

**FILED**  
Commonwealth of Virginia  
State Corporation Commission  
Bureau of Insurance  
June 26, 2024  
Commissioner of Insurance  
BY: Young Jones

# **KING'S GRANT**

## **CONTINUING CARE PROVIDER DISCLOSURE STATEMENT**

**APRIL 30, 2024**

### **NOTICE**

This Disclosure Statement is provided in accordance with Title 38.2, Chapter 49 of the Code of Virginia. However, the filing thereof with the State Corporation Commission does not constitute approval, recommendation or endorsement of Sunnyside Presbyterian Home by the State Corporation Commission.

## CONTINUING CARE PROVIDER

Sunnyside Presbyterian Home (“Sunnyside Communities” or the “Company”), doing business as King’s Grant in Henry County, Virginia, is a continuing care retirement community (“CCRC”), also referred to as a life plan community and is incorporated as a non-stock corporation under the laws of the Commonwealth of Virginia. The business address of the Corporation is 600 University Boulevard, Suite L, Harrisonburg, Virginia 22801. The business address of the King’s Grant facility is 350 King’s Way Road, Martinsville, Virginia 24112. Sunnyside Communities owns and operates three campuses — Sunnyside, King’s Grant and Summit Square.

The Registered Agent of the Company is Quinton B. Callahan, Esquire, Clark and Bradshaw, P.C., P.O. Box 71, Harrisonburg, Virginia 22801.

## OFFICERS, DIRECTORS, TRUSTEES, MANAGING AND GENERAL PARTNERS, AND CERTAIN PERSONS WHO HOLD EQUITY OR BENEFICIAL INTERESTS

Sunnyside Presbyterian Home is a non-stock, Not-for-profit Corporation governed by a 9-18 member Board of Trustees that elects replacement members and corporate officers.

Current Officers of Sunnyside Presbyterian Home, Inc. are as follows:

The Honorable James J. Rowe, Chair  
205 Church Street  
Lewisburg, WV 24901

Mr. Michael W. Pugh, Vice Chair  
2040 Airport Road  
Bridgewater, VA 22812

Mr. Joshua O. Lyons, President & CEO  
600 University Blvd., Suite L  
Harrisonburg, VA 22801

Mr. Kenneth R. Boward, CFO, Treasurer  
600 University Blvd., Suite L  
Harrisonburg, VA 22801

Mr. Edmund P. Price, Secretary  
1272 Cumberland Drive  
Rockingham, VA 22801

Mrs. Lisa W. Kanney, Assistant Secretary  
600 University Blvd., Suite L  
Harrisonburg, VA 22801

Current members of the Board of Trustees are as follows:

The Honorable James J. Rowe  
205 Church Street  
Lewisburg, WV 24901

Mr. Michael W. Pugh  
2040 Airport Road  
Bridgewater, VA 22812

Dr. April Temple  
311 Baldwin Drive  
Staunton, VA 24401

Dr. Daphyne S. Thomas  
1112 Sharpes Drive  
Harrisonburg, VA 22801

Mr. James Krauss  
2491 Massanetta Springs Road  
Rockingham, VA 22801

Mr. Jeffrey G. Lenhart  
141 Elgin Court  
Rockingham, VA 22801

Mr. Edmund P. Price  
1272 Cumberland Drive  
Rockingham, VA 22801

Mr. Jerry Sheets  
4080 Lee Highway  
Weyers Cave, VA 24486

Mr. David W. Garland, CPA  
310 Jefferson Davis Drive  
Martinsville, VA 24112

Directors, Managing and General Partners, and Certain Persons who hold equity or beneficial interests are as follows: *None*

**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 BENEFICIAL INTERESTS; AND THE MANAGEMENT**

- A. The Company has operated Sunnyside in Rockingham County, Virginia since 1955, King's Grant in Henry County, Virginia since 1993, and Summit Square in Waynesboro since 1998. Following is a list of the business experience of the current corporate officers and managers who are responsible for the operation of King's Grant:

**James J. Rowe, Chairman**, attended Hampden-Sydney College, received a B.A. degree from West Virginia University in 1972, and a J.D. from George Mason University in 1977. Since 1997, he has served as Circuit Court Judge, 11<sup>th</sup> judicial circuit, Greenbrier and Pocahontas Counties. Judge Rowe has served on Sunnyside's Board of Trustees since 1993. He became Chairman of the Corporate Board effective January 2004.

**Joshua O. Lyons, President & CEO**, received his Bachelor's degree in health services from James Madison University in 2000 and his Master's degree in managing of aging services from the University of Maryland Baltimore County. Mr. Lyons is a licensed nursing home administrator. Mr. Lyons joined the company in 2014 as executive director of the Sunnyside campus and became president & CEO in March of 2020. He has over 20 years in the senior living industry.

**Kenneth R. Boward, Treasurer & Chief Financial Officer**, received his Bachelor's degree in accounting from VA Tech in 1986 and became a CPA in 1988. He joined the company in 2013 after a 25-year career in accounting and finance in various leadership roles with three different public companies and the accounting firm of PriceWaterhouse.

**James Souter, Executive Director**, a graduate of Georgia Southern University's College of Business, he received his bachelor of business administration in finance and management. James became executive director in June 2020 as an experienced senior living professional. Prior to coming to King's Grant, Mr. Souter was administrator and associate executive director at Searstone Retirement Community, a life plan community in Cary, N.C.

- B. No Corporate Officer, Trustee, or Provider owns a ten percent or greater direct or indirect interest in any firm, foundation, trust, partnership, corporation, or other business entity in which it is presently intended will or may provide goods, leases or services to the Corporation of a value of \$500 or more.
- C. Sunnyside Communities, nor any of its Officers, Trustees, or Managers:
1. Have been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action involving fraud, embezzlement, fraudulent conversion or misappropriation of property; or
  2. Are 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. Are currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of assets.

## **OWNERSHIP OF REAL PROPERTY**

Sunnyside Communities owns in fee simple the entire 120-acre King's Grant campus on which it operates a continuing care facility along with all buildings and other improvements located thereon. See Note 6 of the 2023 Financial Statements for details relative to the mortgage on said property.

## **LOCATION AND DESCRIPTION OF REAL PROPERTY**

The real property consists of approximately 120 acres located along and to the west of Virginia Route 174 in Henry County just north of Martinsville. The continuing care facility consists of a main complex that contains 58 independent living apartments (24 apartments in the Stone Cross East self-sufficient living building and 33 apartments in the Stone Cross West residential living building), a 30-bed assisted living unit, 14-bed memory care unit, and a 32-bed health care center; a central dining facility, and common and administrative areas. 63 cottages and 21 apartments (duplex and triplex units) are located around the main complex.

## **AFFILIATION WITH RELIGIOUS, CHARITABLE OR OTHER NONPROFIT ORGANIZATIONS: TAX STATUS OF PROVIDER**

The Corporation is exempt from Federal and Virginia income taxes under Section 501(c)(3) of the Internal Revenue Code.

## **SERVICES PROVIDED UNDER CONTINUING CARE CONTRACTS**

The services to be provided by Sunnyside Communities are set forth in Sections 2 and 3 of the King's Grant Occupancy Agreements (continuing care contracts) which are annexed to this disclosure statement as Exhibits A and B.

Health care services to be provided are as follows:

### **Outpatient Services.**

King's Grant provides a clinic where the resident may be examined and treated as an outpatient. King's Grant has arranged for a physician to be available from time to time in the clinic. The resident may, however, engage the services of a physician who may also use the facilities of the clinic subject to the rules and regulations of King's Grant. King's Grant does not provide or supervise physician services. Any physician engaged to provide services for a resident is not an employee or agent of the facility.

King's Grant may also arrange for the services of a physical therapist, a dentist, and other health professionals, as it deems necessary. The resident is responsible for payment of charges by these health professionals.

### **Inpatient Services.**

Type I Contract. Residents are entitled to priority admission to King's Grant's Craig Assisted Living Center or Lacy Health Care Center, a Skilled Care Facility. In accordance with Section 6 of the Occupancy Agreements, a portion of the entrance fee may be available to pay the cost of care in the Craig Assisted Living Center or Lacy Health Care Center, a Skilled Care Nursing Facility. Fees for care beyond any credits shall be the responsibility of the resident. Care beyond the capacity of King's Grant Health Care Center may require transfer to an appropriate facility outside of King's Grant.

Type II Contract. King's Grant shall be responsible for up to 90 days of nursing care if it is determined by King's Grant physician that the Resident requires such care. Nursing care provided by King's Grant shall be limited to that care given in the Craig Assisted Living Center or Lacy Health Care Center, an Intermediate Care Nursing Facility. The resident may employ private-duty nurses and sitters at his/her

own expense, but only after approval by King's Grant and subject to rules and regulations of King's Grant.

Type III Contract. Residents are entitled to priority admission to King's Grant's Craig Assisted Living Center or Lacy Health Care Center, an Intermediate Care Facility. The resident is responsible for payment of the cost associated with these levels of care. In accordance with Section 6 of the occupancy agreement, a partial (up to 50%) refund of the entrance fee is provided, which may be used to pay the cost of care in the Craig Assisted Living or Lacy Health Care Center. Care beyond the capacity of the Lacy Health Care Center may require transfer to an appropriate facility outside of King's Grant.

Type IV Contract. King's Grant shall be responsible for nursing care if it is determined by King's Grant physician that the resident requires such care. Nursing care provided by King's Grant shall be limited to that care given in the Craig Assisted Living Center or Lacy Health Care Center, an Intermediate Care Nursing Facility. The resident may employ private-duty nurses and sitters at his/her own expense, but only after approval by King's Grant and subject to rules and regulations of King's Grant.

Rental Contract. This contract is similar to the Type I contract and is available only on select residences. There is a minimal entrance fee required on this plan but the monthly fee is higher. Should the resident(s) require care in assisted living or health care, he/she pays the applicable daily fee for such care. There is no refund provision for this plan.

## **FEES REQUIRED OF RESIDENTS**

An entrance fee is required upon entry to King's Grant for cottage and apartment residences, which entitles the resident(s) to occupy said residence. In addition, a monthly maintenance fee is charged for each residence. These fees are reviewed annually by the Board of Trustees and may be increased or decreased by an amount deemed financially prudent. A 30-day notice of such changes in these fees will be provided. However, any entrance fee adjustments affect only future residents. Residents with type I through Type IV contracts, who temporarily or permanently transfer to the Craig Assisted Living Center or Lacy Health Care Center will pay the per diem rate in effect for these levels of care at the time of occupancy. The monthly maintenance fee for the cottage or apartment will not apply during the period of temporary or permanent residence in these other levels of care except in the case of a short-term skilled stay in health care as defined by Medicare. In this case, Medicare or the equivalent Medicare Advantage plan as applicable determines the total rate for the skilled stay (inclusive of meals, all therapeutic and nursing services and medications) based on the level of care required which is paid to King's Grant by Medicare or the other insurance providers, and the resident would continue to pay their monthly maintenance fee for their independent living or assisted living unit less an absence credit if applicable.

Schedules of Entrance and Monthly Fees are annexed to this disclosure statement as Exhibit C.

Entrance fees are payable at the execution of the occupancy agreement. A full refund prior to occupancy will be granted should the resident(s) decide not to enter King's Grant. See Section 7.1 of the Occupancy Agreement.

The following table shows the frequency and average dollar amount of increases in monthly fees at King's Grant:

Effective January 1	Monthly Fees										Entrance Fees	
	Village		Apartments		AL		MC		HC		Only Applies to IL	
	\$ Inc	% Inc	\$ Inc	% Inc	\$ Inc	% Inc	\$ Inc	% Inc	\$ Inc	% Inc	\$ Inc	% Inc
<b>2024</b>	\$ 71	4.90%	\$ 184	4.50%	\$ 355	4.90%	\$ 497	5.50%	\$ 636	5.90%	\$5,676	3.8%
<b>2023</b>	\$ 111	6.50%	\$ 220	6.50%	\$ 456	6.50%	\$ 564	6.50%	\$ 610	6.50%	\$17,208	13.2%
<b>2022</b>	\$ 62	4.90%	\$ 155	4.90%	\$ 328	4.90%	\$ 415	4.90%	\$ 481	4.90%	\$ 3,453	2.7%
<b>2021</b>	\$ 35	2.90%	\$ 95	2.90%	\$ 215	3.00%	\$ 236	3.00%	\$ 300	3.00%	\$ 1,844	1.5%
<b>2020</b>	\$ 35	3.00%	\$ 83	3.00%	\$ 213	3.25%	\$ 239	3.25%	\$ 301	3.25%	\$ 4,169	3.4%

The following is a list of additional fees and payments required of the Residents:

1. An application fee of \$1,175 (of which \$1,000 is refundable) and fees for any services and supplies that the Corporation may provide over and above its obligations under the Occupancy Agreement.
2. Village residents are required to pay for electricity used in their individual living units. A separate meter is provided.
3. The resident(s) are required to pay for hazard insurance on their personal possessions in the living units if such coverage is desired.
4. Resident(s) are required to maintain Medicare or similar insurance and Medigap or supplemental insurance coverage.

The Company typically receives the entrance fees at the time that the new resident takes possession of the living unit. However, should the Company embark on a new major construction, or for some reason, require the entrance fees to be paid in advance of taking possession, in accordance with Virginia law, payments on entrance fees received prior to the living unit being made available to the resident would be escrowed with a banking institution. These funds remain the property of the prospective resident until release to the Company. The funds in escrow shall not be subject to any liens, judgments, garnishments, or creditor's claims against the Company.

All funds deposited in escrow as described above shall be released to the Company when the Company presents to the escrow agent evidence that a unit has been occupied by the Resident or a unit of the type reserved is available for immediate occupancy by the resident or prospective resident on whose behalf the fee was received.

Notwithstanding any other provision of this section, all funds deposited in escrow pursuant to this section shall be released according to the terms of the escrow agreement to the prospective resident from whom it was received (i) if such funds have not been released within three years after placement in escrow or within three years after construction has started, whichever is later (but in any event, within six years after placement in escrow unless specifically approved by the Commission), or within such longer period as determined appropriate by the Commission in writing, (ii) if the prospective resident dies before occupying a unit, (iii) if the construction is stopped indefinitely before the facility is completed, or (iv) upon rescission of the contract pursuant to provision in the contract. However, funds released to the Corporation as described above may be held in escrow for an additional period at the mutual consent of the provider and

the prospective Resident; however, the prospective resident may consent to such additional period only after his/her deposit has been held in escrow for at least two years.

Charges by the escrow agent shall be deducted from the earnings on escrowed amounts. Interest accrued will become the property of the Corporation and be used to reduce long-term debt.

All funds in the escrow account shall be invested in instruments authorized for the investment of public funds as set forth in Chapter 18 (2.1-327 et seq.) of Title 2.1 and not in default as to principal or interest.

## **RESERVE FUNDING**

Health Care Funds. For those Residents selecting the Life Care Plan, King's Grant maintains a health care reserve fund to provide the necessary resources to fund the obligations contained in the Occupancy Agreement. The amount of funding from Entrance Fees and Monthly Fees was calculated by A.V. Powell and Associates based on actuarial projections of morbidity and mortality rates. These projections were based on assumptions as to age, sex, and double occupancy rates of future residents. Material variances from these assumptions can impact the adequacy of this funding level. Based on the actuarial projections, the Company is not required to maintain a future service obligation as future assets are projected to be greater than the related future liabilities. Nonetheless, the company does maintain a lifecare fund within its investment portfolio (managed by CapTrust) which totaled approximately \$13.7 million at December 31, 2023.

In accordance with generally accepted accounting principles, Sunnyside Communities maintains its accounting records utilizing the principles of fund accounting. Within this method, entrance fees are recorded as deferred revenue when received and amortized into revenue over the resident's actuarial life adjusted annually (see Note 1 to the 2023 Financial Statements).

Sunnyside Communities has established endowment funds, which receive contributions that are solicited by Sunnyside's various fund-raising programs. The interest and dividends earned by this fund are used to assist individual residents who may have financial difficulty, for general obligations of Sunnyside Communities or those specified by the donor. These funds are under the control of the Audit and Finance Committee of Sunnyside's Board of Trustees who have appointed CapTrust as manager of these funds and all other internally and externally designated funds, as well as all other unrestricted investments. The performance of all such investments are reviewed and evaluated quarterly by the Audit and Finance Committee. The Audit and Finance Committee has the authority to approve or disapprove the investment portfolio selected by the above-mentioned managers. On December 31, 2023, the fair value of the investments that were temporarily restricted by donors, the terms of the bond agreements or the Board of Trustees was \$21.6 million and the fair value of unrestricted investments was \$39.3 million.

## **CERTIFIED FINANCIAL STATEMENTS**

See Exhibit D - Audited Financial Statements.

## **PRO FORMA INCOME STATEMENT**

See Exhibit E for the Pro Forma 2024 Statement of Revenue and Support, and Expenses, and the assumptions underlying these projections.

## **SUNNYSIDE COMMUNITIES DEBT COVENANTS**

See Exhibit F for the Guaranty and Credit Agreement with BB&T Bank dated January 1, 2020.

## **ADMISSION OF NEW RESIDENTS**

Applicants for Craig Assisted Living Center and Lacy Health Care Center are considered based upon the criteria described in King's Grant admissions policies and guidelines (Exhibit G). However, applicants for village residences or residential apartments are expected to have the financial ability to pay the required entrance fee and to have sufficient income to cover the existing and future monthly maintenance fees. If, due to an increase in monthly fees, a decline in income, or a combination of these events, a resident is unable to pay the entire monthly maintenance fee, an application for Fellowship assistance can be made to the King's Grant Executive Director.

The health care utilization forecasts assume a health screening procedure that precludes coverage under the Occupancy Agreement of persons whose health condition indicates a strong likelihood of the imminent need for long-term care. A health screen is utilized in an effort to control against inappropriate adverse selection, which could result in a significant increase in healthcare utilization beyond that anticipated in the forecasts. The effectiveness of any such health screen is subject to limitations on available data linking specific health conditions to projected utilization.

## **ACCESS TO FACILITY BY NON-RESIDENTS**

King's Grant will not provide access to the facility's services to non-residents with the exception of (i) direct admission to the Lacy Health Care Center and Craig Assisted Living Center on a space available basis in order to maintain a financially adequate level of operation in said facility, (ii) meals and overnight lodging on a fee for services basis to guests of Residents or to prospective Residents.

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

As noted in the 2024 capital budget, King's Grant's planned capital expenditure spend in 2024 is \$2.3 million, \$1.5 million of which relates to unit and common space renovations and \$0.8 million for infrastructure, grounds, vehicles, and IT.

## **PROCEDURE FOR RESIDENT TO FILE A COMPLAINT OR DISCLOSE CONCERN**

Each resident, upon admission, will be provided a copy of the Residential Grievance Procedure. A copy of this procedure (Exhibit H) will be signed by the resident, acknowledging that a copy of the procedure has been received and understood, and will be kept in the resident's personal file.

Additionally, King's Grant has an active resident council which encourages resident participation. This body acts as a conduit for residents' concerns and suggestions to administration. In addition, the Company's President & CEO and staff maintain an open-door policy, which allows residents to meet privately with staff to discuss concerns and problems. Residents with grievances are required to follow King's Grant's grievance procedure.

Each resident, upon admission, is provided a copy of the Residential Grievance Procedure. A copy of this procedure is signed by the resident, acknowledging that a copy of the procedure has been received and understood, and is kept in the resident's personal file.

## **OTHER RELEVANT INFORMATION**

There is no pending litigation against the Company or significant subsequent events reportable for the 2023 audited financial statements.



Exhibits A & B

Occupancy Agreements

# KING'S GRANT

## CATERED LIVING AND ASSISTED LIVING OCCUPANCY AGREEMENT

Initials

\_\_\_\_\_

### ☐ Catered Living\*

- ☐ Type I – Fee for Service
- ☐ Type II – 90 Days Care
- ☐ Type III – 50% Refund
- ☐ Type IV - Lifecare
- ☐ Rental

\*Available in the West (300) Building Only

\_\_\_\_\_

### ☐ Assisted Living



*King's Grant*

DISCOVER THE DIFFERENCE

# KING'S GRANT CATERED LIVING AND ASSISTED LIVING OCCUPANCY AGREEMENT

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# KING'S GRANT CATERED LIVING AND ASSISTED LIVING OCCUPANCY AGREEMENT

## INTRODUCTION

THIS AGREEMENT is made on \_\_\_\_\_,  
by and between SUNNYSIDE PRESBYTERIAN HOME of Rockingham County,  
Virginia, hereinafter King's Grant, and \_\_\_\_\_ ("Resident").

Sunnyside Presbyterian Home is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia to establish and operate retirement facilities for adults. The Resident has made application for residence in the community known as King's Grant, and such application has been approved, subject to the provisions of this Agreement.

## AGREEMENTS

### 1. LIVING ACCOMMODATIONS AND FACILITIES

**1.1 Living Accommodations.** Catered Living Residents only, shall have a personal, non-assignable right to occupy Room number \_\_\_\_\_ (the "Living Unit") located in the 300 Building hereinafter the West Building, subject to removal only as hereinafter provided.

Assisted Living Residents only, shall have a personal, non-assignable right to occupy Room number \_\_\_\_\_ (the "Living Unit") located in the Craig Assisted Living Unit, subject to removal only as hereinafter provided.

**1.2 Furnishings.** *In the West Building only*, King's Grant shall provide a microwave oven, mini-refrigerator, and a stove may be provided in the two-bedroom apartments. Residents shall provide all other furnishings. Electrical and mechanical appliances provided by Resident shall be subject to approval by King's Grant. *In the Assisted Living Unit only*, King's Grant shall provide in the Living Unit a bed, nightstand, chest of drawers, and chair, unless the Resident elects to use his/her own furnishings. Resident may provide other furnishings.

Initials \_\_\_\_\_

**1.3 King's Grant Facilities.** Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by King's Grant.

**1.4 Physical Changes in the Residence.** Any material physical change (i.e. changes to structure, fixtures, floor coverings, etc.) of any kind to the Residence may be made only upon the written approval of King's Grant. Any approved change(s) will be at the Resident's own cost unless otherwise agreed to in writing by King's Grant. The approval of any change requested by the Resident will be conditioned upon the agreement of the Resident to bear the expense of restoring the Residence to its original condition, unless otherwise approved in writing by King's Grant.

## **2. SERVICES PROVIDED BY KING'S GRANT**

**2.1 Services Provided.** The Resident shall have the right to all the services and amenities specified below as long as: (i) the Resident complies with the terms of this Agreement and (ii) the Agreement is not terminated.

**2.1.1 Utilities.** King's Grant shall provide the utilities reasonably required (water and sewer, electricity, heating, air conditioning, cable TV, and in-house telephone service) in connection with the occupancy of the Living Unit, subject, however, to the availability of such services to King's Grant. Local and long-distance telephone service will be provided by King's Grant at an additional charge.

**2.1.2 Meals.** King's Grant shall furnish the Resident with three meals per day. Meals shall be nutritionally well balanced and served in the Trellis Dining Room for Catered Living Residents and the Royal Court Dining Room for Assisted Living Residents, or other areas designated by King's Grant.

**2.1.3 Housekeeping.** Weekly housekeeping services shall be provided by King's Grant. However, the Resident shall maintain the Living Unit in a clean, sanitary, and orderly condition.

**2.1.4 Laundry.** King's Grant shall provide laundry service for all bed linen, towels, and personal laundry.

**2.1.5 Maintenance and Repairs.** Necessary repairs, maintenance, and replacement of property owned by King's Grant shall be performed and provided by King's Grant.

**2.1.6 Grounds.** King's Grant shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

**2.1.7 Mail.** *For Assisted Living Residents only*, personal mail shall be delivered to Resident's room. *Catered Living Residents* shall have a mailbox in a central location however, mail may be delivered to Resident's room upon request.

**2.1.8 Programs and Events.** Social, recreational, wellness and religious activities shall be provided for interested residents.

**2.1.9 Transportation.** King's Grant shall provide scheduled transportation as deemed appropriate. Transportation for medical appointments shall be provided in accordance with policies and procedures at King's Grant. In appropriate circumstances, transportation via ambulance or other related services may be necessary. The Resident is responsible for payment of such transportation and any other associated charges.

**2.1.10 Resident Council.** Interested residents may establish and maintain a resident council. King's Grant will be responsible for providing assistance with the formation and maintenance of the council, whether or not such a council exists in the facility. The general purpose of the council is to promote a free exchange of ideas, to work with the administration in improving the quality of life for all residents, to discuss the services offered by the facility and make recommendations for resolution of identified problems or concerns and to perform other functions as determined by the council.

**2.1.11 Nursing Services.** King's Grant shall provide assistance with the activities of daily living, including bathing, dressing, taking of prescribed medication, etc. In the Craig Assisted Living Unit, the King's Grant's nursing staff will provide this assistance. In the West Building, a Certified Medical Technician will provide this assistance. Nursing personnel are available, in case of emergency, on a 24-hour basis for Catered and Assisted Living Residents.

**2.1.12 Care Changes.** A 14-day notice will be given in the event the scope of care as provided herein is to be changed unless a physician orders 24-hour nursing care or a prohibitive condition exists.

**2.1.13 Other Services.** Services for which an additional charge may be made, if provided, include, but are not limited to: group travel trips arranged for special cultural, social, sporting, and scenic excursions; individual transportation services; art and instruction classes, theater, orchestra, lecture series tickets, specific entertainment and activities; beauty/barber shops; notary public services; and additional housekeeping and grounds maintenance.

### **3. HEALTH CARE**

**3.1 Outpatient Services.** King's Grant may provide a clinic where the Resident may be examined and treated as an outpatient. King's Grant may arrange for clinical staff to be available from time to time in the clinic. The Resident may, however, engage the services of alternative clinical professionals who may also use the facilities of the clinic subject to the policies and guidelines of King's Grant.

King's Grant may arrange for the services of a physical/occupational/speech therapist, a dentist, and other health professionals, as appropriate. The Resident is responsible for payment of charges by these health professionals. The Resident is also responsible for charges incurred by the clinic.

**3.2 Inpatient Services.** The Resident shall have priority over non-residents for admission to the Craig Assisted Living Unit or the Lacy Health Care Center. The cost of care in these facilities shall be the responsibility of the Resident. Care will be provided as may be appropriate in an assisted living facility or nursing facility. Need for care beyond that which can be provided in these settings may require the Resident to relocate to an appropriate facility (example: acute care hospital or mental illness or drug abuse treatment facility). Permanent transfer to the Craig Assisted Living Unit or Lacy Health Care Center shall terminate the rights and obligations of both parties to this Agreement, and a new Agreement will be signed and initiated for the Craig Assisted Living Unit or Lacy Health Care Center, whichever is applicable.

**For Type IV (Lifecare) Occupancy Agreements only,** King's Grant shall be responsible for nursing care if it is determined by King's Grant's Resident Care Committee in consultation with King's Grant's physician that the Resident requires such care. Said care will be provided in the Craig Assisted Living Center or Lacy Health Care Center and shall be that which is normally provided in an assisted living or nursing facility, whichever is applicable. The Resident will continue to be responsible for his/her regular Monthly Fee, additional meals, and ancillary medical supplies. The Resident may employ private-duty nurses and/or sitters at his/her own

expense and subject to the rules and regulations of King's Grant. Need for care beyond that which may be provided in these settings will require the Resident to relocate to an appropriate facility at his/her own expense (example: acute care hospital or mental illness or drug abuse treatment facility). Permanent transfer to the Craig Assisted Living Unit or Lacy Health Care Center shall terminate the rights and obligations of both parties to this Agreement, and a new Agreement will be signed and initiated for the Craig Assisted Living Unit or Lacy Health Care Center, whichever is applicable.

**3.3 Emergency Situations.** The Resident agrees that in the event of physical injury or illness which requires immediate hospitalization, medical treatment, or surgical operation, and the Resident is incapable or incompetent because of injury or illness to consent to such necessary hospitalization, medical treatment or surgery and the Resident's Attorney-in-Fact or Agent pursuant to a Medical Power of Attorney cannot be reached in time to make the necessary decision, Resident hereby appoints the executive director of King's Grant or a person so designated to act in the stead of said executive director to request immediate transportation to the local hospital for care. It is distinctly agreed that neither King's Grant nor the executive director and/or designee shall be liable to the Resident nor to any other person in any manner whatsoever because of such actions.

**3.4 Medication and Dietary Supplements.** Unless otherwise directed by the resident's medical doctor, King's Grant will administer and store medications and dietary supplements.

**3.5 Health Related Charges.** The Resident shall be responsible for the following charges to the extent they are not covered by Medicare or the Resident's Supplemental Insurance:

- (a) Charges of any physician, physical/occupational/speech therapist, podiatrist, or other health professional, whether provided by King's Grant or elsewhere;
- (b) Charges for medications, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, or other health related items.



### 3.6 Medical Insurance

**3.6.1** The Resident shall maintain, at all times, at the Resident's own cost, the maximum coverage under any federal, state, municipal public insurance plans, and Medigap Supplemental Insurance. King's Grant and this Agreement do not act as a substitute for Medigap Insurance.

**3.6.2** King's Grant may, at option and without obligation, obtain policies of insurance covering its services to Residents. All premium payments on such policies and the associated costs of same shall be reflected in future Daily / Monthly Fees. The Resident agrees to cooperate fully in connection with the application for and maintenance of such insurance.

**3.6.3** Mental Illness, Contagious Disease. If King's Grant determines that the Resident's mental or physical illness causes continued presence at the community to be dangerous or detrimental to the health or peace of the Resident or other Residents, King's Grant may transfer the Resident to an institution selected by King's Grant (or by the Resident or the Resident's Responsible Party if they have a preference, provided such transfer is appropriate and can be accomplished within a reasonable timeframe) at the Resident's expense. While at such an institution, the Resident shall continue to pay the Daily / Monthly Fee.

## 4. OCCUPANCY AND FEES

**4.1 Reservation.** *For Catered Living Residents only*, a nonrefundable advanced monthly fee of \$\_\_\_\_\_ is required upon execution of this Agreement. Failure to take possession of unit within 30 days shall result in loss of unit and deposit. In the event of transfer of ownership, closing of facility, or Resident transfer or discharge, any advance payments beyond the effective date of said event shall be refunded.

**4.2 Entrance Fee.** Resident agrees to pay to King's Grant an Entrance Fee in the amount of \$\_\_\_\_\_ in payment for the rights described herein. Said amount, less any advance deposits, is payable on date of occupancy or assigned date of occupancy, whichever comes first. As it relates to the entrance fee previously paid, all terms from the original contract survive and remain in effect.

**4.3 Monthly or Daily Fee.** *Catered Living Residents only*, shall pay to King's Grant a Monthly Fee (based on their original Occupancy Agreement Type

and subject to annual increases), currently \$\_\_\_\_\_ and an additional \$\_\_\_\_\_ per month for catered living services described herein.

***Assisted Living Residents only***, shall pay to King's Grant a Daily Fee, currently \$\_\_\_\_\_ payable monthly in advance for the services described herein.

King's Grant shall endeavor to maintain its schedule of fees at the lowest possible rate consistent with sound financial practices. King's Grant may adjust the schedule of fees at any time upon a 30-day written notice to the Resident.

**4.4 Occupancy.** The Resident agrees to occupy the Residence assigned on or before \_\_\_\_\_. In the event the Resident does not occupy the Residence on the assigned date, the Resident shall be obligated to pay the applicable monthly fee, from the assigned occupancy date to the actual date of occupancy. The Residence shall be occupied solely by the Resident(s) herein. There shall be no occupancy by non-residents. No guest, other than a family member, should occupy a Residence for longer than three (3) week without prior approval of the Executive Director. Responsibility for the conduct and other actions by the Resident's guest(s) is the responsibility of the Resident. All references to occupancy in this agreement, unless otherwise indicated, relates to The Resident's original occupancy date in their original contract.

**4.5 Policies and Guidelines.** The Resident will abide by the King's Grant policies and guidelines and such reasonable amendments, modifications, and changes of these policies and guidelines as may hereafter be adopted by King's Grant. Any policies and guidelines adopted by King's Grant shall be applied to all residents similarly situated without preference or prejudice to any resident or group of residents.

**4.6 Power of Attorney.** Resident agrees to: (1) appoint and maintain a valid Power of Attorney, (2) execute an Advance Medical Directive, and (3) provide King's Grant with current copies of these documents.

**4.7 Survivor.** If this Agreement is executed by two Residents who are husband and wife, or are otherwise related either by blood or by friendship, it is understood that upon the death of one Resident, all rights hereunder shall vest in, and all obligations hereunder shall devolve upon, the surviving Resident to the same extent as if such surviving Resident had been sole and only Resident under the terms of this Agreement.

**4.8 Resident's Inability to Pay.** The Resident(s) shall be required to financially qualify before moving to another level of care within King's Grant. If the Resident or surviving Resident is unable to meet his or her financial obligations to King's Grant, the Resident agrees to liquidate personal assets in order to meet their obligations hereunder. The Resident will also furnish to King's Grant sufficient financial information that will justify that the Resident is unable to pay the total Monthly Fee and other charges. Once the Resident satisfactorily establishes facts to justify the need for such financial assistance, King's Grant may, if it can do so without impairing the ability of King's Grant to operate on a sound financial basis, subsidize the Resident's Monthly Fee. In the event financial assistance is granted, the Resident shall be liable to the King's Grant for the full amount of the subsidy received by the Resident, which will be charged against the Resident's Entrance Fee refund, if any, and to the extent of any deficiency amount thereafter, shall be due and payable at such time as the Resident has sufficient funds therefore, and otherwise shall be due and payable from and enforceable against the Resident's estate. In the case of King's Grant subsidizing the Resident's Monthly fee, King's Grant reserves the right to require the Resident to transfer to a smaller Residence when available, in order to reduce the Monthly Fee. Failure of the Resident to pay the Monthly Fee or to qualify for financial assistance may result in the Resident's loss of occupancy of the Residence as outlined in this agreement.

**4.9 Financial Statements.** To ensure King's Grant's ongoing ability to plan for future needs of Residents who outlive their resources, it is important to anticipate, as much as practicable, what those obligations will be. Therefore, Residents of Stone Cross West Apartments on Catered Living or responsible party agrees to provide an updated and complete financial statement, along with associated documentation, as requested every three (3) years.

**4.10 Right of Entry.** Employees of King's Grant shall have the right to enter the Resident's Living Unit (a) at all reasonable times for inspection and to perform housekeeping and maintenance and (b) at any time to respond to fire or medical alerts and for other emergency purposes.

**4.11 Removal of Property.** In the event of withdrawal, death, or permanent transfer of a Resident, including permanent transfer to Catered Living, Assisted Living Center, or the Health Center, or upon termination of this Agreement, all of the Resident's property shall be removed from the previously occupied Residence within 30 days by an individual designated by the Resident or the Resident's Responsible Party. **King's Grant shall impose the applicable Monthly Fee until said Resident's property is removed and the Residence is released to King's Grant.** King's Grant shall be entitled to reduce the unamortized Entrance Fee Refund, if any, by 2% per month until the property is removed. King's Grant may

opt to move, store or dispose of the items subject to a fee. King's Grant will not be responsible for loss or damage to the Resident's belongings.

**4.12 Damage or Loss of Property.** Although King's Grant will exercise reasonable care in providing effective security, it is recommended the Resident insure his/her property against casualty and theft loss.

**4.13 Rules and Regulations.** Resident will abide by the King's Grant rules and regulations and such reasonable amendments, modifications and changes of these rules and regulations as may hereafter be adopted by King's Grant. Any rules and regulations adopted by King's Grant shall be applied to all residents similarly situated without preference or prejudice to any resident or group of residents.

**4.14 Relocation or Death of Resident(s).** This Agreement does not create any interest in the real estate owned by King's Grant, and this occupancy privilege shall not inure to the use or benefit of the heirs, assignees, or representatives of residents, and, upon the relocation or death

**4.15 Tobacco-Free Policy.** King's Grant is committed to providing the healthiest possible environment for all its residents, employees and visitors. Effective March 1, 2018, King's Grant became a tobacco-free community and adopted a tobacco-free policy that applies to all residents, employees, volunteers, vendors and contractors. Tobacco use of any type is prohibited and includes cigarettes, cigars, pipes, snuff, chewing tobacco and vapor products such as e-cigarettes and other related products used to simulate smoking. This policy applies to all property owned and/or leased by King's Grant (e.g., personal residences, parking lots, grounds, public areas, company cars and resident cars parked on the King's Grant campus), as well as adjacent property. Residents not adhering to the policy will be assessed for damages caused by tobacco products and the cost of such will be paid by the Resident or may be subtracted from the entrance fee refund, if applicable.

## **5. SURRENDER OF RIGHT OF OCCUPANCY**

**5.1 Temporary Transfer from King's Grant.** When Resident suffers any physical or mental condition for which King's Grant is not permitted to provide care within the requirements of law, or when his/her presence is deemed detrimental to the health or peace of the other residents, or when King's Grant determines such action to be in the best interests of the Resident, King's Grant shall have authority, in consultation with the Resident's Attorney-in-Fact, to transfer Resident to another facility or institution, public or private, suitable for such cases. Such a transfer shall

not be a termination, either voluntary or involuntary, of this contract. In the event of a determination by a King's Grant Medical Director that the condition requiring transfer of the Resident is not temporary in nature, the Living Unit shall be released.

**5.2 Cancellation of Agreement.** King's Grant shall not cancel this Occupancy Agreement with the resident without good cause. Good cause shall be limited to: proof that Resident is a danger to him/herself or others; nonpayment of the Daily Fee; repeated conduct by the Resident that interferes with other residents quiet enjoyment of King's Grant; persistent refusal to comply with King's Grant's written policies and guidelines; a material misrepresentation made intentionally or recklessly by the Resident in his/her application for residency, or related materials regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by King's Grant will be provided to the Resident.

**5.3 Opportunity to Cure.** Where applicable, an opportunity will be given to cure, within a 30-day period, whatever conduct is alleged to warrant the cancellation of this Agreement.

**5.4 Voluntary Cancellation by Resident.** Resident shall give a thirty (30) day written notice prior to voluntary cancellation of this agreement. If Resident fails to give the proper notice, he/she agrees that King's Grant shall be entitled to continue to reduce the Resident's unamortized entrance fee refund by 2% per month for the sixty (60) days or thirty (30) day period, if applicable.

