



# VINSON HALL RETIREMENT COMMUNITY

*supported by Navy Marine Coast Guard Residence Foundation*

FILED  
Commonwealth of Virginia  
State Corporation Commission  
Bureau of Insurance  
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BY: Kevin McLean

**2023**

**DISCLOSURE STATEMENT FOR  
NAVY MARINE COAST GUARD RESIDENCE FOUNDATION**

**AND**

**VINSON HALL, LLC**

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*The filing of this statement with the State Corporation Commission does not constitute approval, recommendation or endorsement of the facility by the State Corporate Commission.*

**Prepared April, 30, 2023**

## REFERENCE

DISCLOSURE  
STATEMENT

Pages 1 through 32

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**I. NAME AND BUSINESS ADDRESS OF THE PROVIDER AND A STATEMENT OF WHETHER THE PROVIDER IS A PARTNERSHIP, FOUNDATION, ASSOCIATION, CORPORATION, OR OTHER TYPE OF BUSINESS OR LEGALENTITY.**

- A. NMCGRF Inc. (hereinafter called the Foundation), is incorporated in the Commonwealth of Virginia. It is a non-stock, nonprofit corporation that is the sponsor and sole member of Vinson Hall, LLC. The address for the Foundation is: Navy Marine Coast Guard Residence Foundation, 6251 Old Dominion Drive, Suite 137, McLean, Virginia 22101-4827.
- B. Vinson Hall, LLC, trading as Vinson Hall Retirement Community (hereinafter called "VHRC") is a limited liability company in the Commonwealth of Virginia. The address for Vinson Hall, LLC is: 6251 Old Dominion Drive, McLean, Virginia 22101-4818. The Corporation was originally incorporated in the Commonwealth of Virginia on July 7, 1967. On June 17, 2011, Vinson Hall, LLC received the Certificate of Entity Conversion from the State Corporation Commission.
- C. VHRC is the owner and operator of three facilities, one Community Building and one not licensed Independent Living building as listed below:
  - 1. Arleigh Burke Pavilion (hereinafter called "ABP"), a licensed Nursing Skilled and Assisted Living Facility by the Commonwealth of Virginia, is located at 1739 Kirby Road, McLean, VA 22101-4817.
  - 2. Vinson Hall (hereinafter called "VH"), a licensed Assisted Living Facility for Residential and Assisted Care by the Commonwealth of Virginia, is located at 6251 Old Dominion Drive, McLean, VA 22101-4818.
  - 3. The Sylvestery (hereinafter called "TS"), a licensed Assisted Living Facility by the Commonwealth of Virginia, is located at 1728 Kirby Road, McLean, VA 22101.
  - 4. The Community Building (hereinafter called "CB"), has 12 Medicare licensed beds for short-term rehab on the ground and first floor, is located at 1735 Kirby Road, McLean, VA 22101.

5. The Willow Oak Building (hereinafter called “WO”) is located at 1733 Kirby Road, McLean, VA 22101. It is not licensed.

D. VHRC purchased two pieces of property in 2016 and one property in 2019:

1. The property at 6309 Old Dominion Drive, McLean, VA is directly behind TS at 1728 Kirby Road, McLean, VA 22101, County of Fairfax. It had a two-story dwelling constructed of wood and concrete and was situated on .44 acres of land. Fairfax County Fire Department used the site as a training exercise on October 11-13, 2017. The dwelling was demolished, and the property is now used for green space.
2. The property at 6258 Park Road, McLean, Virginia is next door to ABP at 1739 Kirby Road, McLean, Virginia and Vinson Hall at 6251 Old Dominion Drive, McLean, VA 22101, County of Fairfax. It had a two-story dwelling constructed of wood and concrete and is situated on .94 acres of land. The house was demolished in the summer of 2019. The property is used as greenspace.
3. The property at 6317 Old Dominion Drive, McLean, VA is directly behind TS at 1728 Kirby Road, McLean, VA 22101, County of Fairfax. It has a two-story dwelling constructed of wood and concrete and was situated on .44 acres of land. The plan is to demolish the dwelling. There are no immediate plans for the use of that property.

E. The Foundation does not own real property in the Commonwealth of Virginia, or anywhere else.

F. VHRC is the sole owner of property, buildings, improvements and assets of ABP, VH, TS, CB and WO. No agency, entity or person other than VHRC owns assets of any type or kind pertaining to VHRC.



**II. THE NAMES AND BUSINESS ADDRESSES OF THE OFFICERS, DIRECTORS, TRUSTEES, MANAGING OR GENERAL PARTNERS, AND ANY PERSON HAVING A TEN PERCENT OR GREATER EQUITY OR BENEFICIAL INTEREST IN THE PROVIDER, AND A DESCRIPTION OF SUCH PERSON'S INTEREST IN OR OCCUPATION WITH THE PROVIDER.**

A. Listings of the Officers and Trustees of the Foundation are attached as **EXHIBIT A.**

1. Members of the Foundation Board are called Trustees. The officers of the Board of Trustees consist of a Chairman, Vice Chairman, Secretary and Treasurer.

B. No Officer, Trustee, or any other person or entity owns any beneficial interest nor holds equity in the Foundation or VHRC. Each of the providing organizations is a non-stock corporation. The Foundation is a membership corporation.

1. There is no direct or indirect ownership of either of the providers, including ownership through another legal entity.
2. Neither of the providers issue any voting class of securities.
3. There are no contracts, including lease or management contracts with any of the providers where the amount of consideration under the contract is tied to the financial performance of the provider.

**III. FOR THE PROVIDER, ANY PERSON NAMED IN RESPONSE TO THIS SUBSECTION OR THE PROPOSED MANAGEMENT, IF THE FACILITY WILL BE MANAGED ON A DAY-TO-DAY BASIS BY A PERSON OTHER THAN AN INDIVIDUAL DIRECTLY EMPLOYED BY THE PROVIDER.**

A. A DESCRIPTION OF ANY BUSINESS EXPERIENCE IN THE OPERATION OR MANAGEMENT OF SIMILAR FACILITIES.

1. The Foundation and VHRC are managed on a day-to-day basis by persons directly employed by the provider.

2. The business of the Foundation is under the management and operating control of a CEO and Executive Director, who has served in that position since December 5, 2022, and has 18 years of experience with similar providers. The CEO is a salaried position. The Executive Director reports to and is responsible to the Chairman of the Foundation Board of Trustees.
3. VHRC is under the management and operating control of the Foundation.
4. Three of the persons listed as a Trustee, or Officer of the Foundation have prior or specific business experience in the operation or management of similar facilities. They are as follows:
  - a. RADM Frederic G. Sanford, MC, USN (Ret); who is an Emeritus Trustee of the Foundation and has been on the board since 2004; and
  - b. RDML Michael Browne, USN (Ret); who has been a Trustee of the Foundation since 2018; and

RDML Cynthia A. Dullea, NC, USN (Ret); who has been a Trustee of the Foundation since 2016.

**IV. THE NAME AND ADDRESS OF ANY PROFESSIONAL SERVICE, FIRM, ASSOCIATION, FOUNDATION, TRUST, PARTNERSHIP OR CORPORATION OF ANY OTHER BUSINESS OR OTHER LEGAL ENTITY IN WHICH SUCH PERSON HAS, OR WHICH HAS IN SUCH PERSON, A 10% OR GREATER INTEREST AND WHICH IT IS PRESENTLY INTENDED WILL OR MAY PROVIDE GOODS, LEASES OR SERVICES TO THE PROVIDER OF A VALUE OF \$500 OR MORE, WITHIN ANY YEAR**

- A. No Trustee, Director or Manager has any interest in a professional service firm, association, foundation, trust or partnership which provides any goods, leases or services to either the Foundation or VHRC.

**V. A DESCRIPTION OF ANY MATTER IN WHICH SUCH PERSON:**

- A. "HAS BEEN CONVICTED OF A FELONY OR PLEADED NOLO CONTENDERE TO A CRIMINAL CHARGE, OR BEEN HELD LIABLE OR ENJOINED IN A CIVIL ACTION BY FINAL JUDGMENT, IF THE CRIME OR CIVIL ACTION INVOLVED FRAUD, EMBEZZLEMENT, FRAUDULENT CONVERSION, MISAPPROPRIATION OF PROPERTY OR MORAL

TURPITUDE;"

1. None.

B. "IS SUBJECT TO AN INJUNCTIVE OR RESTRICTIVE ORDER OF A COURT OF RECORD, OR WITHIN THE PAST FIVE YEARS HAD ANY STATE OR FEDERAL LICENSE OR PERMIT SUSPENDED OR REVOKED AS A RESULT OF AN ACTION BROUGHT BY A GOVERNMENTAL AGENCY OR DEPARTMENT, ARISING OUT OF OR RELATING TO BUSINESS ACTIVITY OR HEALTH CARE, INCLUDING WITHOUT LIMITATION ACTIONS AFFECTING A LICENSE TO OPERATE A FOSTER CARE FACILITY, NURSING HOME, RETIREMENT HOME, HOME FOR THE AGED OR FACILITY REGISTERED UNDER THIS CHAPTER OR SIMILAR LAWS IN ANOTHER STATE;"

1. None.

C. "IS CURRENTLY THE SUBJECT OF ANY STATE OR FEDERAL PROSECUTION, OR ADMINISTRATIVE INVESTIGATION INVOLVING ALLEGATIONS OF FRAUD, EMBEZZLEMENT, FRAUDULENT CONVERSION, OR MISAPPROPRIATION OF PROPERTY?"

1. None.

**VI. A STATEMENT AS TO:**

A. "WHETHER THE PROVIDER IS OR EVER HAS BEEN AFFILIATED WITH A RELIGIOUS, CHARITABLE OR OTHER NONPROFIT ORGANIZATION, THE NATURE OF ANY SUCH AFFILIATION, AND THE EXTENT TO WHICH THE AFFILIATE ORGANIZATION IS OR WILL BE RESPONSIBLE FOR THE FINANCIAL AND CONTRACTUAL OBLIGATIONS OF THE PROVIDER."

1. Neither the Foundation nor VHRC is affiliated with any religious, charitable, or other nonprofit organization. The Foundation is an eleemosynary organization and provides financial support for residents of the VHRC facilities who are neither financially independent nor self-supporting. The financial support given to residents of VHRC is not guaranteed contractually and is based strictly upon need as determined by the Foundation and VHRC.
  2. As the sponsor organization of the facilities, the Foundation guarantees fiscal solvency. Since the construction of the original facility in 1969, the Foundation has provided direct financial assistance to the facilities for their operations and capital improvements and has underwritten past expenses which have exceeded income. Restrictions in support of excess expenses are as imposed in the annual budgets or as otherwise approved by the Board of Trustees.
- B. "ANY PROVISION OF THE FEDERAL INTERNAL REVENUE CODE UNDER WHICH THE PROVIDER IS EXEMPT FROM THE PAYMENT OF INCOME TAX:"
1. The Foundation, which is incorporated in the Commonwealth of Virginia, is a not-for-profit corporation, exempt from federal income tax as a 501(c)(3) charitable organization. Since being reincorporated in the Commonwealth of Virginia in 2011, it is exempt from Virginia income taxes. VHRC is a not-for-profit limited Liability Company and enjoys the exemption of its parent but is not itself tax exempt. By special acts of the Virginia Legislature, the Foundation is exempt from real property taxes in the Commonwealth of Virginia.
- C. "THE LOCATION AND DESCRIPTION OF THE REAL PROPERTY OF THE FACILITY, EXISTING OR PROPOSED, AND TO THE EXTENT PROPOSED, THE ESTIMATED COMPLETION DATE OR DATES OF IMPROVEMENTS, WHETHER OR NOT CONSTRUCTION HAS BEGUN AND THE CONTINGENCIES UNDER WHICH CONSTRUCTION MAY BE DEFERRED."

1. The Foundation owns no real property, The Foundation occupies Suite 137 in Vinson Hall, located at 6251 Old Dominion Drive, McLean, Virginia 22101-4818.
2. Effective June 2011, VHRC owns all real property, and the acquisition of additional real property is under consideration.
  - a. ABP, which is located at 1739 Kirby Road, McLean, VA 22101- 4817 (adjacent to the Hall), County of Fairfax. It is a two-story building constructed of brick and masonry and situated on 4.3 acres of land. On the second floor are 37 Medicare certified skilled nursing beds consisting of 6 semi-private rooms and 25 private rooms. Support services include three dining rooms, physical therapy, activities room, and a beauty/barber shop. The assisted living center on the first floor consists of 21 suites, most with private bath and shower and small kitchenettes. There is a separate entrance for the assisted living residents with additional amenities that include a 17-seat theatre, private laundry room, dining room, library and café. The Pavilion has an attached two-level parking garage.
  - b. VH is located at 6251 Old Dominion Drive, McLean, VA 22101- 4827, County of Fairfax. It is a five-story building constructed of brick and masonry and situated on 13.3 acres of land. There are 162 housing units consisting of 9 efficiency apartments, 91 one-bedroom apartments and 62 two-bedroom apartments. Support services include a dining room, chapel, game room, auditorium, library, hobby shop, lounges, art and photography studio, a fitness center, a cafe and a health and wellness clinic. VH has dedicated two apartments to a Wounded Warrior Transitional Housing Program. The program began in August 2013. The Hall's Health and Wellness Clinic is located on the first floor. The Health and Wellness Clinic includes a health resource library, medical records room, nurses' offices and two exam rooms. The newly renovated Fitness Center is located on the ground floor of Vinson Hall. It is equipped with new Cybex fitness equipment, a separate cardio studio, an exercise pool and spa, and a universal exercise room for balance and fitness classes. The ground floor is also the location of a café with computer stations, offices for the Chaplain, the Director of Dining Services,

the IT staff, the Programs and Events Coordinator, the Accounting Department and the Human Resources Department.

- c. CB which opened in 2015, is a four-story brick and masonry building that includes covered walkways to the Hall and the Pavilion. The Physical Therapy and Rehabilitation Floor is located on the ground floor. A 12 bed Medicare certified short-term skilled nursing and rehabilitation unit is located on the first floor. The Executive Offices are located on the 2nd floor. The second floor also has an Executive Board Room, a Reading Room, a Beauty Salon and Barbershop, a Convenience Store and a Bistro for Vinson Hall Residents and guests. Located on the third floor is a ballroom and private conference room.
- d. WO is located at 1733 Kirby Road, McLean, VA 22101, County of Fairfax. It is a five-story brick and masonry apartment building. The Willow Oak is an independent senior living with 75 apartments and common spaces for social gathering. It is connected to the Hall by a covered walkway.
- e. TS is located at 1728 Kirby Road, McLean, VA 22101, County of Fairfax. It is a single-story brick and masonry residence with a basement situated on 2.6 acres of land. It opened on January 14, 2003. It is a licensed Memory Support Assisted Living facility with 36 private suites with full baths. Support services include four secured outside gardens, a dining room, café, solarium, activity rooms, a meditation and sensory room and a beauty and barber shop.

**VII. "THE SERVICES PROVIDED OR PROPOSED TO BE PROVIDED UNDER CONTINUING CARE CONTRACTS, INCLUDING THE EXTENT TO WHICH MEDICAL CARE IS FURNISHED OR IS AVAILABLE PURSUANT TO ANY ARRANGEMENT. THE DISCLOSURE STATEMENT SHALL CLEARLY STATE WHICH SERVICES ARE INCLUDED IN BASIC CONTINUING CARE CONTRACTS AND WHICH SERVICES ARE MADE AVAILABLE BY THE PROVIDER AT AN EXTRA CHARGE"**

A. Current residents of VH and WO have one of five types of service contracts. Examples of these contracts are attached as EXHIBIT B.

1. **Refundable Resident's Contract (modified 2002)** - This contract includes the provision for a 90% refund of the entry fee. The Entry Fee shall be held by the Foundation for the duration of residency at VH.
2. **Non-Refundable Resident's Contract (modified 2002)** - This type of contract was offered until January 1, 2015.
3. **Refundable Resident's Contract (effective September 2014 and revised August 2018)** - This contract includes the provision for a 90% refund of entry fee for VH and WO residents. The Entry Fee shall be held by the Foundation for the duration of residency at VHRC that includes VH, WO, ABP and TS. In the event that the Resident exhausts his/her assets and/or income is inadequate to cover the monthly fees at VHRC, the remaining Entry Fee shall be spent down to cover said expenses.
4. **Declining Balance Refund Contract (effective January 1, 2015, and revised August 2018)** - This contract takes the place of the (modified 2002) Non- Refundable Resident's Contract. The Entry Fee shall be held by the Foundation for the duration of residency at VHRC that includes VH, WO, ABP and TS. In the event that the Resident exhausts his/her assets and/or income is inadequate to cover the monthly fees at VHRC, the remaining Entry Fee shall be spent down to cover said expenses. The Entry Fee of the Declining Balance plan decreases by 2% per month for 50 consecutive months from the Contract origination date.

5. **Affordable Dwelling Rental Agreement (effective April 2015)** – The Fairfax County ADU program was designed to provide affordable housing for the county. New multi-family dwelling projects constructed within the county are required to set aside 15% of the newly constructed units as ADU housing. The County does not differentiate between regular rental housing and senior retirement housing, which adds a burden to many CCRC's and other Independent Living Communities, since the operating model of these communities are quite different than "retail" communities.
  6. **Vinson Hall Rental Agreement (effective July 2021)** – This contract is a month-to-month fee only agreement. It is cancelable at any time with 30 days of notice by either party. A non-refundable community fee of \$10,000 is required prior to occupancy of the apartment.
  7. Upon the death of the Resident or the permanent withdrawal or removal of the Resident from VHRC and upon the release of the Resident's unit, the Resident (or his/her estate as applicable) shall be entitled to a refund of the remaining balance, less any outstanding payments then due to any entity comprising the VHRC.
- B. With construction of WO, Fairfax County required VH to set aside 11 apartments for participation in the Fairfax County Affordable Dwelling Unit program. All applicants must meet the VH entrance criteria.
- C. VH has set aside apartments 104 and 126 for a VHRC sponsored Wounded Warriors transitional program. In addition, units 250 and 313 are set aside as guest rooms for family and friends to use while visiting residents.
- D. The following services are provided by VH under all contracts without additional charge:
1. All utilities.
  2. Transportation service on a scheduled basis by the VHRC courtesy cars or buses.
  3. Maid service on a weekly basis.



4. Janitorial and porter service.
5. 24-hour concierge and security services.
6. Religious services.
7. Hobby shops.
8. Library.
9. Art and photography studio.
10. Small, raised garden plots.
11. Fitness center with exercise pool and spa.
12. Outdoor low impact sports.
13. Health Resource Library.
14. Cyber Café with free internet service.
15. Each resident apartment is fully carpeted, except for bathrooms and kitchens which are tiled. Venetian blinds are provided as window covering. Each kitchen is equipped with cabinets, sink and counter space, garbage disposal, frost free refrigerator with freezer compartment, stove with oven, dishwasher and a microwave. If desired by the resident, hardwood flooring is installed in the living room. All other furniture and furnishings are provided by the resident. Each apartment also has an in-house phone service and an emergency call system connected to front desk security and the nursing office of the Health and Wellness Clinic.
16. Cable television.
17. Local and long-distance phone service.
18. Laundry rooms equipped with washers and dryers.
19. Renovated apartments are equipped with washers and dryers.
20. WI-FI access is available in all common spaces of VH including the front

lobby, the Cybercafé, the auditorium, the lounge and the conference rooms on the Penthouse level. In addition, WI-FI is available throughout WO, CB, ABP and TS.

E. The following services are provided by VH and WO at an extra charge:

1. Food service (breakfast, lunch, and dinner, plus snacks). The dining operations fee is built into the monthly operating fee. Raw food costs are priced on a menu and are ordered and paid for separately by the resident on a per meal basis.
2. Currently, four guest room apartments are available for residents' friends and family members.
3. The Beauty and Barbershop is located in CB.
4. Rehabilitation Center and Services which is located in CB.
5. Resident Care Associate Program (RCA) provides a care associate for residents who require additional, but limited assistance in maintaining their independence.
6. Specialty Apartment Upgrades Selected by Incoming Residents (Hardwood Floors, Lighting, Bath/Shower configuration, etc.).
7. Sara Emergency Alert System Pendant.
8. Voluntary participation in outside events and trips arranged by the Special Events Coordinator and the Activities Director.
9. VH has a Health and Wellness Clinic that is staffed by qualified, licensed nursing staff on a 24-hour per day basis, seven days a week. It is used to assist residents for recuperative type care and for such things as post-surgical or medical recovery following hospitalization. In emergency situations, the Clinic staff provides 24-hour apartment visits. Primary care appointments are available. The Health and Wellness Clinic also provides wellness and preventive medicine procedures such as inoculations, personal hygiene instructions, and consultations with the Medical Director. The Health and Wellness fee is built into the monthly operating fee.

## **VIII."A DESCRIPTION OF ALL FEES REQUIRED OF RESIDENTS, INCLUDING ANY**

**ENTRANCE FEE AND PERIODIC CHARGES. THE DESCRIPTION WILL INCLUDE (i) A DESCRIPTION OF ALL PROPOSED USES OF ANY FUNDS OR PROPERTY REQUIRED TO BE TRANSFERRED TO THE PROVIDER OR ANY OTHER PERSON PRIOR TO THE RESIDENT'S OCCUPANCY OF THE FACILITY AND OF ANY ENTRANCE FEE, (ii) A DESCRIPTION OF PROVISIONS FOR THE ESCROWING AND RETURN OF ANY SUCH FUNDS, ASSETS OR ENTRANCE FEE, THE MANNER AND ANY CONDITIONS OF RETURN AND TO WHOM EARNINGS ON ESCROWED FUNDS ARE PAYABLE AND A DESCRIPTION OF THE MANNER BY WHICH THE PROVIDER MAY ADJUST PERIODIC CHARGES OR OTHER RECURRING FEES AND ANY LIMITATIONS ON SUCH ADJUSTMENTS. IF THE FACILITY IS ALREADY IN OPERATION, OR IF THE PROVIDER OPERATES ONE OR MORE SIMILAR FACILITIES WITHIN THIS COMMONWEALTH, THERE SHALL BE INCLUDED TABLES SHOWING THE FREQUENCY AND AVERAGE DOLLAR AMOUNT OF EACH INCREASE IN PERIODIC RATES AT EACH FACILITY FOR THE PREVIOUS FIVE YEARS OR SUCH SHORTER PERIOD THAT THE FACILITY HAS BEEN OPERATED BY THE PROVIDER."**

**A. ABP:**

1. SERVICE CHARGES for occupancy in ABP are based upon the level of care required and the type of room desired, i.e., private or semi-private, and range from \$249.00 to \$557.00 per day. Rooms with direct patio access are \$2.00 additional per day. Other charges are made on either an item or a per service basis, as described in subparagraph A.2, below. All charges are reviewed on an annual basis and require a 30-day notice before becoming effective. There are no entrance fees or escrowed funds associated with residency. There is a one-time community fee of \$2,500 which is refundable within the first 90 days on a prorated basis. A second person fee of \$100.00 per day is charged for an assisted living apartment.
2. In the event a resident is financially unable to pay the service charges at ABP, the Foundation may pay ALL or PART of the charges based upon a resident's need as determined by a financial disclosure and the availability of funds.
3. ABP imposes ancillary charges for some extraordinary medical supplies, clinical services, and discretionary services made available to the residents. These charges are based upon the use of the items or services and are placed on the residents' bills at the end of the month. Extraordinary medical supplies are those items that the average resident does not consume and are unique to a particular medical condition. These are billed on a per unit used basis. Charges for clinical services are

based upon specific clinical service(s) provided by either nursing staff or by trained therapists. These services are billed based upon a unit charge for a specific modality or for a service provided for a specified period. Discretionary services are those non-clinical services that are provided for resident convenience. These are billed based upon the resident's use of the service(s) provided.

4. Medicare Certification was received in December 2012. The first Medicare patient was not admitted until March 2013. Rehabilitation using Medicare B services are available.

B. VH and WO:

1. A one-time entry fee is required of residents and is collected by the Foundation. The entry fee varies with the type of apartment occupied by the resident at VH and WO and is not increased by reason of double occupancy. A schedule of entry fees by apartment type is included as EXHIBIT C.
2. Entry fees, as paid by the residents, are recognized by the Foundation in accordance with SOP 90-8, issued by the Accounting Standards Division of the American Institute of Certified Public Accountants; all non-refundable advance fees collected are to be amortized over the estimated lives of the residents; the refundable portion of any entry fee is classified as a liability.
3. The Entry Fees for VH increased by 5.0% on January 1, 2022. Entry Fees range in price from \$101,124 declining balance (formerly non-refundable) for an efficiency apartment to \$544,535 90% refundable for a two-bedroom apartment. The entry fee increase is in effect for newly entering residents and will be reviewed annually and adjusted for newly entering residents when economic conditions warrant. The Entry Fee for the WO increased by 5.0% on January 1, 2022. Entry Fees range in price from \$405,168 declining balance for a one bedroom, with den apartment to \$1,172,031 for a three bedroom, 2.5 bathrooms with den apartment.
4. In the event a resident is financially unable to pay the entry fee, the

Foundation may waive all or part of the fee based upon the need as determined by a financial disclosure.

5. A one-time second person entry fee is required. As of January 1, 2022, the fee ranges from \$20,271 for a declining balance contract to \$30,407 for a refundable contract. This is a 3% increase from 2021. The second person entry fee is in effect for newly entering residents and will be reviewed annually and adjusted for newly entering resident when economic conditions warrant.
6. Operating fees are paid to VHRC for residency in VH and WO. Operating fees are reviewed on an -annual basis and currently require 30-day notice before they become effective. On January 1, 2020 and 2021 the monthly operating fee increased by 3%. On January 1, 2022, the monthly operating fee increased by 2.5%. A schedule of operating fees by apartment type is included as EXHIBIT D.
7. In the event a resident is financially unable to pay the monthly operating fee, the Foundation may pay all or part of the operating fee based upon the need as determined by a financial disclosure. This financial assistance is not contractually guaranteed.
8. A monthly Dining Room charge is included in the monthly operating fee. The amount is set per month, per resident and covers the costs of paper supplies, labor and staples. The resident may choose to order from the published weekly menus or daily specials and the resident will be charged for the price of that meal. In 2020 and 2021 the fee was increased by 3% per person. In 2022 the fee was increased by 2.5%. The dining room monthly fee is reviewed annually.
9. A Health and Wellness Center fee is paid by each resident. The health center fee is reviewed and adjusted annually. It is based on the number of residents and the operating expenses of the Health and Wellness Center. The rate increases effective in 2020 and 2021 were 3% per month per person. The rate increases effective in 2022 were 2.5%. The health center charge is included in the operating fee.
10. There are no deposits or entry fees accepted by VHRC and none are permitted to be received by VHRC. All deposits and entry fees are accepted by the Foundation. At the time the application is submitted, applicants make a \$5,000 deposit to the Foundation to be added to the Wait List. The deposit is placed in escrow by the Foundation and

separately identified in the financial statements.

11. At the time of occupancy, the balance of the entry fee deposit is placed into the escrow account. After six months occupancy, a resident's entry fee is released from escrow and combined in the Foundation's General Fund. See EXHIBIT E.
12. Operating fees for the years 2016 through 2022 were set as follows:
  - a. 2016 Increased a total of 2.5% per square foot.
  - b. 2017 Increased a total of 3% per square foot.
  - c. 2018 Increased a total of 3% per square foot.
  - d. 2019 Increased a total of 3% per square foot.
  - e. 2020 Increased a total of 3% per square foot.
  - f. 2021 Increased a total of 3% per square foot.
  - g. 2022 Increased a total of 2.5% per square foot.
13. The dining room charge for the years 2016 through 2022 were set as follows:
  - a. 2016 Increased a total of 2.5% per resident (plus the per meal cost).
  - b. 2017 Increased a total of 3% per resident (plus the per meal cost).
  - c. 2018 Increased a total of 3% per resident (plus the per meal cost).
  - d. 2019 Increased a total of 3% per resident (plus the per meal cost).
  - e. 2020 Increased a total of 3% per resident (plus the per meal cost).
  - f. 2021 Increased a total of 3% per resident (plus the per meal cost).
  - g. 2022 Increased a total of 2.5% per resident (plus the per meal cost).

14. In 2022, a fee of \$755.00 was charged as a second person fee. (This amount represents utility costs, the Health Services Fee and the Dining Room Fee).
15. Residents who draw Social Security benefits must subscribe to and be covered by Medicare - Part A and Part B.

C. TS

1. Service Charges for occupancy in TS are based upon the level of care required and range from \$268 to \$377 per day. This is a change from prior years when TS had one flat rate for all levels of care. In 2022 the increase was 4%. In 2021 the increase was 4%. In 2020 the rate increase was 3%, and in 2019 there was a 3% increase. All charges are reviewed on an annual basis and require a 30-day notice before changes become effective.
2. There is a one-time community fee of \$2,500 payable in advance, along with a \$100.00 Application Fee.
3. Once a resident is admitted there may be an additional charge for medication administration of \$5.00 per day, if the resident requires more than eight medications.

**IX. "ANY PROVISIONS THAT HAVE BEEN MADE OR WILL BE MADE TO PROVIDE RESERVE FUNDING OR SECURITY TO ENABLE THE PROVIDER TO FULLY PERFORM ITS OBLIGATIONS UNDER CONTINUING CARE CONTRACTS, INCLUDING THE ESTABLISHMENT OF ESCROW ACCOUNTS, TRUSTS OR RESERVE FUNDS, TOGETHER WITH THE MANNER IN WHICH SUCH FUNDS WILL BE INVESTED AND THE NAMES AND EXPERIENCE OF PERSONS WHO WILL MAKE THE INVESTMENT DECISIONS. THE DISCLOSURE STATEMENT SHALL CLEARLY STATE WHETHER OR NOT RESERVE FUNDS ARE MAINTAINED."**

- A. The Foundation manages five separately identified funds which provide for the security and financial integrity of the corporation's facilities and their residents. These funds are identified in EXHIBIT F which also indicates the purpose for each fund. Branch, Banking & Trust, located in Falls Church, Virginia, manages the investment of these funds under the guidance provided by the Board of Trustees.

**X. "CERTIFIED FINANCIAL STATEMENTS OF THE PROVIDER, INCLUDING (I) A BALANCE SHEET AS OF THE END OF THE TWO MOST RECENT FISCAL YEARS AND INCOME STATEMENTS OF THE PROVIDER FOR THE TWO MOST RECENT FISCAL YEARS OR SUCH SHORTER PERIOD THAT THE PROVIDER HAS BEEN IN EXISTENCE."**

- A. The December 31, 2022, and 2021 audited combined financial statements of Navy Marine Coast Guard Residence Foundation and Subsidiary is provided as EXHIBIT F.
- B. The December 31, 2021, and 2020 audited combined financial statements of Navy Marine Coast Guard Residence Foundation and Subsidiary is provided as EXHIBIT G.

**XI. "A PRO FORMA INCOME STATEMENT FOR THE CURRENT FISCAL YEAR."**

A. The Foundation

- 1. Projections for 2023 contributions are adjusted from those for 2022 and are estimated at \$300,000 compared to \$261,000. Projections for 2023 earned entry fees approximate those for 2022 and are estimated at \$2,750,000 compared to \$2,400,000. Total budgeted revenue for 2023 is approximately \$8,200,000 compared to a 2022 budget of \$6,300,000.
- 2. Operating expenses for 2023 are budgeted at approximately \$4,900,000, a decrease from the 2022 budget of approximately \$4,100,000. Planned assistance to residents of \$300,000 for 2023 compared with approximately \$300,000 budgeted in 2022.
- 3. Operating income is estimated to be approximately \$3,600,000 in 2023 compared to \$2,200,000 in 2022.

B. VHRC

- 1. Operating revenue in 2023 is budgeted at approximately \$30,700,000 compared to 2022 budget of \$27,900,000.
- 2. Operating expenses for 2023 are budgeted at approximately \$26,100,000 compared to budgeted expenses of approximately \$23,600,000 in 2022.



3. Operating income is estimated at approximately \$4,600,000 in 2023 compared to a budget of \$4,300,000 in 2022.

**XII. "IF OPERATION OF THE FACILITY HAS NOT YET COMMENCED, A STATEMENT OF THE ANTICIPATED SOURCE AND APPLICATION OF THE FUNDS USED OR TO BE USED IN THE PURCHASE OR CONSTRUCTION OF THE FACILITY."**

- A. Not applicable. The Facilities are owned and operated by the VHRC. They are in existence and fully operational.

**XIII. "A DESCRIPTION OF THE PROVIDER'S CRITERIA FOR ADMISSION OF NEW RESIDENTS."**

A. ABP

1. ABP does not have a restricted entry policy, but gives priority to residents of VH, WO and TS. Admissions will be evaluated on the basis of the applicant's clinical, social and activity levels considered in the context of ABP's program of services provided. The propriety and efficacy of admissions are periodically re-evaluated. Residents may be transferred to other facilities which can more appropriately meet their needs should the circumstances which pertained upon their admission change in a material fashion. The Pavilion has the responsibility to process all applications for admission to the Pavilion in accordance with the above stated criteria, being mindful of the Pavilion's ability to offer specific care, the availability of space and other resources, and the opportunities available to the resident.

B. VH and WO

1. VH and WO have a restricted entry policy. The applicant must meet the criteria established by federal and state regulations. The applicant shall have served as a Commissioned Officer in the uniformed services; i.e., U.S. Navy, U.S. Marine Corps, U.S. Coast Guard, U.S. Army, U.S. Air Force, National Oceanic and Atmospheric Administration, and the U.S. Public Health Service, or the applicant is a widow, widower, former spouse, dependent or immediate family member of an individual meeting the criteria, above, or the applicant is a widow, widower, spouse, former spouse, or immediate family member (parent or child) of an individual meeting this criteria.

2. After January 1, 2010, individuals who have served the federal government in a civil service grade of GS 14 (or equivalent) and above with the Department of State, the Department of Defense and Department of Homeland Security, including NASA, DIA, DLA and the CIA, were added to the criteria for admission. In December 2016, retired employees of the Department of Justice and Veterans Administration, along with those who have served in the Foreign Service at the level of Class 1, 2, or 3, were added to the list. These individuals and their widows and widowers are eligible. In October 2020, individuals who served the federal government in a civil service grade of GS 14 (or equivalent) and above from any federal agency were added to the eligibility list. These individuals and their widows and widowers are eligible.
3. The total number of applicants identified in paragraph 2 above, shall not exceed 25% of the VH and WO resident population without approval of the Board of Trustees.
4. The applicant may apply as a special exception and must be reviewed for admission by the Operations Committee or the Board of Trustees. Admissions in this category shall not exceed 5% of the VH and WO resident population without approval of the Board of Trustees.
5. The following definitions apply to the admissions criteria set forth above:
  - a. Commissioned Officer - anyone who has ever held a commission in the uniformed services listed in item (b) above. Commissioned Officer includes the grade of Warrant Officer.
  - b. Former Spouse - anyone previously married to a commissioned member of the uniformed services who is eligible for full or partial retirement benefits under the applicable DOD guidelines.
  - c. Immediate Family Member - parents, children or siblings.
  - d. Special Exception - an individual who has experienced close affiliation with those eligible to live in Vinson Hall, or who has actively supported and/or distinguished himself or herself working for an organization that supports members of the uniformed services. Included in this category are retired or former executive level federal employees (executive level is defined as the grade

equivalent position of a commissioned officer).

