done so as to create the least possible inconvenience to other Residents in Patriots Colony. Any modifications, which result in permanent installation, shall become Patriots Colony's property upon installation and shall remain with your Residence when you vacate your Residence. You waive all rights to compensation for the modifications made to your Residence. If the modification requires additional maintenance, either you may be required to procure such maintenance at your expense or additional ongoing charges from Patriots Colony may apply. An example of the latter is conversion of a Villa or Greenspring Home screened porch to a sunroom and thereby changing the Residence model and the required Monthly Fee.

## **ARTICLE X**

### **Personal Injury or Loss of Property**

#### **A. INJURY OR DAMAGE BY YOU**

You agree to reimburse Patriots Colony for any costs incurred or damages suffered by it resulting from your carelessness, negligence or wrongful acts, or that of your guests. You hereby release Patriots Colony from liability for your death, injury to your person or your property caused by any theft, fire, assault or other cause beyond the control of Patriots Colony and from liability resulting from the negligence or wrongful acts of other Residents and do waive any claim that may accrue to you arising against Patriots Colony there from.

#### **B. INJURY BY A THIRD PARTY**

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In case of accident or injury to you caused by third parties you hereby agree to bring any claims or initiate legal action, if necessary, against the person who has caused injury to you for compensation for the injury. You hereby authorize and direct the person or firm designated by you as your attorney-in-fact to prosecute such claims or causes of action. After recovering damages from such claims or causes of action you agree to reimburse Patriots Colony for all costs and damages incurred by it (including reasonable costs of care furnished to you by Patriots Colony because of such accident or injury).

**ARTICLE XI**

**Miscellaneous**

**A. STATEMENT OF NON-DISCRIMINATION**

Neither race, nor color, nor sex, nor religion, nor national origin has any bearing upon your acceptance or rejection for admission, the execution of this agreement, or normal conduct of business of Patriots Colony.

**B. REPRESENTATIONS MADE BY RESIDENT**

The application and the statements of your finances, personal data, and health history filed with Patriots Colony are incorporated into this agreement and all statements therein are deemed to be true as of the date made. You represent that there have been no material changes in the information provided since the date of application. Any material misstatement, or any material omission to state a fact called for, may result in the termination of this Agreement by Patriots Colony.

**C. REQUIREMENTS PRIOR TO OCCUPANCY**

Resident must provide the following to Patriots Colony prior to occupancy:

1. Proof of the required Medicare, TRICARE or other Supplemental Insurance coverage, or their equivalent.
2. All required personal, confidential, financial, and medical information.
3. Copy of Durable Power of Attorney and Advanced Directives, if any.
4. Certification of name and address of the administrator or executor of your last will and testament and trustee, if any, and location of your last will and testament and trust, if any.
5. Signed authorization and payment for modifications (if any) to your Residence.
6. Execution of the Agreement.
7. Payment of the balance of your Entrance Fee and applicable Monthly Fee.



**Patriots Colony At Williamsburg  
Residence and Services Agreement with Promissory Note**

**D. SUCCESSORS AND ASSIGNS**

Resident Responsibilities owed Patriots Colony under this Agreement shall inure to the benefits of its successors and assigns.

**E. OTHER PROMISES**

Patriots Colony representatives have made no other promises or representations regarding your Residence, facilities, refunds or services and this agreement has precedence over the description of services in promotional materials or presentations. This Agreement constitutes the entire contract between you and Patriots Colony, and no waiver or modification shall be valid unless made in writing, signed by you and by Patriots Colony and attached herewith as a part of this agreement.

In witness whereof, the parties hereto have executed this Agreement the day and year first above mentioned.

BY: \_\_\_\_\_  
Patriots Colony Representative

Resident: \_\_\_\_\_

Resident: \_\_\_\_\_

Witness: \_\_\_\_\_

In and for James City County, Commonwealth of Virginia,  
the foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Notary Public

**Patriots Colony At Williamsburg  
Residence and Services Agreement with Promissory Note  
EXHIBIT A**

**IMPORTANT NOTICE**

**THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A MAKER AND ALLOWS THE HOLDER TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.**

**DEMAND PROMISSORY NOTE**

\$ \_\_\_\_\_

James City County, Virginia  
2024

**PROMISE TO PAY.** FOR VALUE RECEIVED, \_\_\_\_\_ (“Maker”) promises to pay to Patriots Colony, Inc. (“Holder”) or to order, the principal sum of \_\_\_\_\_, which amount is equal to the amount advanced to Maker by Holder under the Residency and Services Agreement between Maker and Holder entered into as of even date herewith (the “Residency Agreement”). Further, all sums loaned will bear simple interest on the unpaid principal balance at the Prime Rate plus one percent (1%) per annum, provided, however, that no such interest shall accrue or be payable by Maker to Holder under this Note if the entire outstanding principal balance of this Note is paid in full on or before the one year anniversary of the Commencement Date (defined herein). For purposes hereof, the “Prime Rate” shall mean the rate per annum that appears as the base rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest banks in the United States, as posted in the Money Rates section of the *Wall Street Journal* on the applicable date, or if the applicable date is not a business day, on the business day immediately prior to such date. The interest rate will be calculated on the date of this Note (the “Commencement Date”) and will be recalculated on January 1 and July 1 of each year thereafter until all outstanding principal and interest has been paid in full.

**PAYMENT.** Unless Maker terminates the Residency Agreement prior to the one (1) year anniversary of the Commencement Date and provides Holder no less than thirty (30) days notice of such termination, as required under the Residency Agreement (an “Early Termination”), Maker will pay to Holder the principal amount in four (4) equal annual installments of \$\_\_\_\_\_, without offset, the first of which payments shall be due on the one year anniversary of the Commencement Date and continuing thereafter on each subsequent annual anniversary of the Commencement Date until paid in full. In addition, at the time of each such installment payment, Maker shall pay Holder all interest on the unpaid balance accrued as of such installment date. Payment will be made at the offices of Patriots Colony Inc., 6000 Patriots Colony Drive, Williamsburg, Virginia, 23188, to the attention of the **Billing Coordinator**, or at such other place as Holder in writing shall designate. In the event of an Early Termination, Maker’s obligation hereunder shall expire and Holder shall not be entitled to any principal or interest due it under this Note. All outstanding principal and accrued interest under this Note shall be due and payable no later than the four (4) years after the date of this Note. If not repaid

**Patriots Colony At Williamsburg**

**Residence and Services Agreement with Promissory Note**

in full on the date specified above or should Maker be granted by the Holder an extension for repayment of the debt created by this instrument, interest will continue to accrue on the outstanding principal; provided, such balance will, from the date of default and/or extension, accrue interest at the rate specified above plus an additional one and one-half percent (1.5%) per month until paid in full. Extensions will be at the sole discretion of the Holder. Residents agree that if at any time prior to the promissory note maturing, Residents sell their primary residence, the Financed Amount together with accrued interest shall be due & payable 30 days after sale of said primary residence.

**PREPAYMENT.** Maker may prepay any obligations outstanding under this Note in whole or in part, without penalty, at any time before demand without paying any premium or interest charge on the amount of prepaid principal.

**ACCELERATION.** The Holder may exercise its option to accelerate the due date for payment of this Note in the event of any default by Maker, including any failure by Maker to comply either with the terms of this Note and/or the terms of the Residency Agreement, regardless of any prior forbearance. In such event, the entire principal amount outstanding, plus all accrued unpaid interest, if any, together with any other applicable fees, costs, and charges (including attorneys' fees as provided herein), will at once become due and payable at the option of the Holder. If suit is brought to collect this Note, the Holder will be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorney's fees equal to 25% of all amounts outstanding and collection costs.

**CONFESSION OF JUDGMENT.** The Maker hereby duly constitutes and appoints James M. Daniel, Jr. or John B. Mumford, Jr. of Hancock, Daniel, Johnson & Nagle, P.C., as the true and lawful attorney-in-fact for Maker in his/her name, place and stead, upon the failure of Maker to pay any payment when due and payable in accordance with any of the provisions of this Note, to confess judgment against Maker in the Circuit Court for the City of Newport News, Virginia, upon this Note and all amounts owed hereunder, including all costs of collection, attorneys' fees incurred by Holder and court costs, hereby ratifying and confirming the acts of said attorney-in-fact, expressly waiving benefit of any homestead or any exemption laws. The authority and power to appear for and enter judgment against the Maker will not be exhausted by one or more exercises thereof, or by any imperfect exercise thereof, and will not be extinguished by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Holder will deem necessary or desirable, for all of which this Note will be a sufficient warrant.

**GENERAL PROVISIONS.** Holder may delay or forego enforcing any of its rights or remedies under this Note without waiving or otherwise losing them. Maker, to the extent allowed by law, hereby waives presentment, demand, protest, the benefits of the homestead

exemption and all defenses and pleas on the ground of any extension or extensions of the time for payment of the due date of this Note, in whole or in part, before or after maturity, with or

**Patriots Colony At Williamsburg  
Residence and Services Agreement with Promissory Note**

without notice. Maker further agrees to pay all expenses incurred in the collection of this Note, including attorney's fees.

This Note is made and delivered in the Commonwealth of Virginia and shall be construed and enforced in accordance with its laws. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision.

**ACKNOWLEDGMENT.** Prior to signing this Note, Maker read and understood all the provisions of this Note. Maker agrees to the terms of this Note and acknowledges receipt of a completed copy of this Note.

**WITNESS** the following signatures and seals.

MAKER: \_\_\_\_\_  
Resident

MAKER: \_\_\_\_\_  
Resident

STATE OF VIRGINIA  
CITY/COUNTY OF Williamsburg/James City, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public





**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement**

**Patriots Colony At Williamsburg  
LifeCare and Resident & Services Agreement  
2024**

**6000 Patriots Colony Drive**

**Williamsburg, VA 23188**

**(757) 220-9000**

**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement**

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**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement**

This Agreement is made and entered into by and between Patriots Colony, Inc. (hereinafter referred to as "Patriots Colony") and **Resident Name**, hereinafter referred to as "Resident," whether one or more persons) this **date day of month/year**.

**ARTICLE I  
Fees and Refunds**

Resident has selected "Choice **X**" and the fees below will be reflective of the "Choice **X**" fee schedule.

**A. ENTRANCE FEE**

**1. Residence Number & Type**

Resident has selected and shall have a personal non-assignable right to reside in **Unit Number**, subject to removal only under the conditions and terms of this agreement.

**2. Amount**

In consideration of the continuing care program outlined in this Agreement and residency in the above described Residence, the Resident agrees to pay Patriots Colony the total amount of \$ which if for two persons, the sum of \$ shall be construed to be the Entrance Fee for the first person, and \$ be construed to be the Entrance Fee for the second person. Resident's deposit of ten percent (10%) of the Entrance Fee shall be made at the time the Resident agrees to reserve the Residence (the "Reservation Deposit"). The Reservation Deposit will be applied towards payment of the Entrance Fee. Except as otherwise provided in Section A.3 of this Article I below, the balance of the Entrance Fee shall be due and payable on the date that shall occur within seven (7) days prior to the assigned occupancy date and at a date and time mutually agreeable to all parties (the "Closing Date"). The Entrance Fee principle amount above will not change during the duration of this Agreement, unless the Resident chooses to upgrade to a larger residence (see "Change of Residence", Article IV, Section D).

**3. Financing Arrangement**

**a. Eligibility**

In lieu of paying the entire balance of the Entrance Fee as provided in Section 2 above, Resident may participate in the financing arrangement made available by Patriots Colony to prospective residents, as more fully described below. If Resident desires to participate in this arrangement, Resident shall: (i) initial the box below the financing arrangement evidencing Resident's agreement to be bound by the terms contained therein; (ii) disclose to Patriots Colony such information as Patriots Colony may request to determine Resident's eligibility for participation; and (iii) execute such documents as required herein to effect such participation upon Patriots Colony's determination that Resident is eligible to participate.

**b. General Description**



**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement**

The Reservation Deposit shall be applied toward payment of the Entrance Fee. Resident shall pay an additional ten percent (10%) of the total Entrance Fee upon the Closing Date, with the remaining balance being due and payable in accordance with the terms of a promissory note evidencing the Resident's financial obligation, a form of which is attached hereto as Exhibit A and made a part hereof. Under the promissory note, the principal of which shall be the unpaid balance of the Entrance Fee (the "Financed Amount"). The date of the promissory note shall be the Closing Date. Payments of principal shall be made in four (4) equal installments on the next four (4) anniversary dates of the Closing Date. All accrued principal and interest on the Financed Amount will be due on the fourth anniversary of the Closing Date. Interest shall accrue at the Prime Rate plus one percent (1%) on the unpaid balance of the promissory note, but if Resident pays the entire Financed Amount to Patriots Colony on or before the one (1) year anniversary of the Closing Date, Patriots Colony shall waive all interest due by Resident to Patriots Colony under the promissory note. For purposes hereof, the "Prime Rate" shall mean the rate per annum that appears as the base rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest banks in the United States, as posted in the Money Rates section of the *Wall Street Journal* on the applicable date, or if the applicable date is not a business day, on the business day immediately prior to such date. Resident may prepay any portion of the Financed Amount in whole or in part, together with accrued interest, without penalty, at any time before the date on which the promissory note matures. Resident agrees that if at any time prior to the promissory note maturing the Resident sells his or her primary residence, the financed amount together with accrued interest shall be due and payable thirty (30) days after the sale of said residence.

                     *Initial here to evidence Resident's agreement to the foregoing provisions of this subsection A.3 of Article I.*

**B. MONTHLY FEE**

**1. Current Amount**

The current Monthly Fee associated with the Residence selected by the Resident is the total amount of \$, which, if for two persons, the sum of \$ shall be construed to be the Monthly Fee for the first person and \$ shall be construed to be the Monthly Fee for the second person occupying the Residence. The Monthly Fee shall be paid to Patriots Colony in advance before occupancy and by the first day of each month. The Monthly Fee charges shall begin on the first day of occupancy or ninety (90) days after the date that Resident reserved the Residence, whichever is earlier, and shall be paid on a pro-rated basis through the last day of the current month.

**2. Statement**

The Monthly Fee and any other applicable charges shall be considered delinquent if not paid within fourteen days following the due date. All delinquent accounts shall draw a finance charge at no more than the maximum rate allowed by law.

**3. Adjustments**

**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement**

The Monthly Fee may be adjusted by Patriots Colony consistent with the cost of operating and maintaining Patriots Colony as well as the future service obligations of Patriots Colony and upon thirty (30) days notice to the Resident.

**C. ENTRANCE FEE OPTIONS**

Three different refund options are listed below. Only one refund option will apply for purposes of this agreement and all parties to this agreement will initial that option. The option selected cannot be changed during the term of this agreement or any subsequent agreements as may be required due to a change in Residence. By initialing below and by signing this Agreement you acknowledge that you have reviewed the current pricing associated with refund options selected and have selected the following Entrance Fee refund plan initialed below for purposes of this Agreement.

**1. Base Plan (Declining Refund)**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate less 2% per calendar month calculated from the first month of occupancy. After fifty (50) calendar months of occupancy, there will be no refund.

**2. Plan 50**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded to the Resident or the Resident's estate less 2% per calendar month from the first (1<sup>st</sup>) calendar month of occupancy and thereafter for twenty-four (24) additional months. After twenty-five (25) calendar months, the refund amount will remain unchanged at 50% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 50 availability and rates are age-rated based on age at occupancy. Plan 50 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents & couples where at least one individual is at least age 81 but not yet 86. Plan 50 is not available to single Residents and couples where any individual is age 86 or higher.

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LifeCare and Residence & Services Agreement**

**3. Plan 95**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by the Resident or Patriots Colony for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded, at 95% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 95 availability and rates are age-rated based on age at occupancy. Plan 95 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents and couples where at least one individual is at least age 81 but not yet 86. Plan 95 is not available to single Residents and couples where any individual is age 86 or higher.

**D. CALCULATION & PAYMENT OF ENTRANCE FEE REFUNDS**

**1. Adjustments for Financing Arrangement**

Notwithstanding any provision herein to the contrary, Resident agrees and acknowledges that, if Resident participates in the financing arrangement set forth in Section A.3 of Article I, Resident shall not be entitled to a refund under the foregoing provision of this Section C until the Financed Amount has been paid in full to Patriots Colony. However, if Resident has executed a promissory note in connection with Resident's participation in the Financing Arrangement set forth in subsection A.3 of Article I above and terminates this Agreement prior to the one year anniversary of the Closing Date and provides no less than thirty (30) days notice of such termination, Patriots Colony shall cancel the promissory note as the Financed Amount will no longer be due by Resident to Patriots Colony, and Resident shall no longer have any obligations to Patriots Colony under the promissory note.

**2. Calculation**

For purposes of the above Plans no Entrance Fee refund will include amounts paid for improvements to the Residence, Monthly Fees or other periodic charges. Any Entrance Fee refund shall not include interest that has accrued from the date the Resident's Entrance Fee was paid. Refunds for additional Entrance Fee paid after initial occupancy for such reasons as "upgrade" or marriage will be calculated from the date of original occupancy and this Agreement.

**3. Payment of Refund**

All refunds due under the Entrance Fee refund option will be made within sixty (60) business days after the last of the following: (i) this agreement is terminated; (ii) your Residence has been vacated; and (iii) your Residence is occupied by a new Resident.

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LifeCare and Residence & Services Agreement**

**ARTICLE II**

**Continuing Care Program**

The Continuing Care Program provided by Patriots Colony in this Agreement includes the use of a number of services and facilities. Outlined below is a description of those services and facilities.

**A. SERVICES AND FACILITIES**

**1. Residence**

Subject to the terms of this Agreement, the Resident has the non-assignable right to reside in the previously described Residence for the remainder of the Resident's life or in the event Resident is more than one person, for the remainder of the life of the survivor. Patriots Colony shall furnish carpet, vinyl and other standard floor treatments, refrigerator, range/oven, microwave, washer/dryer, garbage disposal, dishwasher. The Resident shall provide all other furnishings for the Residence.

**2. Dining Plan**

The Dining Services Department offers three meals a day, six days a week and at least one meal on Sunday. Snacks and beverages are also available during the day. Residents may choose to eat any or all meals each day. Residents receive a generous dining allowance, on a quarterly basis, that is included in the monthly fee. In addition to any menu item, the dining allowance can also be used for bar charges and guest meals. Residents away from the campus in at least ten (10) consecutive days or more during a month are eligible for a meal credit of \$12 per day.

**3. Housekeeping**

The Residence will be cleaned once each week. This cleaning includes vacuuming floor surfaces that are accessible, light dusting on surfaces free of clutter, and necessary cleaning of bathroom and kitchen counters and fixtures. Additionally, heavier housekeeping services such as window washing and floor maintenance will be performed on a scheduled basis. Other housekeeping tasks such as dishwashing, laundry, bed making, etc., are the responsibility of the Resident but can be provided by Patriots Colony on an available basis at an additional charge.

**4. Maintenance**

Repairs, maintenance and replacements of property and equipment owned by Patriots Colony shall be performed and provided by Patriots Colony to keep such property and equipment in good repair and order as deemed necessary by Patriots Colony. The above work also includes custodial services for all public spaces and appropriate grounds maintenance. Repairs to Resident's personal possessions are the responsibility of the Resident.

**5. Utilities**

Utilities reasonably required in connection with the occupancy of the Residence, including water, sewer, heating, air-conditioning, electricity, basic cable T.V., and trash



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removal are included in the fees. Residence telephone and extended/premium cable TV charges are the responsibility of the Resident.

**6. Security**

Patriots Colony will use reasonable care in providing security on the premises including the use of personnel dedicated to that purpose, but will not be responsible for losses of personal property.

**7. Emergency Response**

Each residence will be equipped with emergency response systems which, when activated, will summon assistance from Patriots Colony.

**8. Property Insurance**

Patriots Colony insures property and equipment against reasonable losses. Personal property and personal liability insurance for Residents is the responsibility of the Resident.

**9. Taxes**

Patriots Colony pays all real estate, property, and use taxes on all Patriots Colony property and any applicable business operations. The Resident is responsible for his/her own personal property taxes and personal income taxes.

**10. Parking**

Covered parking spaces have been provided in sufficient number to allow one car per residence. Additional parking spaces for Residents, guests and staff are also provided and have been designed to be in close proximity to the ultimate user.

**11. Additional Storage**

Apartment residents without a designated storage space in the Residence shall have one additional secured storage space in the public area.

**12. Scheduled Transportation**

Resident fees will cover regularly scheduled trips in Patriots Colony vehicles to nearby shopping and "other popular destinations." Other special trips may be arranged at a nominal charge depending on demand.

**13. Planned Recreation, Wellness, and Activity Programs**

Social, cultural and recreational activities will be provided or arranged by Patriots Colony staff and made available to Residents. Participation is strictly voluntary.