## **6. ENTRANCE FEE REFUND**

**6.1 Refund of Entrance Fee.** In the event of death or withdrawal of the Resident from King's Grant and release of the Residence, a partial refund of the Entrance Fee may be available. Any refund of the Entrance Fee that may be due to the Resident or the Resident's estate shall first be applied to satisfy, in part or in whole, any outstanding Monthly Fee or other charge(s) owed by the Resident to King's Grant and/or the interest and principal outstanding on any Fellowship Assistance granted to the Resident by King's Grant, and the balance thereof shall be paid to the Resident or the Resident's estate. In no event shall the Resident or the Resident's estate receive a refund of the Monthly Fee paid to King's Grant. Any outstanding Entrance Fee will be paid after the successful remarketing of the

residence or within six (6) months, whichever occurs first. The refund available depends on your Agreement type. The following formulas apply:

**6.1.1 For All Contract Types.** Refund terms related to the original contract remain in effect. If any additional Entrance Fee is required and is paid to this contract, the following provisions apply.

**6.1.2 For Type I and Type II Occupancy Agreements only,** if the withdrawal or death occurs during the first 50 months following the date of occupancy, change of occupancy or assigned change of occupancy date, whichever occurs first, a refund of the Entrance Fee will be made, reduced by 2% per month from the date herein referred to, until the Living Unit is vacated and released to King's Grant. There will be no refund made under this policy after 50 months. No refunds are available for permanent transfer to a different level of care under Type I and Type II Occupancy Agreements.

**6.1.3 For Type III Occupancy Agreements only,** when withdrawal or death occurs the refund will be 50% of the Entrance Fee. In the event the Resident becomes unable to pay the applicable monthly or daily service fee(s) in any level of housing or care, the Resident shall be liable to King's Grant for the full amount, which will be charged against the Resident's Entrance Fee refund as well as payable from the Resident's estate.

**6.1.4 For Type IV Occupancy Agreements only,** if the withdrawal or death occurs during the first 50 months following the date of occupancy, change of occupancy or assigned or changed occupancy date, whichever occurs first, a refund of the Entrance Fee, less the \$\_\_\_\_\_ per resident Lifecare Fee, will be made, reduced by 2% per month from the date herein referred to until the Living Unit is released to King's Grant. There will be no refund made under this policy after 50 months.

**6.1.5 Unit Not Occupied** If Resident dies before occupying the Living Unit, or is precluded through illness, injury, or incapacity from becoming a resident under the terms of the Occupancy Agreement, the Agreement is automatically rescinded, and the Resident or his/her legal representative shall receive a full refund of all money paid to King's Grant, or any additional money if a change of occupancy was made; except those costs specifically incurred by King's Grant at the request

of the Resident, and set forth in writing in separate addendum, signed by both parties of the Agreement.

## **7. MISCELLANEOUS**

**7.1 Further Assurances.** The Resident, for himself/herself, his/her heirs, personal representatives and assigns, agrees to execute and deliver to King's Grant such legal instruments as may be requisite to carry out the provisions of this Agreement.

**7.2 Representations.** The application and the statements of finances and health history of Resident filed with King's Grant are incorporated in this contract by this reference and all statements therein are deemed to be representations by Resident as of the date made. Resident represents that there have been no material changes in the information provided since the date thereof. Resident's breach or misrepresentation may result in (a) cancellation of this Agreement, or (b) transfer as provided in Section 5 of this Agreement.

**7.3 Responsibility for Protection of the Resident's Property.** King's Grant shall not be responsible for the loss of any personal property belonging to the Resident due to theft, fire or any other cause. The Resident shall have the responsibility, at the Resident's own expense, of insuring the Resident's property against such risks under a tenant's or homeowner's insurance

**7.4 Accident Caused by the Resident.** The Resident shall indemnify and hold Provider harmless from any claims, investigations, proceedings or lawsuits, including all damages, costs, expenses, reasonable attorney's fee and court costs, resulting from, attributable to or in any way connected with the negligent or intentional act or omissions of the Resident. The Resident shall obtain liability insurance to cover such situations.

**7.5 Responsibility for Damages.** Any harm or damages to the real or personal property of King's Grant caused in whole or in part by the Resident shall be charged to and paid for by the Resident. King's Grant assumes by this Agreement no responsibility for any harm or damage done to the person or property of the Resident by another resident or by any other person or entity. To the extent permitted by law, the Resident also hereby releases and discharges King's Grant from any and all Claims for personal injury or property damage suffered by the Resident which are alleged to or actually arise from or relate to, in whole or in part, King's Grant's assistance to, supervision or care of other residents.

**7.6 Renovations and Additions to the Campus.** From time to time, King's Grant may decide to renovate, demolish and add to its facilities. Resident agrees that he or she anticipates such activities, and they shall not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. Resident also agrees these activities by King's Grant shall not constitute a breach by King's Grant of this Agreement or any other obligation owed to the Resident. Resident further agrees not to maintain any action against King's Grant to enjoin it from renovating, demolishing or adding to its facilities.

**7.7 Non-Discrimination.** Neither marital status, race, sex, national origin, disability nor faith has any bearing upon the offer, acceptance or termination of residence at King's Grant.

**7.8 Whole and Binding Agreement.** The Resident has received this Agreement and has had the opportunity to have it reviewed by his or her attorney or financial advisor. The parties agree that this Agreement and the Disclosure Statement contain the entire agreement. This Agreement is binding on the Resident and King's Grant, their successors and assigns.



By affixing his or her signature to this Agreement, Resident certifies that he/she has passed his/her 62<sup>nd</sup> birthday or, in the case of a married couple, that one partner has done so; that he or she has been given a copy of and has had the opportunity to read the King's Grant *Resident's Handbook*; and that he/she has been informed of the following:

(a) King's Grant is licensed to operate an Assisted Living Facility for Residential and Assisted Living care by the Department of Social Services. The regional office address is:

Piedmont Region Licensing Administrator  
Virginia Dept. of Social Services  
Commonwealth of Virginia Building, Suite 100  
210 Church Ave., SW  
Roanoke, VA 24011-1524

(b) King's Grant is licensed to operate a Assisted Living Facility (Health Care Center) by the Virginia State Department of Health, which is located at 109 Governor Street, Richmond, Virginia 23219.

### **Assisted Living Facility Liability Insurance Disclosure Notification Form**

**Required by the Virginia Department of Social Services  
as specified in 22 VAC 40-72-390 A 6**

**(Facility must indicate yes or no below)**

This facility maintains liability insurance that provides at least \$500,000 per occurrence and \$500,000 aggregate, which is the minimum amount of coverage established by the State Board of Social Services for disclosure purposes, to compensate residents or other individuals for injuries and losses from the negligent acts of the facility.

  X   Yes

       No

**Resident signature:** \_\_\_\_\_

**Responsible Party:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Initials \_\_\_\_\_

**THE RESIDENT SHALL HAVE THE RIGHT TO RESCIND THIS AGREEMENT**, without penalty or forfeiture, within seven (7) days after making and initial entrance fee deposit (if applicable) after executing this Agreement. The Resident shall not be required to move into King's Grant before the expiration of the seven (7) days.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals dated \_\_\_\_\_.

## SIGNATURES

Print Name

SUNNYSIDE PRESBYTERIAN HOME

\_\_\_\_\_

By: \_\_\_\_\_  
"King's Grant"

Print Name

\_\_\_\_\_

By: \_\_\_\_\_  
"Resident"

\_\_\_\_\_

By: \_\_\_\_\_  
"Resident"

\_\_\_\_\_

By: \_\_\_\_\_  
"Attorney-in-Fact", if applicable

## ACKNOWLEDGMENTS:

I hereby acknowledge I/we have received the following:

Initials:

- \_\_\_\_\_ ☐ A copy of King's Grant's Continuing Care Provider Disclosure Statement\*  
 \_\_\_\_\_ ☐ A complete copy of this Occupancy Agreement  
 \_\_\_\_\_ ☐ A copy of this Resident's Handbook

***\*For Catered Living Residents with Type I-IV Occupancy Agreements only***

Signed:

\_\_\_\_\_  
\_\_\_\_\_

Rev:0922/LK

Initials \_\_\_\_\_

# KING'S GRANT

## APARTMENT OCCUPANCY AGREEMENT

Initials

- \_\_\_\_\_ ☐ Type I – Fee for Service
- \_\_\_\_\_ ☐ Type II- 90 Days Care
- \_\_\_\_\_ ☐ Type III- 50% Refund
- \_\_\_\_\_ ☐ Type IV- Lifecare



# **King's Grant**

## **Apartment Occupancy Agreement**

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Initials \_\_\_\_\_

## I. Recitals

### Definitions

**“Agreement” or “Occupancy Agreement”** shall mean this document and any attachments, and the Application and medical history provided by the resident.

**“Assisted Living”** shall mean the assisted living services and facilities at King’s Grant, which King’s Grant shall be licensed by the state to provide.

**“Attorney-in-Fact”** shall mean that individual that the Resident identifies through proper identification as the Resident’s power of attorney and health care power of attorney.

**“Catered Living”** shall mean that level of care and service delivered to subscribing residents in Stone Cross West whereby assistance with certain activities of daily living is provided.

**“Community”** shall mean the Sunnyside Presbyterian Home of Rockingham County, Virginia, hereafter King’s Grant, a Virginia not-for-profit, non-stock corporation.

**“Continuing Care”** shall mean the provision of lodging and nursing, medical or other health related services at the same or another location to an individual pursuant to an agreement effective for the life of the individual or for a period greater than one year, including mutually terminable contracts, and in consideration of the payment of an entrance fee or other fee with or without other periodic charges. An individual who is provided continuing care is one who is not related by consanguinity or affinity to the person who provides the care.

**“Co-occupant”** shall mean the relative, friend or friends residing with the Resident in the Residence.

**“Entrance Fee”** shall mean the sum of money transferred by the resident to King’s Grant as full or partial consideration for acceptance of the resident into King’s Grant and as described in this Agreement.

Initials \_\_\_\_\_

**“Executive Director”** shall mean the individual with overall responsibility for directing and planning the day-to-day administration of King’s Grant.

**“Health Center”** shall mean the nursing care facility at King’s Grant.

**“Monthly Fee”** shall mean the fee paid by the Resident to King’s Grant on a monthly basis and described in this Agreement.

**“Permanent Resident”** shall mean a Resident for whom a determination has been made by the interdisciplinary medical team after consultation with the Resident or the Resident’s Responsible Party, the personal physician of the Resident and the Administrator that such Resident needs permanent or prolonged full-time care in a nursing facility, assisted living facility or hospital (including mental hospital).

**“Residence”** shall mean the residential unit designated by the Resident on the Signature page of this Agreement, or any other unit to which the Resident transfers, including living units in the Health Care Center.

**“Resident”** shall mean the person or persons listed in the signature page of this agreement.

**“Stone Cross East”** shall mean those self-sufficient living apartments located at 250 King’s Way Road.

**“Stone Cross West”** shall mean those residential living apartments located at 300 King’s Way Road.

Initials \_\_\_\_\_

# King's Grant Apartment Occupancy Agreement

## Introduction

THIS TYPE \_\_\_\_\_ AGREEMENT is made on \_\_\_\_\_ by  
and between SUNNYSIDE PRESBYTERIAN HOME of Rockingham County,  
Virginia, hereafter doing business as King's Grant in Henry County, Virginia, and  
\_\_\_\_\_ ("Resident").

SUNNYSIDE PRESBYTERIAN HOME is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia to establish and operate retirement living for adults. The Resident has made application for residence in the Retirement Community known as King's Grant, and such application has been approved, subject to the provisions of this Agreement.

## AGREEMENTS

### 1. LIVING ACCOMMODATIONS, FEES AND FACILITIES

**1.1 Living Accommodations.** The Resident shall have a personal, non-assignable life right to occupy the Residence known as \_\_\_\_\_ (the "Residence"), and subject to removal only as hereinafter provided.

**1.2 Entrance Fee.** The Resident agrees to pay to King's Grant an Entrance Fee in the amount of \$ \_\_\_\_\_ in payment for the rights described herein. Said amount, less any advance deposits, and including all change/modification costs, is payable on date of occupancy or assigned date of occupancy, whichever comes first. As it relates to the entrance fee previously paid, all terms from the original contract survive and remain in effect.

**1.3 Monthly Fee.** The Resident shall pay to King's Grant a Monthly Fee, currently \$ \_\_\_\_\_, **payable in advance** for the services described herein. King's Grant shall endeavor to maintain its schedule of fees at a reasonable rate consistent with sound financial practices. King's Grant may adjust the schedule of fees at any

Initials \_\_\_\_\_

time upon a 30-day written notice to the Resident. The Resident shall not be entitled to occupy the Residence or to receive any services whatsoever from King's Grant until the payment of the monthly fee and entrance fee described in these sections has been received.

**1.4 Furnishings.** In the Stone Cross East (250) Building only, King's Grant shall provide appliances to include, but not limited to, a refrigerator, a kitchen range, a dishwasher, and a microwave oven in the Living Unit. In the Stone Cross West (300) Building only, King's Grant shall provide a microwave oven, refrigerator, and a stove may be provided in the two-bedroom apartments. In the Stone Cross East (250) and West (300) Buildings, the Resident shall provide all other furnishings. Electrical and mechanical appliances provided by the Resident shall be subject to approval by King's Grant.

**1.5 King's Grant Facilities.** The Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by King's Grant.

**1.6 Physical Changes in the Residence.** Any material physical change (i.e., changes to structure, fixtures, floor coverings) of any kind to the Residence may be made only upon the written approval of King's Grant. Any approved change(s) will be at the Resident's own cost unless otherwise agreed to in writing by King's Grant. The approval of any change requested by the Resident will be conditioned upon the agreement of the Resident to bear the expense of restoring the Residence to its original condition, unless otherwise approved in writing by King's Grant. All change/modification costs are payable on the date of occupancy or assigned date of occupancy, whichever comes first.

## **2. SERVICES PROVIDED BY KING'S GRANT**

**2.1 Services Provided.** The Resident shall have the right to all the services and amenities specified below as long as: (i) the Resident complies with the terms of this Agreement and (ii) the Agreement is not terminated.

**2.1.1 Utilities.** King's Grant shall provide the utilities reasonably required (water and sewer, electricity, heating, air conditioning, cable television, and in-house telephone service) in connection with the

Initials \_\_\_\_\_



occupancy of the Residence, subject, however, to the availability of such services to King's Grant. King's Grant will provide local and long-distance telephone service at an additional charge.

**2.1.2 Local Transportation.** King's Grant shall provide scheduled transportation as deemed appropriate. Transportation shall be provided in accordance with policies and guidelines at King's Grant. King's Grant reserves the right to charge appropriate fees for such transportation. In appropriate circumstances, transportation via ambulance or other related services may be necessary. In these instances, the Resident is responsible for payment of such transportation and any other associated charges. Transportation for special and group trips may be available, and the cost of such trips shall be borne by the Resident.

**2.1.3 Meals.** In the Stone Cross East (250) Building only, King's Grant will furnish the Resident with one meal per day. Up to two additional meals will be made available by King's Grant, and may be purchased by the Resident at an additional cost to be determined by King's Grant. In the Stone Cross West (300) Building only, King's Grant will furnish the Resident with three meals a day. Meals shall be served in one of the dining rooms or other areas designated by King's Grant. The Resident may invite guests to any meal. Prior notice to dining services is required. Reservations are required for holiday meals. Guest meal charges will be billed directly to the Resident.

**2.1.4 Housekeeping.** King's Grant shall provide weekly Housekeeping services. However, the Resident shall maintain the Residence in a clean, sanitary, and orderly condition.

**2.1.5 Laundry.** King's Grant shall provide weekly laundry service for all bed linen and towels. King's Grant shall provide washers and dryers in common areas for use by the Resident for his/her personal laundry.

**2.1.6 Maintenance and Repairs.** Necessary repairs, maintenance and replacement of property owned by King's Grant shall be performed and provided by King's Grant. Any work performed by King's Grant at the request of the Resident for repairs, maintenance and replacement will

be at the Resident's own expense. All contractors performing work must be approved by the Executive Director or his/her designee.

**2.1.7 Grounds.** King's Grant shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

**2.1.8 Mail.** Individual mailboxes shall be provided in a central location.

**2.1.9 Events.** Events of a social, recreational, wellness or religious variety shall be provided for interested residents. Additional events requested by the Resident may be provided subject to the considerations of costs, interest, and benefit to the overall Resident population.

**2.1.10 Resident Council.** Interested residents may establish and maintain a Resident Council. King's Grant will be responsible for providing assistance with the formation and maintenance of the council, whether or not such a council exists in King's Grant. The general purpose of the council is to promote a free exchange of ideas, to work with the administration in improving the quality of life for all residents, to discuss the services offered by King's Grant and make recommendations for resolution of identified problems or concerns and to perform other functions as determined by the council.

**2.1.11 Emergency Services.** King's Grant shall provide, in case of a medical emergency, 24-hour on-call nursing personnel.

**2.1.12 Care Changes.** A 30-day notice will be given in the event the scope of care as provided herein is to be changed. In urgent situations the notice will be waived.

**2.1.13 Other Services.** Services for which an additional charge may be made, if provided, include, but are not limited to: group travel trips arranged for special cultural, social, sporting, and scenic excursions; individual transportation services; art and instruction classes, theater, orchestra, lecture series tickets, specific entertainment and events; beauty/barber shops; clinic services (e.g.- foot care, EKG, blood

glucose monitoring, etc) notary public services; and additional housekeeping and individual landscaping.

### **3. Health Care (Nursing, Assisted Living and Catered Living)**

**3.1 Outpatient Services.** King's Grant may provide a clinic where the Resident may be examined and treated as an outpatient. King's Grant may arrange for clinical staff to be available from time to time in the clinic. The Resident may, however, engage the services of an alternative clinical professional who may also use the facilities of the clinic subject to the policies and guidelines King's Grant.

King's Grant may arrange for the services of a physical/occupational/speech therapist, a dentist, and other health professionals, as appropriate. The Resident is responsible for payment of charges by all of the above-named health professionals. The Resident is also responsible for charges incurred in the clinic.

**3.2 Inpatient Services.** The Resident shall have priority over non-residents for admission to Catered Living, Assisted Living, or Health Center. Care will be provided as may be appropriate in an assisted living facility or nursing facility. Should the need for care beyond that which can be provided in these settings may require the Resident to relocate to an appropriate facility (example: acute care hospital or mental illness or drug abuse treatment facility). Permanent transfer to Assisted Living or the Health Care Center shall terminate the rights and obligations of both parties to this Agreement and a new Agreement will be signed and initialed for the Assisted Living or Health Care Residence, whichever is applicable. The terms expressed in 3.2.3 shall survive this agreement and override any conflicting terms from any new Agreement noted above.

**3.2.1 For Type I and Type III Occupancy Agreements Only.** The cost of care in these facilities shall be the responsibility of the Resident.

**3.2.2 For Type II Occupancy Agreements only.** Should the Resident require care in Catered Living, Assisted Living, and /or the Health Center, ninety (90) days of such care shall be provided by King's Grant. Such days are cumulative over the Resident's lifetime and are non-transferable, non-renewable, and non-refundable. During those ninety (90) days, the Resident will continue to be responsible for his/her

Initials \_\_\_\_\_

regular Monthly Fee, additional meals, and ancillary medical supplies. If care is required beyond the ninety (90) day period, the Resident shall be responsible for payment of the full per diem rate currently applicable to the level of care that he/she is receiving. The ninety (90) days of Assisted Living or Health Care use will be secondary to any covered insurance programs, including Medicare. Medicare will be the primary payor for the Resident while under a Medicare stay.

**3.2.3 For Type IV Occupancy Agreements only.** King's Grant shall be responsible for nursing care if it is determined by King's Grant's Resident Review Committee and the Executive Director in consultation with the Resident's physician that the Resident requires such care. Said care will be provided in Catered Living, Assisted Living Center or Health Center and shall be that which is normally provided in an Assisted Living or Intermediate Nursing Care Facility. The Resident will continue to be responsible for his/her regular Monthly Fee, additional meals, and ancillary medical supplies. The need for care beyond that which may be provided in these settings will require the Resident to relocate to an appropriate facility at his/her own expense (example: acute care hospital or mental illness or drug abuse treatment facility).

**3.3 Emergency Situations.** The Resident agrees that in the event of physical injury or illness which requires immediate hospitalization, medical treatment, or surgical operation, and the Resident is incapable or incompetent because of injury or illness to consent to such necessary hospitalization, medical treatment or surgery and the Resident's Attorney-in-Fact or Agent pursuant to a Medical Power of Attorney cannot be reached in time to make the necessary decision, Resident hereby appoints the executive director of King's Grant or a person so designated to act in the stead of said executive director to request immediate transportation to the local hospital for care. It is distinctly agreed that neither King's Grant nor the executive director and/or designee shall be liable to the Resident nor to any other person in any manner whatsoever because of such actions.

**3.4 Health Related Charges.** The Resident shall be responsible for the following charges to the extent they are not covered by Medicare or the Resident's Supplemental Insurance:

Initials \_\_\_\_\_

**3.4.1** Charges of any physician, physical/occupational/speech therapist, podiatrist or other health professional, whether provided by King's Grant or elsewhere.

**3.4.2** Charges for medications, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, or other health related items.

**3.5 Medical Insurance.** The Resident shall maintain, at all times, at the Resident's own cost, the maximum coverage under any federal, state, municipal public insurance plans, and Medigap or other supplemental insurance for which he or she may qualify. King's Grant and this Agreement do not act as a substitute for Medigap or other insurance. King's Grant may, at its option and without obligation, obtain policies or insurance covering its services to Residents. All premium payments on such policies and the associated costs of same shall be reflected in future Monthly Fees. The Resident agrees to cooperate fully in connection with the application for and maintenance of such insurance.

## 4. Occupancy

**4.1 Power of Attorney.** The Resident agrees to: (1) execute and maintain a valid Power of Attorney, (2) execute an Advance Medical Directive, and (3) provide King's Grant with current copies of these documents prior to occupancy and with any changes or updated versions of these documents. In no case shall occupancy be permitted without the above.

**4.2 Occupancy.** The Resident agrees to occupy the Residence assigned on or before \_\_\_\_\_. In the event the Resident does not occupy the Residence on the assigned date, the Resident shall be obligated to pay the applicable monthly fee, from the assigned occupancy date to the actual date of occupancy. The Residence shall be occupied solely by the Resident(s) herein. There shall be no occupancy by non-residents. No guest, other than a family member, should occupy a Residence for longer than three (3) week without prior approval of the executive director. Responsibility for the conduct and other actions by the Resident's guest(s) is the responsibility of the Resident. All references to occupancy in this Agreement, unless otherwise indicated, relates to The Resident's original occupancy date indicated on their original contract.

Initials \_\_\_\_\_

**4.3 Policies and Guidelines.** The Resident will abide by the King's Grant policies and guidelines and such reasonable amendments, modifications, and changes of these policies and guidelines as may hereafter be adopted by King's Grant. Any policies and guidelines adopted by King's Grant shall be applied to all residents similarly situated without preference or prejudice to any resident or group of residents.

**4.4 Survivor.** If this Agreement is executed by Residents who are husband and wife, or are otherwise related by blood or by friendship, it is understood that upon the death of one Resident, all rights hereunder shall vest in, and all obligations hereunder shall transfer to, the surviving Resident to the same extent as if such Resident (s) had been the sole and only Resident under the terms of this Agreement, provided that the survivor can demonstrate his or her ability to continue to meet the financial terms of this agreement. In the event the survivor is unable or unwilling to do so, her or she will be subject to termination of this agreement.

**4.5 Relocation or Death of Resident(s).** This Agreement does not create any interest in the real estate owned by King's Grant, and this occupancy privilege shall not inure to the use or benefit of the heirs, assignees, or representatives of residents and, upon the relocation or death of the last surviving of the Residents, all rights of occupancy under this Agreement shall terminate.

**4.6 Resident's Inability to Pay.** The Resident(s) shall be required to provide a complete update to their financial statements prior to moving to another level of care within King's Grant. A move to a higher level of care could be denied if the Resident would not pass financial qualification and their inability to do so was a result of abnormal gifting or other diversion of assets subsequent to the Resident's original financial statement and qualification. If the Resident or surviving Resident is unable to meet his or her financial obligations to King's Grant, the Resident agrees to liquidate personal assets in order to meet their obligations hereunder. The Resident will also furnish to King's Grant sufficient financial information that will justify that the Resident is unable to pay the total Monthly Fee and other charges. Once the Resident satisfactorily establishes facts to justify the need for such financial assistance, King's Grant may, if it can do so without impairing the ability of King's Grant to operate on a sound financial basis, subsidize the Resident's Monthly Fee. In the event financial assistance is granted, the Resident shall be liable to the King's Grant for the full amount of the subsidy received by the Resident, which will be charged against the Resident's Entrance Fee refund, if any, and to the extent of any

deficiency amount thereafter, shall be due and payable at such time as the Resident has sufficient funds therefore, and otherwise shall be due and payable from and enforceable against the Resident's estate. In the case of King's Grant subsidizing the Resident's Monthly fee, King's Grant reserves the right to require the Resident to transfer to a smaller Residence when available, in order to reduce the Monthly Fee. Failure of the Resident to pay the Monthly Fee or to qualify for financial assistance may result in the Resident's loss of occupancy of the Residence as outlined in this agreement.

**4.7 Financial Statements.** To ensure King's Grant's ongoing ability to plan for future needs of Residents who outlive their resources, it is important to anticipate, as much as practicable, what those obligations will be. Therefore, Resident or responsible party agrees to provide an updated and complete financial statement, along with associated documentation, every three years.

**4.8 Right of Entry.** Employees of King's Grant shall have the right to enter the Residence (a) at all reasonable times for inspection and to perform housekeeping and maintenances and (b) at any time to respond to fire or medical alerts and for other emergency purposes.

**4.9 Removal of Property.** In the event of withdrawal, death, or permanent transfer of a Resident, including permanent transfer to Catered Living, Assisted Living Center, or the Health Center, or upon termination of this Agreement, all of the Resident's property shall be removed from the previously occupied Residence within 30 days by an individual designated by the Resident or the Resident's Responsible Party. **King's Grant shall impose the applicable Monthly Fee until said Resident's property is removed and the Residence is released to King's Grant.** King's Grant shall be entitled to reduce the unamortized Entrance Fee Refund, if any, by 2% per month until the property is removed. King's Grant may opt to move, store or dispose of the items subject to a fee. King's Grant will not be responsible for loss or damage to the Resident's belongings.

**4.10 Damage or Loss of Property.** Although King's Grant will exercise reasonable care in providing effective security, the Resident is encouraged to insure his/her property against casualty and theft loss, should he/she desire such insurance protection. King's Grant shall not be responsible for damage to or loss of any of the Resident's property by casualty, theft, or other cause.

Initials \_\_\_\_\_

**4.11 Tobacco-Free Policy.** King's Grant is committed to providing the healthiest possible environment for all its residents, employees and visitors. Effective March 1, 2018, King's Grant became a tobacco-free community and adopted a tobacco-free policy that applies to all residents, employees, volunteers, vendors and contractors. Tobacco use of any type is prohibited and includes cigarettes, cigars, pipes, snuff, chewing tobacco and vapor products such as e-cigarettes and other related products used to simulate smoking. This policy applies to all property owned and/or leased by King's Grant (e.g., personal residences, parking lots, grounds, public areas, company cars and resident cars parked on the King's Grant campus), as well as adjacent property. Residents not adhering to the policy will be assessed for damages caused by tobacco products and the cost of such will be paid by the Resident or may be subtracted from the entrance fee refund, if applicable.

## **5. TRANSFER AND SURRENDER OF RIGHT OF OCCUPANCY**

**5.1 Physical and Mental Health Requirements of Resident.** As a condition of occupancy at King's Grant, the Resident shall be physically and mentally capable of performing routine activities of daily living and able to respond appropriately to emergency situations. If King's Grant determines in its sole discretion that the Resident is unable to comply with these requirements or the Resident's physical or mental illness causes the Resident's continued presence at King's Grant to be detrimental to the health or safety of him/herself or others, King's Grant reserves the right to transfer the Resident to an appropriate level of care within King's Grant or transfer the Resident to an appropriate institution or facility. While at such an institution or facility the Resident shall continue to pay the monthly fee. In the event of a transfer the provision of Section 5.2 shall apply.

**5.2 Temporary Transfer from King's Grant.** When the Resident suffers any physical or mental condition for which King's Grant is not permitted to provide care within the requirements of the law, or when his/her presence is deemed detrimental to the health or safety of his/herself, the other residents, or staff; or when King's Grant determines such action to be in the best interest of the Resident, King's Grant shall have the authority, in consultation with the Resident's Responsible Party, to transfer the Resident to another facility or institution, public or private, suitable for such cases. Such a transfer shall not be a termination, either voluntary or



involuntary of this Agreement. In the event that the condition requiring transfer of the Resident is not temporary in nature, the Residence shall be released.

**5.3 Exchange Between Residences.** Residents may transfer to or exchange residences with the prior approval of the Executive Director. Requests will be considered based on the Policies and Guidelines of King's Grant.

**5.4 Permanent Surrender of Right of Occupancy.** The following are examples of conditions of physical and mental health which may result in the need for the Resident to relinquish the Residence and to move to a level of care that would best meet his or her needs:

- a) Limited mobility
- b) Limited vision
- c) Failing general health that precludes the Resident from independent living due to his/her inability to cook, clean, bathe, and secure groceries and supplies.
- d) Loss of mental faculties to a degree where living independently poses a hazard to his/her health or to the health of the community.

This process may be initiated by any of the following:

- a) Recommendation of attending physician
- b) Consultation with family members/responsible parties
- c) By the Executive Director and Resident Review Committee
- d) At the request and desire of the Resident

If a Resident needs to move to a higher level of care or out of King's Grant, the Executive Director and Resident Review Committee in consultation with the responsible party and attending physician will collaborate to reach a decision in the best interest of the Resident. The final decision will be King's Grant's.

A Resident will be allowed to continue living in his/her Residence described in this Agreement as long as he/she does not suffer from any physical or mental condition as described above; continues to pay the applicable Monthly Fee and other charges, and cancellation of this Occupancy Agreement has not occurred as provided for herein.

Initials \_\_\_\_\_

**5.5 Cancellation of Agreement.** King's Grant shall not cancel this Occupancy Agreement with the Resident without good cause. Good cause shall be limited to: proof that the Resident is a danger to him/herself or others; nonpayment of the Monthly Fee or other charges; repeated conduct by the Resident that interferes with other resident's quiet enjoyment of King's Grant; persistent refusal to comply with King's Grant's written policies and guidelines; a material misrepresentation made intentionally or recklessly by the Resident in his/her application for residency or related materials regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify in his/her application for Residency or a material increase in the cost of care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement will be provided to the Resident.

**5.6 Opportunity to Cure.** Where applicable and within a 30-day period, an opportunity will be given to cure whatever conduct is alleged to warrant the cancellation of this Agreement.

**5.7 Voluntary Cancellation by Resident.** For the Stone Cross East apartments, the Resident shall give a sixty (60) day written notice prior to voluntary cancellation of this Agreement. For the Stone Cross West apartments, the Resident shall give a thirty (30) day written notice prior to voluntary cancellation of this Agreement. If the Resident fails to give proper notice, he/she agrees that King's Grant shall be entitled to continue to reduce the Resident's unamortized Entrance Fee refund by 2% per month for the sixty (60) or thirty (30) day period, if applicable.

## **6. Co-Occupancy**

**6.1 Marriage and/or Co-Occupancy with a Non-Resident.** When a Resident marries and brings his/her spouse to King's Grant, there will be a second person Entrance Fee for the Resident's spouse. The second person Entrance Fee will be based on the spouse's occupancy agreement type. There will also be a second person Monthly Fee for the Resident's spouse based upon his or her occupancy agreement type. King's Grant will honor its Agreement with the original Resident. At the termination of that Agreement, the surviving spouse may negotiate his/her own Agreement. The spouse/co-occupant must meet King's Grant's entrance requirements. If the spouse/co-occupant cannot meet the admissions criteria, King's

Grant will deny continued Residency. In such event, the right of the surviving spouse to occupy said Residence shall cease and terminate, and the Residence shall be deemed fully surrendered to King's Grant.

**6.2 Marriage and/or Co-Occupancy with a Current Resident.** In the event that the Co-occupant is already a resident of King's Grant, this Agreement and the Co-Occupant's Agreement shall be cancelled, and the Resident and Co-occupant will enter into a new Agreement with King's Grant. If the Resident remains in the current Residence and the Co-occupant moves into the Resident's Residence, the only additional Entrance Fee payment required shall be for the current second person Entrance Fee if applicable. If two entrance fees have been paid, no additional entrance fee may be required; if only one entrance fee has been paid, an additional entrance fee will be required. There will also be a second person Monthly Fee for the Resident's Co-Occupant based upon his or her occupancy agreement type. This charge will be at the current rate charged to other residents. In this case, a refund of any portion of the Entrance Fee paid under this Agreement shall be governed by the terms and conditions of the new Agreement.

**6.2.3 Relocation of Current Residents.** If the Resident and Co-occupant are both current residents and move from their current Residences into a new shared Residence, the Resident and Co-occupant shall receive credit for the amount of Entrance Fees paid by them with respect to their separate Agreements, less any amounts charged or chargeable against the Entrance Fees paid, and shall pay King's Grant the difference, if any, between the sum of the Entrance Fee paid with respect to their Agreements and the Entrance Fee and Second Person Entrance Fee charged for the new Residence at the time the Resident and the Co-Occupant enter into the new Agreement. If the Entrance Fee for the new Residence is lower than the sum of the Entrance Fees due and owing to the Residents, King's Grant shall not refund the excess to the Resident or Co-occupant at the time they enter into the new Agreement.

**6.3 Separation of Residents.** In the event two current Residents decide to occupy separate residences, the following options are available:

**6.3.1** If both choose to remain as Residents and therefore need separate Residences, the Resident moving to a new Residence will be obligated

Initials \_\_\_\_\_

to pay the then current Entrance Fee and single person's Monthly Fee for the selected Residence. King's Grant shall not refund any portion of the Entrance Fee paid under this agreement upon relocation.

**6.3.2** If one Resident desires to move out of King's Grant, the other Resident may remain in the current Residence or move to a new Residence, subject to the terms and conditions of this Agreement. If the remaining Resident stays in the current Residence, the Resident shall pay the single person Monthly Fee for the current Residence. If the Resident moves to a new Residence, in addition to paying the single person's Monthly Fee for the new Residence, he or she will pay the difference between the current Entrance Fee for the new Residence and the Entrance Fee paid under this Agreement. King's Grant shall not refund, at that time, any portion of the Entrance Fee paid under this Agreement.

## **7. Entrance Fee Refund**

**7.1 Refund of Entrance Fee.** In the event of death or withdrawal of the Resident from King's Grant and release of the Residence, a partial refund of the Entrance Fee may be available. All refunds of any portion of the Entrance Fee are expressly conditioned upon King's Grant's acceptance for admission of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence. Any refund of the Entrance Fee that may be due to the Resident or the Resident's estate shall first be applied to satisfy, in part or in whole, any outstanding Monthly Fee or other charge(s) owed by the Resident to King's Grant and/or the interest and principal outstanding on any Fellowship Assistance granted to the Resident by King's Grant, and the balance thereof shall be paid to the Resident or the Resident's estate. In no event shall the Resident or the Resident's estate receive a refund of the Monthly Fee paid to King's Grant. Any outstanding Entrance Fee will be paid after the successful remarketing of the residence or within six (6) months, whichever occurs first. The refund available depends on your Agreement type. The following formulas apply:

**7.1.1 For All Contract Types.** Refund terms related to the original contract remain in effect. If any additional Entrance Fee is required and is paid to this contract, the following provisions apply.

Initials \_\_\_\_\_

**7.1.2 For Type I and Type II Occupancy Agreements only.** If the withdrawal or death occurs during the first 50 months following the date of occupancy, change of occupancy or assigned change of occupancy date, whichever occurs first, a refund of the Entrance Fee will be made, reduced by 2% per month from the date herein referred to, until the Residence is vacated and released to King's Grant. There will be no refund made under this policy after 50 months. No refunds are available for permanent transfer to a different level of care under Type I and Type II Occupancy Agreements.

**7.1.3 For Type III Occupancy Agreements only.** When withdrawal or death occurs the refund will be 50% of the Entrance Fee. In the event the Resident becomes unable to pay the applicable monthly or daily service fee(s) in any level of residency, the Resident shall be liable to King's Grant for the full amount, which will be charged against the Resident's Entrance Fee refund as well as payable from the Resident's estate.

**7.1.4 For Type IV Occupancy Agreements only.** If the withdrawal or death occurs during the first 50 months following the date of occupancy, change of occupancy or assigned change of occupancy date, whichever comes first, a refund of the Entrance Fee, less the \$\_\_\_\_\_per Resident Lifecare Fee, will be made, reduced by 2% per month from the date herein referred to until the Residence is vacated and released to King's Grant. There will be no refund made under this policy after 50 months.

**7.1.5 Unit Not Occupied.** If the Resident dies before occupying the Resident, or is precluded through illness, injury, or incapacity from becoming a Resident under the terms of the Occupancy Agreement, the Agreement is automatically rescinded, and the Resident or his /her legal representative shall receive a full refund of all money paid to King's Grant, or any additional money if a change of occupancy was made; except those costs specifically incurred by King's Grant at the request of the Resident.

## 8. Miscellaneous

**8.1 Further Assurances.** The Resident, for himself/herself, his /her heirs, personal representatives, and assigns, agrees to carry out and deliver to King's Grant such legal instruments as may be requisite to carry out the provisions of this Agreement.

**8.2 Representations.** The application and statements of finances and health history of the Resident filed with King's Grant are incorporated in this contract by this reference and all statements therein are deemed to be representations by the Resident as of the date made. The Resident represents that there have been no material changes in the information provided since the date thereof. The resident's breach or misrepresentation may result in (a) cancellation of this Agreement, or (b) transfer as provided in Section 5 of this Agreement.

**8.3 Responsibility for Protection of the Resident's Property.** King's Grant shall not be responsible for the loss of any personal property belonging to the Resident due to theft, fire or any other cause. The Resident shall have the responsibility, at the Resident's own expense, of insuring the Resident's property against such risks under a tenant's or homeowner's insurance policy.