6. Each new applicant for residency at VH and WO must submit application forms in compliance with all federal regulations and the laws of the Commonwealth of Virginia. Also, at the time of application, the applicant must make a deposit equivalent to \$2,500 deposit to be added to the wait list. The application is retained by the Hall's administration. The \$2,500 deposit is retained and placed in escrow by the Foundation. The deposit is totally refundable if the applicant withdraws the application prior to residency.
7. There are no minimum or maximum age requirements for prospective residents. As a matter of policy, it is preferred that the applicant be at least 60 years of age upon taking up residence at the Hall; however, no one will be denied entry because of a failure to meet this preference, provided they are otherwise qualified.
8. Financial assistance is provided on a case-by-case basis whenever possible and depends on the availability of Foundation funds for this purpose. As articulated in the vision and mission statements, it is the objective of VHRC, through the assistance of the Foundation, to provide a dignified and secure existence for all of its residents, regardless of their means.
9. There are two apartments subsidized through the Foundation which serve as temporary housing for the wounded, ill or injured military members transitioning from the Armed Services. Apartments can be leased at a discounted rate according to financial ability for 6 to 12 months. Since 2013, 9 wounded warriors and families have utilized these apartments.
10. As required by Fairfax County Affordable Dwelling Unit Program, VH has selected 11 apartments that will be subsidized through the Foundation. This includes the two temporary housing for the wounded military members. These apartments can be leased at a discounted rate according to financial ability and meet the eligibility criteria. The 2020 Apartment mix is provided as EXHIBIT H.

C. TS

1. TS does not have a restricted entry policy, but gives priority to residents of VH, WO and ABP. Admissions will be evaluated on the basis of the applicant's clinical, social and activity levels considered in the context of

TS's program of services provided. The propriety and efficacy of admissions are periodically re-evaluated. Residents may be transferred to other facilities which can more appropriately meet their needs should the circumstances which pertained upon their admission change in a material fashion. TS has the responsibility to process all applications for admission in accordance with the above stated criteria, being mindful of the ability to offer specific care, the availability of space and other resources, and the opportunities available to the resident.

#### **XIV. "A DESCRIPTION OF THE PROVIDER'S POLICIES REGARDING ACCESS TO THE FACILITY AND ITS SERVICES FOR NONRESIDENTS."**

##### **A. ABP**

1. It is the policy of VHRC to limit access to ABP to its residents, their families, and guests. Visiting privileges and restrictions are designed to meet residents' needs and, insofar as possible, protect the rights and privileges of both our residents and employees. Families and friends are encouraged to visit during established visiting hours, unless otherwise prohibited by the resident's attending physician or at the resident's request.
2. Law enforcement personnel must obtain approval from the Administrator, or designee, before visiting with a resident, and may be required to have a nurse present.
3. Members of community organizations and representatives of community legal services, whose purposes include rendering assistance without charge to the residents, may have full and free access during established hours.
4. Individual residents have the absolute right to terminate any visit by any person who is otherwise entitled by policy to have access to the facility.
5. Vending and solicitation is permitted with prior authorization by the Administrator.

##### **B. VH and WO**

1. It is the policy to limit access to VH and WO to the residents, their families and guests. However, the Naval Officers Spouse's Club, the

Marine Corps Officers Spouse's Club, and the Coast Guard Officers Spouse's Club of the Washington, DC area are permitted to conduct their monthly meetings at VH. In fulfillment of its obligations to the community at large, the local civic council is permitted to conduct their monthly business meetings in the auditorium or conference room of VH. Other requests from community-based organizations to utilize the meeting facilities are considered on a case-by-case basis. The principal determinant in the later instance is the scheduled usage of the facilities for resident activities.

2. Residents are authorized to have family and friends stay with them in their apartment for a limited period of time not to exceed 30 consecutive days per guest, per calendar year. VH maintains four guest rooms for use by family members or guests of residents who cannot or do not desire to stay in the resident's apartment. Also, prospective applicants and applicants who are currently on the waiting list who wish to stay at VHRC are permitted use of the guest rooms. Guest room privileges are limited to two consecutive weeks to ensure a fair availability to all residents. All guests are permitted use of the dining room, café and the bistro.

#### C. TS

1. It is the policy to limit access to TS to its residents, their families, and guests. Visiting privileges and restrictions are designed to meet residents' needs and, insofar as possible, protect the rights and privileges of both our residents and employees. Families and friends are encouraged to visit during established visiting hours, unless otherwise prohibited by the resident's attending physician or at the resident's request.
2. Law enforcement personnel must obtain approval from the Administrator, or designee, before visiting with a resident, and may be required to have a nurse present.
3. Members of community organizations and representatives of community legal services, whose purposes include rendering assistance without charge to the residents, may have full and free access during established hours.
4. Individual residents have the absolute right to terminate any visit by any

person who is otherwise entitled by policy to have access to the facility.

5. Vending and solicitation is permitted with prior authorization by the Administrator.

**XV. "ANY OTHER MATERIAL INFORMATION CONCERNING THE FACILITY OR THE PROVIDER THAT MAY BE REQUIRED BY THE COMMISSION OR INCLUDED BY THE PROVIDER."**

- A. The Foundation's 2022 budget is attached as EXHIBIT I, and the VHRC's 2022 budget, which includes VH, WO, CB, ABP and TS, is attached as EXHIBIT J. These exhibits include comparisons between the 2022 budget and the 2021 budget.
- B. Newly requested information of the Summary of Financial Information by Facility is attached as EXHIBIT H.

**XVI. "THE PROCEDURE BY WHICH A RESIDENT MAY FILE A COMPLAINT OR DISCLOSE ANY CONCERN."**

- A. ABP and CB
  1. Definition. A grievance is a complaint that any resident may have concerning the quality of the care given and services provided.
  2. Objectives. The objectives of the grievance procedures are to:
    - a. Ensure uniform understanding and impartial application of grievance policies and procedures.
    - b. Identify authority and responsibility for administration of our grievance policies and procedures.
    - c. Provide a reference for established policies and procedures to assure that our goal of resolving complaints and grievances can be achieved without interruption of services.
    - d. Standardize the handling of grievance procedures.
    - e. All residents are encouraged and assisted to exercise their rights as residents and citizens and may voice grievances and recommend

changes in policies and services to facility staff and/or to outside representatives of their choice, free from restraint, interference, coercion, discrimination, or reprisal.

3. Procedure. ABP and CB maintain and support a Residents and Family Council consisting of all interested residents and their family members.
  - a. This council meets with the ABP and CB leadership staff on a monthly basis to discuss facility policies and issues that affect them. The association's views are solicited and considered before final action is taken. Minutes of each meeting are recorded and made available to each member of the council and a copy is filed in the administrative office. Subsequent meetings will address progress made on each suggestion or recommendation and/or the reason(s) for rejection if changes cannot be implemented.
  - b. Any grievance a resident may have should be submitted verbally to the Director of Nursing.
  - c. The Director of Social Services is appointed to work with the Residents and Family Council to obtain services to assist in voting, marriage, divorce, disposing of property, choosing to practice or not to practice religion, etc., and to receive grievances and recommendations by residents or any group or individual designated by the resident as his/her representative. If the Director of Social Services is approached, he/she will respond in writing as soon as possible, but no later than five working days.
  - d. If not satisfied with the response of the Director of Social Services, the resident shall inform the Administrator in writing of the grievance. The Administrator shall respond in writing as soon as possible, but no later than five working days.
  - e. Should the problem still be unresolved, the resident shall contact in writing the Chief Operating Officer for VHRC. The Chief Operating Officer shall respond with a final recommendation for the resolution of the situation within twenty working days.
  - f. In the event the resident is still not satisfied with the handling of his/her grievance, depending upon the level of care being received by the resident, he/she may contact one or more of the following:

- The Chief Executive Officer, Vinson Hall Retirement Community (703) 536-4344.
- The Virginia Long Term Care Ombudsman (800) 552-3402 or (800) 552-3962.
- The Virginia Department of Health Complaint Coordinator (800) 955- 1819.
- The Regional Licensing Administrator (703) 359-6714.

#### B. VH and WO

1. Definitions. A grievance is a complaint that any resident may have concerning the quality of the care provided, or the quality or adequacy of services provided to residents.
2. Rights of Residents
  - a. Every resident has the right to voice grievances and recommend changes in policies and services affecting the life of residents. Grievances may be made known to management either directly or through the Residents Association, or to outside representatives chosen by the resident; such actions shall be free from restraint, interference, coercion, discrimination or reprisal.
  - b. The management of VH and WO desire and intend to make themselves personally available to any resident or residents wishing to speak with them on any subject.
  - c. When grievances are expressed to management in writing, it is preferable that it be done in accordance with the normal procedures outlined below. The management of VH and WO consists of:
    - Administrator, Vinson Hall and Willow Oak, (703) 538-3063.
    - Chief Operating Officer, Vinson Hall Retirement Community, (703) 538-2980.
3. Objectives. The objectives of the grievance procedures are to:



- a. Ensure uniform understanding and impartial application of grievance policies and procedures.
- b. Identify authority and responsibility for administration of our grievance policies and procedures.
- c. Provide a reference for established policies and procedures to assure that our goal of resolving complaints and grievances can be achieved without interruption of services.
- d. Standardize the handling of grievance procedures.
- e. All residents are encouraged and assisted to exercise their rights as residents and citizens and may voice grievances and recommend changes in policies and services to facility staff and/or to outside representatives of their choice, free from restraint, interference, coercion, discrimination, or reprisal.
- f. Adherence to the procedures which follow will expedite the handling of most grievances, make them known to all persons involved in their settlement, and ensure that persons affected by any resultant changes are informed. Residents with grievances are requested to follow the normal procedures whenever possible.

#### 4. Normal Grievance Procedure

- a. Residents Association Committees. Any grievance that a resident may have, that is not of a personal nature, should first be presented to one of the three standing committees of the Residents Association where it can be aired within well-established communications channels. It is not intended, however, that the Residents Association be a barrier to the voicing or forwarding of any grievance to the management of VH and WO. Airing of the grievance in committee merely provides an opportunity for the residents in attendance to affirm or comment on the grievance.
- b. Advisory Council. If the response of the particular Association committee is not deemed adequate, the grievance should be presented to the Advisory Council. The Advisory Council is composed of the President of the Residents Association, the Chairpersons of the

Health and Wellness Committee and Dining Room Committee and the Administrator, who serves as the chair of the council.

- c. Administrator. If not satisfied with the response of the Advisory Council, the resident should then inform the Chief Operating Officer of VHRC, in writing. The COO will propose a resolution within ten (10) working days or less.
- d. Any grievance will be fully investigated, carefully considered by management, and resolved in a manner that takes account of the well-being of the entire population of VHRC. Residents who follow the prescribed grievance procedure to its conclusion will always receive a written explanation of the resolution.
- e. Should a resident not be satisfied with the written, corporate resolution, he or she may contact one or more of the following:
  - Chief Executive Officer, Vinson Hall Retirement Community.
  - Complaint Coordinator, Virginia Department of Social Services.
  - Office of the State Long- Term Care Ombudsman 530 East Main St, Suite 428, Richmond, VA 23219.

5. Private Procedure

- a. In very serious situations, those involving personal issues, or if insufficient time is available to permit the normal processing of a grievance, a resident may present it either orally or in writing directly to the Administrator, VH and WO, bypassing the Residents Association committees and the Advisory Council.

C. TS

- 1. Definition. A grievance is a complaint that any resident may have concerning the quality of the care given, and services provided.
- 2. Objectives. The objectives of the grievance procedures are to:
  - a. Ensure uniform understanding and impartial application of grievance policies and procedures.

- b. Identify authority and responsibility for administration of our grievance policies and procedures.
  - c. Provide a reference for established policies and procedures to assure that our goal of resolving complaints and grievances can be achieved without interruption of services.
  - d. Standardize the handling of grievance procedures.
  - e. All residents are encouraged and assisted to exercise their rights as residents and citizens and may voice grievances and recommend changes in policies and services to facility staff and/or to outside representatives of their choice, free from restraint, interference, coercion, discrimination, or reprisal.
  - f. Adherence to the procedures which follow will expedite the handling of most grievances, make them known to all persons involved in their settlement, and ensure that persons affected by any resultant changes are informed. Residents with grievances are requested to follow the normal procedures whenever possible.
3. Procedure. TS maintains and supports a Family Council consisting of family members of the residents living in the facility.
- a. This council represents all the residents and meets with the Clinical Manager on a quarterly basis to discuss facility policies and issues that affect them. The council's views are solicited and considered before final action is taken. Minutes of each meeting are recorded and made available to each member of the council and a copy is filed in the administrative office. Subsequent meetings will address progress made on each suggestion or recommendation and/or the reason(s) for rejection if changes cannot be implemented.
  - b. Any grievance a resident may have should be submitted first to the Clinical Manager. Should the Clinical Manager be unable to resolve the grievance satisfactorily, the resident shall contact the Administrator with a verbal complaint.
  - c. The Director of Social Services is appointed to work with the Family Council to obtain services to assist in voting, marriage, divorce, disposing of property, choosing to practice or not to practice

religion, etc., and to receive grievances and recommendations by residents or any group or individual designated by the resident as his/her representative. If the Director of Social Services is approached, he/she will respond in writing as soon as possible, but no later than five working days.

- d. If not satisfied with the response of the Director of Social Services, the resident shall inform the Administrator in writing of the grievance. The Administrator shall respond in writing as soon as possible, but no later than five working days.
- e. Should the problem still be unresolved, the resident shall contact in writing the Chief Operating Officer, VHRC. The Chief Operating Officer shall respond with a final recommendation for the resolution of the situation within twenty working days.
- f. In the event the resident is still not satisfied with the handling of his/her grievance, depending upon the level of care being received by the resident, he/she may contact one or more of the following:
  - The Chief Executive Officer, Vinson Hall Retirement Community (703) 536-4344.
  - The Virginia Long Term Care Ombudsman (800) 552-3402 or (800) 552-3962.
  - The Virginia Department of Health Complaint Coordinator (800) 955-1819.
  - The Regional Licensing Administrator (703) 359-6714.

## TABLE OF EXHIBITS

<b><u>EXHIBIT</u></b>	<b><u>TOPIC</u></b>
A	Listings of Trustees, Directors, and Officers
B	Copies of Resident Contracts
C	Schedule of Entry Fees by Apartment
D	Schedule of Operating Fees by Apartment
E	NMCGRF Funds Exhibit
F	NMCGRF & VH, LLC Combined Financial Statements, 2022 & 2021
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J	Vinson Hall, LLC (VHRC) Budget, 2023

EXHIBIT A  
**Listings of Trustees, Directors and Officers**

### Chair

VADM W. Mark Skinner, USN (Ret) 513 W  
Broad Street, Apt. 709  
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C: 703-966-0860  
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### Vice Chair

RDML Cindy Dullea, NC, USN (Ret)  
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### Treasurer

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### Secretary

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[jroots1@me.com](mailto:jroots1@me.com); [johnroots@yahoo.com](mailto:johnroots@yahoo.com)

### Resident Representative

CAPT Bud Dougherty, USN (Ret)  
VHRC/6251 Old Dominion Dr.  
McLean, VA 22101  
202.294.1138

### Volunteer Members

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C: 703-577-4773. [jarnoldret@aol.com](mailto:jarnoldret@aol.com)

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[fredretnav@aol.com](mailto:fredretnav@aol.com)

**EXHIBIT B**  
**Copies of Resident Contracts**



Contract Number OC **#1395**  
**VINSON HALL REFUNDABLE RESIDENT'S CONTRACT**

THIS AGREEMENT made this **Date**, among the NAVY MARINE COAST GUARD RESIDENCE FOUNDATION, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereafter called the "Foundation") and VINSON HALL, LLC, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereinafter called the "Corporation"), and **Resident** (hereinafter called the "Resident") (if husband and wife, or two other persons sign this Contract as co-residents, the word "Resident" shall apply to either or both of them as the context requires).

**RECITALS:**

R-1. The Corporation operates VINSON HALL (hereinafter called the "Hall") at 6251 Old Dominion Drive, McLean, Virginia.

R-2. The Resident has submitted an application for residence in the Hall and, subject to the provisions of this Contract; the application has been accepted by the Corporation pursuant to its restricted admissions policies.

NOW THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto mutually agree as follows:

1. ENTRY FEE. The Corporation, in consideration of the payment of an Entry Fee in the amount of **\$\$\$\$\$** and a second person Entry Fee in the amount of **\$\$\$\$\$** by the Resident, will provide the Resident an apartment unit subject to the provisions of this agreement. The Entry Fee(s) shall be held by the Foundation and shall be payable as follows:

Deposit check # dated in the amount of \$  
Deposit check # dated in the amount of \$  
Deposit check # dated in the amount  
of \$

2. APARTMENT UNIT. The Resident has made satisfactory arrangements for the use and occupancy of Apartment **####**, Model Type **Apartment type ()** The apartment unit will be fully carpeted and/or hardwood flooring except for the bathroom(s) and the kitchen. Venetian blinds will be provided as window covers. Kitchens shall be equipped with cabinets, sink and counter space, refrigerator,

stove/oven and garbage disposal unit. The apartment will be equipped with a washer/dryer. The apartment unit shall have a house telephone system and emergency call system. All other furniture and furnishings will be provided by the Resident.

3. OPERATING FEES. The Resident agrees to pay in advance a monthly nonrefundable Operating Fee in the amount of \$\$\$\$. The first monthly payment of such Operating Fees, prorated as necessary, shall be due and payable on **Date**; and each subsequent payment shall be due and payable on the first day of each month thereafter in advance. The Operating Fees are determined on the basis of the Corporation's best estimate of the cost of operating the Hall. The following services or facilities are included in the Operating Fees: (a) dining service

(fixed operating cost); (b) health and wellness center (fixed operating costs) (c) utilities; (d) bus transportation service on a scheduled basis; (e) housekeeping services; (f) a chapel; (g) hobby and craft shops; (h) common area maintenance; (i) library; (j) fitness center; and (k) laundry facilities. The monthly Operating Fee may be changed by the Corporation in its sole discretion after giving thirty (30) days prior written notice to the Resident.

4. SERVICES AND AMENITIES. In addition to the Entry Fee and monthly Operating Fee, additional fees will be assessed for: (a) meal charges (billed in arrears); (b) guest room accommodations; (c) transportation and admission to special events and (d) ancillary health services. Complete details of services and amenities are contained in the Resident Manual provided to each resident at move-in. The Corporation shall be responsible for the updates to the Resident Manual as needed.

5. HEALTHCARE SERVICES. In connection with the range of healthcare services furnished by the Corporation, the parties agree as follows:

(a) The obligations of the Corporation hereunder do not include the furnishing of or payment for any hospitalization, medical, dental or psychiatric care; physician services; physical, speech or occupational therapy; eyeglasses, hearing aids, orthopedic appliances; x-rays, drugs, or other treatment or medical supplies; home health services; hospice services; or skilled nursing care.

(b) The Resident shall take appropriate action to enroll in any governmental health programs for which he or she is eligible, and to execute such forms as are necessary to secure reimbursement of any amounts payable to or on behalf of him/herself as a beneficiary under said programs.

(c) If, in the judgment of the Hall Health & Wellness Center (HWC)

personnel, the Resident requires medical, surgical, or psychiatric treatment or care beyond the capabilities of the HWC, the Resident shall be transferred, at his or her expense, to an appropriate facility for such treatment. The Corporation shall not be obligated to provide long-term nursing care or care which requires close supervision.

(d) The laws of the Commonwealth of Virginia will govern if the separation of a Resident from the Hall becomes appropriate or necessary because of cognitive disability or dysfunction or other care needs. By the execution of this Contract, the Resident designates the Administrator of the Hall as his or her agent to consult with the Resident's Attorney-in-Fact, or with responsible relatives reasonably available, for the petitioning of a court of competent jurisdiction for determination of legal competency and/or for appointment of a committee or guardian pursuant to the then-existing laws of the Commonwealth of Virginia in the event of cognitive disability or dysfunction.

(e) It is also mutually understood that the HWC has no existing facilities for the treatment or care of a Resident who may become afflicted with a cognitive disability or dysfunction. Pending an appropriate court determination of competency, the HWC Physician shall have full authority to make arrangements for the transfer of any Resident so afflicted, at the Resident's expense, to a facility which, in the physician's opinion, is competent to render such treatment or care as the circumstances require.

6. OUTSIDE SERVICES. The Resident hereby authorizes release of medical information on the Resident's condition by any private duty nurses or aides to the Hall's Health & Wellness Center. All private duty nurses and aides shall provide documentation to the Hall that the Resident's needs are being addressed and shall assist with periodic assessment of the Resident's needs. All private duty nurses and aides shall comply with applicable laws, regulations and Hall policies and procedures, including signing in and out each visit.

7. RIGHT TO RESCIND. The Resident shall have the right to rescind this Contract without penalty or forfeiture within seven (7) days after executing the Contract. If, at any time after the execution of this agreement, after the expiration of the aforesaid seven-day period and prior to the time of physically moving into the Hall, the Resident dies or desires to terminate this Contract, ninety percent of the Entry Fee paid, less any costs specifically incurred by the Hall at the request of the Resident as set forth on Attachment A hereto, will be refunded to the Resident or his/her estate without interest.

8. REFUND. The Entry Fee shall be held by the Foundation for the duration of residency at Vinson Hall Retirement Community (VHRC) that includes the Hall, Arleigh Burke Pavilion and The Sylvestery. In the event that the Resident exhausts his/her assets and/or income is inadequate to cover the monthly fees at VHRC, the Entry Fee shall be spent down to cover said expenses. Upon the death of the Resident or the permanent withdrawal or removal of the Resident from VHRC and upon the release of the Resident's unit, the Resident (or his/her estate as applicable) shall be entitled to a refund of ninety percent (90%) of the remaining Entry Fee, less (i) any outstanding payments then due to any entity comprising the VHRC and (ii) the reasonable costs to be incurred, as determined by the Administrator, to modify, to renovate and/or to repair any damage to the VHRC unit resulting from the Resident's occupancy, payable within sixty (60) days of vacancy. Any such refund shall not bear interest.

9. PREREQUISITES. The Resident agrees, as a prerequisite to physically moving into the Hall, to furnish information satisfactory to the Corporation so that it can make a determination that the physical, cognitive or social condition of the Resident would not pose a significant risk to property or to the health or safety of the Resident or others and that the Resident meets the requirements for residency in the Hall. In the event the aforesaid determination is not made or the Resident is unable to meet the financial standards required for residency, then the Foundation may return to the Resident ninety percent (90%) of the Entry Fee previously paid without interest.

10. ADHERENCE TO POLICIES. The Resident agrees to abide by any policies, rules and regulations of the Hall as the same may from time to time be adopted or amended by the Administrator of the Hall or by the Vinson Hall Residents Association. Final authority regarding any such policies, rules and regulations rests with the Corporation's Board of Directors.

11. TERMINATION. The Corporation reserves the right to terminate the residency of the Resident at any time, for good cause, including without limitation the following: (i) the Resident presents a danger to himself, herself or others; (ii) failure by the Resident to pay the monthly charges within thirty (30) days when due; (iii) repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the facility; (iv) persistent refusal by the Resident to comply with reasonable written rules and regulations of the Hall as reflected from time to time in the Resident Handbook; (v) a material misrepresentation made by the Resident in his or her application for residency or, in related materials, 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 care to the Resident under this Contract; or (vi) a material breach by the Resident of the terms and conditions of this Contract. In the case of (ii), (iii), (iv) and (vi)

above, the Corporation shall give the Resident written notice of and an opportunity to cure within a thirty-day period the conduct or circumstance otherwise warranting the termination of the Contract.

12. PROBATIONARY PERIOD. The first six-month period, beginning with the first day the Resident occupies an apartment in the Hall, shall constitute a probationary or trial period during which this Contract may be terminated by the Corporation or by the Resident by prior written notice. If so terminated, the Resident shall vacate the apartment within thirty (30) days after such notice.

If this agreement is terminated during the six-month probationary or trial period, or if it is terminated by the death of the Resident during such period, the Corporation agrees to return to the Resident, or to his or her estate, ninety percent (90%) of the Entry Fee, less (i) the amount of any unpaid fees or monthly charges and (ii) the Corporation's reasonable costs previously incurred or to be incurred in the future, as determined by the Hall's Administrator, to modify, to renovate and/or to repair any damage to the apartment resulting from the Resident's occupancy. Refunds will be paid within sixty (60) days of vacating the apartment. No interest shall be paid or payable on the amount of any such refund made to the Resident or to his or her estate.

13. NO PROPERTY RIGHTS. By the payment of the Entry Fee, the Resident acquires no property right or interest either in the Foundation or the Corporation or the apartment to be occupied in the Hall. The Resident acknowledges that he or she understands that the Corporation has incurred indebtedness to finance the construction and operation of the Hall, and that the Corporation may in the future deem it necessary or desirable to incur additional or other indebtedness in connection with the operation or expansion of the facilities of the Hall; and that such existing indebtedness is and such future indebtedness may be secured by a deed of trust and/or other lien upon the properties or other assets of the Corporation. In consideration for the making of any such existing and future loans to the Corporation - and for the benefit of the Corporation and of the present and future holders of liens upon the properties and assets of the Corporation taken as security for the repayment of those loans - the Resident hereby expressly subordinates and declares inferior all of his or her rights, privileges, and benefits arising from and under this Contract, and from payment of the Entry Fee, to the rights of each holder of a deed of trust or other lien upon the properties or other assets of the Corporation. The Resident further agrees to execute, on request, any instruments which the Corporation or any lender may require as further evidence of the subordination of the rights of the Resident to any such deed of

trust or other lien. The Resident does hereby expressly waive any and all notices of default and notices of foreclosure pursuant to any deed of trust or other lien on the properties or other assets of the Corporation, and hereby constitutes the Corporation as agent to receive and accept service of any such notices on behalf of the Resident.

14. PERSONAL BELONGINGS. Neither the Foundation nor the Corporation shall be responsible for the loss of money, jewels, or other personal property belonging to the Resident, or to any guest of the Resident, due to theft, fire, or any other causes, whether in the Resident's apartment or in any other area of the Hall, except as the result of gross negligence on the part of either the Foundation or the Corporation, or any of their agents acting within the scope of employment, and in the absence of contributory negligence.

15. PERSONAL INJURY. Neither the Foundation nor the Corporation shall be responsible for damages on account of personal injury to the Resident, or any guest of the Resident, unless as a result of gross negligence on the part of the Corporation, or any of its agents acting within the scope of employment, and in the absence of contributory negligence.

16. RIGHT TO ENTER. The Corporation retains the right to enter and conduct inspections of the apartment at any time as deemed necessary, to determine that safety and health standards are maintained by the Resident. Resident agrees to accept housekeeping services in his or her apartment at least one time per month.

17. NOTICE TO VACATE. The Resident shall provide at least thirty (30) days advance notice of any decision to vacate the apartment. The death of the Resident shall constitute such notice to the Foundation and the Corporation. The Resident or their Estate, as applicable, shall be responsible for all fees due hereunder through the date the apartment is vacated. Once the Resident has given a notice to vacate, the Corporation shall have the right to show the apartment during regular business hours and on reasonable notice to the Resident or their estate.

18. SUBLEASING/ASSIGNMENT. Any subleasing of the Resident's apartment is prohibited and, except for an assignment to a living trust of the Resident's right to any refund, the Resident may not assign any rights or obligations under this Agreement.

19. REMAINING RESIDENT. Where two parties have made application and are admitted for residence together, the survivor shall have the right to continued residence in the Hall, upon the death or removal of the other party. Upon the death of

a one of the two persons who are parties to this Contract, the second person entry fee shall be refunded at ninety percent (90%) but there shall be no further refund under this Contract until the death or permanent withdrawal or removal of the surviving party if any.

(a) Any person, not otherwise eligible, who becomes the spouse of a resident, automatically, by virtue of that marriage, becomes eligible for residence on the same basis as all other residents. However, upon the death of the eligible spouse, if the remaining resident remarries an ineligible individual, the couple will not be permitted to reside at the Hall.

(b) A second person entry fee in addition to a second person monthly operating fee shall be charged upon a Resident's remarriage.

20. LATE PAYMENT FEES. Any payments of fees and charges that are due hereunder and not received by the Hall within ten (10) days of when due shall bear a late charge of five percent (5%) of the amount then due. Any delinquent amounts due hereunder for more than thirty (30) days shall bear interest at the rate of one and one half percent (1 ½%) per month until paid in full.

21. UNIT MODIFICATIONS. Any modification to the unit requested by the Resident shall first be approved by the Hall; shall be the financial responsibility of the Resident and legal title to same shall belong to the Hall upon termination of this Contract. The Hall, at its option, may return the unit to its original condition at the Resident's expense upon termination of this Contract.

22. FINANCIAL UPDATES. Resident acknowledges that the Corporation has relied upon Resident's application, including financial and medical statements, in accepting Resident for residency in the Hall. Resident warrants that such information is true and complete and said application is to be considered part of this Contract. Resident agrees that assets and income indicated on the application will be conserved and used for the support of Resident while residing at the Hall, Arleigh Burke Pavilion or The Sylvestery. Resident agrees to periodically provide updated financial information to the Corporation and/or Foundation as requested.

23. FOUNDATION. The parties understand and agree that the Foundation is a party to this Agreement for the sole purpose of agreeing to hold, apply and, if and as expressly provided for hereunder, refund any Entry Fee(s) due hereunder.

24. ACKNOWLEDGEMENTS

(a) You have been informed of the financial arrangement for accommodations, services, and care provided by the Corporation and of the services that are not covered by the facility's basic per diem rate, as set forth in Section 3 and Addendum A to this Agreement.

(b) You have been informed of and have reviewed the requirements regarding resident conduct and other restrictions or special conditions as stated in this Agreement and in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(c) You have been informed of the Corporation's policy regarding the amount of notice required when you wish to move from the facility.

(d) You have been informed of the Corporation's policy regarding weapons on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(e) You have been informed of the Corporation's policy regarding pets on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(f) You have been informed of those actions, circumstances, or conditions that would result or might result in your discharge from the facility, as stated in Section 11 of this Agreement.

(g) You have reviewed the Rights and Responsibilities of Residents of Assisted Living Facilities (Title 63.2-1808 of the Code of Virginia), attached to this Agreement as Addendum C as well as in the Resident Handbook, Addendum B.

(h) The Corporation's policies and procedures for implementing Title 63.2-1808 of the Code of Virginia, including the grievance policy and transfer/discharge policy, have been explained to you.

(i) You have been informed and understand that you may refuse release of information regarding your personal affairs and records to any individual outside the facility, except as otherwise provided in law and except in case of his transfer to another caregiving facility.

(j) You have been informed of the Corporation's policy on bed holds as set forth in Section 6 of this Agreement.

(k) You have been provided educational materials on advanced directives,



have designated whether or not you have an advanced directive and have provided us with the necessary paperwork.

(l) You have been informed of the Corporation's format for the Resident Council Meetings as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(m) You have been informed of the policy or guidelines regarding visiting in the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(n) You have been informed of the rules and restrictions regarding smoking on the premises of the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(o) You have been informed of the Corporation's policy regarding administration of medications, supplements and Pharmacy as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(p) You have been provided a written notice regarding the Corporation's liability insurance.

(q) You have been provided a copy of the Corporation's Disclosure Statement and received confirmation that the Corporation has the appropriate license to meet care needs at the time of admission.

(r) You have been informed that you should exercise whatever due diligence you deem necessary with respect to information on any registered sex offenders. Upon request, the Corporation will assist you or your legal representative in accessing the information on registered sex offenders; and provide you or your legal representative with printed copies of the information on registered sex offenders.

25. MISCELLANEOUS. This Contract constitutes the entire agreement among the parties. In the event any provision of this Contract or portion thereof is found to be wholly or partially invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable or shall be deemed excised from this Contract, as the case may require. In the event the Corporation and/or the Corporation pursue any legal remedies against the Resident to enforce any provision of this Contract and is/are prevailing party, they

shall be entitled to recover their costs plus reasonable attorney fees. Any modification to this Contract must be in writing and must be signed by all parties. The headings inserted in this Contract have been inserted for convenience of reference only and shall not be used to construe or interpret this Contract. This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia without regard to conflict of laws principles. The Corporation has encouraged the Resident to review the terms of this Contract with his or her attorney and financial advisor.

IN WITNESS WHEREOF, this Agreement is hereby executed the day and year first above written.

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

VINSON HALL, LLC

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Haider Mahmood  
Administrator

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Chip Warner  
Chief Executive Officer

NAVY MARINE COAST GUARD RESIDENCE FOUNDATION

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Executive Director Chip Warner

ATTACHMENT A

Additional Expenses Incurred at Resident's Request

Contract Number **#1397**  
**VINSON HALL DECLINING BALANCE RESIDENTS'S CONTRACT**

THIS AGREEMENT made this **August 5, 2019** among the NAVY MARINE COAST GUARD RESIDENCE FOUNDATION, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereafter called the "Foundation") and VINSON HALL, LLC, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereinafter called the "Corporation"), and **Resident** (hereinafter called the "Resident") (if husband and wife, or two other persons sign this Contract as co-residents, the word "Resident" shall apply to either or both of them as the context requires).

**RECITALS:**

R-1. The Corporation operates VINSON HALL (hereinafter called the "Hall") at 6251 Old Dominion Drive, McLean, Virginia.

R-2. The Resident has submitted an application for residence in the Hall and, subject to the provisions of this Contract; the application has been accepted by the Corporation pursuant to its restricted admissions policies.

NOW THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto mutually agree as follows:

1. ENTRY FEE. The Corporation, in consideration of the payment of an Entry Fee in the amount of **\$\$\$\$** and a second person Entry Fee in the amount of **N/A** by the Resident, will provide the Resident an apartment unit subject to the provisions of this agreement. The Entry Fee(s) shall be held by the Foundation and shall be payable as follows:

(a)

2. APARTMENT UNIT. The Resident has made satisfactory arrangements for the use and occupancy of Apartment **###**, Model Type **XX**. The apartment unit will be fully carpeted and/or hardwood flooring except for the bathroom(s) and the kitchen. Venetian blinds will be provided as window covers. Kitchens shall be equipped with cabinets, sink and counter space, refrigerator, stove/oven and garbage disposal unit. Apartment will be equipped with washer/dryer. The apartment unit shall have a house telephone system and emergency call system. All other furniture and furnishings will be

provided by the Resident.