**14. Congregate Facilities**

Residents shall have the right to the use and enjoyment, in concert with others, of the indoor and outdoor public areas and recreational facilities at no extra charge. Exceptions to this right will be a fee for use of certain spaces and purchases of supplies, merchandise and expendables by Residents and their guests for private purposes.

**15. Wellness Clinic**

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The Resident Wellness Clinic will be staffed by a licensed nurse who will provide at no charge certain diagnostic monitoring and health promotion services. This individual can also, with the Resident's physicians' involvement, assist in coordinating the Resident's health care services. Payments for any services arranged by the Wellness Clinic, which involve charges by other health professionals, are the responsibility of the Resident.

**16. Health Care**

Patriots Colony provides Resident guaranteed priority access to accommodations in the Patriots Colony Health Center if ordered by a physician and approved by the Health Services Director. If the Resident shall need accommodations in the on-site Health Center and the associated health care services, the Resident shall pay the Patriots Colony published public rates for long term care services then in effect. (See Article III, "Patriots Colony Health Services").

**B. SERVICES AVAILABLE AT EXTRA CHARGE**

1. Meals and Guest Meals, in addition to those purchased with the flexible monthly dining allowance.
2. Guest Rooms
3. Additional Housekeeping
4. Individual Telephone Use
5. Extended/Premium Cable T.V. Channels
6. Internet Services
7. Special Events or Transportation
8. Variable Costs for Crafts/Supplies
9. Services of any On-Site Private Vendors (Such as: Barber, Beautician, Bank, etc.)
10. Catering or Set-up/Clean-up Services
11. Health Services
12. Other services that may be made available

Thirty (30) days notice will be provided of any changes in the scope of care or services.

**C. LIFECARE**

Patriots Colony offers a LifeCare Program through a separate agreement. The LifeCare Program offers Health Services and other additional services described above available to residents at a discounted rate, subject to a qualification determination by Patriots Colony. In the event Resident pays the full Residence and Services Entrance Fee at occupancy but later

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desires to convert to the LifeCare program, the then current Entrance Fee must first be paid to Patriots Colony in full. In the event Resident participates in a Financing Arrangement, Resident will have the right to convert to the LifeCare program within thirty (30) days after the payment of the Entrance Fee, and the Entrance Fee will be credited towards the then current entrance fee for the new LifeCare contract. Notwithstanding anything herein to the contrary, Resident's conversion to the LifeCare Program will be subject to the admission and qualification requirements, a health assessment and a financial review to determine Resident's qualification.

**D. EXCLUSIONS**

Patriots Colony will at no time be responsible for the debts of a Resident or for medical expenses incurred for services or related items (See Article III B).

**ARTICLE III**

**Patriots Colony Health Services**

**A. ACCESS**

Patriots Colony will guarantee Resident priority access to the Health Center, consisting of *The Berkeley* (assisted living), *Springhouse* (assisted living for the memory impaired), and *The Convalescent Center* (nursing residence). Even though non-residents will have access to the Health Center, Residents will have first priority on all Health Center accommodations and no Resident shall be denied an available space in favor of a non-resident. Patriots Colony offers licensed "Assisted Living" and "Nursing Facility" accommodations. If any such licensed levels of care are not available on-site or if such space is occupied and not immediately available, Patriots Colony will assist resident in transferring to such space off-site. Patriots Colony will notify Resident once the service can be provided on-site and will assist with return arrangements.

**B. CHARGES**

1. Resident agrees to pay the current published public rate for any stay, temporary or permanent, in any level of care in the Health Center, or for the equivalent service off-site as described above, for as long as those services are needed. If a monthly rate, the current public rate shall be calculated on a pro-rated daily basis for a partial month's stay.
2. If Resident alone occupies two physically connected Assisted Living suites, the public rate will apply for both suites.
3. If a couple occupies one Assisted Living suite, the applicable published public monthly Fee will be calculated for each Resident. Once a single Resident occupies the suite, the applicable single person public rate will be charged.
4. If Resident occupies both Assisted Living and Convalescent accommodations simultaneously, Resident will be billed for both on a pro-rated basis for partial months.

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**C. RETENTION OF RESIDENCE DURING HEALTH CENTER STAY**

The following outlines the effect of your stay in the Health Center on the Monthly Fee for your Residence.

**1. Temporary Stay**

During a temporary stay in the Health Center, the Resident will continue to pay the Monthly Fee for the Residence plus the current public rate for the care received at the Health Center.

**2. Permanent Stay**

a. If Patriots Colony in its sole discretion, but after consultation with you, your family and your physician, determines that you are physically or mentally incapable of living independently for the foreseeable future, the Resident will be deemed to have permanent status at the Health Center and pay the appropriate public rate.

**b. Single Resident**

Resident will release the Residence to Patriots Colony and the Residence Monthly Fee will terminate on the date it is vacated. Once permanent status in the Health Center has been determined, the Residence must be vacated within 30 days.

**c. Resident Couple**

When one Resident's stay in the Health Center becomes permanent, the remaining Independent Living Resident will begin paying the first person Monthly Fee. In the case of a couple where both Residents are on permanent status in the Health

Center, they will release the Residence to Patriots Colony and cease to pay the Monthly Fee on the date the Residence is vacated. The Independent Living Residence must be vacated within 30 days of the date the last Resident gains permanent Health Center status.

d. If a permanent move is necessary within the Health Center (e.g. assisted living to convalescent center), Resident must vacate the previous accommodations within ten (10) days.

e. If personal belongings are not removed by stated time, property will be removed by Patriots Colony and stored at Resident's expense. For the purposes of this Agreement "vacated" shall mean all of the Resident's personal belongings shall be removed from the Residence and the Residence left undamaged, except for normal "fair wear and tear", and in a trash-free condition.

**3. Recovery from a Permanent Stay**

Should you release your Residence to Patriots Colony for a permanent stay in the Health Center and later be judged by Patriots Colony to be capable of living independently again, you will be offered the next available Residence of the type and size equivalent to that last occupied. If you wish to return to a different type and size Residence, the Upgrading or Downgrading provisions of Article IV, Section D will apply.



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**D. HEALTH CARE INSURANCE**

1. Resident agrees to procure and maintain Medicare Parts A and Part B, and a Medicare Supplement Plan (e.g. TRICARE for Life) or equivalent hospital and medical insurance coverage.
2. If Resident is entitled to medical care or payment by insurance or government agencies, the Resident shall make application for such care or payment.
3. Resident shall authorize, as necessary, any provider of hospitalization, medical or other health services to receive reimbursement under the above Medicare, TRICARE, and Supplemental insurance programs.

**ARTICLE IV**

**Change in Resident Status**

**A. MARRIAGE TO ANOTHER RESIDENT**

Should Resident marry another Resident, either may terminate the Residency Agreement, turn the Residence back to Patriots Colony, receive any refund due or become a party to the new spouse's agreement. The Monthly Fee for the Residence turned back shall terminate upon vacancy, and the Monthly Fee for the Residence retained shall simultaneously be raised to the double occupancy level.

**B. MARRIAGE TO A NON-RESIDENT**

Should resident marry a Non-Resident who satisfies the guidelines for acceptance as outlined in Article V of this Agreement, Patriots Colony will offer the Non-Resident the opportunity to become a party to this Agreement or other applicable Patriots Colony agreement (LifeCare or Residence & Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency & Services) and will be equal to the Second Person Entrance Fee and the Monthly Fee will be the corresponding Second Person Monthly

Fee for the applicable residence. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the Non-Resident for residency at Patriots Colony. Upon occupancy of the Residence by the new spouse, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.

**C. ADDITIONAL OCCUPANT TO RESIDENCE**

1. Should a resident wish to have a second person occupy the Residence who is not related by blood or marriage, Patriots Colony will offer that non-resident the opportunity to become a party to this Agreement or other applicable Patriots Colony Agreement (LifeCare or Residency and Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency and Services) and will be equal to the second person Entrance and at the corresponding second person Monthly Fee for the

**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement**

applicable residence. Upon occupancy of the Residence by the new occupant, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.

2. An addendum to this Agreement and any other applicable Agreement (see paragraph immediately above) will be signed by both residents indicating financial responsibility for the other and designating the division calculation of the applicable refund to each upon termination of the Agreement(s) by the last Resident.
3. Patriots Colony's acceptance of this second person shall be contingent upon his/her ability to meet the health, financial and general criteria for admission to Patriots Colony. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the second person for residency at Patriots Colony.

**D. CHANGE OF RESIDENCE**

After occupancy, if Resident applies in writing to Patriots Colony to move from one Residence to another of either a larger or smaller size, and Patriots Colony agrees to such a move, the following provisions shall apply:

**1. Upgrading**

Should Resident move from one Residence to a larger one, Resident will pay the difference in Entrance Fees from the current Entrance Fee then in effect for the smaller

Residence to the Entrance Fee then in effect for the larger Residence. The calculation for any future refunds will be based on the date of original occupancy of the smaller Residence, and the Monthly Fee will increase to that of the larger Residence at the time occupancy of the larger Residence commences.

**2. Downgrading**

If Resident moves from one Residence to a smaller Residence, there will not be a reduction in the Entrance Fee paid. Any refund at the time the smaller Residence is vacated, however, will be calculated based on the original Entrance Fee paid. Resident's Monthly Fee will be reduced to that of the smaller Residence at the time occupancy of the smaller Residence commences, and the larger unit is vacated.

**3. Refurbishment Fee**

A Resident who moves from one Residence to another within Independent Living will be charged for the refurbishment of the Residence vacated if refurbishment has been accomplished recently and, in the professional opinion of Patriots Colony staff, recently installed materials cannot be restored to like-new condition and must be replaced.

**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement  
ARTICLE V**

**Resident Rights & Responsibilities**

In addition to those rights and responsibilities noted elsewhere in this agreement, the following also apply to you and any authorized occupant of your Residence:

**A. ADMISSION AND CONTINUED OCCUPANCY**

Your acceptance as a Resident and your continued occupancy at Patriots Colony are based upon the following criteria:

1. You are a minimum of 55 years of age.
2. You are physically and mentally capable of living independently at admission and meet the medical requirements of Patriots Colony.
3. You are free of communicable diseases.
4. You possess the financial capabilities to meet your obligations to Patriots Colony for your expected lifetime (unless other arrangements have been made).
5. Your presence does not threaten the health, safety or well being of others at Patriots Colony.
6. You agree to abide by the reasonable rules and regulations of Patriots Colony and the reasonable changes to those rules, which may be adopted later.
7. You respect the rights of other Residents.

**B. PROPERTY RIGHTS**

You understand and agree that this is an agreement primarily for shelter and services. Though you are granted a right of occupancy, this agreement is not a lease and you will have

no right, title or interest in any of the real or personal property of Patriots Colony or the right to control or influence in any way the business or financial affairs of Patriots Colony. Your rights under this Agreement may not be assigned, transferred, inherited or devised.

**C. PRESERVATION OF RESIDENTS' ASSETS**

At the request of Patriots Colony, you agree to make arrangements for the preservation and management of your financial resources by a third party (or parties), including but not limited to the execution and funding of a trust agreement for your benefit whenever, in the sole judgment of Patriots Colony it appears that your continued management of your financial affairs may prevent you from meeting your financial obligations to Patriots Colony.

**D. POWER OF ATTORNEY**

You agree to execute and maintain in effect, a Durable Power of Attorney, valid under Virginia law. This Durable Power of Attorney shall designate as your attorney-in-fact, your spouse, a bank, lawyer, relative, or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits, as fully and completely as you would if acting personally. It should be in a form that survives your incapacity or disability and be otherwise satisfactory to Patriots Colony. You will deliver a fully executed copy of this Durable Power of Attorney to Patriots Colony prior to

**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement**

occupancy of your Residence. Any advanced directives such as a “living will” should be filed with Patriots Colony upon occupancy.

**E. RESIDENTS’ ASSOCIATION**

All Residents of Patriots Colony are members of the Residents’ Association. The Administration will confer regularly with representatives of the Association about matters of interest and/or concern to the Residents.

**F. GUESTS, ACCESS, AND USE BY NON-RESIDENTS**

You will be free to invite guests to your residence for transient visits. You may purchase meals for your guests at prevailing rates. Patriots Colony reserves the right to make rules regarding visits and guest behavior. In general, the facilities and services of Patriots Colony are intended for the use of the Residents.

**G. FURNISHINGS**

You are expected to furnish and use your Residence in accordance with acceptable standards. In order to keep the Residence safe and sanitary, Patriots Colony reserves the right to enforce these standards.

**H. HOUSEKEEPING**

You agree to maintain your Residence in a clean, safe and orderly condition, as required by health and safety regulations, and to perform all usual light housekeeping. Patriots Colony may deem necessary, at Resident’s expense, such tasks required to return the Residence to a safe, clean and orderly condition if day-to-day responsibilities of the Resident have been neglected.

**I. OTHER RIGHTS**

You have the right to use Patriots Colony public areas and amenities on an equal basis with other Residents and to participate as you choose in planned activities or programs with exception that you may be required to adhere to management programs implemented for the common safety and security of all Residents.

## **ARTICLE VI**

### **Patriots Colony Rights & Responsibilities**

In addition to those rights and responsibilities of Patriots Colony noted elsewhere in this agreement, the following also apply:

**A. MANAGEMENT**

Patriots Colony is responsible for the overall management and operation of Patriots Colony consistent with sound business practices and fairness to all Residents. Patriots Colony has the right to hire professional management services to meet this responsibility.



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**B. AUTHORITY FOR ADMISSIONS, DISMISSAL, AND FEES**

Patriots Colony retains all authority regarding admission, dismissal, and adjustment of fees of Patriots Colony.

**C. RIGHT OF ENTRY**

Authorized employees shall be permitted into your Residence with reasonable notice at all reasonable times for housekeeping, maintenance, and inspection, and at any time in case of emergencies.

**D. CONFIDENTIALITY**

Patriots Colony has the right to request and receive medical and financial data from you that is in our sole judgment, necessary to carry out our responsibilities. Patriots Colony has the responsibility to keep all of the personal, medical, and financial information you have supplied to us in confidence, and it will only be shared with those who, in our opinion, have a need to know.

**ARTICLE VII**

**Termination Provisions**

**A. TERMINATION FOR CAUSE**

Any one of the following conditions shall be cause for Patriots Colony to terminate this Agreement:

1. Resident's failure to perform obligations under this contract including the obligation to pay Monthly Fees and other charges. (Also see Article VIII, Non-Payment of Fees).
2. Resident's failure to abide by the rules and regulations of Patriots Colony including such reasonable amendments as may be adopted from time to time.
3. Resident's health or behavior resulting in a threat to the health, safety, peace or well being of the Resident or others.
4. Resident's material misstatements or failure to state a material fact in the Resident application, financial statement or health history statement filed with Patriots Colony.

Patriots Colony shall give you reasonable notice of your termination date, and determination that your continued occupancy represents a threat to safety of others or of yourself shall be a factor in determining the reasonableness of that notice. You will further be given reasonable opportunity to cure within a reasonable period whatever conduct is alleged to warrant the cancellation of the Agreement. Refund provisions of this Agreement will apply less any outstanding debts of Resident to Patriots Colony.

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**B. DEATH**

In the event this Agreement is terminated due to your death, your estate will be responsible for the Monthly Fee until your Residence is vacated. Your estate will be responsible for moving any tangible personal property within thirty (30) days after your death. Should any property remain in your Residence after that date, you hereby authorize Patriots Colony to remove the property from your Residence and store it at the expense of your estate.

**C. TERMINATION PRIOR TO OCCUPANCY**

If Resident dies before occupying the facility, or is precluded through illness, injury, or incapacity from becoming a resident under the terms of the Residency Agreement, the Agreement is automatically rescinded and the Resident or his legal representative shall receive a full refund of all money paid to Patriots Colony, except those costs specifically incurred by Patriots Colony at the request of the Resident and set forth in writing in a separate addendum, signed by both parties to the Agreement.

**D. TERMINATION BY RESIDENT AFTER OCCUPANCY**

**1. Grace Period**

In the event Resident terminates this Agreement in writing within 7 days of the execution date and surrenders the Residence within 7 days of the execution date, Resident shall be entitled to a full refund of the Entrance Fee (less the application fee).

**2. Termination After Grace Period**

Resident may terminate this Agreement by providing written notice to Patriots Colony. The Monthly Fee will continue until the Residence is vacated or thirty (30) days expired whichever is later. The selected Entrance Fee refund option of this Agreement will apply.

**E. SPECIAL TERMS AND EXCEPTIONS**

Upon termination by either you or Patriots Colony you agree to pay Patriots Colony all amounts owed to it, any reasonable expenses incurred in connection with the termination, which includes, but is not limited to: Cost of any repairs, replacement of property, and painting or other refurbishment of your Residence considered necessary by Patriots Colony in order to prepare it for a new Resident. Patriots Colony may offset any amounts owed it by you against any refund due. These costs do not include fair wear and tear.

**F. SUPERSEDED AGREEMENT**

In the event Patriots Colony and Resident enter into a LifeCare Agreement or other residency agreement intended to supersede this Agreement, this Agreement will automatically terminate upon the effective date of such other agreement.

**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement**

**ARTICLE VIII**

**Non-Payment of Fees**

If you become unable to pay the Monthly Service Fee for your Independent Living Residence for reasons other than willful dissipation of your assets, Patriots Colony, in our sole judgment, may elect to assist you financially. We may assist you in the identification and arrangement for funds from sources including, but not limited to, the Patriots Fund (the internal benevolence fund), and public assistance from local, state and federal governments. You agree to assist us in the application for such support and to execute reasonable and necessary documents for this purpose. Additionally, any sums expended by Patriots Colony, excluding the Patriots Fund, plus interest at up to the maximum rate allowed by law, will represent a claim against you or your estate or against any Entrance Fee refund due at the time this agreement is terminated.

**ARTICLE IX**

**Modification of Residence**

We reserve the right to determine the serviceability and condition of carpeting, appliances, and all similar items provided by us in your Residence. You may apply in writing to and contract with Patriots Colony to make authorized modifications to your Residence at your expense and risk. Charges for such modifications will cover the complete cost of the work to be done and an additional charge to restore the Residence to its original condition upon your vacating the Residence, if in Patriots Colony's opinion, such modifications adversely affect the desirability of the Residence for re-occupancy. The modifications shall be done so as to create the least possible inconvenience to other Residents in Patriots Colony. Any modifications, which result in permanent installation, shall become Patriots Colony's property upon installation and shall remain with your Residence when you vacate your Residence. You waive all rights to compensation for the modifications made to your Residence. If the modification requires additional maintenance, either you may be required to procure such maintenance at your expense or additional ongoing charges from Patriots Colony may apply. An example of the latter is conversion of a Villa or Greenspring Home screened porch to a sunroom and thereby changing the Residence model and the required Monthly Fee.

**Patriots Colony At Williamsburg  
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**ARTICLE X**

**Personal Injury or Loss of Property**

**A. INJURY OR DAMAGE BY YOU**

You agree to reimburse Patriots Colony for any costs incurred or damages suffered by it resulting from your carelessness, negligence or wrongful acts, or that of your guests. You hereby release Patriots Colony from liability for your death, injury to your person or your property caused by any theft, fire, assault or other cause beyond the control of Patriots Colony and from liability resulting from the negligence or wrongful acts of other Residents and do waive any claim that may accrue to you arising against Patriots Colony there from.

**B. INJURY BY A THIRD PARTY**

In case of accident or injury to you caused by third parties you hereby agree to bring any claims or initiate legal action, if necessary, against the person who has caused injury to you for compensation for the injury. You hereby authorize and direct the person or firm designated by you as your attorney-in-fact to prosecute such claims or causes of action. After recovering damages from such claims or causes of action you agree to reimburse Patriots Colony for all costs and damages incurred by it (including reasonable costs of care furnished to you by Patriots Colony because of such accident or injury).

**ARTICLE XI**

**Miscellaneous**

**A. STATEMENT OF NON-DISCRIMINATION**

Neither race, nor color, nor sex, nor religion, nor national origin has any bearing upon your acceptance or rejection for admission, the execution of this agreement, or normal conduct of business of Patriots Colony.

**B. REPRESENTATIONS MADE BY RESIDENT**

The application and the statements of your finances, personal data, and health history filed with Patriots Colony are incorporated into this agreement and all statements therein are deemed to be true as of the date made. You represent that there have been no material changes in the information provided since the date of application. Any material misstatement, or any material omission to state a fact called for, may result in the termination of this Agreement by Patriots Colony.

**C. REQUIREMENTS PRIOR TO OCCUPANCY**

Resident must provide the following to Patriots Colony prior to occupancy:

1. Proof of the required Medicare, TRICARE or other Supplemental Insurance coverage, or their equivalent.



**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement**

2. All required personal, confidential, financial, and medical information.
3. Copy of Durable Power of Attorney and Advanced Directives, if any.
4. Certification of name and address of the administrator or executor of your last will and testament and trustee, if any, and location of your last will and testament and trust, if any.
5. Signed authorization and payment for modifications (if any) to your Residence.
6. Execution of the Agreement.
7. Payment of the balance of your Entrance Fee and applicable Monthly Fee.