**8.4 Accident Caused by the Resident.** The Resident shall indemnify and hold King's Grant harmless from any claims, investigations, proceedings or lawsuits, including all damages, costs, expenses, reasonable attorney's fee and court costs, resulting from, attributable to or in any way connected with the negligent or intentional act or omissions of the Resident. The Resident shall obtain liability insurance to cover such situations.

**8.5 Responsibility for Damages.** Any harm or damages to the real or personal property of King's Grant caused in whole or in part by the Resident shall be charged to and paid for by the Resident. King's Grant assumes by this Agreement no responsibility for any harm or damage done to the person or property of the Resident by another resident or by any other person or entity. To the extent permitted by law, the Resident also hereby releases and discharges King's Grant from any and all Claims for personal injury or property damage suffered by the Resident which are alleged to or actually arise from or relate to, in whole or in part, King's Grant's assistance to, supervision or care of other residents.

Initials \_\_\_\_\_

**8.6 Renovations and Additions to the Campus.** From time to time, King's Grant may decide to renovate, demolish and add to its facilities. Resident agrees that he or she anticipates such activities, and they shall not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. Resident also agrees these activities by King's Grant shall not constitute a breach by King's Grant of this Agreement or any other obligation owed to the Resident. Resident further agrees not to maintain any action against King's Grant to enjoin it from renovating, demolishing or adding to its facilities.

**8.7 Non-Discrimination.** Neither marital status, race, sex, national origin, disability, nor faith has any bearing upon the offer, acceptance or termination of residence at King's Grant.

**8.8 Whole and Binding Agreement.** The Resident has received this Agreement and has had the opportunity to have it reviewed by his or her attorney, responsible party or financial advisor. The parties agree that this Agreement and the Disclosure Statement contain the entire agreement. This Agreement is binding on the Resident and King's Grant, their successors and assigns.

Initials \_\_\_\_\_

**THE RESIDENT SHALL HAVE THE RIGHT TO RESCIND THIS AGREEMENT**, without penalty or forfeiture, within seven (7) days after making an initial deposit executing this Agreement. The Resident shall not be required to move into King's Grant before the expiration of the seven (7) day period.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands  
and seals on this date \_\_\_\_\_

### Signatures

Print Name

Sunnyside Presbyterian Home

\_\_\_\_\_

By: \_\_\_\_\_  
"King's Grant"

Print Name

\_\_\_\_\_

By: \_\_\_\_\_  
"Resident"

Print Name

\_\_\_\_\_

By: \_\_\_\_\_  
"Resident"

Initials \_\_\_\_\_



## Acknowledgements

I hereby acknowledge I/we have received the following:

Initials:

\_\_\_\_\_ ☐ A copy of King's Grant's Continuing Care Provider Disclosure Statement

\_\_\_\_\_ ☐ A complete copy of this Occupancy Agreement

\_\_\_\_\_ ☐ A copy of the Resident Handbook

☐ **Type I Occupancy Agreement**

☐ **Type II Occupancy Agreement**

☐ **Type III Occupancy Agreement**

☐ **Type IV Occupancy Agreement**

Signed:

\_\_\_\_\_

\_\_\_\_\_

Date:

\_\_\_\_\_

Rev.0623/lk

Initials \_\_\_\_\_

**ASSISTED LIVING OCCUPANCY AGREEMENT ADDENDUM  
FOR TYPE II (90 Days Care) OCCUPANCY AGREEMENTS**

THIS CONTRACT ADDENDUM is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Sunnyside Presbyterian Home of Rockingham County, Virginia, hereinafter King's Grant, and \_\_\_\_\_ ("Residents").

**RECITALS:**

A. Sunnyside Presbyterian Home is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia to establish and operate retirement facilities for adults. The Residents have made application for residence in the community known as King's Grant, and such application has been approved, subject to the provisions of the Occupancy Agreement and this Addendum.

B. The Resident has entered into a Type II (90 Days Care) Occupancy Agreement with King's Grant for his/her care and residence and must now enter into an Assisted Living agreement with King's Grant.

C. The Type II contract allows the Resident 90 days of service with \_\_\_\_ meal(s) per day without charge; therefore, the King's Grant Assisted Living Agreement requires an Addendum.

**WITNESSETH:**

NOW THEREFORE, in consideration of the mutual promises and undertakings herein set forth and intending to be legally bound hereby, the parties hereto agree as follows:

1. King's Grant agrees to continue to provide the services outlined in the Resident's existing Type II (90 Days Care) Occupancy Agreement.

While in Assisted Living, the Resident will continue to be responsible for his/her regular Monthly Fee, additional meals, and ancillary medical supplies pursuant to the Type II Occupancy Agreement.

2. Should the Resident need care in Assisted Living beyond 90 days, the Resident agrees to pay the per diem fee in Assisted Living in addition to his/her regular Monthly Fee.

3. Once the Resident returns to his/her Living Unit, all provisions of the Type II Occupancy Agreement supercede the Assisted Living Agreement and this Addendum.

**SUNNYSIDE PRESBYTERIAN HOME**

By: \_\_\_\_\_  
"King's Grant"

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

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

# KING'S GRANT

## HEALTHCARE OCCUPANCY AGREEMENT



# KING'S GRANT HEALTHCARE OCCUPANCY AGREEMENT

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# KING'S GRANT HEALTHCARE OCCUPANCY AGREEMENT

## INTRODUCTION

THIS AGREEMENT is made on \_\_\_\_\_,  
by and between SUNNYSIDE PRESBYTERIAN HOME of Rockingham County,  
Virginia, hereinafter King's Grant, and \_\_\_\_\_  
("Resident")

Sunnyside Presbyterian Home is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia to establish and operate retirement facilities for adults. The Resident has made application for residence in the community known as King's Grant, and such application has been approved, subject to the provisions of this Agreement.

## AGREEMENTS

### 1. LIVING ACCOMMODATIONS AND FACILITIES

**1.1 Living Accommodations.** The Resident shall have a personal, non-assignable right to occupy Room number \_\_\_\_\_ (the "Living Unit") located in the Lacy Health Center, subject to removal only as hereinafter provided.

**1.2 Furnishings.** King's Grant shall provide in the Living Unit a bed, nightstand, dresser, over-the-bed table, and chair (if requested). Resident may provide other furnishings.

**1.3 King's Grant Facilities.** Resident shall have the right to use, in common with other King's Grant residents, the congregate and communal facilities provided by King's Grant.

### 2. SERVICES PROVIDED BY KING'S GRANT

**2.1 Services Provided.** The Resident shall have the right to all the services and amenities specified below as long as: (i) the Resident complies with the terms of this Agreement and (ii) the Agreement is not terminated.

**2.1.1 Utilities.** King's Grant shall provide the utilities reasonably required (water and sewer, electricity, heating, air conditioning, cable TV, and in-house telephone service) in connection with the occupancy of the Living Unit, subject, however, to the availability of such services to King's Grant. Local and long-distance telephone service will be provided by King's Grant at an additional charge.

**2.1.2 Meals.** King's Grant shall furnish the Resident with three meals per day. Meals shall be nutritionally well balanced and served in the Country Garden dining room or other areas designated by King's Grant.

**2.1.3 Housekeeping.** Weekly housekeeping services shall be provided by King's Grant. However, the Resident and/or Resident's designated representative shall maintain the Living Unit in an orderly condition via the guidance of the Director of Nursing and/or the Executive Director.

**2.1.4 Laundry.** King's Grant shall provide laundry service for all bed linen, towels, and personal laundry.

**2.1.5 Maintenance and Repairs.** Necessary repairs, maintenance, and replacement of property owned by King's Grant shall be performed and provided by King's Grant.

**2.1.6 Grounds.** King's Grant shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

**2.1.7 Mail.** Personal mail shall be delivered to Resident's room.

**2.1.8 Programs.** Programs of social, recreational, wellness, and religious activities shall be provided for interested residents.

**2.1.9 Transportation.** King's Grant shall provide scheduled transportation as deemed appropriate. Transportation for medical appointments shall be provided in accordance with policies and procedures at King's Grant. In appropriate circumstances, transportation via ambulance or other related services may be necessary. The Resident is responsible for payment of such transportation and any other associated charges.

**2.1.10 Nursing Services.** King's Grant shall provide 24-hour nursing services, including administration of medications, assistance with activities of daily living (bathing, dressing, etc.) and restorative nursing programs provided by King's Grant and prescribed by the Resident's physician or physical therapist.

**2.1.11 Other Services.** Services for which an additional charge may be made, if provided, include, but are not limited to: group travel trips arranged for special cultural, social, sporting, and scenic excursions; individual transportation services; art and instruction classes, theater, orchestra, lecture series tickets, specific entertainment and activities; beauty/barber shops; notary public services; and additional housekeeping and grounds maintenance.

**2.1.12 Care Changes.** A 14-day notice will be given in the event the scope of care as provided herein is to be changed unless a physician orders 24-hour nursing care or a prohibitive condition exists.

### **3. HEALTHCARE AND ANCILLARY SERVICES**

**3.1 Outpatient Services.** King's Grant shall provide a clinic where the Resident may be examined and treated as an outpatient. King's Grant shall arrange for a Medical Director to be available from time to time in the clinic. The Resident may, however, engage the services of a Medical Director who may also use the facilities of the clinic subject to rules and regulations of King's Grant. King's Grant does provide and supervise a Medical Director who may be engaged by the resident for individual services. The Medical Director engaged to provide services for a resident is not an employee or agent of the facility.

King's Grant may arrange for the services of a physical therapist, a dentist, and other health professionals, as it deems necessary. The Resident is responsible for payment of charges by these health professionals.

**3.2 Inpatient Services.** Care shall be provided as may be appropriate in a nursing facility. Need for care beyond that which can be provided in this setting may require the Resident to relocate to an appropriate facility (example: acute care hospital or mental illness or drug abuse treatment facility).

**3.3 Attorney-in-Fact.** The Resident agrees that in the event of physical injury or illness which requires immediate hospitalization, medical treatment, or surgical operation, that in the event the Resident is incapable or incompetent because

of injury or illness to consent to such necessary hospitalization, medical treatment or surgery and the Resident's Attorney-in-Fact or Agent pursuant to a Medical Power of Attorney cannot be reached in time to make the necessary decision, Resident hereby appoints the Executive Director of King's Grant or a person so designated to act in the stead of said Executive Director as his/her agent and attorney-in-fact, to contract for him/her in his/her name for such hospitalization, medical treatment, or to have such necessary surgical operation performed, provided a competent physician advises and recommends such medical treatment or surgery as apparently necessary. It is distinctly agreed that neither King's Grant nor the Executive Director and/or designee shall be liable to Resident nor to any other person in any manner whatsoever because of such surgery or the result thereof.

**3.4 Health Related Charges.** The Resident shall be responsible for the following charges to the extent they are not covered by Medicare or the Resident's Supplemental Insurance:

- (a) Charges of any physician, physical therapist, occupational therapist, podiatrist, or other health professional, whether provided by Sunnyside or elsewhere;
- (b) Charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, or other health related items.

### **3.5 Medical Insurance**

**3.5.1** The Resident shall maintain, at all times, at the Resident's own cost, the maximum coverage under any federal, state, municipal public insurance plans, and Medigap Supplemental Insurance. The Provider and this Agreement do not act as a substitute for Medigap Insurance.

**3.5.2** The Provider may, at option and without obligation, obtain policies of insurance covering its services to Residents. All premium payments on such policies and the associated costs of same shall be reflected in future Daily Fees. The Resident agrees to cooperate fully in connection with the application for and maintenance of such insurance.

**3.5.3 Mental Illness, Contagious Disease.** If the Provider determines that the Resident's mental or physical illness causes continued presence at the community to be dangerous or detrimental to the health or peace of the Resident or other Residents, the Provider may transfer the Resident to an institution selected by the Provider (or by the Resident or the Resident's Responsible Party if they have a preference, provided such transfer is



appropriate and can be accomplished within a reasonable timeframe) at the Resident's expense. While at such an institution, the Resident shall continue to pay the Daily Fee.

#### **4. OCCUPANCY AND FEES**

**4.1 Daily Fee.** Resident, or Resident's designated representative, shall pay to King's Grant a daily fee for a private/semiprivate room, currently \$\_\_\_\_\_, payable monthly in advance for the services described in Sections 1 and 2 of this Agreement. King's Grant shall endeavor to maintain its schedule of fees at the lowest possible rate consistent with sound financial practices. King's Grant may adjust the schedule of fees at any time upon a 30-day written notice to the Resident or his/her Power of Attorney. In the event of transfer of ownership, closing of facility, or Resident transfer or discharge, any advance payments beyond the effective day of said event shall be refunded.

**4.2 Ancillary Charges.** The Resident or the Resident's designated representative, agrees to pay, in addition to the Daily Fee, all ancillary charges for services described in Section 3 of this Agreement.

**4.3 Power of Attorney.** Resident agrees to: (1) appoint and maintain a valid Power of Attorney, (2) execute an Advance Medical Directive, and (3) provide King's Grant with current copies of these documents.

**4.4 Resident's Inability to Pay.** It is the policy of the Provider not to terminate the residency of the Resident solely by reason of financial inability of the Resident to pay the Daily Fee, provided the Resident has not transferred assets in violation of this Agreement or applicable law. If the Resident is unable to meet the financial obligations to the Provider, the Resident agrees to liquidate personal assets in order to meet said obligations. The Resident will also furnish to the Provider sufficient financial information that will justify that the Resident is unable to pay the total Daily Fee and other charges. When the Resident establishes facts to justify the need for such financial assistance, the Provider may, if it can do so without impairing the ability of the community to operate on a sound financial basis, subsidize the Resident's Daily Fee. In the event financial assistance is granted, the Resident shall be liable to the Provider for the full amount of the subsidy received by the Resident, which will be charged against the Resident's Entrance Fee refund, if any, and to the extent of any deficiency amount thereafter, shall be due and payable at such time as the Resident has sufficient funds therefore, and otherwise shall be due and payable from and enforceable against the resident's estate.

**4.5 Right of Entry.** Employees of King's Grant shall have the right to enter the Resident's Living Unit (a) at all reasonable times for inspection and to perform housekeeping and maintenance functions and (b) at any time to respond to fire or medical alerts and for other emergency purposes.

**4.6 Removal of Property.** In the event of withdrawal, death, or permanent transfer of a Resident, all of the Resident's property shall be removed from the previously occupied Living Unit within three (3) days. In the event that the Living Unit is needed for another resident in an emergency situation, Sunnyside reserves the right to move the Resident's property to a safe storage unit until the family is able to retrieve such property. If property is not removed within such three (3) day period, Sunnyside shall have the right to remove and store such property at the Resident's expense, or at the expense of his/her estate, for a period of six months; and, thereafter, if such property is not claimed, it shall be disposed of in accordance with the laws of the State of Virginia.

**4.7 Damage or Loss of Property.** Although King's Grant will exercise reasonable care in providing effective security, it is recommended the Resident insure his/her property against casualty and theft loss.

**4.8 Rules and Regulations.** Resident will abide by the King's Grant rules and regulations and such reasonable amendments, modifications and changes of these rules and regulations as may hereafter be adopted by King's Grant. Any rules and regulations adopted by King's Grant shall be applied to all residents similarly situated without preference or prejudice to any resident or group of residents.

## **5. SURRENDER OF RIGHT OF OCCUPANCY AGREEMENT**

**5.1 Temporary Transfer from King's Grant.** When Resident suffers any physical or mental condition for which King's Grant is not permitted to provide care within the requirements of law, or when his/her presence is deemed detrimental to the health or peace of the other residents, or when King's Grant determines such action to be in the best interests of the Resident, King's Grant shall have authority, in consultation with the Resident's Attorney-in-Fact, to transfer Resident to another facility or institution, public or private, suitable for such cases. Such a transfer shall not be a termination, either voluntary or involuntary, of this contract. In the event of a determination by a King's Grant Medical Director that the condition requiring transfer of the Resident is not temporary in nature, the Living Unit shall be released.

**5.2 Cancellation of Agreement.** King's Grant shall not cancel this Occupancy Agreement with the resident without good cause. Good cause shall be limited to: proof that Resident is a danger to him/herself or others; nonpayment of the Daily Fee; repeated conduct by the Resident that interferes with other residents quiet enjoyment of King's Grant; persistent refusal to comply with King's Grant's written rules and regulations; a material misrepresentation made intentionally or recklessly by the Resident in his/her application for residency, or related materials regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by King's Grant will be provided to the Resident.

**5.3 Opportunity to Cure.** Where applicable, an opportunity will be given to cure, within a 30-day period, whatever conduct is alleged to warrant the cancellation of this Agreement.

**5.4 Voluntary Cancellation by Resident.** Resident shall give a forty-five (45) day written notice prior to voluntary cancellation of this agreement. If Resident fails to give the proper notice, he/she agrees that King's Grant shall charge its normal fees for the 45-day period.

## **6. LICENSURE**

King's Grant is licensed to operate a Nursing Facility (Healthcare Center) by the Center for Quality Healthcare Services and Consumer Protection, Virginia State Department of Health, which is located at 3600 W Broad Street, Suite 216, Richmond, Virginia 23230.

## **7. MISCELLANEOUS**

**7.1 Further Assurances.** The Resident, for himself/herself, his/her heirs, personal representatives and assigns, agrees to execute and deliver to King's Grant such legal instruments as may be requisite to carry out the provisions of this Agreement.

**7.2 Representations.** The application and the statement of finances and health history of Resident filed with King's Grant are incorporated in this contract by this reference and all statements herein are deemed to be representations by Resident as of the date made. Resident represents that there have been no material changes in the information provided since the date thereof. Resident's breach or

misrepresentation may result in (a) cancellation of this Agreement, or (b) transfer as provided in Section 5 in this Agreement.

**THE RESIDENT SHALL HAVE THE RIGHT TO RESCIND THIS AGREEMENT**, without penalty or forfeiture, within seven (7) days after making an initial deposit executing this Agreement. The Resident shall not be required to move into King's Grant before the expiration of the seven (7) day period.

## **SIGNATURES**

King's Grant and the Resident agree to the terms and conditions set forth in this Agreement dated \_\_\_\_\_

Print Name

**SUNNYSIDE PRESBYTERIAN HOME**

\_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_  
"King's Grant"

Print Name

\_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_  
"Resident"

Print Name

\_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_  
"Attorney-in-Fact", if applicable

Initials \_\_\_\_\_

## ACKNOWLEDGMENTS:

I hereby acknowledge I/we have received the following:

Initials:

\_\_\_\_\_ ☐ A complete copy of this Occupancy Agreement

\_\_\_\_\_ ☐ A copy of this Resident's Handbook

Signed:

\_\_\_\_\_

\_\_\_\_\_

Rev. 0922/lk

# King's Grant

## RESIDENTIAL OCCUPANCY (Village) RENTAL AGREEMENT



**KING’S GRANT  
RESIDENTIAL OCCUPANCY  
RENTAL AGREEMENT**

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## I. Recitals

### Definitions

**“Agreement” or “Occupancy Agreement”** shall mean this document and any attachments, and the Application and medical history provided by the resident.

**“Assisted Living”** shall mean the assisted living services and facilities, which King’s Grant shall be licensed by the state to provide.

**“Attorney-in-Fact”** shall mean that individual that the Resident identifies through proper identification as the Resident’s power of attorney and health care power of attorney.

**“Community”** shall mean the King’s Grant Presbyterian Home of Rockingham County, Virginia, hereafter King’s Grant a Virginia not-for-profit corporation and the operator of King’s Grant.

**“Continuing Care”** shall mean the provision of lodging and nursing, medical or other health related services at the same or another location to an individual pursuant to an agreement effective for the life of the individual or for a period greater than one year, including mutually terminable contracts, and in consideration of the payment of an entrance fee or other fee with or without other periodic charges. An individual who is provided continuing care is one who is not related by consanguinity or affinity to the person who provides the care.

**“Co-occupant”** shall mean the spouse, friend or friends residing with the Resident in the Residence.

**“Entrance Fee”** shall mean the sum of money transferred by the resident to King’s Grant as full or partial consideration for acceptance of the resident into King’s Grant and as described in this Agreement.

**“Executive Director”** shall mean the individual with overall responsibility for directing and planning the day-to-day administration of King’s Grant.

**“Health Care Center”** shall mean the nursing care facility at King’s Grant.

**“Monthly Fee”** shall mean the fee paid by the Resident to King’s Grant on a monthly basis and described in this Agreement.



**“Permanent Resident”** shall mean a Resident for whom a determination has been made by the interdisciplinary medical team after consultation with the Resident or the Resident’s Responsible Party, the personal physician of the Resident and the Executive Director that such Resident needs permanent or prolonged full-time care in a nursing facility, assisted living facility or hospital (including mental hospital).

**“Residence”** shall mean the residential accommodation designated by the Resident in Section 1.1 – Living Accommodations of this Agreement, or any other accommodation to which the Resident transfers, including accommodations in Assisted Living and the Health Care Center.

**“Resident”** shall mean the person or persons listed in the signature page of this agreement.

**“Resident Care Committee”** shall mean a multidisciplinary staff committee that reviews the health and safety of each resident to determine the appropriate level of care and/or service.

# KING'S GRANT RESIDENTIAL OCCUPANCY AGREEMENT (Rental)

## INTRODUCTION

THIS RENTAL AGREEMENT on \_\_\_\_\_,  
by and between SUNNYSIDE PRESBYTERIAN HOME, Inc. of Rockingham  
County, Virginia, hereinafter doing business as King's Grant and  
\_\_\_\_\_("Resident").

SUNNYSIDE PRESBYTERIAN HOME is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia to establish and operate retirement facilities for adults. The Resident has made application for residence in the community known as King's Grant, and such application has been approved, subject to the provisions of this Agreement.

## AGREEMENTS

### 1. LIVING ACCOMMODATIONS, FEES AND FACILITIES

**1.1 Living Accommodations.** The Resident shall have a personal, non-assignable right to occupy the Residence known as:

\_\_\_\_\_ (the "Residence"), and subject to removal only as hereinafter provided.

**1.2 Monthly Fee.** Resident shall pay to King's Grant a Monthly Fee, currently \$\_\_\_\_\_, **payable in advance**, for the services described herein. King's Grant shall endeavor to maintain its schedule of fees at a reasonable rate consistent with sound financial practices. King's Grant may adjust the schedule of fees at any time upon a 30-day written notice to the Resident. The Resident shall not be entitled to occupy the Residence or to receive any services whatsoever from King's Grant until the payment of the Monthly Fee or other fees described in these sections has been received.

**1.3 King's Grant Facilities.** Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by King's Grant.

**1.4 Physical Changes in the Residence.** Any material physical change (i.e., changes to structure, fixtures, floor coverings, etc.) of any kind to the Residence may be made only upon the written approval of King's Grant. Any approved change(s) will be at the Resident's cost, unless otherwise agreed to in writing by King's Grant. The approval of any change requested by the Resident will be conditioned upon the agreement of the Resident to bear the expense of restoring the Residence to its original condition, unless otherwise approved in writing by King's Grant. All change/modification costs are payable on the date of occupancy or assigned date of occupancy, whichever comes first.

## **2. SERVICES PROVIDED BY THE COMMUNITY**

**2.1 Services Provided.** The Resident shall have the right to all the services and amenities specified below as long as: (i) the Resident complies with the terms of this Agreement and (ii) the Agreement is not terminated.

**2.1.1 Utilities.** King's Grant shall provide the utilities reasonably required (water and sewer, electricity, heating, air conditioning, cable television, and in-house telephone service) in connection with the occupancy of the Residence, subject, however, to the availability of such services to King's Grant. Resident is required to arrange and pay for electrical service, and those associated services (electricity, heating and air conditioning) are billed directly to the Resident from the local service provider. King's Grant will provide local and long-distance telephone service at an additional charge.

**2.1.2 Local Transportation.** King's Grant shall provide scheduled transportation as deemed appropriate. Transportation shall be provided in accordance with policies and guidelines at King's Grant. King's Grant reserves the right to charge appropriate fees for such transportation. In appropriate circumstances, transportation via ambulance or other related services may be necessary. In these instances, the Resident is responsible for payment of such transportation and any other associated charges. Transportation for special and group trips may be available, and the cost of such trips shall be borne by the Resident.

**2.1.3 Meals.** Residents may purchase up to three meals per day at an additional cost to be determined by King's Grant. Meals shall be served in one of the dining rooms or other areas designated by King's Grant.

The Resident may invite guests to any meal. Prior notice to dining services of guest meals may be required. Reservations are required for holiday meals.

**2.14 Housekeeping.** The Resident shall maintain the Residence in a clean, sanitary and orderly condition. Housekeeping services may be provided by King's Grant upon request at an additional charge to the Resident.

**2.1.5 Maintenance and Repairs.** Necessary repairs, maintenance and replacement of property owned by King's Grant shall be performed and provided by King's Grant. Any other work performed at the request of the Resident for repairs, maintenance and replacement will be at the Resident's own expense. All contractors performing work must be approved by the Executive Director.

**2.1.6 Grounds.** King's Grant shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

**2.1.7 Mail.** Individual mailboxes shall be provided in a central location or at the individual residence.

**2.1.8 Events.** Events of a social, recreational, wellness or religious variety shall be provided for interested residents. Additional events requested by the Resident may be provided subject to the considerations of costs, interest, and benefit to the overall Resident population.

**2.1.9 Health Services.** King's Grant shall provide, in case of a medical emergency, 24-hour on-call nursing personnel.

**2.1.10 Care Changes.** A 30-day notice will be given in the event the scope of care as provided herein is to be changed. In urgent situations the notice will be waived.

**2.1.11 Resident Council.** Interested residents may establish and maintain a Resident Council. King's Grant will be responsible for providing assistance with the formation and maintenance of the council, whether or not such a council exists in King's Grant. The general purpose of the council is to promote a free exchange of ideas, to work with the administration in improving the quality of life for all residents, to discuss the services offered by King's Grant and make

recommendations for resolution of identified problems or concerns and to perform other functions as determined by the council.

**2.1.12 Other Services.** Services for which an additional charge may be made, if provided, include, but are not limited to: group travel trips arranged for special cultural, social, sporting, and scenic excursions; individual transportation services; art and instruction classes, theater, orchestra, lecture series tickets, specific entertainment and events; beauty/barber shops; clinic services (e.g.- foot care, EKG, blood glucose monitoring, etc.); notary public services; additional housekeeping; and individual landscaping.

### **3. HEALTH CARE (Nursing, Assisted Living)**

**3.1 Outpatient Services.** King's Grant may provide a clinic where the Resident may be examined and treated as an outpatient. King's Grant may arrange for Clinical Staff to be available from time to time in the clinic. The Resident may, however, engage the services of an alternative clinical professional who may also use the facilities of the clinic subject to policies and guidelines of King's Grant.

King's Grant may arrange for the services of a physical/occupational/speech therapist, a dentist, and other health professionals, as appropriate. The Resident is responsible for payment of charges by these health professionals. The Resident is also responsible for charges incurred in the clinic.

**3.2 Inpatient Services.** The Resident shall have priority over non-residents for admission to Catered Living, Assisted Living or the Health Care Center. The cost of care in these facilities shall be the responsibility of the Resident. Care will be provided as may be appropriate in an assisted living facility or nursing facility. Need for care beyond that which can be provided in these settings may require the Resident to relocate to an appropriate facility (example: acute care hospital or mental illness or drug abuse treatment facility). Permanent transfer to Catered Living, Assisted Living or Health Care shall terminate the rights and obligations of both parties to this Agreement and a new Agreement will be signed and initiated for Catered Living, Assisted Living or Health Care, whichever is applicable.

**3.3 Emergency Situation.** The Resident agrees that in the event of physical injury or illness which requires immediate hospitalization, medical treatment, or surgical operation, and the Resident is incapable or incompetent

because of injury or illness to consent to such necessary hospitalization, medical treatment or surgery and the Resident's Attorney-in-Fact or Agent pursuant to a Medical Power of Attorney cannot be reached in time to make a necessary decision, Resident hereby appoints the Executive Director of King's Grant or a person so designated to act in the stead of said Executive Director to request immediate transportation of the resident to the local hospital for care. It is agreed that King's Grant nor the Executive Director and/or designee shall not be liable to Resident or any other person in any manner whatsoever because of such actions.

**3.3.1** Charges of any physician, physical/occupational/speech therapist, podiatrist, or other health professional whether provided by King's Grant or elsewhere.

**3.3.2** Charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices or other health related items.

**3.4 Medical Insurance.** The Resident shall maintain, at all times, at the Resident's own cost, the maximum coverage under any federal, state, municipal public insurance plans, and Medigap or other supplemental insurance for which he or she may qualify. King's Grant and this Agreement do not act as a substitute for Medigap or other supplemental insurance. King's Grant may, at option and without obligation, obtain policies of insurance covering services to Residents. All premium payments on such policies and the associated costs of same shall be reflected in future Monthly Fees. The Resident agrees to cooperate fully in connection with the application for and maintenance of such insurance.

## **4. OCCUPANCY**

**4.1 Power of Attorney.** Resident agrees to: (1) execute a valid Power of Attorney, (2) execute an Advance Medical Directive, and (3) provide King's Grant with current copies of these documents prior to occupancy and with any changes or updated versions of these documents. In no case shall occupancy be permitted without the above.

**4.2 Occupancy.** Resident agrees to occupy the Residence assigned on or before \_\_\_\_\_. In the event the Resident does not occupy the Residence on this assigned date, Resident shall be obligated to pay the applicable monthly fee and other charges from the assigned occupancy

date to the actual date of occupancy. The Residence shall be occupied solely by the Resident(s) herein. There shall be no occupancy by non-residents. No guest, other than a family member, should occupy a Residence for longer than one week without prior approval of the Executive Director. Responsibility for the conduct and other actions by the Resident's guest(s) is the responsibility of the Resident.

**4.3 Policies and Guidelines.** Resident will abide by King's Grant's policies and guidelines and such reasonable amendments, modifications and changes of these policies and guidelines as may hereafter be adopted by King's Grant. Any policies and guidelines adopted by King's Grant shall be applied to all residents similarly situated without preference or prejudice to any resident or group of residents.

**4.4 Survivor.** If this Agreement is executed by Residents who are husband and wife, or are otherwise related either by blood or by friendship, it is understood that upon the death of one Resident, all rights hereunder shall vest in, and all obligations hereunder shall transfer to the surviving Resident to the same extent as if such surviving Resident had been sole and only Resident under the terms of this Agreement, provided that the survivor can demonstrate his or her ability to continue to meet the financial terms of this agreement. In the event the survivor is unable or unwilling to do so, they will be subject to termination of this agreement.

**4.5 Relocation or Death of Resident(s).** This Agreement does not create any interest in the real estate owned by King's Grant, and this occupancy privilege shall not inure to the use or benefit of the heirs, assignees, or representatives of residents and, upon the relocation or death of the last surviving Resident all rights of occupancy under this Agreement shall terminate.

**4.6 Resident's Inability to Pay.** The Resident(s) shall be required to provide a complete update to their financial statements prior to moving to another level of care within King's Grant. A move to a higher level of care could be denied if the Resident would not pass financial qualification and their inability to do so was a result of abnormal gifting or other diversion of assets subsequent to the resident's original financial statement and qualification. If the Resident or surviving Resident is unable to meet his or her financial obligations to King's Grant, the Resident agrees to liquidate personal assets in order to meet their obligations hereunder. The Resident will also furnish to King's Grant sufficient financial information that will justify that the Resident is unable to pay the total Monthly Fee and other charges. Once the Resident

satisfactorily establishes facts to justify the need for such financial assistance, King's Grant may, if it can do so without impairing the ability of King's Grant to operate on a sound financial basis, subsidize the Resident's Monthly Fee. In the event financial assistance is granted, the Resident shall be liable to King's Grant for the full amount of the subsidy received by the Resident, which will be charged against the Resident's Entrance Fee refund, if any, and to the extent of any deficiency amount thereafter, shall be due and payable at such time as the Resident has sufficient funds therefore, and otherwise shall be due and payable from and enforceable against the Resident's estate. In the case of King's Grant subsidizing the Resident's Monthly fee, King's Grant reserves the right to require the Resident to transfer to a smaller Residence when available, in order to reduce the Monthly Fee. Failure of the Resident to pay the Monthly Fee or to qualify for financial assistance may result in the Resident's loss of occupancy of the Residence as outlined in this agreement.

**4.7 Financial Statements.** To ensure King's Grant's ongoing ability to plan for future needs of Residents who outlive their resources, it is important to anticipate, as much as practicable, what those obligations will be. Therefore, resident agrees to provide an updated and complete financial statement, along with associated documentation, as requested every three (3) years.

**4.8 Right of Entry.** Employees of King's Grant shall have the right to enter the Residence (a) at all reasonable times for inspection and to perform housekeeping and maintenance functions and (b) at any time to respond to fire or medical alerts and for other emergency purposes.

**4.9 Removal of Property.** In the event of withdrawal, death, or permanent transfer of a Resident, including permanent transfer to Catered Living, Assisted Living or the Health Care Center, or upon termination of this Agreement, all of the Resident's property shall be removed from the previously occupied Residence within 30 days by an individual designated by the Resident or the Resident's Responsible Party. King's Grant shall impose the applicable Monthly Fee until said Resident's property is removed and the Residence is released to King's Grant. King's Grant shall be entitled to reduce the Resident's Entry Fee by 2% per month until the property is removed. King's Grant may opt to move, store or dispose of the items subject to a fee. King's Grant will not be responsible for loss or damage to the Resident's belongings.

**4.10 Damage or Loss of Property.** Although King's Grant will exercise reasonable care in providing effective security, the Resident is encouraged to



insure his/her property against casualty and theft loss, should he/she desire such insurance protection. King's Grant shall not be responsible for damage to or loss of any of the Resident's property by casualty, theft, or other cause.

**4.11 Tobacco-Free Policy.** King's Grant is committed to providing the healthiest possible environment for all its residents, employees and visitors. Effective March 1, 2018, King's Grant became a tobacco-free community and adopted a tobacco-free policy that applies to all residents, employees, volunteers, vendors and contractors. Tobacco use of any type is prohibited and includes cigarettes, cigars, pipes, snuff, chewing tobacco and vapor products such as e-cigarettes and other related products used to simulate smoking. This policy applies to all property owned and/or leased by King's Grant (e.g., personal residences, parking lots, grounds, public areas, company cars and resident cars parked on the King's Grant campus), as well as adjacent property. Residents not adhering to the policy will be assessed for damages caused by tobacco products and the cost of such will be paid by the Resident or may be subtracted from the entrance fee refund, if applicable.

## **5. TRANSFER AND SURRENDER OF RIGHT OF OCCUPANCY**

**5.1 Physical and Mental Health Requirements of Resident.** As a condition of occupancy at King's Grant, the Resident shall be physically and mentally capable of performing routine activities of daily living and able to respond appropriately to emergency situations. If King's Grant determines in its sole discretion that the Resident is unable to comply with these requirements or the Resident's physical or mental illness causes the Resident's continued presence at King's Grant to be detrimental to the health or safety of his/herself or others, King's Grant reserves the right to transfer the Resident to an appropriate level of care within King's Grant or transfer the Resident to an appropriate institution or facility. While at such an institution or facility the Resident shall continue to pay the monthly fee. In the event of a transfer the provision of Section 5.2 shall apply.

**5.2 Temporary Transfer from King's Grant.** When Resident suffers any physical or mental condition for which King's Grant is not permitted to provide care within the requirements of law, or when his/her presence is deemed detrimental to the health or safety of him/herself, other residents or staff, or when King's Grant determines such action to be in the best interests of the Resident, King's Grant shall have authority, in consultation with the Resident's Responsible Party, to transfer Resident to another facility or institution, public or private, suitable for such cases. Such a transfer shall not

be a termination, either voluntary or involuntary, of this contract. In the event that the condition requiring transfer of the Resident is not temporary in nature, the Residence shall be released.

**5.3 Exchange between Accommodations.** Residents may transfer to or exchange accommodations with the prior approval of the Executive Director. These requests will be considered based on the Policies and Guidelines of King's Grant.

**5.4 Permanent Surrender of Right of Occupancy.** The following conditions of physical and mental health may result in the need for the Resident to relinquish the Residence and to move to a level of care that would best meet his/her needs (such determination to be made by the King's Grant Resident Review Committee):

- (a) Limited mobility
- (b) Limited vision
- (c) Failing general health that precluded Resident from Independent Living due to his/her inability to cook, clean, bathe, and secure groceries and supplies
- (d) Loss of mental faculties to a degree where living independently poses a hazard to his/her health or to the health of King's Grant.

This process may be initiated by:

- (a) Recommendation of Resident Review Committee
- (b) Recommendation of family physician
- (c) In consultation with family members/responsible parties
- (d) By the Executive Director and Resident Care Committee
- (e) At the request and desire of the Resident

If a resident needs to move to a higher level of care or out of King's Grant, the Executive Director and Resident Care Committee in consultation with the responsible party and attending physician will collaborate to reach a decision in the best interest of the Resident. The final decision will be King's Grant's.

**5.5 Cancellation of Agreement.** King's Grant shall not cancel this Occupancy Agreement with the Resident without good cause. Good cause shall be limited to: proof that Resident is a danger to him/herself or others; nonpayment of the Monthly Fee and other charges; repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of King's Grant; persistent refusal to comply with King's Grant's written policies and guidelines; a material misrepresentation made intentionally or recklessly by

the Resident in his/her application for residency, or related financial or medical information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by King's Grant will be provided to the Resident and his/her attorney-in-fact.

**5.6 Opportunity to Cure.** Where applicable, an opportunity will be given to cure, within a 30-day period, whatever conduct is alleged to warrant the cancellation of this Agreement.

**5.7 Voluntary Cancellation by Resident.** Resident shall give a sixty (60) day written notice prior to voluntary cancellation of this agreement. If Resident fails to give the proper notice, he/she agrees that King's Grant shall charge its normal fees for the 60-day period.