3. OPERATING FEES. The Resident agrees to pay in advance a monthly nonrefundable Operating Fee in the amount of **\$\$\$**. The first monthly payment of such Operating Fees, prorated as necessary, shall be due and payable on **DATE**; and each subsequent payment shall be due and payable on the first day of each month thereafter in advance. The Operating Fees are determined on the basis of the Corporation's best estimate of the cost of operating the Hall. The following services or facilities are included in the Operating Fees: (a) dining service (fixed operating cost); (b) health and wellness center (fixed operating costs) (c) utilities; (d) bus

transportation service on a scheduled basis; (e) housekeeping services; (f) a chapel; (g) hobby and craft shops; (h) common area maintenance; (i) library; (j) fitness center; and (k) laundry facilities. The monthly Operating Fee may be changed by the Corporation in its sole discretion after giving thirty (30) days prior written notice to the Resident.

4. SERVICES AND AMENITIES. In addition to the Entry Fee and monthly Operating Fee, additional fees will be assessed for: (a) meal charges (billed in arrears); (b) guest room accommodations; (c) transportation and admission to special events and (d) ancillary health services. Complete details of services and amenities are contained in the Resident Manual provided to each resident at move-in. The Corporation shall be responsible for the updates to the Resident Manual as needed.

5. HEALTHCARE SERVICES. In connection with the range of healthcare services furnished by the Corporation, the parties agree as follows:

(a) The obligations of the Corporation hereunder do not include the furnishing of or payment for any hospitalization, medical, dental or psychiatric care; physician services; physical, speech or occupational therapy; eyeglasses, hearing aids, orthopedic appliances; x-rays, drugs, or other treatment or medical supplies; home health services; hospice services; or skilled nursing care.

(b) The Resident shall take appropriate action to enroll in any governmental health programs for which he or she is eligible, and to execute such forms as are necessary to secure reimbursement of any amounts payable to or on behalf of him/herself as a beneficiary under said programs.

(c) If, in the judgment of the Hall Health & Wellness Center (HWC) personnel, the Resident requires medical, surgical, or psychiatric treatment or care beyond the capabilities of the HWC, the Resident shall be transferred, at his or her expense, to an appropriate facility for such treatment. The Corporation

shall not be obligated to provide long-term nursing care or care which requires close supervision.

(d) The laws of the Commonwealth of Virginia will govern if the separation of a Resident from the Hall becomes appropriate or necessary because of cognitive disability or dysfunction or other care needs. By the execution of this Contract, the Resident designates the Administrator of the Hall as his or her agent to consult with the Resident's Attorney-in-Fact, or with responsible relatives reasonably available, for the petitioning of a court of competent jurisdiction for determination of legal competency and/or for appointment of a committee or guardian pursuant to the then-existing laws of the Commonwealth of Virginia in the event of cognitive disability or dysfunction.

(e) It is also mutually understood that the HWC has no existing facilities for the treatment or care of a Resident who may become afflicted with a cognitive disability or dysfunction. Pending an appropriate court determination of competency, the HWC Physician shall have full authority to make arrangements for the transfer of any Resident so afflicted, at the Resident's expense, to a facility which, in the physician's opinion, is competent to render such treatment or care as the circumstances require.

6. OUTSIDE SERVICES. The Resident hereby authorizes release of medical information on the Resident's condition by any private duty nurses or aides to the Hall's Health & Wellness Center. All private duty nurses and aides shall provide documentation to the Hall that the Resident's needs are being addressed and shall assist with periodic assessment of the Resident's needs. All private duty nurses and aides shall comply with applicable laws, regulations and Hall policies and procedures including signing in and out each visit.

7. RIGHT TO RESCIND. The Resident shall have the right to rescind this Contract without penalty or forfeiture within seven (7) days after executing the Contract. If, at any time after the execution of this agreement, after the expiration of the aforesaid seven-day period and prior to the time of physically moving into the Hall, the Resident dies or desires to terminate this Contract, ninety percent of the Entry Fee paid, less any costs specifically incurred by the Hall at the request of the Resident as set forth on Attachment A hereto, will be refunded to the Resident or his/her estate without interest.

8. DECLINING BALANCE REFUND. The Entry Fee shall be held by the Foundation for the duration of residency at Vinson Hall Retirement Community ((VHRC)

that includes the Hall, Expansion, Arleigh Burke Pavilion and The Sylvestery. In the event that the Resident exhausts his/her assets and/or income is inadequate to cover the monthly fees at VHRC, the remaining Entry Fee shall be spent down to cover said expenses. The Entry Fee of the Declining Balance plan decreases by 2% per month for 50 consecutive months from the Contract origination date. Upon the death of the Resident or the permanent withdrawal or removal of the Resident from VHRC and upon the release of the Resident's unit, the Resident (or his/her estate as applicable) shall be entitled to a refund of the remaining balance, less (i) any outstanding payments then due to any entity comprising the VHRC and (ii) the reasonable costs to be incurred, as determined by the Administrator, to modify, to renovate and/or to repair any damage to the VHRC unit resulting from the Resident's occupancy payable within sixty (60) days of vacancy. Any such refund shall not bear interest.

9. PREREQUISITES. The Resident agrees, as a prerequisite to physically moving into the Hall, to furnish information satisfactory to the Corporation so that it can make a determination that the physical, cognitive or social condition of the Resident would not pose a significant risk to property or to the health or safety of the Resident or others and that the Resident meets the requirements for residency in the Hall. In the event the aforesaid determination is not made or the Resident is unable to meet the financial standards required for residency, then the Foundation may return to the Resident ninety percent (90%) of the Entry Fee previously paid without interest.

10. ADHERENCE TO POLICIES. The Resident agrees to abide by any policies, rules and regulations of the Hall as the same may from time to time be adopted or amended by the Administrator of the Hall or by the Vinson Hall Residents Association. Final authority regarding any such policies, rules and regulations rests with the Corporation's Board of Directors.

11. TERMINATION. The Corporation reserves the right to terminate the residency of the Resident at any time, for good cause, including without limitation the following: (i) the Resident presents a danger to himself, herself or others; (ii) failure by the Resident to pay the monthly charges within thirty (30) days when due; (iii) repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the facility; (iv) persistent refusal by the Resident to comply with reasonable written rules and regulations of the Hall as reflected from time to time in the Resident Handbook; (v) a material misrepresentation made by the Resident in his or her application for residency or, in related materials, 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 care to the Resident under this Contract; or (vi) a material breach by the Resident of the terms and conditions of this Contract. In the case of (ii), (iii), (iv) and (vi) above, the Corporation shall give the Resident written notice of and an opportunity to

cure within a thirty-day period the conduct or circumstance otherwise warranting the termination of the Contract.

12. NO PROPERTY RIGHTS. By the payment of the Entry Fee, the Resident acquires no property right or interest either in the Foundation or the Corporation or the apartment to be occupied in the Hall. The Resident acknowledges that he or she understands that the Corporation has incurred indebtedness to finance the construction and operation of the Hall, and that the Corporation may in the future deem it necessary or desirable to incur additional or other indebtedness in connection with the operation or expansion of the facilities of the Hall; and that such existing indebtedness is and such future indebtedness may be secured by a deed of trust and/or other lien upon the properties or other assets of the Corporation. In consideration for the making of any such existing and future loans to the Corporation - and for the benefit of the Corporation and of the present and future holders of liens upon the properties and assets of the Corporation taken as security for the repayment of those loans - the Resident hereby expressly subordinates and declares inferior all of his or her rights, privileges, and benefits arising from and under this Contract, and from payment of the Entry Fee, to the rights of each holder of a deed of trust or other lien upon the properties or other assets of the Corporation. The Resident further agrees to execute, on request, any instruments which the Corporation or any lender may require as further evidence of the subordination of the rights of the Resident to any such deed of trust or other lien. The Resident does hereby expressly waive any and all notices of default and notices of foreclosure pursuant to any deed of trust or other lien on the properties or other assets of the Corporation, and hereby constitutes the Corporation as agent to receive and accept service of any such notices on behalf of the Resident.

13. PERSONAL BELONGINGS. Neither the Foundation nor the Corporation shall be responsible for the loss of money, jewels, or other personal property belonging to the Resident, or to any guest of the Resident, due to theft, fire, or any other causes, whether in the Resident's apartment or in any other area of the Hall, except as the result of gross negligence on the part of either the Foundation or the Corporation, or any of their agents acting within the scope of employment, and in the absence of contributory negligence.

14. PERSONAL INJURY. Neither the Foundation nor the Corporation shall be responsible for damages on account of personal injury to the Resident, or any guest of the



Resident, unless as a result of gross negligence on the part of the Corporation, or any of its agents acting within the scope of employment, and in the absence of contributory negligence.

15. RIGHT TO ENTER. The Corporation retains the right to enter and conduct inspections of the apartment at any time as deemed necessary, to determine that safety and health standards are maintained by the Resident. Resident agrees to accept housekeeping services in his or her apartment at least one time per month.

16. NOTICE TO VACATE. The Resident shall provide at least thirty (30) days advance notice of any decision to vacate the apartment. The death of the Resident shall constitute such notice to the Foundation and the Corporation. The Resident or their Estate, as applicable, shall be responsible for all fees due hereunder through the date the apartment is vacated. Once the Resident has given a notice to vacate, the Corporation shall have the right to show the apartment during regular business hours and on reasonable notice to the Resident or their estate.

17. SUBLEASING/ASSIGNMENT. Any subleasing of the Resident's apartment is prohibited and, except for an assignment to a living trust of the Resident's right to any refund, the Resident may not assign any rights or obligations under this Agreement.

18. REMAINING RESIDENT. Where two parties have made application and are admitted for residence together, the survivor shall have the right to continued residence in the Hall, upon the death or removal of the other party. Upon the death of a one of the two persons who are parties to this Contract, the second person entry fee shall be refunded the remaining balance, but there shall be no further refund under this Contract until the death or permanent withdrawal or removal of the surviving party if any.

(a) Any person, not otherwise eligible, who becomes the spouse of a resident, automatically, by virtue of that marriage, becomes eligible for residence on the same basis as all other residents. However, upon the death of the eligible spouse, if the remaining resident remarries an ineligible individual, the couple will not be permitted to reside at the Hall.

(b) A second person entry fee in addition to a second person monthly operating fee shall be charged upon a Resident's remarriage.

19. LATE PAYMENT FEES. Any payments of fees and charges that are due

hereunder and not received by the Hall within ten (10) days of when due shall bear a late charge of five percent (5%) of the amount then due. Any delinquent amounts due hereunder for more than thirty (30) days shall bear interest at the rate of one and one half percent (1 ½%) per month until paid in full.

20. UNIT MODIFICATIONS. Any modification to the unit requested by the Resident shall first be approved by the Hall; shall be the financial responsibility of the Resident and legal title to same shall belong to the Hall upon termination of this Contract. The Hall, at its

option, may return the unit to its original condition at the Resident's expense upon termination of this Contract.

21. FINANCIAL UPDATES. Resident acknowledges that the Corporation has relied upon Resident's application, including financial and medical statements, in accepting Resident for residency in the Hall. Resident warrants that such information is true and complete and said application is to be considered part of this Contract. Resident agrees that assets and income indicated on the application will be conserved and used for the support of Resident while residing at the Hall, Arleigh Burke Pavilion or The Sylvestery. Resident agrees to periodically provide updated financial information to the Corporation and/or Foundation as requested.

22. FOUNDATION. The parties understand and agree that the Foundation is a party to this Agreement for the sole purpose of agreeing to hold, apply and, if and as expressly provided for hereunder, refund any Entry Fee(s) due hereunder.

23. ACKNOWLEDGEMENTS

(a) You have been informed of the financial arrangement for accommodations, services, and care provided by the Corporation and of the services that are not covered by the facility's basic per diem rate, as set forth in Section 3 and Addendum A to this Agreement.

(b) You have been informed of and have reviewed the requirements regarding resident conduct and other restrictions or special conditions as stated in this Agreement and in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(c) You have been informed of the Corporation's policy regarding the amount of notice required when you wish to move from the facility.

(d) You have been informed of the Corporation's policy regarding weapons on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(e) You have been informed of the Corporation's policy regarding pets on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(f) You have been informed of those actions, circumstances, or conditions that would result or might result in your discharge from the facility, as stated in Section 11 of this Agreement.

(g) You have reviewed the Rights and Responsibilities of Residents of Assisted Living Facilities (Title 63.2-1808 of the Code of Virginia), attached to this Agreement in the Resident Handbook, Addendum B.

(h) The Corporation's policies and procedures for implementing Title 63.2-1808 of the Code of Virginia, including the grievance policy and transfer/discharge policy, have been explained to you.

(i) You have been informed and understand that you may refuse release of information regarding your personal affairs and records to any individual outside the facility, except as otherwise provided in law and except in case of his transfer to another caregiving facility.

(j) You have been informed of the Corporation's policy on bed holds as set forth in this Agreement, noted in the Resident Handbook: House Policies and Information.

(k) You have been provided educational materials on advanced directives, have designated whether or not you have an advanced directive and have provided us with the necessary paperwork.

(l) You have been informed of the Corporation's format for the Resident Council Meetings as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(m) You have been informed of the policy or guidelines regarding visiting in the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(n) You have been informed of the rules and restrictions regarding smoking

on the premises of the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(o) You have been informed of the Corporation's policy regarding administration of medications, supplements and Pharmacy as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(p) You have been provided a written notice regarding the Corporation's liability insurance.

(q) You have been provided a copy of the Corporation's Disclosure Statement and received confirmation that the Corporation has the appropriate license to meet care needs at the time of admission.

(r) You have been informed that you should exercise whatever due diligence you deem necessary with respect to information on any registered sex offenders. Upon request, the Corporation will assist you or your legal representative in accessing the information on registered sex offenders; and provide you or your legal representative with printed copies of the information on registered sex offenders.

24. MISCELLANEOUS. This Contract constitutes the entire agreement among the parties. In the event any provision of this Contract or portion thereof is found to be wholly or partially invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable or shall be deemed excised from this Contract, as the case may require. In the event the Corporation and/or the Corporation pursue any legal remedies against the Resident to enforce any provision of this Contract and is/are prevailing party, they shall be entitled to recover their costs plus reasonable attorney fees. Any modification to this Contract must be in writing and must be signed by all parties. The headings inserted in this Contract have been inserted for convenience of reference only and shall not be used to construe or interpret this Contract. This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia without regard to conflict of laws principles. The Corporation has encouraged the Resident to review the terms of this Contract with his or her attorney and financial advisor.

IN WITNESS WHEREOF, this Agreement is hereby executed the day and year first above written.

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

VINSON HALL, LLC

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Haider Mahmood  
Administrator

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Chip Warner  
Chief Executive Officer

NAVY MARINE COAST GUARD RESIDENCE FOUNDATION

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Executive Director Chip Warner

ATTACHMENT A

Additional Expenses Incurred at Resident's Request

Contract Number RFC066

## WILLOW OAK REFUNDABLE RESIDENT'S CONTRACT

THIS AGREEMENT made this **Date<sup>th</sup>** day of **Month Year**, among the NAVY MARINE COAST GUARD RESIDENCE FOUNDATION, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereafter called the "Foundation") and VINSON HALL, LLC, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereinafter called the "Corporation"), and **Name** (hereinafter called the "Resident") (if husband and wife, or two other persons sign this Contract as co-residents, the word "Resident" shall apply to either or both of them as the context requires).

### RECITALS:

R-1. The Corporation operates WILLOW OAK BUILDING (hereinafter called the "WO") at 1733 Kirby Road, Mclean, Virginia.

R-2. The Resident has submitted an application for residence in the WO and, subject to the provisions of this Contract; the application has been accepted by the Corporation pursuant to its restricted admissions policies.

NOW THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto mutually agree as follows:

1. ENTRY FEE. The Corporation, in consideration of the payment of an Entry Fee in the amount of **\$Entry Fee** and a second person Entry Fee in the amount of **n/a** by the Resident, will provide the Resident an apartment unit subject to the provisions of this agreement. The Entry Fee(s) shall be held by the Foundation and shall be payable as follows:

**Deposit Check #XXXX dated, Month X, XXXX in the amount of \$X,XXX**

2. APARTMENT UNIT. The Resident has made satisfactory arrangements for the use and occupancy of Apartment # **APT**, Model Type: **APT TYPE**. The apartment unit will have carpet and/or hardwood flooring except for the bathroom(s) and the kitchen. Blinds will be provided as window covers. Kitchens shall be equipped with cabinets, sink and counter space, refrigerator, dishwasher, microwave, stove/oven and garbage disposal unit. Laundry room will be equipped with washer/dryer. The apartment unit shall have a house telephone and cable system and an emergency call system. All other furniture and furnishings will be provided by the Resident.

3. OPERATING FEES. The Resident agrees to pay in advance a monthly nonrefundable Operating Fee in the amount of **\$MONTHLY FEE**. The first monthly payment of such Operating Fees, prorated as necessary, shall be due and payable on **CONTRACT SIGNING DATE**; and each subsequent payment shall be due and payable on the first day of each month thereafter in advance. The Operating Fees are determined on the basis of the Corporation's best estimate of the cost of operating the WO. The following services or facilities are included in the Operating Fees: (a) dining service (fixed operating cost); (b) health and wellness center (fixed operating costs) (c) utilities; (d) bus transportation service on a scheduled basis; (e) housekeeping services; (f) a chapel; (g) hobby and craft shops; (h) common area maintenance; (i) library; (j) fitness center; and (k) auditorium. The monthly Operating Fee may be changed by the Corporation in its sole discretion after giving thirty (30) days prior written notice to the Resident.

4. SERVICES AND AMENITIES. In addition to the Entry Fee and monthly Operating Fee, additional fees will be assessed for: (a) meal charges (billed in arrears); (b) guest room accommodations; (c) transportation and admission to special events and (d) ancillary health services. Complete details of services and amenities are contained in the Resident Manual provided to each resident at move-in. The Corporation shall be responsible for updates to the Resident Manual as needed.

5. HEALTHCARE SERVICES. In connection with the range of healthcare services furnished by the Corporation, the parties agree as follows:

(a) The obligations of the Corporation hereunder do not include the furnishing of or payment for any hospitalization, medical, dental or psychiatric care; physician services; physical, speech or occupational therapy; eyeglasses, hearing aids, orthopedic appliances; x-rays, drugs, or other treatment or medical supplies; home health services; hospice services; or skilled nursing care.

(b) The Resident shall take appropriate action to enroll in any governmental health programs for which he or she is eligible, and to execute such forms as are necessary to secure reimbursement of any amounts payable to or on behalf of him/herself as a beneficiary under said programs.

(c) When a Resident accesses the Health & Wellness Center (HWC), if, in the judgment of the HWC personnel, the Resident requires medical, surgical, or psychiatric treatment or care beyond the capabilities of the HWC, the Resident shall be transferred, at his or her expense, to an appropriate facility for such treatment. The Corporation shall not be obligated to provide long-term nursing care or care which requires close supervision.



(d) The laws of the Commonwealth of Virginia will govern if the separation of a Resident from the WO becomes appropriate or necessary because of cognitive disability or dysfunction or other care needs. By the execution of this Contract, the Resident designates the Administrator of the WO as his or her agent to consult with the Resident's Attorney-in-Fact, or with responsible relatives reasonably available, for the petitioning of a court of competent jurisdiction for determination of legal competency and/or for appointment of a committee or guardian pursuant to the then-existing laws of the Commonwealth of Virginia in the event of cognitive disability or dysfunction.

(e) It is also mutually understood that the HWC has no existing facilities for the treatment or care of a Resident who may become afflicted with a cognitive disability or dysfunction. Pending an appropriate court determination of competency, the HWC Physician shall have full authority to make arrangements for the transfer of any Resident so afflicted, at the Resident's expense, to a facility which, in the physician's opinion, is competent to render such treatment or care as the circumstances require.

6. OUTSIDE SERVICES. The Resident hereby authorizes release of medical information on the Resident's condition by any private duty nurses or aides to the Hall's Health & Wellness Center. All private duty nurses and aides shall provide documentation to the Hall that the Resident's needs are being addressed and shall assist with periodic assessment of the Resident's needs. All private duty nurses and aides shall comply with applicable laws, regulations and Hall policies and procedures including signing in and out each visit.

7. RIGHT TO RESCIND. The Resident shall have the right to rescind this Contract without penalty or forfeiture within seven (7) days after executing the Contract. If, at any time after the execution of this agreement, after the expiration of the aforesaid seven-day period and prior to the time of physically moving into the WO, the Resident dies or desires to terminate this Contract, ninety percent of the Entry Fee paid, less any costs specifically incurred by the WO at the request of the Resident as set forth on Attachment A hereto, will be refunded to the Resident or his/her estate without interest.

8. REFUND. The Entry Fee shall be held by the Foundation for the duration of residency at Vinson Retirement Community (VHRC) that includes the Hall, WO, Arleigh Burke Pavilion and The Sylvestery. In the event that the Resident exhausts his/her assets and/or income is inadequate to cover the monthly fees at VHRC, the Entry Fee shall be spent down to cover said expenses. Upon the death of the Resident or the permanent

withdrawal or removal of the Resident from VHRC and upon the release of the Resident's unit, the Resident (or his/her estate as applicable) shall be entitled to a refund of ninety percent (90%) of the remaining Entry Fee, less (i) any outstanding payments then due to any entity comprising the VHRC and (ii) the reasonable costs to be incurred, as determined by the Administrator, to modify, to renovate and/or to repair any damage to the VHRC unit resulting from the Resident's occupancy. Upon reissuance and collection of Entry Fees of a new resident contract within the WO in correlation with the notice of termination, any remaining balance will be refunded within 180 days. Any such refund shall not bear interest.

9. PREREQUISITES. The Resident agrees, as a prerequisite to physically moving into the WO, to furnish information satisfactory to the Corporation so that it can make a determination that the physical, cognitive or social condition of the Resident would not pose a significant risk to property or to the health or safety of the Resident or others and that the Resident meets the requirements for residency in the WO. In the event the aforesaid determination is not made or the Resident is unable to meet the financial standards required for residency, then the Foundation may return to the Resident one hundred percent (100%) of the Deposit Reservation Fee previously paid without interest.

10. ADHERENCE TO POLICIES. The Resident agrees to abide by any policies, rules and regulations of the WO as the same may from time to time be adopted or amended by the Administrator of the WO or by the Vinson Independent Living Residents Association. Final authority regarding any such policies, rules and regulations rests with the Corporation's Board of Directors.

11. TERMINATION. The Corporation reserves the right to terminate the residency of the Resident at any time, for good cause, including without limitation the following: (i) the Resident presents a danger to himself, herself or others; (ii) failure by the Resident to pay the monthly charges within ~~sixty (60)~~ thirty (30) days when due; (iii) repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the facility; (iv) persistent refusal by the Resident to comply with reasonable written rules and regulations of the WO as reflected from time to time in the Resident Manual; (v) a material misrepresentation made by the Resident in his or her application for residency or, in related materials, 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 care to the Resident under this Contract; or (vi) a material breach by the Resident of the terms and conditions of this Contract. In the case of (ii), (iii), (iv) and (vi) above, the Corporation shall give the Resident written notice of and an opportunity to cure within a thirty-day period the conduct or circumstance otherwise warranting the

termination of the Contract.

12. NO PROPERTY RIGHTS. By the payment of the Entry Fee, the Resident acquires no property right or interest either in the Foundation or the Corporation or the apartment to be occupied in the WO. The Resident acknowledges that he or she understands that the Corporation has incurred indebtedness to finance the construction and operation of the WO, and that the Corporation may in the future deem it necessary or desirable to incur additional or other indebtedness in connection with the operation or WO of the facilities of the WO; and that such existing indebtedness is and such future indebtedness may be secured by a deed of trust and/or other lien upon the properties or other assets of the Corporation. In consideration for the making of any such existing and future loans to the Corporation - and for the benefit of the Corporation and of the present and future holders of liens upon the properties and assets of the Corporation taken as security for the repayment of those loans - the Resident hereby expressly subordinates and declares inferior all of his or her rights, privileges, and benefits arising from and under this Contract, and from payment of the Entry Fee, to the rights of each holder of a deed of trust or other lien upon the properties or other assets of the Corporation. The Resident further agrees to execute, on request, any instruments which the Corporation or any lender may require as further evidence of the subordination of the rights of the Resident to any such deed of trust or other lien. The Resident does hereby expressly waive any and all notices of default and notices of foreclosure pursuant to any deed of trust or other lien on the properties or other assets of the Corporation, and hereby constitutes the Corporation as agent to receive and accept service of any such notices on behalf of the Resident.

13. PERSONAL BELONGINGS. Neither the Foundation nor the Corporation shall be responsible for the loss of money, jewels, or other personal property belonging to the Resident, or to any guest of the Resident, due to theft, fire, or any other causes, whether in the Resident's apartment or in any other area of the WO, except as the result of gross negligence on the part of either the Foundation or the Corporation, or any of their agents acting within the scope of employment, and in the absence of contributory negligence.

14. PERSONAL INJURY. Neither the Foundation nor the Corporation shall be responsible for damages on account of personal injury to the Resident, or any guest of the Resident, unless as a result of gross negligence on the part of the Corporation, or any of its agents acting within the scope of employment, and in the absence of contributory negligence.

15. RIGHT TO ENTER. The Corporation retains the right to enter and conduct inspections of the apartment at any time as deemed necessary, to determine that safety and health standards are maintained by the Resident. Resident agrees to accept housekeeping services in his or her apartment at least one time per month.

16. NOTICE TO VACATE. The Resident shall provide at least thirty (30) days advance notice of any decision to vacate the apartment. The death of the Resident shall constitute such notice to the Foundation and the Corporation. The Resident or their Estate, as applicable, shall be responsible for all fees due hereunder through the date the apartment is vacated. Once the Resident has given a notice to vacate, the Corporation shall have the right to show the apartment during regular business hours and on reasonable notice to the Resident or their estate.

17. SUBLEASING/ASSIGNMENT. Any subleasing of the Resident's apartment is prohibited and, except for an assignment to a living trust of the Resident's right to any refund, the Resident may not assign any rights or obligations under this Agreement.

18. REMAINING RESIDENT. Where two parties have made application and are admitted for residence together, the survivor shall have the right to continued residence in the WO, upon the death or removal of the other party. Upon the death of a one of the two persons who are parties to this Contract, the second person entry fee shall be refunded at ninety percent (90%) but there shall be no further refund under this Contract until the death or permanent withdrawal or removal of the surviving party if any.

(a) Any person, not otherwise eligible, who becomes the spouse of a resident, automatically, by virtue of that marriage, becomes eligible for residence on the same basis as all other residents. However, upon the death of the eligible spouse, if the remaining resident remarries an ineligible individual, the couple will not be permitted to reside at the WO.

(b) A second person entry fee in addition to a second person monthly operating fee shall be charged upon a Resident's remarriage.

19. LATE PAYMENT FEES. Any payments of fees and charges that are due hereunder and not received by the WO within ten (10) days of when due shall bear a late charge of five percent (5%) of the amount then due. Any delinquent amounts due hereunder for more than thirty (30) days shall bear interest at the rate of one and one half percent (1 ½%) per month until paid in full.

20. UNIT MODIFICATIONS. Any modification to the unit requested by the Resident shall first be approved by the Corporation; shall be the financial responsibility of the Resident and legal title to same shall belong to the Corporation upon termination of this Contract. The Corporation, at its option, may return the unit to its original condition at the Resident's expense upon termination of this Contract.

21. FINANCIAL UPDATES. Resident acknowledges that the Corporation has relied upon Resident's application, including financial and medical statements, in accepting Resident for residency in the WO. Resident warrants that such information is true and complete and said application is to be considered part of this Contract. Resident agrees that assets and income indicated on the application will be conserved and used for the support of Resident while residing at the Hall, WO, Arleigh Burke Pavilion or The Sylvestery. Resident agrees to periodically provide updated financial information to the Corporation and/or Foundation as requested.

22. FOUNDATION. The parties understand and agree that the Foundation is a party to this Agreement for the sole purpose of agreeing to hold, apply and, if and as expressly provided for hereunder, refund any Entry Fee(s) due hereunder.

23. ACKNOWLEDGEMENTS

(a) You have been informed of the financial arrangement for accommodations, services, and care provided by the Corporation and of the services that are not covered by the facility's basic per diem rate, as set forth in Section 3 and Addendum A to this Agreement.

(b) You have been informed of and have reviewed the requirements regarding resident conduct and other restrictions or special conditions as stated in this Agreement and in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(c) You have been informed of the Corporation's policy regarding the amount of notice required when you wish to move from the facility.

(d) You have been informed of the Corporation's policy regarding weapons on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(e) You have been informed of the Corporation's policy regarding pets on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(f) You have been informed of those actions, circumstances, or conditions that would result or might result in your discharge from the facility, as stated in Section 11 of this Agreement.

(g) You have reviewed the Rights and Responsibilities of Residents of Assisted Living Facilities (Title 63.2-1808 of the Code of Virginia), attached to this Agreement as in the Resident Handbook, Addendum B. The Corporation's policies and procedures for implementing Title 63.2-1808 of the Code of Virginia, including the grievance policy and transfer/discharge policy, have been explained to you.

(h) You have been informed and understand that you may refuse release of information regarding your personal affairs and records to any individual outside the facility, except as otherwise provided in law and except in case of his transfer to another caregiving facility.

(i) You have been informed of the Corporation's policy on bed holds as set forth in this Agreement, noted in the Resident Handbook: House Policies and Information.

(j) You have been provided educational materials on advanced directives, have designated whether or not you have an advanced directive and have provided us with the necessary paperwork.

(k) You have been informed of the Corporation's format for the Resident Council Meetings as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(l) You have been informed of the policy or guidelines regarding visiting in the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(m) You have been informed of the rules and restrictions regarding smoking on the premises of the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(n) You have been informed of the Corporation's policy regarding administration of medications, supplements and Pharmacy as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(o) You have been provided a written notice regarding the Corporation's liability insurance.

(p) You have been provided a copy of the Corporation's Disclosure Statement and received confirmation that the Corporation has the appropriate license to meet care needs at the time of admission.

(q) You have been informed that you should exercise whatever due diligence you deem necessary with respect to information on any registered sex offenders. Upon request, the Corporation will assist you or your legal representative in accessing the information on registered sex offenders; and provide you or your legal representative with printed copies of the information on registered sex offenders.

24. MISCELLANEOUS. This Contract constitutes the entire agreement among the parties. In the event any provision of this Contract or portion thereof is found to be wholly or partially invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable or shall be deemed excised from this Contract, as the case may require. In the event the Corporation and/or the Foundation pursue any legal remedies against the Resident to enforce any provision of this Contract and is/are prevailing party, they shall be entitled to recover their costs plus reasonable attorney fees. Any modification to this Contract must be in writing and must be signed by all parties. The headings inserted in this Contract have been inserted for convenience of reference only and shall not be used to construe or interpret this Contract. This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia without regard to conflict of laws principles. The Corporation has encouraged the Resident to review the terms of this Contract with his or her attorney and financial advisor.

IN WITNESS WHEREOF, this Agreement is hereby executed the day and year first above written.

By: \_\_\_\_\_ (Date \_\_\_\_\_)  
(Resident)

By: \_\_\_\_\_ (Date \_\_\_\_\_)  
(Resident)

VINSON HALL, LLC

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Haider Mahmood  
WO Administrator

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Chip Warner  
Chief Executive Officer

NAVY MARINE COAST GUARD RESIDENCE FOUNDATION

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Executive Director Chip Warner



ATTACHMENT A

Additional Expenses Incurred at Resident's Request

Contract Number #\_

## WILLOW OAK BUILDING DECLINING BALANCE RESIDENT'S CONTRACT

THIS AGREEMENT made this \_\_\_\_ day of \_\_\_\_, among the NAVY MARINE COAST GUARD RESIDENCE FOUNDATION, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereafter called the "Foundation") and VINSON HALL, LLC, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereinafter called the "Corporation"), and \_\_\_\_ (hereinafter called the "Resident") (if husband and wife, or two other persons sign this Contract as co-residents, the word "Resident" shall apply to either or both of them as the context requires).

### RECITALS:

R-1. The Corporation operates Willow Oak Building (hereinafter called the "WO") at 1733 Kirby Road, Mclean, Virginia.

R-2. The Resident has submitted an application for residence in the WO and, subject to the provisions of this Contract; the application has been accepted by the Corporation pursuant to its restricted admissions policies.

NOW THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto mutually agree as follows:

1. ENTRY FEE. The Corporation, in consideration of the payment of an Entry Fee in the amount of \_\_\_\_ and a second person Entry Fee in the amount of \_\_\_\_ by the Resident, will provide the Resident an apartment unit subject to the provisions of this agreement. The Entry Fee(s) shall be held by the Foundation and shall be payable as follows:

2. APARTMENT UNIT. The Resident has made satisfactory arrangements for the use and occupancy of Apartment #\_\_\_\_, Model Type (XXX). The apartment unit will have carpet and/or hardwood flooring except for the bathroom(s) and the kitchen. Blinds will be provided as window covers. Kitchens shall be equipped with cabinets, sink and counter space, refrigerator, dishwasher, microwave, stove/oven, and garbage disposal unit. Laundry room will be equipped with washer/dryer. The

apartment unit shall have a house telephone and cable system and an emergency call system. All other furniture and furnishings will be provided by the Resident.

3. OPERATING FEES. The Resident agrees to pay in advance a monthly nonrefundable Operating Fee in the amount of \_\_. The first monthly payment of such Operating Fees, prorated as necessary, shall be due and payable on \_\_; and each subsequent payment shall be due and payable on the first day of each month thereafter in advance. The Operating Fees are determined on the basis of the Corporation's best estimate of the cost of operating the WO. The following services or facilities are included in the Operating Fees: (a) dining service (fixed operating cost); (b) health and wellness center (fixed operating costs) (c) utilities; (d) bus transportation service on a scheduled basis; (e) housekeeping services; (f) a chapel; (g) hobby and craft shops; (h) common area maintenance; (i) library; (j) fitness center; and (k) auditorium. The monthly Operating Fee may be changed by the Corporation in its sole discretion after giving thirty (30) days prior written notice to the Resident.

4. SERVICES AND AMENITIES. In addition to the Entry Fee and monthly Operating Fee, additional fees will be assessed for: (a) meal charges (billed in arrears); (b) guest room accommodations; (c) transportation and admission to special events and (d) ancillary health services. Complete details of services and amenities are contained in the Resident Manual provided to each resident at move-in. The Corporation shall be responsible for updates to the Resident Manual as needed.