**D. SUCCESSORS AND ASSIGNS**

Resident Responsibilities owed Patriots Colony under this Agreement shall inure to the benefits of its successors and assigns.

**E. OTHER PROMISES**

Patriots Colony representatives have made no other promises or representations regarding your Residence, facilities, refunds or services and this agreement has precedence over the description of services in promotional materials or presentations. This Agreement constitutes the entire contract between you and Patriots Colony, and no waiver or modification shall be valid unless made in writing, signed by you and by Patriots Colony and attached herewith as a part of this agreement.

In witness whereof, the parties hereto have executed this Agreement the day and year first above mentioned.

BY: \_\_\_\_\_  
Patriots Colony Representative

Resident: \_\_\_\_\_

Resident: \_\_\_\_\_

Witness: \_\_\_\_\_

In and for James City County, Commonwealth of Virginia,  
the foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Notary Public

**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement with Promissory Note**

**Patriots Colony At Williamsburg  
  
LifeCare and Resident & Services Agreement  
with Promissory Note  
2024**

**6000 Patriots Colony Drive**

**Williamsburg, VA 23188**

**(757) 220-9000**

**Patriots Colony At Williamsburg  
LifeCare and Residence & Services Agreement with Promissory Note**

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**Patriots Colony At Williamsburg**

**LifeCare and Residence & Services Agreement with Promissory Note**

This Agreement is made and entered into by and between Patriots Colony, Inc. (hereinafter referred to as "Patriots Colony") and **Resident Name**, hereinafter referred to as "Resident," whether one or more persons) this **date day of month/year**.

**ARTICLE I**

**Fees and Refunds**

Resident has selected "Choice **X**" and the fees below will be reflective of the "Choice **X**" fee schedule.

**A. ENTRANCE FEE**

**1. Residence Number & Type**

Resident has selected and shall have a personal non-assignable right to reside in **Unit Number**, subject to removal only under the conditions and terms of this agreement.

**2. Amount**

In consideration of the continuing care program outlined in this Agreement and residency in the above described Residence, the Resident agrees to pay Patriots Colony the total amount of \$ which if for two persons, the sum of \$ shall be construed to be the Entrance Fee for the first person, and \$ be construed to be the Entrance Fee for the second person. Resident's deposit of ten percent (10%) of the Entrance Fee shall be made at the time the Resident agrees to reserve the Residence (the "Reservation Deposit"). The Reservation Deposit will be applied towards payment of the Entrance Fee. Except as otherwise provided in Section A.3 of this Article I below, the balance of the Entrance Fee shall be due and payable on the date that shall occur within seven (7) days prior to the assigned occupancy date and at a date and time mutually agreeable to all parties (the "Closing Date"). The Entrance Fee principle amount above will not change during the duration of this Agreement, unless the Resident chooses to upgrade to a larger residence (see "Change of Residence", Article IV, Section D).

**3. Financing Arrangement**

**a. Eligibility**

In lieu of paying the entire balance of the Entrance Fee as provided in Section 2 above, Resident may participate in the financing arrangement made available by Patriots Colony to prospective residents, as more fully described below. If Resident desires to participate in this arrangement, Resident shall: (i) initial the box below the financing arrangement evidencing Resident's agreement to be bound by the terms contained therein; (ii) disclose to Patriots Colony such information as Patriots Colony may request to determine Resident's eligibility for participation; and (iii) execute such documents as required herein to effect such participation upon Patriots Colony's determination that Resident is eligible to participate.


**b. General Description**



## **Patriots Colony At Williamsburg**

### **LifeCare and Residence & Services Agreement with Promissory Note**

The Reservation Deposit shall be applied toward payment of the Entrance Fee. Resident shall pay an additional ten percent (10%) of the total Entrance Fee upon the Closing Date, with the remaining balance being due and payable in accordance with the terms of a promissory note evidencing the Resident's financial obligation, a form of which is attached hereto as Exhibit A and made a part hereof. Under the promissory note, the principal of which shall be the unpaid balance of the Entrance Fee (the "Financed Amount"). The date of the promissory note shall be the Closing Date. Payments of principal shall be made in four (4) equal installments on the next four (4) anniversary dates of the Closing Date. All accrued principal and interest on the Financed Amount will be due on the fourth anniversary of the Closing Date. Interest shall accrue at the Prime Rate plus one percent (1%) on the unpaid balance of the promissory note, but if Resident pays the entire Financed Amount to Patriots Colony on or before the one (1) year anniversary of the Closing Date, Patriots Colony shall waive all interest due by Resident to Patriots Colony under the promissory note. For purposes hereof, the "Prime Rate" shall mean the rate per annum that appears as the base rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest banks in the United States, as posted in the Money Rates section of the *Wall Street Journal* on the applicable date, or if the applicable date is not a business day, on the business day immediately prior to such date. Resident may prepay any portion of the Financed Amount in whole or in part, together with accrued interest, without penalty, at any time before the date on which the promissory note matures. Resident agrees that if at any time prior to the promissory note maturing the Residents sells his or her primary residence, the financed amount together with accrued interest shall be due and payable thirty (30) days after the sale of said residence.

 *Initial here to evidence Resident's agreement to the foregoing provisions of this subsection A.3 of Article I.*

## **B. MONTHLY FEE**

### **1. Current Amount**

The current Monthly Fee associated with the Residence selected by the Resident is the total amount of \$, which, if for two persons, the sum of \$ shall be construed to be the Monthly Fee for the first person and \$ shall be construed to be the Monthly Fee for the second person occupying the Residence. The Monthly Fee shall be paid to Patriots Colony in advance before occupancy and by the first day of each month. The Monthly Fee charges shall begin on the first day of occupancy or ninety (90) days after the date that Resident reserved the Residence, whichever is earlier, and shall be paid on a pro-rated basis through the last day of the current month.

### **2. Statement**

The Monthly Fee and any other applicable charges shall be considered delinquent if not paid within fourteen days following the due date. All delinquent accounts shall draw a finance charge at no more than the maximum rate allowed by law.

### **3. Adjustments**

## **Patriots Colony At Williamsburg**

### **LifeCare and Residence & Services Agreement with Promissory Note**

The Monthly Fee may be adjusted by Patriots Colony consistent with the cost of operating and maintaining Patriots Colony as well as the future service obligations of Patriots Colony and upon thirty (30) days notice to the Resident.

#### **C. ENTRANCE FEE OPTIONS**

Three different refund options are listed below. Only one refund option will apply for purposes of this agreement and all parties to this agreement will initial that option. The option selected cannot be changed during the term of this agreement or any subsequent agreements as may be required due to a change in Residence. By initialing below and by signing this Agreement you acknowledge that you have reviewed the current pricing associated with refund options selected and have selected the following Entrance Fee refund plan initialed below for purposes of this Agreement.

##### **1. Base Plan (Declining Refund)**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate less 2% per calendar month calculated from the first month of occupancy. After fifty (50) calendar months of occupancy, there will be no refund.

##### **2. Plan 50**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by either party for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded to the Resident or the Resident's estate less 2% per calendar month from the first (1<sup>st</sup>) calendar month of occupancy and thereafter for twenty-four (24) additional months. After twenty-five (25) calendar months, the refund amount will remain unchanged at 50% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 50 availability and rates are age-rated based on age at occupancy. Plan 50 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents & couples where at least one individual is at least age 81 but not yet 86. Plan 50 is not available to single Residents and couples where any individual is age 86 or higher.

**Patriots Colony At Williamsburg**  
**LifeCare and Residence & Services Agreement with Promissory Note**

**3. Plan 95**

Should this Agreement be terminated by either party for any reason after the execution date of this agreement and before the end of the first (1<sup>st</sup>) calendar month from the execution date of this agreement, the Entrance Fee paid (first person and second person) will be refunded to the Resident or the Resident's estate in full, less only the "application fee".

Should this Agreement be terminated by the Resident or Patriots Colony for any reason after the first (1<sup>st</sup>) calendar month from the execution date of this Agreement, the Entrance Fee paid will be refunded, at 95% of the Entrance Fee paid (first person and second person), regardless of the length of time thereafter that the Agreement remains in force.

For actuarial reasons, Plan 95 availability and rates are age-rated based on age at occupancy. Plan 95 is available at baseline rates to single Residents and couples if all individuals are under age 81, and available at higher rates to single Residents and couples where at least one individual is at least age 81 but not yet 86. Plan 95 is not available to single Residents and couples where any individual is age 86 or higher.

**D. CALCULATION & PAYMENT OF ENTRANCE FEE REFUNDS**

**1. Adjustments for Financing Arrangement**

Notwithstanding any provision herein to the contrary, Resident agrees and acknowledges that, if Resident participates in the financing arrangement set forth in Section A.3 of Article I, Resident shall not be entitled to a refund under the foregoing provision of this Section C until the Financed Amount has been paid in full to Patriots Colony. However, if Resident has executed a promissory note in connection with Resident's participation in the Financing Arrangement set forth in subsection A.3 of Article I above and terminates this Agreement prior to the one year anniversary of the Closing Date and provides no less than thirty (30) days notice of such termination, Patriots Colony shall cancel the promissory note as the Financed Amount will no longer be due by Resident to Patriots Colony, and Resident shall no longer have any obligations to Patriots Colony under the promissory note.

**2. Calculation**

For purposes of the above Plans no Entrance Fee refund will include amounts paid for improvements to the Residence, Monthly Fees or other periodic charges. Any Entrance Fee refund shall not include interest that has accrued from the date the Resident's Entrance Fee was paid. Refunds for additional Entrance Fee paid after initial occupancy for such reasons as "upgrade" or marriage will be calculated from the date of original occupancy and this Agreement.

**3. Payment of Refund**

All refunds due under the Entrance Fee refund option will be made within sixty (60) business days after the last of the following: (i) this agreement is terminated; (ii) your Residence has been vacated; and (iii) your Residence is occupied by a new Resident.

**Patriots Colony At Williamsburg**  
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**ARTICLE II**

**Continuing Care Program**

The Continuing Care Program provided by Patriots Colony in this Agreement includes the use of a number of services and facilities. Outlined below is a description of those services and facilities.

**A. SERVICES AND FACILITIES**

**1. Residence**

Subject to the terms of this Agreement, the Resident has the non-assignable right to reside in the previously described Residence for the remainder of the Resident's life or in the event Resident is more than one person, for the remainder of the life of the survivor. Patriots Colony shall furnish carpet, vinyl and other standard floor treatments, refrigerator, range/oven, microwave, washer/dryer, garbage disposal, dishwasher. The Resident shall provide all other furnishings for the Residence.

**2. Dining Plan**

The Dining Services Department offers three meals a day, six days a week and at least one meal on Sunday. Snacks and beverages are also available during the day. Residents may choose to eat any or all meals each day. Residents receive a generous dining allowance, on a quarterly basis, that is included in the monthly fee. In addition to any menu item, the dining allowance can also be used for bar charges and guest meals. Residents away from the campus in at least ten (10) consecutive days or more during a month are eligible for a meal credit of \$12 per day.

**3. Housekeeping**

The Residence will be cleaned once each week. This cleaning includes vacuuming floor surfaces that are accessible, light dusting on surfaces free of clutter, and necessary cleaning of bathroom and kitchen counters and fixtures. Additionally, heavier housekeeping services such as window washing and floor maintenance will be performed on a scheduled basis. Other housekeeping tasks such as dishwashing, laundry, bed making, etc., are the responsibility of the Resident but can be provided by Patriots Colony on an available basis at an additional charge.

**4. Maintenance**

Repairs, maintenance and replacements of property and equipment owned by Patriots Colony shall be performed and provided by Patriots Colony to keep such property and equipment in good repair and order as deemed necessary by Patriots Colony. The above work also includes custodial services for all public spaces and appropriate grounds maintenance. Repairs to Resident's personal possessions are the responsibility of the Resident.

**5. Utilities**

Utilities reasonably required in connection with the occupancy of the Residence, including water, sewer, heating, air-conditioning, electricity, basic cable T.V., and trash



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removal are included in the fees. Residence telephone and extended/premium cable TV charges are the responsibility of the Resident.

#### **6. Security**

Patriots Colony will use reasonable care in providing security on the premises including the use of personnel dedicated to that purpose, but will not be responsible for losses of personal property.

#### **7. Emergency Response**

Each residence will be equipped with emergency response systems which, when activated, will summon assistance from Patriots Colony.

#### **8. Property Insurance**

Patriots Colony insures property and equipment against reasonable losses. Personal property and personal liability insurance for Residents is the responsibility of the Resident.

#### **9. Taxes**

Patriots Colony pays all real estate, property, and use taxes on all Patriots Colony property and any applicable business operations. The Resident is responsible for his/her own personal property taxes and personal income taxes.

#### **10. Parking**

Covered parking spaces have been provided in sufficient number to allow one car per residence. Additional parking spaces for Residents, guests and staff are also provided and have been designed to be in close proximity to the ultimate user.

#### **11. Additional Storage**

Apartment residents without a designated storage space in the Residence shall have one additional secured storage space in the public area.

#### **12. Scheduled Transportation**

Resident fees will cover regularly scheduled trips in Patriots Colony vehicles to nearby shopping and "other popular destinations." Other special trips may be arranged at a nominal charge depending on demand.

#### **13. Planned Recreation, Wellness, and Activity Programs**

Social, cultural and recreational activities will be provided or arranged by Patriots Colony staff and made available to Residents. Participation is strictly voluntary.

#### **14. Congregate Facilities**

Residents shall have the right to the use and enjoyment, in concert with others, of the indoor and outdoor public areas and recreational facilities at no extra charge. Exceptions to this right will be a fee for use of certain spaces and purchases of supplies, merchandise and expendables by Residents and their guests for private purposes.

#### **15. Wellness Clinic**

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The Resident Wellness Clinic will be staffed by a licensed nurse who will provide at no charge certain diagnostic monitoring and health promotion services. This individual can also, with the Resident's physicians' involvement, assist in coordinating the Resident's health care services. Payments for any services arranged by the Wellness Clinic, which involve charges by other health professionals, are the responsibility of the Resident.

#### **16. Health Care**

Patriots Colony provides Resident guaranteed priority access to accommodations in the Patriots Colony Health Center if ordered by a physician and approved by the Health Services Director. If the Resident shall need accommodations in the on-site Health Center and the associated health care services, the Resident shall pay the Patriots Colony published public rates for long term care services then in effect. (See Article III, "Patriots Colony Health Services").

#### **B. SERVICES AVAILABLE AT EXTRA CHARGE**

1. Meals and Guest Meals, in addition to those purchased with the flexible monthly dining allowance.
2. Guest Rooms
3. Additional Housekeeping
4. Individual Telephone Use
5. Extended/Premium Cable T.V. Channels
6. Internet Services
7. Special Events or Transportation
8. Variable Costs for Crafts/Supplies
9. Services of any On-Site Private Vendors (Such as: Barber, Beautician, Bank, etc.)
10. Catering or Set-up/Clean-up Services
11. Health Services
12. Other services that may be made available

Thirty (30) days notice will be provided of any changes in the scope of care or services.

#### **C. LIFECARE**

Patriots Colony offers a LifeCare Program through a separate agreement. The LifeCare Program offers Health Services and other additional services described above available to residents at a discounted rate, subject to a qualification determination by Patriots Colony. In the event Resident pays the full Residence and Services Entrance Fee at occupancy but later

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desires to convert to the LifeCare program, the then current Entrance Fee must first be paid to Patriots Colony in full. In the event Resident participates in a Financing Arrangement, Resident will have the right to convert to the LifeCare program within thirty (30) days after the payment of the Entrance Fee, and the Entrance Fee will be credited towards the then current entrance fee for the new LifeCare contract. Notwithstanding anything herein to the contrary, Resident's conversion to the LifeCare Program will be subject to the admission and qualification requirements, a health assessment and a financial review to determine Resident's qualification.

#### **D. EXCLUSIONS**

Patriots Colony will at no time be responsible for the debts of a Resident or for medical expenses incurred for services or related items (See Article III B).

## **ARTICLE III**

### **Patriots Colony Health Services**

#### **A. ACCESS**

Patriots Colony will guarantee Resident priority access to the Health Center, consisting of *The Berkeley* (assisted living), *Springhouse* (assisted living for the memory impaired), and *The Convalescent Center* (nursing residence). Even though non-residents will have access to the Health Center, Residents will have first priority on all Health Center accommodations and no Resident shall be denied an available space in favor of a non-resident. Patriots Colony offers licensed "Assisted Living" and "Nursing Facility" accommodations. If any such licensed levels of care are not available on-site or if such space is occupied and not immediately available, Patriots Colony will assist resident in transferring to such space off-site. Patriots Colony will notify Resident once the service can be provided on-site and will assist with return arrangements.

#### **B. CHARGES**

1. Resident agrees to pay the current published public rate for any stay, temporary or permanent, in any level of care in the Health Center, or for the equivalent service off-site as described above, for as long as those services are needed. If a monthly rate, the current public rate shall be calculated on a pro-rated daily basis for a partial month's stay.
2. If Resident alone occupies two physically connected Assisted Living suites, the public rate will apply for both suites.
3. If a couple occupies one Assisted Living suite, the applicable published public monthly Fee will be calculated for each Resident. Once a single Resident occupies the suite, the applicable single person public rate will be charged.
4. If Resident occupies both Assisted Living and Convalescent accommodations simultaneously, Resident will be billed for both on a pro-rated basis for partial months.

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**C. RETENTION OF RESIDENCE DURING HEALTH CENTER STAY**

The following outlines the effect of your stay in the Health Center on the Monthly Fee for your Residence.

**1. Temporary Stay**

During a temporary stay in the Health Center, the Resident will continue to pay the Monthly Fee for the Residence plus the current public rate for the care received at the Health Center.

**2. Permanent Stay**

a. If Patriots Colony in its sole discretion, but after consultation with you, your family and your physician, determines that you are physically or mentally incapable of living independently for the foreseeable future, the Resident will be deemed to have permanent status at the Health Center and pay the appropriate public rate.

**b. Single Resident**

Resident will release the Residence to Patriots Colony and the Residence Monthly Fee will terminate on the date it is vacated. Once permanent status in the Health Center has been determined, the Residence must be vacated within 30 days.

**c. Resident Couple**

When one Resident's stay in the Health Center becomes permanent, the remaining Independent Living Resident will begin paying the first person Monthly Fee. In the case of a couple where both Residents are on permanent status in the Health

Center, they will release the Residence to Patriots Colony and cease to pay the Monthly Fee on the date the Residence is vacated. The Independent Living Residence must be vacated within 30 days of the date the last Resident gains permanent Health Center status.

d. If a permanent move is necessary within the Health Center (e.g. assisted living to convalescent center), Resident must vacate the previous accommodations within ten (10) days.

e. If personal belongings are not removed by stated time, property will be removed by Patriots Colony and stored at Resident's expense. For the purposes of this Agreement "vacated" shall mean all of the Resident's personal belongings shall be removed from the Residence and the Residence left undamaged, except for normal "fair wear and tear", and in a trash-free condition.

**3. Recovery from a Permanent Stay**

Should you release your Residence to Patriots Colony for a permanent stay in the Health Center and later be judged by Patriots Colony to be capable of living independently again, you will be offered the next available Residence of the type and size equivalent to that last occupied. If you wish to return to a different type and size Residence, the Upgrading or Downgrading provisions of Article IV, Section D will apply.



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**D. HEALTH CARE INSURANCE**

1. Resident agrees to procure and maintain Medicare Parts A and Part B, and a Medicare Supplement Plan (e.g. TRICARE for Life) or equivalent hospital and medical insurance coverage.
2. If Resident is entitled to medical care or payment by insurance or government agencies, the Resident shall make application for such care or payment.
3. Resident shall authorize, as necessary, any provider of hospitalization, medical or other health services to receive reimbursement under the above Medicare, TRICARE, and Supplemental insurance programs.

**ARTICLE IV**

**Change in Resident Status**

**A. MARRIAGE TO ANOTHER RESIDENT**

Should Resident marry another Resident, either may terminate the Residency Agreement, turn the Residence back to Patriots Colony, receive any refund due or become a party to the new spouse's agreement. The Monthly Fee for the Residence turned back shall terminate upon vacancy, and the Monthly Fee for the Residence retained shall simultaneously be raised to the double occupancy level.

**B. MARRIAGE TO A NON-RESIDENT**

Should resident marry a Non-Resident who satisfies the guidelines for acceptance as outlined in Article V of this Agreement, Patriots Colony will offer the Non-Resident the opportunity to become a party to this Agreement or other applicable Patriots Colony agreement (LifeCare or Residence & Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency & Services) and will be equal to the Second Person Entrance Fee and the Monthly Fee will be the corresponding Second Person Monthly

Fee for the applicable residence. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the Non-Resident for residency at Patriots Colony. Upon occupancy of the Residence by the new spouse, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.