## **6. Co-Occupancy and/or Marriage**

**6.1 Marriage and/or Co-occupancy with a Non-Resident.** When a Resident marries and brings his/her spouse to King's Grant, there will be an additional Monthly Fee for the second Resident. This charge will be at the current second Resident rental rate. King's Grant will honor its Agreement with the original Resident. At the termination of that agreement, the surviving spouse/co-occupant may negotiate his/her own Agreement. The surviving spouse/co-occupant must meet King's Grant's entrance requirements. If the surviving spouse/co-occupant cannot meet the admissions criteria, the King's Grant will deny continued residency. In such event, the right of the surviving spouse/co-occupant to occupy said Residence shall cease and terminate, and the Residence shall be deemed fully surrendered to King's Grant.

**6.2 Marriage or Co-Occupancy with a Current Resident.** In the event that the Co-Occupant is already a Resident of King's Grant, this Agreement and the Co-Occupant's Agreement shall be cancelled, and the Resident and Co-occupant will enter into a new Agreement with King's Grant. If the Resident remains in the current Residence and the Co-occupant moves into the Resident's residence, there will be a second person monthly fee for the Resident's Co-Occupant based on his or her contract type. This charge will be at the current rate charged to other Residents.

**6.3 Separation of Residents.** In the event two current Residents decide to occupy separate residences, the following options are available:

**6.3.1** If both choose to remain as Residents and therefore need separate Residences, the Resident moving to a new Residence will be obligated to pay the then current single person's Monthly Fee for the selected Residence and the current Entrance Fee if applicable (i.e. if the new residence is available with entrance fee contract types only).

**6.3.2** If one Resident desires to move out of King's Grant, the other Resident may remain in the current Residence or move to a new Residence, subject to the terms and conditions of this Agreement. If the remaining Resident stays in the current Residence, the Resident shall pay the single person Monthly Fee for the current Residence. If the remaining Resident moves to a new Residence and the new Residence is only available with entrance fee contract types, the Resident will be required to pay the then current Entrance Fee and related current Monthly Fee for that new Residence and contract type.

## **7. MISCELLANEOUS**

**7.1 Further Assurances.** The Resident, for himself/herself, his/her heirs, personal representatives and assigns, agrees to execute and deliver to King's Grant such legal instruments as may be requisite to carry out the provisions of this Agreement.

**7.2 Representations.** The application and the statements of finances and health history of Resident filed with King's Grant are incorporated in this contract by this reference and all statements therein are deemed to be representations by Resident as of the date made. Resident represents that there have been no material changes in the information provided since the date thereof. Resident's breach or misrepresentation may result in (a) cancellation of this Agreement, or (b) transfer as provided in Section 5 of this Agreement.

**7.3 Responsibility for Protection of the Resident's Property.** King's Grant shall not be responsible for the loss of any personal property belonging to the Resident due to theft, fire or any other cause. The Resident shall have the responsibility, at the Resident's own expense, of insuring the Resident's property against such risks under a tenant's or homeowner's insurance policy.

**7.4 Accident Caused by the Resident.** The Resident shall indemnify and hold King's Grant harmless from any claims, investigations, proceedings or lawsuits, including all damages, costs, expenses, reasonable attorney's fee and court costs, resulting from, attributable to or in any way connected with the

negligent or intentional act or omissions of the Resident. The Resident shall obtain liability insurance to cover such situations.

**7.5 Responsibility for Damages.** Any harm or damages to the real or personal property of King's Grant caused in whole or in part by the Resident shall be charged to and paid for by the Resident. King's Grant assumes by this Agreement no responsibility for any harm or damage done to the person or property of the Resident by another resident or by any other person or entity. To the extent permitted by law, the Resident also hereby releases and discharges King's Grant from any and all Claims for personal injury or property damage suffered by the Resident which are alleged to or actually arise from or relate to, in whole or in part, King's Grant's assistance to, supervision or care of other residents.

**7.6 Renovations and Additions to the Campus.** From time to time, King's Grant may decide to renovate, demolish and add to its facilities. Resident agrees that he or she anticipates such activities, and they shall not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. Resident also agrees these activities by King's Grant shall not constitute a breach by King's Grant of this Agreement or any other obligation owed to the Resident. Resident further agrees not to maintain any action against King's Grant to enjoin it from renovating, demolishing or adding to its facilities.

**7.7 Non-Discrimination.** Marital status, race, sex, national origin, disability, and/or faith have no bearing upon the offer, acceptance or termination of residence at King's Grant.

**7.8 Whole and Binding Agreement.** The Resident has received this Agreement and has had the opportunity to have it reviewed by his or her attorney or financial advisor. The parties agree that this Agreement and the Disclosure Statement contain the entire agreement. This Agreement is binding on the Resident and King's Grant and all parties who lawfully succeed to their rights or take their places.

THE RESIDENT SHALL HAVE THE RIGHT TO RESCIND THIS AGREEMENT, without penalty or forfeiture, within seven (7) days after making an initial deposit executing this Agreement. The Resident shall not be required to move into King's Grant before the expiration of the seven (7) day period.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above mentioned.

## **SIGNATURES**

PRINT NAME:

SUNNYSIDE PRESBYTERIAN HOME

\_\_\_\_\_

By: \_\_\_\_\_  
"King's Grant"

PRINT NAME:

\_\_\_\_\_

By: \_\_\_\_\_  
"Resident"

\_\_\_\_\_

By: \_\_\_\_\_  
"Resident"

## ACKNOWLEDGMENTS

I hereby acknowledge I/we have received the following:

Initials:

\_\_\_\_\_ ☐ A copy of King's Grant's Continuing Care Provider Disclosure Statement

\_\_\_\_\_ ☐ A complete copy of this Occupancy Agreement

\_\_\_\_\_ ☐ A copy of this Resident's Handbook

Signed:

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Attorney-in-Fact, if applicable

Date:

\_\_\_\_\_

# KING'S GRANT

## RESIDENTIAL (Apartment) OCCUPANCY RENTAL AGREEMENT



*King's Grant*

DISCOVER THE DIFFERENCE



**KING’S GRANT  
RESIDENTIAL (Apartment) OCCUPANCY  
RENTAL AGREEMENT**

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## I. Recitals

### Definitions

**“Agreement” or “Occupancy Agreement”** shall mean this document and any attachments, and the Application and medical history provided by the resident.

**“Assisted Living”** shall mean the assisted living services and facilities, which King’s Grant shall be licensed by the state to provide.

**“Attorney-in-Fact”** shall mean that individual that the Resident identifies through proper identification as the Resident’s power of attorney and health care power of attorney.

**“Catered Living”** shall mean that level of care and service delivered to subscribing residents in Stone Cross West whereby assistance with certain activities of daily living is provided.

**“Continuing Care”** shall mean the provision of lodging and nursing, medical or other health related services at the same or another location to an individual pursuant to an agreement effective for the life of the individual or for a period greater than one year, including mutually terminable contracts, and in consideration of the payment of an entrance fee or other fees with or without other periodic charges. An individual who is provided continuing care is one who is not related by consanguinity or affinity to the person who provides the care.

**“Community”** shall mean the Sunnyside Presbyterian Home of Rockingham County, Virginia, hereafter King’s Grant a Virginia not-for-profit corporation.

**“Co-occupant”** shall mean the spouse, friend or friends residing with the Resident in the Residence.

**“Entrance Fee”** shall mean the sum of money transferred by the resident to King’s Grant as full or partial consideration for acceptance of the resident into King’s Grant and as described in this Agreement.

**“Executive Director”** shall mean the individual with overall responsibility for directing and planning the day-to-day administration of King’s Grant.

**“Health Center”** shall mean the nursing care facility at King’s Grant.

**“Monthly Fee”** shall mean the fee paid by the Resident to King’s Grant on a monthly basis and described in this Agreement.

**“Permanent Resident”** shall mean a Resident for whom a determination has been made by the interdisciplinary medical team after consultation with the Resident or the Resident’s Responsible Party, the personal physician of the Resident and the Executive Director that such Resident needs permanent or prolonged full-time care in a nursing facility, assisted living facility or hospital (including mental hospital).

**“Residence”** shall mean the residential accommodation designated by the Resident on the Signature page of this Agreement, or any other accommodation to which the Resident transfers, including accommodations in Assisted Living or the Health Care Center.

**“Resident”** shall mean the person or persons listed in the signature page of this agreement.

**“Resident Review Committee”** shall mean a multidisciplinary staff committee that reviews the health and safety of each resident to determine the appropriate level of care and/or service.

**“Stone Cross East”** shall mean those self-sufficient living apartments located at 250 King’s Way Road.

**“Stone Cross West”** shall mean those residential living apartments located at 300 King’s Way Road.

# KING'S GRANT RESIDENTIAL OCCUPANCY AGREEMENT (Rental)

## INTRODUCTION

THIS AGREEMENT is made on \_\_\_\_\_, by and between SUNNYSIDE PRESBYTERIAN HOME, Inc of Rockingham County, Virginia, hereinafter doing business as King's Grant in Henry County, Virginia, and \_\_\_\_\_ ("Resident").

SUNNYSIDE PRESBYTERIAN HOME, Inc. is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia to establish and operate retirement facilities for adults. The Resident has made application for residence in the community known as King's Grant, and such application has been approved, subject to the provisions of this Agreement.

## AGREEMENTS

### 1. LIVING ACCOMMODATIONS, FEES AND FACILITIES

**1.1 Living Accommodations.** The Resident shall have a personal, non-assignable right to occupy the Residence known as \_\_\_\_\_ (the "Residence"), and subject to removal only as hereinafter provided.

**1.2 Monthly Fee.** Resident shall pay to King's Grant a Monthly Fee, currently \$\_\_\_\_\_, **payable in advance** for the services described herein. King's Grant shall endeavor to maintain its schedule of fees at a reasonable rate consistent with sound financial practices. King's Grant may adjust the schedule of fees at any time upon a 30-day written notice to the Resident. The Resident shall not be entitled to occupy the Residence or to receive any services whatsoever from King's Grant until the payment of the Monthly Fee and Entrance Fee described in these sections has been received.

**1.3 Furnishings.** In the 250 Building only, King's Grant shall provide appliances to include, but not limited to, a refrigerator, a kitchen range, a dishwasher, and a microwave oven in the Residence. In the 300 Building only, King's Grant shall provide a microwave oven, refrigerator, and a stove may be provided in the two-bedroom apartments. In the 250 and 300 Buildings, Resident shall provide all

other furnishings. Electrical and mechanical appliances provided by Resident shall be subject to approval by King's Grant.

**1.4 King's Grant Facilities.** Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by King's Grant.

**1.5 Physical Changes in the Residence.** Any material physical change (i.e., changes to structure, fixtures, and floor coverings) of any kind to the Residence may be made only upon the written approval of King's Grant. Any approved change(s) will be at the Resident's cost, unless otherwise agreed to in writing by the Executive Director. The approval of any change requested by the Resident will be conditioned upon the agreement of the Resident to bear the expense of restoring the Residence to its original condition, unless otherwise approved in writing by King's Grant.

## **2. SERVICES PROVIDED BY KING'S GRANT**

**2.1 Services Provided.** The Resident shall have the right to all the services and amenities specified below as long as: (i) the Resident complies with the terms of this Agreement and (ii) the Agreement is not terminated.

**2.1.1 Utilities.** King's Grant shall provide the utilities reasonably required (water and sewer, cable television, heating, air conditioning, electricity and in-house telephone service) in connection with the occupancy of the Residence, subject, however, to the availability of such services to King's Grant. Local and long-distance telephone service will be provided by King's Grant at an additional charge.

**2.1.2 Local Transportation.** King's Grant shall provide scheduled transportation as deemed appropriate. Transportation shall be provided in accordance with policies and guidelines at King's Grant. King's Grant reserves the right to charge appropriate fees for such transportation. In appropriate circumstances, transportation via ambulance or other related services may be necessary. In these instances, the Resident is responsible for payment of such transportation and any other associated charges. Transportation for special and group trips may be available, and the cost of such trips shall be borne by the Resident.

**2.1.3 Meals.** *In the Stone Cross East Building only*, King's Grant shall furnish Resident with one meal per day. *In the Stone Cross West Building only*, King's Grant shall furnish Resident with three meals per day. Meals shall be served in one of the dining rooms or other areas designated by King's Grant. The Resident may invite guests to any meal. Prior notice to dining services is required. Reservations are required for holiday meals. There will be an extra charge to the Resident for guest meals.

**2.1.4 Housekeeping.** Weekly housekeeping services shall be provided by King's Grant; however, the Resident shall maintain the Residence in a clean, sanitary, and orderly condition.

**2.1.5 Laundry.** King's Grant shall provide weekly laundry service for all bed linens and towels. King's Grant shall provide washers and dryers in common areas for use by the Resident for his/her personal laundry.

**2.1.6 Maintenance and Repairs.** Necessary repairs, maintenance, and replacement of property owned by King's Grant shall be performed and provided by King's Grant. Any other work performed at the request of the Resident for repairs, maintenance and replacement will be at the Resident's own expense. All contractors performing work must be approved by the executive director.

**2.1.7 Grounds.** King's Grant shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

**2.1.8 Mail.** Individual mailboxes shall be provided in a central location.

**2.1.9 Events.** Events of a social, recreational, wellness or religious variety shall be provided for interested residents. Additional events requested by the Resident may be provided subject to the considerations of costs, interest, and benefit to the overall Resident population.

**2.1.10 Resident Council.** Interested residents may establish and maintain a resident council. King's Grant will be responsible for providing assistance with the formation and maintenance of the council, whether or not such a council exists in the facility. The general purpose of the council is to promote a free exchange of ideas, to work with the

administration in improving the quality of life for all residents, to discuss the services offered by the facility and make recommendations for resolution of identified problems or concerns and to perform other functions as determined by the council.

**2.1.11 Health Services.** King's Grant shall provide, in case of a medical emergency, 24-hour on-call nursing personnel.

**2.1.12 Care Changes.** In Stone Cross East, a 30-day notice will be given in the event the scope of care as provided herein is to be changed. In Stone Cross West, a 14-day notice will be given in the event the scope of care as provided herein is to be changed. In urgent situations the notice will be waived.

**2.1.13 Other Services.** Services for which an additional charge may be made, if provided, include, but are not limited to: group travel trips arranged for special cultural, social, sporting, and scenic excursions; individual transportation services; art and instruction classes, theater, orchestra, lecture series tickets, specific entertainment and events; beauty/barber shops; clinic services (e.g.-foot care, EKG, blood glucose monitoring, etc); notary public services; and additional housekeeping; and individual landscaping.

### **3. HEALTH CARE (Nursing, Assisted Living)**

**3.1 Outpatient Services.** King's Grant may provide a clinic where the Resident may be examined and treated as an outpatient. King's Grant may arrange for Clinical Staff to be available from time to time in the clinic. The Resident may, however, engage the services of an alternative clinical professional who may also use the facilities of the clinic subject to policies and guidelines of King's Grant.

King's Grant may arrange for the services of a physical/occupational/speech therapist, a dentist, and other health professionals, as appropriate. The Resident is responsible for payment of charges by these health professionals. The Resident is also responsible for charges incurred in the clinic.

**3.2 Inpatient Services.** The Resident shall have priority over non-residents for admission to Catered Living, Assisted Living, or the Health Center. The cost of care in these facilities shall be the responsibility of the Resident. Care will be provided as may be appropriate in an assisted living facility or nursing facility. Need for care beyond that which can be provided in these settings may

require the Resident to relocate to an appropriate facility (example: acute care hospital or mental illness or drug abuse treatment facility). Permanent transfer to Catered Living, Assisted Living Center or Health Care shall terminate the rights and obligations of both parties to this Agreement and a new Agreement will be signed and initiated for Catered Living, Assisted Living or Health Care, whichever is applicable.

**3.3 Emergency Situation.** The Resident agrees that in the event of physical injury or illness which requires immediate hospitalization, medical treatment, or surgical operation, and the Resident is incapable or incompetent because of injury or illness to consent to such necessary hospitalization, medical treatment or surgery and the Resident's Attorney-in-Fact or Agent pursuant to a Medical Power of Attorney cannot be reached in time to make a necessary decision, Resident hereby appoints the Executive Director of King's Grant or a person so designated to act in the stead of said Executive Director to request immediate transportation of the resident to the local hospital for care. It is agreed that King's Grant nor the Executive Director and/or designee shall not be liable to Resident nor to any other person in any manner whatsoever because of such actions.

**3.4 Health Related Charges.** The Resident shall be responsible for the following charges to the extent they are not covered by Medicare or the Resident's Supplemental Insurance:

**3.4.1** Charges of any physicians, physical/occupational/speech therapists, podiatrist, or other health professional, whether provided by King's Grant or elsewhere;

**3.4.2.** Charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, or other health-related items.

**3.5 Medical Insurance.** The Resident shall maintain, at all times, at the Resident's own cost, the maximum coverage under any federal, state, municipal public insurance plans, and Medigap or other supplemental insurance for which he or she may qualify. King's Grant and this Agreement do not act as a substitute for Medigap or other insurance. King's Grant may, at option and without obligation, obtain policies of insurance covering services to Residents. All premium payments on such policies and the associated costs of same shall be reflected in future Monthly Fees. The Resident agrees to cooperate fully in connection with the application for and maintenance of such insurance.

## **4. OCCUPANCY**



**4.1 Power of Attorney.** Resident agrees to: (1) execute a valid Power of Attorney, (2) execute an Advance Medical Directive, and (3) provide King's Grant with current copies of these documents prior to occupancy and with any changes or updated versions of these documents. In no case shall occupancy be permitted without the above.

**4.2 Occupancy.** Resident agrees to occupy the Residence assigned on or before \_\_\_\_\_. In the event the Resident does not occupy the Residence on this assigned date, Resident shall be obligated to pay the applicable monthly fee, from the assigned occupancy date to the actual date of occupancy. The Residence shall be occupied solely by the Resident herein. There shall be no occupancy by non-residents. No guest, other than a family member, should occupy a Residence for longer than one week without prior approval of the Executive Director. Responsibility for the conduct and other actions by the Resident's guest(s) is the responsibility of the Resident.

**4.3 Policies and Guidelines.** Resident will abide by King's Grant's policies and guidelines and such reasonable amendments, modifications and changes of these policies and guidelines as may hereafter be adopted by King's Grant. Any policies and guidelines adopted by King's Grant shall be applied to all residents similarly situated without preference or prejudice to any resident or group of residents.

**4.4 Survivor.** If this Agreement is executed by Residents who are husband and wife, or are otherwise related either by blood or by friendship, it is understood that upon the death of one Resident, all rights hereunder shall vest in, and all obligations hereunder shall transfer to the surviving Resident to the same extent as if such surviving Resident had been sole and only Resident under the terms of this Agreement, provided that the survivor can demonstrate his or her ability to continue to meet the financial terms of this agreement. In the event the survivor is unable or unwilling to do so, they will be subject to termination of this agreement.

**4.5 Relocation or Death of Resident(s).** This Agreement does not create any interest in the real estate owned by King's Grant, and this occupancy privilege shall not inure to the use or benefit of the heirs, assignees, or representatives of residents and, upon the relocation or death of the last surviving Residents, all rights of occupancy under this Agreement shall terminate.

**4.6 Resident's Inability to Pay.** The Resident(s) shall be required to provide a complete update to their financial statements prior to moving to another level of care within King's Grant. A move to a higher level of care could be denied if the Resident would not pass financial qualification and their inability to do so was

a result of abnormal gifting or other diversion of assets subsequent to the Resident's original financial statement and qualification. If the Resident or surviving resident is unable to meet his or her financial obligations to King's Grant, the Resident agrees to liquidate personal assets in order to meet their obligations hereunder. The Resident will also furnish to King's Grant sufficient financial information that will justify that the Resident is unable to pay the total monthly fee and other charges. Once the Resident satisfactorily establishes facts to justify the need for such financial assistance, King's Grant may, if it can do so without impairing the ability of King's Grant to operate on a sound financial basis, subsidize the Resident's Monthly Fee. In the event financial assistance is granted, the Resident shall be liable to King's Grant for the full amount of the subsidy received by the Resident, which will be charged against the Resident's entrance fee refund, if any, and to the extent of any deficiency amount thereafter, and otherwise shall be due and payable from and enforceable against the resident's estate. In the case of King's Grant subsidizing the Resident's Monthly fee, King's Grant reserves the right to require the Resident to transfer to a smaller Residence when available, in order to reduce the Monthly Fee. Failure of the Resident to pay the Monthly Fee or to qualify for financial assistance may result in the Resident's loss of occupancy of the Residence as outlined in this agreement.

**4.7 Financial Statements.** To ensure King's Grant ongoing ability to plan for future needs of residents who outlive their resources, it is important to anticipate, as much as practicable, what those obligations will be. Therefore, Resident agrees to provide an updated and complete financial statement, along with associated documentation every three (3) years.

**4.8 Right of Entry.** Employees of King's Grant shall have the right to enter the Residence (a) at all reasonable times for inspection and to perform housekeeping and maintenance functions and (b) at any time to respond to fire or medical alerts and for other emergency purposes.

**4.9 Removal of Property.** In the event of withdrawal, death, or permanent transfer of a Resident, including permanent transfer of a resident, including permanent transfer to Assisted Living or the Health Care center, or upon termination of this Agreement, all of the Resident's property shall be removed from the previously occupied Residence within 30 days by an individual designated by the Resident or the Resident's Responsible Party. **King's Grant shall impose the applicable Monthly Fee until said Resident's property is removed and the Residence is released to King's Grant.** King's Grant shall be entitled to reduce the amortized Entry Fee refund, if any, by 2% per month until the property is removed. King's Grant may opt to move, store or dispose of the items subject to a

fee. King's Grant will not be responsible for loss or damage to the resident's belongings.

**4.10 Damage or Loss of Property.** Although King's Grant will exercise reasonable care in providing effective security, the Resident is encouraged to insure his/her property against casualty and theft loss, should he/she desire such insurance protection. King's Grant shall not be responsible for damage to or loss of any of the resident's property by casualty, theft or other cause.

**4.11 Tobacco-Free Policy.** King's Grant is committed to providing the healthiest possible environment for all its residents, employees and visitors. Effective March 1, 2018, King's Grant became a tobacco-free community and adopted a tobacco-free policy that applies to all residents, employees, volunteers, vendors and contractors. Tobacco use of any type is prohibited and includes cigarettes, cigars, pipes, snuff, chewing tobacco and vapor products such as e-cigarettes and other related products used to simulate smoking. This policy applies to all property owned and/or leased by King's Grant (e.g., personal residences, parking lots, grounds, public areas, company cars and resident cars parked on the King's Grant campus), as well as adjacent property. Residents not adhering to the policy will be assessed for damages caused by tobacco products and the cost of such will be paid by the Resident or may be subtracted from the entrance fee refund, if applicable.

## **5. TRANSFER AND SURRENDER OF RIGHT OF OCCUPANCY**

**5.1 Physical and Mental Health Requirements of Resident.** As a condition of occupancy at King's Grant, the Resident shall be physically and mentally capable of performing routine activities of daily living and able to respond appropriately to emergency situations. If King's Grant determines in its sole discretion that the Resident is unable to comply with these requirements or the Resident's physical or mental illness causes the Resident's continued presence at King's Grant to be detrimental to the health or safety of him/herself or others, King's Grant reserves the right to transfer the Resident to an appropriate level of care within King's Grant or transfer the Resident to an appropriate institution or facility. While at such an institution or facility the Resident shall continue to pay the monthly fee. In the event of a transfer the provision of Section 5.2 shall apply.

**5.2 Temporary Transfer from King's Grant.** When Resident suffers any physical or mental condition for which King's Grant is not permitted to provide care within the requirements of law, or when his/her presence is deemed detrimental to the health or safety of his/herself, other residents or staff; or when

King's Grant determines such action to be in the best interests of the Resident, King's Grant shall have authority, in consultation with the Resident's Responsible Party, to transfer Resident to another facility or institution, public or private, suitable for such cases. Such a transfer shall not be a termination, either voluntary or involuntary, of this contract. In the event of a determination by King's Grant that the condition requiring transfer of the Resident is not temporary in nature, the Residence shall be released.

**5.3 Exchange Between Residences.** Residents may transfer to or exchange residences with the prior approval of the Executive Director. Such requests will be considered based on the Policies and Guidelines of King's Grant.

**5.4 Permanent Surrender of Right of Occupancy.** The following conditions of physical and mental health may result in the need for the Resident to relinquish the Residence and to move to a level of care that would best meet his/her needs (such determination to be made by the King's Grant Resident Review Committee)

- a) Limited mobility
- b) Limited vision
- c) Failing general health that precludes Resident from independent living due to his/her inability to cook, clean, bathe, and secure groceries and supplies
- d) Loss of mental faculties to a degree where living independently poses a hazard to his/her health or to the health of King's Grant.

This process may be initiated by:

- a) Recommendation of the Resident Review Committee
- b) Recommendation of family physician
- c) Consultation with family members/responsible parties
- d) By the Executive Director and Resident Review Committee
- e) At the request and desire of the Resident

If as Resident needs to move to a higher level of care or out of King's Grant, the Executive Director and Resident Review committee in consultation with the responsible party and attending physician will collaborate to reach a decision in the best interest of the Resident. The final decision will be King's Grant's.

A Resident will be allowed to continue to live his/her residence described in this Agreement as long as he/she does not suffer from any physical or mental condition as described above; continues to pay the applicable monthly fee and other charges; and cancellation of this Occupancy Agreement has not occurred as provided for herein.

**5.5 Cancellation of Agreement.** King's Grant shall not cancel this Occupancy Agreement with the Resident without good cause. Good cause shall be limited to: proof that Resident is a danger to him/herself or others; nonpayment of the Monthly Fee and other charges; repeated conduct by the Resident that interferes with other residents' quiet enjoyment of King's Grant; persistent refusal to comply with King's Grant's written policies and guidelines; a material misrepresentation made intentionally or recklessly by the Resident in his/her application for residency, or related financial or medical information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by King's Grant will be provided to the Resident and his/her attorney-in-fact.

**5.6 Opportunity to Cure.** Where applicable, an opportunity will be given to cure, within a 30-day period, whatever conduct is alleged to warrant the cancellation of this Agreement.

**5.7 Voluntary Cancellation by Resident.** In Stone Cross East, the Resident shall give a sixty (60) day written notice prior to voluntary cancellation of this agreement. In Stone Cross West, the Resident shall give a thirty (30) day written notice prior to voluntary cancellation of this agreement. If Resident fails to give the proper notice, he/she agrees that King's Grant shall charge its normal fees for the 60-day or 30-day period.

## **6. Co-Occupancy and/or Marriage**

**6.1 Marriage and/or Co-occupancy with a Non-Resident.** When a current Resident marries and brings his/her spouse to King's Grant, there will be an additional Monthly Fee for the second Resident. King's Grant will honor its Agreement with the original resident. At the termination of that agreement, the surviving spouse may negotiate his/her own Agreement. This charge will be at the current rate charged to other residents. The surviving spouse must meet King's Grant's entrance requirements. If the surviving spouse cannot meet the admissions criteria, King's Grant will deny continued residency. In such event, the right of the surviving spouse to occupy said Residence shall cease and terminate, and the Residence shall be deemed fully surrendered to King's Grant.

**6.2 Marriage or Co-Occupancy with a Current Resident.** In the event that the Co-Occupant is already a resident of King's Grant, this Agreement and the Co-Occupant's Agreement shall be cancelled, and the Resident and Co-occupant

will enter into a new Agreement with King's Grant. If the resident remains in the current Residence and the Co-occupant moves into the Resident's Residence, there will be a second person monthly fee for the Resident's Co-Occupant based on his or her contract type. This charge will be at the current rate charged to other Residents.

**6.3 Separation of Residents.** In the event two current Residents decide to occupy separate residences, the following options are available:

**6.3.1** If both choose to remain as Residents and therefore need separate Residences, the Resident moving to a new Residence will be obligated to pay the then current single person's Monthly Fee for the selected Residence.

**6.3.2** If one Resident desires to move out of King's Grant, the other Resident may remain in the current Residence or move to a new Residence, subject to the terms and conditions of this Agreement. If the remaining Resident stays in the current Residence, the Resident shall pay the single person Monthly Fee for the current Residence.

## **7. Miscellaneous**

**7.1 Further Assurances.** The Resident, for himself/herself, his/her heirs, personal representatives and assigns, agrees to execute and deliver to King's Grant such legal instruments as may be requisite to carry out the provisions of this Agreement.

**7.2 Representations.** The application and the statements of finances and health history of Resident filed with King's Grant are incorporated in this contract by this reference and all statements therein and are deemed to be representations by Resident and his/her attorney-in-fact as of the date made. Resident represents that there have been no material changes in the information provided since the date thereof.

**7.3 Responsibility for Protection of the Resident's Property.** King's Grant shall not be responsible for the loss of any personal property belonging to the Resident due to theft, fire or any other cause. The Resident shall have the responsibility, at the Resident's own expense, of insuring the Resident's property against such risks under a tenant's or homeowner's insurance policy.

**7.4 Accident Caused by the Resident.** The Resident shall indemnify and hold Provider harmless from any claims, investigations, proceedings or lawsuits,

including all damages, costs, expenses, reasonable attorney's fee and court costs, resulting from, attributable to or in any way connected with the negligent or intentional act or omissions of the Resident. The Resident shall obtain liability insurance to cover such situations.

**7.5 Responsibility for Damages.** Any harm or damages to the real or personal property of King's Grant caused in whole or in part by the Resident shall be charged to and paid for by the Resident. King's Grant assumes by this Agreement no responsibility for any harm or damage done to the person or property of the Resident by another Resident or by any other person or entity. To the extent permitted by law, the Resident also hereby releases and discharges King's Grant from any and all Claims for personal injury or property damage suffered by the Resident which are alleged to or actually arise from or relate to, in whole or in part, King's Grant's assistance to, supervision or care of other Residents.

**7.6 Renovations and Additions to the Campus.** From time to time, King's Grant may decide to renovate, demolish and add to its facilities. Resident agrees that he or she anticipates such activities, and they shall not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. Resident also agrees these activities by King's Grant shall not constitute a breach by King's Grant of this Agreement or any other obligation owed to the Resident. Resident further agrees not to maintain any action against King's Grant to enjoin it from renovating, demolishing or adding to its facilities.

**7.7 Non-Discrimination.** Marital status, race, sex, national origin, disability, nor faith has no bearing upon the offer, acceptance or termination of residence at King's Grant.

**7.8 Whole and Binding Agreement.** The Resident has received this Agreement and has had the opportunity to have it reviewed by his or her attorney, responsible party or financial advisor. The parties agree that this Agreement and the Disclosure Statement contain the entire agreement. This Agreement is binding on the Resident and King's Grant and all parties who lawfully succeed to their rights or take their places.

**THE RESIDENT SHALL HAVE THE RIGHT TO RESCIND THIS AGREEMENT**, without penalty or forfeiture, within seven (7) days after making an initial deposit executing this Agreement. The Resident shall not be required to move into King's Grant before the expiration of the seven (7) day period.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first above mentioned.

Initials \_\_\_\_\_

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**SIGNATURES**

PRINT NAME:

SUNNYSIDE PRESBYTERIAN HOME

\_\_\_\_\_

By: \_\_\_\_\_  
"King's Grant"

PRINT NAME:

\_\_\_\_\_

By: \_\_\_\_\_  
"Resident"

\_\_\_\_\_

By: \_\_\_\_\_  
"Resident"

I hereby acknowledge I/we have received the following:

**Initials:**\_\_\_\_\_ ☐ A complete King's Grant Continuing Care Provider Disclosure Statement\_\_\_\_\_ ☐ A complete copy of this Occupancy Agreement\_\_\_\_\_ ☐ A copy of the Resident's Handbook

Signed:

\_\_\_\_\_  
Resident\_\_\_\_\_  
Attorney-in-Fact, if applicable

Date:

\_\_\_\_\_

Rev:0623/lk

Initials \_\_\_\_\_

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# King's Grant

## VILLAGE OCCUPANCY AGREEMENT

Initials:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- ☐ Type I – Fee for Service
- ☐ Type II – 90 Days Care
- ☐ Type III – 50% Refund
- ☐ Type IV – Lifecare



**King's Grant**  
**VILLAGE OCCUPANCY AGREEMENT**

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## I. Recitals

### Definitions

**“Agreement” or “Occupancy Agreement”** shall mean this document and any attachments, and the Application and medical history provided by the resident.

**“Assisted Living”** shall mean the assisted living services and facilities at King’s Grant, which King’s Grant shall be licensed by the state to provide.

**“Attorney-in-Fact”** shall mean that individual that the Resident identifies through proper identification as the Resident’s power of attorney and health care power of attorney.

**“Community”** shall mean the Sunnyside Presbyterian Home of Rockingham County, Virginia, hereafter King’s Grant, a Virginia not-for-profit, corporation.

**“Continuing Care”** shall mean the provision of lodging and nursing, medical or other health related services at the same or another location to an individual pursuant to an agreement effective for the life of the individual or for a period greater than one year, including mutually terminable contracts, and in consideration of the payment of an entrance fee or other fees with or without other periodic charges. An individual who is provided continuing care is one who is not related by consanguinity or affinity to the person who provides the care.

**“Co-occupant”** shall mean the spouse, friend or friends residing with the Resident in the Residence.

**“Entrance Fee”** shall mean the sum of money transferred by the resident to King’s Grant as full or partial consideration for acceptance of the resident into King’s Grant and as described in this Agreement.

**“Executive Director”** shall mean the individual with overall responsibility for directing and planning the day-to-day administration of King’s Grant.

**“Health Center”** shall mean the nursing care facility at King’s Grant.

**“Monthly Fee”** shall mean the fee paid by the Resident to King’s Grant on a monthly basis and described in this Agreement.

**“Permanent Resident”** shall mean a Resident for whom a determination has been made by the interdisciplinary medical team after consultation with the Resident or the Resident’s Responsible Party, the personal physician of the Resident and the Executive Director that such Resident needs permanent or prolonged full-time care in a nursing facility, assisted living facility or hospital (including mental hospital).

**“Refund”** shall mean the amount of refund (if determined applicable by the Executive Director) allocated to the agreement owner, unless specified by contract type.

**“Residence”** shall mean the residential unit designated by the Resident in Section 1..1 – Living Accommodations of this Agreement, or any other accommodation to which the Resident transfers, including living accommodations in the Health Care Center.

**“Resident”** shall mean the person or persons listed in the signature page of this agreement.

**“Resident Review Committee”** shall mean a multidisciplinary staff committee that reviews the health and safety of each resident to determine the appropriate level of care and/or service.

# King's Grant VILLAGE OCCUPANCY AGREEMENT

## INTRODUCTION

THIS TYPE \_\_\_\_\_ AGREEMENT is made on \_\_\_\_\_,  
by and between SUNNYSIDE PRESBYTERIAN HOME of Rockingham County,  
Virginia, hereinafter doing business as King's Grant in Henry County, Virginia, and  
\_\_\_\_\_ ("Resident").

SUNNYSIDE PRESBYTERIAN HOME is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia to establish and operate retirement facilities for adults. The Resident has made application for residence in the community known as King's Grant, and such application has been approved, subject to the provisions of this Agreement.

## AGREEMENTS

### 1. LIVING ACCOMMODATIONS, FEES AND FACILITIES

**1.1 Living Accommodations.** The Resident shall have a personal, non-assignable life right to occupy the Residence known as:

\_\_\_\_\_ (the "Residence"), subject to removal only as hereinafter provided.

**1.2 Entrance Fee.** Resident shall pay to King's Grant an Entrance Fee in the amount of \$ \_\_\_\_\_ in payment for the rights described herein. Said amount, less any advance deposits, and including all change/modification costs, is payable on date of occupancy or assigned date of occupancy, whichever comes first. The Entrance Fee charge shall not be increased or changed for the duration of this agreement.

**1.3 Monthly Fee.** Resident shall pay to King's Grant a Monthly Fee, currently \$ \_\_\_\_\_, **payable in advance** for the services described herein. King's Grant shall endeavor to maintain its schedule of fees at a reasonable rate consistent with sound financial practices. King's Grant may adjust the schedule of fees at any time upon a 30-day written notice to the Resident. The Resident shall not be entitled to occupy the Residence or to receive any services whatsoever from King's Grant

until the payment of the Monthly Fee and Entrance Fee described in these sections has been received.

**1.4 King's Grant Facilities.** Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by King's Grant.

**1.5 Physical Changes in the Residence.** Any material physical change (i.e., changes to structure, fixtures, floor coverings) of any kind to the Residence may be made only upon the written approval of King's Grant. Any approved change(s) will be at the Resident's cost unless otherwise agreed to in writing by King's Grant. The approval of any change requested by the Resident will be conditioned upon the agreement of the Resident to bear the expense of restoring the Residence to its original condition, unless otherwise approved in writing by King's Grant. All change/modification costs are payable on the date of occupancy or assigned date of occupancy, whichever comes first.

## **2. SERVICES PROVIDED BY KING'S GRANT**

**2.1 Services Provided.** The Resident shall have the right to all the services and amenities specified below as long as: (i) the Resident complies with the terms of this Agreement and (ii) the Agreement is not terminated.

**2.1.1 Utilities.** King's Grant shall provide utilities reasonably required (water and sewer, cable television, heating, air conditioning, electricity and in-house telephone service) in connection with the occupancy of the Residence, subject, however, to the availability of such services to King's Grant. The Resident is required to arrange and pay for electric service from a local service provider, and those associated services (electricity, heating and air conditioning) are billed directly to the Resident from the service provier. Local and long-distance telephone service will be provided by King's Grant at an additional charge.

**2.1.2 Local Transportation.** King's Grant shall provide scheduled transportation as deemed appropriate. Transportation shall be provided in accordance with policies and guidelines at King's Grant. King's Grant reserves the right to charge appropriate fees for such transportation. In appropriate circumstances, transportation via ambulance or other related services may be necessary. In these instances, the Resident is responsible for payment of such

transportation and any other associated charges. Transportation for special group trips may be available, and the cost of such trips shall be borne by the Resident.

**2.1.3 Meals.** Residents may purchase up to three meals per day at an additional cost to be determined by King's Grant. Meals shall be served in one of the dining rooms or other areas designated by King's Grant. The Resident may invite guests to any meal. Prior notice to dining services is required. Reservations are required for holiday meals. There will be an additional charge to the Resident for guest meals.

**2.1.4 Housekeeping.** The Resident shall maintain the Residence in a clean, sanitary and orderly condition. Housekeeping services may be provided by King's Grant upon request at an additional charge to the Resident.