5. HEALTHCARE SERVICES. In connection with the range of healthcare services furnished by the Corporation, the parties agree as follows:

(a) The obligations of the Corporation hereunder do not include the furnishing of or payment for any hospitalization, medical, dental or psychiatric care; physician services; physical, speech or occupational therapy; eyeglasses, hearing aids, orthopedic appliances; x-rays, drugs, or other treatment or medical supplies; home health; hospice services; or skilled nursing care.

(b) The Resident shall take appropriate action to enroll in any governmental health programs for which he or she is eligible, and to execute such forms as are necessary to secure reimbursement of any amounts payable to or on behalf of him/herself as a beneficiary under said programs.

(c) If, in the judgment of the Health & Wellness Center (HWC) personnel, the Resident requires medical, surgical, or psychiatric treatment or care beyond the capabilities of the HWC, the Resident shall be

transferred, at his or her expense, to an appropriate facility for such treatment. The Corporation shall not be obligated to provide long-term nursing care or care which requires close supervision.

(d) The laws of the Commonwealth of Virginia [§38.2-4905] will govern if the separation of a Resident from the WO becomes appropriate or necessary because of cognitive disability or dysfunction or other care needs. By the execution of this Contract, the Resident designates the Administrator of the WO as his or her agent to consult with the Resident's Attorney-in-Fact, or with responsible relatives reasonably available, for the petitioning of a court of competent jurisdiction for determination of legal competency and/or for appointment of a committee or guardian pursuant to the then-existing laws of the Commonwealth of Virginia in the event of cognitive disability or dysfunction. It is also mutually understood that the HWC has no existing facilities for the treatment or care of a Resident who may become afflicted with a cognitive disability or dysfunction. Pending an appropriate court determination of competency, the HWC Physician shall have full authority to make arrangements for the transfer of any Resident so afflicted, at the Resident's expense, to a facility which, in the physician's opinion, is competent to render such treatment or care as the circumstances require.

6. OUTSIDE SERVICES. The Resident hereby authorizes release of medical information on the Resident's condition by any private duty nurses or aides to the Hall's Health & Wellness Center. All private duty nurses and aides shall provide documentation to the Hall that the Resident's needs are being addressed and shall assist with periodic assessment of the Resident's needs. All private duty nurses and aides shall comply with applicable laws, regulations and Hall policies and procedures including signing in and out each visit.

7. RIGHT TO RESCIND. The Resident shall have the right to rescind this Contract without penalty or forfeiture within seven (7) days after executing the Contract. If, at any time after the execution of this agreement, after the expiration of the aforesaid seven-day period and prior to the time of physically moving into the WO, the Resident dies or desires to terminate this Contract, the remaining balance of the Entry Fee paid, less any costs specifically incurred by the Corporation at the request of the Resident as set forth on Attachment A hereto, will be refunded to the Resident or his/her estate without interest.

8. DECLINING BALANCE REFUND. The Entry Fee shall be held by the

Foundation for the duration of residency at Vinson Hall Retirement Community ((VHRC) that includes the Hall, WO, Arleigh Burke Pavilion and The Sylvestery. In the event that the Resident exhausts his/her assets and/or income is inadequate to cover the monthly fees at VHRC, the remaining Entry Fee shall be spent down to cover said expenses. The Entry Fee of the Declining Balance plan decreases by 2% per month for 50 consecutive months from the Contract origination date. Upon the death of the Resident or the permanent withdrawal or removal of the Resident from VHRC and upon the release of the Resident's unit, the Resident (or his/her estate as applicable) shall be entitled to a refund of the remaining balance, less (i) any outstanding payments then due to any entity comprising the VHRC and (ii) the reasonable costs to be incurred, as determined by the Administrator, to modify, to renovate and/or to repair any damage to the VHRC unit resulting from the Resident's occupancy. Upon reissuance and collection of Entry Fees of a new resident contract within the WO in correlation with the notice of termination, any remaining balance will be refunded within 180 days. Any such refund shall not bear interest.

9. PREREQUISITES. The Resident agrees, as a prerequisite to physically moving into the WO, to furnish information satisfactory to the Corporation so that it can make a determination that the physical, cognitive or social condition of the Resident would not pose a significant risk to property or to the health or safety of the Resident or others and that the Resident meets the requirements for residency in the WO. In the event the aforesaid determination is not made or the Resident is unable to meet the financial standards required for residency, then the Foundation may return to the Resident one hundred percent (100%) of the Deposit Reservation Fee previously paid without interest.

10. ADHERENCE TO POLICIES. The Resident agrees to abide by any policies, rules and regulations of the WO as the same may from time to time be adopted or amended by the Administrator of the WO or by the Independent Living Residents Association. Final authority regarding any such policies, rules and regulations rests with the Corporation's Board of Directors.

11. TERMINATION. The Corporation reserves the right to terminate the residency of the Resident at any time, for good cause, including without limitation the following: (i) the Resident presents a danger to himself, herself or others; (ii) failure by the Resident to pay the monthly charges within thirty (30) days when due; (iii) repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the facility; (iv) persistent refusal by the Resident to comply with reasonable written rules and regulations of the WO as reflected from time to time in the Resident Manual; (v) a material misrepresentation made by the Resident in his or her application for residency or, in related materials, 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 care to the Resident under this Contract; or (vi) a material breach by the Resident of the terms and conditions of this Contract. In the case of (ii), (iii), (iv) and (vi) above, the Corporation shall give the Resident written notice of and an opportunity to cure within a thirty-day period the conduct or circumstance otherwise warranting the termination of the Contract.

12. NO PROPERTY RIGHTS. By the payment of the Entry Fee, the Resident acquires no property right or interest either in the Foundation or the Corporation or the apartment to be occupied in the WO. The Resident acknowledges that he or she understands that the Corporation has incurred indebtedness to finance the construction and operation of the WO, and that the Corporation may in the future deem it necessary or desirable to incur additional or other indebtedness in connection with the operation or WO of the facilities of the WO; and that such existing indebtedness is and such future indebtedness may be secured by a deed of trust and/or other lien upon the properties or other assets of the Corporation. In consideration for the making of any such existing and future loans to the Corporation - and for the benefit of the Corporation and of the present and future holders of liens upon the properties and assets of the Corporation taken as security for the repayment of those loans - the Resident hereby expressly subordinates and declares inferior all of his or her rights, privileges, and benefits arising from and under this Contract, and from payment of the Entry Fee, to the rights of each holder of a deed of trust or other lien upon the properties or other assets of the Corporation. The Resident further agrees to execute, on request, any instruments which the Corporation or any lender may require as further evidence of the subordination of the rights of the Resident to any such deed of trust or other lien. The Resident does hereby expressly waive any and all notices of default and notices of foreclosure pursuant to any deed of trust or other lien on the properties or other assets of the Corporation, and hereby constitutes the Corporation as agent to receive and accept service of any such notices on behalf of the Resident.

13. PERSONAL BELONGINGS. Neither the Foundation nor the Corporation shall be responsible for the loss of money, jewels, or other personal property belonging to the Resident, or to any guest of the Resident, due to theft, fire, or any other causes, whether in the Resident's apartment or in any other area of the WO, except as the result of gross negligence on the part of either the Foundation or the Corporation, or any of their agents acting within the scope of employment, and in the absence of contributory negligence.

14. PERSONAL INJURY. Neither the Foundation nor the Corporation shall be

responsible for damages on account of personal injury to the Resident, or any guest of the Resident, unless as a result of gross negligence on the part of the Corporation, or any of its agents acting within the scope of employment, and in the absence of contributory negligence.

15. RIGHT TO ENTER. The Corporation retains the right to enter and conduct inspections of the apartment at any time as deemed necessary, to determine that safety and health standards are maintained by the Resident. Resident agrees to accept housekeeping services in his or her apartment at least one time per month.

16. NOTICE TO VACATE. The Resident shall provide at least thirty (30) days advance notice of any decision to vacate the apartment. The death of the Resident shall constitute such notice to the Foundation and the Corporation. The Resident or their Estate, as applicable, shall be responsible for all fees due hereunder through the date the apartment is vacated. Once the Resident has given a notice to vacate, the Corporation shall have the right to show the apartment during regular business hours and on reasonable notice to the Resident or their estate.

17. SUBLEASING/ASSIGNMENT. Any subleasing of the Resident's apartment is prohibited and, except for an assignment to a living trust of the Resident's right to any refund, the Resident may not assign any rights or obligations under this Agreement.

18. REMAINING RESIDENT. Where two parties have made application and are admitted for residence together, the survivor shall have the right to continued residence in the WO, upon the death or removal of the other party. Upon the death of a one of the two persons who are parties to this Contract, the second person entry fee shall be refunded the remaining balance, but there shall be no further refund under this Contract until the death or permanent withdrawal or removal of the surviving party if any.

(a) Any person, not otherwise eligible, who becomes the spouse of a resident, automatically, by virtue of that marriage, becomes eligible for residence on the same basis as all other residents. However, upon the death of the eligible spouse, if the remaining resident remarries an ineligible individual, the couple will not be permitted to reside at the WO.

(b) A second person entry fee in addition to a second person monthly operating fee shall be charged upon a Resident's remarriage.

19. LATE PAYMENT FEES. Any payments of fees and charges that are due hereunder and not received by the WO within ten (10) days of when due shall bear a late charge of five percent (5%) of the amount then due. Any delinquent amounts due hereunder for more than thirty (30) days shall bear interest at the rate of one and one half percent (1 ½%) per month until paid in full.

20. UNIT MODIFICATIONS. Any modification to the unit requested by the Resident shall first be approved by the Corporation; shall be the financial responsibility of the Resident and legal title to same shall belong to the Corporation upon termination of this Contract. The Corporation, at its option, may return the unit to its original condition at the Resident's expense upon termination of this Contract.

21. FINANCIAL UPDATES. Resident acknowledges that the Corporation has relied upon Resident's application, including financial and medical statements, in accepting Resident for residency in the WO. Resident warrants that such information is true and complete and said application is to be considered part of this Contract. Resident agrees that assets and income indicated on the application will be conserved and used for the support of Resident while residing at the Hall, WO, Arleigh Burke Pavilion or The Sylvestery. Resident agrees to periodically provide updated financial information to the Corporation and/or Foundation as requested.

22. FOUNDATION. The parties understand and agree that the Foundation is a party to this Agreement for the sole purpose of agreeing to hold, apply and, if and as expressly provided for hereunder, refund any Entry Fee(s) due hereunder.

23. ACKNOWLEDGEMENTS

(a) You have been informed of the financial arrangement for accommodations, services, and care provided by the Corporation and of the services that are not covered by the facility's basic per diem rate, as set forth in Section 3 and Addendum A to this Agreement.

(b) You have been informed of and have reviewed the requirements regarding resident conduct and other restrictions or special conditions as stated in this Agreement and in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(c) You have been informed of the Corporation's policy regarding the amount of notice required when you wish to move from the facility.

(d) You have been informed of the Corporation's policy regarding weapons



on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(e) You have been informed of the Corporation's policy regarding pets on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you. You have been informed of those actions, circumstances, or conditions that would result or might result in your discharge from the facility, as stated in Section 11 of this Agreement.

(f) You have reviewed the Rights and Responsibilities of Residents of Assisted Living Facilities (Title 63.2-1808 of the Code of Virginia), attached to this Agreement as in the Resident Handbook, Addendum B.

(g) The Corporation's policies and procedures for implementing Title 63.2-1808 of the Code of Virginia, including the grievance policy and transfer/discharge policy, have been explained to you.

(h) You have been informed and understand that you may refuse release of information regarding your personal affairs and records to any individual outside the facility, except as otherwise provided in law and except in case of his transfer to another caregiving facility.

(i) You have been informed of the Corporation's policy on bed holds as set forth in this Agreement, noted in the Resident Handbook: House Policies and Information.

(j) You have been provided educational materials on advanced directives, have designated whether or not you have an advanced directive and have provided us with the necessary paperwork.

(k) You have been informed of the Corporation's format for the Resident Council Meetings as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(l) You have been informed of the policy or guidelines regarding visiting in the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(m) You have been informed of the rules and restrictions regarding smoking on the premises of the facility, as set forth in the Resident Handbook, Addendum

B to this Agreement, a copy of which has been provided to you.

(n) You have been informed of the Corporation's policy regarding administration of medications, supplements and Pharmacy as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.

(o) You have been provided a written notice regarding the Corporation's liability insurance.

(p) You have been provided a copy of the Corporation's Disclosure Statement and received confirmation that the Corporation has the appropriate license to meet care needs at the time of admission. You have been informed that you should exercise whatever due diligence you deem necessary with respect to information on any registered sex offenders. Upon request, the Corporation will assist you or your legal representative in accessing the information on registered sex offenders; and provide you or your legal representative with printed copies of the information on registered sex offenders.

24. MISCELLANEOUS. This Contract constitutes the entire agreement among the parties. In the event any provision of this Contract or portion thereof is found to be wholly or partially invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable or shall be deemed excised from this Contract, as the case may require. In the event the Corporation and/or the Corporation pursue any legal remedies against the Resident to enforce any provision of this Contract and is/are prevailing party, they shall be entitled to recover their costs plus reasonable attorney fees. Any modification to this Contract must be in writing and must be signed by all parties. The headings inserted in this Contract have been inserted for convenience of reference only and shall not be used to construe or interpret this Contract. This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia without regard to conflict of laws principles. The Corporation has encouraged the Resident to review the terms of this Contract with his or her attorney and financial advisor.

IN WITNESS WHEREOF, this Agreement is hereby executed the day and year first above written.

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

VINSON HALL, LLC

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Haider Mahmood  
Administrator

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Chip Warner  
Chief Executive Officer

NAVY MARINE COAST GUARD RESIDENCE FOUNDATION

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Executive Director Chip Warner

ATTACHMENT A

Additional Expenses Incurred at Resident's Request

ARLEIGH BURKE PAVILION ADMISSION AGREEMENT  
ASSISTED LIVING

1. PARTIES TO THIS AGREEMENT

- 1.1. This Admission Agreement ("Agreement") is made between Arleigh Burke Pavilion, assisted living suites that are operated by Vinson Hall, LLC ("the Pavilion," "we," "our," or "us"), and \_\_\_\_\_ ("you" or "Resident") and "Legal Representative."
- 1.2. The assisted living suites known as Arleigh Burke Pavilion are located at 1739 Kirby Road, McLean, Virginia 22101, respectively. We are licensed as Assisted Living Facility by the Commonwealth of Virginia Department of Social Services.
- 1.3. Your legal representative, if you have one, may sign this Agreement on your behalf. Your legal representative may be a person that you have selected, such as a Power of Attorney or Health Care Agent. Your legal representative also may be someone a Court has appointed to act on your behalf, such as a Legal Guardian or Conservator. If you have a legal representative, his or her name and address is:

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

If your legal representative or another person has legal access to your funds and assets or will be making payments to us on your behalf, from your assets or from any other source, he or she is a necessary party to this Agreement. He or she must agree to the terms of the Agreement and sign the Agreement in his or her individual capacity, with or on behalf of you.

If you change your legal representative, give another person access to your funds and assets, or execute a legal document granting authority for business or financial decision-making or otherwise affecting any party to this Agreement, you and your legal representative agree to notify us immediately of all names and contact information and provide us with a copy of all relevant legal documents.

If you do not have a legal representative at this time or an advance directive you may utilize the Virginia Advance Medical Directive form provided in our admissions packet.

2. RESPONSIBILITIES OF THE PAVILION

- 2.1. ACCOMMODATIONS. We will provide you with a private room or suite. We will furnish your room or suite with the following items: a bed, bedside table, lamp, chair, chest of drawers, mirror, and window coverings. We encourage you to bring your own furniture as appropriate for the room provided. Should you choose to provide your own furnishings they are subject to the Pavilion's safety inspection and approval. We will determine room assignments, honoring your requests if reasonable within the Pavilion's discretion.
- 2.2. HEALTH CARE SERVICES. We will maintain professional health care staff on duty twenty-four hours each day. However, we will not provide twenty-four-hour one-to-one supervision for you. We will provide personalized support services and health-related care (excluding intensive ongoing medical care) designed to respond to your needs as identified in the Uniform Assessment Instrument.

We will also supervise or provide administration of medications if indicated by the Uniform Assessment Instrument.

- 2.3. ACCESS TO HEALTH SERVICES NOT PROVIDED BY THE PAVILION. We are not responsible for furnishing or paying for items or services that we are not licensed to provide, including but not limited to physician services, private duty personnel, nursing care, hospital care, hearing aids, eyeglasses, dentures, canes, crutches, wheelchairs and nonprescription medications. If your physician orders health care services that we are not licensed to or do not have the capability to provide; or if we determine that you need a level of care that we do not provide, we will assist you in arranging access to the necessary services to be provided by an outside provider. We will also arrange for your transfer to the hospital of choice (provided such hospital has a bed available) as ordered by your physician. Any privately-provided durable medical equipment or assistive equipment is subject to testing by the facility for safety. For the Resident's protection, provision of such health services by outside providers must meet minimum standards set by the facility before provided to the Resident.
- 2.4. DIETARY SERVICES. We will prepare a daily menu that provides for three well-balanced meals per day. We will also make snacks available. We will respect your religious dietary practices and will accommodate reasonable special dietary needs as ordered by your attending physician. If our kitchen cannot accommodate your dietary needs, we will arrange meals from an acceptable outside vendor at an additional cost to you.
- 2.5. UTILITIES. We will provide water, heat, air conditioning, and electricity, subject to the availability of these utilities.
- 2.6. LAUNDRY AND HOUSEKEEPING. We will provide linen service, personal laundry, and daily housekeeping services as noted in the Resident Handbook. Dry cleaning is the responsibility of the resident or legal representative.
- 2.7. MAINTENANCE. We will maintain all common grounds and facilities. We will make all necessary repairs to your room or suite to items and utilities supplied by us. You are responsible for maintaining and repairing your personal property.
- 2.8. EMERGENCY RESPONSE. We will provide a twenty-four-hour emergency response system, monitored by appropriate staff.
- 2.9. ACTIVITIES. We will provide a variety of recreational and/or exercise activities each day for those residents who choose to participate.
- 2.10. TRANSPORTATION. We will assist you in making arrangements for transportation as reasonably necessary.
- 2.11. STORAGE. We are not responsible for, nor shall we incur any liability for, loss or damages to valuables, money, clothing, or other personal items you bring to the Pavilion.
- 2.12. PHARMACY. Our pharmacy provider is Omnicare. We will secure pharmaceutical care and delivery through Omnicare as prescribed by your attending Physician. Payment of these services is the responsibility of the Resident. You have the right to choose your own pharmacy provider; however, if you choose to receive medications through an outside pharmacy provider it is your responsibility to provide the Pavilion with those medications which will then be repackaged, at a cost to you, through Omnicare. If there is a delay in receiving new prescriptions and/or refills from an outside pharmacy provider we reserve the right to fill the prescription through Omnicare, at a cost to you, to ensure timely medication administration.

### 3. FEES AND PAYMENT

- 3.1 BASE ROOM RATES AND LEVEL OF SERVICE CHARGES. The base room rate is set forth in Addendum A, which is attached to this Agreement, and details the costs associated with accommodations, level of service, and supplies. The level of assisted living services required by the resident is determined through an assessment. The assessment is performed by designated team members and includes an evaluation of each resident's specific needs. It covers areas such as: mobility, hygiene, eating habits, continence, medication management, and assistance required with activities of daily living. The assessment, along with the physician report, provides the basis for identifying the resident's service level. If the resident's condition changes so that the previously assessed level of services is no longer appropriate, a designated staff member will reevaluate the resident's needs to determine which level of service is appropriate and notify the resident or responsible party of the reevaluation. The rate charged will vary according to the level of service provided. Changes in services provided will be reflected in a revised service plan.
- 3.2 SERVICES NOT INCLUDED IN THE BASE ROOM RATE. Supplemental services ("ancillary services") ordered by your physician or requested or required by you are not included in the base room rate and will be billed to you on a monthly basis. Additional services available to you at an extra charge are described in Addendum A.
- 3.3 FEE ADJUSTMENTS. The base room rate and the charges for ancillary services may be increased at our discretion after providing you with thirty (30) days written notice. A change in the level of service is not considered a change of fees or charges. Rather, it is an increase in services which are subject to the higher fees corresponding to those services. The resident shall be responsible for the cost of the increased level of service when he or she begins receiving such services.
- 3.4 PAYMENT SCHEDULE. Payments of the applicable base room rate and level of service rate as set forth in Addendum A, payments for all ancillary supplies and services provided during the month, and payments for services not included in the base room rate are to be made to us by you on a monthly basis. Payment is due no later than the payment due date shown on the invoice we provide for you. If your payment is not made by the end of the month in which a bill is rendered, we will apply a one and one-half percent (1.5%) late fee, equivalent to eighteen percent (18%) annually, beginning the second day of the following month. You are responsible for paying all costs incurred as a result of any collection process, including, without limitation, reasonable attorneys' fees, court costs, and collection fees.
- 3.5 REFUND POLICY. We will provide you with a final invoice during the next billing cycle subsequent to your discharge. Any credit balance will be refunded during that billing cycle. Any balance you owe will be due by the payment due date shown on the invoice. If an advance deposit was required upon admission, the advance deposit will be refunded during the next billing cycle subsequent to admission. If the facility closes, any funds paid to us for supplies or services to be provided after the date of closing will be refunded in full within thirty (30) business days of closure.

#### 3.6 FEES

Suite: \_\_\_\_\_

Occupancy Date: \_\_\_\_\_

Base Room Rate: \_\_\_\_\_

Service Level Rate: \_\_\_\_\_

Total Daily Fee: \_\_\_\_\_

4. YOUR RESPONSIBILITIES AS A RESIDENT

- 4.1. You are responsible for timely payment of fees for all services and supplies to us.
- 4.2. You are responsible for providing your own clothing.
- 4.3. You agree to abide by our rules, regulations, and policies as set forth in the Resident Handbook, Addendum B to this agreement, a copy of which will be provided to you upon admission.
- 4.4. You are responsible for the cost of repair or replacement of any property owned by the Pavilion that is damaged or destroyed by you or your guests.
- 4.5. You are responsible for insuring your property and person against theft and casualty loss. We will not be responsible for damage or loss of your property by casualty, theft, or other cause.
- 4.6. You are responsible for maintaining your own insurance coverage, including health insurance, liability insurance, and automobile insurance (if applicable).
- 4.7. You are responsible for payment to all providers of services not provided by us that you use, including but not limited to the services of your physicians and dentists.
- 4.8. You are responsible for payment to any private duty nurse, private duty geriatric aide, or private sitter that you hire and you must let us know if you have hired such a person. You are responsible for ensuring that such person is licensed and/or certified according to Virginia laws and regulations. Any person you hire is not an employee, contractor, or agent of the Pavilion, but he or she must follow our policies and procedures regarding personal service providers or companions as set forth in the Resident Handbook, Addendum B. Employees of the Pavilion may not serve as private duty nurses, private duty geriatric aides, or private sitters.
- 4.9. You are responsible for payment for all prescription and non-prescription medications and supplies that you use and for all ancillary services, including x-ray and other diagnostic services, ambulance transportation, and rehabilitation services such as physical therapy, occupational therapy, and speech therapy.

5. PROPERTY RIGHTS

- 5.1. OWNERSHIP. You have no right of ownership of any property of the Pavilion. This Agreement is for residential care and services, and does not create a landlord/tenant relationship. This Agreement is not assignable by you without our prior written consent.
- 5.2. RIGHT OF ENTRY. Employees of the Pavilion have the right to enter your room at any time to respond to fire or medical alerts or in other emergency circumstances. Our employees also have the right to enter your room to perform housekeeping, maintenance, and inspection functions with advance notice and at reasonable times.
- 5.3. REMOVAL OF PROPERTY. When you are discharged from this facility and upon termination of this Agreement, you must have all of your personal belongings removed from the Pavilion within ten (10) days of discharge unless you make other prior arrangements with us. At the end of ten (10) days, we will store your property, and we reserve the right to charge a storage fee equal to fifty percent (50%) of your monthly fee in effect at the time of your discharge. After thirty (30) days, we will



donate or otherwise dispose of all remaining property. Upon termination of this Agreement due to death of the Resident, all of the Resident's personal belongings must be moved from the Pavilion within ten (10) days of discharge unless the Resident's legal representative makes other prior arrangements with us. At the end of ten (10) days, we will store the Resident's property, and we reserve the right to charge a storage fee equal to fifty percent (50%) of the Resident's monthly fee in effect at the time of death. After thirty (30) days, we will donate or otherwise dispose of all remaining property.

## 6. BED HOLD POLICY DURING TEMPORARY ABSENCE

- 6.1. If you are hospitalized or otherwise on leave from Arleigh Burke Pavilion, we will hold your room for you as long as you continue to pay for it at the current base room rate plus service level rate for the first seven days. Beginning on the 8<sup>th</sup> day the service level rate is removed. If you do not wish to hold your room during your absence from Arleigh Burke Pavilion, you are responsible for notifying Arleigh Burke Pavilion's administrator within twenty-four (24) hours of your departure from Arleigh Burke Pavilion, as set forth in the Resident Handbook, Addendum B. You are responsible for the current base room rate plus your care level rate until your personal belongings have been removed.
- 6.2. In the event that you notify us that you do not desire to hold your room or suite during your temporary absence from the Pavilion, you should be aware that there might not be a room or suite available for you at the desired time of re-admission.
- 6.3. In the event of a resident's death, please discuss your plans for the removal of the belongings with the Administrator as soon as possible. Charges for continued occupancy may still apply.

## 7. TERMINATION OF AGREEMENT

- 7.1. TERMINATION BY RESIDENT. You may terminate this Agreement at any time for any reason by giving written notice to our admissions office at least thirty (30) days before the last day of residency. You are responsible for the base room rate plus service level rate during the thirty-day notice period in addition to any amounts owed to us and any expenses incurred by us in connection with termination, including any necessary repairs to your room.
- 7.2. TERMINATION BY THE PAVILION. We may terminate this Agreement at any time for any of the following reasons, with a minimum of fourteen (14) days' written notice to you: (a) nonpayment of fees pursuant to this Agreement; (b) inability to meet your documented medical needs; (c) conduct that constitutes a danger to yourself or others; (d) persistent refusal to comply with the written rules of the Pavilion as set forth in the Resident Handbook; (e) a material breach of the terms and conditions of this Agreement; or (f) closing of the facility. If we determine that we can no longer meet your documented medical needs, we may permanently transfer you to a more appropriate level of care within Arleigh Burke Pavilion or The Sylvestery, or discharge you to another health care facility of your choice (provided that such facility has a bed available), as ordered by your physician.
- 7.3. PRIOR CONSULTATION. To the extent possible, we will consult with you, your legal representative or other family member or responsible party, and your attending physician before transferring or discharging you, whether the transfer is voluntary or involuntary. If your attending physician is not available, we will consult with our medical director and appropriate Pavilion staff. Your attending physician or our medical director must approve your voluntary or involuntary discharge or transfer and will make a notation to that effect in your clinical record.

- 7.4. EMERGENCY TRANSFER/DISCHARGE. We may terminate this Agreement and transfer you from the premises immediately if a physician certifies that your condition presents an immediate and serious risk to the health, safety, or welfare of you or others.
- 7.5. TERMINATION DUE TO DEATH. This Agreement automatically terminates upon death of the Resident.

8. ACKNOWLEDGEMENTS

- 8.1. You have been informed of the financial arrangement for accommodations, services, and care provided by the Pavilion and of the services that are not covered by the facility's basic per diem rate, as set forth in Section 3 and Addendum A to this Agreement.
- 8.2. You have been informed of and have reviewed the requirements regarding resident conduct and other restrictions or special conditions as stated in this Agreement and in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
- 8.3. You have been informed of the Pavilion's policy regarding the amount of notice required when you wish to move from the facility as set forth in Section 7.1.
- 8.4. You have been informed of the Pavilion's policy regarding weapons on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
- 8.5. You have been informed of the Pavilion's policy regarding pets on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
- 8.6. You have been informed of those actions, circumstances, or conditions that would result or might result in your discharge from the facility, as stated in Section 7 of this Agreement.
- 8.7. You have reviewed the Rights and Responsibilities of Residents of Assisted Living facilities (Title 63.2-2808 of the Code of Virginia), attached to this Agreement as Addendum C as well as in the Resident Handbook, Addendum B.
- 8.8. The Pavilion's policies and procedures for implementing Title 63.2-1808 of the Code of Virginia, including the grievance policy and transfer/discharge policy, have been explained to you.
- 8.9. You have been informed and understand that you may refuse release of information regarding your personal affairs and records to any individual outside the facility, except as otherwise provided in law and except in case of his transfer to another caregiving facility
- 8.10. You have been informed of the Pavilion's policy on bed holds as set forth in Section 6 of this Agreement.
- 8.11. You have been provided educational materials on advanced directives, have designated whether or not you have an advanced directive and have provided us with the necessary paperwork.
- 8.12. You have been informed of the Pavilion's format for the Resident Council Meetings as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
- 8.13. You have been informed of the policy or guidelines regarding visiting in the facility, as set forth in the Resident Handbook. Addendum B to this Agreement, a copy of which has been provided to you.

- 8.14. You have been informed of the rules and restrictions regarding smoking on the premises of the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
- 8.15. You have been informed of the Pavilion's policy regarding administration of medications, supplements and Pharmacy as set forth in Section 2.12 of this Agreement and also as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
- 8.16. You have been provided a written notice regarding the Pavilion's liability insurance.
- 8.17. You have been provided a copy of the Pavilion's Disclosure Statement and received confirmation that the Pavilion has the appropriate license to meet care needs at the time of admission.
- 8.18. You have been informed that you should exercise whatever due diligence you deem necessary with respect to information on any registered sex offenders. Upon request, The Pavilion will assist you or your legal representative in accessing the information on registered sex offenders; and provide you or your legal representative with printed copies of the information on registered sex offenders.

## 9. MISCELLANEOUS

- 9.1. CONFIDENTIALITY OF PERSONAL INFORMATION. We will hold in confidence all administrative and clinical information in accordance with state and federal law and your express wishes. We will disclose the contents of your records only with your express written consent or as permitted or required by law, as explained in our Notice of Privacy Practices, a copy of which has been provided to you.
- 9.2. BINDING EFFECT. The terms and conditions contained in this Agreement shall bind and inure to the benefit of the Pavilion, its assigns, and successors in interest, and shall bind and inure to the benefit of you and your heirs, distributees, executors, administrators, attorneys-in-fact, committees, and successors.
- 9.3. ENTIRE AGREEMENT. This Agreement, including all Addenda, constitutes the entire agreement between the Pavilion and you. There are no other agreements, written or oral, express or implied, other than those contained in this Agreement, and no representations or promises of any nature have been made to you, other than those expressly set out in this Agreement. Nothing in this Agreement contains any promise to provide you with life care or continuing care.
- 9.4. AMENDMENT. Subject to any provisions of this Agreement to the contrary, no modification, amendment, or waiver of any provision of this Agreement will be effective unless set forth in writing and signed by you, your legal representative if applicable, and the Administrator of the Pavilion.
- 9.5. SEVERABILITY. The terms of this Agreement are severable, such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, or is rendered illegal, void, or unenforceable by a change in applicable statutes or regulations, the remainder of the provisions shall continue to be valid and enforceable.
- 9.6. ASSIGNMENT. This Agreement is not assignable by you without our prior written consent. The rights and obligations of the Pavilion may be assigned to any person or entity, which person or entity will be responsible that our obligations under this Agreement are satisfied in full from and after the date that you are notified of such assignment. We may engage another person or entity to perform any or all of the services under this Agreement.

- 9.7. NOTICES. Any notices to be given under this Agreement will be deemed to have been properly given when delivered personally or when mailed by first class mail, postage prepaid, addressed as follows:
1. If to the Resident: addressed to the room, suite or such other address as the Resident may designate by notice.
  2. If to the Pavilion:  
Arleigh Burke Pavilion  
Administrator  
1739 Kirby Road  
McLean, Virginia 22101

Or to such other address as the Pavilion may designate by notice.

- 9.8. WAIVER. Our failure, in any one or more instances, to insist upon your strict performance and observance of compliance with any of the provisions of this Agreement shall not be construed to be a waiver or relinquishment of our right to insist upon your future strict compliance.
- 9.9. GOVERNING LAW. The parties agree that the laws of the Commonwealth of Virginia will govern all of their rights and duties under this Agreement, the interpretation of its language, and any questions concerning performance and discharge. The parties intend that this Agreement and all Addenda have the full force and effect of a sealed instrument under the laws of Virginia. The parties agree that arbitration in lieu of litigation for all disputes arising from the Agreement or from Resident's care will be executed.

IN WITNESS WHEREOF, Arleigh Burke Pavilion, you, and your responsible party (if applicable) have executed this Agreement to be effective as of the date below. You have read this Agreement, had any questions regarding its provisions answered, and understand its provisions.

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

ARLEIGH BURKE PAVILION

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

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Legal Representative

\_\_\_\_\_  
Legal Representative's Relationship

ARLEIGH BURKE PAVILION ADMISSION AGREEMENT  
HEALTH CARE UNIT

1. PARTIES TO THIS AGREEMENT

- 1.1 This Admission Agreement ("Agreement") is made between Arleigh Burke Pavilion, operated by Vinson Hall, LLC ("the Pavilion," "we," "our," or "us"), and \_\_\_\_\_ ("you" or "Resident") and "Legal Representative."
- 1.2 Arleigh Burke Pavilion is located at 1739 Kirby Road, McLean, Virginia 22101. We are licensed as a Nursing Facility by the Virginia Department of Health.
- 1.3 Your legal representative, if you have one, may sign this Agreement on your behalf if the Resident does not have capacity. Your legal representative may be a person that you have selected, such as a Power of Attorney or Health Care Agent. Your legal representative also may be someone a Court has appointed to act on your behalf, such as a Legal Guardian or Conservator. If you have a legal representative, his or her name and address is:

\_\_\_\_\_  
\_\_\_\_\_.

If your legal representative or another person has legal access to your funds and assets or will be making payments to us on your behalf, from your assets or from any other source, he or she is a necessary party to this Agreement. He or she must agree to the terms of the Agreement and sign the Agreement in his or her individual capacity, with or on behalf of you.

If you change your legal representative, give another person access to your funds and assets, or execute a legal document granting authority for business or financial decision-making or otherwise affecting any party to this Agreement, you and your legal representative agree to notify us immediately of all names and contact information and provide us with a copy of all relevant legal documents.

If you do not have a legal representative at this time or an advanced directive you may utilize the Virginia Advance Medical Directive form provided in our admissions packet.