**C. ADDITIONAL OCCUPANT TO RESIDENCE**

1. Should a resident wish to have a second person occupy the Residence who is not related by blood or marriage, Patriots Colony will offer that non-resident the opportunity to become a party to this Agreement or other applicable Patriots Colony Agreement (LifeCare or Residency and Services). The Entrance Fee will be selected from the appropriate set of fees (LifeCare or Residency and Services) and will be equal to the second person Entrance and at the corresponding second person Monthly Fee for the

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applicable residence. Upon occupancy of the Residence by the new occupant, the Monthly Fee will then be raised to the two-person rate and the new occupant will be entitled to all rights and privileges granted to Resident.

2. An addendum to this Agreement and any other applicable Agreement (see paragraph immediately above) will be signed by both residents indicating financial responsibility for the other and designating the division calculation of the applicable refund to each upon termination of the Agreement(s) by the last Resident.
3. Patriots Colony's acceptance of this second person shall be contingent upon his/her ability to meet the health, financial and general criteria for admission to Patriots Colony. Qualifying for, but declining to become part of, a Residency Agreement disqualifies the second person for residency at Patriots Colony.

#### **D. CHANGE OF RESIDENCE**

After occupancy, if Resident applies in writing to Patriots Colony to move from one Residence to another of either a larger or smaller size, and Patriots Colony agrees to such a move, the following provisions shall apply:

##### **1. Upgrading**

Should Resident move from one Residence to a larger one, Resident will pay the difference in Entrance Fees from the current Entrance Fee then in effect for the smaller

Residence to the Entrance Fee then in effect for the larger Residence. The calculation for any future refunds will be based on the date of original occupancy of the smaller Residence, and the Monthly Fee will increase to that of the larger Residence at the time occupancy of the larger Residence commences.

##### **2. Downgrading**

If Resident moves from one Residence to a smaller Residence, there will not be a reduction in the Entrance Fee paid. Any refund at the time the smaller Residence is vacated, however, will be calculated based on the original Entrance Fee paid. Resident's Monthly Fee will be reduced to that of the smaller Residence at the time occupancy of the smaller Residence commences, and the larger unit is vacated.

##### **3. Refurbishment Fee**

A Resident who moves from one Residence to another within Independent Living will be charged for the refurbishment of the Residence vacated if refurbishment has been accomplished recently and, in the professional opinion of Patriots Colony staff, recently installed materials cannot be restored to like-new condition and must be replaced.

**Patriots Colony At Williamsburg**  
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**ARTICLE V**

**Resident Rights & Responsibilities**

In addition to those rights and responsibilities noted elsewhere in this agreement, the following also apply to you and any authorized occupant of your Residence:

**A. ADMISSION AND CONTINUED OCCUPANCY**

Your acceptance as a Resident and your continued occupancy at Patriots Colony are based upon the following criteria:

1. You are a minimum of 55 years of age.
2. You are physically and mentally capable of living independently at admission and meet the medical requirements of Patriots Colony.
3. You are free of communicable diseases.
4. You possess the financial capabilities to meet your obligations to Patriots Colony for your expected lifetime (unless other arrangements have been made).
5. Your presence does not threaten the health, safety or well being of others at Patriots Colony.
6. You agree to abide by the reasonable rules and regulations of Patriots Colony and the reasonable changes to those rules, which may be adopted later.
7. You respect the rights of other Residents.

**B. PROPERTY RIGHTS**

You understand and agree that this is an agreement primarily for shelter and services. Though you are granted a right of occupancy, this agreement is not a lease and you will have

no right, title or interest in any of the real or personal property of Patriots Colony or the right to control or influence in any way the business or financial affairs of Patriots Colony. Your rights under this Agreement may not be assigned, transferred, inherited or devised.

**C. PRESERVATION OF RESIDENTS' ASSETS**

At the request of Patriots Colony, you agree to make arrangements for the preservation and management of your financial resources by a third party (or parties), including but not limited to the execution and funding of a trust agreement for your benefit whenever, in the sole judgment of Patriots Colony it appears that your continued management of your financial affairs may prevent you from meeting your financial obligations to Patriots Colony.

**D. POWER OF ATTORNEY**

You agree to execute and maintain in effect, a Durable Power of Attorney, valid under Virginia law. This Durable Power of Attorney shall designate as your attorney-in-fact, your spouse, a bank, lawyer, relative, or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits, as fully and completely as you would if acting personally. It should be in a form that survives your incapacity or disability and be otherwise satisfactory to Patriots Colony. You will deliver a fully executed copy of this Durable Power of Attorney to Patriots Colony prior to

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occupancy of your Residence. Any advanced directives such as a "living will" should be filed with Patriots Colony upon occupancy.

#### **E. RESIDENTS' ASSOCIATION**

All Residents of Patriots Colony are members of the Residents' Association. The Administration will confer regularly with representatives of the Association about matters of interest and/or concern to the Residents.

#### **F. GUESTS, ACCESS, AND USE BY NON-RESIDENTS**

You will be free to invite guests to your residence for transient visits. You may purchase meals for your guests at prevailing rates. Patriots Colony reserves the right to make rules regarding visits and guest behavior. In general, the facilities and services of Patriots Colony are intended for the use of the Residents.

#### **G. FURNISHINGS**

You are expected to furnish and use your Residence in accordance with acceptable standards. In order to keep the Residence safe and sanitary, Patriots Colony reserves the right to enforce these standards.

#### **H. HOUSEKEEPING**

You agree to maintain your Residence in a clean, safe and orderly condition, as required by health and safety regulations, and to perform all usual light housekeeping. Patriots Colony may deem necessary, at Resident's expense, such tasks required to return the Residence to a safe, clean and orderly condition if day-to-day responsibilities of the Resident have been neglected.

#### **I. OTHER RIGHTS**

You have the right to use Patriots Colony public areas and amenities on an equal basis with other Residents and to participate as you choose in planned activities or programs with exception that you may be required to adhere to management programs implemented for the common safety and security of all Residents.

## **ARTICLE VI**

### **Patriots Colony Rights & Responsibilities**

In addition to those rights and responsibilities of Patriots Colony noted elsewhere in this agreement, the following also apply:

#### **A. MANAGEMENT**

Patriots Colony is responsible for the overall management and operation of Patriots Colony consistent with sound business practices and fairness to all Residents. Patriots Colony has the right to hire professional management services to meet this responsibility.



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**B. AUTHORITY FOR ADMISSIONS, DISMISSAL, AND FEES**

Patriots Colony retains all authority regarding admission, dismissal, and adjustment of fees of Patriots Colony.

**C. RIGHT OF ENTRY**

Authorized employees shall be permitted into your Residence with reasonable notice at all reasonable times for housekeeping, maintenance, and inspection, and at any time in case of emergencies.

**D. CONFIDENTIALITY**

Patriots Colony has the right to request and receive medical and financial data from you that is in our sole judgment, necessary to carry out our responsibilities. Patriots Colony has the responsibility to keep all of the personal, medical, and financial information you have supplied to us in confidence, and it will only be shared with those who, in our opinion, have a need to know.

**ARTICLE VII**

**Termination Provisions**

**A. TERMINATION FOR CAUSE**

Any one of the following conditions shall be cause for Patriots Colony to terminate this Agreement:

1. Resident's failure to perform obligations under this contract including the obligation to pay Monthly Fees and other charges. (Also see Article VIII, Non-Payment of Fees).
2. Resident's failure to abide by the rules and regulations of Patriots Colony including such reasonable amendments as may be adopted from time to time.
3. Resident's health or behavior resulting in a threat to the health, safety, peace or well being of the Resident or others.
4. Resident's material misstatements or failure to state a material fact in the Resident application, financial statement or health history statement filed with Patriots Colony.

Patriots Colony shall give you reasonable notice of your termination date, and determination that your continued occupancy represents a threat to safety of others or of yourself shall be a factor in determining the reasonableness of that notice. You will further be given reasonable opportunity to cure within a reasonable period whatever conduct is alleged to warrant the cancellation of the Agreement. Refund provisions of this Agreement will apply less any outstanding debts of Resident to Patriots Colony.

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**B. DEATH**

In the event this Agreement is terminated due to your death, your estate will be responsible for the Monthly Fee until your Residence is vacated. Your estate will be responsible for moving any tangible personal property within thirty (30) days after your death. Should any property remain in your Residence after that date, you hereby authorize Patriots Colony to remove the property from your Residence and store it at the expense of your estate.

**C. TERMINATION PRIOR TO OCCUPANCY**

If Resident dies before occupying the facility, or is precluded through illness, injury, or incapacity from becoming a resident under the terms of the Residency Agreement, the Agreement is automatically rescinded and the Resident or his legal representative shall receive a full refund of all money paid to Patriots Colony, except those costs specifically incurred by Patriots Colony at the request of the Resident and set forth in writing in a separate addendum, signed by both parties to the Agreement.

**D. TERMINATION BY RESIDENT AFTER OCCUPANCY**

**1. Grace Period**

In the event Resident terminates this Agreement in writing within 7 days of the execution date and surrenders the Residence within 7 days of the execution date, Resident shall be entitled to a full refund of the Entrance Fee (less the application fee).

**2. Termination After Grace Period**

Resident may terminate this Agreement by providing written notice to Patriots Colony. The Monthly Fee will continue until the Residence is vacated or thirty (30) days expired whichever is later. The selected Entrance Fee refund option of this Agreement will apply.

**E. SPECIAL TERMS AND EXCEPTIONS**

Upon termination by either you or Patriots Colony you agree to pay Patriots Colony all amounts owed to it, any reasonable expenses incurred in connection with the termination, which includes, but is not limited to: Cost of any repairs, replacement of property, and painting or other refurbishment of your Residence considered necessary by Patriots Colony in order to prepare it for a new Resident. Patriots Colony may offset any amounts owed it by you against any refund due. These costs do not include fair wear and tear.

**F. SUPERSEDED AGREEMENT**

In the event Patriots Colony and Resident enter into a LifeCare Agreement or other residency agreement intended to supersede this Agreement, this Agreement will automatically terminate upon the effective date of such other agreement.

**ARTICLE VIII**

**Non-Payment of Fees**

## **Patriots Colony At Williamsburg**

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If you become unable to pay the Monthly Service Fee for your Independent Living Residence for reasons other than willful dissipation of your assets, Patriots Colony, in our sole judgment, may elect to assist you financially. We may assist you in the identification and arrangement for funds from sources including, but not limited to, the Patriots Fund (the internal benevolence fund), and public assistance from local, state and federal governments. You agree to assist us in the application for such support and to execute reasonable and necessary documents for this purpose. Additionally, any sums expended by Patriots Colony, excluding the Patriots Fund, plus interest at up to the maximum rate allowed by law, will represent a claim against you or your estate or against any Entrance Fee refund due at the time this agreement is terminated.

## **ARTICLE IX**

### **Modification of Residence**

We reserve the right to determine the serviceability and condition of carpeting, appliances, and all similar items provided by us in your Residence. You may apply in writing to and contract with Patriots Colony to make authorized modifications to your Residence at your expense and risk. Charges for such modifications will cover the complete cost of the work to be done and an additional charge to restore the Residence to its original condition upon your vacating the Residence, if in Patriots Colony's opinion, such modifications adversely affect the desirability of the Residence for re-occupancy. The modifications shall be done so as to create the least possible inconvenience to other Residents in Patriots Colony. Any modifications, which result in permanent installation, shall become Patriots Colony's property upon installation and shall remain with your Residence when you vacate your Residence. You waive all rights to compensation for the modifications made to your Residence. If the modification requires additional maintenance, either you may be required to procure such maintenance at your expense or additional ongoing charges from Patriots Colony may apply. An example of the latter is conversion of a Villa or Greenspring Home screened porch to a sunroom and thereby changing the Residence model and the required Monthly Fee.

## **ARTICLE X**

### **Personal Injury or Loss of Property**

**Patriots Colony At Williamsburg  
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**A. INJURY OR DAMAGE BY YOU**

You agree to reimburse Patriots Colony for any costs incurred or damages suffered by it resulting from your carelessness, negligence or wrongful acts, or that of your guests. You hereby release Patriots Colony from liability for your death, injury to your person or your property caused by any theft, fire, assault or other cause beyond the control of Patriots Colony and from liability resulting from the negligence or wrongful acts of other Residents and do waive any claim that may accrue to you arising against Patriots Colony there from.

**B. INJURY BY A THIRD PARTY**

In case of accident or injury to you caused by third parties you hereby agree to bring any claims or initiate legal action, if necessary, against the person who has caused injury to you for compensation for the injury. You hereby authorize and direct the person or firm designated by you as your attorney-in-fact to prosecute such claims or causes of action. After recovering damages from such claims or causes of action you agree to reimburse Patriots Colony for all costs and damages incurred by it (including reasonable costs of care furnished to you by Patriots Colony because of such accident or injury).

**ARTICLE XI**

**Miscellaneous**

**A. STATEMENT OF NON-DISCRIMINATION**

Neither race, nor color, nor sex, nor religion, nor national origin has any bearing upon your acceptance or rejection for admission, the execution of this agreement, or normal conduct of business of Patriots Colony.

**B. REPRESENTATIONS MADE BY RESIDENT**

The application and the statements of your finances, personal data, and health history filed with Patriots Colony are incorporated into this agreement and all statements therein are deemed to be true as of the date made. You represent that there have been no material changes in the information provided since the date of application. Any material misstatement, or any material omission to state a fact called for, may result in the termination of this Agreement by Patriots Colony.

**C. REQUIREMENTS PRIOR TO OCCUPANCY**

Resident must provide the following to Patriots Colony prior to occupancy:

1. Proof of the required Medicare, TRICARE or other Supplemental Insurance coverage, or their equivalent.
2. All required personal, confidential, financial, and medical information.
3. Copy of Durable Power of Attorney and Advanced Directives, if any.



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4. Certification of name and address of the administrator or executor of your last will and testament and trustee, if any, and location of your last will and testament and trust, if any.
5. Signed authorization and payment for modifications (if any) to your Residence.
6. Execution of the Agreement.
7. Payment of the balance of your Entrance Fee and applicable Monthly Fee.

**D. SUCCESSORS AND ASSIGNS**

Resident Responsibilities owed Patriots Colony under this Agreement shall inure to the benefits of its successors and assigns.

**E. OTHER PROMISES**

Patriots Colony representatives have made no other promises or representations regarding your Residence, facilities, refunds or services and this agreement has precedence over the description of services in promotional materials or presentations. This Agreement constitutes the entire contract between you and Patriots Colony, and no waiver or modification shall be valid unless made in writing, signed by you and by Patriots Colony and attached herewith as a part of this agreement.

In witness whereof, the parties hereto have executed this Agreement the day and year first above mentioned.

BY: \_\_\_\_\_  
Patriots Colony Representative

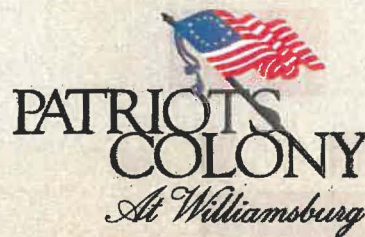
Resident: \_\_\_\_\_

Resident: \_\_\_\_\_

Witness: \_\_\_\_\_

In and for James City County, Commonwealth of Virginia,  
the foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Notary Public



## **APPENDIX F**

### **Philosophy, Mission and Value Statement**

Patriots Colony, Inc. Disclosure Statement. The filing of this disclosure statement with the State Corporation Commission does not constitute approval, recommendation or endorsement of the facility by the State Corporation Commission.



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# APPENDIX F

## Philosophy, Mission and Values Statement

### CORE VALUES

As with any culture, at Riverside our **Core Values** are fundamental beliefs that influence our identity and area focus...in effect, everything we do.

#### **Trust Earned Through Safety, Quality of Care, and Service**

Trust is at the center of our vision. It is vital, both in developing relationships with customers and patients as well as with each team member. This Value is reflected in two focus areas:

1. People
2. The Safety, Quality, and Service Experience

#### **Teamwork, Diversity, and Respect**

We deliver the Riverside Care Difference by working as a team to put our customers at the heart of all we do. The idea of team is also crucial to our Team Up for Safety program. This value is reflected in our People and Safety, Quality and Service focus areas.

#### **Physician Integration and Leadership**

A physician leadership model integrated across all parts of our system sets us apart. Each division is led by administrators and physicians working as a team. This value is reflected in our People and Safety, Quality and Service focus areas.

#### **Deep Community Involvement**

Riverside welcomes our responsibility to deliver another 100 years of service to our community. Our tradition of involvement and engagement reaches back more than a century. Giving back is ingrained in our mission to care for others as we would care for those we love. Participation and partnership as citizens of the community are vital to us. This value is reflected in our Finance focus area.

#### **Healthy Growth and Financial Stability**

We can only fulfill our commitment to long-term service by using our resources responsibly and efficiently. This value is reflected in the Growth focus area.

### MISSION

To care for others as we would care for those we love – to enhance their well-being and improve their health.

Our mission is why we exist. We carry it out by committing to the Riverside Care Difference, the way we deliver care and services as a team, by putting our patients at the heart of what we do. The Riverside Care Difference represents our ongoing commitment to keep patients safe, help them heal, be kind and respect their wishes.







## **APPENDIX G**

### **Certified Financial Statement**

Patriots Colony, Inc. Disclosure Statement. The filing of this disclosure statement with the State Corporation Commission does not constitute approval, recommendation, or endorsement of the facility by the State Corporation Commission.



**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**  
d/b/a Riverside Health System

Consolidated Financial Statements and Supplementary Schedules

December 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

## **RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

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KPMG LLP  
Suite 1510  
222 Central Park Avenue  
Virginia Beach, VA 23462

## **Independent Auditors' Report**

The Board of Directors  
Riverside Healthcare Association, Inc.:

### *Opinion*

We have audited the consolidated financial statements of Riverside Healthcare Association, Inc. and its subsidiaries (the System), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

### *Basis for Opinion*

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

### *Responsibilities of Management for the Consolidated Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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





In performing an audit in accordance with GAAS, we:

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

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 42-45 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**KPMG LLP**

Virginia Beach, Virginia  
March 29, 2024

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

Consolidated Balance Sheets

December 31, 2023 and 2022

(In thousands)

<b>Assets</b>	<b>2023</b>	<b>2022</b>
Current assets:		
Cash and cash equivalents	\$ 41,399	37,182
Accounts receivable	199,826	180,542
Due from third-party payors	128,006	85,565
Other receivables	43,445	12,606
Other current assets	68,046	59,807
Total current assets	480,722	375,702
Investments	553,913	572,193
Investments – bond proceeds	253,557	—
Land, buildings, and equipment, net	1,017,844	964,094
Right-of-use assets	112,216	125,678
Other assets	125,051	91,019
Total assets	\$ 2,543,303	2,128,686
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 78,432	56,459
Accrued liabilities	122,587	103,881
Current portion of long-term debt and obligations under finance leases	26,328	24,798
Other current liabilities	49,008	61,891
Total current liabilities	276,355	247,029
Deferred revenue	65,788	64,790
Long-term debt, less current portion	762,699	504,675
Obligations under finance leases, less current portion	58,644	64,536
Pension and postretirement obligations	93,267	100,869
Other liabilities	221,490	216,416
Total liabilities	1,478,243	1,198,315
Net assets:		
Without donor restrictions	1,037,110	902,770
Noncontrolling interest	124	113
Total without donor restrictions	1,037,234	902,883
With donor restrictions	27,826	27,488
Total net assets	1,065,060	930,371
Total liabilities and net assets	\$ 2,543,303	2,128,686

See accompanying notes to consolidated financial statements.

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**  
d/b/a Riverside Health System

Consolidated Statements of Operations and Changes in Net Assets Without Donor Restrictions

Years ended December 31, 2023 and 2022

(In thousands)

	<u>2023</u>	<u>2022</u>
Operating revenues, gains, and other support without donor restrictions:		
Patient service revenue	\$ 1,596,189	1,444,888
Long-term care revenue	78,838	71,396
Other operating revenues	173,457	156,021
Net assets released from restrictions for operations	1,491	743
Total operating revenues, gains, and other support	<u>1,849,975</u>	<u>1,673,048</u>
Operating expenses:		
Salaries and benefits	974,131	876,676
Services and other	356,015	336,215
Supplies	372,383	318,923
Depreciation and amortization	101,136	96,765
Interest	20,365	16,459
Total operating expenses	<u>1,824,030</u>	<u>1,645,038</u>
Net operating income	<u>25,945</u>	<u>28,010</u>
Nonoperating gains and (losses), net:		
Investment gains (losses), net	49,516	(98,266)
Pension and postretirement (cost) benefit	(150)	7,986
Total nonoperating gains (losses), net	<u>49,366</u>	<u>(90,280)</u>
Excess (deficiency) of revenues, gains, and other support over expenses and losses before noncontrolling interest	75,311	(62,270)
Noncontrolling interest	<u>(11)</u>	<u>(10)</u>
Excess (deficiency) of revenues, gains, and other support over expenses and losses attributable to Riverside Health System	75,300	(62,280)
Change in fair value of financial instruments – interest rate swap agreement	95	5,927
Change in plan assets and benefit obligations of pension and postretirement plans	6,722	77,066
Cumulative effect of change in lease classification	—	(3,045)
Contributed capital from UVAMC	55,000	—
Other	<u>(2,777)</u>	<u>(4,647)</u>
Change in net assets without donor restrictions attributable to Riverside Health System	<u>\$ 134,340</u>	<u>13,021</u>

See accompanying notes to consolidated financial statements.