**2.1.5 Maintenance and Repairs.** Necessary repairs, maintenance, and replacement of property owned by King's Grant shall be performed and provided by King's Grant. Any work performed at the request of the Resident for repairs, maintenance and replacement will be at the Resident's own expense. All contractors performing work must be approved by the executive director or his or her designee.

**2.1.6 Grounds.** King's Grant shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

**2.1.7 Mail.** Individual mailboxes shall be provided in a central location or at the individual residence.

**2.1.8 Events.** Events of a social, recreational, wellness or religious variety shall be provided for interested Residents. Additional events requested by the Resident may be provided subject to the considerations of costs, interest, and benefit to the overall Resident population.

**2.1.9 Emergency Services.** In cases of emergency, Residents should call 9-911 for assistance.

**2.1.10 Resident Council.** Interested residents may establish and maintain a Resident Council. King's Grant will be responsible for providing assistance with the formation and maintenance of the council,

whether or not such a council exists in King's Grant. The general purpose of the council is to promote a free exchange of ideas, to work with the administration in improving the quality of life for all residents, to discuss the services offered by King's Grant and make recommendations for resolution of identified problems or concerns and to perform other functions as determined by the council.

**2.1.11 Care Changes.** A 30-day notice will be given in the event the scope of care as provided herein is to be changed. In urgent situations the notice will be waived.

**2.1.12 Other Services.** Services for which an additional charge may be made, if provided, include, but are not limited to: group travel trips arranged for special cultural, social, sporting, and scenic excursions; individual transportation services; art and instruction classes, theater, orchestra, lecture series tickets, specific entertainment and events; beauty/barber shops; clinic services (e.g.- foot care, EKG, blood glucose monitoring, etc); notary public services; additional housekeeping; and individual landscaping.

### **3. HEALTH CARE (Nursing and Assisted Living)**

**3.1 Outpatient Services.** King's Grant may provide a clinic where the Resident may be examined and treated as an outpatient. King's Grant may arrange for Clinical Staff to be available from time to time in the clinic. The Resident may, however, engage the services of an alternative clinical professional who may also use the facilities of the clinic subject to policies and guidelines of King's Grant.

King's Grant may arrange for the services of a physical/occupational/speech therapist, a dentist, and other health professionals as appropriate. The Resident is responsible for payment of charges by these health professionals. The Resident is also responsible for charges incurred in the clinic.

**3.2 Inpatient Services.** The Resident shall have priority over non-residents for admission to Catered Living, Assisted Living or the Health Center. Care will be provided as may be appropriate in an assisted living facility or nursing facility. Need for care beyond that which can be provided in these settings may require the Resident to relocate to an appropriate facility (example: acute care hospital or mental illness or drug abuse treatment facility). Permanent transfer to Catered Living, Assisted Living or the Health Center shall terminate the rights and



obligations of both parties to this Agreement and a new Agreement will be signed and initiated for Catered Living, Assisted Living or the Health Center, whichever is applicable. The terms expressed in 3.2.3 shall survive this agreement and override any conflicting terms from any new Agreement noted above.

**3.2.1 For Type I and Type III Occupancy Agreements only,** The cost of care in these facilities shall be the responsibility of the Resident.

**3.2.2 For Type II Occupancy Agreements only,** should the Resident require Care in Catered Living, Assisted Living, and/or the Health Center, ninety (90) days of such care shall be provided by King's Grant. Such days are cumulative over the Resident's lifetime and are non-transferable, non-renewable, and non-refundable. During those ninety (90) days, the Resident will continue to be responsible for his/her regular Monthly Fee, additional meals, and medical and ancillary supplies. If care is required beyond the ninety (90) day period, the Resident shall be responsible for payment of the full per diem rate currently applicable to the level of care that he/she is receiving. The ninety (90) days of Assisted Living or Health Care use will be secondary to any covered insurance programs, including Medicare. Medicare will be the primary payor for the Resident while under a Medicare stay.

**3.2.3 For Type IV Occupancy Agreements only,** King's Grant shall be responsible for nursing care if it is determined by King's Grant's Resident Review Committee and the executive director in consultation with the Resident's physician that the Resident requires such care. Said care will be provided in Catered Living, Assisted Living or Health Center and shall be that which is normally provided in an Assisted Living or Intermediate Nursing Care Facility. The Resident will continue to be responsible for his/her regular Monthly Fee, additional meals, and medical and ancillary supplies. The need for care beyond that which may be provided in these settings will require the Resident to relocate to an appropriate facility at his/her own expense (example: acute care hospital or mental illness or drug abuse treatment facility).

**3.3 Emergency Situations.** The Resident agrees that in the event of physical injury or illness which requires immediate hospitalization, medical treatment, or surgical operation, and the Resident is incapable or incompetent because of injury or illness to consent to such necessary hospitalization, medical treatment or surgery and the Resident's Attorney-in-Fact or Agent pursuant to a

Medical Power of Attorney cannot be reached in time to make the necessary decision, Resident hereby appoints the executive director of King's Grant or a person so designated to act in the stead of said Executive Director to request immediate transportation of the resident to the local hospital for care. It is agreed that King's Grant nor the executive director and/or designee shall not be liable to Resident or to any other person in any manner whatsoever because of such actions.

**3.4 Health Related Charges.** The Resident shall be responsible for the following charges to the extent they are not covered by Medicare or the Resident's Supplemental Insurance:

**3.4.1** Charges of any physician, physical/occupational/speech therapist, podiatrist, or other health professional whether provided by King's Grant or elsewhere;

**3.4.2** Charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, or other health related items.

**3.5 Medical Insurance.** The Resident shall maintain, at all times, at the Resident's own cost, the maximum coverage under any federal, state, municipal public insurance plans, and Medigap or other supplemental insurance for which he or she may qualify. King's Grant and this Agreement do not act as a substitute for Medigap or other insurance. King's Grant may, at option and without obligation, obtain policies of insurance covering their services to Residents. All premium payments on such policies and the associated costs of same shall be reflected in future Monthly Fees. The Resident agrees to cooperate fully in connection with the application for and maintenance of such insurance.

## **4. OCCUPANCY**

**4.1 Power of Attorney.** Resident agrees to: (1) execute and maintain a valid Power of Attorney, (2) execute an Advance Medical Directive, and (3) provide King's Grant with current copies of these documents prior to occupancy and with any changes or updated versions of these documents. In no case shall occupancy be permitted without the above.

**4.2 Occupancy.** Resident agrees to occupy the Residence assigned on or before \_\_\_\_\_, In the event Resident does not occupy the Residence on this assigned date, Resident shall be obligated to pay the applicable monthly fee,

Initials \_\_\_\_\_

from the assigned occupancy date to the actual date of occupancy. The Residence shall be occupied solely by the Resident herein. There shall be no occupancy by non-residents. No guest, other than a family member, should occupy a Residence for longer than three (3) weeks without prior approval of the executive director or president & CEO. Responsibility for the conduct and other actions by the Resident's guest(s) is the responsibility of the Resident.

**4.3 Policies and Guidelines.** Resident will abide by King's Grant's policies and guidelines and such reasonable amendments, modifications and changes of these policies and guidelines as may hereafter be adopted by King's Grant. Any policies and guidelines adopted by King's Grant shall be applied to all residents similarly situated without preference or prejudice to any resident or group of residents.

**4.4 Survivor.** If this Agreement is executed by Residents who are husband and wife, or are otherwise related by blood or by friendship, it is understood that upon the death of one Resident, all rights hereunder shall vest in, and all obligations hereunder shall transfer to the surviving Resident to the same extent as if such surviving Resident had been sole and only Resident under the terms of this Agreement, provided that the survivor can demonstrate his or her ability to continue to meet the financial terms of this agreement. In the event the survivor is unable or unwilling to do so, he or she will be subject to termination of this agreement.

**4.5 Relocation or Death of Resident(s).** This Agreement does not create any interest in the real estate owned by King's Grant, and this occupancy privilege shall not inure to the use or benefit of the heirs, assignees, or representatives of residents and, upon the relocation or death of the last surviving of the Residents, all rights of occupancy under this Agreement shall terminate.

**4.6 Resident's Inability to Pay.** The Resident(s) shall be required to provide a complete update to their financial statements prior to moving to another level of care within King's Grant. A move to a higher level of care could be denied if the Resident would not pass financial qualification and their inability to do so was a result of abnormal gifting or other diversion of assets subsequent to the Residents original financial statement and qualification. If the Resident or surviving Resident is unable to meet his or her financial obligations to King's Grant, the Resident agrees to liquidate personal assets in order to meet their obligations hereunder. The Resident will also furnish to King's Grant sufficient financial information that will justify that the Resident is unable to pay to the total monthly fee and other charges. Once the Resident satisfactorily established facts to justify the need for such financial assistance, King's Grant may, if it can do so without impairing the ability

of King's Grant to operate on a sound financial basis, subsidize the Resident's Monthly Fee. In the event financial assistance is granted, the Resident shall be liable to King's Grant for the full amount of the subsidy received by the Resident, which will be charged against the Resident's entrance fee refund, if any, and to the extent of any deficiency amount thereafter, and otherwise shall be due and payable from and enforceable against the Resident's estate. In the case of King's Grant subsidizing the Resident's monthly fee, King's Grant reserves the right to require the Resident to transfer to a smaller Residence when available, in order to reduce the Monthly Fee. Failure of the Resident to pay the monthly fee or to qualify for financial assistance may result in the Resident's loss of occupancy of the Residence as outlined in this agreement.

**4.7 Financial Statements.** To ensure King's Grant's ongoing ability to plan for future needs of Residents who outlive their resources, it is important to anticipate, as much as practicable, what those obligations will be. Therefore, Resident or responsible party agrees to provide an updated and complete financial statement, along with associated documentation, as requested every three (3) years.

**4.8 Right of Entry.** Employees of King's Grant shall have the right to enter the Residence (a) at all reasonable times for inspection and to perform housekeeping and maintenance functions and (b) at any time to respond to fire or medical alerts and for other emergency purposes.

**4.9 Removal of Property.** In the event of withdrawal, death, or permanent transfer of a Resident, including permanent transfer to Catered Living, Assisted Living or the Health Center, or upon termination of this Agreement, all of the Resident's personal property shall be removed from the previously occupied Residence within 30 days by an individual designated by the Resident or the Resident's Responsible Party. **King's Grant shall impose the applicable Monthly Fee until said Resident's property is removed and the Residence is released to King's Grant.** King's Grant shall be entitled to reduce the amortized entry fee refund, if any, by 2% per month until the property is removed. King's Grant may opt to move, store or dispose of the items subject to a fee. King's Grant shall not be responsible for damage to or loss of any of the Resident's belongings.

**4.10 Damage or Loss of Property.** Although King's Grant will exercise reasonable care in providing effective security, the Resident is encouraged to insure his/her property against casualty and theft loss, should he/she desire such insurance protection. King's Grant shall not be responsible for damage to or loss of any of the resident's property by casualty, theft or other cause.

**4.11 Tobacco-Free Policy.** King's Grant is committed to providing the healthiest possible environment for all its residents, employees and visitors. Effective March 1, 2018, King's Grant became a tobacco-free community and adopted a tobacco-free policy that applies to all residents, employees, volunteers, vendors and contractors. Tobacco use of any type is prohibited and includes cigarettes, cigars, pipes, snuff, chewing tobacco and vapor products such as e-cigarettes and other related products used to simulate smoking. This policy applies to all property owned and/or leased by King's Grant (e.g., personal residences, parking lots, grounds, public areas, company cars and resident cars parked on the King's Grant campus), as well as adjacent property. Residents not adhering to the policy will be assessed for damages caused by tobacco products and the cost of such will be paid by the Resident or may be subtracted from the entrance fee refund, if applicable.

## **5. TRANSFER AND SURRENDER OF RIGHT OF OCCUPANCY**

**5.1 Physical and Mental Health Requirements of Resident.** As a condition of occupancy at King's Grant, the Resident shall be physically and mentally capable of performing routine activities of daily living and able to respond appropriately to emergency situations. If King's Grant determines in its sole discretion that the Resident is unable to comply with these requirements or the Resident's physical or mental illness causes the Resident's continued presence at King's Grant to be detrimental to the health or safety of him/herself or others, King's Grant reserves the right to transfer the Resident to an appropriate level of care within King's Grant or transfer the Resident to an appropriate institution or facility. While at such an institution or facility the Resident shall continue to pay the monthly fee. In the event of a transfer the provision of Section 5.2 shall apply.

**5.2 Temporary Transfer from King's Grant.** When Resident suffers any physical or mental condition for which King's Grant is not permitted to provide care within the requirements of law, or when his/her presence is deemed detrimental to the health or safety of his/herself, other residents, or staff; or when King's Grant determines such action to be in the best interests of the Resident, King's Grant shall have authority, in consultation with the Resident's Responsible Party, to transfer Resident to another facility or institution, public or private, suitable for such cases. Such a transfer shall not be a termination, either voluntary or involuntary, of this contract. In the event that the condition requiring transfer of the Resident is not temporary in nature, the Residence shall be released.

**5.3 Exchange Between Residences.** Residents may transfer to or exchange residences with approval of the executive director. Requests will be considered based on the Policies and Guidelines of King's Grant.

**5.4 Permanent Surrender of Right of Occupancy.** The following conditions of physical and mental health may result in the need for the Resident to relinquish the Residence and to move to a level of care that would best meet his/her needs (such determination to be made by the King's Grant Resident Review Committee):

- a) Limited mobility
- b) Limited vision
- c) Failing general health that precludes Resident from independent living due to his/her inability to cook, clean, bathe, and secure groceries and supplies
- d) Loss of mental faculties to a degree where living independently poses a hazard to his/her health or to the health of King's Grant.

This process may be initiated by any of the following:

- a) Recommendation of the Resident Review Committee
- b) Recommendation of the family physician
- c) Consultation with family members/responsible parties
- d) By King's Grant executive director and Resident Review Committee
- e) At the request and desire of the Resident

If a Resident needs to move to a higher level of care or out of King's Grant, the executive director and Resident Review Committee in consultation with the responsible party and attending physician will collaborate to reach a decision in the best interest of the Resident. The final decision will be King's Grant's.

A Resident will be allowed to continue living in his/her Residence described in this Agreement as long as he/she does not suffer from any physical or mental condition as described above; continues to pay the applicable monthly fee and other charges; and cancellation of this Occupancy Agreement has not occurred as provided for herein

**5.5 Cancellation of Agreement.** King's Grant shall not cancel this Occupancy Agreement with the Resident without good cause. Good cause shall be

limited to: proof that Resident is a danger to him/herself or others; nonpayment of the Monthly Fee and other charges; repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of King's Grant; persistent refusal to comply with King's Grant's written Policies and Guidelines; a material misrepresentation made intentionally or recklessly by the Resident in his/her application for residency, or related financial or medical information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by King's Grant will be provided to the Resident and his/her attorney-in-fact.

**5.6 Opportunity to Cure.** Where applicable, an opportunity will be given to cure, within a 30-day period, whatever conduct is alleged to warrant the cancellation of this Agreement.

**5.7 Voluntary Cancellation by Resident.** Resident shall give a sixty (60) day written notice prior to voluntary cancellation of this agreement. If Resident fails to give the proper notice, he/she agrees that King's Grant shall charge its normal fees for the 60-day period and King's Grant shall be entitled to continue to reduce the Resident's unamortized Entry Fee refund, if any, by 2% per month for the sixty (60) day period.

## **6. Co-Occupancy**

**6.1 Marriage and/or Co-Occupancy with a Non-Resident.** When a Resident married and brings his/her spouse to King's Grant, there will be a second person Entrance Fee for the Resident's spouse. The second person Entrance Fee will be based on the spouse's occupancy agreement type. There will also be a second person Monthly Fee for the Resident's spouse based upon his or her occupancy agreement type. King's Grant will honor its Agreement with the original Resident. At the termination of that Agreement, the surviving spouse may negotiate his/her own Agreement. The spouse/co-occupant must meet King's Grant's entrance requirements. If the spouse/co-occupant cannot meet the admissions criteria, King's Grant will deny continued Residency. In such event, the right of the surviving spouse to occupy said Residence shall cease and terminate, and the Residence shall be deemed fully surrendered to King's Grant.

**6.2 Marriage and/or Co-Occupancy with a Current Resident.** In the event that the Co-occupant is already a resident of King's Grant, this Agreement and the Co-Occupant's Agreement shall be cancelled, and the Resident and Co-occupant will enter into a new Agreement with King's Grant. If the Resident remains in the current Residence and the Co-occupant moves into the Resident's Residence, the only additional Entrance Fee payment required shall be for the current second person Entrance Fee if applicable. If two entrance fees have been paid, no additional entrance fee may be required; if only one entrance fee has been paid, an additional entrance fee will be required. There will also be a second person Monthly Fee for the Resident's Co-Occupant based upon his or her occupancy agreement type. This charge will be at the current rate charged to other residents. In this case, a refund of any portion of the Entrance Fee paid under this Agreement shall be governed by the terms and conditions of the new Agreement.

**6.2.3 Relocation of Current Residents.** If the Resident and Co-occupant are both current residents and move from their current Residences into a new shared Residence, the Resident and Co-occupant shall receive credit for the amount of Entrance Fees paid by them with respect to their separate Agreements, less any amounts charged or chargeable against the Entrance Fees paid, and shall pay King's Grant the difference, if any, between the sum of the Entrance Fee paid with respect to their Agreements and the Entrance Fee and Second Person Entrance Fee charged for the new Residence at the time the Resident and the Co-Occupant enter into the new Agreement. If the Entrance Fee for the new Residence is lower than the sum of the Entrance Fees due and owing to the Residents, King's Grant shall not refund the excess to the Resident or Co-occupant at the time they enter into the new Agreement.

**6.3 Separation of Residents.** In the event two current Residents decide to occupy separate residences, the following options are available:

**6.3.1** If both choose to remain as Residents and therefore need separate Residences, the Resident moving to a new Residence will be obligated to pay the then current Entrance Fee and single person's Monthly Fee for the selected Residence. King's Grant shall not refund any portion of the Entrance Fee paid under this agreement upon relocation.

**6.3.2** If one Resident desires to move out of King's Grant, the other Resident may remain in the current Residence or move to a new



Residence, subject to the terms and conditions of this Agreement. If the remaining Resident stays in the current Residence, the Resident shall pay the single person Monthly Fee for the current Residence. If the Resident moves to a new Residence, in addition to paying the single person's Monthly Fee for the new Residence, he or she will pay the difference between the current Entrance Fee for the new Residence and the Entrance Fee paid under this Agreement. King's Grant shall not refund, at that time, any portion of the Entrance Fee paid under this Agreement.

## **7. ENTRANCE FEE REFUND**

**7.1 Refund of Entrance Fee.** In the event of death or withdrawal of the Resident from King's Grant and release of the Residence, a partial refund of the Entrance Fee may be available. All refunds of any portion of the Entrance Fee are expressly conditioned upon King's Grant's acceptance for admission of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence. Any refund of the Entrance Fee that may be due to the Resident or the Resident's estate shall first be applied to satisfy, in part or in whole, any outstanding Monthly Fee or other charge(s) owed by the Resident to King's Grant and/or the interest and principal outstanding on any Fellowship Assistance granted to the Resident by King's Grant, and the balance thereof shall be paid to the Resident or the Resident's estate. In no event shall the Resident or the Resident's estate receive a refund of the Monthly Fee paid to King's Grant. Any outstanding Entrance Fee will be paid after the successful remarketing of the residence or within six (6) months, whichever occurs first. The refund available depends on your Agreement type. The following formulas apply:

**7.1.1 For Type I and Type II Occupancy Agreements only,** if the withdrawal or death occurs during the first 50 months following the date of occupancy, or assigned occupancy date, whichever occurs first, a refund of the Entrance Fee will be made, reduced by 2% per month from the date herein referred to, until the Residence is vacated and released to King's Grant. There will be no refund made under this policy after 50 months. No refunds are available for permanent transfer to a different level of care under Type I and Type II Occupancy Agreements.

**7.1.2 For Type III Occupancy Agreements only,** if withdrawal or death occurs the refund will be 50% of the Entrance Fee. In the event the Resident becomes unable to pay the applicable monthly or daily service fee(s) in any level of residency, the Resident shall be liable to King's Grant for the full amount, which will be charged against the Resident's Entrance Fee refund as well as payable from the Resident's estate.

**7.1.3 For Type IV Occupancy Agreements only,** if the withdrawal or death occurs during the first 50 months following the date of occupancy or assigned occupancy date, whichever occurs first, a refund of the Entrance Fee, less the \$\_\_\_\_\_ per resident Lifecare Fee, will be made, reduced by 2% per month from the date herein referred to until the Residence is vacated and released to King's Grant. There will be no refund made under this policy after 50 months.

**7.1.4 Residence Not Occupied.** If Resident dies before occupying the Residence, or is precluded through illness, injury, or incapacity from becoming a Resident under the terms of the Occupancy Agreement, the Agreement is automatically rescinded, and the Resident or his/her legal representative shall receive a full refund of all money paid to King's Grant, except those costs specifically incurred by King's Grant at the request of the Resident, and set forth in writing in separate addendum, signed by both parties of the agreement.

## **8. MISCELLANEOUS**

**8.1 Further Assurances.** The Resident, for himself/herself, his/her heirs, personal representatives and assigns, agrees to execute and deliver to King's Grant such legal instruments as may be requisite to carry out the provisions of this Agreement.

**8.2 Representations.** The application and the statements of finances and health history of Resident filed with King's Grant are incorporated in this contract by this reference and all statements therein are deemed to be representations by Resident as of the date made. Resident represents that there have been no material changes in the information provided since the date thereof. Resident's breach or misrepresentation may result in (a) cancellation of this Agreement, or (b) transfer as provided in Section 5 of this Agreement.

**8.3 Responsibility for Protection of the Resident's Property.** King's Grant shall not be responsible for the loss of any personal property belonging to the Resident due to theft, fire or any other cause. The Resident shall have the responsibility, at the Resident's own expense, of insuring the Resident's property against such risks under a tenant's or homeowner's insurance policy.

**8.4 Accident Caused by the Resident.** The Resident shall indemnify and hold King's Grant harmless from any claims, investigations, proceedings or lawsuits, including all damages, costs, expenses, reasonable attorney's fee and court costs, resulting from, attributable to or in any way connected with the negligent or intentional act or omissions of the Resident. The Resident shall obtain liability insurance to cover such situations.

**8.5 Responsibility for Damages.** Any harm or damages to the real or personal property of King's Grant caused in whole or in part by the Resident shall be charged to and paid for by the Resident. King's Grant assumes by this Agreement no responsibility for any harm or damage done to the person or property of the Resident by another Resident or by any other person or entity. To the extent permitted by law, the Resident also hereby releases and discharges King's Grant from any and all Claims for personal injury or property damage suffered by the Resident which are alleged to or actually arise from or relate to, in whole or in part, King's Grant's assistance to, supervision or care of other Residents.

**8.6 Renovations and Additions to the Campus.** From time to time, King's Grant may decide to renovate, demolish and add to its facilities. Resident agrees that he or she anticipates such activities, and they shall not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. Resident also agrees these activities by King's Grant shall not constitute a breach by King's Grant of this Agreement or any other obligation owed to the Resident. Resident further agrees not to maintain any action against King's Grant to enjoin it from renovating, demolishing or adding to its facilities.

**8.7 Non-Discrimination.** Neither marital status, race, sex, national origin, disability, nor faith has any bearing upon the offer, acceptance or termination of residence at King's Grant.

**8.8 Whole and Binding Agreement.** The Resident has received this Agreement and has had the opportunity to have it reviewed by his or her attorney, responsible party or financial advisor. The parties agree that this Agreement and the

Disclosure Statement contain the entire agreement. This Agreement is binding on the Resident and King's Grant, their successors and assigns.

**THE RESIDENT SHALL HAVE THE RIGHT TO RESCIND THIS AGREEMENT**, without penalty or forfeiture, within seven (7) days after making an initial deposit executing this Agreement. The Resident shall not be required to move into King's Grant before the expiration of the seven (7) day period.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above mentioned.

## **SIGNATURES**

Print Name

SUNNYSIDE PRESBYTERIAN HOME

\_\_\_\_\_

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

"King's Grant"

Print Name

\_\_\_\_\_

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

"Resident"

\_\_\_\_\_

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

"Resident"

Initials \_\_\_\_\_

## ACKNOWLEDGMENTS:

I hereby acknowledge I/we have received the following:

Initials:

- \_\_\_\_\_ ☐ A copy of King's Grant's Continuing Care Provider Disclosure Statement  
 \_\_\_\_\_ ☐ A complete copy of this Occupancy Agreement  
 \_\_\_\_\_ ☐ A copy of the Resident's Handbook

Signed:

\_\_\_\_\_  
 \_\_\_\_\_

- ☐ **Type I Occupancy Agreement**  
☐ **Type II Occupancy Agreement**  
☐ **Type III Occupancy Agreement**  
☐ **Type IV Occupancy Agreement**

Signed:

\_\_\_\_\_  
 \_\_\_\_\_

Date

\_\_\_\_\_

Rev. 0623/lk

# Exhibit C

## Schedule of Entrance and Monthly Fees



## ASSISTED LIVING, MEMORY SUPPORT & SKILLED NURSING

### 2024 Rates\*

#### CRAIG ASSISTED LIVING CENTER

	Daily	Monthly**
Private Room.....	\$262	\$7,969

#### MEMORY SUPPORT NEIGHBORHOOD

Semi-Private Room .....	\$288	\$8,760
Private Room.....	\$326	\$9,916

#### LACY HEALTH CENTER

	Daily	
Semi-Private Room .....	\$351	\$10,676
Private Room.....	\$388	\$11,802

\* All rates are subject to change.

\*\* Monthly amount represents the average monthly rate (365 days/12 months) for illustrative purposes only. King's Grant applies room and board charges on a daily basis and therefore, the actual monthly rate will be higher or lower based on the actual number of days in the month.

# APARTMENT ENTRANCE AND MONTHLY FEES\*

## 2024

	Approx. Sq. Ft.	Entrance Fee Type I	Entrance Fee Type II	Entrance Fee Type III	Monthly Fee
<b>Stone Cross East Residential Apartments**</b>					
Chatham II (1 BR/1 BA)	580	\$91,400	\$110,570	\$137,100	\$2,836
Henry (1 BR/1 BA)	644	\$101,600	\$120,770	\$152,400	\$2,977
Appalachian (2 BR/1.5 BA)	824	\$130,000	\$149,170	\$195,000	\$3,264
Chatham (1 BR/2 BA)	863	\$136,100	\$155,270	\$204,150	\$3,264
Blue Ridge (2 BR/2 BA)	1,010	\$159,200	\$178,370	\$238,800	\$3,475
Custom Blue Ridge (2 BR/2 BA)	1,180	\$186,000	\$205,170	\$279,000	\$3,546
Shenandoah (2 BR/2 BA)	1,414	\$222,900	\$242,070	\$334,350	\$3,687
2nd Person Fee		\$18,200	\$37,370	\$27,300	\$698
<b>Stone Cross West Residential Apartments**</b>					
Rugg (Studio)	270	\$43,700	\$62,870	\$65,550	\$2,409
Blackberry (Studio)	312	\$50,300	\$69,470	\$75,450	\$2,692
Mulberry II (1 BR/1 BA)	405	\$65,300	\$84,470	\$97,950	\$3,264
Mulberry (1 BR/1 BA)	430	\$69,400	\$88,570	\$104,100	\$3,405
Blackberry II (1 BR/1 BA)	474	\$74,900	\$94,070	\$112,350	\$3,475
Tanyard (1 BR/2 BA)	540	\$85,400	\$104,570	\$128,100	\$3,687
Tanyard II (1 BR/2 BA)	582	\$92,000	\$111,170	\$138,000	\$3,830
Leatherwood (2 BR/2 BA)	700	\$114,000	\$133,170	\$171,000	\$4,256
Preston (2 BR/2 BA)	860	\$140,100	\$159,270	\$210,150	\$5,226
2nd Person Fee		\$17,600	\$36,770	\$26,400	\$959

Catered Living - add \$1,122 per person to monthly fee

\*Once a residence is reserved with a 5% deposit, the Entrance Fee is no longer subject to change.

\*\*Monthly fees for the apartments include a meal plan.

<b>LACY HEALTH CENTER</b>		<b>CRAIG ASSISTED LIVING</b>		<b>MEMORY SUPPORT NEIGHBORHOOD</b>	
Semi-Private Room	\$351 per day	Private Room	\$262 per day	Semi-Private Room	\$288 per day
Private Room	\$388 per day			Private Room	\$326 per day

Effective date 01/01/2024. Prices subject to change.



# GARDEN HOMES & COTTAGES ENTRANCE & MONTHLY FEES 2024

- Some Entrance Fees may vary according to pre-existing modifications, room additions and upgrades.
- Once a residence is reserved with a 5% deposit, the Entrance Fee is no longer subject to change.

	Approx. Sq. Ft.	Entrance Fee Type I	Entrance Fee Type II	Entrance Fee Type III	Monthly Fee
Village Garden Homes					
Sheffield B (1 BR/1 BA)	672	\$87,100	\$106,270	\$130,650	\$1,011
Trillium C (1 BR/1 BA)	860	\$111,400	\$130,570	\$167,100	\$1,204
Azalea A (2 BR/2 BA)	960	\$124,500	\$143,670	\$186,750	\$1,345
Sheffield A (1 BR/1 BA)	1,080	\$140,000	\$159,170	\$210,000	\$1,514
Trillium B (2 BR/2 BA)	1,120	\$145,200	\$164,370	\$217,800	\$1,570
Foxglove (2 BR/2 BA)	1,188	\$154,100	\$173,270	\$231,150	\$1,664
Azalea C (2 BR/2 BA)	1,300	\$168,500	\$187,670	\$252,750	\$1,821
2nd Person Fee		\$20,120	\$39,290	\$30,180	\$295
Village Cottages					
Grassdale (2 BR/2 BA)	1,232	\$176,600	\$195,770	\$264,900	\$1,733
Sycamore (2 BR/2 BA)	1,324	\$189,800	\$208,970	\$284,700	\$1,861
Laurel Ridge (2 BR/2 BA)	1,392	\$199,500	\$218,670	\$299,250	\$1,957
Hordsville (2 BR/2 BA)	1,437	\$205,900	\$225,070	\$308,850	\$2,017
Beaver Creek (2 BR/2 BA)	1,440	\$206,500	\$225,670	\$309,750	\$2,026
Marrowbone (2 BR/2 BA)	1,560	\$223,600	\$242,770	\$335,400	\$2,195
2nd Person Fee		\$20,900	\$40,070	\$31,350	\$296

LACY HEALTH CENTER		CRAIG ASSISTED LIVING		MEMORY SUPPORT NEIGHBORHOOD	
Semi-Private Room	\$351 per day	Private Room	\$262 per day	Semi-Private Room	\$288per day
Private Room	\$388 per day			Private Room	\$326 per day

Effective date 01/01/2024. Prices subject to change.

# LIFE CARE FEES 2024

	Approx. Sq. Ft.	Entrance Fee* Type IV	Monthly** Fee
<b>Village Garden Homes</b>			
Sheffield (B)	672	\$177,100	\$1,893
Trillium (C)	860	\$201,400	\$2,086
Azalea (A)	960	\$214,500	\$2,227
Sheffield (A)	1,080	\$230,000	\$2,396
Trillium (B)	1,120	\$235,200	\$2,452
Foxglove	1,188	\$244,100	\$2,546
Azalea (C)	1,300	\$258,500	\$2,703
2nd Person Fee		\$110,120	\$1,177
<b>Village Cottages</b>			
Grassdale	1,232	\$266,600	\$2,615
Sycamore	1,324	\$279,800	\$2,743
Laurel Ridge	1,392	\$289,500	\$2,839
Hordsville	1,437	\$295,900	\$2,899
Beaver Creek	1,440	\$296,500	\$2,908
Marrowbone	1,560	\$313,600	\$3,077
2nd Person Fee		\$110,900	\$1,178
<b>Stone Cross East Residential Apartments</b>			
Chatham II	580	\$181,400	\$3,502
Henry	644	\$191,600	\$3,643
Appalachian	824	\$220,000	\$3,930
Chatham	863	\$226,100	\$3,930
Blue Ridge	1,010	\$249,200	\$4,141
Custom Blue Ridge	1,180	\$276,000	\$4,212
Shenandoah	1,414	\$312,900	\$4,353
2nd Person Fee		\$108,200	\$1,364
<b>Stone Cross West Residential Apartments</b>			
Rugg	270	\$133,700	\$3,056
Blackberry	312	\$140,300	\$3,339
Mulberry II	405	\$155,300	\$3,911
Mulberry	430	\$159,400	\$4,052
Blackberry II	474	\$164,900	\$4,122
Tanyard	540	\$175,400	\$4,334
Tanyard II	582	\$182,000	\$4,477
Leatherwood	700	\$204,000	\$4,903
Preston	860	\$230,100	\$5,873
2nd Person Fee		\$107,600	\$1,606

\* Some Entrance Fees may vary according to pre-existing modifications, room additions and upgrades.

\*\*Based upon residence type, a meal charge may be added to the monthly fee.

Effective date 01/01/2024. Prices subject to change.

# 2024 RENTAL PROGRAM

## Stone Cross West Apartments Rental Rates:

Rugg Studio.....	\$3,134
Blackberry .....	\$3,529
Mulberry II.....	\$4,316
Mulberry .....	\$4,523
Blackberry II.....	\$4,708
Tanyard.....	\$5,091
Tanyard II .....	\$5,342
Leatherwood.....	\$6,076
Preston .....	\$7,462

Catered Living - add \$1,122 per person to monthly fee  
2nd Person Fee - \$1,240

## Stone Cross East Apartments Rental Rates:

Chatham II.....	\$4,114
Henry .....	\$4,397
Appalachian .....	\$5,080
Chatham .....	\$5,165
Blue Ridge .....	\$5,700
Custom Blue Ridge .....	\$6,147
Shenandoah .....	\$6,804

2nd Person Fee - \$953

Effective date 01/01/2024. Prices subject to change.