2 RESPONSIBILITIES OF THE PAVILION

- 2.1 ACCOMMODATIONS. We will provide you with a private or semi-private room. We will furnish your room with the following items: a bed, bedside table, lamp, chair and chest of drawers. Should you choose to provide your own furnishings they are subject to the Pavilion's safety inspection and approval. We will determine room assignments, honoring your requests if reasonable within the Pavilion's discretion.
- 2.2 RESIDENT RIGHTS. We will comply with state statutes and regulations regarding the rights and responsibilities of nursing home residents, which are set forth in Addendum C to this Agreement.
- 2.3 ASSESSMENT/PLAN OF CARE. We will conduct a comprehensive assessment of your ability to perform daily life functions and your significant impairments in functional capacity shortly after your admission to the Pavilion. You will have the right to participate in the development of your care plan along with your attending physician, necessary Pavilion staff, and your legal representative or a family member designated by you to develop and carry out a comprehensive plan of care that addresses your

medical, nursing, nutritional, and psychosocial needs, as set forth in your assessment. Your assessment and plan of care will be periodically reviewed and updated with you.

- 2.4 HEALTH CARE SERVICES. We will maintain professional health care staff on duty twenty-four hours each day. However, we will not provide twenty-four-hour one-to-one supervision for you. We will provide personalized support services and health-related care (excluding intensive ongoing medical care) designed to respond to your needs as identified in your assessment and plan of care. We also will supervise or provide administration of medications if indicated by the assessment and the plan of care.
- 2.5 ACCESS TO HEALTH SERVICES NOT PROVIDED BY THE PAVILION. We are not responsible for furnishing or paying for items or services that we are not licensed to provide, including but not limited to physician services, private duty nursing care, hospital care, hearing aids, eyeglasses, dentures, canes, crutches, wheelchairs, and nonprescription medications. Non-ambulance transportation to Outside Medical Appointments is not a Medicare Covered Service. If you require a taxi service for an Outside Medical Appointment during your stay with us, you will be billed privately. If your physician orders health care services that we are not licensed to or do not have the capability to provide, or if we determine that you need a level of care that we do not provide, we will assist you in arranging access to the necessary services to be provided by an outside provider. We also will arrange for your transfer to the hospital (provided such hospital has a bed available) as ordered by your physician. Any privately-provided durable medical equipment or assistive equipment is subject to testing by the facility for safety. For the Resident's protection, provision of health services by outside providers must meet minimum standards set by the facility before provided to the Resident.
- 2.6 CONFIDENTIALITY OF PERSONAL INFORMATION. We will hold in confidence all administrative and clinical information in accordance with state and federal law and your express wishes. We will disclose the contents of your records only with your express written consent or as permitted or required by law, as explained in our Notice of Privacy Practices, a copy of which has been provided to you.
- 2.7 DIETARY SERVICES. We will prepare a daily menu that provides for three well-balanced meals per day. We also will make snacks available. We will respect your religious dietary practices and will accommodate reasonable special dietary needs as ordered by your attending physician. If our kitchen cannot accommodate your dietary needs, we will arrange meals from an acceptable outside vendor at an additional cost to you.
- 2.8 UTILITIES. We will provide water, heat, air conditioning, and electricity, subject to the availability of these utilities.
- 2.9 LAUNDRY AND HOUSEKEEPING. We will provide linen service, personal laundry, and daily housekeeping services.
- 2.10 MAINTENANCE. We will maintain all common grounds and facilities. We will make all necessary repairs to your room or suite to items and utilities supplied by us. You are responsible for maintaining and repairing your personal property.
- 2.11 EMERGENCY RESPONSE. We will provide a twenty-four hour emergency response system, monitored by appropriate staff.
- 2.12 ACTIVITIES. We will provide a variety of recreational and/or exercise activities each day for those residents who choose to participate.

- 2.13. TRANSPORTATION. We will assist you in making arrangements for transportation as reasonably necessary.
- 2.14. STORAGE. We are not responsible for, nor shall we incur any liability for, loss or damages to valuables, money, clothing, or other personal items you bring to the Pavilion.
- 2.15. PHARMACY. Our pharmacy provider is Omnicare. We will secure pharmaceutical care and delivery through Omnicare as prescribed by your attending Physician. Payment of these services is the responsibility of all Private Pay Residents. You have the right to choose your own pharmacy provider; however, if you choose to receive medications through an outside pharmacy provider it is your responsibility to provide the Pavilion with those medications which will then be repackaged, at a cost to you, through Omnicare. If there is a delay in receiving new prescriptions and/or refills from an outside pharmacy provider we reserve the right to fill the prescription through Omnicare, at a cost to you, to ensure timely medication administration. Medicare A will cover the costs for medications during a Medicare qualified short stay.

### 3 FEES AND PAYMENT

- 3.1. PRIVATE PAY PER DIEM RATES. The per diem rate is set forth in Addendum A to this Agreement and includes accommodations, services, and supplies as described in Addendum A. **We do not participate in the Medicaid Program.**
- 3.2. SERVICES NOT INCLUDED IN THE PER DIEM RATE. Supplemental services (“ancillary services”) ordered by your physician or requested or required by you are not included in the per diem rate and will be billed to you on a monthly basis. Additional services available to you at an extra charge such as telephone service are described in Addendum A.
- 3.3. MEDICARE PART A ADMISSION. Medicare may pay for some or all of your skilled nursing facility stay(s). If you are eligible for Medicare, you have the right to have claims for your care submitted to Medicare. Medicare covers day 1-20 in full, but a co-payment is applied to day’s 21-100. **The resident is responsible for paying the co-payment and additional services that may not be covered under Medicare as described in section 3.2.** If a resident extends his/her stay beyond the days that Medicare will cover the fees as described in sections 3.1 and 3.2 will be initiated and the resident will be responsible for such charges.
- 3.4. FEE ADJUSTMENTS. The per diem rate and the charges for ancillary services may be increased at our discretion after providing you with thirty (30) days written notice.
- 3.5. PAYMENT SCHEDULE. Payments of the applicable per diem rate as set forth in Addendum A, payments for all ancillary supplies and services provided during the month, and payments for services not included in the per diem rate are to be made to us by you on a monthly basis. Payment is due no later than the payment due date shown on the invoice we provide for you. If your payment is not made by the end of the month in which a bill is rendered, we will apply a one and one-half percent (1.5%) late fee, equivalent to eighteen percent (18%) annually, beginning the second day of the following month. You are responsible for paying all costs incurred as a result of any collection process, including, without limitation, reasonable attorneys’ fees, court costs, and collection fees.
- 3.6. REFUND POLICY. We will provide you with a final invoice during the next billing cycle subsequent to your discharge. Any credit balance will be refunded during that billing cycle. Any balance you owe will be due by the payment due date shown on the invoice. If an advance deposit was required

upon admission, the advance deposit will be refunded during the next billing cycle subsequent to admission. If the facility closes, any funds paid to us for supplies or services to be provided after the date of closing will be refunded in full within thirty (30) business days of closure.

#### 4. YOUR RESPONSIBILITIES AS A RESIDENT

- a. You are responsible for timely payment of fees for all services and supplies to us.
  - b. You agree to abide by our rules, regulations, and policies as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which will be provided to you upon admission.
  - c. You have the right to and are responsible for designating an attending physician either before or at the time of admission. Your attending physician must be licensed to practice medicine in Virginia. Your attending physician is not an employee, contractor, or agent of the Pavilion, but he or she must follow our policies and procedures when caring for you. Upon admission your attending physician is
- 
- d. You are responsible for the cost of repair or replacement of any property owned by the Pavilion that is damaged or destroyed by you or your guests.
  - e. You are responsible for maintaining your own insurance coverage, including health insurance, liability insurance, and automobile insurance (if applicable).
  - f. You are responsible for payment to all providers of services not provided by us that you use, including but not limited to the services of your physicians and dentists.
  - g. You are responsible for payment to any private duty nurse, private duty geriatric aide, or private sitter that you hire and you must let us know if you have hired such a person. You are responsible for ensuring that such person is licensed and/or certified according to Virginia laws and regulations. Any person you hire is not an employee, contractor, or agent of the Pavilion, but he or she must follow our policies and procedures regarding personal service providers. Employees of the Pavilion may not serve as private duty nurses, private duty geriatric aides, or private sitters.
  - h. As a Private Pay Resident, you are responsible for payment for all prescription and non-prescription medications and supplies that you use and for all ancillary services, including x-ray and other diagnostic services, ambulance transportation, and rehabilitation services such as physical therapy, occupational therapy, and speech therapy.
  - i. As a Medicare Part A Resident, Medicare may pay for some, or all, of your skilled nursing care. If you are eligible for Medicare, you have the right to have claims for your skilled nursing care submitted to Medicare. You authorize the Pavilion to submit electronic transmissions, as required by CMS, on your behalf. The Resident is responsible for paying all co-payments and charges not covered under the skilled nursing facility (Medicare Part A) benefit.
  - j. You are responsible for providing your own clothing. If you do not provide adequate clothing, you authorize the Pavilion to use your personal fund account or bill you on your monthly statement to provide for such needs.

#### 2. PROPERTY RIGHTS



- a. OWNERSHIP. You have no right of ownership of any property of the Pavilion. This Agreement is for residential nursing care and services, and does not create a landlord/tenant relationship. This Agreement is not assignable by you without our prior written consent.
- b. RIGHT OF ENTRY. Employees of the Pavilion have the right to enter your room at any time to respond to fire or medical alerts or in other emergency circumstances. Our employees also have the right to enter your room to perform housekeeping, maintenance, and inspection functions with advance notice and at reasonable times.
- c. REMOVAL OF PROPERTY. When you are discharged from this facility and upon termination of this Agreement, you must have all of your personal belongings removed from the Pavilion within ten (10) days of discharge unless you make other prior arrangements with us. At the end of ten (10) days, we will store your property, and we reserve the right to charge a storage fee equal to fifty percent (50%) of your monthly fee in effect at the time of your discharge. After thirty (30) days, we will donate or otherwise dispose of all remaining property. Upon termination of this Agreement due to death of the Resident, all of the Resident's personal belongings must be moved from the Pavilion within ten (10) days of discharge unless the Resident's legal representative makes other prior arrangements with us. At the end of ten (10) days, we will store the Resident's property, and we reserve the right to charge a storage fee equal to fifty percent (50%) of the Resident's monthly fee in effect at the time of death. After thirty (30) days, we will donate or otherwise dispose of all remaining property.

### 3. BED HOLD POLICY DURING TEMPORARY ABSENCE

- a. If you are hospitalized or otherwise on leave from the Pavilion, we will hold your room or suite for you as long as you continue to pay for it at the current per diem rate. This bed hold fee applies to all residents of the health care center, both Medicare and Private Pay Residents. If you do not wish to hold your room or suite during your absence from the Pavilion, you are responsible for removing all of your personal belongings. You will be responsible for the per diem rate until the Admissions Department receives notification from you that you do not wish to hold your room or suite and your personal belongings have been removed.
- b. In the event that you notify us that you do not desire to hold your room or suite during your temporary absence from the Pavilion, you should be aware that there might not be a room or suite available for you at the desired time of readmission. It is your responsibility for removing all of your personal belongings from the Pavilion.

### 4. TERMINATION OF AGREEMENT

- a. TERMINATION BY RESIDENT. If you are a private pay resident, you may terminate this Agreement at any time for any reason by giving written notice to our admissions office at least thirty (30) days before the last day of residency, or, if residing in facility less than 30 days, advanced notice should be given as soon as practical. However, the Resident shall not be moved from the Pavilion without first notifying the Pavilion. You are responsible for any amounts owed to us and any expenses incurred by us in connection with termination, including any necessary repairs to your room.
- B. TERMINATION BY THE PAVILION.
  - i. **Involuntary Discharge.** We may terminate this Agreement without your consent and discharge or transfer you at any time upon reasonable advance written notice of at least thirty (30) days written notice unless:

- (a) The health or safety of other residents is in danger
- (b) Your health improves enough to allow an earlier discharge
- (c) Your medical needs require a more urgent transfer
- (d) You have not lived at the facility for thirty (30) days
- (e) On account of nonpayment for your stay, as required by this Agreement; or
- (f) If the Pavilion closes.

If we determine that we can no longer meet your documented medical needs, we may permanently discharge you to another health care facility of your choice (provided that such facility has a bed available), as ordered by your attending physician. If we determine that an involuntary discharge is necessary you will be notified of your appeal rights.

- ii. EMERGENCY DISCHARGE. We may terminate this Agreement and transfer you from the premises immediately, without notice, if necessary to protect your health or well-being. In such an emergency situation, we will provide written notice of transfer/discharge to you within forty-eight (48) hours of the decision to transfer or discharge you unless for reasons stated in 7.2.1.
- iii. VOLUNTARY DISCHARGE. You may be discharged upon reasonable advance written notice with your informed voluntary consent, or, if you are incapacitated, with the informed involuntary consent of an authorized health care decision maker acting in your best interests.
- iv. PRIOR CONSULTATION. We will consult with you, your legal representative or other family member or responsible party, and your attending physician before transferring or discharging you, whether the transfer is voluntary or involuntary. If your attending physician is not available, we will consult with our medical director and appropriate Pavilion staff. Your attending physician or our medical director must approve your voluntary or involuntary discharge or transfer and will make a notation to that effect in your clinical record.
- v. TERMINATION DUE TO DEATH. This Agreement automatically terminates upon death of the Resident.

## 5. ACKNOWLEDGEMENTS

- a. You have reviewed the Rights and Responsibilities of Residents of Patients in Nursing Homes (Sections 32.1-138 of the Code of Virginia), attached to this Agreement as Addendum C.
- b. You have been informed of your rights and of all rules and regulations governing patient conduct and responsibilities, and you have reviewed the requirements regarding resident conduct and other restrictions or special conditions as stated in this Agreement and in the Resident Handbook, Addendum B to this Agreement, a copy of which already has been provided to you.
- c. You have been informed of the financial arrangements for accommodations, services, and care provided by the Pavilion and of the services that are not covered by the facility's basic per diem rate, as set forth in Section 3 and Addendum A to this Agreement.

- d. You have been provided educational materials on advanced directives, have designated whether or not you have an advanced directive and have provided us with the necessary paperwork.
- e. You have been informed of the Pavilion's bed hold policy in section 6.1 and 6.2 of this Agreement.

## 6. MISCELLANEOUS

- a. BINDING EFFECT. The terms and conditions contained in this Agreement shall bind and inure to the benefit of the Pavilion, its assigns, and successors in interest, and shall bind and inure to the benefit of you and your heirs, distributees, executors, administrators, attorneys-in-fact, committees, and successors.
- b. ENTIRE AGREEMENT. This Agreement, including all Addenda, constitutes the entire agreement between the Pavilion and you. There are no other agreements, written or oral, express or implied, other than those contained in this Agreement, and no representations or promises of any nature have been made to you, other than those expressly set out in this Agreement. Nothing in this Agreement contains any promise to provide you with life care or continuing care.
- c. AMENDMENT. Subject to any provisions of this Agreement to the contrary, no modification, amendment, or waiver of any provision of this Agreement will be effective unless set forth in writing and signed by you, your legal representative if applicable, and the Administrator of the Pavilion.
- d. SEVERABILITY. The terms of this Agreement are severable, such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, or is rendered illegal, void, or unenforceable by a change in applicable statutes or regulations, the remainder of the provisions shall continue to be valid and enforceable.
- e. ASSIGNMENT. This Agreement is not assignable by you without our prior written consent. The rights and obligations of the Pavilion may be assigned to any person or entity, which person or entity will be responsible that our obligations under this Agreement are satisfied in full from and after the date that you are notified of such assignment. We may engage another person or entity to perform any or all of the services under this Agreement.
- f. NOTICES. Any notices to be given under this Agreement will be deemed to have been properly given when delivered personally or when mailed by first class mail, postage prepaid, addressed as follows:

3. If to the Resident: addressed to the room, suite or such other address as the Resident may designate by notice.

4. If to the Pavilion:  
Arleigh Burke Pavilion  
Administrator  
1739 Kirby Road  
McLean, Virginia 22101

Or to such other address as the Pavilion may designate by notice.

- g. WAIVER. Our failure, in any one or more instances, to insist upon your strict performance and observance of compliance with any of the provisions of this Agreement shall not be construed to be a waiver or relinquishment of our right to insist upon your future strict compliance.

- h. GOVERNING LAW. The parties agree that the laws of the Commonwealth of Virginia will govern all of their rights and duties under this Agreement, the interpretation of its language, and any questions concerning performance and discharge. The parties intend that this Agreement and all Addenda have the full force and effect of a sealed instrument under the laws of Virginia. The parties agree that arbitration in lieu of litigation for all disputes arising from the Agreement or from Resident's care will be executed.

IN WITNESS WHEREOF, Arleigh Burke Pavilion, you, and your responsible party (if applicable) have executed this Agreement to be effective as of the date below. You have read this Agreement, had any questions regarding its provisions answered, understand its provisions and have been given the opportunity to consult an attorney before signing the agreement.

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

ARLEIGH BURKE PAVILION

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

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Legal Representative

\_\_\_\_\_  
Legal Representative's Relationship

February 2021

ADMISSION AGREEMENT  
THE SYLVESTERY

1. PARTIES TO THIS AGREEMENT

1.1. This Admission Agreement ("Agreement") is made between The Sylvestery, assisted living suites that are operated by Vinson Hall Corporation, LLC ("we," "our," or "us"), and \_\_\_\_\_ ("you" or "Resident") and "Legal Representative."

1.2. The Sylvestery is located at 1728 Kirby Road, McLean, Virginia 22101. We are licensed as Assisted Living Facility by the Commonwealth of Virginia Department of Social Services.

1.3. Your legal representative, if you have one, may sign this Agreement on your behalf. Your legal representative may be a person that you have selected, such as a Power of Attorney or Health Care Agent. Your legal representative also may be someone a Court has appointed to act on your behalf, such as a Legal Guardian or Conservator. If you have a legal representative, his or her name and address is:

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

If your legal representative or another person has legal access to your funds and assets or will be making payments to us on your behalf, from your assets or from any other source, he or she is a necessary party to this Agreement. He or she must agree to the terms of the Agreement and sign the Agreement in his or her individual capacity, with or on behalf of you.

If you change your legal representative, give another person access to your funds and assets, or execute a legal document granting authority for business or financial decision-making or otherwise affecting any party to this Agreement, you and your legal representative agree to notify us immediately of all names and

contact information and provide us with a copy of all relevant legal documents.

If you do not have a legal representative at this time or an advance directive you may utilize the Virginia Advance Medical Directive form provided in our admissions packet.

## 2. RESPONSIBILITIES OF THE SYLVESTERY

- 2.1. ACCOMMODATIONS. We will provide you with a private room. We encourage you to bring your own furniture as appropriate for the room provided, should you choose to do so. However, upon your request, we will furnish your room with the following items: a bed, nightstand, lamp, chair, chest of drawers, wardrobe closet, and window coverings. Should Sylvestery's safety inspection and approval. We will determine room assignments, honoring your requests, if reasonable with the Sylvestery's discretion.
- 2.2. HEALTH CARE SERVICES. We will maintain professional health care staff on duty twenty-four hours each day. However, we will not provide twenty-four-hour one-to-one supervision for you. We will provide personalized support services and health-related care (excluding intensive ongoing medical care) designed to respond to your needs as identified in the Uniform Assessment Instrument. We will also supervise or provide administration of medications if indicated by the Uniform Assessment Instrument.
- 2.3. ACCESS TO HEALTH SERVICES NOT PROVIDED BY THE SYLVESTERY. We are not responsible for furnishing or paying for items or services that we are not licensed to provide, including but not limited to physician services, private duty personnel, nursing care, hospital care, hearing aids, eyeglasses, dentures, canes, crutches, wheelchairs and nonprescription medications. If your physician orders health care services that we are not licensed to do or do not have the capability to provide; or if we determine that you need a level of care that we do not provide, we will assist you in arranging access to the necessary services to be provided by an outside provider. We will also arrange for your transfer to the hospital of choice (provided such hospital has a bed available) as ordered by your physician. Any privately-provided durable medical equipment or assistive equipment is subject to testing by the facility for safety. For the Resident's protection, provision of such health services by outside providers must meet minimum standards set by the facility before provided to the Resident.

- 2.4. DIETARY SERVICES. We will prepare a daily menu that provides for three well-balanced meals per day. We will also make snacks available. We will respect your religious dietary practices and will accommodate reasonable special dietary needs as ordered by your attending physician. If our kitchen cannot accommodate your dietary needs, we will arrange meals from an acceptable outside vendor at an additional cost to you.
- 2.5. UTILITIES. We will provide water, heat, air conditioning, and electricity, subject to the availability of these utilities.
- 2.6. LAUNDRY AND HOUSEKEEPING. We will provide linen service, personal laundry, and daily housekeeping services as noted in the Resident Handbook. Dry cleaning is the responsibility of the resident or legal representative.
- 2.7. MAINTENANCE. We will maintain all common grounds and facilities. We will make all necessary repairs to your room or suite to items and utilities supplied by us. You are responsible for maintaining and repairing your personal property.
- 2.8. EMERGENCY RESPONSE. We will provide a twenty-four hour emergency response system, monitored by appropriate staff.
- 2.9. ACTIVITIES. We will provide a variety of recreational and/or exercise activities each day for those residents who choose to participate.
- 2.10. TRANSPORTATION. We will assist you in making arrangements for transportation as reasonably necessary.
- 2.11. STORAGE. We are not responsible for, nor shall we incur any liability for, loss or damages to valuables, money, clothing, or other personal items you bring to The Sylvestery.
- 2.12. PHARMACY. Our pharmacy provider is Omnicare. We will secure pharmaceutical care and delivery through Omnicare as prescribed by your attending Physician. Payment of these services is the responsibility of the Resident. You have the right to choose your own pharmacy provider; however, if you choose to receive medications through an outside pharmacy provider it is your

responsibility to provide The Sylvestery with those medications which will then be repackaged, at a cost to you, through Omnicare. If there is a delay in receiving new prescriptions and/or refills from an outside pharmacy provider we reserve the right to fill the prescription through Omnicare, at a cost to you, to ensure timely medication administration.

### 3. FEES AND PAYMENT

- 3.1 BASE ROOM RATES AND LEVEL OF SERVICE CHARGES. The base room rate is set forth in Addendum A, which is attached to this Agreement, and details the costs associated with accommodations, level of service, and supplies. The level of assisted living services required by the resident is determined through an assessment. The assessment is performed by designated team members and includes an evaluation of each resident's specific needs. It covers areas such as: mobility, hygiene, eating habits, continence, medication management, and assistance required with activities of daily living. The assessment, along with the physician report, provides the basis for identifying the resident's service level. If the resident's condition changes so that the previously assessed level of services is no longer appropriate, a designated staff member will reevaluate the resident's needs to determine which level of service is appropriate and notify the resident or responsible party of the reevaluation. The rate charged will vary according to the level of service provided. Changes in services provide will be reflected in a revised service plan.

#### SERVICES NOT INCLUDED IN THE BASE ROOM RATE.

Supplemental services ("ancillary services") ordered by your physician or requested or required by you are not included in the base room rate and will be billed to you on a monthly basis. Additional services available to you at an extra charge are described in Addendum A.

FEE ADJUSTMENTS. The base room rate and the charges for ancillary services may be increased at our discretion after providing you with thirty (30) days written notice. A change in the level of service is not considered a change of fees or charges. Rather, it is an increase in services which are subject to the higher fees corresponding to those services. The resident shall be responsible for the cost of the increased level of service when he or she begins receiving such



services.

- 3.2. PAYMENT SCHEDULE. Payments of the applicable base room rate and level of service rate as set forth in Addendum A, payments for all ancillary supplies and services provided during the month, and payments for services not included in the base room rate are to be made to us by you on a monthly basis. Payment is due no later than the payment due date shown on the invoice we provide for you. If your payment is not made by the end of the month in which a bill is rendered, we will apply a one and one-half percent (1.5%) late fee, equivalent to eighteen percent (18%) annually, beginning the second day of the following month. You are responsible for paying all costs incurred as a result of any collection process, including, without limitation, reasonable attorneys' fees, court costs, and collection fees.
- 3.3. REFUND POLICY. We will provide you with a final invoice during the next billing cycle subsequent to your discharge. Any credit balance will be refunded during that billing cycle. Any balance you owe will be due by the payment due date shown on the invoice. If an advance deposit was required upon admission, the advance deposit will be credited to the balance due. If the facility closes, any funds paid to us for supplies or services to be provided after the date of closing will be refunded in full within thirty (30) business days of closure.

#### 4. YOUR RESPONSIBILITIES AS A RESIDENT

- 4.1. You are responsible for timely payment of fees for all services and supplies to us.
- 4.2. You are responsible for providing your own clothing.
- 4.3. You agree to abide by our rules, regulations, and policies as set forth in the Resident Handbook, Addendum B to this agreement, a copy of which will be provided to you upon admission.
- 4.4. You are responsible for the cost of repair or replacement of any property owned by The Sylvestery that is damaged or destroyed by you or your guests.
- 4.5. You are responsible for insuring your property and person against theft and casualty loss. We will not be responsible for damage or loss of your property by casualty, theft, or other cause.

- 4.6. You are responsible for maintaining your own insurance coverage, including health insurance, liability insurance, and automobile insurance (if applicable).
- 4.7. You are responsible for payment to all providers of services not provided by us that you use, including but not limited to the services of your physicians and dentists.
- 4.8. You are responsible for payment to any private duty nurse, private duty geriatric aide, or private sitter that you hire and you must let us know if you have hired such a person. You are responsible for ensuring that such person is licensed and/or certified according to Virginia laws and regulations. Any person you hire is not an employee, contractor, or agent of The Sylvestery, but he or she must follow our policies and procedures regarding personal service providers or companions as forth in the Resident Handbook, Addendum B. Employees of The Sylvestery may not serve as private duty nurses, private duty geriatric aides, or private sitters.
- 4.9. You are responsible for payment for all prescription and non-prescription medications and supplies that you use and for all ancillary services, including x-ray and other diagnostic services, ambulance transportation, and rehabilitation services such as physical therapy, occupational therapy, and speech therapy.

## 5. PROPERTY RIGHTS

- 5.1. OWNERSHIP. You have no right of ownership of any property of The Sylvestery. This Agreement is for residential care and services, and does not create a landlord/tenant relationship. This Agreement is not assignable by you without our prior written consent.
- 5.2. RIGHT OF ENTRY. Employees of The Sylvestery have the right to enter your room at any time to respond to fire or medical alerts or in other emergency circumstances. Our employees also have the right to enter your room to perform housekeeping, maintenance, and inspection functions with advance notice and at reasonable times.
- 5.3. REMOVAL OF PROPERTY. When you are discharged from this facility and upon termination of this Agreement, you must have all

of your personal belongings removed from The Sylvestery within ten (10) days of discharge unless you make other prior arrangements with us. At the end of ten (10) days, we will store your property, and we reserve the right to charge a storage fee equal to fifty percent (50%) of your monthly fee in effect at the time of your discharge. After thirty (30) days, we will donate or otherwise dispose of all remaining property. Upon termination of this Agreement due to death of the Resident, all of the Resident's personal belongings must be moved from the Pavilion within ten (10) days of discharge unless the Resident's legal representative makes other prior arrangements with us. At the end of ten (10) days, we will store the Resident's property, and we reserve the right to charge a storage fee equal to fifty percent (50%) of the Resident's monthly fee in effect at the time of death. After thirty (30) days, we will donate or otherwise dispose of all remaining property.

#### 6. BED HOLD POLICY DURING TEMPORARY ABSENCE

- 6.1. If you are hospitalized or otherwise on leave from The Sylvestery, we will hold your room for you as long as you continue to pay for it at the current base room rate plus service level rate for the first seven days. Beginning on the 8<sup>th</sup> day the service level rate is removed. If you do not wish to hold your room during your absence from The Sylvestery, you are responsible for notifying The Sylvestery's administrator within twenty-four (24) hours of your departure from The Sylvestery, as set forth in the Resident Handbook, Addendum B. You are responsible for the current base room rate plus your care level rate until your personal belongings have been removed.
- 6.2. In the event that you notify us that you do not desire to hold your room during your temporary absence from The Sylvestery, you should be aware that there might not be a room available for you at the desired time of re-admission.
- 6.3. In the event of a resident's death, please discuss your plans for the removal of the belongings with the Administrator as soon as possible. Charges for the service level will stop the calendar day after a resident's death, from that point the resident's account will only be charged the base rate until the apartment is cleared of all personal belongings.

## 7. TERMINATION OF AGREEMENT

- 7.1. TERMINATION BY RESIDENT. You may terminate this Agreement at any time for any reason by giving written notice to our admissions office at least thirty (30) days before the last day of residency. You are responsible for the base room rate plus service level rate during the thirty-day notice period in addition to any amounts owed to us and any expenses incurred by us in connection with termination, including any necessary repairs to your room.
- 7.2. TERMINATION BY THE SYLVESTERY. We may terminate this Agreement at any time for any of the following reasons, with a minimum of fourteen (14) days' written notice to you: (a) nonpayment of fees pursuant to this Agreement; (b) inability to meet your documented medical needs; (c) conduct that constitutes a danger to yourself or others; (d) persistent refusal to comply with the written rules of The Sylvestery as set forth in the Resident Handbook; (e) a material breach of the terms and conditions of this Agreement; or (f) closing of the facility. If we determine that we can no longer meet your documented medical needs, we may permanently transfer you to a more appropriate level of care within the Vinson Hall Community, or discharge you to another health care facility of your choice, as ordered by your physician.
- 7.3. PRIOR CONSULTATION. To the extent possible, we will consult with you, your legal representative or other family member or responsible party, and your attending physician before transferring or discharging you, whether the transfer is voluntary or involuntary. If your attending physician is not available, we will consult with our medical director and appropriate Sylvestery staff. Your attending physician or our medical director must approve your voluntary or involuntary discharge or transfer and will make a notation to that effect in your clinical record.
- 7.4. EMERGENCY TRANSFER/DISCHARGE. We may terminate this Agreement and transfer you from the premises immediately if a physician certifies that your condition presents an immediate and serious risk to the health, safety, or welfare of you or others. In such an emergency situation, we will provide written notice of transfer/discharge to you within forty-eight (48) hours of the

decision to transfer or discharge you.

- 7.5. TERMINATION DUE TO DEATH. This Agreement automatically terminates upon death of the Resident.

## 8. ACKNOWLEDGEMENTS

- 8.1. You have been informed of the financial arrangement for accommodations, services, and care provided by The Sylvestery and of the services that are not covered by the facility's base room rate, as set forth in Section 3 and Addendum A to this Agreement.
- 8.2. You have been informed of and have reviewed the requirements regarding resident conduct and other restrictions or special conditions as stated in this Agreement and in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
- 8.3. You have been informed of The Sylvestery's policy regarding the amount of notice required when you wish to move from the facility as set forth in Section 7.1.
- 8.4. You have been informed of The Sylvestery's policy regarding weapons on the premises as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
- 8.5. You have been informed of The Sylvestery's policy regarding pets on the premises as set forth in the Resident Handbook, Addendum B to this agreement, a copy of which has been provided to you.
- 8.6. You have been informed of those actions, circumstances, or conditions that would result or might result in your discharge from the facility, as stated in Section 7 of this Agreement.
- 8.7. You have reviewed the Rights and Responsibilities of Residents of Assisted Living Facilities (Title 63.2-1808 of the Code of Virginia), attached to this Agreement as Addendum C as well as the Resident Handbook, Addendum B.
- 8.8. The Sylvestery's policies and procedures for implementing Title 63.2- 1808 of the Code of Virginia, including the grievance

policy and transfer/discharge policy, have been explained to you.

- 8.9. You have been informed and understand that you may refuse release of information regarding your personal affairs and records to any individual outside the facility, except as otherwise provided in law and except in case of your transfer to another caregiving facility;
  - 8.10. You have been informed of The Sylvestery's policy on bed holds as set forth in Section 6 of this Agreement.
  - 8.11. You have been provided educational materials on advance directives have designated whether or not you have an advance directive and have provided us with the necessary paperwork.
  - 8.12. You have been informed of the Sylvestery's format for the Resident Council Meetings as set forth in the Resident Handbook, Addendum B to the Agreement, a copy of which has been provided to you.
  - 8.13. You have been informed of the policy regarding the administration of medications and supplements.
  - 8.14. You have been informed of the policy or guidelines regarding visiting in the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
  - 8.15. You have been informed of the rules and restrictions regarding smoking on the premises of the facility, as set forth in the Resident Handbook, Addendum B to this Agreement, a copy of which has been provided to you.
  - 8.16. You are in receipt of our Disclosure Statement and received confirmation that The Sylvestery has the appropriate license to meet your care needs at the time of admission.
  - 8.17. You have been provided a written notice regarding the Sylvestery's liability insurance.
9. You have been informed that you should exercise whatever due diligence you deem necessary with respect to information on any registered sex

offenders. Upon request, the Sylvestery will assist you or your legal representative in accessing the information on registered sex offenders; and provide you or your legal representative with printed copies of the information on registered sex offenders.

#### MISCELLANEOUS

- 9.1. CONFIDENTIALITY OF PERSONAL INFORMATION. We will hold in confidence all personal and financial information and records supplied by you. You may approve or refuse the release of any information or records to any individual outside the facility, except that we must release information where required by subpoena or other court process, and otherwise comply with all requirements of law. We may also release information and records to another health care provider.
- 9.2. BINDING EFFECT. The terms and conditions contained in this Agreement shall bind and inure to the benefit of The Sylvestery, its assigns, and successors in interest, and shall bind and inure to the benefit of you and your heirs, distributees, executors, administrators, attorneys-in-fact, committees, and successors.
- 9.3. ENTIRE AGREEMENT. This Agreement, including all Addenda, constitutes the entire agreement between The Sylvestery and you. There are no other agreements, written or oral, express or implied, other than those contained in this Agreement, and no representations or promises of any nature have been made to you, other than those expressly set out in this Agreement. Nothing in this Agreement contains any promise to provide you with life care or continuing care.
- 9.4. AMENDMENT. Subject to any provisions of this Agreement to the contrary, no modification, amendment, or waiver of any provision of this Agreement will be effective unless set forth in writing and signed by you, your legal representative if applicable, and the Administrator of The Sylvestery.
- 9.5. SEVERABILITY. The terms of this Agreement are severable, such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, or is rendered illegal, void, or unenforceable by a change in applicable statutes or regulations, the remainder of the provisions shall continue to be valid and enforceable.
- 9.6. ASSIGNMENT. This Agreement is not assignable by you without

our prior written consent. The rights and obligations of The Sylvestery may be assigned to any person or entity, which person or entity will be responsible that our obligations under this Agreement are satisfied in full from and after the date that you are notified of such assignment. We may engage another person or entity to perform any or all of the services under this Agreement.