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**  
d/b/a Riverside Health System

Consolidated Statements of Changes in Net Assets

Years ended December 31, 2023 and 2022

(In thousands)

	<b>Without donor restrictions</b>		<b>With donor restrictions</b>	<b>Total</b>
	<b>Riverside Health System</b>	<b>Noncontrolling interest</b>		
Balance at December 31, 2021	\$ 889,749	103	27,403	917,255
(Deficiency) excess of revenues over expenses	(62,280)	10	—	(62,270)
Change in fair value of financial instruments – interest rate swap agreement	5,927	—	—	5,927
Change in plan assets and benefit obligations of pension and postretirement plans	77,066	—	—	77,066
Cumulative effect of change in lease classification	(3,045)	—	—	(3,045)
Other	(4,647)	—	—	(4,647)
Contributions	—	—	3,069	3,069
Donor-restricted investment loss, net	—	—	(3,009)	(3,009)
Net assets released from restrictions	—	—	(743)	(743)
Other changes in restricted net assets	—	—	768	768
Change in net assets	13,021	10	85	13,116
Balance at December 31, 2022	902,770	113	27,488	930,371
Excess of revenues over expenses	75,300	11	—	75,311
Change in fair value of financial instruments – interest rate swap agreement	95	—	—	95
Change in plan assets and benefit obligations of pension and postretirement plans	6,722	—	—	6,722
Cumulative effect of change in lease classification	—	—	—	—
Contributed capital from UVAMC	55,000	—	—	55,000
Other	(2,777)	—	—	(2,777)
Contributions	—	—	(818)	(818)
Donor-restricted investment gain, net	—	—	2,647	2,647
Net assets released from restrictions	—	—	(1,491)	(1,491)
Other changes in restricted net assets	—	—	—	—
Change in net assets	134,340	11	338	134,689
Balance at December 31, 2023	\$ 1,037,110	124	27,826	1,065,060

See accompanying notes to consolidated financial statements.



**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**  
d/b/a Riverside Health System

Consolidated Statements of Cash Flows  
Years ended December 31, 2023 and 2022

(In thousands)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Changes in net assets	\$ 134,689	13,116
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	101,136	96,765
Net realized and unrealized (gains) losses on investments	(36,326)	116,753
Loss (gain) on sale of assets	1,793	(175)
Change in fair value of interest rate swap	(95)	(5,927)
Net periodic pension cost	(145)	16,878
Components of the change in net pension and postretirement liabilities	(6,722)	(77,066)
Contributed capital from UVAMC	(55,000)	—
Cumulative effect of change in lease classification	—	3,045
Changes in assets and liabilities:		
Accounts receivable	(19,284)	(20,606)
Due from third-party payors	(42,441)	(109,269)
Other receivables	(30,839)	(4,272)
Other current assets	(8,239)	(8,596)
Right-of-use assets	3,797	10,037
Other assets	300	(278)
Accounts payable	16,087	(21,656)
Accrued liabilities	18,706	(11,148)
Other current liabilities	(12,883)	12,261
Deferred revenue	998	3,270
Contributions to pension plan	(735)	(11,746)
Other liabilities	4,996	(21,108)
Net cash provided by (used in) operating activities	<u>69,793</u>	<u>(19,722)</u>
Cash flows from investing activities:		
Capital expenditures	(144,209)	(126,393)
Proceeds from sales of capital assets	3,081	768
Purchases of investments	(135,011)	(153,209)
Proceeds from sales of investments	176,970	194,945
Purchases of investments with bond proceeds	(253,242)	—
Net cash used in investing activities	<u>(352,411)</u>	<u>(83,889)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	271,796	—
Proceeds from borrowings under line of credit	658,063	609,876
Repayments of line of credit	(658,063)	(610,200)
Principal payments on long-term debt and capital leases	(15,284)	(19,175)
Financing costs	(2,677)	—
Sale of member interest in Riverside Health System	33,000	—
Net cash provided by (used in) financing activities	<u>286,835</u>	<u>(19,499)</u>
Net increase (decrease) in cash and cash equivalents	4,217	(123,110)
Cash and cash equivalents, beginning of year	<u>37,182</u>	<u>160,292</u>
Cash and cash equivalents, end of year	<u>\$ 41,399</u>	<u>37,182</u>
Supplemental disclosures of cash flow information:		
Land, buildings, and equipment purchases in accounts payable	\$ 5,886	4,042
Cash paid for interest	18,047	17,535
Major moveable equipment obtained through finance leases	—	2,254

See accompanying notes to consolidated financial statements.

## **RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### **(1) Organization**

Riverside Healthcare Association, Inc. and subsidiaries is a nonprofit organization of owned and controlled healthcare providers located principally in Newport News, Virginia. The organization currently operates under the trade name of Riverside Health System. Riverside Health System comprises four major divisions: the Acute Care Division, the Other Acute Care Division, the Lifelong Health Division, and the Healthcare Support Division.

As of December 31, 2023, Riverside Health System is principally owned and controlled by Riverside Integrated Services, Inc. (the Parent). A minority share of Riverside Health System is owned by The Rectors and Visitors of the University of Virginia, d/b/a University of Virginia Medical Center ("UVAMC"). The Parent was formed in June 2023 as an entity under common control with Riverside Health System with the intent to carry out the same overall mission. Under the current Master Trust Indenture, the owners of Riverside Health System's bonds look solely to Riverside Health System for repayment of those obligations.

The Acute Care Division is composed of the following:

- Doctors' Hospital of Williamsburg, a 40-bed acute care hospital doing business as Riverside Doctors' Hospital Williamsburg
- Riverside Hospital, Inc., consisting primarily of an acute care general hospital licensed for 450 beds operating under the trade name Riverside Regional Medical Center
- Riverside Middle Peninsula Hospital, Inc., a 67-bed acute care hospital doing business as Riverside Walter Reed Hospital
- Shore Health Services, Inc., a 52-bed acute care hospital doing business as Riverside Shore Memorial Hospital
- Riverside Mental Health & Recovery Center, a 98-bed psychiatric and chemical dependence center, including a dedicated psychiatric emergency department

The Other Acute Care Division is composed of the following:

- MiChuMi, LLC, doing business as MDExpress, which operates five urgent care centers
- Peninsula Cancer Institute, LLC, which employs 15 physicians and 8 advanced practice providers in seven practices
- Riverside Physician Services, Inc., doing business as Riverside Medical Group, which employs 393 physicians and 242 advanced practice providers in 117 practices

The Lifelong Health Division operates 478 nursing home beds; 295 assisted living beds; and provides skilled, rehabilitation, intermediate, and home-for-adult services. The division also manages home care and community-based services for Riverside Health System.

The Lifelong Health Division is composed of the following:

- At Home Partners, LLC (At Home Partners), 80% owned by Riverside Retirement Services, Inc.

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

**Notes to Consolidated Financial Statements**

December 31, 2023 and 2022

- Center for Excellence in Aging and Geriatric Health, doing business as Center for Excellence in Aging and Lifelong Health
- Francis N. Sanders Nursing Home, Inc.
- Patrick Henry Hospital, Inc.
- Patriots Colony, Inc.
- Riverside Convalescent Centers, Inc.
- Riverside Hospice and Homecare Services, LLC
- Riverside Retirement Services, Inc.
- Riverside Wellness and Fitness Centers, Inc.
- Sanders Common, Ltd.
- Shore Life Care, Inc.
- Tilden and Virginia Davis Support Foundation, Inc.

The Healthcare Support Division is composed of the following:

- Newport News General and Non-Sectarian Hospital Association, Inc., a real estate holding company
- Peninsula Hospital Services, Inc., a laundry service company, wholly owned by Riverside Healthcare Foundation, Inc.
- Peninsula Radiosurgery Associates, LLC, a radiosurgery center management company
- Quarterpath Williamsburg, LLC
- The Rehabilitation Institute of Virginia, Inc., a healthcare holding company
- RHS MedInsur, Ltd. (MedInsur), a wholly owned captive insurance company
- Riverside Advantage, Inc.
- Riverside Health System Foundation, Inc.
- Riverside Healthcare Foundation, Inc.
- Riverside Healthcare Association, Inc., a wholly owned holding company
- Riverside Healthcare Services, Inc., which provides financial services, risk management, and management contract services to related organizations
- Riverside Management Services, Inc., which provides managerial and advisory services primarily to related organizations
- Riverside Medical Equipment Center, Inc., a physician office billing company
- Virginia Surgical Management, LLC, a surgery center management company

All are hereinafter referred to collectively as the "System."

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

*Basis for Consolidation*

The accompanying consolidated financial statements include the assets, liabilities, and net assets and operations of all the controlled corporations mentioned above. All significant intercompany accounts and transactions have been eliminated in consolidation.

**(2) Summary of Significant Accounting Policies**

**(a) Use of Estimates**

The preparation of these 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(b) Cash and Cash Equivalents**

The System considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents, with the exception of short-term investments that are included within investments in the accompanying consolidated balance sheets.

**(c) Accounts Receivable**

Accounts receivable are amounts due from patients or residents, less implicit and explicit price concessions. Price concessions are based on historical collection trends, market conditions, and management's judgment regarding the ability to collect specific accounts.

**(d) Inventories**

Inventories consist primarily of drugs and medical supplies which are stated at the lower of average cost or net realizable value are recorded in other current assets on the accompanying consolidated balance sheets.

**(e) Investments**

The System's investments include marketable securities, alternative investments, and equity method investments.

Marketable debt and equity securities are carried at fair value determined in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*. The System has designated its marketable securities as trading securities and recognizes investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) as nonoperating gains and losses in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

The System's alternative investments are reported at net asset value (NAV) as a practical expedient; gains or losses are recorded as nonoperating gains and losses in the accompanying consolidated statements of operations and changes in net assets without donor restrictions unless it is probable that



**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

**Notes to Consolidated Financial Statements**

December 31, 2023 and 2022

all or a portion of the investment will be sold for an amount other than NAV. The System has concluded, as a practical expedient, that NAV approximates fair value.

Joint ventures and other investments in which the System does not control but does, however, have the ability to exercise significant influence are accounted for under the equity method of accounting in the accompanying consolidated financial statements.

The System also has investments designated for self-insurance held at MedInsur of approximately \$55,100 and \$49,650, respectively, as of December 31, 2023 and 2022.

The System's investments are exposed to several risks, including market risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect the amounts reported in the System's consolidated financial statements. The System manages such risks through diversification of the investment portfolio, monitoring and due diligence, and the use of third-party service providers.

**(f) Land, Buildings, and Equipment, Net**

Land, buildings, and equipment are stated at cost. Depreciation is computed on the straight-line method using the following estimated useful lives:

	<u>Years</u>
Land improvements	2–25
Buildings and improvements	5–40
Fixed equipment	5–20
Major movable equipment	2–20

Gains or losses on the disposal of land, buildings, and equipment are included in other operating revenues on the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

**(g) Goodwill**

The System accounts for goodwill in accordance with FASB ASC Topic 350, *Intangibles – Goodwill and Other*. As of December 31, 2023 and 2022, the balance of goodwill was approximately \$40,000 and is included in other assets in the accompanying consolidated balance sheets. In accordance with ASC Topic 350, the System's goodwill is not amortized but rather is tested annually for impairment. Management evaluates goodwill amounts for impairment annually at the end of the reporting period. No impairment loss was recognized in 2023 or 2022.

**(h) Deferred Compensation Plan**

The System sponsors an eligible deferred compensation plan as described under Internal Revenue Code (IRC) section 457. Eligible plans allow employees to defer income taxation on retirement savings into future years and plan participants can contribute up to the IRC limit. The System records an asset

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

for the investments and a corresponding liability related to the payment to the employees in future years. Investments held by the System under a rabbi trust arrangement and the liability associated with the deferred compensation plan are included within other (noncurrent) assets and other (noncurrent) liabilities, respectively, in the accompanying consolidated balance sheets. As of December 31, 2023 and 2022, the asset and liability were approximately \$59,500 and \$47,200, respectively.

As of December 31, 2023 and 2022, investments held by the rabbi trust arrangement included marketable equity securities, money market mutual funds, and other investments, substantially all of which would be classified as Level 1 securities within the valuation hierarchy. The allocation by investment type as of December 31 were as follows:

	<b>2023</b>	<b>2022</b>
Equity securities	96 %	91 %
Money market mutual funds	3	8
Other	1	1

All investment earnings and expenses of the rabbi trust are reported in the System's consolidated statements of operations and changes in net assets without donor restrictions within investment income, net and the related compensation cost from the change in fair value of the amount owed to the employees is recorded in net pension and postretirement costs. For the year ended December 31, 2023, net unrealized investment gains and deferred compensation benefit were \$9,058. For the year ended December 31, 2022, net unrealized investment losses and deferred compensation cost were (\$10,329). These gains and losses related to the deferred compensation plan were recognized by the System in nonoperating gains and losses.

**(i) COVID-19 Federal Assistance**

On March 27, 2020, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided federal assistance for individuals and businesses. Under the CARES Act Provider Relief Funding, the System received \$88,399 in federal grants, \$72,429 of which were recognized prior to 2022, \$15,970 of which were recognized in 2022, and \$0 of which were recognized in 2023 as grant revenue in other operating revenues on the accompanying consolidated statements of operations and changes in net assets without donor restrictions. In addition to the federal grants received, the System received and recognized state of Virginia CARES Act grants from the Department of Medical Assistance Services in the amount of \$3,870 and \$0 during the years ended December 31, 2022 and 2023, respectively. The System considered FAQs and other guidance issued by the U.S. Department of Health and Human Services (HHS) when assessing whether the terms and conditions of the Provider Relief Funding were met. The amounts recognized as revenue could change in the future based on continuing analysis of lost operating revenues and COVID-19-related expenses as well as the evolving guidance provided by HHS.

In April 2020, the System received \$149,379 of advance payments from the Centers for Medicaid and Medicare Services (CMS). These advanced payments, which continue to be earned when future Medicare claims are reported to CMS, are recorded in due to third-party payors on the accompanying

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

**Notes to Consolidated Financial Statements**

December 31, 2023 and 2022

consolidated balance sheets. CMS started to recoup the advance payments in April 2021. The System repaid the advance payments in 2022.

The System submitted a FEMA Public Assistance claim due to the COVID-19 Public Health Emergency in December 2022. This claim was for eligible agency contract clinical labor expenses incurred for the treatment of COVID positive and suspected positive patients during the Public Health Emergency incident period from January 20, 2020 through July 1, 2022. FEMA obligated this claim for \$18,500, and it was funded by the Commonwealth of Virginia in December 2023 in the amount of \$16,650. The reduced payment amount reflects Virginia withholding of 10% of the obligated project amount until FEMA project close out has been completed. The System recognized the \$18,500 as grant revenue in other operating revenues on the accompanying consolidated statement of operations. The System anticipates close out of this project and receipt of the remaining \$1,850 in 2024.

**(j) Deferred Revenue**

Patriots Colony, Inc. (Patriots Colony) and Warwick Forest (a division of Riverside Retirement Services, Inc.) are continuing care retirement communities. Residents admitted to the facilities pay a fee at admission (advance fee) and a monthly fee to cover the cost of their care (periodic fee). Note 2(o) (ii) further discusses recognition of the monthly fees when the performance obligations are met.

Under the terms of the various contracts, the advance fees range from nonrefundable to 95% refundable. The advance fees paid by a resident upon entering into a continuing care contract are recorded as deferred revenue and are amortized over time using an actuarial valuation that includes estimated remaining life expectancy and remaining healthcare usage of each individual resident, or joint and last survivor life expectancy of each pair of residents occupying the same unit. The refundable portion of these advance fees is repayable to the resident upon the resident vacating the unit and generally becomes nonrefundable over time. The refundable portion is classified as other current liabilities and is not amortized.

The deferred revenue balance as of December 31, 2023 was \$65,788, consisting of \$63,642 in advance fees and \$2,146 in other deferred revenue. The deferred revenue balance as of December 31, 2022 was \$64,790, consisting of \$61,821 in advance fees and \$2,969 in other deferred revenue.

As of December 31, 2023 and 2022, the portion of advance fees subject to refund provisions were approximately \$19,900 and \$18,000, respectively. Amounts expected to be refunded to current residents, based on the System's experience, were approximately \$5,700 and \$5,100 as of December 31, 2023 and 2022, respectively, and are recorded in other current liabilities in the accompanying consolidated balance sheets.

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The amounts relating to long-term care residents' advance fees are as follows:

Balance at December 31, 2021	\$	58,358
Amortization of entrance fees		(6,009)
Current year entrance fees		12,374
Refunds and terminations		<u>(2,902)</u>
Balance at December 31, 2022		61,821
Amortization of entrance fees		(6,334)
Current year entrance fees		10,584
Refunds and terminations		<u>(2,429)</u>
Balance at December 31, 2023	\$	<u>63,642</u>

**(k) Obligation to Provide Future Services**

Patriots Colony and Warwick Forest calculate the present value of the net cost of future services and future use of facilities to current residents and members and compares that amount with the balances of deferred revenue from advanced entrance fees. If the present value of the net obligation to provide future services and future use of facilities (discounted at 5%) exceeds the deferred revenue from advanced entrance fees, a liability is recorded with the corresponding charge to income. The calculation is performed biennially for each program in alternating years. As of December 31, 2023 and 2022, deferred revenue from advanced entrance fees exceeded the calculation of the present value of the net cost of future services and future use of facilities for Patriots Colony and Warwick Forest. Therefore, an additional liability for an obligation to provide future services and use of facilities is not required.

**(l) Derivatives Policy**

The System manages its exposure to interest rate volatility through use of an interest rate swap contract. This contract qualifies as a derivative financial instrument. In accordance with the provisions of FASB ASC Subtopic 954-815, *Health Care Entities – Derivatives and Hedging*, the System applies the provisions of FASB ASC Topic 815, *Derivatives and Hedging*, in the same manner as a for-profit entity. That is, the gain or loss items related to derivative instruments that affect a for-profit entity's income from continuing operations under ASC Topic 815 similarly affect the System's performance indicator, and the gain or loss items that are excluded from a for-profit entity's income from continuing operations similarly are excluded from the System's performance indicator. Under ASC Subtopic 954-815, to exclude the change in fair value from the performance indicator, the derivative instrument must not only be related to a specific bond issue, but also be a statistically correlated hedge of the current interest cash flow on the bonds. The System's performance indicator is referred to as excess of revenues, gains, and other support over expenses and losses. The net amount that becomes due or payable under the contracts is recognized currently in operating income. The System recognizes the derivative instrument at its estimated fair value on the balance sheet date and the gains and losses in its consolidated statements of operations and changes in net assets without donor restrictions. As of December 31, 2023 and 2022, the System has recorded the estimated fair

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value within other liabilities on the accompanying consolidated balance sheets. See Note 10 for further details.

**(m) Leases**

The System accounts for leases in accordance with ASC Topic 842, Leases (see Note 12). As such, the System determines if an arrangement is or contains a lease at contract inception and recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases, and is subsequently measured at amortized cost using the effective-interest method. Key estimates and judgments include how the System determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) lease term, and (3) lease payments.

- ASC Topic 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, the System cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the System uses U.S. Treasury risk-free rate of return as the discount rate for the lease.
- The lease term for all of the System's leases includes the noncancelable period of the lease plus any additional periods covered by either an option to extend (or not to terminate) the lease that the System is reasonably certain to exercise.
- Lease payments included in the measurement of the lease liability are comprised of fixed payments, including in-substance fixed payments, owed over the lease term (which includes termination penalties the System would owe if the lease term assumes the System's exercise of a termination option) and the exercise price of the System's option to purchase the underlying asset if the System is reasonably certain to exercise the option.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the System, or the System is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.



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**(n) Net Assets**

The System classifies resources into two net assets categories based on the existence or absence of restrictions imposed by donors: without donor restrictions and with donor restrictions.

**(i) Net Assets without Donor Restrictions**

Net assets without donor restrictions are those net assets that are the result of revenues and income from standard operations of the System and are not subject to donor-imposed stipulations. Expenses, as reported on the consolidated statements of operations and changes in net assets without donor restrictions, reduce the total net assets without donor restrictions that resulted from revenues and other income.

Also included in this category are net assets in the plant replacement fund that the Board of Directors has the ability to, but has not, designated for specific purposes other than general plant replacement.