# Exhibit D

## Audited Financial Statements

**SUNNYSIDE PRESBYTERIAN HOME**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://CLAconnect.com)

**SUNNYSIDE PRESBYTERIAN HOME  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Sunnyside Presbyterian Home  
Harrisonburg, Virginia

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Sunnyside Presbyterian Home, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunnyside Presbyterian Home of December 31, 2023 and 2022, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 Financial Statements section of our report. We are required to be independent of Sunnyside Presbyterian Home and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

In performing an audit in accordance with GAAS, we:

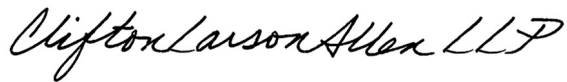
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunnyside Presbyterian Home's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunnyside Presbyterian Home'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 financial statements as a whole. The balance sheet by division and statement of operations by division are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

King of Prussia, Pennsylvania  
April 24, 2024

**SUNNYSIDE PRESBYTERIAN HOME  
BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,436,046	\$ 1,633,722
Cash and Cash Equivalents - Resident Funds	22,442	27,704
Accounts Receivable	1,128,516	1,389,043
Allowance for Credit Losses	(284,804)	(238,746)
Other Receivables	103,629	57,197
Pledges and Gifts Receivable	200	200
Inventories	395,395	422,932
Prepaid Expenses	798,764	690,928
Total Current Assets	<u>3,600,188</u>	<u>3,982,980</u>
<b>ASSETS LIMITED AS TO USE</b>		
Externally Designated by Donor Restriction	5,901,132	5,459,058
Externally Restricted by the Terms of the Bond Agreement	-	344,911
Internally Designated by Board of Trustees	15,741,109	13,111,602
Total Assets Limited as to Use	<u>21,642,241</u>	<u>18,915,571</u>
<b>INVESTMENTS</b>	39,276,128	35,065,328
<b>PROPERTY, PLANT, AND EQUIPMENT, LESS ACCUMULATED DEPRECIATION OF \$139,444,356 IN 2023 AND \$131,806,489 IN 2022</b>	87,710,814	84,169,491
<b>OTHER ASSETS</b>		
Investment in Joint Venture	531,597	557,513
Investment in First Choice Home Health	788,311	1,097,004
Investment in MedRehab Collective	75,000	-
Miscellaneous	101,510	101,510
Total Other Assets	<u>1,496,418</u>	<u>1,756,027</u>
<b>FAIR VALUE INTEREST RATE SWAP AGREEMENTS</b>	<u>650,773</u>	<u>915,501</u>
Total Assets	<u><u>\$ 154,376,562</u></u>	<u><u>\$ 144,804,898</u></u>

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME  
BALANCE SHEETS (CONTINUED)  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 2,165,420	\$ 2,041,179
Current Portion of Annuities Payable	86,275	91,085
Accounts Payable	1,895,169	1,403,813
Retainage Payable	127,480	-
Accrued Expenses:		
Salaries and Wages	1,873,787	1,820,383
Other	603,905	761,269
Refundable Advance Fees	880,000	864,000
Resident Funds Payable	<u>22,442</u>	<u>27,704</u>
Total Current Liabilities	7,654,478	7,009,433
<b>ADVANCE FEES AND DEPOSITS</b>		
Advance Fee Deposits	971,052	458,050
Deferred Revenue from Advance Fees	47,847,534	46,482,908
Refundable Entrance Fee Liability	<u>3,424,069</u>	<u>3,749,951</u>
Total Advance Fees and Deposits	52,242,655	50,690,909
<b>LONG-TERM DEBT, LESS CURRENT PORTION</b>	43,550,598	46,048,670
<b>ANNUITIES PAYABLE, LESS CURRENT PORTION</b>	<u>288,311</u>	<u>315,334</u>
Total Liabilities	103,736,042	104,064,346
<b>NET ASSETS</b>		
Without Donor Restrictions	44,739,388	35,281,494
With Donor Restrictions	<u>5,901,132</u>	<u>5,459,058</u>
Total Net Assets	<u>50,640,520</u>	<u>40,740,552</u>
Total Liabilities and Net Assets	<u>\$ 154,376,562</u>	<u>\$ 144,804,898</u>

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME**  
**STATEMENTS OF OPERATIONS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
<b>REVENUE, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS</b>		
Residential Services, Including Amortization of Deferred Revenue from Advance Fees of \$7,497,133 and \$6,540,715 in 2023 and 2022, Respectively	\$ 21,195,982	\$ 19,775,626
Health Care Services Revenue	16,941,150	15,357,159
Assisted Living Revenue	12,432,596	12,278,771
Unrestricted Gifts and Donations	1,051,118	836,123
Investment Income	1,179,325	2,530,328
Pharmacy Revenue	69,483	269,452
Provider Relief Funds - HHS	-	1,031,623
Employee Retention Credit Grant Revenue	2,791,017	-
Other	1,552,745	1,231,666
Total Revenue, Gains, and Other Support Without Donor Restrictions	<u>57,213,416</u>	<u>53,310,748</u>
<b>EXPENSES</b>		
Nursing Services:		
Health Care	9,076,585	9,788,894
Assisted Living	4,995,379	4,712,495
Clinical	1,994,077	449,946
Dining Services	5,981,081	5,564,864
Resident Services	3,357,590	3,176,273
Environmental Services	5,247,709	5,103,306
General and Administrative Services	10,252,480	9,618,027
Credit Loss Expense	81,800	26,649
Utilities	2,359,138	2,516,983
Pharmacy Services	74,805	229,183
Fund Raising Expenses	275,679	264,096
Depreciation	8,102,005	8,015,732
Interest Expense	1,510,741	1,453,890
Other	367,940	431,472
Total Expenses	<u>53,677,009</u>	<u>51,351,810</u>
<b>OPERATING INCOME</b>	3,536,407	1,958,938
<b>NONOPERATING GAINS (LOSSES)</b>		
Change in Present Value of Annuities Payable	(51,358)	(11,138)
Unrealized Gain (Loss) on Equity Securities	4,428,677	(6,212,911)
Change in Fair Value Interest Rate Swap Agreements	(264,728)	1,789,387
Loss on Extinguishment of Debt	-	(74,095)
Total Nonoperating Gains (Losses)	<u>4,112,591</u>	<u>(4,508,757)</u>
<b>EXCESS (DEFICIT) OF REVENUE, GAINS, AND OTHER SUPPORT OVER EXPENSES</b>	7,648,998	(2,549,819)
<b>OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Net Assets Released from Restrictions for Capital Expenditures and Other Reclassifications	-	25,100
Net Unrealized Gain (Loss) on Fixed Income Investments	<u>1,808,896</u>	<u>(2,297,926)</u>
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>\$ 9,457,894</u>	<u>\$ (4,822,645)</u>

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
<b>BALANCE - JANUARY 1, 2022</b>	\$ 40,104,139	\$ 6,705,354	\$ 46,809,493
Deficit of Revenue, Gains, and Other Support Over Expenses	(2,549,819)	-	(2,549,819)
Net Unrealized Loss on Fixed Income Investments	(2,297,926)	-	(2,297,926)
Restricted Gifts and Contributions	-	43,812	43,812
Change in Present Value of Perpetual Trusts	-	(1,208,795)	(1,208,795)
Net Assets Released from Restrictions for Operating Expenses and Other Reclassifications	-	(56,213)	(56,213)
Net Assets Released from Restrictions for Capital Expenditures	<u>25,100</u>	<u>(25,100)</u>	<u>-</u>
Increase in Net Assets	<u>(4,822,645)</u>	<u>(1,246,296)</u>	<u>(6,068,941)</u>
<b>BALANCE - DECEMBER 31, 2022</b>	35,281,494	5,459,058	40,740,552
Excess of Revenue, Gains, and Other Support Over Expenses	7,648,998	-	7,648,998
Net Unrealized Gain on Fixed Income Investments	1,808,896	-	1,808,896
Restricted Gifts and Contributions	-	46,199	46,199
Change in Present Value of Perpetual Trusts	-	405,136	405,136
Net Assets Released from Restrictions for Operating Expenses and Other Reclassifications	-	(9,261)	(9,261)
Net Assets Released from Restrictions for Capital Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Decrease in Net Assets	<u>9,457,894</u>	<u>442,074</u>	<u>9,899,968</u>
<b>BALANCE - DECEMBER 31, 2023</b>	<u><u>\$ 44,739,388</u></u>	<u><u>\$ 5,901,132</u></u>	<u><u>\$ 50,640,520</u></u>

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ 9,899,968	\$ (6,068,941)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Amortization of Deferred Revenue from Advance Fees	(7,497,133)	(6,540,715)
Depreciation	8,102,005	8,015,732
Amortization of Deferred Financing Costs	41,186	39,683
Provision for Credit Loss Expense	81,800	26,649
Net Unrealized (Gain) Loss on Investments	(6,237,573)	8,510,837
Change in Fair Value Interest Rate Swap Agreements	264,728	(1,789,387)
Change in Present Value of Charitable Remainder and Perpetual Trusts	(405,136)	1,208,795
Loss on Extinguishment of Debt	-	74,095
Original Issue Premium Amortization	(317,799)	(329,436)
Net Change in Investment in Joint Venture	25,916	18,526
Net Change in Investment in First Choice Home Health	308,693	23,302
Net Change in Investment in MedRehab Collective	(75,000)	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	224,785	1,535,643
Other Receivables	(46,432)	(23,265)
Pledges and Gifts Receivable	-	6,400
Inventories	27,537	83,802
Prepaid Expenses	(107,836)	(117,990)
Accounts Payable	284,526	257,101
Salaries and Wages	53,404	256,929
Other Accrued Expenses	(157,364)	325,971
Deferred Advance - Provider Relief Funds	-	(1,031,622)
Advance Fee Deposits	529,002	146,458
Resident Funds	(5,262)	(3,368)
Net Cash Provided by Operating Activities	4,994,015	4,625,199
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant, and Equipment	(11,309,018)	(8,492,518)
Purchase of Investments and Assets Limited as to Use	(5,790,341)	(17,090,919)
Sale of Investments and Assets Limited as to Use	5,152,897	12,996,825
Net Cash Used by Investing Activities	(11,946,462)	(12,586,612)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Entrance Fees, Net of Refunds	8,535,877	5,580,859
Repayment of Long-Term Debt	(2,040,518)	(2,069,228)
Change in Annuities Payable	(31,833)	(48,931)
Net Cash Provided by Financing Activities	6,406,826	3,462,700
<b>NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	(545,621)	(4,498,713)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	2,008,073	6,506,786
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	<u>\$ 1,462,452</u>	<u>\$ 2,008,073</u>

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH TO BALANCE SHEET</b>		
Cash and Cash Equivalents	\$ 1,436,046	\$ 1,633,722
Cash and Cash Equivalents - Resident Funds	22,442	27,704
Restricted Cash Included in Assets Limited to Use - Donor Restricted	3,964	1,736
Restricted Cash Included in Assets Limited to Use - Bond Agreements	<u>-</u>	<u>344,911</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u><u>\$ 1,462,452</u></u>	<u><u>\$ 2,008,073</u></u>
<b>NONCASH ITEMS</b>		
Net Change in Investment in Joint Venture	\$ (25,916)	\$ (18,526)
Net Change in Investment in First Choice Home Health	(308,693)	(23,302)
Net Change in Investment in MedRehab Collective	<u>75,000</u>	<u>-</u>
Total Noncash Items	<u><u>\$ (259,609)</u></u>	<u><u>\$ (41,828)</u></u>

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Reporting Entity**

Sunnyside Presbyterian Home (Sunnyside or the Company) is a nonstock, nonprofit corporation founded in 1955. The Company operates Sunnyside Presbyterian Retirement Community (SPRC) in Rockingham County, Virginia; King's Grant Retirement Community (King's Grant) in Henry County, Virginia; and Summit Square Retirement Community (Summit Square) in Waynesboro, Virginia. The University Plaza Shopping Center (University Plaza) is located in Harrisonburg, Virginia and provides office space for its corporate functions in support of the Company's three life plan communities.

The Company enters into contracts with its independent living residents, most of which require payment of a one-time advance entrance fee and a monthly maintenance fee (see Note 7). None of the occupancy agreements entitle the residents to an interest in the real estate or other property owned by the Company.

**Use of Estimates**

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

**Cash, Cash Equivalents, and Restricted Cash**

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company had no cash equivalents at December 31, 2023 and 2022. Restricted cash is that which cannot be accessed based on restrictions related to either passage of time or occurrence of events. Documentation related to category-based capital expenditures must be submitted in order to have cash transferred out of the restricted accounts.

**Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are reported net of an allowance for credit losses to represent the Company's estimate of expected losses at the balance sheet date. The adequacy of the Company's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivable portfolios by payor source and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or as the claim is submitted for third-party payors. Accounts more than 90 days past due are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off against the related allowance.



**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable and Allowance for Credit Losses (Continued)**

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At December 31, 2023 and 2022, the allowance for estimate of expected credit losses was approximately \$285,000 and \$239,000, respectively.

Changes in the allowance for credit losses for the year ended December 31, 2023 was as follows:

Allowance for Credit Losses	
Balance, Beginning of Year	\$ 238,746
Provision for Losses	81,800
Amounts Written Off	(40,405)
Recoveries	4,663
Balance, End of Year	<u>\$ 284,804</u>

The opening and closing balances in Accounts Receivable were as follows:

	Accounts Receivable
Balance as of January 1, 2022	<u>\$ 2,988,587</u>
Balance as of December 31, 2022	1,381,609
Balance as of December 31, 2023	1,126,650

**Inventories**

Inventories of drugs and supplies are stated at the lower of cost (first-in, first-out) or net realizable value.

**Assets Limited as to Use**

Assets limited as to use consist of externally designated donor-imposed assets with restrictions as well as internally designated assets set aside for specific purposes. Assets limited as to use are carried at fair value and consist primarily of investments in cash, debt securities, equity securities, and beneficial interests in trusts. Assets limited as to use also consist of escrow cash restricted to fund the acquisition, construction, and equipping of certain capital improvements.

**Investments**

Investments include primarily investments in debt and equity securities that are not intended for current operations and are classified as noncurrent assets.

Investments are carried at fair value. The fair values of marketable equity securities, bonds, and other investments are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Cost used in the determination of gains and losses on sales of investments is based on specific cost of the investment sold, adjusted for any other-than-temporary declines in the value of investments.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments (Continued)**

Realized gains and losses (including interest and dividends) in investments which are not restricted are classified on the statements of operations as investment income (loss) included in operating income. Unrealized gains and loss from equity securities which are not restricted are classified on the statement of operations in nonoperating gains and losses. Unrealized gains and losses from nonequity securities which are not restricted are classified on the statements of operations in other changes in net assets without donor restrictions. Realized and unrealized gains and losses from nonequity securities, interest and dividends from investments which are restricted are not presented on the statements of operations but instead are reflected in the statements of changes in net assets.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated on the basis of cost. Donated property and equipment are recorded at fair market value at the date of contribution. Improvements that materially extend the useful lives of the assets are capitalized. General repairs and maintenance costs are expensed as incurred. The Company capitalizes all expenditures for property and equipment costing \$1,500 or more (collectively in the case of bulk purchases) and having useful lives greater than one year.

Depreciation is computed using the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives. The general range of estimated useful lives for buildings and land improvements is 20 to 40 years and the general range for equipment is 5 to 20 years.

The Company records impairment losses on property and equipment when events and circumstances indicate that it is probable that the assets are impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. Based on management's estimation process, no impairment losses have been recorded as of December 31, 2023 and 2022.

**Deferred Financing Costs**

The Company deferred all financing costs incurred in connection with the issuance of its long-term debt. Such costs are being amortized on the straight-line method, a method which approximates the effective interest rate method, over the term of the related indebtedness. These costs are amortized as a component of interest expense for the years ended December 31, 2023 and 2022 in the amount of \$41,186 and \$39,683, respectively.

**Investment in Joint Venture**

The Company's investment in joint venture of Virginia Senior Care Group, LLC is carried at cost and adjusted for the owner's share of the earnings, losses, and distributions. As of December 31, 2023 and 2022, the Company owned approximately 7.31% and 7.25% of the joint venture, respectively.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investment in First Choice Home Health Services, LLC**

The Company owns 1/3 interest in First Choice Home Health Services, LLC (First Choice), a Virginia limited liability company. Virginia Mennonite Retirement Community, Inc. (VMRC) and Bridgewater Healthcare, Inc. (Bridgewater) own equal shares of the remaining interest in First Choice. The Company has accounted for its investment in First Choice using the equity method of accounting. The Company's equity share of income of First Choice was \$14,142 and \$322,835 for 2023 and 2022, respectively, which was included in the investment income line of the statements of operations. The Company received a dividend from First Choice of \$322,835 in 2023 and \$346,137 in 2022.

**Deferred Revenue from Advance Fees and Refundable Entrance Fees**

Deferred revenue from advance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Deferred revenue from advance fees represents the fees received at the time a resident enters into an entrance fee admission agreement and moves into to one of the communities. The fees are amortized under the straight-line method over estimated life expectancy of each resident or couple (time-based method), adjusted annually. If a resident terminates their contract before the actuarial estimate of their life expectancy, the Company will recognize the balance of unamortized entrance fee, net of any refunds due, currently.

Refundable Entrance Fee Liability represents the refundable option upon the death of the resident or if the resident leaves the community and terminates their contract. Refunds are generally payable upon the lesser of six month's or when the resident's unit is reoccupied. Refundable amounts under these contracts are not amortized to revenue.

The opening and closing balances in Deferred Revenue were as follows:

	<u>Amortizable Entrance Fees</u>
Balance as of January 1, 2022	\$ 47,297,641
Balance as of December 31, 2022	46,482,908
Balance as of December 31, 2023	47,847,534

**Obligation to Provide Future Services**

The Company annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents, net of monthly fees anticipated, and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services). This calculation did not result in a liability as of December 31, 2023 and 2022.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Interest Rate Swap Agreements**

Interest rate swap agreements are carried at fair value as either other assets or liabilities on the balance sheets. The Company uses these derivative instruments to manage its risk related to interest rate movements. The Company's interest rate risk strategy is to stabilize cash flow requirements by maintaining the interest rate swap agreements to effectively convert a portion of its variable-rate debt to a fixed rate (see Note 6).

**Net Assets**

*Net Assets Without Donor Restrictions* – Net Assets Without Donor Restrictions consist of investments and other amounts that are available for use in carrying out the Company's mission and include those expendable resources which have been designated for special use by the board of trustees.

*Net Assets With Donor Restrictions* – Net Assets With Donor Restrictions are those whose use has been limited by donors to a specific time period or purpose.

*Other Net Assets With Donor Restrictions* – Other Net Assets With Donor Restrictions have been restricted by donors to be maintained in perpetuity.

**Residential Services Revenue**

Resident services revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Resident monthly fees are billed in advance, early in the month for that same month. Generally, all other billings to the residents and third-party payors are billed in arrears, early in the month for services performed during the previous month. Revenue is recognized as performance obligations are satisfied.

Residential services revenue is recorded at established rates with vacancies and absence allowances deducted to arrive at net residential services revenue. Monthly residential occupancy fees are recognized as revenue in the month of assessment. Deferred revenues from the amortization of advance fees (discussed above) are also included in residential services revenue.

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or residents receiving services in the facility.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Residential Services Revenue (Continued)**

The Company measures the performance obligation from admission into the facility, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents. The Company does not believe it is required to provide additional goods or services related to that sale.

The Company determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Company's policy and/or implicit price concessions provided to residents. The Company determines its estimates of contractual adjustments based on contractual agreements and its policies.

**Health Care and Assisted Living Services Revenue**

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

Health care services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Company is reimbursed at a prospective rate with final settlement determined after submission of annual cost reports by the Company and audits thereof by Medicaid. The Company's Medicaid cost reports have been audited by Medicaid through December 31, 2016.

Revenue from the Medicaid program accounted for approximately 13% and 17% of the Company's health care service revenues for the years ended December 31, 2023 and 2022, respectively. Laws and regulations governing the Medicaid program are extremely 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.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Occupancy Percentages**

During the years ended December 31, 2023 and 2022, the occupancy percentages and the percentages of Skilled Nursing Center (SNF) residents covered under the Medicaid program, Medicare program, and private pay were as follows:

	2023		
	Sunnyside	King's Grant	Summit Square
Medicaid	28%	6%	2%
Medicare	14%	9%	22%
Private Pay and Other	58%	85%	76%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

	2022		
	Sunnyside	King's Grant	Summit Square
Medicaid	38%	3%	16%
Medicare	12%	14%	24%
Private Pay and Other	50%	83%	60%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

**Composition of Resident Care Service Revenue**

The Company has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, method of reimbursement, and timing of when revenue is recognized. Tables providing details of these factors are presented below.

The composition of Health Care Services revenue by primary payor for the years ended December 31 is as follows:

	2023	2022
Medicaid	\$ 2,181,259	\$ 2,661,411
Medicare	4,171,224	4,070,417
Managed Care	360,764	287,215
Private Pay	10,227,903	8,338,116
Total Health Care Services Revenue	<u>\$ 16,941,150</u>	<u>\$ 15,357,159</u>

**SUNNYSIDE PRESBYTERIAN HOME**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Composition of Resident Care Service Revenue (Continued)**

The composition of net resident service revenue based on its service lines, method of reimbursement, and timing of revenue recognition for the years ended December 31 are as follows:

	2023				
	Sunnyside Presbyterian Retirement Community	King's Grant Retirement Community	Summit Square	University Plaza	Total
Service Lines:					
Health Care Services	\$ 10,009,486	\$ 4,191,682	\$ 2,739,982	\$ -	\$ 16,941,150
Assisted Living	5,885,528	3,358,706	3,188,362	-	12,432,596
Independent Living	12,205,860	5,696,677	3,293,445	-	21,195,982
Retail Sales	429,836	170,931	103,505	-	704,272
Other	264,117	171,429	192,174	290,236	917,956
Total	<u>\$ 28,794,827</u>	<u>\$ 13,589,425</u>	<u>\$ 9,517,468</u>	<u>\$ 290,236</u>	<u>\$ 52,191,956</u>
Method of Reimbursement:					
Fee for Services	\$ 27,958,222	\$ 13,246,270	\$ 9,365,414	\$ -	\$ 50,569,907
Retail Sales	800,531	307,081	115,980	398,457	1,622,049
Total	<u>\$ 28,758,753</u>	<u>\$ 13,553,351</u>	<u>\$ 9,481,394</u>	<u>\$ 398,457</u>	<u>\$ 52,191,956</u>
Timing of Revenue and Recognition:					
Health Care Services					
Transferred Over Time	\$ 27,958,222	\$ 13,246,270	\$ 9,365,414	\$ -	\$ 50,569,907
Sales at Point in Time	800,531	307,081	115,980	398,457	1,622,049
Total	<u>\$ 28,758,753</u>	<u>\$ 13,553,351</u>	<u>\$ 9,481,394</u>	<u>\$ 398,457</u>	<u>\$ 52,191,956</u>

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Composition of Resident Care Service Revenue (Continued)**

	2022				
	Sunnyside Presbyterian Retirement Community	King's Grant Retirement Community	Summit Square	University Plaza	Total
Service Lines:					
Health Care Services	\$ 9,059,588	\$ 3,757,037	\$ 2,540,534	\$ -	\$ 15,357,159
Assisted Living	6,025,098	3,256,653	2,997,020	-	12,278,771
Independent Living	11,699,452	5,262,604	2,813,570	-	19,775,626
Retail Sales	157,030	-	4,937	-	161,967
Other	778,253	88,701	173,797	261,489	1,302,240
Total	<u>\$ 27,719,421</u>	<u>\$ 12,364,995</u>	<u>\$ 8,529,858</u>	<u>\$ 261,489</u>	<u>\$ 48,875,763</u>
Method of Reimbursement:					
Fee for Services	\$ 26,847,009	\$ 12,156,884	\$ 8,343,392	\$ -	\$ 47,347,285
Retail Sales	872,412	208,111	186,466	261,489	1,528,478
Total	<u>\$ 27,719,421</u>	<u>\$ 12,364,995</u>	<u>\$ 8,529,858</u>	<u>\$ 261,489</u>	<u>\$ 48,875,763</u>
Timing of Revenue and Recognition:					
Health Care Services					
Transferred Over Time	\$ 26,847,009	\$ 12,156,884	\$ 8,343,392	\$ -	\$ 47,347,285
Sales at Point in Time	872,412	208,111	186,466	261,489	1,528,478
Total	<u>\$ 27,719,421</u>	<u>\$ 12,364,995</u>	<u>\$ 8,529,858</u>	<u>\$ 261,489</u>	<u>\$ 48,875,763</u>

**Contributed Support**

The Company has enjoyed a long history of providing care to residents in all levels of care who end up exhausting their personal resources. Once in assisted or nursing care, the Company continues its support along with funds that residents receive from governmental programs such as the Virginia Medical Assistance Program (Medicaid) for healthcare or Old Age Assistance Grants (Auxiliary Grant) for Assisted Living. The Company funded from contributed support approximately \$1,577,000 and \$1,663,000 in charity care and contractual adjustments for its residents in 2023 and 2022, respectively.

**Donor-Restricted Gifts**

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the restriction's purpose is accomplished, net assets with donor restrictions are reclassified as net assets released from restriction. If the assets released from restrictions were designated to offset an operating expense, the release is captured in other revenues on the statement of operations. If the assets released from restrictions were designated to fund a capital expenditure, the release is included in other changes in net assets without donor restrictions section of the statement of operations.



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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operating Indicator**

The Company's operating income includes all revenue, gains, expenses, and losses without donor restrictions for the reporting period except for nonoperating gains (losses) and other changes in net assets without donor restrictions. Nonoperating gains and losses principally include (as applicable) changes in the present value of annuities payable, unrealized gains and losses on equity securities, change in fair value of interest rate swap agreements and loss on extinguishment of long-term debt. Other changes in net assets without donor restrictions include activities that result in gains or losses unrelated to the Company's primary mission such as contributions of long-lived assets, unrealized gains and losses on investments from fixed income securities, other-than-temporary declines in the value of investments, and cumulative effects of changes in accounting principles.

**Reclassifications**

Certain items in the prior year financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the overall net assets of the Company.

**Income Taxes**

The Company has been granted exempt status relative to federal and state corporate income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state codes for its core operations. Operations related to its University Plaza facility which primarily consist of leasing and maintenance of retail space adjacent to the Company's corporate office are not exempt from income taxes.

**Professional Liability Insurance**

The Company's professional liability insurance is on the claims-made basis.

**Leases**

The Company determines if an arrangement is a lease at inception. If applicable, operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the balance sheets. If applicable, finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on our balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company did not have any operating or finance leases at the end of December 31, 2023 and 2022, respectively.

**SUNNYSIDE PRESBYTERIAN HOME**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncements — Accounting Standards Update 2016-13**

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The main objective of the ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in the ASU replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected losses, referred to as the current expected credit loss (CECL) model, and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company adopted this new guidance, as amended, utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Company's financial statements but did change how the allowance for credit losses is determined.

**New Accounting Pronouncements — ASU 2020-04**

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This new standard allows an entity to elect optional expedients and exceptions for applying United States Generally Accepted Accounting Principles (U.S. GAAP) to contracts, hedging relationships, and other transactions affected by reference rate reform upon the transition from the use of the London Interbank Offer Rate (LIBOR) to alternative reference rates. This standard provides this temporary election through December 31, 2022 (sunset date).

In December 2022, the FASB issued ASU No. 2022-06 to defer the sunset date of *Reference Rate Reform (Topic 848)*. This new standard allows an entity to elect not to apply certain modification accounting requirements to contracts affected by reference rate reform as entities transition from LIBOR to alternative reference rates. The standard provides this temporary election through December 31, 2024, and cannot be applied to contract modifications that occur after December 31, 2024.

The Company adopted the requirements of this guidance effective January 1, 2023, and has elected to apply the provisions of these standards to the beginning of the period of adoption.

The Company's loan agreements have LIBOR as a reference rate; however, the agreements also refer to an alternative reference rate that would be substituted should LIBOR be discontinued. During 2023, LIBOR was discontinued, and the loan agreements substituted LIBOR with the Secured Overnight Financing Rate (SOFR) as the new reference rate. No other changes were made to the original loans as a result of this transaction.

The Company elected the practical expedient to account for the refunding as if the modification was not substantial (continuation of the current contract) and not as an extinguishment.

These standards did not have an impact on the balance sheets, statements of operations and changes in net assets, nor the statements of cash flows.

**SUNNYSIDE PRESBYTERIAN HOME**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 24, 2024, the date the financial statements were issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

As of December 31, 2023, Sunnyside has, based on normal expenditures, days cash on hand of 453 days. Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

	2023	2022
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 1,436,046	\$ 1,633,722
Accounts Receivable, Net	843,712	1,150,297
Pledges and Gifts Receivable	200	200
Assets Limited As to Use:		
Externally Designated by Donor Restriction	5,901,132	5,459,058
Externally Restricted by the Terms of the Bond Agreement	-	344,911
Internally Designated by Board of Trustees	15,741,109	13,111,602
Investments	39,276,128	35,065,328
Total Financial Assets	63,198,327	56,765,118
Less: Amounts Not Available to be Used Within One Year or Which Are Restricted to Certain Events:		
Pledges and Gifts Receivable	200	200
Externally Designated by Donor Restriction	5,901,132	5,459,058
Externally Restricted by the Terms of the Bond Agreement	-	344,911
Financial Assets not Available to be Used Within One Year	5,901,332	5,804,169
Financial Assets Available to Meet General Expenditures within One Year	\$ 57,296,995	\$ 50,960,949

**SUNNYSIDE PRESBYTERIAN HOME**  
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**NOTE 3 ASSETS LIMITED AS TO USE**

Assets limited as to use are summarized as follows:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Externally Designated by Perpetual Donor Restriction: Beneficial Interest in Trust Funds	\$ 4,675,705	\$ 3,806,753	\$ 4,270,569	\$ 3,789,741
Marketable Equity Securities	100,461	95,723	100,461	109,450
Total	4,776,166	3,902,476	4,371,030	3,899,191
Externally Designated by Donors Subject to Timing Restrictions: Cash and Cash Equivalents	3,964	3,964	1,736	1,736
U.S. Government and Corporate Obligations	228,416	229,973	268,626	308,824
Marketable Equity Securities	892,586	837,943	817,666	874,782
Total	1,124,966	1,071,880	1,088,028	1,185,342
Internally Designated by Board of Trustees for Charitable Gift Annuities: Cash and Cash Equivalents	55,462	55,462	20,918	20,918
U.S. Government and Corporate Obligations	3,196,119	3,217,907	3,237,155	3,721,567
Marketable Equity Securities	12,489,528	11,724,949	9,853,529	10,541,807
Total	15,741,109	14,998,318	13,111,602	14,284,292
Externally Restricted by the Terms of the Bond Agreement for Capital Projects: Cash and Cash Equivalents	-	-	344,911	344,911
Total Assets Whose Use is Limited	<u>\$ 21,642,241</u>	<u>\$ 19,972,674</u>	<u>\$ 18,915,571</u>	<u>\$ 19,713,736</u>

**NOTE 4 INVESTMENTS**

Investments are summarized as follows:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Cash and Cash Equivalents	\$ 624,982	\$ 624,982	\$ 1,087,556	\$ 1,087,556
U.S. Government and Corporate Obligations	9,538,572	9,590,549	10,880,023	12,006,569
Marketable Equity Securities	29,112,574	27,276,112	23,097,749	24,637,481
Total Investments	<u>\$ 39,276,128</u>	<u>\$ 37,491,643</u>	<u>\$ 35,065,328</u>	<u>\$ 37,731,606</u>

**SUNNYSIDE PRESBYTERIAN HOME**  
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**NOTE 4 INVESTMENTS (CONTINUED)**

Target prices reached with a number of underlying holdings within value-oriented investment funds triggered sales and recognized gains in 2023 and 2022. Proceeds from these sales primarily have been reinvested in the related funds. Management continually reviews its investment portfolio and evaluates whether declines in the fair value of securities should be considered other-than-temporary. Factored into this evaluation are the general and sector specific market conditions, the issuer's financial condition and near-term prospects, conditions in the issuer's industry, the recommendation of advisors, and the length of time and extent to which the market value has been less than cost.

**NOTE 5 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment consist of the following:

	2023	2022
Land and Land Improvements	\$ 13,595,244	\$ 13,343,675
Buildings	179,944,552	174,464,057
Equipment	22,974,129	21,594,701
Construction in Progress	10,641,245	6,573,547
Total	227,155,170	215,975,980
Less: Accumulated Depreciation	(139,444,356)	(131,806,489)
Property, Plant, and Equipment	<u>\$ 87,710,814</u>	<u>\$ 84,169,491</u>

Depreciation expense for the years ended December 31, 2023 and 2022 was \$8,102,005 and \$8,015,732, respectively.

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**NOTE 6 LONG-TERM DEBT**

Long-term debt consists of the following:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Series 2020A Residential Care Facility Revenue and Refunding Bonds issued by the Economic Development Authority of Rockingham County, Virginia dated January 8, 2020 (Series 2020A Bonds)	\$ 24,721,393	\$ 25,623,059
Series 2020B Convertible Residential Care Facility Revenue Refunding Bond issued by the Economic Development Authority of the Town of Timberville, Virginia dated January 8, 2020 (Series 2020B Bond)	5,421,906	6,170,851
Series 2017 Bank Qualified Residential Care Facility Revenue Bond issued by the Economic Development Authority of Rockingham County, Virginia dated May 19, 2017 (BQ Rockingham County Loan)	12,635,432	12,855,464
2003 Taxable Bank Note Issued in July 2003 to BB&T (the 2003 Note). Interest was payable monthly at SOFR plus 1.75%	<u>317,060</u>	<u>487,596</u>
Long-Term Debt	43,095,791	45,136,970
Add: Unamortized Bond Premium Series 2020A	3,309,697	3,627,496
Less: Unamortized Debt Issuance Costs	(689,470)	(674,617)
Less: Current Portion of Long-Term Debt	<u>(2,165,420)</u>	<u>(2,041,179)</u>
Long-Term Debt, Less Current Portion	<u><u>\$ 43,550,598</u></u>	<u><u>\$ 46,048,670</u></u>

The bonds issued by the development authorities and purchased by U.S. Bank National Association (U.S. Bank or the Bank) and Branch Banking and Trust Company (BB&T) (now Truist or the Bank) underlie the BQ loans and the Fixed Rate Bonds discussed below. The authorities' rights, duties, and obligations of the bond notes between the Company and the authorities were assigned by the authorities to the Bank. These bonds effectively allow the Bank to issue these tax-exempt loans by utilizing the authority's tax-exempt status.

The Rockingham County BQ Loan, Series 2020B Bond, and the fix rate bonds have a first priority pledge of substantially all property and assets of the Company through a Master Trust Indenture except those with a pledged security relating to the 2003 taxable loan. This interest is pari-passu through the terms of the underlying bond trust indentures.

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**NOTE 6 LONG-TERM DEBT (CONTINUED)**

**2020A Bonds**

On January 8, 2020, the Company issued Fixed Rate Bonds (Series 2020A Bonds) in the total amount of \$32.9 million, with a par amount of \$28.3 million and a premium of \$4.6 million. The proceeds from these bonds were used to (1) refund the outstanding portion of the 2013 Timberville BQ Loan, the 2013 Waynesboro BQ Loan and the 2017 New Timberville BQ Loan which totaled \$22.4 million, (2) provide a project fund in the amount of \$10.0 million which is restricted for use to fund future capital projects at the Sunnyside campus, and (3) fund the cost of issuance and underwriters discount which totaled \$0.5 million. These Bonds are due from December 1, 2020 through December 1, 2039 for an interest rate 4.00% to 5.00% with a blended effective rate after considering the premium and cost of issuance of 2.90%. The cost of issuance will be amortized into interest expense over the term of the loan.

**2020B Loan**

Simultaneous with the issuance of the Series 2020A Bonds, the Economic Development Authority of the Town of Timberville, Virginia issued its Residential Care Facilities Revenue Refunding Bond, Series 2020B (Series 2020B Bond or 2020B loan) in the total amount of \$8.2 million for the benefit of the Company for the purpose of refunding the outstanding Harrisonburg Series 2013B Fixed Rate Bonds. The 2020B loan is held by Truist (formerly BB&T) and bear interest initially at the taxable variable rate equal to One-Month LIBOR plus 1.00% and matures on December 1, 2038 with Truist agreeing to hold the 2020B loan for the initial 12 years. During 2023, LIBOR was discontinued, and the loan agreement substituted LIBOR with SOFR as the new reference rate. The rate of interest was 5.14% and 5.17% at December 31, 2023 and 2022, respectively. The 2020B loan had a "Cinderella" feature permitting the taxable interest rate to convert to a tax-exempt interest rate on or about December 1, 2023, which coincided with the original call date of the 2013B Fixed Rate Bonds.

Certain conditions were to be satisfied for the conversion of the taxable interest rate to a tax-exempt interest rate, and the Company could not guarantee the occurrence of such events.

If such conditions were not satisfied, the 2020B loan would continue to bear interest at the taxable rate noted above. Providing these conditions were met, the interest rate after December 1, 2023 would convert to 79% of SOFR plus 0.8295%.

The proceeds noted above, together with the sinking fund balances related to the 2013B bonds which totaled \$1.1 million, were put on deposit to fund the \$9.2 million retirement of the 2013B fixed rate bonds and the \$0.2 million for the cost of issuance. In order for the retirement of the 2013B fixed rate bonds to occur in advance of the 2023 call date, the \$9.2 million escrow payment was required, which represents the present value of the principal and interest payments from January 2020 through the 2023 call date and the principal payoff at that time.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 LONG-TERM DEBT (CONTINUED)**

**2020B Loan (Continued)**

The \$0.2 million cost of issuance of the 2020B loan will be amortized into interest expense over the term of the loan.

Finally, the covenants for the 2020B loan were modified as follows:

- The debt to capitalization covenant of 60% was removed.
- The debt service coverage ratio of 1.20 and the days' cash on hand ratio of 150 will be tested annually at each fiscal year-end.
- The additional debt test will be modified to permit additional debt so long as after giving effect to such additional debt on a pro forma basis the Company is in compliance with a debt to capitalization ratio not in excess of 65%.

**Rockingham Series 2017 Bond Modification**

Simultaneous with the issuance of the Series 2020A Bonds Modification, the terms of the Rockingham Series 2017 Bond were modified to increase the applicable factor applied to One-Month LIBOR from 68% to 79%, to increase the credit spread from 0.795% to 0.8295% and to extend the holding period for 12 years from the date of modification. During 2023, LIBOR was discontinued, and the loan agreement substituted LIBOR with SOFR as the new reference rate.

Additionally, the covenants included in the 2017 Credit Agreement related to the Rockingham Series 2017 Bond were modified to agree to the covenants of 2020B the loan.

**Rockingham County Loan**

The Rockingham County Loan was issued on May 19, 2017 initially for an amount up to \$16 million. This is a tax-exempt bond purchased by BB&T from Rockingham County and advanced on a draw-down basis to the Company over the 18-month period ended October 31, 2018 to fund the acquisition, construction, and equipping of certain capital improvements at all three of our campuses.

The Company drew a total of \$13.8 million of this loan. Required principal payments were due monthly beginning in May 2018 and continue through December 2039. The rate of interest was 5.12% and 4.13% at December 31, 2023 and 2022, respectively.

**Taxable Bank Note**

The taxable bank note was issued in 2003 related to the University Plaza facility. Interest is payable monthly at LIBOR plus 1.75%. During 2023, LIBOR was discontinued, and the loan agreement substituted LIBOR with SOFR as the new reference rate. The rate of interest was 7.16% and 5.82% at December 31, 2023 and 2022, respectively. Principal payments average approximately \$11,100 between January 2019 and July 2025 with a final principal payment due August 2025 for \$846,000.



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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 LONG-TERM DEBT (CONTINUED)**

**Swap Agreements**

On September 29, 2017, the Company entered into an \$11 million forward swap agreement with an expiration date of May 1, 2027 (Interest Rate Swap Agreement – 4 below). This instrument hedges a portion of the variable interest rate risk related to the bank debt by effectively converting interest payments from variable rates to a fixed rate over the term of the swap agreement.

On January 8, 2020, the Company entered into two additional SWAP agreements in order to synthetically fix the interest on the 2020B loan. The salient terms of these agreements are as follows:

- The effective date on the first SWAP is January 8, 2020 and the termination date is September 5, 2023 and it exchanges the LIBOR plus 1.0% variable rate of the 2020B loan with a fixed rate of 2.651% (Interest Rate Swap Agreement – 2 below).
- The effective date on the second SWAP is September 5, 2023 and the termination date is January 5, 2032 and it exchanges the anticipated term of 79% of LIBOR plus 0.8295% variable rate of the 2020B loan with a fixed rate of 2.425% (Interest Rate Swap Agreement – 3 below).
- The notional amount of these swap agreements mirrors the outstanding principal amount of the 2020B Loan at each month-end during their respective terms.

During 2023, LIBOR was discontinued, and the loan agreement substituted LIBOR with SOFR as the new reference rate.

At December 31, 2023 and 2022, the Company had interest rate swaps outstanding with the following terms:

	Notional Amount	Expiration Date	Sunnyside Pays	Sunnyside Receives	Fair Value	
					2023	2022
Interest Rate Swap Agreement - 1	\$ -	9/5/2023	Fixed 2.65%	100% of SOFR	\$ -	\$ (139,731)
Interest Rate Swap Agreement - 2	5,425,210	1/5/2032	Fixed 2.43%	79% of SOFR	(389,149)	(387,332)
Interest Rate Swap Agreement - 3	11,000,000	5/1/2027	Fixed 1.71%	68% of SOFR	(261,624)	(388,438)
Total	<u>\$ 25,425,210</u>				<u>\$ (650,773)</u>	<u>\$ (915,501)</u>

At December 31, 2023, the fair market value of the interest rate swap agreements indicated above is the estimated amount that the Company would receive from a sale of similar interest rate swap agreements as of December 31, 2023.

Interest payments receivable and payable under the terms of the interest rate swap agreements are accrued over the period to which the payment relates, and the net difference is treated as an adjustment of interest expense.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

**Future Principal Payment Schedule**

The scheduled principal repayments on long-term debt for the next five years and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 2,165,420
2025	2,257,511
2026	2,314,978
2027	2,394,406
2028	2,472,838
2027 and Thereafter	31,490,638
Total	<u>\$ 43,095,791</u>

During 2023 and 2022, the Company made cash-basis interest payments on its long-term debt of approximately \$1,472,000 and \$1,407,000, respectively. No interest expense was capitalized as of December 31, 2023 and 2022.