9.7. NOTICES. Any notices to be given under this Agreement will be deemed to have been properly given when delivered personally or when mailed by first class mail, postage prepaid, addressed as follows:

1. If to the Resident's Responsible Party: name, address, city, state and zip code.
2. If to The Sylvestery:  
The Sylvestery  
Administrator  
1728 Kirby Road  
McLean, Virginia 22101

Or to such other address as The Sylvestery may designate by notice.

9.8. WAIVER. Our failure, in any one or more instances, to insist upon your strict performance and observance of compliance with any of the provisions of this Agreement shall not be construed to be a waiver or relinquishment of our right to insist upon your future strict compliance.

9.9. GOVERNING LAW. The parties agree that the laws of the Commonwealth of Virginia will govern all of their rights and duties under this Agreement, the interpretation of its language, and any questions concerning performance and discharge. The parties intend that this Agreement and all Addenda have the full force and effect of a sealed instrument under the laws of Virginia. The parties agree that arbitration in lieu of litigation for all disputes arising from the Agreement or from Resident's care will be executed.

IN WITNESS WHEREOF, The Sylvestery, you, and your responsible party (if applicable) have executed this Agreement to be effective as of the date below. You have read this Agreement, had any questions regarding its provisions



answered, and understand its provisions.

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

THE SYLVESTERY

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

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Legal Representative

\_\_\_\_\_  
Legal Representative Relationship

October 2019

### **Your Suite and Fees**

Name of Resident: \_\_\_\_\_

Suite: \_\_\_\_\_

Occupancy Date: \_\_\_\_\_

Base Room Rate: \_\_\_\_\_

Service Level Rate: \_\_\_\_\_

Total Daily Fee: \_\_\_\_\_

# Contract Number Respite - 005

## VINSON HALL INDEPENDENT LIVING

### RESPITE RESIDENT'S CONTRACT

THIS AGREEMENT made this **XX** day of **XXX**, among the NAVY MARINE COAST GUARD RESIDENCE FOUNDATION, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereafter called the "Foundation") and VINSON HALL, LLC, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereinafter called the "Corporation"), and **XXXXXX** (hereinafter called the "Resident") (if husband and wife, or two other persons sign this Contract as co-residents, the word "Resident" shall apply to either or both of them as the context requires).

#### RECITALS:

R-1. The Corporation operates VINSON HALL (hereinafter called the "Hall") at 6251 Old Dominion Drive, McLean, Virginia.

R-2. The Resident has submitted an application for residence in the Hall and, subject to the provisions of this Contract and attached Addendums; the application has been accepted by the Corporation pursuant to its restricted admissions policies.

NOW THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto mutually agree as follows:

1. APARTMENT UNIT. The Resident has made satisfactory arrangements for the use and occupancy of Apartment ####, Model Type **XXXXX (XX)**. The Apartment will have hardwood and carpet except for the bathroom and the kitchen. Venetian blinds will be provided as window covers. Kitchens shall be equipped with cabinets, sink and counter space, refrigerator, stove and garbage disposal unit. The Apartment shall have a house telephone system and emergency call system. Respite apartments will be provided with basic furniture, all other furniture and furnishings will be provided by the Resident.

At the termination of this Agreement, the Resident shall surrender all keys and leave the Apartment in as good condition as when received, excepting reasonable wear and tear.

2. MONTH-TO-MONTH LEASE. This Agreement is a month-to-month respite agreement. The Respite stay will begin on **DATE** and terminate on **DATE** unless a new respite agreement has been executed prior to the termination date. Either party may terminate this Agreement upon thirty (30) days' written notice to the other party. Written notice of termination by the Resident shall be provided to the Corporation at 6251 Old Dominion Drive, McLean, Virginia, Attention: Vinson Hall Administrator and written notice to the Resident shall be addressed to the Apartment.

3. OPERATING FEES. The Resident agrees to pay in advance a monthly nonrefundable Operating Fee in the amount of \$\$\$\$\$. The first monthly payment of such Operating Fees, prorated as necessary, shall be due and payable on **DATE**; and each subsequent payment shall be due and payable on the first day of each month thereafter in advance. The Operating Fees are determined on the basis of the Corporation's best estimate of the cost of operating the Hall. The following services or facilities are included in the Operating Fees: (a) dining service (fixed operating cost); (b) health and wellness center (fixed operating costs) (c) utilities; (d) bus transportation service on a scheduled

basis; (e) housekeeping services; (f) a chapel; (g) hobby and craft shops; (h) common area maintenance; (i) library; (j) fitness center; and (k) laundry facilities. The monthly Operating Fee may be changed by the Corporation after giving thirty (30) days prior written notice to the Resident.

4. SERVICES AND AMENITIES. In addition to the monthly Operating Fee, additional fees will be assessed for: (a) meal charges (billed in arrears); (b) guest room accommodations; (c) transportation and admission to special events and (d) ancillary health services. Complete details of services and amenities are contained in the Resident Handbook provided to each resident at move-in. The Corporation shall be responsible for the updates to the Resident Handbook as needed.

5. HEALTHCARE SERVICES. In connection with the range of healthcare services furnished by the Corporation, the parties agree as follows:

(a) The obligations of the Corporation hereunder do not include the furnishing of or payment for any hospitalization, medical, dental or psychiatric care; physical, speech or occupational therapy; eyeglasses, hearing aids, orthopedic appliances; x-rays, drugs, or other treatment or medical supplies.

(b) The Resident shall take appropriate action to enroll in any governmental health programs for which he or she is eligible, and to execute such forms as are necessary to secure reimbursement of any amounts payable to or on behalf of him/herself as a beneficiary under said programs.

(c) If, in the judgment of the Hall Health & Wellness Center (HWC) personnel, the Resident requires medical, surgical, or psychiatric treatment or care beyond the capabilities of the HWC, the Resident shall be transferred, at his or her expense, to an appropriate facility for such treatment. The Corporation shall not be obligated to provide long-term nursing care or care which requires close supervision.

(d) The laws of the Commonwealth of Virginia will govern if the separation of a Resident from the Hall becomes appropriate or necessary because of cognitive disability or dysfunction. By the execution of this Contract, the Resident designates the Administrator of the Hall as his or her agent to consult with the Resident's Attorney-in-Fact, or with responsible relatives reasonably available, for the petitioning of a court of competent jurisdiction for determination of legal competency and/or for appointment of a committee or guardian pursuant to the then-existing laws of the Commonwealth of Virginia in the event of cognitive disability or dysfunction.

(e) It is also mutually understood that the HWC has no existing facilities for the treatment or care of a Resident who may become afflicted with a cognitive disability or dysfunction. Pending an appropriate court determination of competency, the HWC Physician shall have full authority to make arrangements for the transfer of any Resident so afflicted, at the Resident's expense, to a facility which, in the physician's opinion, is competent to render such treatment or care as the circumstances require.

6. OUTSIDE SERVICES. The Resident hereby authorizes release of medical information on the Resident's condition by any private duty nurses or aides to the Hall's Health & Wellness Center. All private duty nurses and aides shall provide documentation to the Hall that the Resident's needs are being addressed and shall assist with periodic assessment of the Resident's needs. All private duty nurses and aides shall comply with applicable laws, regulations and Hall policies and procedures.

7. RIGHT TO RESCIND. The Resident shall have the right to rescind this Contract without penalty or forfeiture within seven (7) days after executing the Contract.

8. PREREQUISITES. The Resident agrees, as a prerequisite to physically moving into the Hall, to furnish information satisfactory to the Corporation so that it can make a determination that the physical, cognitive or social condition of the Resident would not pose a significant risk to property or to the health or safety of the Resident or others and that the Resident meets the requirements for residency in the Hall.

9. ADHERENCE TO POLICIES. The Resident agrees to abide by any policies, rules and regulations of the Hall as the same may from time to time be adopted or amended by the Administrator of the Hall or by the Vinson Hall Residents Association. Final authority regarding any such policies, rules and regulations rests with the Corporation's Board of Directors.

10. TERMINATION. The Corporation reserves the right to terminate the residency of the Resident at any time, for good cause, including without limitation the following: (i) the Resident presents a danger to himself, herself or others; (ii) failure by the Resident to pay the monthly charges within sixty (60) days when due; (iii) repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the facility; (iv) persistent refusal by the Resident to comply with reasonable written rules and regulations of the Hall as reflected from time to time in the Resident Handbook; (v) a material misrepresentation made by the Resident in his or her application for residency or, in related materials, 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 care to the Resident under this Contract; or (vi) a material breach by the Resident of the terms and conditions of this Contract. In the case of (ii), (iii), (iv) and (vi) above, the Corporation shall give the Resident written notice of and an opportunity to cure within a thirty-day period the conduct or circumstance otherwise warranting the termination of the Contract.

11. NO PROPERTY RIGHTS. By the payment of the Entry Fee, the Resident acquires no property right or interest either in the Foundation or the Corporation or the apartment to be occupied in the Hall. The Resident acknowledges that he or she understands that the Corporation has incurred indebtedness to finance the construction and operation of the Hall, and that the Corporation may in the future deem it necessary or desirable to incur additional or other indebtedness in connection with the operation or expansion of the facilities of the Hall; and that such existing indebtedness is and such future indebtedness may be secured by a deed of trust and/or other lien upon the properties or other assets of the Corporation. In consideration for the making of any such existing and future loans to the Corporation - and for the benefit of the Corporation and of the present and future holders of liens upon the properties and assets of the Corporation taken as security for the repayment of those loans - the Resident hereby expressly subordinates and declares inferior all of his or her rights, privileges, and benefits arising from and under this Contract, and from payment of the Entry Fee, to the rights of each holder of a deed of trust or other lien upon the properties or other assets of the Corporation. The Resident further agrees to execute, on request, any instruments which the Corporation or any lender may require as further evidence of the subordination of the rights of the Resident to any such deed of trust or other lien. The Resident does hereby expressly waive any and all notices of default and notices of foreclosure pursuant to any deed of trust or other lien on the properties or other assets of the Corporation, and hereby constitutes the Corporation as agent to receive and accept service of any such notices on behalf of the Resident.

12. PERSONAL BELONGINGS. Neither the Foundation nor the Corporation shall be responsible for the loss of money, jewels, or other personal property belonging to the Resident, or to any guest of the Resident, due to theft, fire, or any other causes, whether in the Resident's apartment or in any other area of the Hall, except as the

result of gross negligence on the part of either the Foundation or the Corporation, or any of their agents acting within the scope of employment, and in the absence of contributory negligence.

13. PERSONAL INJURY. Neither the Foundation nor the Corporation shall be responsible for damages on account of personal injury to the Resident, or any guest of the Resident, unless as a result of gross negligence on the part of the Corporation, or any of its agents acting within the scope of employment, and in the absence of contributory negligence.

14. RIGHT TO ENTER. The Corporation retains the right to enter and conduct inspections of the apartment at any time as deemed necessary, to determine that safety and health standards are maintained by the Resident. Resident agrees to accept housekeeping services in his or her apartment at least one time per month.

15. NOTICE TO VACATE. The Resident shall provide at least thirty (30) days advance notice of any decision to vacate the apartment. The death of the Resident shall constitute such notice to the Foundation and the Corporation. The Resident or their Estate, as applicable, shall be responsible for all fees due hereunder through the date the apartment is vacated. Once the Resident has given a notice to vacate, the Corporation shall have the right to show the apartment during regular business hours and on reasonable notice to the Resident or their estate.

16. SUBLEASING/ASSIGNMENT. Any subleasing of the Resident's apartment is prohibited and, except for an assignment to a living trust of the Resident's right to any refund, the Resident may not assign any rights or obligations under this Agreement.

17. REMAINING RESIDENT. Where two parties have made application and are admitted for residence together, the survivor shall have the right to continued residence in the Hall, upon the death or removal of the other party.

(a) Any person, not otherwise eligible, who becomes the spouse of a resident, automatically, by virtue of that marriage, becomes eligible for residence on the same basis as all other residents. However upon the death of the eligible spouse, if the remaining resident remarries an ineligible individual, the couple will not be permitted to reside at the Hall.

18. LATE PAYMENT FEES. Any payments of fees and charges that are due hereunder and not received by the Hall within ten (10) days of when due shall bear a late charge of five percent (5%) of the amount then due. Any delinquent amounts due hereunder for more than thirty (30) days shall bear interest at the rate of one and one half percent (1 ½%) per month until paid in full.

19. FINANCIAL UPDATES. Resident acknowledges that the Corporation has relied upon Resident's application, including financial and medical statements, in accepting Resident for residency in the Hall. Resident warrants that such information is true and complete and said application is to be considered part of this Contract. Resident agrees that assets and income indicated on the application will be conserved and used for the support of Resident while residing at the Hall, Arleigh Burke Pavilion or The Sylvestery. Resident agrees to annually provide updated financial information to the Corporation and/or Foundation. This Contract and the financial information need to be renewed annually on the original agreement date.

20. FOUNDATION. The parties understand and agree that the Foundation is a party to this Agreement for the sole purpose of agreeing to hold, apply and, if and as expressly provided for hereunder, refund any Entry Fee(s) due hereunder.

21. MISCELLANEOUS. This Contract constitutes the entire agreement among the parties. In the event any provision of this Contract or portion thereof is found to be wholly or partially invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable or shall be deemed excised from this Contract, as the case may require. In the event the Corporation and/or the Corporation pursue any legal remedies against the Resident to enforce any provision of this Contract and is/are prevailing party, they shall be entitled to recover their costs plus reasonable attorney fees. Any modification to this Contract must be in writing and must be signed by all parties. The headings inserted in this Contract have been inserted for convenience of reference only and shall not be used to construe or interpret this Contract. This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia without regard to conflict of laws principles. The Corporation has encouraged the Resident to review the terms of this Contract with his or her attorney and financial advisor.

IN WITNESS WHEREOF, this Agreement is hereby executed the day and year first above written.

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

VINSON HALL, LLC

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Haider Mahmood  
Administrator

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Chip Warner  
Chief Executive Officer

NAVY MARINE COAST GUARD RESIDENCE FOUNDATION

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Chip Warner  
Executive Director

ATTACHMENT A

ADU AMMENDMENTS



ATTACHMENT B

Additional Expenses Incurred at Resident's Request

## **Addendum D**

### **Respite Care Addendum**

The Sylvestery will provide the personal care services that are listed in the Admission Agreement. You agree to occupy suite\_\_\_\_for a period of \_\_\_\_\_ days commencing on\_\_\_\_\_(Minimum stay is 21 days). If your respite stay extends beyond that period, you agree to sign a new Respite Care Addendum.

If converting to a full-time resident, you will need to be financially qualified and agree to complete the financial information on the application.

A fee of \$\_\_\_\_\_is due at the time this Addendum is executed. The daily rate charged is \$347 (2022).

BY THEIR SIGNATURES, the parties executed the Addendum to be effective

\_\_\_\_\_

20\_\_\_\_\_. The Sylvestery

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

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Legal Representative

\_\_\_\_\_  
Legal Representative Relationship

3/12/2019

Contract Number ADU  
VINSON HALL RESIDENT'S CONTRACT

THIS AGREEMENT made this **DATE** day of **MONTH YEAR**, among the NAVY MARINE COAST GUARD RESIDENCE FOUNDATION, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereafter called the "Foundation") and VINSON HALL, LLC, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereinafter called the "Corporation"), and **RESIDENT**

(hereinafter called the "Resident") (if husband and wife, or two other persons sign this Contract as co-residents, the word "Resident" shall apply to either or both of them as the context requires).

**RECITALS:**

R-1. The Corporation operates VINSON HALL (hereinafter called the "Hall") at 6251 Old Dominion Drive, McLean, Virginia.

R-2. The Resident has submitted an Affordable Dwelling Unit application for residence in the Hall and, subject to the provisions of this Contract and attached Addendums; the application has been accepted by the Corporation pursuant to its restricted admissions policies.

NOW THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto mutually agree as follows:

1. APARTMENT UNIT. The Resident has made satisfactory arrangements for the use and occupancy of Apartment # **APT**, Model Type **MODEL**. The apartment unit will be fully carpeted except for the bathroom(s) and the kitchen. Venetian blinds will be provided as window covers. Kitchens shall be equipped with cabinets, sink and counter space, refrigerator, stove and garbage disposal unit. The apartment unit shall have a house telephone system and emergency call system. All other furniture and furnishings will be provided by the Resident.

2. OPERATING FEES. The Resident agrees to pay in advance a monthly nonrefundable Operating Fee in the amount of **MONTHLY FEE**. The first monthly payment of such Operating Fees, prorated as necessary, shall be due and payable on ; and each subsequent payment shall be due and payable on the first day of each month thereafter in advance. The Operating Fees are determined on the basis of the Corporation's best estimate of the cost of operating the Hall. The following services or

facilities are included in the Operating Fees: (a) dining service (fixed operating cost); (b) health and wellness center (fixed operating costs) (c) utilities; (d) bus transportation service on a scheduled basis; (e) housekeeping services; (f) a chapel; (g) hobby and craft shops; (h) common area maintenance; (i) library; (j) fitness center; and (k) laundry facilities. The monthly Operating Fee may be changed by the Corporation after giving thirty (30) days prior written notice to the Resident.

3. SERVICES AND AMENITIES. In addition to the monthly Operating Fee, additional fees will be assessed for: (a) meal charges (billed in arrears); (b) guest room accommodations; (c) transportation and admission to special events and (d) ancillary health services.

4. HEALTHCARE SERVICES. In connection with the range of healthcare services furnished by the Corporation, the parties agree as follows:

(a) The obligations of the Corporation hereunder do not include the furnishing of or payment for any hospitalization, medical, dental or psychiatric care; physical, speech or occupational therapy; eyeglasses, hearing aids, orthopedic appliances; x-rays, drugs, or other treatment or medical supplies.

(b) The Resident shall take appropriate action to enroll in any governmental health programs for which he or she is eligible, and to execute such forms as are necessary to secure reimbursement of any amounts payable to or on behalf of him/herself as a beneficiary under said programs.

(c) If, in the judgment of the Hall Health & Wellness Center (HWC) personnel, the Resident requires medical, surgical, or psychiatric treatment or care beyond the capabilities of the HWC, the Resident shall be transferred, at his or her expense, to an appropriate facility for such treatment. The Corporation shall not be obligated to provide long-term nursing care or care which requires close supervision.

(d) The laws of the Commonwealth of Virginia will govern if the separation of a Resident from the Hall becomes appropriate or necessary because of cognitive disability or dysfunction. By the execution of this Contract, the Resident designates the Administrator of the Hall as his or her agent to consult with the Resident's Attorney-in-Fact, or with responsible relatives reasonably available, for the petitioning of a court of competent jurisdiction for determination of legal competency and/or for appointment of a committee or guardian pursuant to the then-existing laws of the Commonwealth of Virginia in the event of cognitive

disability or dysfunction.

(e) It is also mutually understood that the HWC has no existing facilities for the treatment or care of a Resident who may become afflicted with a cognitive disability or dysfunction. Pending an appropriate court determination of competency, the HWC Physician shall have full authority to make arrangements for the transfer of any Resident so afflicted, at the Resident's expense, to a facility which, in the physician's opinion, is competent to render such treatment or care as the circumstances require.

5. OUTSIDE SERVICES. The Resident hereby authorizes release of medical information on the Resident's condition by any private duty nurses or aides to the Hall's Health & Wellness Center. All private duty nurses and aides shall provide documentation to the Hall that the Resident's needs are being addressed and shall assist with periodic assessment of the Resident's needs. All private duty nurses and aides shall comply with applicable laws, regulations and Hall policies and procedures.

6. RIGHT TO RESCIND. The Resident shall have the right to rescind this Contract without penalty or forfeiture within seven (7) days after executing the Contract.

7. PREREQUISITES. The Resident agrees, as a prerequisite to physically moving into the Hall, to furnish information satisfactory to the Corporation so that it can make a determination that the physical, cognitive or social condition of the Resident would not pose a significant risk to property or to the health or safety of the Resident or others and that the Resident meets the requirements for residency in the Hall.

8. ADHERENCE TO POLICIES. The Resident agrees to abide by any policies, rules and regulations of the Hall as the same may from time to time be adopted or amended by the Administrator of the Hall or by the Vinson Hall Residents Association. Final authority regarding any such policies, rules and regulations rests with the Corporation's Board of Directors.

9. TERMINATION. The Corporation reserves the right to terminate the residency of the Resident at any time, for good cause, including without limitation the following: (i) the Resident presents a danger to himself, herself or others; (ii) failure by the Resident to pay the monthly charges within sixty (60) days when due; (iii) repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the facility; (iv) persistent refusal by the Resident to comply with reasonable written rules

and regulations of the Hall as reflected from time to time in the Resident Handbook; (v) a material misrepresentation made by the Resident in his or her application for residency or, in related materials, 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 care to the Resident under this Contract; or (vi) a material breach by the Resident of the terms and conditions of this Contract. In the case of (ii), (iii), (iv) and (vi) above, the Corporation shall give the Resident written notice of and an opportunity to cure within a thirty-day period the conduct or circumstance otherwise warranting the termination of the Contract.

10. PROBATIONARY PERIOD. The first six-month period, beginning with the first day the Resident occupies an apartment in the Hall, shall constitute a probationary or trial period during which this Contract may be terminated by the Corporation or by the Resident by prior written notice. If so terminated, the Resident shall vacate the apartment within thirty (30) days after such notice.

11. NO PROPERTY RIGHTS. By the payment of the Entry Fee, the Resident acquires no property right or interest either in the Foundation or the Corporation or the apartment to be occupied in the Hall. The Resident acknowledges that he or she understands that the Corporation has incurred indebtedness to finance the construction and operation of the Hall, and that the Corporation may in the future deem it necessary or desirable to incur additional or other indebtedness in connection with the operation or expansion of the facilities of the Hall; and that such existing indebtedness is and such future indebtedness may be secured by a deed of trust and/or other lien upon the properties or other assets of the Corporation. In consideration for the making of any such existing and future loans to the Corporation - and for the benefit of the Corporation and of the present and future holders of liens upon the properties and assets of the Corporation taken as security for the repayment of those loans - the Resident hereby expressly subordinates and declares inferior all of his or her rights, privileges, and benefits arising from and under this Contract, and from payment of the Entry Fee, to the rights of each holder of a deed of trust or other lien upon the properties or other assets of the Corporation. The Resident further agrees to execute, on request, any instruments which the Corporation or any lender may require as further evidence of the subordination of the rights of the Resident to any such deed of trust or other lien. The Resident does hereby expressly waive any and all notices of default and notices of foreclosure pursuant to any deed of trust or other lien on the properties or other assets of the Corporation, and hereby constitutes the Corporation as agent to receive and accept service of any such notices on behalf of the Resident.

12. PERSONAL BELONGINGS. Neither the Foundation nor the Corporation shall be responsible for the loss of money, jewels, or other personal property

belonging to the Resident, or to any guest of the Resident, due to theft, fire, or any other causes, whether in the Resident's apartment or in any other area of the Hall, except as the result of gross negligence on the part of either the Foundation or the Corporation, or any of their agents acting within the scope of employment, and in the absence of contributory negligence.

13. PERSONAL INJURY. Neither the Foundation nor the Corporation shall be responsible for damages on account of personal injury to the Resident, or any guest of the Resident, unless as a result of gross negligence on the part of the Corporation, or any of its agents acting within the scope of employment, and in the absence of contributory negligence.

14. RIGHT TO ENTER. The Corporation retains the right to enter and conduct inspections of the apartment at any time as deemed necessary, to determine that safety and health standards are maintained by the Resident. Resident agrees to accept housekeeping services in his or her apartment at least one time per month.

15. NOTICE TO VACATE. The Resident shall provide at least thirty (30) days advance notice of any decision to vacate the apartment. The death of the Resident shall constitute such notice to the Foundation and the Corporation. The Resident or their Estate, as applicable, shall be responsible for all fees due hereunder through the date the apartment is vacated. Once the Resident has given a notice to vacate, the Corporation shall have the right to show the apartment during regular business hours and on reasonable notice to the Resident or their estate.

16. SUBLEASING/ASSIGNMENT. Any subleasing of the Resident's apartment is prohibited and, except for an assignment to a living trust of the Resident's right to any refund, the Resident may not assign any rights or obligations under this Agreement.

17. REMAINING RESIDENT. Where two parties have made application and are admitted for residence together, the survivor shall have the right to continued residence in the Hall, upon the death or removal of the other party.

(a) Any person, not otherwise eligible, who becomes the spouse of a resident, automatically, by virtue of that marriage, becomes eligible for residence on the same basis as all other residents. However upon the death of the eligible spouse, if the remaining resident remarries an ineligible individual, the couple will not be permitted to reside at the Hall.

18. LATE PAYMENT FEES. Any payments of fees and charges that are due hereunder and not received by the Hall within ten (10) days of when due shall bear a late charge of five percent (5%) of the amount then due. Any delinquent amounts due hereunder for more than thirty (30) days shall bear interest at the rate of one and one half percent (1 ½%) per month until paid in full.

19. UNIT MODIFICATIONS. Any modification to the unit requested by the Resident shall first be approved by the Hall; shall be the financial responsibility of the Resident and legal title to same shall belong to the Hall upon termination of this Contract. The Hall, at its option, may return the unit to its original condition at the Resident's expense upon termination of this Contract.

20. FINANCIAL UPDATES. Resident acknowledges that the Corporation has relied upon Resident's application, including financial and medical statements, in accepting Resident for residency in the Hall. Resident warrants that such information is true and complete and said application is to be considered part of this Contract. Resident agrees that assets and income indicated on the application will be conserved and used for the support of Resident while residing at the Hall, Arleigh Burke Pavilion or The Sylvestery. Resident agrees to annually provide updated financial information to the Corporation and/or Foundation. This Contract and the financial information need to be renewed annually on the original agreement date.

21. FOUNDATION. The parties understand and agree that the Foundation is a party to this Agreement for the sole purpose of agreeing to hold, apply and, if and as expressly provided for hereunder, refund any Entry Fee(s) due hereunder.

22. MISCELLANEOUS. This Contract constitutes the entire agreement among the parties. In the event any provision of this Contract or portion thereof is found to be wholly or partially invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable or shall be deemed excised from this Contract, as the case may require. In the event the Corporation and/or the Corporation pursue any legal remedies against the Resident to enforce any provision of this Contract and is/are prevailing party, they shall be entitled to recover their costs plus reasonable attorney fees. Any modification to this Contract must be in writing and must be signed by all parties. The headings inserted in this Contract have been inserted for convenience of reference only and shall not be used to construe or interpret this Contract. This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia without regard to conflict of laws principles. The Corporation has encouraged the Resident to review the terms of this Contract with his or her attorney and financial advisor.



IN WITNESS WHEREOF, this Agreement is hereby executed the day and year first above written.

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
(Resident)

VINSON HALL, LLC

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Haider Mahmood  
Administrator

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Chip Warner  
Chief Executive Officer

NAVY MARINE COAST GUARD RESIDENCE FOUNDATION

By: \_\_\_\_\_ (Date) \_\_\_\_\_  
Executive Director

ATTACHMENT A

ADU AMMENDMENTS

ATTACHMENT B

# Contract Number OC # \_\_\_\_\_

## VINSON HALL RENTAL AGREEMENT

**THIS RENTAL AGREEMENT** (this "Agreement") made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, is by and between **VINSON HALL, LLC**, a not-for-profit corporation organized under the laws of the Commonwealth of Virginia (hereinafter called the "Corporation"), and \_\_\_\_\_ (hereinafter called the "Resident"). (If husband and wife, or two other persons sign this Agreement as co-residents, the word "Resident" shall apply to either or both of them as the context requires.)

R-1. The Corporation operates VINSON HALL (hereinafter called the "Hall") at 6251 Old Dominion Drive, McLean, Virginia.

R-2. The Resident has submitted an application for residence in the Hall and, subject to the provisions of this Agreement, the application has been accepted by the Corporation pursuant to its restricted admissions policies.

**NOW THEREFORE**, in consideration of the mutual covenants and promises herein contained, the parties hereto mutually agree as follows:

22. APARTMENT UNIT. The Resident has made satisfactory arrangements for the use and occupancy of Apartment # \_\_\_\_\_, Model Type \_\_\_\_\_ (the "Apartment"). The Apartment will have hardwood and carpet except for the bathroom and the kitchen. Venetian blinds will be provided as window covers. Kitchens shall be equipped with cabinets, sink and counter space, refrigerator, stove and garbage disposal unit. The Apartment shall have a house telephone system and emergency call system. All other furniture and furnishings will be provided by the Resident.

The Apartment shall be used only as a private dwelling and not in connection with any business, profession, trade or craft. No person shall reside in the Apartment other than the Resident. Neither the Apartment nor any part thereof shall be sublet or advertised for subletting, nor shall this Agreement be assigned. The Apartment will be made available in a satisfactory condition permitting habitation, with reasonable safety.

At the termination of this Agreement, the Resident shall surrender all keys and leave the Apartment in as good condition as when received, excepting reasonable wear and tear.

23. MONTH-TO-MONTH LEASE. This Agreement is a month-to-month rental agreement. Either party may terminate this Agreement upon thirty (30) days' written notice to the other party. Written notice of termination by the Resident shall be provided to the Corporation at 6251 Old Dominion Drive, McLean, Virginia, Attention: Vinson Hall Administrator, and written notice to the Resident shall be addressed to the Apartment.

COMMUNITY FEE. The Corporation, in consideration of the payment by Resident of a **NON-REFUNDABLE** Community Fee in the amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_) (and a second person **NON-REFUNDABLE** Community Fee in the amount of \_\_\_\_\_ dollars [\$\_\_\_\_\_] if applicable), the Corporation will provide

the Resident access to the Hall's amenities, services and common areas subject to the provisions of this Agreement. Resident shall pay the Community Fee before occupancy.

24. OPERATING FEES. The Resident agrees to pay, prior to occupancy, a monthly nonrefundable Operating Fee ("Rent") in the amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_). The first monthly payment of such Operating Fees, prorated as necessary, shall be due and payable on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ and each subsequent payment shall be due and payable on the first day of each month thereafter in advance. The Operating Fees are determined on the basis of the Corporation's best estimate of the cost of operating the Hall. The following services or facilities are included in the Operating Fees: (a) a monthly Dining Allowance (see the Rental Pricing Guide for the current amount) which may be used to purchase meals and/or guest meals. The Dining Allowance must be used during the month. Any amount left in the Dining Allowance at the end of the month will not carry over to the next month; (b) health and wellness center (fixed operating costs) (c) utilities; (d) bus transportation service on a scheduled basis; (e) housekeeping services; (f) a chapel; (g) hobby and craft shops; (h) common area maintenance; (i) library; (j) fitness center; and (k) laundry facilities. The monthly Operating Fee may be changed by the Corporation in its sole discretion after giving thirty (30) days prior written notice to the Resident.

25. SERVICES AND AMENITIES. In addition to the monthly Operating Fee, additional fees will be assessed for: (a) extra meal charges (in excess of the dining allowance); (b) guest room accommodations; (c) transportation and admission to special events and (d) ancillary health services. Complete details of services and amenities are contained in the Resident Manual provided to each resident at move-in. The Corporation shall be responsible for the updates to the Resident Manual as needed.

26. HEALTHCARE SERVICES. In connection with the range of healthcare services furnished by the Corporation, the parties agree as follows:

(a) The obligations of the Corporation hereunder do not include the furnishing of or payment for any hospitalization, medical, dental or psychiatric care; physical, speech or occupational therapy; eyeglasses, hearing aids, orthopedic appliances; x-rays, drugs, or other treatment or medical supplies.

(b) The Resident shall take appropriate action to enroll in any governmental health programs for which he or she is eligible, and to execute such forms as are necessary to secure reimbursement of any amounts payable to or on behalf of him/herself as a beneficiary under said programs.

(c) If, in the judgment of the Hall Health & Wellness Center (HWC) personnel, the Resident requires medical, surgical, or psychiatric treatment or care beyond the capabilities of the HWC, the Resident shall be transferred, at his or her expense, to an appropriate facility for such treatment. The Corporation shall not be obligated to provide long-term nursing care or care which requires close supervision.

(d) The laws of the Commonwealth of Virginia will govern if the separation of a Resident from the Hall becomes appropriate or necessary because of cognitive disability or dysfunction. By the execution of this Contract, the Resident designates the Administrator of the Hall as his or her agent to consult with the Resident's Attorney-in-Fact, or with responsible relatives reasonably available, for the petitioning of a court of competent jurisdiction for determination of legal competency and/or for appointment of a committee or guardian pursuant to the then-existing laws of the Commonwealth of Virginia in the event of cognitive disability or dysfunction.

(e) It is also mutually understood that the HWC has no existing facilities for the treatment or care of a Resident who may become afflicted with a cognitive disability or dysfunction. Pending an appropriate court determination of competency, the HWC Physician shall have full authority to make arrangements for the transfer of any Resident so afflicted, at the Resident's expense, to a facility which, in the physician's opinion, is competent to render such treatment or care as the circumstances require.

27. OUTSIDE SERVICES. The Resident hereby authorizes release of medical information on the Resident's condition by any private duty nurses or aides to the Hall's Health & Wellness Center. All private duty nurses and aides shall provide documentation to the Hall that the Resident's needs are being addressed and shall assist with periodic assessment of the Resident's needs. All private duty nurses and aides shall comply with applicable laws, regulations and Hall policies and procedures.

28. RIGHT TO RESCIND. The Resident shall have the right to rescind this Agreement without penalty or forfeiture within seven (7) days after executing this Agreement.

29. PREREQUISITES. The Resident agrees, as a prerequisite to physically moving into the Hall, to furnish information satisfactory to the Corporation so that it can make a determination that the physical, cognitive or social condition of the Resident would not pose a significant risk to property or to the health or safety of the Resident or others and that the Resident meets the requirements for residency in the Hall.

30. ADHERENCE TO POLICIES. The Resident agrees to abide by any policies, rules and regulations of the Hall as the same may from time to time be adopted or amended by the Administrator of the Hall or by the Vinson Hall Residents Association. Final authority regarding any such policies, rules and regulations rests with the Corporation's Board of Directors.

31. TERMINATION. The Corporation reserves the right to terminate the residency of the Resident at any time, for good cause, including without limitation the following: (i) the Resident presents a danger to himself, herself or others; (ii) failure by the Resident to pay the monthly charges within forty-five (45) days when due; (iii) repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the facility; (iv) persistent refusal by the Resident to comply with reasonable written rules and regulations of the Hall as reflected from time to time in the Resident Manual; (v) a material misrepresentation made by the Resident in his or her application for residency or, in related materials, 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 care to the Resident under this Agreement; or (vi) a material breach by the Resident of the terms and conditions of this Agreement. In the case of (ii), (iii), (iv) and (vi) above, the Corporation shall give the Resident written notice of and an opportunity to cure within a fifteen (15) day period the conduct or circumstance otherwise warranting the termination of this Agreement.