**(ii) Net Assets with Donor Restrictions**

Net assets with donor restrictions are unconditional promises to give cash and other assets whose use by the System has been limited by donors to a specific time period or purpose. These unconditional promises are discounted at a risk adjusted rate commensurate with the duration of the payment term which approximates fair value at the date the promise is received. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, the assets are reclassified as net assets without donor restrictions and are reported in the consolidated statements of operations and changes in net assets without donor restrictions as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the year they are received are reflected as increases in net assets without donor restrictions in the accompanying consolidated financial statements.

Also included in this category are net assets subject to donor-imposed restrictions to be maintained by the System in perpetuity, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only the income be made available for program operations.

**(o) Patient Service Revenue and Long-Term Care Revenue**

**(i) Patient Service Revenue**

Revenue from patients is reported at the estimated net realizable amounts to be received from patients, third-party payors, or others for services rendered. The nature of the services provided determines performance obligations and the System recognizes revenue as performance obligations are satisfied, which is typically over time. The net realizable amounts include estimated retroactive adjustments under reimbursement agreements with third-party payors that are accrued on an estimated basis in the period the performance obligations are met and are based on current and historical experience, as well as reimbursement and other information, such as charges and allowable costs. The amounts are adjusted in future periods as changes to current, historical, and forecasted data becomes readily available.

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**(ii) Long-Term Care Revenue**

Long-term care revenue includes revenue from patients in nursing homes, as well as revenue from residents in continuing care retirement communities. Revenue from patients in the nursing home divisions are recorded in a similar manner to patient service revenue in that patient service revenue is recorded over time as the performance obligations are satisfied.

Revenue from residents in continuing care retirement communities is reported at the amount that reflects the consideration the System expects to receive in exchange for services provided. The amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Revenue is recognized as the performance obligations are satisfied. Residents' fees include a fixed fee at admission and monthly fees. Residency agreements are generally for a term of one month with options to renew. The options to renew generally do not provide a material right to the resident (i.e., incremental discount) that the resident would not receive without entering into that contract; therefore, the System recognizes the monthly fees as revenue when the services for the month are performed and the performance obligation is met.

**(p) Charity Care**

The System's policy is to provide medical care without regard to the patient's ability to pay for such services. Charity care is based upon a review of the patient's financial circumstances. The amounts charged to patients that qualify for charity care are not recorded as patient service revenue and are excluded from accounts receivable because the System does not pursue collection of these amounts; however, the expenses incurred in providing these services are included in the System's operating expenses in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

**(q) Noncontrolling Interest**

Noncontrolling interest represents the minority shareholder's proportionate share of the net assets of At Home Partners. Revenues in excess of expenses are allocated to the minority shareholder of At Home Partners in proportion to the minority shareholder's ownership percentage and are reflected as income attributable to noncontrolling interest in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

**(r) Income Taxes**

The System has received a group exemption letter from the Internal Revenue Service (IRS) under the corporation name Riverside Healthcare Association, Inc. recognizing each of its wholly owned subsidiaries, except for Riverside Medical Equipment Center, Inc., Newport News General and Non-Sectarian Hospital Association, Inc., Shore Health Services, Inc., Shore Life Care, Inc., Tilden and Virginia Davis Support Foundation, Inc., and Peninsula Hospital Services, Inc., stating they are exempt from income taxes pursuant to Section 501(c)(3) of the IRC, except for unrelated business income. Newport News General and Non-Sectarian Hospital Association, Inc. has retained its determination letter from the IRS stating it is exempt from income taxes pursuant to IRC Section 501(c)(2). Shore Health Services, Inc., Shore Life Care, Inc., and Tilden and Virginia Davis Support Foundation, Inc. have retained their determination letters stating they are exempt from income taxes pursuant to IRC

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Section 501(c)(3). No provision for income taxes was required for the years ended December 31, 2023 and 2022. As of December 31, 2023 and 2022, there were no uncertain tax positions.

**(s) Mission Statement and Nonoperating Gains and Losses**

The System's primary mission is to provide the highest quality care based on the medical needs of the citizens of the surrounding communities. Only those activities directly associated with the furtherance of this purpose are considered to be operating activities.

Other activities that result in gains or losses unrelated to the System's primary mission are considered to be nonoperating. Nonoperating gains and losses include earnings on investments and gains and losses resulting from unusual or infrequent transactions.

**(3) Patient Service Revenue and Long-term Care Revenue**

The System has two main sources of operating revenue: (1) contracts with patients through Acute Care and Other Acute Care Divisions and (2) contracts with patients or residents through the Lifelong Health Division.

The amounts recognized as revenue are due from patients, residents, third-party payors, or others, and include estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined. Generally, for inpatient services, the System bills the patient and third-party payors several days after services are performed and after the patient is discharged from the hospital. For outpatient services, the System bills patients and third-party payors several days after the services are rendered. The nature of the services provided determines performance obligations; the System typically recognizes revenue over time as performance obligations are satisfied. Other performance obligations that are deemed to be satisfied at a point in time may include services such as pharmacy sales. These obligations are satisfied when (1) goods are provided to the patients, residents, or other customers and (2) further services are not required in order to satisfy the performance obligation.

The System recognizes revenue for performance obligations satisfied over time based on actual charges incurred as services are provided to the patient or resident. Performance obligations incurred over time include services provided in inpatient acute care facilities, ancillary outpatient services provided in a facility or in a provider office including those rendered on the same day, long-term care facility services, and home care services. For inpatient and long-term care facility services, the performance obligation is measured from the point of admission to the time when services and goods are no longer required to satisfy the contract with the patient, which is generally at the time of discharge. These services are considered to be one performance obligation.

For inpatients at acute care facilities that have been admitted but not yet discharged at the end of the reporting period, an unsatisfied or partially satisfied performance obligations exists. The System recognizes revenue based on gross charges for services provided through the end of the month and accrues revenue based on charges posted after year-end that relate to the reporting period. These performance obligations are related to contracts that are expected to have a duration of less than one year and are therefore not disclosed separately as unsatisfied at the end of the reporting period.

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The System determines the transaction price based on gross charges for services provided, less explicit and implicit price concessions and variable constraints. Contracts with patients usually involve a third-party payor and the System has agreements with certain third-party payors that provide for reimbursement at amounts different from their established rates. The gross charges are reduced for the difference between the reimbursement from third-party payors and the gross charge amount (explicit price concessions). Additionally, the System provides medical care without regard to the patient's ability to pay for services. Uninsured patients receive a discount from billed charges for medically necessary services.

If the System identifies subsequent adjustments to the transaction price that would cause adverse changes in a patient or payor's ability to pay, the amounts are recorded as bad debt expense. Bad debt expense is included in operating expenses in the accompanying consolidated statement of operations and changes in net assets without donor restrictions. The amount included as bad debt expense for the years ended December 31, 2023 and 2022 was not material to the System.

The System uses a portfolio approach as a practical expedient in recognizing patient revenue as patient accounts receivable are valued. The System does not expect its portfolio results to differ materially from valuing individual contracts.

There were no changes to the estimate of transaction price in the valuation of patient service revenue in 2023 and 2022 as compared with prior years.

The System does not adjust the amount of consideration from patients and third-party payors for the effects of a significant financing component because the System expects that the period between the time when patients receive services and when the System receives payments for those services will be one year or less. The System does, however, enter into payment arrangements with patients that allow payments in excess of one year. The System does not consider the financing component significant to the contract for these payment plans.

Laws and regulations governing the Medicare and Medicaid programs 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. Adjustments to revenue estimates related to prior periods resulted in increases in patient service revenue of approximately \$34,755 and \$4,884 for the years ended December 31, 2023 and 2022, respectively.

A summary of the basis of hospital reimbursement from major third-party payors is as follows:

#### **(a) Acute Care**

*Medicare* – Inpatient services and capital costs related to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Substantially all Medicare outpatient services are paid at prospectively determined rates, which vary according to services rendered. Other outpatient services related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The System's Medicare cost reports have been final-settled by the intermediary through December 31, 2012.

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There are several Medicare Advantage Programs in the System's service area. Inpatient acute care services are reimbursed at prospectively determined rates per discharge based upon the Medicare inpatient patient classification system. Outpatient services are reimbursed at prospectively determined rates based upon the Medicare Outpatient Prospective Payment System.

*Medicaid* – Inpatient services are reimbursed at prospectively determined operating rates and tentative, cost-based capital and education rates per discharge, with final settlement of capital and education costs determined after submission of annual cost reports by the System and audits thereof by the Medicaid fiscal intermediary. Outpatient services are reimbursed at prospective determined rates. The System's Medicaid cost reports have been final-settled by the intermediary through December 31, 2022.

There are several Medicaid managed programs in the System's service area. Inpatient acute care services are reimbursed at prospectively determined rates. Outpatient services are reimbursed at either a percentage of charges or prospectively determined rates.

The State of Virginia assesses a fee or tax on hospital gross patient service revenue. The revenue from this assessment is used to increase payments made to hospitals for the unreimbursed costs of hospital services provided to Medicaid patients of \$50,086 and \$38,181 for 2023 and 2022, respectively. The System's patient service revenue reflects the increase in payment for services to Medicaid patients and hospital tax assessment expense reflects the fees assessed by the State. Reimbursement and the assessment under this program are reflected in the accompanying consolidated statements of operations and changes in net assets without donor restrictions as follows:

			<b>2023</b>	<b>2022</b>
Reimbursement	Patient service revenue	\$	180,540	146,601
Assessment	Services and other		68,614	52,927

*Blue Cross* – For Blue Cross Health Maintenance Organization (HMO) subscribers, inpatient acute care services are reimbursed on prospectively determined rates per discharge, and outpatient services are reimbursed according to a fee schedule. For Blue Cross Preferred Provider Organization (PPO) subscribers, inpatient acute care services are reimbursed on a discharge basis, and outpatient services are reimbursed based upon a fee schedule. For other Blue Cross subscribers, inpatient acute care and outpatient services are reimbursed based upon a percentage of charges.

*Commercial and Other Insured* – Each hospital also has payment agreements with certain commercial insurance carriers, HMOs, and PPOs. The basis for payment to the System under these agreements is primarily a discount from established charges.

*Self-pay* – The System provides certain discounts to the uninsured. Uninsured patients received a 50% discount from billed charges in 2023 and 2022.



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The payor mix of major third-party payors for acute care, based on percentages of patient service revenue, for the years ended December 31 was as follows:

	<b>2023</b>	<b>2022</b>
Medicare (including Medicare Advantage)	38 %	37 %
Medicaid (including Medicaid HMO)	24	24
Blue Cross (including Blue Cross HMO)	20	21
Commercial and other insured	17	17
Self-pay	1	1
	<b>100 %</b>	<b>100 %</b>

**(b) Long-Term Care**

The majority of long-term care services were provided to Medicaid and Medicare patients in 2023 and 2022. Skilled nursing services provided under the Medicare program are reimbursed based upon a case-mix and geographically adjusted prospective payment. Medicaid reimburses based on a blending of the facility's historical price-based rate with patient-specific case mix rate, with an add-on for facility specific capital. The Lifelong Health Division's Medicaid cost reports have been final-settled by the intermediary through December 31, 2022.

The payor mix of major third-party payors for the Lifelong Health Division, based on percentages of long-term care revenue, for the years ended December 31 was as follows:

	<b>2023</b>	<b>2022</b>
Medicare (including Medicare Advantage)	26 %	28 %
Medicaid (including Medicaid HMO)	29	29
Blue Cross (including Blue Cross HMO)	1	1
Commercial and other insured	1	1
Self-pay	43	41
	<b>100 %</b>	<b>100 %</b>

**(c) Riverside Medical Group**

Patient service revenue for Riverside Medical Group (RMG) is included in patient service revenue in the accompanying consolidated statements of operations and changes in net assets without donor restrictions. These services are reimbursed based on established fee schedules for Medicare and Medicaid, negotiated fee schedules for Blue Cross and commercial payors, and capitated rates for HMOs.

For the years ended December 31, 2023 and 2022, patient service revenue for RMG totaled approximately \$286,139 and \$265,786, respectively.

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The payor mix of major third-party payors for RMG, based on percentages of patient service revenue, for the years ended December 31 was as follows:

	<b>2023</b>	<b>2022</b>
Medicare (including Medicare Advantage)	42 %	44 %
Medicaid (including Medicaid HMO)	11	11
Blue Cross (including Blue Cross HMO)	23	23
Commercial and other insured	21	19
Self-pay	3	3
	<u>100 %</u>	<u>100 %</u>

**(d) Regulatory Environment**

National and state healthcare-related legislation has been, and is expected to continue to be, introduced in the U.S. Congress and the Commonwealth of Virginia Legislature. Such legislation has addressed benefits provided, insurance coverage, and provider reimbursement. The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management is not aware of any material noncompliance with fraud and abuse-related rules or other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory action unknown or unasserted at this time.

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**(4) Community Benefit Expense**

The System's estimated cost of providing services to the indigent and benefits to the broader community during the years ended December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Benefits for the indigent:		
Unreimbursed cost of charity	\$ 25,830	27,454
Unreimbursed costs of Medicaid program	<u>32,336</u>	<u>26,066</u>
Total quantifiable benefits for the indigent at cost	<u>58,166</u>	<u>53,520</u>
Benefits for the broader community:		
Education and research programs	20,896	19,162
Other community benefits	<u>5,406</u>	<u>6,799</u>
Total quantifiable benefits for the broader community	26,302	25,961
Implicit price concessions	<u>30,139</u>	<u>34,527</u>
Total quantifiable community benefits	<u>\$ 114,607</u>	<u>114,008</u>

The System accepts all patients regardless of their ability to pay. Benefits for indigent patients include services provided to persons who cannot afford healthcare because of inadequate resources or who are uninsured. This includes traditional charity care at the estimated cost and the costs of treating Medicaid beneficiaries in excess of government payments. Distinguishing uncollected patient revenue between charity and implicit price concessions requires full consideration of both the financial and nonfinancial circumstances of the patient, which are not always available to the organization. Therefore, both traditional charity care and implicit price concessions are included as a component of benefits for indigent patients.

Benefits for the broader community include services provided to other individuals who may not qualify as indigent but need special services and support. Examples include the elderly, substance abusers, victims of child abuse, and the disabled. Benefits for the broader community also include the cost of health promotion and education, health clinics and screenings, and the unreimbursed cost of medical training. The costs for these services have been estimated using multiple costing methodologies, including the application of cost-to-charge ratios, internal cost accounting estimates, Medicare allowable costs, and, where possible, the amount provided as support to the community group or building activity.

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**(5) Investments**

The estimated values of the System's investments at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Investments:		
Short-term investments	\$ 2,494	3,661
Money market mutual funds	4,731	5,444
Fixed-income securities:		
Bond mutual funds	259,566	278,594
International bond mutual funds	17,308	16,048
U.S. government bonds and notes	12,801	14,915
Mortgage-backed securities	16,223	12,567
Corporate bonds and notes	15,367	12,685
Foreign bonds and notes	764	—
Equity securities:		
Common trust funds:		
International	46,716	44,984
Domestic	47,322	41,346
Foreign stocks	33,422	30,077
Pooled investments	15,153	13,555
Marketable equity securities	69,018	62,541
Fund of funds	—	22,857
Total investments at fair market value	540,885	559,274
Equity method investments	9,488	9,416
Other investments	3,540	3,503
Total investments	\$ 553,913	572,193
Investments – bond proceeds:		
Money market mutual funds	\$ 946	—
Fixed maturity securities:		
US government bonds and notes	222,292	—
Corporate bonds and notes	30,319	—
Total investments – bond proceeds	\$ 253,557	—

The fair market values of the System's investments, excluding certain alternative investments and equity method investments, and other investments, were determined by year-end closing prices reported in the listings of the applicable major exchanges.

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Investment gains (losses), net for the years ended December 31 consists of the following:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 15,837	15,478
Realized gains (losses), net	1,342	(6,825)
Unrealized gains (losses) on trading securities, net	23,279	(96,590)
Investment gains (losses) from deferred compensation investments	<u>9,058</u>	<u>(10,329)</u>
Total investment gains (losses), net included in change in net assets without donor restrictions	49,516	(98,266)
Donor-restricted investment gains (losses), net	<u>2,647</u>	<u>(3,009)</u>
Total investment gains (losses), net	<u>\$ 52,163</u>	<u>(101,275)</u>

**(6) Fair Value Measurements**

The System's financial instruments include cash and cash equivalents, receivables, investments, accounts payable, accrued liabilities, and long-term debt. With the exception of long-term debt, the carrying amounts of these instruments approximate their fair values because of the short maturity or frequent repricing of these instruments.

ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction among market participants at the measurement date. ASC Topic 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

In determining fair value, the System uses the market approach. The market approach utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. As a basis for considering market participant assumptions in fair value measurements, ASC Topic 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 and Level 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value levels are as follows:

- Level 1 – Inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that the System has the ability to access at the measurement date.
- Level 2 – Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than



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quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

- Level 3 – Inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The System's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets or liabilities.

The following tables present information about the fair value of the System's financial assets and liabilities on a recurring basis:

December 31, 2023					
	Total fair value	Level 1	Level 2	Level 3	NAV <sup>1</sup>
<b>Investments:</b>					
Short-term investments	\$ 2,494	2,494	—	—	—
Money market mutual funds	4,731	4,731	—	—	—
Fixed-income securities:					
Bond mutual funds	259,566	176,800	82,766	—	—
International bond mutual funds	17,308	—	—	—	17,308
U.S. government bonds and notes	12,801	—	12,801	—	—
Mortgage-backed securities	16,223	—	16,223	—	—
Corporate bonds and notes	15,367	—	15,367	—	—
Foreign bonds and notes	764	—	764	—	—
Equity securities:					
Common trust funds:					
International	46,716	—	—	—	46,716
Domestic	47,322	—	—	—	47,322
Foreign stocks	33,422	21,762	—	—	11,660
Pooled investments	15,153	—	—	—	15,153
Marketable equity securities	69,018	69,018	—	—	—
Fund of funds	—	—	—	—	—
<b>Total assets</b>	<b>\$ 540,885</b>	<b>274,805</b>	<b>127,921</b>	<b>—</b>	<b>138,159</b>
<b>Investments – bond proceeds:</b>					
Money market mutual funds	\$ 946	946	—	—	—
Fixed maturity securities:					
U.S. government bonds and notes	222,292	222,292	—	—	—
Corporate bonds and notes	30,319	—	30,319	—	—
<b>Total assets</b>	<b>\$ 253,557</b>	<b>223,238</b>	<b>30,319</b>	<b>—</b>	<b>—</b>
<b>Liability:</b>					
Interest rate swap contract	\$ 2,668	—	2,668	—	—
<b>Total liability</b>	<b>\$ 2,668</b>	<b>—</b>	<b>2,668</b>	<b>—</b>	<b>—</b>

<sup>1</sup> Investments reported at NAV as a practical expedient estimate of fair value at December 31, 2023

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There were no significant transfers among Levels 1, 2, or 3 during the year ended December 31, 2023.

<b>December 31, 2022</b>					
	<b>Total fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV<sup>1</sup></b>
Investments:					
Short-term investments	\$ 3,661	3,661	—	—	—
Money market mutual funds	5,444	5,444	—	—	—
Fixed-income securities:					
Bond mutual funds	278,594	190,600	87,994	—	—
International bond mutual funds	16,048	—	—	—	16,048
U.S. government bonds and notes	14,915	—	14,915	—	—
Mortgage-backed securities	12,567	—	12,567	—	—
Corporate bonds and notes	12,685	—	12,685	—	—
Equity securities:					
Common trust funds:					
International	44,984	—	—	—	44,984
Domestic	41,346	—	—	—	41,346
Foreign stocks	30,077	19,091	—	—	10,986
Pooled investments	13,555	—	—	—	13,555
Marketable equity securities	62,541	62,541	—	—	—
Fund of funds	22,857	—	—	—	22,857
Total assets	<u>\$ 559,274</u>	<u>281,337</u>	<u>128,161</u>	<u>—</u>	<u>149,776</u>
Liability:					
Interest rate swap contract	\$ 2,763	—	2,763	—	—
Total liability	<u>\$ 2,763</u>	<u>—</u>	<u>2,763</u>	<u>—</u>	<u>—</u>

<sup>1</sup> Investments reported at NAV as a practical expedient estimate of fair value at December 31, 2022

There were no significant transfers among Levels 1, 2, or 3 during the year ended December 31, 2022.