**Debt Covenants**

The Corporation is required to meet certain financial covenants under the security agreements related to the bond issue. There are financial and operational covenants associated with the bond. As of December 31, 2023, management is not aware of any instances of noncompliance with the required covenants.

**NOTE 7 ADVANCE FEES AND DEPOSITS**

The Company uses three different styles of contracts. The first group of contracts is fee for service and has three types. Type I is fee for service with the resident paying for assisted living or healthcare on a per diem basis at the current rates. Type II is an enhanced fee for service contract where the resident pays a higher entrance fee and receives up to 90 days of care in assisted living or healthcare for no additional fees. Type III is the same as Type I with the exception that a 50% refund of the entrance fee is provided upon death or withdrawal from the community. Additionally, the Company offers a 90% refundable contract on a limited basis.

The remaining two styles of contracts are a rental contract and a lifecare contract. A rental contract does not require the resident to pay an entrance fee but instead pays a higher monthly service fee. Rental contracts are offered on a limited basis. A lifecare contract requires the resident to pay a higher entrance fee and high monthly fees but the monthly fees never increase (aside from normal annual increases) regardless of the resident's level of care.

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**NOTE 7 ADVANCE FEES AND DEPOSITS (CONTINUED)**

A refundable deposit of 10% of the advance fee is made at the time a residency agreement is executed. Advance fees received from residents upon admission are subject to the refund provisions of residents' agreements. Refund periods expire ratably over 50 months from the residents' date of entrance for the most prevalent contract type (Type I contract).

The total amount that is refundable for all contracts for which refunds can be applicable amounted to \$18.9 million and \$18.3 million at December 31, 2023 and 2022, respectively. Amounts expected to be refunded to current residents over the next year are classified in current liabilities and, based on actuarial projections, were approximately \$880,000 and \$864,000 for the years ended December 31, 2023 and 2022. Actual refunds to residents during 2023 totaled approximately \$1,388,000.

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes:

	2023	2022
Subject to Expenditure for Specific Purpose		
Residential Services:		
Nursing Education	\$ 421,251	\$ 444,956
Garden Fund	184,057	165,170
Fellowship	465,591	415,591
Other Residential Services	54,067	62,311
Net Assets Restricted in Trusts and Annuities:		
Beneficial Interest in Perpetual Trust	4,675,705	4,270,569
Annuity Funds	100,461	100,461
Total Net Assets With Donor Restrictions	<u>\$ 5,901,132</u>	<u>\$ 5,459,058</u>

Net assets of \$4,776,166 and \$4,371,030 at December 31, 2023 and 2022, respectively, are restricted to investments in perpetuity, the income from which is expendable to support residential services.

**NOTE 9 PENSION PLANS**

The Company offers a 401(k) defined contribution plan. All employees over 21 years of age who have worked over 1,000 hours are eligible to participate in the 401(k) plan at the beginning of the quarter following the employee's one-year anniversary of service. Effective January 1, 2009, the Company contributes an amount equal to 100% of the first 4% of employee contributions. In addition, the Company may make an additional discretionary contribution, the amount of which may vary from year-to-year. Total expense related to the plan was \$658,960 and \$483,925 in 2023 and 2022, respectively.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 10 DEFERRED GIVING ARRANGEMENTS**

The Company offers donors the opportunity to enter into a charitable gift annuity contract in return for the transfer of an agreed-upon amount of funds by the donor to the Company. These contracts provide payments of a specified annual allowance (annuity) to the donor from the funds and related investment earnings. The funds revert to the Company upon the death of the donor. Annuities payable represent the present value of the expected aggregate liability to participants (discounted at 2.81% and 2.56% in 2023 and 2022, respectively).

The Company is the beneficiary of certain charitable remainder trusts. Under the arrangements, the donors have established and funded trusts with specified distributions to be made to designated beneficiaries over the term of the trust. Upon termination of the trust, the Company receives its proportionate share of the trust assets.

**NOTE 11 COVID-19 STIMULUS FUNDING**

**Provider Relief Funds**

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by Sunnyside were \$3,119,686 between 2020 and 2021. The PRF's are subject to certain restrictions on eligible expenses or uses and reporting requirements. Sunnyside recognized \$2,088,063, as Provider Relief Funds - HHS grant revenue on the statements of operations within operating income between 2020 and 2021. The remaining portion of \$1,031,622 was recognized as a deferred advance liability on the balance sheets in 2021. At December 31, 2022, Sunnyside recognized \$1,031,622 of the deferred advance liability as Provider Relief Funds – HHS grant revenue on the statements of operations. No provider relief funds were received during the years ended December 31, 2023 and 2022.

Management believes eligible expenses or uses and reporting requirements were met with respect to the distributed grant funds and therefore the amounts have been recognized appropriately as of December 31, 2023 and 2022.

**Employee Retention Credit**

The Employee Retention Credit (ERC) is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. On December 27, 2020, the Consolidated Appropriations Act (CAA) was signed into law. Among other provisions, the CAA expanded the eligibility for ERC to include more entities as well as extending ERC into calendar year 2021 including the first, second and third calendar quarters. Furthermore, the refundable tax credit for the calendar year 2021 was expanded to 70% of the qualified wages. CAA provided these entities the ability to retroactively recover payroll taxes from earlier in 2020 during which they were previously ineligible. This is done by retroactively applying for the credit.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 COVID-19 STIMULUS FUNDING (CONTINUED)**

**Employee Retention Credit (Continued)**

Employers, including tax-exempt organizations, are eligible for the credit if they operate a trade or business during calendar year 2020 and 2021 and experience either the full or partial suspension of the operation of their trade or business during any calendar quarter due to a significant decline in gross receipts or because of governmental orders limiting commerce, travel or group meetings due to COVID-19. The credit applies to qualified wages (including certain health plan expenses) paid during this period or any calendar quarter in which eligibility requirements were met.

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended December 31, 2023 and 2022, the Company determined it met the compliance requirements and conditions of the Employee Retention Credit (ERC) program. The Company recognized \$2,791,017 and \$-0-, as Employee Retention Credit Grant Revenue, on the statement of operations for the years ended December 31, 2023 and 2022, respectively. The Company paid approximately \$134,500 to the public accounting firm that assisted with the filing of the ERC credit application.

There is a possibility that upon subsequent review that the Internal Revenue Service could reach a different conclusion regarding the Company's eligibility to retain the ERC credits received. That could result in repayment of the credits, interest, and potential penalties. The amount of liability, if any, from potential ineligibility cannot be determined with certainty.

**SUNNYSIDE PRESBYTERIAN HOME**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 12 FUNCTIONAL EXPENSES**

The Company provides residential services to the residents of its Harrisonburg, Waynesboro, and Martinsville facilities which include independent living, assisted living, and certain nursing services. All costs are directly attributable to their respective functions. Expenses related to providing these services are as follows:

	<u>Total</u>	<u>Residential Services</u>	<u>Health Care Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>
Expenses Incurred for the Year Ended December 31, 2023					
Were for:					
Salaries and					
Benefits	\$ 30,513,773	\$ 10,132,593	\$ 12,976,784	\$ 241,422	\$ 7,162,974
Supplies and					
Materials	3,923,757	2,640,194	1,216,396	19,948	47,219
Depreciation	8,102,005	7,083,443	644,929	692	372,941
Interest	1,510,741	-	1,483,126	-	27,615
Insurance	909,461	-	-	-	909,461
Marketing	183,626	183,626	-	-	-
Occupancy	2,694,460	2,467,491	-	600	226,369
Purchased Services	3,312,034	862,429	1,593,634	9,845	846,126
Real Estate Taxes	690,226	-	-	-	690,226
Repairs and					
Maintenance	1,247,345	1,247,345	-	-	-
Other	589,581	84,519	129,068	3,864	372,130
Total	<u>\$ 53,677,009</u>	<u>\$ 24,701,640</u>	<u>\$ 18,043,937</u>	<u>\$ 276,371</u>	<u>\$ 10,655,061</u>
	<u>Total</u>	<u>Residential Services</u>	<u>Health Care Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>
Expenses Incurred for the Year Ended December 31, 2022					
Were for:					
Salaries and					
Benefits	\$ 26,664,930	\$ 9,350,199	\$ 10,372,486	\$ 231,239	\$ 6,711,006
Supplies and					
Materials	5,362,155	2,442,064	2,855,151	18,981	45,959
Depreciation	8,015,732	7,091,123	596,387	692	327,530
Interest	1,453,890	-	1,432,526	-	21,364
Insurance	825,037	-	-	-	825,037
Marketing	223,268	223,268	-	-	-
Occupancy	2,843,420	2,615,806	-	600	227,014
Purchased Services	3,539,936	1,135,126	1,608,388	9,365	787,057
Real Estate Taxes	626,538	-	-	-	626,538
Repairs and					
Maintenance	1,239,365	1,239,365	-	-	-
Other	557,539	89,216	126,637	3,911	337,775
Total	<u>\$ 51,351,810</u>	<u>\$ 24,186,167</u>	<u>\$ 16,991,575</u>	<u>\$ 264,788</u>	<u>\$ 9,909,280</u>

**SUNNYSIDE PRESBYTERIAN HOME**  
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**NOTE 13 RENTAL INCOME**

In July 2000, the Company purchased the University Plaza Shopping Center. They currently hold several operating leases for this property. The carrying value of the leased property is \$4,938,522 and \$4,813,841 as of December 31, 2023 and 2022, respectively, less accumulated depreciation of \$2,863,194 and \$2,715,761, respectively. The leases expire on various future dates and renewals are negotiated on an ongoing basis. Current contracts have minimum future rentals are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 282,937
2025	132,844
2026	70,521
2027	55,686
2028 and Thereafter	43,133
Total	<u>\$ 585,121</u>

Rental income received for the years ended December 31, 2023 and 2022 was approximately \$290,000 and \$261,000, respectively.

**NOTE 14 CONCENTRATION OF CREDIT RISK**

The Company maintains its cash accounts at commercial banks. The cash balances in each bank are insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash in bank may exceed FDIC insurable limits. The funds on deposit in brokerage accounts are insured by the SIPC up to \$500,000. Investments, which include government and agency securities, fixed income mutual funds, equity mutual funds, and corporate bonds, are not concentrated in any corporation or industry.

Accounts receivable consists of amounts due from patients, their insurers, or governmental agencies. The mix of receivables from patients and third-party payors for the years ended December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Medicare	32 %	23 %
Medicaid	-	4
Other Third-Party Payors	27	19
Private Pay	41	54
Total Accounts Receivable	<u>100 %</u>	<u>100 %</u>

**SUNNYSIDE PRESBYTERIAN HOME**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 15 FAIR VALUE MEASUREMENTS**

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Company 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 and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

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

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

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

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy 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 following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
<b>Assets Limited as to Use:</b>				
U.S. Government and				
Corporate Obligations	\$ 3,424,535	\$ -	\$ -	\$ 3,424,535
Marketable Equity Securities	13,482,575	-	-	13,482,575
Beneficial Interest in				
Perpetual Trusts	-	-	4,675,705	4,675,705
Total	<u>\$ 16,907,110</u>	<u>\$ -</u>	<u>\$ 4,675,705</u>	<u>\$ 21,582,815</u>
<b>Investments:</b>				
U.S. Government and				
Corporate Obligations	\$ 9,538,572	\$ -	\$ -	\$ 9,538,572
Marketable Equity Securities	29,112,574	-	-	29,112,574
Total	<u>\$ 38,651,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,651,146</u>
<b>Fair Value Interest Rate</b>				
Swap Agreements	<u>\$ -</u>	<u>\$ 650,773</u>	<u>\$ -</u>	<u>\$ 650,773</u>



**SUNNYSIDE PRESBYTERIAN HOME**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 15 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets Limited as to Use:				
U.S. Government and Corporate Obligations	\$ 3,505,781	\$ -	\$ -	\$ 3,505,781
Marketable Equity Securities	10,771,656	-	-	10,771,656
Beneficial Interest in Perpetual Trusts	-	-	4,270,569	4,270,569
Total	<u>\$ 14,277,437</u>	<u>\$ -</u>	<u>\$ 4,270,569</u>	<u>\$ 18,548,006</u>
Investments:				
U.S. Government and Corporate Obligations	\$ 10,880,023	\$ -	\$ -	\$ 10,880,023
Marketable Equity Securities	23,097,749	-	-	23,097,749
Total	<u>\$ 33,977,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,977,772</u>
Fair Value Interest Rate Swap Agreements	<u>\$ -</u>	<u>\$ 915,501</u>	<u>\$ -</u>	<u>\$ 915,501</u>

**Assets Limited as to Use and Investments**

Assets limited as to use are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions.

Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. government and corporate obligations and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Fair values of the beneficial interest in trusts are determined based upon securities valued using Level 1 inputs assets less the present value of estimated future payments to the recipient. The present value is based upon an estimated discount rate and applicable mortality tables and, accordingly, is classified as using a Level 3 input.

**SUNNYSIDE PRESBYTERIAN HOME**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 15 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Assets Limited as to Use and Investments (Continued)**

The following table provides a summary of unobservable inputs related to the Company's beneficial interest in perpetual trusts as of December 31, 2023:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2023	2022		
Beneficial Interest In Perpetual Trust	\$ 4,675,705	\$ 4,270,569	PV of Trust Investments	Term of Distributions

There were no purchases, sales or transfers for the year ended December 31, 2023 related to the beneficial interest in perpetual trusts.

**Fair Value Interest Rate Swap Agreements**

Fair values for interest rate swap contracts are determined based upon good faith estimates of mid-market transactions using valuation models, such as bid-offer spreads and credit reserves and, accordingly, are classified as using Level 2 inputs.

**NOTE 16 COMMITMENTS AND CONTINGENCIES**

**Litigation**

From time-to-time, the Company is involved in legal actions arising in the ordinary course of business. No liabilities have been accrued based on these matters in the accompanying financial statements.

**Compliance**

The Company operates in the health care industry and may be subject to legal proceedings and claims from time-to-time that arise in the course of providing its services. The Company maintains malpractice insurance coverage on an occurrence basis, which provides coverage for claims occurring during the policy year. Management has determined that no provision is required for amounts expected to be paid under the policy's deductible limits for unasserted claims not covered by the policy and any other uninsured liability.

The health care 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, and government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse.

**Other**

In the normal course of business, there could be various outstanding claims and contingent liabilities. No contingent liabilities are reflected in the accompanying financial statements. No such liabilities have been asserted and, therefore, no estimate of loss, if any, is determinable.

**SUNNYSIDE PRESBYTERIAN HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Professional Liability Insurance**

The Company has a group insurance agreement with other Virginia facilities for general liability, property, professional liability, and workers' compensation insurance. Under the terms of the policy, the risk for these entities is pooled and a potential liability for this coverage is actuarially determined. Premiums paid represent a portion of the potential liability, as actuarially determined for the group. The policy also provides for umbrella coverage, which functions as an extension of the primary limit. The policy is written on a claims first-made basis and has a reinsurance component with a third party. Management has not recorded any liabilities related to this policy as they are not aware of any underfunding within the pool.

**SUNNYSIDE PRESBYTERIAN HOME  
BALANCE SHEET BY DIVISION  
DECEMBER 31, 2023**

	Sunnyside Presbyterian Retirement Community	King's Grant Retirement Community	Summit Square	University Plaza	Corporate	Eliminations	Total
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	\$ 1,165,634	\$ 154,541	\$ 84,550	\$ 5,418	\$ 25,903	\$ -	\$ 1,436,046
Cash and Cash Equivalents - Resident Funds	6,071	14,847	1,524	-	-	-	22,442
Accounts Receivable	791,577	149,090	187,849	-	-	-	1,128,516
Allowance for Credit Losses	(209,307)	(58,857)	(16,640)	-	-	-	(284,804)
Other Receivables	72,673	6	-	-	30,950	-	103,629
Pledges and Gifts Receivable	-	-	-	-	200	-	200
Inventories	286,083	43,952	65,360	-	-	-	395,395
Prepaid Expenses	725,065	8,645	8,079	-	56,975	-	798,764
Due from Other Funds	43,559,081	1,575,321	-	-	5,845,399	(50,979,801)	-
Total Current Assets	46,396,877	1,887,545	330,722	5,418	5,959,427	(50,979,801)	3,600,188
<b>ASSETS LIMITED AS TO USE</b>							
Externally Designated by Donor Restriction	421,251	-	-	-	5,479,881	-	5,901,132
Internally Designated by Board of Trustees	2,657,942	-	-	-	13,083,167	-	15,741,109
Total Assets Limited as to Use	3,079,193	-	-	-	18,563,048	-	21,642,241
<b>INVESTMENTS</b>	-	13,691,680	3,940,074	-	21,644,374	-	39,276,128
<b>PROPERTY, PLANT, AND EQUIPMENT, NET</b>	57,086,623	12,714,273	15,555,738	2,075,329	278,851	-	87,710,814
<b>OTHER ASSETS</b>							
Investment in Joint Venture	-	-	-	-	531,597	-	531,597
Investment in First Choice Home Health	-	-	-	-	788,311	-	788,311
Investment in MedRehab Collective	-	-	-	-	75,000	-	75,000
Miscellaneous	-	101,510	-	-	-	-	101,510
Total Other Assets	-	101,510	-	-	1,394,908	-	1,496,418
<b>FAIR VALUE INTEREST RATE SWAP AGREEMENTS</b>	358,647	244,536	47,590	-	-	-	650,773
Total Assets	<u>\$ 106,921,340</u>	<u>\$ 28,639,544</u>	<u>\$ 19,874,124</u>	<u>\$ 2,080,747</u>	<u>\$ 47,840,608</u>	<u>\$ (50,979,801)</u>	<u>\$ 154,376,562</u>

**SUNNYSIDE PRESBYTERIAN HOME**  
**BALANCE SHEET BY DIVISION (CONTINUED)**  
**DECEMBER 31, 2023**

	Sunnyside Presbyterian Retirement Community	King's Grant Retirement Community	Summit Square	University Plaza	Corporate	Eliminations	Total
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Current Portion of Long-Term Debt	\$ 1,241,552	\$ 344,162	\$ 394,757	\$ 184,949	\$ -	\$ -	\$ 2,165,420
Current Portion of Annuities Payable	-	-	-	-	86,275	-	86,275
Accounts Payable	1,893,334	-	-	1,835	-	-	1,895,169
Retainage Payable	102,063	-	25,417	-	-	-	127,480
Accrued Salaries and Wages	729,241	464,736	276,087	-	403,723	-	1,873,787
Other Accrued Expenses	531,433	45,308	13,262	9,047	4,855	-	603,905
Refundable Advance Fees	598,000	262,000	20,000	-	-	-	880,000
Resident Funds Payable	6,071	14,847	1,524	-	-	-	22,442
Due to Other Funds	7,498,964	5,956,355	1,259,047	3,162,716	33,102,719	(50,979,801)	-
Total Current Liabilities	12,600,658	7,087,408	1,990,094	3,358,547	33,597,572	(50,979,801)	7,654,478
<b>ADVANCE FEES AND DEPOSITS</b>							
Advance Fee Deposits	691,623	137,901	124,580	16,948	-	-	971,052
Deferred Revenue from Advance Fees	33,218,515	11,150,003	3,479,016	-	-	-	47,847,534
Refundable Entrance Fee Liability	2,230,664	418,887	774,518	-	-	-	3,424,069
Total Advance Fees and Deposits	36,140,802	11,706,791	4,378,114	16,948	-	-	52,242,655
<b>LONG-TERM DEBT, LESS CURRENT PORTION</b>	29,112,441	7,546,568	6,759,478	132,111	-	-	43,550,598
<b>ANNUITIES PAYABLE, LESS CURRENT PORTION</b>	-	-	-	-	288,311	-	288,311
Total Liabilities	77,853,901	26,340,767	13,127,686	3,507,606	33,885,883	(50,979,801)	103,736,042
<b>NET ASSETS</b>							
Without Donor Restrictions	28,646,188	2,298,777	6,746,438	(1,426,859)	8,474,844	-	44,739,388
With Donor Restrictions	421,251	-	-	-	5,479,881	-	5,901,132
Total Net Assets (Deficits)	29,067,439	2,298,777	6,746,438	(1,426,859)	13,954,725	-	50,640,520
Total Liabilities and Net Assets	\$ 106,921,340	\$ 28,639,544	\$ 19,874,124	\$ 2,080,747	\$ 47,840,608	\$ (50,979,801)	\$ 154,376,562

**SUNNYSIDE PRESBYTERIAN HOME  
STATEMENT OF OPERATIONS BY DIVISION  
YEAR ENDED DECEMBER 31, 2023**

	Sunnyside Presbyterian Retirement Community	King's Grant Retirement Community	Summit Square	University Plaza	Corporate	Eliminations	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS</b>							
Residential Services, Including Amortization of Deferred Revenue from							
Advance Fees of \$7,497,133	\$ 12,205,860	\$ 5,696,677	\$ 3,293,445	\$ -	\$ -	\$ -	\$ 21,195,982
Health Care Services Revenue	10,009,486	4,191,682	2,739,982	-	-	-	16,941,150
Assisted Living Revenue	5,885,528	3,358,706	3,188,362	-	-	-	12,432,596
Unrestricted Gifts and Donations	-	-	-	-	1,051,118	-	1,051,118
Investment Income	52,565	200,808	57,818	-	868,134	-	1,179,325
Fellowship Revenue	1,257,893	221,707	115,787	-	-	(1,595,387)	-
Facility Management Fee	-	-	-	-	2,595,756	(2,595,756)	-
Pharmacy Revenue	62,647	-	6,836	-	-	-	69,483
Employee Retention Credit Grant Revenue	1,420,001	756,806	500,510	-	113,700	-	2,791,017
Other	631,306	342,360	288,843	290,236	-	-	1,552,745
Total Revenue, Gains, and Other Support Without Donor Restrictions	31,525,286	14,768,746	10,191,583	290,236	4,628,708	(4,191,143)	57,213,416
<b>EXPENSES</b>							
Nursing Services:							
Health Care	5,320,867	2,233,020	1,522,698	-	-	-	9,076,585
Assisted Living	2,391,802	1,586,975	1,016,602	-	-	-	4,995,379
Clinical	1,332,968	317,894	343,215	-	-	-	1,994,077
Dining Services	3,066,332	1,697,071	1,217,678	-	-	-	5,981,081
Resident Services	1,593,698	992,946	770,946	-	-	-	3,357,590
Environmental Services	2,969,232	1,285,040	932,475	60,962	-	-	5,247,709
General and Administrative Services	5,302,175	2,673,077	1,729,395	56,257	3,087,332	(2,595,756)	10,252,480
Credit Loss Expense	55,155	15,102	11,543	-	-	-	81,800
Utilities	1,345,317	590,003	397,085	26,733	-	-	2,359,138
Pharmacy Services	74,805	-	-	-	-	-	74,805
Fund Raising Expenses	-	-	-	-	275,679	-	275,679
Depreciation	5,230,471	1,553,520	1,106,492	147,432	64,090	-	8,102,005
Interest Expense	987,412	255,331	240,383	27,615	-	-	1,510,741
Fellowship Expense	-	-	-	-	1,595,387	(1,595,387)	-
Other	184,304	90,030	88,127	-	5,479	-	367,940
Total Expenses	29,854,538	13,290,009	9,376,639	318,999	5,027,967	(4,191,143)	53,677,009
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 1,670,748</b>	<b>\$ 1,478,737</b>	<b>\$ 814,944</b>	<b>\$ (28,763)</b>	<b>\$ (399,259)</b>	<b>\$ -</b>	<b>\$ 3,536,407</b>

# Exhibit E

2023 & 2024

Proforma Statement of Revenue  
and Support, Expenses and  
Capital Additions

# ***SUNNYSIDE COMMUNITIES***

## ***2024 Budget - Disclosure Statement***



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**SUNNYSIDE COMMUNITIES**  
**2024 OPERATING BUDGET**  
(with comparisons)

<b>Entrance Fees and Refunds Assumptions</b>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>'24 Bdgt vs</b>	
		<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>'23 Actual</b>	
							\$	%
<b>Consolidated</b>	New entrance fees	8,402,665	8,987,847	7,169,507	9,837,578	9,296,772	(540,806)	-5.5%
	Entrance fees refunded	(693,900)	(806,349)	(733,266)	(1,216,325)	(825,000)	391,325	-32.2%
	Net entrance fees	<u>7,708,765</u>	<u>8,181,498</u>	<u>6,436,241</u>	<u>8,621,253</u>	<u>8,471,772</u>	<u>(149,481)</u>	<u>-1.7%</u>
<b>Sunnyside</b>	New entrance fees	6,302,326	6,229,133	4,063,083	4,867,610	5,791,230	923,620	19.0%
	Entrance fees refunded	(367,034)	(540,701)	(313,772)	(826,498)	(500,000)	326,498	-39.5%
	Net entrance fees	<u>5,935,292</u>	<u>5,688,432</u>	<u>3,749,311</u>	<u>4,041,112</u>	<u>5,291,230</u>	<u>1,250,118</u>	<u>30.9%</u>
<b>Kings Grant</b>	New entrance fees	1,410,866	2,297,993	2,463,350	3,431,501	2,847,207	(584,294)	-17.0%
	Entrance fees refunded	(205,957)	(217,370)	(22,577)	(362,377)	(250,000)	112,377	-31.0%
	Net entrance fees	<u>1,204,909</u>	<u>2,080,623</u>	<u>2,440,773</u>	<u>3,069,124</u>	<u>2,597,207</u>	<u>(471,917)</u>	<u>-15.4%</u>
<b>Summit Square</b>	New entrance fees	689,474	460,721	643,074	1,538,467	658,335	(880,132)	-57.2%
	Entrance fees refunded	(120,909)	(48,278)	(396,917)	(27,450)	(75,000)	(47,550)	173.2%
	Net entrance fees	<u>568,565</u>	<u>412,443</u>	<u>246,157</u>	<u>1,511,017</u>	<u>583,335</u>	<u>(927,682)</u>	<u>-61.4%</u>

**SUNNYSIDE COMMUNITIES**
**Consolidated Statement of Operations Budget Comparison  
(Unaudited, with comparisons)**

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	'24 Bdgt vs 23 Actual	
						\$	%
<b>Revenue</b>							
Residential services	\$ 18,842,918	\$ 18,944,272	\$ 19,787,216	\$ 21,238,674	\$ 21,995,375	\$ 756,701	3.6%
Assisted living	10,396,013	11,079,779	12,267,183	12,389,925	12,501,093	111,168	0.9%
Health services	14,133,508	15,172,324	15,357,159	16,941,150	17,983,356	1,042,206	6.2%
Investment income	1,948,996	3,895,873	2,530,328	1,179,328	2,190,240	1,010,912	85.7%
Other	3,118,763	2,430,436	3,121,775	5,186,654	2,150,605	(3,036,049)	-58.5%
University Plaza revenue	258,911	262,982	261,489	290,237	295,395	5,158	1.8%
<b>Total Revenue</b>	<b>\$ 48,699,109</b>	<b>\$ 51,785,666</b>	<b>\$ 53,325,150</b>	<b>\$ 57,225,968</b>	<b>\$ 57,116,064</b>	<b>(109,904)</b>	<b>-0.2%</b>
<b>Expenses</b>							
Nursing services	\$ 12,843,974	\$ 13,330,622	\$ 14,951,335	\$ 16,066,076	\$ 16,491,597	\$ 425,521	2.6%
Dining services	4,552,345	4,679,847	5,564,864	5,981,088	6,172,078	190,990	3.2%
Environmental services	4,402,319	4,553,191	5,055,328	5,177,148	5,454,658	277,510	5.4%
Resident services	2,028,866	2,467,118	2,858,804	3,021,672	3,194,043	172,371	5.7%
General & administrative	9,099,974	9,195,869	9,909,229	10,623,563	11,016,488	392,925	3.7%
Fund raising	312,631	268,623	264,098	275,686	292,343	16,657	6.0%
Utilities	1,796,250	2,126,708	2,489,143	2,332,401	2,475,441	143,040	6.1%
Interest	1,503,846	1,467,080	1,414,207	1,469,558	1,343,028	(126,530)	-8.6%
Depreciation & amortization	7,419,962	7,715,169	8,055,415	8,143,193	8,296,928	153,735	1.9%
Other	732,245	764,694	807,398	599,221	512,175	(87,046)	-14.5%
<b>Total Expenses</b>	<b>\$ 44,692,412</b>	<b>\$ 46,568,921</b>	<b>\$ 51,369,821</b>	<b>\$ 53,689,606</b>	<b>\$ 55,248,779</b>	<b>1,559,173</b>	<b>3.0%</b>
<b>Operating Income</b>	<b>\$ 4,006,697</b>	<b>\$ 5,216,745</b>	<b>\$ 1,955,329</b>	<b>\$ 3,536,362</b>	<b>\$ 1,867,285</b>	<b>(1,669,077)</b>	<b>-47.2%</b>
<b>Other Changes in Net Assets</b>							
Unrealized gain (loss) on investments	783,663	\$ 2,124,116	\$ (8,510,772)	\$ 6,237,609	\$ -	(6,237,609)	-100.0%
Fair value change in swaps and annuities payable	2,748	(561,028)	1,704,154	(316,086)	-	316,086	N/M
Loss on extinguishment of LT debt	(97,307)	65,475	-	-	-	-	N/M
<b>Increase(decrease) in Net Assets</b>	<b>\$ 4,695,801</b>	<b>\$ 6,845,308</b>	<b>\$ (4,851,289)</b>	<b>\$ 9,457,885</b>	<b>\$ 1,867,285</b>	<b>\$ (7,590,600)</b>	<b>-80.3%</b>
<b>Other Key Elements of Operating Income</b>							
Uncompensated care	1,787,461	1,795,707	1,680,610	1,577,387	1,850,168	272,781	17.3%
Contributed support	720,604	445,732	836,123	1,051,120	805,000	(246,120)	-23.4%
Amortization of entrance fees	4,799,118	4,920,505	5,017,280	5,041,774	5,181,195	139,421	2.8%
Termination income	1,498,022	1,578,906	1,228,435	1,875,359	1,335,000	(540,359)	-28.8%
Total of Amort of entrance fees and term income	6,297,140	6,499,411	6,245,715	6,917,133	6,516,195	(400,938)	-5.8%
Service Revenues	39,732,369	40,944,650	43,712,984	48,078,387	47,604,629	(473,758)	-1.0%
Net Operating Margin (NOM)	3,963,765	3,557,978	1,812,785	4,001,532	1,995,806	(2,005,726)	-50.1%
<b>NOM Ratio</b>	<b>10.0%</b>	<b>8.7%</b>	<b>4.1%</b>	<b>8.3%</b>	<b>4.2%</b>		

**SUNNYSIDE COMMUNITIES****Consolidated Statement of Cash Flow Comparison  
(Unaudited, with comparisons)**

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	'24 Bdgt vs 23 Actual		
SOURCES								
Gain (Loss) from Operations	\$ 4,006,697	\$ 5,216,745	\$ 1,955,329	\$ 3,536,362	\$ 1,867,285	\$ (1,669,077)	-47.2%	
Add:								
Depreciation & amortization	7,419,962	7,715,169	8,055,415	8,143,193	8,296,928	153,735	1.9%	
New entrance fees	8,402,665	8,987,847	7,169,507	9,837,578	9,296,772	(540,806)	-5.5%	
Deduct:								
Entrance fees amortization & Termination Income	(6,297,140)	(6,499,411)	(6,245,715)	(6,917,133)	(6,516,195)	400,938	-5.8%	
Entrance fees refunded	(693,900)	(806,349)	(733,266)	(1,216,325)	(825,000)	391,325	-32.2%	
Other			(1,246,218)	442,072				
TOTAL SOURCES	\$ 12,838,284	\$ 14,614,001	\$ 8,955,052	\$ 13,825,747	\$ 12,119,791	\$ (1,705,956)	-12.3%	
USES								
Scheduled repayment of LT Debt	1,888,533	1,911,349	1,911,349	2,041,179	2,474,038	432,859	21.2%	
Additional debt paydown	-	-	-	-	-			
Free Cash Flow	\$ 10,949,751	\$ 12,702,652	\$ 7,043,703	\$ 11,784,568	\$ 9,645,753	\$ (2,138,815)	-18.1%	
New Borrowings for Cap Ex	3,323,068	5,170,690	2,956,862	349,236	-	(349,236)	-100.0%	
Capital expenditures	(8,767,119)	(8,164,493)	(8,163,867)	(11,179,190)	(13,547,873)	(2,368,683)	21.2%	
Cash Flow	\$ 5,505,699	\$ 9,708,849	\$ 1,836,698	\$ 954,614	\$ (3,902,120)	\$ (4,856,734)	-508.8%	
Cash Flow (before new borrowings)	\$ 2,182,632	\$ 4,538,159	\$ (1,120,164)	\$ 605,378	\$ (3,902,120)	\$ (4,507,498)	-744.6%	

**SUNNYSIDE COMMUNITIES**  
**2024 OPERATING BUDGET**  
(with comparisons)

Cap Ex Budget	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	'24 Bdgt vs '23 Actual	
						\$	%
Consolidated	8,767,119	8,164,493	8,163,867	\$ 11,179,190	\$ 13,547,873	\$ 2,368,683	20.4%
Sunnyside	5,940,505	4,536,704	4,320,428	7,216,551	8,822,579	\$ 1,606,028	25.4%
Kings Grant	1,852,509	1,693,318	2065623	1,644,447	2,326,739	\$ 682,292	24.7%
Summit Square	746,339	1,484,952	1,381,845	2,163,646	2,238,756	\$ 75,110	3.5%
University Plaza & Corp	227,766	449,519	395,971	154,546	159,800	\$ 5,254	1.6%

**SUNNYSIDE Campus**  
**Statement of Operations Budget Comparison**  
**(Unaudited, with comparisons)**

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	'24 Bdgt vs 23 Actual	
<b>Revenue</b>						\$	%
Residential services	\$ 10,932,008	\$ 11,183,818	\$ 11,699,452	\$ 12,269,570	\$ 12,496,445	\$ 226,875	1.8%
Assisted living	5,620,393	5,660,345	6,025,098	5,821,830	5,909,008	87,178	1.5%
Health services	9,090,686	9,251,368	9,059,588	10,009,480	10,874,882	865,402	8.6%
Investment income	118,198	182,952	104,640	52,565	150,458	97,893	186.2%
Fellowship Provided	1,546,412	1,464,191	1,452,119	1,257,893	1,481,000	223,107	17.7%
Other	1,495,962	1,191,277	1,478,393	2,113,954	758,789	(1,355,165)	-64.1%
<b>Total Revenue</b>	<b>\$ 28,803,659</b>	<b>\$ 28,933,951</b>	<b>\$ 29,819,290</b>	<b>\$ 31,525,292</b>	<b>\$ 31,670,582</b>	<b>145,290</b>	<b>0.5%</b>
<b>Expenses</b>							
Nursing services	\$ 7,248,874	\$ 7,296,932	\$ 8,473,402	\$ 9,045,662	\$ 9,189,497	\$ 143,835	1.6%
Dining services	2,467,409	2,519,404	2,889,441	3,066,337	3,230,639	164,302	5.4%
Environmental services	2,430,056	2,510,308	2,759,949	2,969,236	3,220,292	251,056	8.5%
Resident services	1,090,702	1,446,258	1,618,227	1,593,696	1,630,551	36,855	2.3%
General & administrative	5,024,716	4,906,927	5,300,539	5,357,332	5,642,413	285,081	5.3%
Utilities	1,030,468	1,311,582	1,603,212	1,345,314	1,462,294	116,980	8.7%
Interest	954,161	937,423	932,945	959,589	887,989	(71,600)	-7.5%
Depreciation & amortization	4,659,729	4,883,999	5,052,033	5,258,301	5,379,738	121,437	2.3%
Pharmacy	247,016	242,089	229,183	74,803	9,012	(65,791)	-88.0%
Other	146,544	170,268	174,088	184,309	170,007	(14,302)	-7.8%
<b>Total Expenses</b>	<b>\$ 25,299,675</b>	<b>\$ 26,225,190</b>	<b>\$ 29,033,019</b>	<b>\$ 29,854,579</b>	<b>\$ 30,822,432</b>	<b>967,853</b>	<b>3.2%</b>
	88%	91%	97%	95%	97%		
<b>Operating Income</b>	<b>\$ 3,503,984</b>	<b>\$ 2,708,761</b>	<b>\$ 786,271</b>	<b>\$ 1,670,713</b>	<b>\$ 848,150</b>	<b>(822,563)</b>	<b>-49.2%</b>
HC & AL Variable Margin	\$ 7,462,205	\$ 7,614,781	\$ 6,611,284	\$ 6,785,648	\$ 7,594,394	808,746	11.9%
	50.7%	51.1%	43.8%	42.9%	45.2%		
Service Revenues	\$ 22,888,510	\$ 22,906,638	\$ 23,987,389	\$ 25,878,216	\$ 25,883,558	5,342	0.0%
Expenses	19,685,785	20,403,768	23,048,041	23,636,689	24,554,704	918,015	3.9%
Net operating Margin	\$ 3,202,725	\$ 2,502,870	\$ 939,348	\$ 2,241,527	\$ 1,328,853	(912,674)	-40.7%
NOM Ratio	14.0%	10.9%	3.9%	8.7%	5.1%		