32. NO PROPERTY RIGHTS. By the payment of the Community Fee, the Resident acquires no property right or interest either in the Corporation or the Apartment to be occupied in the Hall.

This Agreement confers no rights on the Resident to the use of the exterior surfaces of the walls of the Apartment or to the roof of the building containing the Apartment, or to the use for any purpose of any property of the Corporation outside the said building except the use in common of the walks and roadways giving access thereto and such other areas, if any, the Corporation may from time to time designate for the use of residents.

33. PERSONAL BELONGINGS. The Corporation shall not be responsible for the loss of money, jewels, or other personal property belonging to the Resident, or to any guest of the Resident, due to theft, fire, or any other

causes, whether in the Apartment or in any other area of the Hall, except as the result of gross negligence on the part of the Corporation, or any of its agents acting within the scope of employment, and in the absence of contributory negligence. It is a strong suggestion of the Corporation that the Resident obtain renter's insurance to cover the Resident's personal items in the Apartment.

34. PERSONAL INJURY. The Corporation shall not be responsible for damages on account of personal injury to the Resident, or any guest of the Resident, unless as a result of gross negligence on the part of the Corporation, or any of its agents acting within the scope of employment, and in the absence of contributory negligence.

35. RIGHT TO ENTER. The Corporation retains the right to enter and conduct inspections of the Apartment at any time as deemed necessary, to determine that safety and health standards are maintained by the Resident. Resident agrees to accept housekeeping services in the Apartment at least one time per month.

36. NOTICE TO VACATE. The Resident shall provide at least thirty (30) days' advance written notice of any decision to vacate the Apartment. The death of the Resident shall constitute such notice to the Corporation. The Resident or their Estate, as applicable, shall be responsible for all fees due hereunder through the date the Apartment is vacated. Once the Resident has given a notice to vacate, the Corporation shall have the right to show the Apartment during regular business hours and on reasonable notice to the Resident or their estate.

If the Apartment shall appear to be vacant or abandoned, the Corporation may, pursuant to law, re-enter and resume possession of the Apartment and declare this Agreement and the tenancy hereby created terminated, and may thereupon remove all property from the Apartment. The Resident, notwithstanding such termination, shall remain liable for any Rent due or accrued to the Corporation, and the Resident shall further pay to the Corporation an amount equal to the Rent reserved herein for the rest of the term, less such amounts as the Corporation may receive from others to whom the Apartment may be rented from time to time, from which amounts the Corporation shall first be entitled to deduct all expenses incurred in recovering possession of, decorating and re-leasing, the Apartment.

37. REMAINING RESIDENT. Where two parties have made application and are admitted for residence together, the survivor shall have the right to continued residence in the Hall, upon the death or removal of the other party and subject to the provisions of this Agreement.

(a) Any person, not otherwise eligible, who becomes the spouse of a resident, automatically, by virtue of that marriage, becomes eligible for residence on the same basis as all other residents. However, upon the death of the eligible spouse, if the remaining resident remarries an ineligible individual, the couple will not be permitted to reside at the Hall.

38. LATE PAYMENT FEES. Any payments of fees and charges that are due hereunder and not received by the Hall within ten (10) days of when due shall bear a late charge of five percent (5%) of the amount then due. Any delinquent amounts due hereunder for more than thirty (30) days shall bear interest at the rate of one and one half percent (1½%) per month until paid in full.

39. INSUFFICIENT FUNDS. If any check issued by Resident to the Corporation for payments due hereunder is returned without payment for any reason whatsoever except the Corporation's fault, the Resident shall pay the Corporation a charge of \_\_\_\_\_ dollars (\$\_\_\_\_\_) for each time a check is returned, which sum shall be considered as additional Rent hereunder and shall be paid by the Resident to the Corporation immediately upon demand.

In the event that a Resident's personal check is returned by the bank for non-sufficient funds or an account closed transaction, the Corporation will no longer accept a personal check as payment. A cashier's check, certified check or money order will be required for all future payments.

40. UNIT MODIFICATIONS. Any modification to the unit requested by the Resident shall first be approved by the Corporation; shall be the financial responsibility of the Resident and legal title to same shall belong to the Corporation upon termination of this Agreement. The Corporation, at its option, may return the unit to its original condition at the Resident's expense upon termination of this Agreement.

The Resident shall not without the prior written consent of the Corporation, make any alteration, addition or change in or to the Apartment or the painting or papering thereof; nor change the locks or install additional locks, chains or other fasteners on the doors of the Apartment; nor in any way deface or mutilate the walls, floors, ceiling or other parts, thereof; nor do or keep anything in the Apartment which will affect the building containing the Apartment or the contents of said building, or which shall violate any law or government regulation or Apartment policy, nor will the Resident permit or suffer anything to be done which is prohibited by this Agreement. The Corporation shall furnish such services as may be necessary for cleanliness and general maintenance outside the Apartment and in and about the building containing the Apartment. Any defective condition in the Apartment which comes to the Resident's attention, which he/she has reason to believe is unknown to the Corporation, shall be reported to the Corporation within forty-eight (48) hours. Where the defective condition may cause serious damage to person or property, it shall be reported to the Corporation immediately.

41. APARTMENT REPAIRS. The Resident shall pay for all repairs to the Apartment and to equipment and installations therein and to all other parts of the Corporation's property which are necessitated by the failure of the Resident, members of his/her family, his/her visitors or servants to exercise due care in the use thereof, or to observe the provisions of this Agreement, and the cost of such repairs shall be deemed additional Rent, payable together with the first installment of the Rent due after the date on which the Resident shall be notified of the amount of such cost incurred. The Corporation shall make all necessary repairs not required to be made by the Resident pursuant to this paragraph.

42. FINANCIAL UPDATES. Resident acknowledges that the Corporation has relied upon Resident's application, including financial and medical statements, in accepting Resident for residency in the Hall. Resident warrants that such information is true and complete and said application is to be considered part of this Agreement. Resident agrees that assets and income indicated on the application will be conserved and used for the support of Resident while residing at the Hall, Arleigh Burke Pavilion or The Sylvestery.

43. MISCELLANEOUS. This Agreement constitutes the entire agreement among the parties. In the event any provision of this Agreement or portion thereof is found to be wholly or partially invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable or shall be deemed excised from this Agreement, as the case may require. In the event the Corporation and/or the Corporation pursue any legal remedies against the Resident to enforce any provision of this Agreement and is/are prevailing party, they shall be entitled to recover their costs plus reasonable attorney fees. Any modification to this Agreement must be in writing and must be signed by all parties. The headings inserted in this Agreement have been inserted for convenience of reference only and shall not be used to construe or interpret this Agreement. This Agreement shall be governed in all respects by the laws of the Commonwealth of Virginia without regard to conflict of laws principles. The Corporation has encouraged the Resident to review the terms of this Agreement with his or her attorney and financial advisor.



**[SIGNATURES FOLLOW]**

**IN WITNESS WHEREOF**, this Agreement is hereby executed the day and year first above written.

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
(Resident)

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
(Second Resident, if applicable)

**VINSON HALL, LLC**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Haider Mahmood  
Administrator

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Chip Warner  
Chief Executive Officer

11756769v3

Additional Expenses Incurred at Resident's Request

**EXHIBIT C**  
**Schedule of Entry Fees by Apartment**

VINSON HALL SCHEDULE OF ENTRY FEES BY APARTMENT TYPE - 2023

Apartment Type	2019		2020		2021		2022		2023	
	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance
Efficiency (Standard)	\$140,330	\$91,215	\$146,645	\$95,319	\$151,045	\$98,179	\$155,576	\$101,124	\$163,355	\$106,180
Efficiency w/Balcony	\$149,508	\$98,278	\$156,236	\$102,700	\$160,923	\$105,781	\$165,751	\$108,955	\$174,039	\$114,403
Efficiency (Large)	\$181,288	\$117,837	\$189,446	\$123,140	\$195,129	\$126,834	\$200,983	\$130,639	\$211,032	\$137,171
One Bedroom, One Bath	\$226,610	\$147,296	\$236,807	\$153,925	\$243,912	\$158,543	\$251,229	\$163,299	\$263,790	\$171,464
One Bedroom, One Bath w/Balcony	\$236,220	\$154,640	\$246,849	\$161,599	\$254,255	\$166,447	\$261,883	\$171,440	\$274,977	\$180,012
One Bedroom, One Bath (Large)	\$245,674	\$159,688	\$256,729	\$166,874	\$264,431	\$171,880	\$272,364	\$177,037	\$285,982	\$185,889
One Bedroom, Two Bath	\$300,708	\$195,460	\$314,240	\$204,256	\$323,667	\$210,383	\$333,377	\$216,695	\$350,046	\$227,530
One Bedroom, Two Bath w/Balcony	\$310,317	\$202,804	\$324,282	\$211,930	\$334,010	\$218,288	\$344,030	\$224,836	\$361,232	\$236,078
One Bedroom, Two Bath (Large)	\$331,642	\$215,567	\$346,566	\$225,268	\$356,963	\$232,026	\$367,672	\$238,987	\$386,056	\$250,936
Two Bedroom, One Bath	\$300,708	\$195,460	\$314,240	\$204,256	\$323,667	\$210,383	\$333,377	\$216,695	\$350,046	\$227,530
Two Bedroom, One Bath w/Balcony	\$310,317	\$202,804	\$324,282	\$211,930	\$334,010	\$218,288	\$344,030	\$224,836	\$361,232	\$236,078
Two Bedroom, Two Bath	\$402,095	\$261,362	\$420,189	\$273,123	\$432,795	\$281,317	\$445,779	\$289,756	\$468,068	\$304,244
Two Bedroom, Two Bath w/Balcony	\$412,136	\$268,986	\$430,682	\$281,090	\$443,603	\$289,523	\$456,911	\$298,208	\$479,757	\$313,118
Two Bedroom, Two Bath (Lge)	\$435,091	\$282,809	\$454,670	\$295,536	\$468,310	\$304,402	\$482,360	\$313,534	\$506,478	\$329,211

# VINSON HALL SCHEDULE OF ENTRY FEES BY APARTMENT TYPE - 2023

(Continued – Page Two)

Apartment Type	2019		2020		2021		2022		2023	
	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance
Two Bedroom, Two Bath w/Den	\$481,133	\$312,736	\$502,784	\$326,809	\$517,867	\$336,614	\$533,403	\$346,712	\$560,073	\$364,048
Two Bedroom, Two Bath, Den w/Balcony	\$491,174	\$320,360	\$513,277	\$334,776	\$528,675	\$344,820	\$544,535	\$355,164	\$571,762	\$372,922

## Second Person Entry Fee

Contract Type	2019		2020		2021		2022		2023	
	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance
	\$27,960	\$18,640	\$29,219	\$19,479	\$30,095	\$20,063	\$30,998	\$20,665	\$32,548	\$21,698

**ENTRY FEE SCHEDULE FOR WILLOW OAK  
APARTMENTS - 2023 BY APARTMENT TYPE**

					2020		2021		2022		2023	
Apartment Type	Sq Ft	Floor	Front	Back	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance
The Adams 1 Br w/ Study	1,248	1 <sup>st</sup> Only	N/A	N/A	\$587,499	\$381,910	\$605,124	\$393,367	\$623,278	\$405,168	\$654,442	\$425,426
The Grant 2BR/2BA	1,295	1 <sup>st</sup> & 4 <sup>th</sup>	Yes	Yes	\$609,159	\$395,959	\$627,434	\$407,838	\$646,257	\$420,073	\$678,570	\$441,077
The Grant 2 BR/2BA	1,295	2 <sup>nd</sup> & 3 <sup>rd</sup>	N/A	Yes	\$549,449	\$357,089	\$565,932	\$367,802	\$582,910	\$378,836	\$612,056	\$379,778
The Grant 2 BR/2 BA	1,295	Top-5th	N/A	N/A	\$668,869	\$434,829	\$688,935	\$447,874	\$709,603	\$461,310	\$745,083	\$484,376
The Jackson 2 BR/2 BA w/Study	1,515	1 <sup>st</sup> & 4 <sup>th</sup>	N/A	Yes	\$710,666	\$461,874	\$731,986	\$475,730	\$753,945	\$490,002	\$791,642	\$514,502
The Jackson 2 BR/2 BA w/Study	1,515	2 <sup>nd</sup> & 3 <sup>rd</sup>	N/A	Yes	\$640,770	\$416,448	\$659,993	\$428,941	\$679,793	\$441,809	\$713,783	\$463,899
The Jackson 2 BR/2 BA w/Study	1,515	Top-5th	N/A	N/A	\$780,562	\$507,301	\$803,978	\$522,520	\$828,098	\$538,195	\$869,503	\$565,105
The Jefferson 2 BR/2 BA w/Study	1,595	1 <sup>st</sup> thru 4 <sup>th</sup>	N/A	N/A	\$747,545	\$485,875	\$769,972	\$500,452	\$793,071	\$515,465	\$832,725	\$541,238
The Jefferson 2 BR/2 BA w/Study	1,595	Top-5th	N/A	N/A	\$821,071	\$533,760	\$845,703	\$549,773	\$871,074	\$566,266	\$914,628	\$594,579
The JFK 2 BR/2BA w/Study	1,633	1 <sup>st</sup> thru 4 <sup>th</sup>	Yes	Yes	\$765,107	\$497,349	\$788,060	\$512,269	\$811,702	\$527,637	\$852,287	\$554,019
The JFK 2 BR/2BA w/Study	1,633	2 <sup>nd</sup> & 3 <sup>rd</sup>	N/A	Yes	\$689,709	\$448,293	\$710,400	\$461,742	\$731,712	\$475,594	\$768,298	\$499,374
The JFK 2 BR/2BA w/Study	1,633	Top-5th	N/A	N/A	\$840,389	\$546,288	\$865,600	\$562,676	\$891,568	\$579,557	\$936,146	\$608,535
The Lincoln 2BR/2BA w/Study	1,708	1 <sup>st</sup> & 4 <sup>th</sup>	N/A	Yes	\$799,645	\$519,828	\$823,635	\$535,423	\$848,344	\$551,486	\$890,761	\$579,060

Page 2					2020		2021		2022		2023	
Apartment Type	Sq Ft	Floor	Front	Back	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance	90% Refundable	Declining Balance
The Lincoln 2BR/2BA w/Study	1,708	2 <sup>nd</sup> & 3 <sup>rd</sup>	N/A	Yes	\$720,852	\$468,548	\$742,477	\$482,604	\$764,751	\$497,082	\$802,989	\$521,936
The Lincoln 2BR-2BA w/Study	1,708	Top-5th	N/A	Yes	\$878,439	\$570,991	\$904,792	\$588,121	\$931,936	\$605,765	\$978,533	\$636,053
The Madison 2 BR/3 BA w/Study	1,728	2 <sup>nd</sup> & 3 <sup>rd</sup>	N/A	N/A	\$808,895	\$525,799	\$833,161	\$541,573	\$858,156	\$557,820	\$901,064	\$585,711
The Madison 2 BR/3 BA w/Study	1,728	Top-4th	N/A	N/A	\$888,625	\$577,665	\$915,284	\$594,995	\$942,742	\$612,844	\$989,879	\$643,486
The Monroe 2 BR/2 BA w/Stud	1,739	1 <sup>st</sup> thru 4 <sup>th</sup>	N/A	N/A	\$813,929	\$529,077	\$838,347	\$544,950	\$863,497	\$561,298	\$906,672	\$589,363
The Monroe 2 BR/2 BA w/Study	1,739	Top-5 <sup>th</sup>	N/A	N/A	\$894,128	\$581,177	\$920,951	\$598,612	\$948,580	\$616,571	\$996,009	\$647,400
The FDR 2 BR/2.5 BA w/Study	1,904	1 <sup>st</sup> thru 4 <sup>th</sup>	N/A	N/A	\$890,030	\$578,601	\$916,731	\$595,959	\$944,233	\$613,838	\$991,445	\$644,530
The FDR 2 BR/2.5 BA w/Study	1,904	Top-5th	N/A	N/A	\$977,956	\$635,619	\$1,007,294	\$654,687	1,037,513	\$674,328	\$1,089,389	\$708,044
The Washington 2 BR/2.5 BA w/Study	1919	Top -4 <sup>th</sup>	N/A	N/A	\$1,044,105	\$678,703	\$1,075,428	\$699,064	1,107,691	\$720,036	\$1,163,076	\$756,038
The Roosevelt 2 BR/2.5 BA w/Study	2,100	1 <sup>st</sup> & 2 <sup>nd</sup>	N/A	N/A	\$980,531	\$637,375	\$1,009,947	\$656,496	1,040,246	\$676,191	\$1,092,258	\$710,001
The Roosevelt 2 BR/2.5 BA w/Study	2,100	Top -3rd	N/A	N/A	\$1,077,355	\$700,246	\$1,109,676	\$721,253	1,142,966	\$742,891	\$1,200,114	\$780,036
The Truman 2 BR/2 BA w/Study & Den	2,100	2 <sup>nd</sup> & 3 <sup>rd</sup>	N/A	N/A	\$980,531	\$637,375	\$1,009,947	\$656,496	1,040,246	\$676,191	\$1,092,258	\$710,001
The Truman 2 BR/2 BA w/Study & Den	2,100	Top- 4th	N/A	N/A	\$1,077,355	\$700,246	\$1,109,676	\$721,253	1,142,966	\$742,891	\$1,200,114	\$780,036
The Wilson 3 BR/2.5 BA w/Study & Den	2,154	1 <sup>st</sup> & 2 <sup>nd</sup>	N/A	N/A	\$1,005,352	\$653,532	\$1,035,513	\$673,137	1,066,578	\$693,332	\$1,119,907	\$727,999

<b>Page 3</b>					<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>2023</b>	
<b>Apartment Type</b>	<b>Sq Ft</b>	<b>Floor</b>	<b>Front</b>	<b>Back</b>	<b>90% Refundable</b>	<b>Declining Balance</b>	<b>90% Refundable</b>	<b>Declining Balance</b>	<b>90% Refundable</b>	<b>Declining Balance</b>	<b>90% Refundable</b>	<b>Declining Balance</b>
The Wilson 3 BR/2.5 BA w/Study & Den	2,154	Top-3 <sup>rd</sup>	N/A	N/A	\$1,104,752	\$718,159	\$1,137,894	\$739,704	1,172,031	\$761,895	\$1,230,633	\$799,990

Estimated Second Person Fees:	2020 90% Refundable	Declining Balance	2021 90% Refundable	Declining Balance	2022 90% Refundable	Declining Balance	2023 90% Refundable	Declining Balance
	\$28,662	\$19,107	\$29,522	\$19,681	\$30,408	\$20,271	\$31,928	\$21,285



**EXHIBIT D**  
**Schedule of Operating Fees by Apartment**

WILLOW OAK BUILDING (WO) OPERATING FEES BY APARTMENT TYPE 2023

Apartment Style	Square Foot Range	Monthly Fee	Second Person Monthly fee	TOTAL - Double Occupancy
The Adams	1,248	\$5,074	\$809	\$5,883
The Grant	1,295	\$5,144	\$809	\$5,953
The Jackson	1,515	\$5,442	\$809	\$6,251
The Jefferson	1,595	\$5,634	\$809	\$6,443
The JFK	1,633	\$5,752	\$809	\$6,561
The Lincoln	1,708	\$5,937	\$809	\$6,746
The Madison	1,728	\$5,980	\$809	\$6,789
The Monroe	1,739	\$6,017	\$809	\$6,826
The FDR	1,904	\$6,245	\$809	\$7,054
The Washington	1,919	\$6,297	\$809	\$7,106
The Roosevelt	2,100	\$6,610	\$809	\$7,419
The Truman	2,100	\$6,610	\$809	\$7,419
The Wilson	2,154	\$6,682	\$809	\$7,491

**VINSON HALL MONTHLY FEES FOR 2022**

Apartment Type	Name	Sq Ft.				Rental	Rental
			2020	2021	2022	2021	2022
Efficiencies							
E	The Patton	418	1,952	2,011	2,061	4,011	4,111
EB	The Patton w/Balcony	436	2,004	2,064	2,116	4,064	4,166
E-1	The Mitschner	504	2,204	2,270	2,327	4,270	4,377
One Bedroom/One Bath							
O	The Vandegrift	630	2,575	2,652	2,718	4,652	4,768
O-1B	Large 1 Bedroom		2,793	2,877	2,949		
OB	The Vandegrift w/balcony	648	2,627	2,706	2,774	4,706	4,824
O-1	The Puller	683	2,728	2,810	2,880	4,810	4,930
One Bedroom/Two Bath							
EE(s)	The Doolittle	836	3,179	3,274	3,356		
EE (T)	The Halsey	836	3,179	3,274	3,356		
EE(T)B	The Halsey w/Balcony	854	3,230	3,327	3,410		
EE-1	The Roland	922	3,430	3,533	3,621		
E1E1	1 Bed/2 Bath/ 2alcoves	504	3,683	3,793	3,888		
EEE1	2 Bed/2 Bath (1340 Sq Ft)	1340	4,658	4,798	4,918		
Two Bedroom/One Bath							
T	The Bradley	836	3,179	3,274	3,356		
TB	The Bradley w/Balcony	854	3,230	3,327	3,410		
Two Bedroom/Two Bath							
OE	The Nimitz	1048	3,800	3,914	4,012		
OEB	The Nimitz w/Balcony	1066	3,855	3,971	4,070		
OE-1	The Arnold	1134	4,055	4,177	4,281		
Two Bedroom/Two Bath (larger)							
E101	Combo	1187	4,209	4,335	4,443		
EEE	The Richmond	1254	4,404	4,536	4,649		
OO	Combo	1260	4,422	4,555	4,669		
EEEB	The Richmond w/Balcony	1272	4,458	4,592	4,707		
4E-01	Combo		5,015	5,165	5,294		
EE1E	Combo	1426		4,863	4,985		
ADU-1 (1 bedroom)			65% of MSA Median	1,943	2,004	2,053	
ADU-2 (1 bedroom)			50% of MSA Median	1,640	1,689	1,730	
Second Person Fee				712	733	751	

**ABP & TS DAILY ROOM RATES FOR 2022**

	1.03	1.045	1.00
<b><u>ASSISTED LIVING</u></b>	2020 Room Rate	2021 Room Rate	2022 Room Rate
A-Single Private	238	249	249
B-One Room Suite Small	302	316	316
C-One Room Suite Medium	309	323	323
D-One Room Suite Large	317	331	331
E-Admiral Suite	323	338	338
F-Two Room Suite	366	382	382
G-Two Room Suite	366	382	382
H-2 BR, 1-1/2 Bath (Single)	397	415	415
Total AL			

	1.05	1.06	1.025
<b><u>HEALTH CENTER</u></b>	2020 Room Rate	2021 Room Rate	2022 Room Rate
<b><u>Private Pay</u></b>			
Intermediate ADM Suite	512	543	557
Intermediate Semi-Private	353	374	383
Intermediate Deluxe Semi-Private	376	399	409
Intermediate Private	416	441	452
Total HC			

	2020 Room Rate	2021 Room Rate	2022 Room Rate
<b><u>COMMUNITY BUILDING</u></b>			
Skilled Room & Board (Private Pay Rate)	512	512	525

**AZ ROOM & BOARD (TS)**

1.04

	2020 Room Rate	Care Rates	2021 Room Rate	2022 Room Rate
Base Rate	251	0.00	261	268
TS Care Level 1	281	30.00	292	299
TS Care Level 2	305	54.00	317	325
TS Care Level 3	354	103.00	368	377

**EXHIBIT E**  
**Vinson Hall Affordable Dwelling Apartment Mix**

**Vinson Hall Retirement Community**  
**ADU Rates for 2023**  
**County Rates (per July 2022)**

**Rent Calculations with Program Costs**

Description	ADU-1			ADU-2			2 People in 1 Bedroom	
	65% of MSA Medium			50% of MSA Medium			65% MSA	50% MSA
	Efficiency	1-Bedroom	2-Bedroom	Efficiency	1-Bedroom	2-Bedroom	1-Bedroom	1-Bedroom
Maximum rent set by county	\$1,349	\$1,542	\$1,734	\$1,038	\$1,186	\$1,334	\$1,542	\$1,186
Health & Wellness	\$340	\$340	\$340	\$340	\$340	\$340	\$661	\$661
Fitness & Pool	\$125	\$125	\$125	\$125	\$125	\$125	\$250	\$250
Housekeeping	\$67	\$67	\$67	\$67	\$67	\$67	\$134	\$134
Sub-total Additional Fees	\$532	\$532	\$532	\$532	\$532	\$532	\$1,045	\$1,045
<b>Total Monthly Base Rent</b>	<b>\$1,881</b>	<b>\$2,074</b>	<b>\$2,266</b>	<b>\$1,570</b>	<b>\$1,718</b>	<b>\$1,866</b>	<b>\$2,587</b>	<b>\$2,231</b>
Utilities	\$112	\$156	\$199	\$112	\$156	\$199	\$156	\$156
<b>Total Monthly Rent</b>	<b>\$ 1,993</b>	<b>\$ 2,231</b>	<b>\$ 2,466</b>	<b>\$ 1,682</b>	<b>\$ 1,875</b>	<b>\$ 2,066</b>	<b>\$ 2,743</b>	<b>\$ 2,387</b>
Difference in VH ADU rates	\$ 157	\$ 178	\$ 198	\$ 128	\$ 145	\$ 161	\$ 199	\$ 166
2022 Increase	8.79%	8.86%	7.30%	8.47%	8.56%	6.83%	7.96%	7.59%
Difference in County rates	\$126	\$144	\$162	\$97	\$111	\$125	\$144	\$111
% increase in County rates	10.30%	10.30%	10.31%	10.31%	10.33%	10.34%	10.30%	10.33%

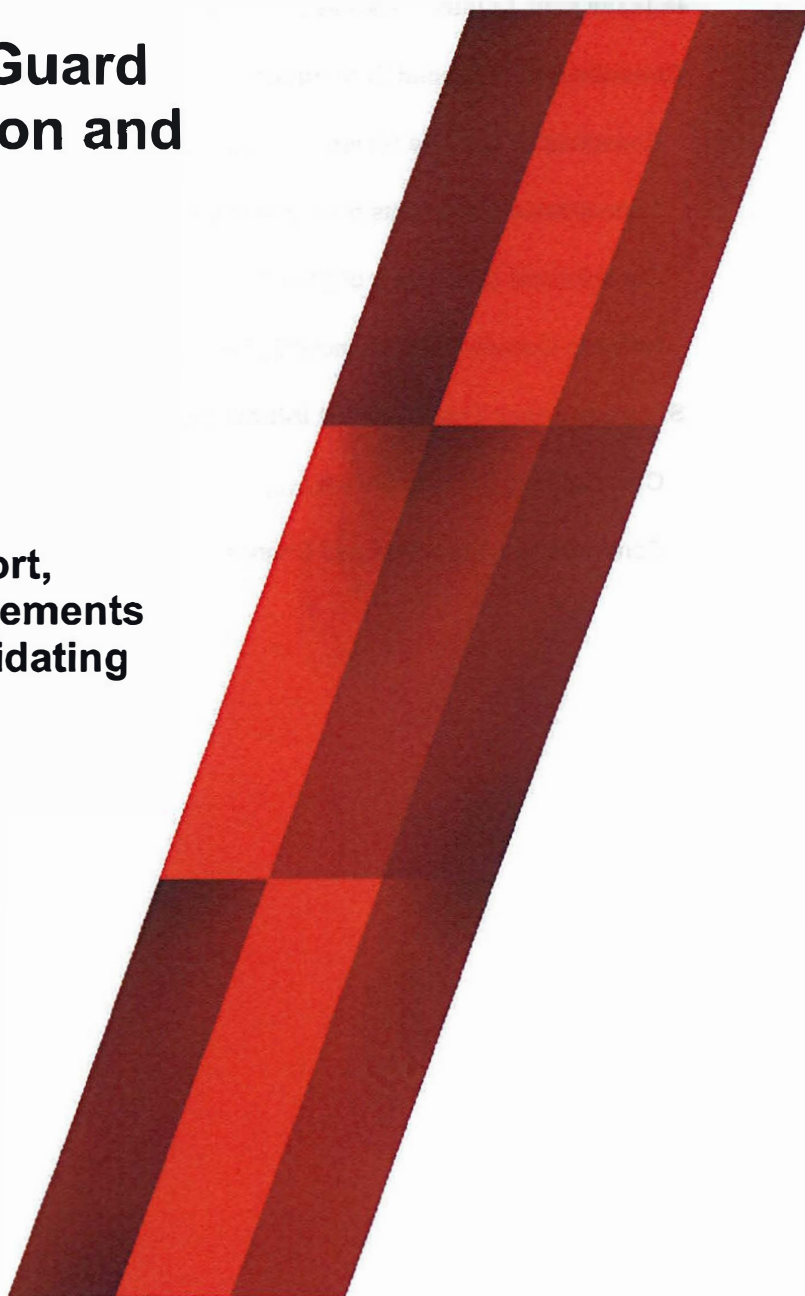
**EXHIBIT F**  
**NMCGRF & VH, LLC Combined Financial Statements, 2022 & 2021**



# **Navy Marine Coast Guard Residence Foundation and Subsidiaries**

**Independent Auditor's Report,  
Consolidated Financial Statements  
and Supplementary Consolidating  
Information**

**December 31, 2022 and 2021**



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## Independent Auditor's Report

Board of Trustees  
Navy Marine Coast Guard Residence Foundation and Subsidiaries  
McLean, VA

### ***Opinion***

We have audited the consolidated financial statements of Navy Marine Coast Guard Residence Foundation and Subsidiaries (collectively, the "Corporation"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and the results of its operations 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Corporation's ability to continue as a going concern within one year after the date that the consolidated financial statements were issued.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 Corporation'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 Corporation'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.

### ***Report on Consolidating Information***

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

**FORVIS,LLP**

Tysons, VA  
April 28, 2023

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 779,755	\$ 1,123,859
Accounts receivable, net	1,336,208	3,430,305
Other receivables	36,206	520,693
Prepaid expenses and other current assets	401,230	413,443
Total current assets	2,553,399	5,488,300
Property and equipment, net	99,081,202	102,718,277
Other assets:		
Investments	47,630,483	55,859,196
Endowment fund	3,275,678	4,099,195
Investments restricted by donors	1,030,241	1,294,472
Investments restricted by the board for deferred compensation	-	85,248
Interest rate swap	5,712,044	-
Other long-term assets	196,157	31,752
Total other assets	57,844,603	61,369,863
Total assets	<u>\$ 159,479,204</u>	<u>\$ 169,576,440</u>

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,561,950	\$ 1,351,980
Accrued salaries and benefits	1,732,270	1,504,546
Accrued interest	315,772	99,617
Current portion of deferred revenue	6,961	1,957,382
Current portion of long-term debt	<u>2,402,225</u>	<u>2,470,848</u>
Total current liabilities	6,019,178	7,384,373
Long-term obligations:		
Deferred compensation payable	-	85,248
Long-term debt, net of \$780,285 and \$787,808 of unamortized debt issuance costs at December 31, 2022 and 2021, respectively, less current portion	66,715,242	69,124,067
Interest rate swap	-	1,251,322
Annuity contracts	52,919	53,274
Entry fee deposits held	1,411,350	1,209,450
Deferred revenue, less current portion	9,255,177	9,550,645
Refundable entry fees	<u>74,007,330</u>	<u>72,017,552</u>
Total long-term obligations	<u>151,442,018</u>	<u>153,291,558</u>
Total liabilities	<u>157,461,196</u>	<u>160,675,931</u>
Net (deficit) assets:		
Without donor restrictions	(2,287,911)	3,506,842
With donor restrictions	<u>4,305,919</u>	<u>5,393,667</u>
Total net assets	<u>2,018,008</u>	<u>8,900,509</u>
Total liabilities and net assets	<u><u>\$ 159,479,204</u></u>	<u><u>\$ 169,576,440</u></u>

See accompanying notes.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidated Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenue:			
Resident Fees (including amortization of entrance fees of \$2,292,091)	\$ 30,555,326	\$ -	\$ 30,555,326
Other program revenue	1,448,660	-	1,448,660
Philanthropy and engagement	202,740	184,229	386,969
Interest and dividends, net of fees	917,480	62,820	980,300
Net assets released from restrictions	593,830	(593,830)	-
<b>Total revenue</b>	<b>33,718,036</b>	<b>(346,781)</b>	<b>33,371,255</b>
Expenses:			
Salaries and wages	14,190,449	-	14,190,449
Employee benefits and payroll taxes	2,799,273	-	2,799,273
Contracted services	3,146,257	-	3,146,257
Administration and management fee	1,064,588	-	1,064,588
Maintenance	1,493,808	-	1,493,808
Healthcare and medical expenses	1,505,230	-	1,505,230
Supplies	1,628,097	-	1,628,097
Utilities	1,009,199	-	1,009,199
Dining services	905,011	-	905,011
Insurance	333,675	-	333,675
Marketing	189,437	-	189,437
Shared services allocation	777,200	-	777,200
Depreciation and amortization	5,672,258	-	5,672,258
Fundraising	117,108	-	117,108
Interest	2,169,998	-	2,169,998
<b>Total expenses</b>	<b>37,001,588</b>	<b>-</b>	<b>37,001,588</b>
<b>Loss from operations</b>	<b>(3,283,552)</b>	<b>(346,781)</b>	<b>(3,630,333)</b>
Nonoperating gains (losses):			
Realized loss	(277,845)	(132,517)	(410,362)
Unrealized loss	(8,863,025)	(608,450)	(9,471,475)
Change in interest rate swap value	6,963,366	-	6,963,366
Loss on disposal of fixed assets	(452,438)	-	(452,438)
Other	118,741	-	118,741
<b>Net (loss) income</b>	<b>(5,794,753)</b>	<b>(1,087,748)</b>	<b>(6,882,501)</b>
<b>Net (deficit) assets, beginning of year</b>	<b>3,506,842</b>	<b>5,393,667</b>	<b>8,900,509</b>
<b>Net (deficit) assets, end of year</b>	<b>\$ (2,287,911)</b>	<b>\$ 4,305,919</b>	<b>\$ 2,018,008</b>

See accompanying notes.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidated Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue:</b>			
Resident Fees (including amortization of entrance fees of \$2,231,525)	\$ 30,220,139	\$ -	\$ 30,220,139
Other program revenue	727,592	-	727,592
Philanthropy and engagement	219,739	178,273	398,012
Interest and dividends	776,496	51,537	828,033
Net assets released from restrictions	<u>285,006</u>	<u>(285,006)</u>	<u>-</u>
Total revenue	32,228,972	(55,196)	32,173,776
<b>Expenses:</b>			
Salaries and wages	13,270,035	-	13,270,035
Employee benefits and payroll taxes	2,723,688	-	2,723,688
Contracted services	2,966,390	-	2,966,390
Administration and management fee	1,132,106	-	1,132,106
Maintenance	1,660,476	-	1,660,476
Healthcare and medical expenses	1,522,044	-	1,522,044
Supplies	1,971,645	-	1,971,645
Utilities	1,008,273	-	1,008,273
Dining services	794,056	-	794,056
Insurance	398,362	-	398,362
Marketing	181,944	-	181,944
Depreciation and amortization	5,440,392	-	5,440,392
Fundraising	129,941	-	129,941
Interest	<u>2,126,793</u>	<u>-</u>	<u>2,126,793</u>
Total expenses	<u>35,326,145</u>	<u>-</u>	<u>35,326,145</u>
Loss from operations	(3,097,173)	(55,196)	(3,152,369)
<b>Nonoperating gains (losses):</b>			
Realized gains	3,628,278	188,560	3,816,838
Unrealized gains	200,904	50,816	251,720
Change in interest rate swap value	(1,251,322)	-	(1,251,322)
Loss on extinguishment of debt	(9,726,327)	-	(9,726,327)
Other	<u>145,025</u>	<u>-</u>	<u>145,025</u>
Net (loss) income	(10,100,615)	184,180	(9,916,435)
Transfer to net assets restricted in perpetuity	<u>(1,197,443)</u>	<u>1,197,443</u>	<u>-</u>
Changes in net assets	<u>(11,298,058)</u>	<u>1,381,623</u>	<u>(9,916,435)</u>
Net assets, beginning of year	<u>14,804,900</u>	<u>4,012,044</u>	<u>18,816,944</u>
Net assets, end of year	<u>\$ 3,506,842</u>	<u>\$ 5,393,667</u>	<u>\$ 8,900,509</u>

See accompanying notes.