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The following table summarizes certain characteristics of the alternative investments, which are valued using the NAV as of December 31:

<u>Fund</u>	<u>2023</u>	<u>2022</u>	<u>Investment strategy</u>	<u>Liquidity restrictions</u>	<u>Remaining commitment</u>
International bond mutual fund	\$ 17,308	16,048	Fund goal is to outperform the investment benchmark (Citigroup World Government Bond Index – Unhedged) by at least 2% average annual basis over rolling five-year period.	Daily, with 10 days notice	N/A
Common trust fund – international	46,716	44,984	Fund seeks to provide long-term total return in excess of the MSCI EAFE Index.	Monthly, with 10 days notice	N/A
Common trust fund – domestic	47,322	41,346	Fund seeks to provide long-term return in excess of indices.	Monthly, with 10 days notice	N/A
Foreign stocks	11,660	10,986	Fund seeks to achieve long-term total return, primarily by investing in equity securities of non-U.S. small capitalization companies.	Monthly, with 15 days notice	N/A
Pooled investments	15,153	13,555	Investments seek to achieve long-term earnings.	No redemptions	\$ 10,239
Fund of funds	—	22,857	Funds seek to deliver positive returns regardless of the direction of the market with the major driver of investment returns coming from active management.	Quarterly, with 65 to 100 days notice	N/A
	<u>\$ 138,159</u>	<u>149,776</u>			

The following methods and assumptions were used to estimate the fair value of each class of financial instrument.

Fixed-income securities consist of U.S. Treasury and other U.S. government agencies securities, corporate debt, mortgage-backed securities, other asset-backed securities, and bond mutual funds. The fair value is based upon proprietary valuation models that may consider market characteristics, such as benchmark yield curves, option-adjusted spreads, credit spreads, estimated default rates, coupon rates, anticipated timing of principal repayments, underlying collateral, and other security features in order to estimate relevant cash flows, which are discounted to fair value.

Equity securities consist of publicly traded index funds and publicly traded equity securities (common stocks and preferred stocks). The fair value of investments is determined by management using third-party service providers utilizing various methods dependent upon the specific type of investment. Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Where significant inputs are used by these third-party dealers or independent pricing services to determine fair values, the securities are classified within Level 2. Certain assets measured at fair value using the NAV are classified as Level 2 in accordance with FASB ASC Topic 820, *Fair Value Measurement*.

The System uses Level 2 inputs of interest rates and yield curves to value the interest rate swap.

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**(7) Land, Buildings, and Equipment, Net**

A summary of land, buildings, and equipment at December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Land and improvements	\$ 160,521	159,136
Buildings and improvements	1,197,875	1,092,824
Fixed equipment	34,875	34,698
Major moveable equipment	632,037	609,030
Construction in progress	<u>146,637</u>	<u>139,558</u>
Land, buildings, and equipment	2,171,945	2,035,246
Less accumulated depreciation	<u>(1,154,101)</u>	<u>(1,071,152)</u>
Land, buildings, and equipment, net	<u>\$ 1,017,844</u>	<u>964,094</u>

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$101,136 and \$96,765, respectively. Capitalized interest expense net of capitalized interest income for the years ended December 31, 2023 and 2022 is approximately \$2,100 and \$4,900, respectively. As of December 31, 2023 and 2022, there were \$52,512 and \$56,497, respectively, of assets associated with finance leases within major moveable equipment.

As of December 31, 2023, construction in progress consisted primarily of renovations at Riverside Regional Medical Center, Riverside Doctors' Hospital Williamsburg, and the addition of a hospital and medical office building in Smithfield. As of December 31, 2022, construction in progress consisted primarily of renovations at Riverside Regional Medical Center, Riverside Doctors' Hospital Williamsburg, and Riverside Mental Health & Recovery Center.

As of December 31, 2023 and 2022, the estimated cost to complete construction in progress was approximately \$325,500 and \$122,000, respectively.

**(8) Retirement Plans****(a) Defined-Contribution Plans**

The System sponsors defined-contribution plans under IRC Sections 401(k) and 403(b), which cover substantially all employees, and matches a percentage of contributions made by employees. Expenses related to the Riverside Health Services 401(k) Savings Plan and the Riverside Health System 403(b) Retirement Plan totaled approximately \$10,200 and \$9,600, respectively, for the years ended December 31, 2023 and 2022. Those expenses are included in salaries and benefits expense on the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

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**(b) Pension and Postretirement Plans**

In addition to the defined-contribution plans, the System has a noncontributory, defined-benefit pension plan (the Riverside Plan) that covers substantially all employees of the System that were employed prior to January 1, 2012, except for those employees in the Lifelong Health Division. Prior to January 1, 2011, the System had three noncontributory, defined-benefit pension plans. The plans were merged effective January 1, 2011. The benefit structures of the plans remain unchanged after the merger. This plan is not available to new employees effective January 1, 2012. The System also provides healthcare benefits for eligible retired employees and accrues the estimated costs for such benefits during years that the employees render services to the System.

Benefits are based on years of service and the participant's compensation for each plan year in which the participant accrued credited service, as determined in accordance with the terms of the Riverside Plan.

The System's annual contributions to the Riverside Plan are actuarially determined amounts required to provide the benefits of the Riverside Plan and to meet the minimum funding standards as required by law. Funds released through terminations of nonvested employees are applied to reduce the System's future contributions. The System plans to contribute \$39,250 in 2024.

	Pension		Postretirement	
	2023	2022	2023	2022
Weight average assumptions used to determined net periodic benefit costs:				
Discount rate	5.60 %	3.07 %	5.60 %	3.07 %
Expected long-term return on assets	7.00	6.50	N/A	N/A
Compensation rate increase	3.00	3.00	N/A	N/A

The expected return on plan assets is based on current market expectations. Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans.

	Postretirement	
	2023	2022
Healthcare cost trend rate:		
Cost trend rate assumed for next year	6.60 %	5.60 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.00	4.00
Year that the rate reaches the ultimate trend rate	2047	2045



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The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the year ended December 31 and the accumulated benefit obligation at December 31 are as follows:

	<b>Pension benefits</b>		<b>Postretirement benefits</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Accumulated benefit obligation	\$ 618,445	602,593	—	—
Changes in benefit obligation:				
Benefit obligations at beginning of year	618,840	845,601	6,460	7,415
Service cost	8,619	14,349	145	186
Interest cost	33,646	25,451	371	237
Actuarial (gain) loss	6,066	(238,435)	1,004	(632)
Employee contributions	—	—	72	85
Benefits paid	(29,678)	(28,126)	(807)	(831)
Benefit obligation at end of year	637,493	618,840	7,245	6,460
Changes in plan assets:				
Fair value of plan assets at beginning of year	524,431	680,213	—	—
Actual return on plan assets	56,718	(138,656)	—	—
Employer contributions	—	11,000	735	746
Participant contributions	—	—	72	85
Benefits paid	(29,678)	(28,126)	(807)	(831)
Fair value of plan assets at end of year	551,471	524,431	—	—
Funded status	\$ (86,022)	(94,409)	(7,245)	(6,460)
Net (loss) gain recognized in net assets at December 31	\$ (83,657)	(91,679)	2,654	3,954

# **RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

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The components of net periodic pension cost for the year ended December 31 are as follows:

	Pension		Postretirement	
	2023	2022	2023	2022
Service cost	\$ 8,619	14,349	145	186
Interest cost	33,646	25,451	371	237
Expected return on plan assets	(42,629)	(40,253)	—	—
Amortization of net (gain) loss	—	17,143	(296)	(235)
Net periodic pension (benefit) cost	\$ (364)	16,690	220	188

The service cost component of net periodic pension cost is included in salaries and benefits expense as operating expenses on the consolidated statements of operations and changes in net assets without donor restrictions. The remaining components of net periodic pension cost are included in nonoperating gains and losses.

Other pension-related changes are included as changes in net assets on the consolidated statements of operations and changes in net assets without donor restrictions. The components of these other changes for the year ended December 31 are as follows:

	Pension		Postretirement	
	2023	2022	2023	2022
Actuarial gain (loss)	\$ 8,022	59,526	(1,004)	632
Amortization of actuarial (gain) loss	—	17,143	(296)	(235)
Pension-related changes other than periodic pension cost (benefit)	\$ 8,022	76,669	(1,300)	397

The System's policy is to provide for growth of capital with a moderate level of volatility by investing assets per the target allocations stated above. The assets will be reallocated periodically to meet the above target allocations. The investment policy will be reviewed periodically, under the advisement of a certified investment advisor, to determine if the policy should be changed.

The expected long-term rate of return for the Riverside Plan's total assets is based on the expected return of each of the above categories and weighted based on the median of the target allocation for each class. Equity securities are expected to return 6.44% to 7.07% over the long term, while cash and fixed-income securities are expected to return approximately 4.84% to 6.16%. Real estate, hedge funds, and private equity are expected to return approximately 6.32%, 6.37%, and 9.90% respectively.

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The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	<u>Pension</u>	<u>Postretirement</u>
2024	\$ 35,183	753
2025	37,004	700
2026	38,732	594
2027	40,422	615
2028	41,971	655
2029–2033	225,802	2,985

The fair value of the System's qualified pension plan assets, by asset category, are as follows:

<b>December 31, 2023</b>					
<b>Asset category</b>	<b>Total fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV<sup>1</sup></b>
Short-term investments	\$ 3,486	3,486	—	—	—
Fixed-income securities:					
Collective trust funds	236,929	—	236,929	—	—
Equity securities:					
Collective trust funds	228,719	—	228,719	—	—
Alternative investments	82,337	—	23,226	—	59,111
Total assets	<u>\$ 551,471</u>	<u>3,486</u>	<u>488,874</u>	<u>—</u>	<u>59,111</u>

<sup>1</sup> Investments reported at NAV as a practical expedient estimate of fair value at December 31, 2023

<b>December 31, 2022</b>					
<b>Asset category</b>	<b>Total fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV<sup>1</sup></b>
Short-term investments	\$ 3,240	3,240	—	—	—
Fixed-income securities:					
Collective trust funds	211,199	—	211,199	—	—
Equity securities:					
Collective trust funds	238,461	—	238,461	—	—
Alternative investments	71,531	—	22,919	—	48,612
Total assets	<u>\$ 524,431</u>	<u>3,240</u>	<u>472,579</u>	<u>—</u>	<u>48,612</u>

<sup>1</sup> Investments reported at NAV as a practical expedient estimate of fair value at December 31, 2022

The fair value levels and valuation methodology are consistent with those disclosed in Note 6.

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The determination of the fair value level within which the entire fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The System's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets or liabilities.

**(9) Long-Term Debt**

Long-term debt at December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Long-term debt:		
Economic Development Authority of the City of Newport News, Virginia, Health System Revenue Bonds Series 2015A	\$ 100,000	100,000
Economic Development Authority of the City of Newport News, Virginia, Health System Revenue Bonds Series 2015B	19,000	21,000
Industrial Development Authority of the City of Newport News, Virginia, Health System Series 2017A	50,000	50,000
Economic Development Authority of the City of Newport News, Virginia, Health System Revenue Bond Series 2017B	40,488	44,364
2020 TowneBank Loan Agreement	55,160	56,645
2021 Taxable Series Bond	241,950	245,510
Economic Development Authority of Isle of Wight County, Virginia, Health System Revenue Bonds Series 2023	257,760	—
	<u>764,358</u>	<u>517,519</u>
Plus unamortized premium based on imputed interest rate of 3.38%	15,053	1,098
Less unamortized debt issuance costs	(5,515)	(3,020)
Less current portion of long-term debt	<u>(11,197)</u>	<u>(10,922)</u>
Total long-term debt	<u>\$ 762,699</u>	<u>504,675</u>

**(a) Long-Term Debt**

The Economic Development Authority of the City of Newport News, Virginia, Health System Revenue Bonds Series 2015A and Series 2015B were issued on July 22, 2015 for \$100,000 and \$25,000, respectively. The interest rates were fixed at 5.33% and 3.09%, respectively, with maturities through July 1, 2045 and July 1, 2030, respectively.

The Industrial Development Authority of the City of Newport News, Virginia, Health System Series 2017A tax-exempt bonds were issued on August 18, 2017 for \$50,000. The interest rate was fixed at 5.00%, with maturities through July 1, 2046.

The Economic Development Authority of the City of Newport News, Virginia, Health System Refunding Revenue Bonds Series 2017B were issued on September 7, 2017. The 2017B bonds were issued for \$68,555 with a variable rate ranging from 4.47% to 5.39% during 2023, with maturities through July 1, 2037.

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On February 27, 2020, the System entered into a \$60,000 taxable loan agreement. The interest rate on the loan is fixed at 2.21%, with maturities through July 1, 2050.

On November 9, 2021, the System issued \$246,510 in taxable bonds (Series 2021). The interest rate on the debt was fixed at 3.31%, with maturities through July 1, 2051. A portion of the proceeds from the 2021 Series was used to refund both the Series 2012 Revenue Bonds and the 2017 taxable loan that had \$64,335 and \$50,000 of principal outstanding, respectively.

On December 13, 2023, the Economic Development Authority of Isle of Wight County, Virginia, Health System Revenue Bonds Series 2023 were issued for \$257,760. The interest rate was fixed at 5.00%, with maturities through July 1, 2053.

Scheduled maturities of long-term debt, as described above, are as follows:

2024	\$	11,197
2025		11,477
2026		15,052
2027		15,312
2028		15,807
Thereafter		<u>695,513</u>
Total	\$	<u><u>764,358</u></u>

**(b) Line of Credit**

The System has a revolving line of credit with Wells Fargo Bank, National Association for the purpose of financing the System's general short-term working capital needs with an annual maturity date in September. As of December 31, 2022, the line of credit available balance was \$50,000. On September 21, 2023, the line of credit was renewed with a maturity date of September 19, 2024, and was increased to \$75,000. The System has drawn \$0 against the line of credit as of December 31, 2023 and 2022. The interest rate at December 31, 2023 and 2022 was 6.14% and 5.05%, respectively.

**(c) Debt Covenants**

The System is subject to a debt service coverage ratio, days cash on hand requirements, and credit ratio of unrestricted cash and investments to the outstanding principal amount and certain restrictions and limitations with respect to the incurrence of indebtedness, consolidation and merger, transfer of assets, and addition and withdrawal of entities to or from the System. Management believes the System was in compliance with its debt covenants for the years ended December 31, 2023 and 2022.

**(10) Derivatives**

In 2008, the System entered into an interest rate swap agreement with Deutsche Bank with a notional amount of \$63,730 to hedge against interest rate risk related to the Series 2004 variable rate bonds. In 2011, the Series 2004 bonds were refinanced with the Series 2011C bonds. In 2017, the Series 2011C bonds were refinanced with the 2017B bonds, and there was no change in the maturity date from July 1,



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2037. In 2024, the System entered into an agreement with Deutsche Bank to terminate the interest rate swap contract, and paid \$2,161 in cash on March 15, 2024 to pay off the contract.

The following summarizes the general terms for the System's interest rate swap agreement:

Notional amount – Original	\$	63,730
Notional amount – Current		38,480
Trade date		10/3/2008
Effective date		10/3/2008
Termination date		7/1/2037
Fixed rate		3.53 %
Fair value at December 31, 2021	\$	(8,690)
Change in fair value		<u>5,927</u>
Fair value at December 31, 2022		(2,763)
Change in fair value		<u>95</u>
Fair value at December 31, 2023	\$	<u><u>(2,668)</u></u>

This change has been included as a separate change in net assets in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

**(11) Functional Expenses**

The System provides general healthcare services to residents within its geographical location. Expenses related to providing these services are as follows:

	<b>Patient-related healthcare services</b>	<b>General and administrative services</b>	<b>Education, fundraising, and other services</b>	<b>Total</b>
For the year ended				
December 31, 2023:				
Salaries and benefits	\$ 775,739	164,087	34,305	974,131
Services and other	300,237	51,897	3,881	356,015
Supplies	368,026	3,466	891	372,383
Depreciation and amortization	91,947	8,251	938	101,136
Interest	17,257	2,660	448	20,365
Total	<u>\$ 1,553,206</u>	<u>230,361</u>	<u>40,463</u>	<u>1,824,030</u>

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	<b>Patient-related healthcare services</b>	<b>General and administrative services</b>	<b>Education, fundraising, and other services</b>	<b>Total</b>
For the year ended				
December 31, 2022:				
Salaries and benefits	\$ 691,239	153,684	31,753	876,676
Services and other	283,865	48,911	3,439	336,215
Supplies	313,892	4,189	842	318,923
Depreciation and amortization	89,025	6,923	817	96,765
Interest	13,928	2,160	371	16,459
Total	\$ 1,391,949	215,867	37,222	1,645,038

The System has expenses relating to functional classifications of patient-related healthcare services, general and administrative services, and education, fundraising, and other services. The accompanying consolidated statements of operations and changes in net assets without donor restrictions reports certain natural expense classifications that are attributed to these functional classifications. Natural expenses attributed to more than one functional expense classification are allocated based on the ratio of the individual functional classification's expense to total expense prior to allocation. In 2023 and 2022, approximately \$114,246 and \$68,891 in expenses were allocated based on the ratio of total expenses by category.

**(12) Lease Commitments**

The System leases property and equipment under both operating and finance leases. Leases with terms greater than 12 months are recorded with the related right-of-use assets and right-of-use obligations at the present value of the lease payments over the term, on the accompanying consolidated balance sheets. The Systems uses US Treasury risk-free rate of return as the discount rate, as most leases do not provide a readily determinable implicit interest rate. Leases that include rental escalation clauses and renewal options are factored into the determination of the lease payments where appropriate.

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The following table represents the System's lease-related assets and liabilities as of December 31, 2023 and 2022:

	<u>Balance sheet classification</u>	<u>2023</u>	<u>2022</u>
<b>Assets:</b>			
Operating leases	Right-of-use assets	\$ 112,216	125,678
Finance leases	Land, buildings, and equipment, net	52,512	56,497
Total lease assets		<u>\$ 164,728</u>	<u>182,175</u>
<b>Liabilities:</b>			
<b>Current:</b>			
Operating leases	Other current liabilities	\$ 18,548	20,208
Finance leases	Current portion of long-term debt and obligations under finance leases	15,131	13,876
<b>Non-current:</b>			
Operating leases	Other liabilities	107,015	120,760
Finance leases	Obligations under finance leases, less current portion	58,644	64,536
Total lease liabilities		<u>\$ 199,338</u>	<u>219,380</u>
	Weighted average remaining term – operating leases	8.2 years	8.8 years
	Weighted average remaining term – finance leases	6.7 years	7.3 years
	Weighted average discount rate – operating leases	1.9 %	1.7 %
	Weighted average discount rate – finance leases	1.9 %	1.6 %

The following table represents certain information related to lease expenses for finance and operating leases for the years ended December 31, 2023 and 2022. All expenses related to operating leases and short-term and variable lease expense are including in services and other expenses.

	<u>2023</u>	<u>2022</u>
<b>Finance lease expense:</b>		
Amortization of leased assets	\$ 13,714	12,628
Interest on lease liabilities	1,341	1,239
Operating lease expense	22,846	21,509
Short term lease expense	1,466	2,178
Variable lease expense	3,139	1,066
Sublease income	(127)	(908)
Total expenses	<u>\$ 42,379</u>	<u>37,712</u>

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The following table represents supplemental cash flow information for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of liabilities:		
Operating cash flows from operating leases	\$ 22,856	20,896
Operating cash flows from finance leases (interest)	1,279	1,137
Financing cash flow from finance leases (principal)	14,338	13,258

The following table reconciles the undiscounted cash flows to the finance lease liabilities and operating lease liabilities recorded on the accompanying consolidated balance sheet at December 31, 2023:

	<u>Operating leases</u>	<u>Finance leases</u>
2024	\$ 20,687	16,385
2025	19,265	15,405
2026	16,823	8,234
2027	13,651	6,394
2028	11,994	6,071
Thereafter	<u>53,010</u>	<u>26,586</u>
Total undiscounted minimum lease payments	135,430	79,075
Less present value discount	<u>(9,867)</u>	<u>(5,300)</u>
Present value of future minimum lease payments	125,563	73,775
Less current obligations under leases	<u>(18,548)</u>	<u>(15,131)</u>
Non-current lease obligations	\$ <u><u>107,015</u></u>	<u><u>58,644</u></u>

**(13) Liquidity and Availability**

The System has financial assets available within one year of the balance sheet date for general expenditures as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 41,399	37,182
Accounts receivable	199,826	180,542
Due from third-party payors	128,006	85,565
Other receivables	<u>43,445</u>	<u>12,606</u>
	\$ <u><u>412,676</u></u>	<u><u>315,895</u></u>

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The System has a requirement from bond holders to maintain financial assets, which consist of cash and short-term investments, on hand to meet a minimum of 90 days of normal operating expenses. As more fully described in Note 9, the System also has a line of credit totaling \$75,000, which is drawn upon daily to meet operational needs. The amount drawn at December 31, 2023 and 2022 was \$0. The System invests excess cash in short-term investments that are readily available (next day). Investments available to be used to meet normal operating expenses at December 31, 2023 and 2022 were \$525,201 and \$522,862, respectively.

The System has future construction commitments totaling approximately \$325,500. The major projects included in this commitment that are funded by bond proceeds total \$261,800. This includes the construction of a hospital and medical office building in Smithfield totaling \$231,400, infrastructure upgrades at Riverside Shore Memorial Hospital totaling \$10,100, the construction of a medical office building and an expansion of the operating room at Riverside Doctors' Hospital Williamsburg, totaling \$8,900 and \$4,400, respectively. The proceeds are also being used for expansions at the Gloucester Cancer Center and Patriots Colony, totaling approximately \$5,100 and \$1,900 respectively.