**Kings Grant Campus**  
**Statement of Operations Budget Comparison**  
**(Unaudited, with comparisons)**

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	'24 Bdgt vs 23 Actual	
<b>Revenue</b>						\$	%
Residential services	\$ 5,216,113	\$ 5,192,304	\$ 5,262,605	\$ 5,696,678	\$ 5,893,762	\$ 197,084	3.5%
Assisted living	2,760,251	2,937,575	3,256,653	3,358,705	3,393,580	34,875	1.0%
Health services	3,056,163	3,647,059	3,757,037	4,191,686	4,322,347	130,661	3.1%
Investment income	218,131	851,780	501,858	200,808	389,114	188,306	93.8%
Fellowship Provided	86,390	208,870	124,424	221,707	256,584	34,877	15.7%
Other	484,725	421,751	366,516	1,099,170	402,114	(697,056)	-63.4%
<b>Total Revenue</b>	<b>\$ 11,821,773</b>	<b>\$ 13,259,339</b>	<b>\$ 13,269,093</b>	<b>\$ 14,768,754</b>	<b>\$ 14,657,502</b>	<b>\$ (111,252)</b>	<b>-0.8%</b>
<b>Expenses</b>							
Nursing services	\$ 3,392,906	\$ 3,610,951	\$ 3,864,810	\$ 4,137,897	\$ 4,313,521	\$ 175,624	4.2%
Dining services	1,191,994	1,262,878	1,522,385	1,697,073	1,690,478	(6,595)	-0.4%
Environmental services	1,120,354	1,185,548	1,328,318	1,275,428	1,328,134	52,706	4.1%
Resident services	691,857	751,043	925,598	992,954	958,018	(34,936)	-3.5%
General & administrative	2,257,799	2,311,851	2,295,096	2,697,785	2,877,650	179,865	6.7%
Utilities	436,653	518,911	557,312	590,001	598,397	8,396	1.4%
Interest	272,788	272,927	247,343	247,430	222,391	(25,039)	-10.1%
Depreciation & amortization	1,680,663	1,718,744	1,787,890	1,561,420	1,549,486	(11,934)	-0.8%
Other	72,166	75,968	76,228	90,030	90,277	247	0.3%
<b>Total Expenses</b>	<b>\$ 11,117,180</b>	<b>\$ 11,708,821</b>	<b>\$ 12,604,980</b>	<b>\$ 13,290,018</b>	<b>\$ 13,628,353</b>	<b>\$ 338,335</b>	<b>2.5%</b>
<b>Operating Income</b>	<b>\$ 704,593</b>	<b>\$ 1,550,518</b>	<b>\$ 664,113</b>	<b>\$ 1,478,736</b>	<b>\$ 1,029,149</b>	<b>\$ (449,587)</b>	<b>-30.4%</b>
HC & AL Variable Margin	\$ 2,423,508 41.7%	\$ 2,973,683 45.2%	\$ 3,148,880 44.9%	\$ 3,412,494 45.2%	\$ 3,402,406 44.1%	\$ (10,088)	0.3%
Service Revenues	\$ 9,986,962	\$ 10,505,388	\$ 11,190,593	\$ 12,406,070	\$ 12,180,993	\$ (225,077)	1.8%
Expenses	9,163,729	9,717,150	10,569,747	11,481,168	11,856,476	375,308	3.3%
Net operating Margin	<u>\$ 823,233</u>	<u>\$ 788,238</u>	<u>\$ 620,846</u>	<u>\$ 924,902</u>	<u>\$ 324,518</u>	<u>\$ (600,384)</u>	<u>64.9%</u>
NOM Ratio	8.2%	7.5%	5.5%	7.5%	2.7%		

**Summit Square Campus**  
**Statement of Operations Budget Comparison**  
**(Unaudited, with comparisons)**

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	'24 Bdgt vs 23 Actual	
						\$	%
<b>Revenue</b>							
Residential services	\$ 2,694,797	\$ 2,568,150	\$ 2,825,159	\$ 3,272,426	\$ 3,605,167	\$ 332,741	10.2%
Assisted living	2,015,369	2,481,859	2,985,432	3,209,390	3,198,505	(10,885)	-0.3%
Health services	1,986,659	2,273,897	2,540,534	2,739,984	2,786,127	46,143	1.7%
Investment income	76,673	244,983	144,404	57,820	150,976	93,156	161.1%
Fellowship Provided	136,659	104,646	86,067	97,787	94,584	(3,203)	-3.3%
Other	417,734	364,630	407,432	814,189	184,702	(629,487)	-77.3%
<b>Total Revenue</b>	<b>\$ 7,327,891</b>	<b>\$ 8,038,165</b>	<b>\$ 8,989,028</b>	<b>\$ 10,191,596</b>	<b>\$ 10,020,061</b>	<b>\$ (171,535)</b>	<b>-1.7%</b>
<b>Expenses</b>							
Nursing services	\$ 2,202,194	\$ 2,422,739	\$ 2,613,123	\$ 2,882,517	\$ 2,988,579	\$ 106,062	3.7%
Dining services	892,942	897,565	1,153,038	1,217,678	1,250,961	33,283	2.7%
Environmental services	851,909	857,335	967,061	932,484	1,024,865	92,381	9.9%
Resident services	246,307	269,817	314,979	435,022	486,841	51,819	11.9%
General & administrative	1,743,101	1,768,053	1,948,060	2,076,868	2,119,051	42,183	2.0%
Utilities	329,129	296,215	328,619	397,086	414,750	17,664	4.4%
Interest	197,823	190,422	212,556	234,924	217,300	(17,624)	-7.5%
Depreciation & amortization	908,551	945,594	1,033,509	1,111,950	1,166,197	54,247	4.9%
Other	143,481	137,974	181,156	88,128	75,959	(12,169)	-13.8%
<b>Total Expenses</b>	<b>\$ 7,515,437</b>	<b>\$ 7,785,714</b>	<b>\$ 8,752,101</b>	<b>\$ 9,376,657</b>	<b>\$ 9,744,504</b>	<b>367,847</b>	<b>3.9%</b>
<b>Operating Income</b>	<b>\$ (187,546)</b>	<b>\$ 252,451</b>	<b>\$ 236,927</b>	<b>\$ 814,939</b>	<b>\$ 275,557</b>	<b>(539,382)</b>	<b>-66.2%</b>
HC & AL Variable Margin	\$ 1,799,834 45.0%	\$ 2,333,017 49.1%	\$ 2,912,843 52.7%	\$ 3,066,857 51.5%	\$ 2,996,052 50.1%	(70,805)	-2.3%
Service Revenues	\$ 6,598,248	\$ 7,262,596	\$ 8,240,202	\$ 9,395,643	\$ 9,244,683	(150,960)	-1.6%
Expenses	6,409,063	6,649,698	7,506,036	8,029,783	8,361,006	331,223	4.1%
Net operating Margin	\$ 189,185	\$ 612,898	\$ 734,166	\$ 1,365,860	\$ 883,677	\$ (482,183)	-35.3%
NOM Ratio	2.9%	8.4%	8.9%	14.5%	9.6%		



**SUNNYSIDE Corporate**  
**Statement of Operations Budget Comparison**  
**(Unaudited, with comparisons)**

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	'24 Bdgt vs 23 Actual	
<b>Revenue</b>						<b>\$</b>	<b>%</b>
Contributed support	\$ 720,604	\$ 445,732	\$ 836,123	\$ 1,051,120	\$ 805,000	\$ (246,120)	-23.4%
Facility management Fees	2,538,756	2,647,850	2,583,864	2,595,756	2,787,255	191,499	7.4%
Investment income	1,535,994	2,616,158	1,779,426	868,135	1,499,692	631,557	72.7%
Other revenue	-	7,046	33,311	108,221	-	(108,221)	-100.0%
University Plaza revenue	258,649	262,982	261,489	290,237	295,395	5,158	1.8%
<b>Total Revenue</b>	<b>\$ 5,054,003</b>	<b>\$ 5,979,768</b>	<b>\$ 5,494,213</b>	<b>\$ 4,913,469</b>	<b>\$ 5,387,342</b>	<b>\$ 473,873</b>	<b>9.6%</b>
<b>Expenses</b>							
Fund raising expenses	\$ 312,631	\$ 268,623	\$ 264,098	\$ 275,686	\$ 292,343	16,657	6.0%
General & administrative	2,613,114	2,856,888	2,949,398	3,087,334	3,164,629	77,295	2.5%
Fellowships provided	1,769,461	1,777,707	1,662,610	1,577,387	1,832,168	254,781	16.2%
University Plaza op ex	105,038	120,395	128,743	143,951	148,919	4,968	3.5%
Depreciation & amortization	171,019	166,832	181,983	211,522	201,508	(10,014)	-4.7%
Interest	79,074	66,308	21,363	27,615	15,347	(12,268)	-44.4%
Other interfund transfers	18,000	18,000	18,000	18,000	18,000	-	0.0%
<b>Total Expenses</b>	<b>\$ 5,068,337</b>	<b>\$ 5,274,753</b>	<b>\$ 5,226,195</b>	<b>\$ 5,341,495</b>	<b>\$ 5,672,913</b>	<b>\$ 331,418</b>	<b>6.2%</b>
<b>Operating Income (Loss)</b>	<b>\$ (14,334)</b>	<b>\$ 705,015</b>	<b>\$ 268,018</b>	<b>\$ (428,026)</b>	<b>\$ (285,571)</b>	<b>\$ 142,455</b>	<b>-33.3%</b>

# Exhibit F

## Sunnyside Communities Debt Covenants

### As Agreed to in the Guaranty and Credit Agreement with BB&T Bank – June 2013

1. Debt Service Coverage Ratio
2. Debt to Capitalization Ratio
3. Unrestricted Days Cash on Hand

## **EXHIBIT F**

### **SUNNYSIDE COMMUNITIES DEBT COVENANTS - Fiscal Year 2024**

**As agreed to in the Master Trust Indenture dated as of August 1, 2013,  
as supplemented by the Eight Supplemental Indebture, dated as of  
January 1, 2020**

1. Debt Service Coverage Ratio
2. Debt to Capitalization Ratio
3. Unrestricted Days Cash on Hand

**SUNNYSIDE PRESBYTERIAN HOME**

**Financial Covenants Consolidated entities (includes Sunnyside, Kings Grant, Summit Square)**

		<b>Year End 2020 Actual</b>	<b>Year End 2021 Actual</b>	<b>Year End 2022 Actual</b>	<b>Year End 2023 Actual</b>	<b>Year End 2024 Budget</b>
<b>DEBT SERVICE COVERAGE RATIO (i) Covenant</b>		<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>
Net Gain (Loss) from operations	\$	4,017,541	\$ 5,216,745	\$ 1,958,864	\$ 3,536,362	\$ 1,867,285
<b>Add (subtract):</b>						
Interest expense		1,503,847	1,467,080	1,414,209	\$ 1,469,558	1,343,028
Depreciation and amortization		7,414,961	7,715,169	8,053,616	\$ 8,143,193	8,296,928
Entrance Fee Amortization		(6,297,140)	(6,499,411)	(6,245,715)	\$ (6,917,133)	(6,516,195)
Net Entrance Fees Received		7,708,765	8,180,498	6,436,241	\$ 8,621,253	8,471,772
<b>Net Revenue Available for Debt Service</b>	<b>\$</b>	<b>14,347,974</b>	<b>\$ 16,080,081</b>	<b>\$ 11,617,215</b>	<b>\$ 14,853,233</b>	<b>13,462,818</b>
<b>Maximum Annual Debt Service</b>	<b>\$</b>	<b>3,764,845</b>	<b>\$ 3,764,845</b>	<b>\$ 3,764,845</b>	<b>\$ 3,764,845</b>	<b>\$ 3,764,845</b>
<b>Debt Service Coverage Ratio Actual</b>		<b>3.81</b>	<b>4.27</b>	<b>3.09</b>	<b>3.95</b>	<b>3.58</b>

**SUNNYSIDE PRESBYTERIAN HOME****Financial Covenants Consolidated entities (includes Sunnyside, Kings Grant, Summit Square)****Reporting Purposes Only**

<b>DEBT TO CAPITALIZATION RATIO</b>	<b>Year End 2019</b>	<b>Year End 2020</b>	<b>Year End 2021</b>	<b>Year End 2022</b>	<b>Year End 2023</b>
<b>Annual Year End Measurement Not to Exceed .60</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Long Term Debt	\$ 44,635,651	\$ 53,337,093	\$ 51,088,816	\$ 48,764,466	\$ 46,405,488
LT Debt+Unrestricted Net Assets+Def Rev Ent Fees	<u>\$ 121,091,832</u>	<u>\$ 134,547,134</u>	<u>\$ 143,742,957</u>	<u>\$ 134,750,864</u>	<u>\$ 143,417,527</u>
<b>Debt to Capitalization Ratio Actual</b>	<b>36.9%</b>	<b>39.6%</b>	<b>35.5%</b>	<b>36.2%</b>	<b>32.4%</b>

**SUNNYSIDE PRESBYTERIAN HOME**

**Financial Covenants Consolidated entities (includes Sunnyside, Kings Grant, Summit Square)**

<b>UNRESTRICTED DAYS CASH ON HAND</b>		<b>Year End</b>	<b>Year End</b>	<b>Year End</b>	<b>Year End</b>
		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Annual Year End Measurement Minimum 150 Days</b>					
Total Expenses	\$	44,692,412	\$ 46,568,921	\$ 51,368,118	\$ 53,689,606
Depreciation		(7,419,962)	(7,715,169)	(8,053,616)	(8,143,193)
<b>Operating Expenses (excluding depreciation)</b>	<b>\$</b>	<b>37,272,450</b>	<b>\$ 38,853,752</b>	<b>\$ 43,314,502</b>	<b>\$ 45,546,413</b>
<b>Daily Expense (one "day" cash)</b>	<b>\$</b>	<b>102,116</b>	<b>\$ 106,449</b>	<b>\$ 118,670</b>	<b>\$ 124,785</b>
<b>Days Cash on Hand Actual</b>		<b>439</b>	<b>525</b>	<b>420</b>	<b>453</b>
Cash	\$	2,012,921	\$ 3,214,320	\$ 1,661,427	\$ 1,458,488
Investments		42,850,863	52,624,910	48,237,946	55,082,619
<b>Total Cash On Hand Available for Calculation</b>	<b>\$</b>	<b>44,863,784</b>	<b>\$ 55,839,230</b>	<b>\$ 49,899,373</b>	<b>\$ 56,541,107</b>

# Exhibit G

## Resident Reservation Agreement and Admissions Policies/Guidelines

**SUNNYSIDE COMMUNITIES**  
**(Sunnyside, King's Grant, and Summit Square)**  
**RESIDENT RESERVATION AGREEMENT**

**INTRODUCTION**

THIS RESERVATION AGREEMENT is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between SUNNYSIDE PRESBYTERIAN HOME, a not-for-profit corporation organized and incorporated under the laws of the Commonwealth of Virginia (the "Corporation") and \_\_\_\_\_ ("Resident," if two persons, they are referred to herein, sometimes jointly, sometimes severally, as the "Resident," and the obligations of two such persons shall be joint and several).

**AGREEMENTS**

**I. Reservation Fee.** Resident agrees to pay the Corporation a non-refundable reservation fee of \$\_\_\_\_\_ (which equals the first month's fee) for the reservation of Unit #\_\_\_\_\_, at \_\_\_\_\_ Community, for the term of 30 days. The parties agree that the payment of this fee will reserve the Unit for a period of 30 days and will be applied to the first month of occupancy if the Resident occupies the Unit within 30 days of the execution of this Agreement. The Corporation cannot hold the Unit for a period greater than 30 days without renewal of this Agreement by payment of another 30 days' fee by the Resident 10 days in advance of the expiration of this Agreement. The term of this Agreement may be extended for 30-day intervals; however, either party may terminate this Agreement with 10 days' notice.

**II. Serious Deterioration of Health.** In the unlikely event that the Corporation determines that the health of the Resident (or either of them, in the case of a couple) has deteriorated to such an extent that he/she (or either of them in the case of a couple) is precluded through illness, injury or incapacity from moving into the selected unit, the Corporation may terminate this Agreement at any time prior to the Date of Occupancy

**III. Miscellaneous.** The Resident's rights under this Agreement may not be transferred to any other person. This Agreement constitutes the entire Agreement between the Resident and the Corporation, and no waiver or modification hereof shall be valid unless made in writing and executed by the Resident and the Corporation. This Agreement, including its validity, the capacity of the parties hereto, its form, interpretation of its language, and any questions concerning its performance and discharge, shall be governed by and construed in accordance with the laws and judicial decisions of the Commonwealth of Virginia.

**SIGNATURES**

\_\_\_\_\_ (Resident)

\_\_\_\_\_ (Resident)

SUNNYSIDE PRESBYTERIAN HOME

BY: \_\_\_\_\_



**KING'S GRANT**  
**POLICY / GUIDELINES STATEMENT**

Policy/Guidelines Number: KG-MKT-9  
Applicable Departments/Areas: All  
Effective Date: 4/93  
Revision Dates: 9/02; 8/04; 7/05; 8/06; 6/07; 9/07; 9/10; 11/13; 7/14; 12/16; 05/18

**ADMISSIONS CRITERIA**

**STATEMENT OF POLICY:**

The King's Grant Admissions Committee will be responsible for the evaluation of all persons seeking admission to King's Grant (KG).

**PURPOSE:**

KG will endeavor to properly place prospective residents (individual or a couple as a unit) to the appropriate level of care.

**GUIDELINES:**

A. Self-sufficient Living Units – Village and Stone Cross East (250 King's Way Road)

Prospective residents (individuals or a couple as a unit) must be physically and mentally capable of maintaining all necessary functions of self-sufficient living and meet the necessary age requirements (minimum age of 55 years in village – 62 years in Stone Cross East Apartments). Necessary functions shall include the normal activities of daily living. The prospective resident(s) should be able (at a minimum) to:

1. Ambulate
2. Cook and clean
3. Feed oneself
4. Maintain personal hygiene
5. Secure groceries and supplies
6. Demonstrate socially accepted behavior
7. Maintain orientation to environment
8. Manage their own prescription medicines
9. Manage their own financial well being for self or with the assistance of family, friend, or financial institution.

B. Self-sufficient/Catered Living Units – Residential Center Stone Cross West (300 King's Way Road)

Prospective residents must be physically and mentally capable of maintaining the necessary functions of self-sufficient living and meet the necessary age requirements (minimum of 62 years of age). Necessary functions shall include the normal activities of daily living. The prospective resident(s) should, at a minimum, be able to:

1. Must qualify for residential living after a uniform assessment (UAI) is completed by the Social Services Coordinator or other trained designee.
2. Ambulate independently or with cane or walker.
3. Feed oneself.
4. Maintain their personal hygiene, with or without assistance.
5. Demonstrate socially accepted behavior.
6. Maintain orientation to environment.
7. Manage their own prescription medicines, or be given by a med-tech (lay person) to residents in Catered Living

Should any resident residing in this area need minimal assistance with one or two of their ADL's, they may qualify for Catered Living – Policy KG-ADM-57.

C. Craig Assisted Living Center Units

Residents living in the assisted living units may be assisted in the activities of daily living (ADL) but must not be totally dependent in any of these categories. Residents must be able to meet the following criteria for admission to the assisted living unit:

1. Must qualify after a uniform assessment instrument (UAI) is completed by the Social Services Coordinator or other trained designee.
2. Must be able to ambulate or use a wheelchair or other assistive device to go to the Assisted Living dining room.
3. Must be able to feed themselves but may be assisted in preparing their food to eat (e.g., cutting meats); at times residents may require tray service in their room approved by Director of Health Services, or meet requirements in Policy KG-DIN-11.
4. Must be able to dress self appropriately or may be assisted in dressing; cannot be dependent upon total assistance.
5. May require assistance for personal hygiene including bathing.
6. May require assistance to go to the bathroom or use the bedside commode.
7. May be incontinent of bowel less than weekly or more.
8. Must be incontinent of bladder less than once weekly or able to self-manage incontinence if it is more frequent.
9. Must be physically and mentally able to call for assistance in an emergency.
10. Must behave in an acceptable manner and demonstrate socially accepted behavior.
11. Must be neither disruptive nor harmful to themselves or to others.
12. May self administer medications or be given them by a nurse as doctor orders.

- D. It shall be the responsibility of the Admissions Committee to determine if the prospective resident(s) meet the criteria for admission into their desired accommodation. If it is determined that the resident does not meet the criteria, he/she should be encouraged to apply for the level of care that will meet their needs. It is the responsibility of the Admissions Committee to:
1. Review the medical certificate to determine that it is current.
  2. Check the medical certificate for the level of care determination indicated by the physician.
  3. Review the personal data sheet.
  4. Review the comments from the interview process.
  5. It will be the responsibility of the Marketing Director to schedule the Admissions Committee meeting.
  6. If the Admissions Committee recommendation is favorable, notify the prospective resident(s) within seven (7) days and proceed with the admissions process.
  7. If the Admissions Committee decision is unfavorable, notify the prospective resident(s) within seven (7) days and encourage the applicant to apply to the recommended level of living that will meet their needs.
  8. The Executive Director shall have the authority to make final decisions pertaining to all admission.

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Executive Director

# **KING'S GRANT POLICY / GUIDELINES STATEMENT**

Policy/Guidelines Number: KG-MKT-1  
Applicable Departments/Areas: Health Services, Administration  
Effective Date: 4/93  
Revision Dates: 8/01; 10/01; 7/05; 8/06; 12/07; 4/09; 9/10; 11/13; 05/18

## **MARKETING / ADMISSIONS PROCESS**

### STATEMENT OF POLICY:

The Marketing Director shall coordinate the marketing and move-in process. It shall be the responsibility of the director and Marketing Sales Counselor to make the sale and initially assess the prospective resident's capability of functioning in the resident's desired level of care. Members of the King's Grant (KG) management staff shall assist as needed.

### PURPOSE:

The Marketing Director and Marketing Sales Counselor will intend to fill available residences with persons physically, emotionally and financially ready for residency, as well as build a waiting list of persons for future residency.

### GUIDELINES:

#### A. Resident's First Visit

King's Grant has a three-fold objective to accomplish during the resident's first visit: a) get preliminary financial information to get a sense that prospective resident can afford KG.; b) assess the resident's capability of functioning in the resident's desired level of care; c) make the sale.

The Marketing Director or Marketing Sales Counselor shall be the resident's primary (and possibly only) contact during this visit. They, in their marketing effort, shall conduct the resident on a tour of the facility. If it is appropriate to do so, they shall invite the resident to dine; it may be appropriate to dine with other residents.

If appropriate, the Marketing Director or Marketing Sales Counselor will introduce the Move Coordinator to explain his/her role in the move process.

There shall not be any mental testing during this visit, but the Marketing Director or Marketing Sales Counselor shall make detailed notes of their observations and other facts they may have learned.

#### B. Applications

Prospective residents shall receive applications upon their request. The request might be made during the first visit or it may come later. The application shall be returned to the Marketing Department, and the sales staff will be the only King's Grant persons involved in its handling at this point. Upon receipt of the application, the Marketing Director shall review it for completeness. She shall send a letter acknowledging receipt of the application, also indicating placement on the active or future list with move in pending availability, financial and medical status prior to an appointed move date. She shall

also review the financial information furnished to determine if the applicant meets the financial guidelines. The minimum guidelines are as follows:

1. Application Fee to Independent Living (including Stone Cross West Apartments) is \$1,175.00 all except \$175.00 is refundable either by check or credit.
2. Application fee for Assisted Living and Health Care is \$175.00. No refunds applicable.
3. Application letter of receipt must explain Trailblazer status and application refund/credit.

C. Physician's Examination

1. A physician's examination of a prospective resident shall be required within 30 days prior to admission to King's Grant. At the appropriate time, the Marketing Director or Sales Counselor shall write the prospective resident addressing the following:
  - a. Physician's Medical Examination form: send a form to the resident instructing him/her to make an appointment with his/her physician for a medical examination. Instruct the resident when he's making the appointment to tell the doctor that he will have a four-page examination form to complete. This is necessary so that the doctor will allow sufficient time for the examination.
  - b. Instruct the resident to mail the completed Physician's Examination form to KG.
2. When King's Grant receives the completed forms, they shall be given to the Health Services Director or designee for review. His/her review shall be to determine:
  - a. If the resident has any condition that would preclude admission to King's Grant.
  - b. If the resident has any condition that would preclude admission to the level of care desired or type of contract model.
  - c. If the request is for a "Life Care" contract, she is to note if the applicant qualifies in accordance to the protocol in KG-ADM-24 "Life Care Occupancy Agreement – Eligibility Conditions". A mini-mental test must be given to all Life Care contract applicants.

D. Financial Update

The Marketing Director shall review the revised financial information promptly after its receipt. She will submit the data to the Corporate Vice President of Finance, Chief Financial Officer or his designee. Prior to the move, the prospective resident must submit updated financial, some medical, and age information to determine eligibility for admission to residence requested using the corporate actuarial program.

E. Resident Pre-screening or Disclosure (for admission to Stone Cross West and Craig Assisted Living

1. At least five (5) days prior to entry, the prospective resident will be given a King's Grant Disclosure statement in the format approved by the Virginia Department of Social Services.
2. A Uniform Assessment Instrument (UAI) is completed by King's Grant's Social Services Coordinator; however, if the prospect is receiving Medicaid, the UAI will be completed by a case worker with the Department of Social Services.
3. Prior to admission, the prospective resident will be checked for inclusion on the Virginia State Police's "sex offender" list for the ZIP code of 24112 and contiguous ZIP codes to the area. The National "sex offender" request will also be checked.

F. Resident's Final Interview

1. A final interview with the prospective resident is always desirable but shall not always be necessary if the prospective resident is well known and has been in current and frequent contact with the KG management staff. The King's Grant objective during a final interview shall be to assess the resident's chance of success as a King's Grant resident and to help determine if there is any medical or mental impairment that would impose a significant negative impact on the chance of success.
2. If the prospective resident is well known, has been in current and frequent contact, presents no significant negatives on the medical forms and has never caused any question related to his/her emotional stability or mental acuity, the final interview may be waived.
3. Most prospective residents should undergo a final interview. The resident shall meet first with the Marketing Director or Sales Counselor and secondly with the Health Services Director. The Health Services Director shall focus his/her attention on the medical forms, discussing with the resident any conditions which could present difficulties to the resident in his/her life at King's Grant or for which he/she may need assistance. The prospective resident shall be assured that he/she and the Health Services Director are engaging in a confidential medical interview.
4. If during the final interview process either the Marketing Director/Sales Counselor or Health Services Director suspects that the prospective resident suffers from cognitive impairment, the Health Services Director or designee shall administer a mental status evaluation test. Any of the three tests we have may be used. It will be his/her decision as to which test would be the most appropriate. All requests for a Life Care Agreement are to be given one of the three tests used for establishing mental status.
5. The Marketing Director/Sales Counselor and Health Services Director or designee shall record the results of their assessments, which shall be made part of the prospective resident's file.
6. The resident-prospect shall be introduced to the Executive Director. There should be an opportunity for the prospective resident to meet with the: Nursing Home Administrator, Social Services Coordinator, Human Resources and Community Services Director, Chaplain, Events Director, Senior Wellness Instructor, Dining Services Director, and Plant Operations Director.

G. Resident Review Committee

1. Some members of the Resident Review Committee shall meet to review questionable prospects under consideration for admission. All the factors heretofore described should be evaluated in the decision process. The Committee shall make its recommendation to the Executive Director, who shall make the final decision on the admission.
2. Once the decision is made, the Marketing Director/Sales Counselor shall send the resident a formal letter of acceptance or rejection.
3. Notices shall be made to Plant Operations for move assistance if applicable.
4. Notice to Dining Services: Village move-ins may request meal packages; Health Center, Assisted Living or Residential Center Apartment move-ins shall require three meals per day.

## **KING'S GRANT POLICY/GUIDELINES STATEMENT**

Policy/Guidelines Number:	KG-MKT-12
Applicable Departments/Areas:	All
Effective Date:	3/93
Revision Dates:	9/02; 8/04; 2/05; 8/06; 6/07; 9/10; 4/15; 05/18

### **ADMISSIONS TO ASSISTED LIVING**

#### STATEMENT OF POLICY:

King's Grant (KG) will admit to Assisted Living Level of Care only residents who meet the admission criteria set forth by the Standards and Regulations for Licensed Assisted Living and facility policies.

#### PURPOSE:

To abide by all laws and regulations pertaining to licensed Assisted Living.

#### GUIDELINES:

A. According to the regulations by the Department of Social Services, all residents shall be 18 years of age or older. However, in order to maintain an atmosphere in keeping with a retirement community, it is the policy of Sunnyside Communities to limit occupancy in its communities to persons 55 or 62 years of age or older. (See policy KG-RES-3)

B. All residents must have a physical exam by a licensed physician within 30 days prior to the date of admission. The following information should be included:

1. Date of examination
2. Absence of tuberculosis in the communicable form
3. Any diagnosis or significant problems
4. Any recommendations for care including medication, diet, and therapy
5. Is not bedfast.
6. Needs can be met in Assisted Living
7. Mobility status
8. Ability to self-administer medications if indicated, self-administer assessment on file.
9. Physical examination form must be signed by physician
10. A mental health screening if behaviors or patterns of behavior occurred within the previous six months that were an indication of mental illness, as outlined in Standards for Licensed Assisted Living Facilities, 22 VAC 40-72-360.

11. Sex offender check prior to offering occupancy.
12. Before or at move in:
  - a. Provide resident with a listing and summary of job duties of staff serving them.
  - b. Notification of Resident Council
  - c. Notification of Medicine and Supplements held/distributed

C. Resident Agreement with facility

1. Disclosure must be reviewed and signed a minimum of five (5) days before signing the occupancy agreement.

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Executive Director



# **KING'S GRANT POLICY/GUIDELINES STATEMENT**

Policy/Guidelines Number: KG-MKT-13  
Applicable Departments/Areas: All  
Effective Date: 3/93  
Revision Dates: 9/02; 8/04; 2/05; 8/06; 6/07; 9/10; 3/11; 05/18

## **ADMISSIONS TO THE LACY HEALTH CENTER**

### STATEMENT OF POLICY:

King's Grant (KG) will only admit residents who meet the admission criteria set forth by the Standards and Regulations of the Virginia Department of Health and KG facility policies.

### PURPOSE:

To abide by all laws and regulations pertaining to licensed Intermediate Care Facilities.

### GUIDELINES:

- A. KG will not admit to the Health Center:
1. Residents with a primary diagnosis of addiction to narcotics or alcohol.
  2. Residents who are mentally disturbed whose condition is such that, in the opinion of the attending physician, there is a probability of creating an unreasonable nuisance to other Residents, staff, visitors or committing physical harm to themselves or others.
  3. According to the regulations of the Department of Health, residents who are under the age of fourteen (14) years unless provisions are made for separation of such children from the adult residents. However, in order to maintain an atmosphere in keeping with a retirement community, it is the policy of Sunnyside Communities to limit occupancy in its communities to persons 55 or 62 years of age or older. (See policy KG-RES-3)
- B. KG will provide prior to or at the time of admission to each resident or his/her family representative or legal guardian a written copy of the KG Health Center policies and guidelines covering at least the following items (signed evidence of receipt shall be documented in the resident's file):
1. Admission policies and admission agreement
  2. Charges, including extras
  3. Methods of payments
  4. Refund policies
  5. Transfer, including transfer within the facility, and discharge policies and guidelines
  6. Rights and Responsibilities of Residents in Nursing Homes, as defined in Title 32.1, Chapter 5, Article 2, Code of Virginia, 1950 as amended
  7. Guidelines for handling complaints
  8. Guidelines for handling personal laundry
  9. Most recent Department of Health Survey results.

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Health Services Director

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Nursing Home Administrator

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Executive Director

# Exhibit H

## Resident Grievance Procedure



## RESIDENT GRIEVANCE PROCEDURE

Dear \_\_\_\_\_:

*(Please print or type Resident's name.)*

Although we work hard to provide care and to meet your needs, we recognize that there may at times be disagreements with policy or you may feel your rights as a resident have been infringed upon. In such cases, you are encouraged to voice your concern in the following manner:

1. If the complaint is a simple and legitimate one that is within a staff member's ability to resolve, share the concern with staff, and your complaint will be resolved as quickly as circumstances allow. If the staff member cannot resolve your problem, he/she will advise you of further steps to be taken to have your concern addressed.
2. You may share your concern with the Executive Director, who will discuss your grievance openly with you and try to resolve the problem.
3. If your grievance is still unresolved to your satisfaction, it should be put in writing (by you or with the assistance of a staff person) and presented to the Executive Director to be presented to the Management Staff at the next weekly meeting.
4. If, after taking the foregoing action, you still feel your concerns have not been sufficiently addressed by Management, you may contact the following agencies regarding your grievance:

➤ **RESIDENTS LIVING IN AN ASSISTED LIVING FACILITY SHOULD CONTACT:**

- |   |   |
|---|---|
| <p>(a) <b>Virginia Dept. of Social Services</b><br/> <b>Contact: Robin Ely</b><br/> <b>57 Beam Lane, Suite 102</b><br/> <b>Fishersville, Virginia 22939</b><br/> <b>(p) 540.332.2330</b><br/> <b>(f) 540.332.7748</b></p> | <p>(b) <b>VA Association of Area Agencies on Aging</b><br/> <b>State LTC Ombudsman</b><br/> <b>24 East Cary Street, Suite 100</b><br/> <b>Richmond, Virginia 23219</b><br/> <b>(p) 804.565.1600 or 800.552.3402</b></p> |
| <p>(c) <b>Adult Protectives</b><br/> <b>1.888.832.3858</b></p>  | <p>(d) <b>Valley Program for Aging Services</b><br/> <b>1.866.816.9020</b></p>  |

*Sunnyside and Summit Square residents call:*  
Valley Licensing Office – 540.332.2330

➤ **RESIDENTS LIVING IN A NURSING FACILITY SHOULD CONTACT:**

- |   |  |
|---|--|
| <p>(a) <b>Virginia Department of Health</b><br/> <b>Office of Licensure and Certification</b><br/> <b>9960 Mayland Drive, Suite 401</b><br/> <b>Richmond, Virginia 23233</b><br/> <b>(p) 800.546.7545</b></p> | <p>(b) <b>Valley Program on Aging Services</b><br/> <b>Local Ombudsman</b><br/> <b>John Brownlee</b><br/> <b>P.O. Box 817</b><br/> <b>325 Pine Avenue</b><br/> <b>Waynesboro, Virginia 22980</b><br/> <b>Email: <a href="mailto:john@vpas.info">john@vpas.info</a></b><br/> <b>(p) 540.949.7141 or 800.868.8727</b><br/> <b>(c) 540.471.9244</b><br/> <b>(f) 540.949.7143</b><br/> <b><a href="http://www.vpas.info">www.vpas.info</a></b></p> |
|---|--|

I have reviewed and understand the Resident Grievance Procedure received on this date.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

# Exhibit I

## Financial Summary

**Sunnyside Presbyterian Home  
King's Grant Campus  
December 31, 2023  
Unaudited**

	<b>Current Year</b>	<b>Prior Year</b>	<b>Increase (decrease)</b>	<b>% Change</b>
<b>Total Assets</b>	\$ 28,639,544	\$ 26,379,233	2,260,311	9%
<b>Total Liabilities</b>	26,340,767	27,087,893	(747,126)	-3%
<b>Total Net Assets (Liabilities)</b>	2,298,777	(708,660)	3,007,437	-424%
<b>Total Revenues</b>	14,768,746	13,269,092	1,499,654	11%
<b>Total Expenses</b>	13,290,009	12,604,986	685,023	5%
<b>Operating Income (Loss)</b>	1,478,737	664,106	814,631	123%
<b>Operating Income Margin</b>	10.0%	5.0%		
<b>Net Income (Loss)</b>	\$ 3,007,432	\$ (964,866)	3,972,298	-412%
<b>Fellowship support (included in revenue above)</b>	\$ 221,707	\$ 124,424	97,283	78%

**Narrative on financial condition:**

Total net assets flipped to positive in 2023, registering an increase of \$3.0 million as compared to 2022. Operating income made up approximately half of this. It was up significantly as compared to the prior year, both in dollars and as a percent of revenue. Service revenue (revenue from our core business) was up almost \$1 million driven by census gains and annual rate increases. Additionally, \$525k of the revenue growth was from government programs included in the Other revenue line (current year receiving funds from Employee Retention Credits and in the prior year, we recognized the balance of funds from the Cares Act). Expenses were up a modest 5% (1) in support of the revenue growth, especially in the high levels of care which contain a higher level of direct expenses and (2) \$383k increase related to our insourcing of therapy services. These were partially offset by reduced nursing expense primarily from improved labor efficiency and a \$226k reduction in depreciation expense related to significant assets becoming fully depreciated (as mid-2023 was the 30 year anniversary of this campus).

Occupancy Information	Capacity of Units	Average Occupancy	Percentage Occupancy
Independent living	141	114	81%
Assisted Living and Memory Care	44	39	89%
Healthcare	32	30	95%

**Sunnyside Presbyterian Home  
King's Grant Campus  
December 31, 2023**

	<b>Current Year</b>	<b>Budget</b>	<b>Favorable (Unfavorable)</b>
<b>Total Revenues</b>	14,768,746	14,007,968	760,778
<b>Total Expenses</b>	13,290,009	13,186,458	(103,551)
<b>Operating Income (Loss)</b>	1,478,737	821,510	657,227
<b><i>Operating Income Margin</i></b>	<i>10.0%</i>	<i>5.9%</i>	
<b>Fellowship support (included in revenue above)</b>	<b>\$ 221,707</b>	<b>\$ 172,044</b>	<b>(49,663)</b>

**Narrative on financial condition:**

Revenue was favorable to budget \$760k, \$720k of which related to the funding from the employee retention credit (ERC) program. Expenses were unfavorable largely related to the additional charges for employee medical expense related to high cost medical claims. Excluding this unusual item, King's Grant was favorable to budget on expenses and, excluding that and the ERC funding, was favorable to budget at the operating income line.

# King's Grant Campus Occupancy Trend

		2019	2020	2021	2022	2023
IL	Available	146	147	145	143	142
	Average Occupancy	115	118	115	120	114
	Average Occupancy %	79%	80%	80%	84%	81%
	YoY Change		2%	-1%	4%	-3%
AL & MC	Available	44	44	44	44	44
	Average Occupancy	35.4	33.5	35.8	39.3	39.7
	Average Occupancy %	81%	76%	81%	89%	90%
			-4%	5% (1)	8% (1)	1%
Healthcare	Available	32	32	32	32	32
	Average Occupancy	27.2	26.0	28.8	28.9	30.3
	Average Occupancy %	85%	81%	90%	90%	95%
			-4%	9% (2)	0%	4%

(1) Largely related to memory care improved census (internal transfers and direct admits).

(2) Increase related to direct admits from the local hospital (very few from early 2020 thru mid 2021) and natural flow through continuum of care from regular resident population.