The remaining construction commitments of \$63,700 are not designated to be funded by bond proceeds. These commitments include large projects at Riverside Regional Medical Center and Riverside Walter Reed Hospital, significant upgrades to RMG practices and Radiation Oncology Cancer Center in Newport News, and various other projects throughout the System.

**(14) Net Assets**

The composition of net assets at December 31 is presented as follows:

	<u>2023</u>	<u>2022</u>
Without donor restrictions:		
Hospital and physician operations	\$ 838,886	713,004
Lifelong health operations	198,224	189,766
Noncontrolling interest	124	113
Total without donor restrictions	<u>\$ 1,037,234</u>	<u>902,883</u>
With donor restrictions:		
Purpose-restricted donor contributions:		
Capital expenditures	\$ 9,138	8,125
Patient support	11,514	10,372
Other	3,710	6,135
Perpetual in nature donor contributions	3,464	2,856
Total with donor restrictions	<u>\$ 27,826</u>	<u>27,488</u>



**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

**Notes to Consolidated Financial Statements**

December 31, 2023 and 2022

**(15) Insurance Coverage**

*Professional Liability*

As of December 31, 2023 and 2022, the System maintains professional liability insurance coverage of \$32,550 and \$2,500, respectively, per occurrence and \$46,600 and \$16,000, respectively, annual aggregate with a wholly owned captive insurance company, MedInsur. During 2023, the System changed insurance structures from umbrella coverage to reinsurance coverage. In addition, the System has obtained additional coverage from a commercial insurance company totaling \$30,000 for excess reinsurance coverage.

The System's professional liability insurance coverage is on a claims-made basis. The System accrues for the estimated ultimate cost of uninsured and self-insured asserted and unasserted malpractice claims when incidents occur. As of December 31, 2023 and 2022, the System had accrued approximately \$31,200 and \$25,400, respectively, for claims associated with MedInsur. These claims are recorded in other liabilities on the accompanying consolidated balance sheets.

The estimated liability for professional liability claims will be significantly affected if current and future claims differ from historical trends. Management monitors reported claims closely and considers potential outcomes that are estimated by actuaries. Adequate provisions have been made related to the risks in determining the professional liability accrual.

*Workers' Compensation*

The System is responsible for workers' compensation claims of up to \$300 per loss event and an aggregate deductible of \$8,000 per year. The System is fully insured for claims occurring prior to January 1, 1994. The System has accrued for the estimated ultimate cost of reported and incurred but not reported claims as of December 31, 2023 and 2022. As of December 31, 2023 and 2022, the System had accrued approximately \$5,000 and \$4,600, respectively. These claims are recorded in other liabilities on the accompanying consolidated balance sheets.

**(16) Related-Party Transactions**

During 2023 and 2022, the System made payments for professional services of approximately \$27,700 and \$24,200, respectively, to entities that are affiliated with a member of the System's Board of Directors.

As disclosed in Note 9, on February 27, 2020, the System entered into a \$60,000 taxable loan agreement with TowneBank. The interest rate on the loan is fixed at 2.21%, with maturities through July 1, 2050. As of December 31, 2023 and 2022, one member of the System's Board of Directors was affiliated with the lender.

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**

d/b/a Riverside Health System

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

**(17) Concentration of Credit Risk**

The System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31 is as follows:

	<b>2023</b>	<b>2022</b>
Medicare (including Medicare Advantage)	42 %	40 %
Medicaid (including Medicaid HMO)	18	18
Blue Cross (including Blue Cross HMO)	15	14
Commercial and other insured	22	23
Self-pay	3	5
	<u>100 %</u>	<u>100 %</u>

**(18) Riverside Integrated Services, Inc.**

In June 2023, Riverside Integrated Services, Inc. (the Parent) was formed as a non-stock, tax-exempt organization created with the same management, Board of Directors, and mission as the System. The formation of an entity under common control prevented the need for acquisition accounting by the Parent. At its formation, the Parent had sole membership interest in the System. In July 2023, the System sold 5% membership interest to UVAMC for \$55,000 in consideration, including \$33,000 in cash and \$22,000 of in-kind contributions. Of the \$22,000 in-kind contributions, \$16,310 was recorded as intangible assets and \$5,690 was recorded as other assets, all within the other assets caption on the accompanying consolidated balance sheet.

The Parent maintained control of the System through majority voting interest and representation on the Board of Directors of the System.

**(19) Subsequent Events**

The System has evaluated events through March 29, 2024, which is the date the consolidated financial statements were issued, and determined that there are no other items to disclose.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES  
d/b/a Riverside Health System

Consolidating Balance Sheet with Lifelong Health Divisional Detail

December 31, 2023

(In thousands)

Assets	Riverside Retirement Services, Inc.								Other entities						Total Riverside Health System
	Warwick Forest	Choose Home	Center for Excellence in Aging and Lifelong Health	At Home Partners	Investment in Riverside Retirement Services Subsidiaries	Other Divisions	Riverside Retirement Services Eliminations	Consolidated Riverside Retirement Services, Inc.	Sanders Common, Ltd.	Francis N. Sanders Nursing Home, Inc.	Patriots Colony, Inc.	Riverside Advantage Inc.	All Other Riverside Health System	Eliminations	
Current assets:															
Cash and cash equivalents	\$ 396	66	76	646	—	—	—	1,184	—	(174)	64	—	40,325	—	41,399
Accounts receivable	210	(280)	(3)	—	—	—	—	(73)	64	452	953	—	198,420	—	199,826
Due from affiliates	(13,825)	1,157	(338)	19	(8)	375	—	(12,852)	(1,238)	(16,852)	19,433	(3,197)	12,313	2,169	—
Due from third-party payors	221	—	—	—	—	—	—	221	(1)	48	3	—	127,735	—	128,006
Other receivables	2,114	5	71	—	96	—	(502)	1,784	—	1	2,212	—	40,448	(1,000)	43,445
Other current assets	41	11	—	—	—	—	—	52	—	6	36	—	67,952	—	68,046
Total current assets	(10,843)	959	(194)	665	88	375	(502)	(9,452)	(1,173)	(16,519)	22,701	(3,197)	487,193	1,169	480,722
Investments	24,738	486	—	—	—	—	—	25,224	—	—	70,510	—	458,179	—	553,913
Investments – bond proceeds	—	—	—	—	—	—	—	—	—	—	—	—	253,557	—	253,557
Land, buildings, and equipment, net	21,823	14	235	—	—	—	—	22,072	1,473	8,214	47,973	—	938,112	—	1,017,844
Right-of-use assets	1	86	91	—	—	—	—	178	—	—	3	—	112,035	—	112,216
Other assets	—	—	—	—	—	—	—	—	—	—	—	—	125,051	—	125,051
Total assets	\$ 35,719	1,545	132	665	88	375	(502)	38,022	300	(8,305)	141,187	(3,197)	2,374,127	1,169	2,543,303
<b>Liabilities and Net Assets</b>															
Current liabilities:															
Accounts payable	\$ 1,147	2	90	35	—	375	—	1,649	101	9	612	—	76,061	—	78,432
Accrued liabilities	390	2	—	12	—	—	—	404	103	187	2,164	—	119,729	—	122,587
Current portion of long-term debt and obligations under finance leases	—	—	—	—	—	—	—	—	—	—	—	—	26,328	—	26,328
Current portion due to third-party payors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other current liabilities	1,385	35	80	—	—	—	—	1,500	108	33	4,564	—	40,634	2,169	49,008
Total current liabilities	2,922	39	170	47	—	375	—	3,553	312	228	7,340	—	262,752	2,169	276,355
Deferred revenue	18,191	2,344	—	—	—	—	—	20,535	2	7	44,518	—	726	—	65,788
Long-term debt, less current portion	—	—	—	—	—	—	—	—	—	—	—	—	762,689	—	762,689
Obligations under finance leases, less current portion	—	—	—	—	—	—	—	—	—	—	—	—	58,644	—	58,644
Pension and postretirement obligations	—	—	—	—	—	—	—	—	—	—	—	—	93,267	—	93,267
Other liabilities	—	68	7	—	—	—	—	63	—	10	2	—	221,415	—	221,490
Total liabilities	21,113	2,439	177	47	—	375	—	24,151	314	246	51,860	—	1,399,503	2,169	1,478,243
Net assets:															
Without donor restrictions	14,228	(894)	(45)	618	88	—	(502)	13,493	(14)	(8,551)	89,327	(3,197)	941,052	(1,000)	1,031,110
Noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	124	—	124
Total without donor restrictions	14,228	(894)	(45)	618	88	—	(502)	13,493	(14)	(8,551)	89,327	(3,197)	941,176	(1,000)	1,031,234
With donor restrictions	378	—	—	—	—	—	—	378	—	—	—	—	27,448	—	27,826
Total net assets	14,606	(894)	(45)	618	88	—	(502)	13,871	(14)	(8,551)	89,327	(3,197)	968,624	(1,000)	1,058,060
Total liabilities and net assets	\$ 35,719	1,545	132	665	88	375	(502)	38,022	300	(8,305)	141,187	(3,197)	2,368,127	1,169	2,537,303

See accompanying independent auditors' report

**RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES**  
d/b/a Riverside Health System

Consolidating Balance Sheet with Lifelong Health Divisional Detail

December 31, 2022

(In thousands)

Assets	Riverside Retirement Services, Inc.								Other entities						Total Riverside Health System
	Warwick Forest	Choose Home	Center for Excellence in Aging and Lifelong Health	At Home Partners	Investment in Riverside Retirement Services Subsidiaries	Other Divisions	Riverside Retirement Services Eliminations	Consolidated Riverside Retirement Services, Inc.	Sanders Common, Ltd.	Francis N. Sanders Nursing Home, Inc.	Patriots Colony, Inc.	Riverside Advantage Inc.	All Other Riverside Health System	Eliminations	
Current assets:															
Cash and cash equivalents	\$ 135	129	7	646	—	—	—	917	2,708	(2,748)	(86)	—	36,390	—	37,182
Accounts receivable	9	(364)	(3)	—	—	—	—	(358)	96	556	924	—	179,324	—	180,542
Due from affiliates	(15,006)	1,235	(4,428)	(103)	(4)	80	—	(18,226)	(3,534)	(14,603)	11,541	(2,576)	9,336	18,062	—
Due from third-party payors	228	—	—	—	—	—	—	228	(1)	48	3	—	85,287	—	85,565
Other receivables	1,355	48	64	—	53	—	(459)	1,081	—	2	2,909	—	9,834	(1,000)	12,606
Other current assets	27	14	—	—	—	—	—	41	—	11	40	—	59,715	—	59,807
Total current assets	(13,252)	1,062	(4,360)	543	49	80	(459)	(18,337)	(730)	(16,734)	15,331	(2,576)	379,688	17,062	375,702
Investments	22,389	470	—	—	—	—	—	22,859	—	—	87,509	2,065	479,759	—	572,193
Land, buildings, and equipment, net	22,901	17	18	—	—	—	—	22,936	1,545	8,443	49,105	—	882,064	—	964,094
Right-of-use assets	1	—	168	—	—	—	—	169	—	—	4	—	125,505	—	125,678
Other assets	—	—	—	—	—	—	—	—	—	—	—	—	91,019	—	91,019
Total assets	\$ 32,039	1,549	(4,174)	543	49	80	(459)	29,627	815	(8,291)	131,950	(510)	1,958,033	17,062	2,128,686
<b>Liabilities and Net Assets</b>															
Current liabilities:															
Accounts payable	\$ 1,186	—	7	17	—	80	—	1,290	101	308	750	40	53,970	—	56,459
Accrued liabilities	(1,257)	(3)	—	(38)	—	—	—	(1,298)	79	(988)	(512)	—	106,800	—	103,881
Current portion of long-term debt and obligations under finance leases	—	—	—	—	—	—	—	—	—	—	—	—	24,798	—	24,798
Current portion due to third-party payors	—	—	—	—	—	—	—	—	(54)	54	—	—	—	—	—
Other current liabilities	1,277	5	79	—	—	—	—	1,361	73	31	4,929	—	37,435	18,062	61,891
Total current liabilities	1,206	2	86	(21)	—	80	—	1,353	199	(595)	5,167	40	222,803	18,062	247,029
Deferred revenue	18,299	2,376	—	—	—	—	—	20,875	2	7	42,557	—	1,549	—	64,790
Long-term debt, less current portion	—	—	—	—	—	—	—	—	—	—	—	—	504,675	—	504,675
Obligations under finance leases, less current portion	—	—	—	—	—	—	—	—	—	—	—	—	64,538	—	64,538
Pension and postretirement obligations	—	—	—	—	—	—	—	—	—	—	—	—	100,869	—	100,869
Other liabilities	1	—	87	—	—	—	—	88	—	10	3	—	216,315	—	216,416
Total liabilities	19,506	2,378	173	(21)	—	80	—	22,116	201	(578)	47,727	40	1,110,747	18,062	1,198,315
Net assets:															
Without donor restrictions	12,180	(829)	(4,347)	564	49	—	(459)	7,158	614	(7,713)	84,223	(550)	820,038	(1,000)	902,770
Noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	113	—	113
Total without donor restrictions	12,180	(829)	(4,347)	564	49	—	(459)	7,158	614	(7,713)	84,223	(550)	820,151	(1,000)	902,863
With donor restrictions	353	—	—	—	—	—	—	353	—	—	—	—	27,135	—	27,488
Total net assets	12,533	(829)	(4,347)	564	49	—	(459)	7,511	614	(7,713)	84,223	(550)	847,286	(1,000)	930,371
Total liabilities and net assets	\$ 32,039	1,549	(4,174)	543	49	80	(459)	29,627	815	(8,291)	131,950	(510)	1,958,033	17,062	2,128,686

See accompanying independent auditors' report.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES  
d/b/a Riverside Health System  
Consolidating Statement of Operations with Lifelong Health Divisional Detail  
Year ended December 31, 2023  
(In thousands)

	Riverside Retirement Services, Inc.							Other entities							
	Warwick Forest	Choose Home	Center for Excellence in Aging and Lifelong Health	At Home Partners	Investment in Riverside Retirement Services Subsidiaries	Other Divisions	Riverside Retirement Services Eliminations	Consolidated Riverside Retirement Services, Inc.	Sanders Common, Ltd.	Francis N. Sanders Nursing Home, Inc.	Patriots Colony, Inc.	Riverside Advantage Inc.	All Other Riverside Health System	Eliminations	Total Riverside Health System
Operating revenues, gains, and other support without donor restrictions:															
Patient service revenue	\$ —	—	—	—	—	—	—	—	—	—	—	—	1,596,220	(31)	1,596,189
Long-term care revenue	7,785	1	—	—	—	—	—	7,786	2,231	7,106	13,408	—	48,327	(20)	78,838
Other operating revenues	9,828	1,915	5,706	1,656	43	—	(1,713)	17,438	22	763	19,697	—	151,999	(16,462)	173,457
Net assets released from restrictions for operations	—	—	—	—	—	—	—	—	—	—	—	—	1,491	—	1,491
Total operating revenues, gains, and other support	17,613	1,916	5,706	1,659	43	—	(1,713)	25,224	2,253	7,869	33,105	—	1,798,037	(16,513)	1,849,975
Operating expenses:															
Salaries and benefits	6,056	76	863	388	—	—	—	9,383	1,544	4,538	12,009	—	951,356	(4,699)	974,131
Services and other	4,890	1,910	504	1,215	3	—	(1,869)	6,943	1,267	1,986	10,790	—	345,711	(10,652)	356,015
Supplies	1,882	8	35	1	1	—	—	1,727	(2)	869	2,817	—	366,979	(7)	372,383
Depreciation and amortization	3,164	3	3	—	—	—	—	3,170	72	734	4,820	—	92,344	(4)	101,136
Interest	—	—	—	—	—	—	—	—	—	579	542	—	20,365	(1,121)	20,365
Total operating expenses	17,882	1,987	1,405	1,604	4	—	(1,669)	21,223	2,881	8,706	30,978	—	1,776,755	(16,513)	1,824,030
Net operating income (loss)	(269)	(81)	4,301	55	39	—	(44)	4,001	(628)	(837)	2,127	—	21,282	—	25,945
Nonoperating gains and (losses), net:															
Investment gains (losses), net	2,315	18	—	—	—	—	—	2,331	—	—	2,975	(2,647)	46,857	—	49,516
Pension and postretirement costs	—	—	—	—	—	—	—	—	—	—	—	—	(150)	—	(150)
Total nonoperating gains (losses), net	2,315	18	—	—	—	—	—	2,331	—	—	2,975	(2,647)	46,707	—	49,366
Excess (deficiency) of revenues, gains, and other support over expenses and losses before noncontrolling interest	2,046	(65)	4,301	55	39	—	(44)	6,332	(628)	(837)	5,102	(2,647)	67,989	—	75,311
Noncontrolling interest	—	—	—	—	—	—	(11)	(11)	—	—	—	—	—	—	(11)
Excess (deficiency) of revenues, gains, and other support over expenses and losses attributable to Riverside Health System	\$ 2,046	(65)	4,301	55	39	—	(55)	6,321	(628)	(837)	5,102	(2,647)	67,989	—	75,300

See accompanying independent auditors' report.



RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES  
d/b/a Riverside Health System  
Consolidating Statement of Operations with Lifelong Health Divisional Detail  
Year ended December 31, 2022  
(In thousands)

	Riverside Retirement Services, Inc.							Other entities							Total Riverside Health System
	Warwick Forest	Choose Home	Center for Excellence in Aging and Lifelong Health	At Home Partners	Investment in Riverside Retirement Services Subsidiaries	Other Divisions	Riverside Retirement Services Eliminations	Consolidated Riverside Retirement Services, Inc.	Sanders Common, Ltd.	Francis N. Sanders Nursing Home, Inc.	Patriots Colony, Inc.	Riverside Advantage Inc.	All Other Riverside Health System	Eliminations	
Operating revenues, gains, and other support without donor restrictions:															
Patient service revenue	\$ —	—	—	—	—	—	—	—	—	—	—	—	1,444,917	(29)	1,444,888
Long-term care revenue	7,099	13	—	—	—	—	—	7,112	2,049	7,089	12,164	—	42,982	—	71,396
Other operating revenues	9,615	1,649	440	1,285	47	—	(1,401)	11,635	183	560	17,865	—	140,286	(14,488)	156,021
Net assets released from restrictions for operations	—	—	—	—	—	—	—	—	—	—	—	—	743	—	743
Total operating revenues, gains, and other support	16,714	1,662	440	1,285	47	—	(1,401)	19,747	2,232	7,649	30,029	—	1,628,908	(14,517)	1,673,048
Operating expenses:															
Salaries and benefits	7,686	74	686	319	—	—	—	8,775	1,366	4,211	11,209	—	855,208	(4,093)	876,676
Services and other	4,999	1,514	309	917	3	—	(1,354)	6,358	1,151	2,020	10,219	(1,183)	327,268	(9,618)	336,215
Supplies	1,497	24	13	—	—	—	—	1,534	37	893	2,665	—	313,800	(6)	318,923
Depreciation and amortization	3,310	2	3	—	—	—	—	3,315	78	780	4,410	—	88,185	(3)	96,765
Interest	—	—	—	—	—	—	—	—	—	545	251	—	18,460	(797)	18,459
Total operating expenses	17,462	1,614	1,021	1,236	3	—	(1,354)	19,982	2,632	8,449	28,754	(1,183)	1,600,821	(14,517)	1,645,036
Net operating income (loss)	(748)	48	(581)	49	44	—	(47)	(1,235)	(400)	(800)	1,275	1,183	27,987	—	28,010
Nonoperating gains and (losses), net:															
Investment gains (losses), net	(3,598)	(77)	—	—	—	—	—	(3,675)	—	—	(11,019)	(550)	(83,022)	—	(98,266)
Pension and postretirement benefit	—	—	—	—	—	—	—	—	—	—	—	—	7,986	—	7,986
Total nonoperating gains (losses), net	(3,598)	(77)	—	—	—	—	—	(3,675)	—	—	(11,019)	(550)	(75,036)	—	(90,280)
Excess (deficiency) of revenues, gains, and other support over expenses and losses before noncontrolling interest	(4,346)	(29)	(581)	49	44	—	(47)	(4,910)	(400)	(800)	(9,744)	633	(47,049)	—	(62,270)
Noncontrolling interest	—	—	—	—	—	—	(10)	(10)	—	—	—	—	—	—	(10)
Excess (deficiency) of revenues, gains, and other support over expenses and losses attributable to Riverside Health System	\$ (4,346)	(29)	(581)	49	44	—	(57)	(4,920)	(400)	(800)	(9,744)	633	(47,049)	—	(62,280)

See accompanying independent auditors' report.