**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Changes in net assets	\$ (6,882,501)	\$ (9,916,435)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Non-refundable entry fees received	1,663,856	1,023,661
Amortization of entry fees	(2,292,091)	(2,231,525)
Depreciation and amortization	5,672,258	5,440,392
Amortization of debt issuance costs	7,523	74,626
Realized and unrealized loss (gain) on investments	9,881,837	(4,068,558)
Restricted contributions and investment income received	(247,049)	(229,810)
Unrealized (gain) loss on interest rate swaps	(6,963,366)	1,251,322
Loss on disposal of fixed assets	452,438	-
Loss on the extinguishment of debt	-	9,726,327
Change in:		
Accounts receivable	143,676	159,149
Other receivables	484,487	36,413
Prepaid expenses and other current assets	12,213	(77,928)
Accounts payable and accrued expenses	72,527	(594,418)
Accrued salaries and benefits	227,724	147,197
Accrued interest	216,155	(189,108)
Deferred compensation	(85,248)	(63,925)
Annuity contracts	(355)	(354)
Net cash provided by operating activities	<u>2,364,084</u>	<u>487,026</u>
Cash flows from investing activities:		
Purchases of investments	(59,400,898)	(18,989,526)
Proceeds from sale of investments	58,835,522	13,897,702
Change in investments held for deferred compensation, net	85,248	63,925
Investment in other long-term assets	(164,405)	(31,752)
Purchase of property and equipment	(2,350,178)	(4,411,013)
Net cash used in investing activities	<u>(2,994,711)</u>	<u>(9,470,664)</u>
Cash flows from financing activities:		
Restricted contributions and restricted investment income	247,049	229,810
Proceeds from deposits and refundable entry fees	8,741,899	9,378,017
Refunds of deposits and refundable entry fees	(6,217,454)	(6,623,177)
New borrowings	-	73,311,690
Bond issuance costs paid	-	(828,058)
Payments on long-term debt	(2,484,971)	(71,743,022)
Net cash provided by financing activities	<u>286,523</u>	<u>3,725,260</u>
Net change in cash	<u>(344,104)</u>	<u>(5,258,378)</u>
Cash and cash equivalents, beginning of year	<u>1,123,859</u>	<u>6,382,237</u>
Cash and cash equivalents, end of year	<u>\$ 779,755</u>	<u>\$ 1,123,859</u>
Supplemental disclosure of cash flow information and noncash investing and financing activities:		
Equipment acquisition in accounts payable	\$ 137,443	\$ 461,064
Promissory notes received for entrance fees	\$ -	\$ 447,508
Interest paid	<u>\$ 1,946,320</u>	<u>\$ 2,315,901</u>

See accompanying notes.

## **Notes to Consolidated Financial Statements**

### **1. Organization and Nature of Business**

Navy Marine Coast Guard Residence Foundation ("NMCGRF") and Vinson Hall, LLC ("Vinson Hall", a wholly controlled subsidiaries of NMCGRF) provide secure independent living, primarily for retired commissioned officers, from all branches of the military, and their immediate families; as well as assisted living and nursing care services to all members of the general public. NMCGRF actively raises contributions to help provide confidential financial assistance, as available and as determined on a case-by-case basis, to those residents who may have outlived their resources. Vinson Hall provides independent living, assisted living, and skilled nursing services to elderly and handicapped persons in McLean, Virginia. Beneficiaries of this secure retirement reside in Vinson Hall ("VH"), Willow Oak ("WO"), Arleigh Burke Pavilion ("ABP"), and The Sylvestery ("TS"). As of December 31, 2022, VH has 166 independent living units, and provided services primarily to commissioned officers of the uniformed services and their spouses. WO has 75 independent living apartments in a separate building that opened in November 2014. ABP, which began operations in 1991, has 49 licensed nursing beds and 21 assisted living apartments. In 2003, TS was opened as a 36-bed facility to provide assisted living to memory impaired adults. In January 2015, Vinson Hall also opened a Community Building. In March 2022, a new entity was created, Vinson Hall at Home LLC. This entity is established to incorporate the home care program that was within Vinson Hall LLC with a Medicare certified home health program. Medicare certification is expected in 2023. NMCGRF Inc is the sole member of Vinson Hall at Home.

### **2. Summary of Significant Accounting Policies**

#### ***Basis of presentation***

The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("U.S. GAAP") that NMCGRF, Vinson Hall, and Vinson Hall at Home (collectively, the "Corporation") follow to ensure its financial condition, results of operations, changes in net assets, and cash flows are consistently reported. References to U.S. GAAP issued by the FASB in these notes are to the FASB Accounting Standards Codification ("ASC").

#### ***Basis of accounting***

The Corporation prepares its consolidated financial statements in accordance with U.S. GAAP, which include the use of the accrual basis of accounting, whereby revenues are reported when performance obligations are satisfied and expenses are reported when incurred.

#### ***Use of estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Principles of consolidation***

The consolidated financial statements include accounts of NMCGRF, Vinson Hall, and Vinson Hall at Home. All material intercompany accounts and transactions have been eliminated in the consolidated financial statements.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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***Concentration of risk***

The Corporation grants credit without collateral to its residents, most of whom are private pay, with some residents being insured under third-party arrangements.

***Cash and cash equivalents***

Cash and cash equivalents are cash in banks, cash on hand, and highly liquid financial instruments with original maturities of less than 90 days when purchased, and are recorded at cost, which approximates fair value. Cash equivalents included in investment accounts are reported as investments, and are not considered cash equivalents for the purposes of the consolidated statements of cash flows. Primarily all of the Corporation's cash and cash equivalents are maintained in a commercial bank (Truist Bank), for which an aggregate of \$250,000 per bank is insured by the Federal Deposit Insurance Corporation ("FDIC"). The Corporation's cash holdings in the commercial bank routinely exceed the maximum amount insured by the FDIC. The Corporation has not experienced any losses related to funds held in excess of the FDIC limits.

***Investments***

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values. Assets whose use is limited that are required to meet current liabilities of the Corporation have been classified as current assets. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is recognized in the consolidated statements of operations and changes in net assets as an increase in net assets without donor restrictions, unless restricted by donor or law.

***Property and equipment***

Property and equipment is recorded at cost. Donated property is reported at fair value at date of receipt. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Land improvements	7 – 20 years
Building and improvements	15 – 50 years
Furniture and equipment	3 – 20 years
Vehicle	3 – 15 years

Expenditures that extend the useful lives of the asset or significantly increase their capacity are capitalized.

***Other receivables***

Other receivables consist of short-term, note receivables to new residents. These receivables are paid off, generally within three months for notes executed, after the sale of the tenant's primary residence is completed. Interest on the note receivables is charged annually at 4% of the outstanding balance.

***Debt issuance costs***

Debt issuance costs incurred in issuing the bond financing issued by the Fairfax County Economic Development Authority (the "Authority") have been capitalized by Vinson Hall. Debt issuance costs are deferred and amortized over the life of the related financing on a straight-line basis which approximates the effective interest method. Debt issuance cost amortization was \$7,523 and \$74,626 for the years ended December 31, 2022 and 2021, respectively.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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***Interest rate swap***

The Corporation utilizes an interest rate swap to manage the variability in interest rates on certain variable rate debt. The Corporation accounts for its interest rate swap under GAAP, which requires companies to recognize all derivative instruments as either assets or liabilities in the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of the foreign currency exposure of a net investment in a foreign operation. For derivative instruments not designated as hedging instruments, the changes in fair value are recognized within net (loss) income. The Corporation's interest rate swap is not designated as a hedging instrument and the change in fair value is included in net income (loss).

***Contracts***

Residents who move into VH and WO sign a fee-for-service contract, which provides for housing, residential services and related amenities but no health-related services. In addition to the entry fees, which are paid to NMCGRF either under a non-refundable or refundable contract, residents also pay a monthly use fee.

***Deferred revenue from entry fees***

The Corporation has two entrance fee options to newly admitted residents. The Corporation offered a nonrefundable contract option prior to January 2015. These contracts offer various entrance fee refund provisions as described below:

**50-Month Declining Balance Contract** – Under this contract, the entry fee decreases by 2% per month for 50 consecutive months from the contract origination date. The resident will not be entitled to a refund after 50 months of occupancy.

**90% Refundable Contract** – Under this contract, upon the death of the resident or the permanent withdrawal or removal of the resident from VH and upon the release of the resident's unit, the resident shall be entitled to a refund of ninety percent (90%) of the entry fee.

Entry fees are recorded to reflect a liability for the refundable portion and deferred revenue for the non-refundable portion. Refunds associated with these contracts are due upon the death of the resident or the permanent withdrawal or removal of the resident from Vinson Hall. Refunds do not bear interest. The gross amount of contractually refundable entry fees under contracts existing at December 31, 2022 and 2021 was \$74,888,807 and \$72,991,535, respectively. Deferred revenue is amortized to revenue using the straight-line method over the lesser of the contract term or the estimated remaining life expectancies of the resident.

***Net resident fees and accounts receivable***

Net resident fees represent the estimated net realizable amounts from residents and Medicare for services rendered. Accounts receivable consists of amounts due from residents and Medicare and is reported at an amount management expects to collect.

***Obligation to provide future services***

Vinson Hall provides services and the use of facilities to residents under contract agreements. The nature and extent of such services depend on such variables as the resident's age, health, sex, and economic status upon entering Vinson Hall. If the advance fees and periodic fees charged are insufficient to meet the costs of providing future services and the use of facilities, Vinson Hall has a liability to provide future services and the use of facilities that is equal to the estimated cost of providing future services and the use of facilities (defined as amounts that are expected to be incurred to provide services and the use of facilities to individuals over their remaining lives under

## **Navy Marine Coast Guard Residence Foundation and Subsidiaries**

### **Notes to Consolidated Financial Statements**

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residential contracts, including resident-care, dietary, health care, facility, interest, depreciation, and amortization costs) in excess of the related anticipated revenues. The liability is based on actuarial assumptions (such as mortality and morbidity rates), on estimates of future costs and revenues, and on Vinson Hall's historical experience and statistical data. In the opinion of management, Vinson Hall has no liability for obligation to provide future services as of December 31, 2022 and 2021.

#### ***Risk factors***

The Corporation's ability to maintain and/or increase future revenues could be adversely affected by proposed and/or future changes in the laws, rules, regulations, and policies relating to the definition, activities, and/or taxation of not-for-profit tax-exempt entities, as well as the future of Virginia's Certification of Need program, where future deregulation could result in the entrance of new competitors, or future additional regulation may eliminate the Corporation's ability to expand new services.

The Corporation's investments are subject to credit, market and interest rate risks that cannot be predicted at this time. However, management has attempted to mitigate these risks by maintaining a diversified portfolio.

#### ***Net assets***

The Corporation's net assets are grouped into the following classes, as applicable:

##### Net assets – without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Corporation. These net assets may be used at the discretion of the Corporation's management and the board of directors.

##### Net assets – with donor restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

#### ***Contributions***

Unconditional promises to give cash and other assets to NMCGRF are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or when the conditions for receiving the donation have been satisfied. NMCGRF reports gifts of cash and other assets as net assets - 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 a purpose restriction is accomplished), net assets - with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restriction.

#### ***Income taxes***

NMCGRF has received a tax determination letter dated April 13, 2011 indicating that NMCGRF is exempt from federal taxes under Section 501(c)(3) of the IRC effective June 8, 2010. As single member limited liability companies, Vinson Hall and Vinson Hall at Home, are treated as "disregarded entities" under current Internal Revenue Service regulations, and as such all of the income and expenses from the operating activities of Vinson Hall and Vinson Hall at Home pass through directly to NMCGRF. Federal tax law requires that NMCGRF be operated in a manner consistent with its initial exemption application in order to maintain its exempt status. Management has analyzed the operations of NMCGRF and concluded that it remains in compliance with the requirements for exemption.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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The Commonwealth of Virginia also recognizes NMCGRF's exemption for state income tax purposes. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Organizations otherwise exempt from federal and state income taxation are nonetheless subject to taxation at corporate tax rates at both the federal and state levels on their unrelated business income. In the opinion of management, such taxes, if any, are not expected to have a material effect on the Corporation's consolidated financial position. Exemption from other state taxes, such as real and personal property tax, is separately determined.

As of December 31, 2022, the Corporation has determined that it does not have any material unrecognized tax benefits or obligations.

***Statements of operations and changes in net assets***

The consolidated statements of operations and changes in net assets report net income (loss) as its performance indicator.

***Advertising expenses***

Advertising costs are charged to expense as incurred. Advertising expense was \$181,437 and \$205,175 as of December 31, 2022 and 2021, respectively.

***Financial assistance***

Financial assistance is provided by NMCGRF to residents of Vinson Hall based on the financial resources of residents on a case-by-case basis. In the accompanying consolidated statements of operations and changes in net assets, the financial assistance expense reported by NMCGRF is eliminated along with the uncompensated charges associated with providing the financial assistance. The financial assistance provided to residents of Vinson Hall, was \$407,117 and \$172,500 for the years ended on December 31, 2022 and 2021, respectively. The estimated costs of providing the financial assistance was \$385,974 and \$166,049 for the years ended December 31, 2022 and 2021, respectively. Costs were estimated based on calculating a ratio of costs (direct and indirect) to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to residents receiving financial assistance.

***CARES Act Provider Relief Funds***

These relief payments are considered non-exchange transactions subject to terms and conditions specified by the resource provider distributed by the Health Resources Service Administration section of the HHS. These conditions create a restriction that such funds must be used to prevent, prepare or respond to the coronavirus ("COVID-19"), creating purpose restrictions in addition to conditions. This conditional grant revenue is recognized as contributions to the extent conditions/restrictions for entitlement are met for coronavirus related expenses or lost revenues. The Corporation reports conditional contributions for which the conditions and related restrictions are met in the same reporting period as contributions. Such funds are subject to recoupment to the extent the conditions for entitlement are not met. In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2021. One provision of the CARES Act was the establishment of the Provider Relief Fund (PRF), administered by the U.S. Department of Health and Human Services (HHS).

***Subsequent events***

The Corporation evaluated the effect subsequent events would have on the consolidated financial statements through April 28, 2023, which is the date the consolidated financial statements were issued.

### **3. Resident Fees**

VH generally provides housing, dining, and health and wellness services on a contractual basis with residents. ABP provides housing, dining, and nursing services. TS provides housing, dining and other services for the memory impaired. Vinson Hall at Home provides personal care services on a contractual basis.

The Corporation enters into contracts with residents to provide services to the residents for their remaining lives. In consideration for future services, the residents pay an entrance fee based on the type of unit occupied and the plan selected. The Corporation offers the following contracts: 90 percent refundable contract and 50-month declining balance contract. Health care services are not included in these contracts. In addition to the entrance fee, residents pay monthly fees based on the estimated costs to operate the facilities. There are no statutory or contractual requirements to retain adjusted entrance fees in escrow accounts once the resident is admitted.

Under the Corporation's residency agreements, the Corporation provides services to residents for a stated daily or monthly fee, which varies by each resident's contract. The monthly fee can be adjusted from time to time by the Corporation according to changes in costs to operate the facilities. The Corporation recognizes revenue for services provided to residents in accordance with the provisions of the current revenue recognition accounting standards.

The Corporation receives revenue for services under Medicare. Settlements with Medicare for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Corporation estimates the transaction price based on the terms of the contract with the payor, correspondence with the payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

The Corporation has elected a practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component due to its expectation that the period between the time the service is provided and the time payment is received will be one year or less. Additionally, the Corporation has applied the practical expedient provided by current accounting standards, and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the Corporation otherwise would have recognized is one year or less in duration.

Under current accounting standards, the Corporation recognizes revenue in the consolidated statements of operations and accounts receivable on the consolidated balance sheets only when services have been provided. Since the Corporation has performed its obligation under the contract, it has unconditional rights to the consideration on contract assets and therefore classifies those amounts as receivables. Thus, management has determined that they do not have any amounts that should be reflected separately as contract assets.

The Corporation disaggregates revenue from residential and health services revenue by payor type and service line. The Corporation notes that disaggregation of revenue into these categories achieves the disclosure objectives to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Corporation has agreements with Medicare that provide for payments at amounts different from its established rates. The Corporation is reimbursed under a prospective payment system called the patient driven payment model (PDPM), which bases payment on resident characteristics rather than services provided.

Laws and regulations governing the Medicare 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. The Corporation believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future review and

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

interpretation. The results of such governmental review could include fines, penalties and exclusion from participation in the Medicare program.

The composition of net resident and health care services revenue by payor and service line for the years ended December 31, 2022 and 2021 are as follows:

<b>Year Ended December 31, 2022</b>			
	<b>Private Pay</b>	<b>Medicare</b>	<b>Total</b>
Independent living	\$ 12,543,173	\$ -	\$ 12,543,173
Health care	4,708,168	3,493,000	8,201,168
Assisted living	9,362,320	-	9,362,320
	<u>\$ 26,613,661</u>	<u>\$ 3,493,000</u>	<u>\$ 30,106,661</u>

<b>Year Ended December 31, 2021</b>			
	<b>Private Pay</b>	<b>Medicare</b>	<b>Total</b>
Independent living	\$ 11,782,990	\$ -	\$ 11,782,990
Health care	4,168,312	3,924,941	8,093,253
Assisted living	9,018,028	-	9,018,028
	<u>\$ 24,969,330</u>	<u>\$ 3,924,941</u>	<u>\$ 28,894,271</u>

#### **4. Investments**

The investment portfolio consisted of the following at December 31:

	<b>2022</b>	<b>2021</b>
Money market funds	\$ 2,332,834	\$ 2,538,867
Fixed income	15,636,756	20,493,318
Equities	33,966,812	38,305,926
	<u>\$ 51,936,402</u>	<u>\$ 61,338,111</u>

NMCGRF's investment portfolio is held in separate accounts: assets whose use is limited, endowment and general. The endowment account holds the deposits from the donor-restricted endowment and funds permitted by the donor stipulation that are transferred to pay for residence assistance. The endowment and general account investments seek long-term growth of capital that increases purchasing power relative to inflation and to produce current income. The targeted asset allocation of investments in these two accounts is 55% of equity securities, 40% of fixed income securities, and 5% of diversifying assets with appropriate diversification. The targeted equity exposure may range between 45% and 65% of the account assets. The total return of these two accounts is intended to exceed the rate of inflation by 4.5% and to compare favorably to a universe of accounts with similar accounts.

Current accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establish a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of inputs that may be used to measure fair value are as follows:



**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- Level 2:** Inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following discussion describes the valuation methodologies used for the NMCGRF's financial assets and liabilities measured at fair value. The techniques utilized in estimating the fair values are affected by the assumptions used, including discount rates, and the estimates of the amount and timing of future cash flows. Care should be exercised in deriving conclusions about NMCGRF's business, its value, or financial position based on the fair value information of financial assets and liabilities presented below.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of the timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset or liability. Furthermore, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset or liability. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in the amounts disclosed.

The fair value of NMCGRF's money market funds is determined on the basis of cost, which approximates fair value. Fair values of NMCGRF's investments in common stocks and mutual funds classified as Level 1 are based on quoted market prices. Fair values for NMCGRF's United States government and agency securities and corporate debt securities are based on prices provided by its investment managers and its custodian bank. Both the investment managers and the custodian bank use a variety of pricing sources to determine market valuations. Each designate specific pricing services or indexes for each sector of the market based upon the investment managers' and custodian bank's experience. NMCGRF's holdings in federal government obligations are highly liquid, which allows for a high percentage of them to be priced through pricing services.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

The following table presents NMCGRF's fair value hierarchy for assets measured at fair value on a recurring basis as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents:			
Money market funds	\$ 2,332,834	\$ -	\$ 2,332,834
Fixed income:			
U.S. government securities	-	6,211,377	6,211,377
Municipal bonds	-	2,645,870	2,645,870
Corporate bonds	-	6,779,509	6,779,509
Equity securities:			
Common stock	13,861,431	-	13,861,431
Foreign stock	1,553,486	-	1,553,486
Mutual funds	<u>18,551,895</u>	<u>-</u>	<u>18,551,895</u>
Total investments	<u>\$ 36,299,646</u>	<u>\$ 15,636,756</u>	<u>\$ 51,936,402</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 5,712,044</u>	<u>\$ 5,712,044</u>

The following table presents the NMCGRF's fair value hierarchy for assets and liabilities measured at fair value on a recurring basis as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents:			
Money market funds	\$ 2,538,867	\$ -	\$ 2,538,867
Fixed income:			
U.S. government securities	-	6,228,423	6,228,423
Municipal bonds	-	2,963,793	2,963,793
Corporate bonds	-	11,301,102	11,301,102
Equity securities:			
Common stock	12,101,176	-	12,101,176
Foreign stock	1,941,799	-	1,941,799
Mutual funds	<u>24,262,951</u>	<u>-</u>	<u>24,262,951</u>
Total investments	<u>\$ 40,844,793</u>	<u>\$ 20,493,318</u>	<u>\$ 61,338,111</u>
<b>Liabilities:</b>			
Interest rate swap	<u>\$ -</u>	<u>\$ (1,251,322)</u>	<u>\$ (1,251,322)</u>

No significant transfers were made between the fair value hierarchy levels during 2021 or 2022.

The investment portfolio generated returns as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 1,130,267	\$ 1,009,545
Fees	(149,967)	(181,512)
Net realized and unrealized (losses) gains	<u>(9,881,837)</u>	<u>4,068,558</u>
	<u>\$ (8,901,537)</u>	<u>\$ 4,896,591</u>

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**5. Long-Term Debt**

In January 2013, Vinson Hall issued bonds with the Authority in the amount of \$77,170,000 (Series A) to (1) refinance the outstanding balance of the Series 2010 bonds, (2) finance capital improvement and expansions of resident facilities, including construction of an independent living building, community building, and a two level parking garage, (3) fund a debt service reserve fund for the Series 2013 bonds, and (4) finance a portion of funded interest, working capital, and costs of issuance. The Series 2013A bonds were refunded in June 2021.

During June 2021, Vinson Hall issued bonds with the Authority in the amount of \$73,311,690 (Series 2021 Bond) and entered into a cinderella refinancing bank loan with Truist Bank in which Truist Bank purchased the Series 2021 Bond. The purpose of the funds is to (1) defease, refund, and redeem the outstanding principal amount of \$70,645,000 for the Series 2013A Bonds through 2023; and (2) to finance the costs of issuance related to the issuance of the Series 2021 Bond and other related costs. The Series 2021 Bond is scheduled to mature December 1, 2047. As of December 31, 2021 and 2022, the balance of the Series 2021 Bond was \$69,856,437 and \$72,302,651, respectively. Interest on the Series 2021 Bond shall be calculated based on the Taxable Adjusted SOFR Rate. The Series 2021 Bond is collateralized by certain assets of the Corporation.

Interest expense, which includes the amortization of debt issuance costs, was approximately \$2,170,000 and \$2,127,000 for the years ended December 31, 2022 and 2021, respectively.

The Series 2021 Bond obligation require certain financial performance covenants. In the opinion of management, the Corporation has complied with all relevant covenants related to these debt obligations for 2022 and 2021.

Vinson Hall leases copier machines under a noncancelable lease with a remaining lease term of two years. As of December 31, 2022 and 2021, the balance of finance lease obligations was \$52,833 and \$91,585, respectively. Capitalized leased equipment of \$129,399 and \$158,339 has been included in furniture and equipment in the accompanying consolidated balance sheets at December 31, 2022 and 2021, respectively. The associated accumulated amortization for the capitalized leased equipment is \$63,199 and \$69,860 as of December 31, 2022 and 2021, respectively. Amortization expense was \$25,280 and \$32,378 for the years ended December 31, 2022 and 2021, respectively

Maturities of long-term debt (including finance lease obligations) for the next five years and in the aggregate are as follows:

2021	\$ 2,402,225
2023	2,076,499
2024	2,108,164
2025	2,163,542
2025	2,220,375
Thereafter	<u>58,926,947</u>
	<u>\$ 69,897,752</u>

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**6. Property and Equipment**

Property and equipment consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 4,731,713	\$ 4,731,713
Land improvements	-	1,007,973
Building and improvements	131,414,462	147,137,819
Furniture and equipment	4,486,228	13,377,129
Vehicle	<u>257,592</u>	<u>483,846</u>
	140,889,995	166,738,480
Less – accumulated depreciation and amortization	<u>(41,851,005)</u>	<u>(64,146,022)</u>
	99,038,990	102,592,458
Construction in progress	<u>42,212</u>	<u>125,819</u>
	<u>\$ 99,081,202</u>	<u>\$ 102,718,277</u>

Depreciation and amortization expense was \$5,672,258 and \$5,440,392 as of December 31, 2022 and 2021, respectively.

**7. Interest Rate Swap Agreement**

In June 2021, the Corporation entered into an interest rate swap agreement with an original notional amount of \$68,074,149. The swap expires July 2033 and effectively fixes the variable interest rate of the Series 2021 Bond at 2.548 percent.

The fair value the interest rate swap is reported as a long-term liability or asset in the accompanying consolidated balance sheets. The change in fair value of the interest rate swap is included in net (loss) income in the accompanying consolidated statements of operations and changes in net assets.

Absent an early termination, subsequent changes in the interest rate swap will continue to be reflected in net (loss) income, which has no cash flow impact to the Corporation. The cash flow settlements of the interest rate swap agreement are reflected annually in interest expense as the Corporation pays interest to the swap counter-party at the rate noted above.

**8. Professional and General Liability Insurance**

The Corporation maintained professional and general liability coverage of \$1,000,000 per claim with a \$3,000,000 aggregate limit on a "claims-made" basis. Based on a review of the Corporation's prior experience and incidents occurring through December 31, 2022, management determined that no accrual for asserted or unasserted malpractice or general claims is necessary at this time.

The outcome of any potential investigative, regulatory or prosecutorial activity that may occur cannot be predicted with certainty. However, in the opinion of management, any future potential losses resulting from such activity would be immaterial to the consolidated financial statements taken as a whole.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**9. Functional Expenses**

Vinson Hall provides independent living, assisted living, and skilled nursing services to elderly and handicapped persons. The NMCGRF does not provide any care-related services but supports the operations of Vinson Hall by actively raising contributions to afford financial assistance to those residents who may have outlived their resources.

Expenses related to providing these services for the year ended December 31, 2022:

	<b><u>Housing and Nursing Services</u></b>	<b><u>General and Administrative</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Salaries and wages	\$ 12,373,842	\$ 1,592,338	\$ 224,269	\$ 14,190,449
Employee benefits and payroll taxes	2,546,182	236,411	16,680	2,799,273
Contracted services	2,232,582	913,300	375	3,146,257
Administration and management fee	578,489	447,091	39,008	1,064,588
Maintenance	1,493,808	-	-	1,493,808
Healthcare and medical expenses	1,505,172	58	-	1,505,230
Supplies	1,101,829	502,724	23,544	1,628,097
Utilities	1,009,199	-	-	1,009,199
Dining services	905,011	-	-	905,011
Insurance	188,922	144,753	-	333,675
Marketing	7,142	180,283	2,012	189,437
Shared Services	777,200	-	-	770,200
Depreciation and amortization	5,644,882	27,376	-	5,672,258
Fundraising	-	-	117,108	117,108
Interest	2,167,349	2,649	-	2,169,998
	<b><u>\$ 32,531,609</u></b>	<b><u>\$ 4,046,983</u></b>	<b><u>\$ 422,996</u></b>	<b><u>\$37,001,588</u></b>

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

Expenses related to providing these services for the year ended December 31, 2021:

	<b>Housing and Nursing Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 12,376,917	\$ 689,314	\$ 203,804	\$ 13,270,035
Employee benefits and payroll taxes	2,656,821	44,159	22,708	2,723,688
Contracted services	2,949,971	7,650	8,769	2,966,390
Administration and management fee	1,056,339	44,687	31,080	1,132,106
Maintenance	1,660,476	-	-	1,660,476
Healthcare and medical expenses	1,522,044	-	-	1,522,044
Supplies	1,904,650	29,244	37,751	1,971,645
Utilities	1,008,273	-	-	1,008,273
Dining services	794,056	-	-	794,056
Insurance	398,362	-	-	398,362
Marketing	176,469	-	5,475	181,944
Depreciation and amortization	5,440,392	-	-	5,440,392
Fundraising	-	-	129,941	129,941
Interest	2,122,875	3,918	-	2,126,793
	<u>\$ 34,067,645</u>	<u>\$ 818,972</u>	<u>\$ 439,528</u>	<u>\$ 35,326,145</u>

**10. Net Assets – With Donor Restrictions**

Net assets with donor restrictions that are temporary in nature are available as of December 31 for the following programs and projects:

	<b>2022</b>	<b>2021</b>
Resident assistance	\$ 905,072	\$ 1,947,294
Technology	41,820	23,458
Wounded Warrior	938,961	964,177
Other	56,109	94,781
	<u>\$ 1,941,962</u>	<u>\$ 3,029,710</u>

A portion of net assets with donor restrictions as of December 31, 2022 and 2021 consists of a donor-restricted endowment fund which is restricted to investments in perpetuity. As stipulated by the donor, the income plus 25% of the net appreciation on an annual basis (if any) is expendable to provide financial assistance to qualified residents of VH, ABP, and TS. The remaining 75% of the net appreciation (if any) is reported as a component of net assets with donor restriction and is temporary in nature in accordance with current accounting principles.

Current accounting principles provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The Commonwealth of Virginia passed UPMIFA into law in March 2008 making the provisions of the current accounting principles effective for fiscal year 2009. UPMIFA stipulates that for each donor-restricted endowment fund, unless otherwise stated, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the organization. Therefore, a not-for-profit organization shall classify the portion of the fund that is not classified in perpetually restricted net assets as with donor restrictions until appropriated for expenditure. UPMIFA also prescribes new guidelines for the expenditure of a donor-restricted endowment fund. The adoption of UPMIFA did not have a material impact on the accounting for NMCGRF's endowment.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

NMCGRF classifies the following as restricted in perpetuity: 1) the original value of gifts donated to the permanent endowment; 2) the original value of subsequent gifts donated to the permanent endowment; and 3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment that is not classified as permanently restricted is classified as temporarily restricted until those amounts are appropriated for expenditure by the organization in a manner consistent with donor stipulation or law. Management considers factors such as the duration and preservation of the fund; the purposes of the organization and the donor-restricted endowment fund; general economic conditions; possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resource of NMCGRF; and the investment policies of the NMCGRF in making a determination to appropriate or accumulate donor-restricted endowment funds.

The activities of the donor-restricted endowment fund during 2022 are as follows:

	<b>Restricted by Time or Purpose</b>	<b>Restricted in Perpetuity</b>	<b>Total</b>
Investment income	\$ 62,820	\$ -	\$ 62,820
Net depreciation	<u>(740,967)</u>	<u>-</u>	<u>(740,967)</u>
Investment loss	(678,147)	-	(678,147)
Net assets released for resident assistance	<u>(364,075)</u>	<u>-</u>	<u>(364,075)</u>
Total change in endowment funds	(1,042,222)	-	(1,042,222)
Beginning balance	<u>1,947,294</u>	<u>2,363,957</u>	<u>4,311,251</u>
Ending balance	<u>\$ 905,072</u>	<u>\$ 2,363,957</u>	<u>\$ 3,269,029</u>

The activities of the donor-restricted endowment fund during 2021 are as follows:

	<b>Restricted by Time or Purpose</b>	<b>Restricted in Perpetuity</b>	<b>Total</b>
Investment income	\$ 51,537	\$ -	\$ 51,537
Net appreciation	<u>239,376</u>	<u>-</u>	<u>239,376</u>
Investment return	290,913	-	290,913
Transfer to restricted in perpetuity	-	1,197,443	1,197,443
Net assets released for resident assistance	<u>(136,179)</u>	<u>-</u>	<u>(136,179)</u>
Total change in endowment funds	154,734	1,197,443	1,352,177
Beginning balance	<u>1,792,560</u>	<u>1,166,514</u>	<u>2,959,074</u>
Ending balance	<u>\$ 1,947,294</u>	<u>\$ 2,363,957</u>	<u>\$ 4,311,251</u>

## 11. Liquidity and Availability

As part of its liquidity management, the Corporation has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. The Corporation has days cash on hand of approximately 685 days and 800 days at December 2022 and 2021, respectively.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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Financial assets available for general expenditure within one year of the consolidated balance sheets consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Cash	\$ 779,755	\$ 1,123,859
Accounts receivable, net	1,336,208	3,430,305
Other receivables	36,206	520,693
Unrestricted marketable securities	<u>47,630,483</u>	<u>55,859,196</u>
	<u>\$ 49,782,652</u>	<u>\$ 60,934,053</u>



## ***Supplementary Consolidating Information***

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidating Balance Sheets**  
**December 31, 2022**

	<b>Navy Marine Coast Guard Residence Foundation</b>	<b>Vinson Hall, LLC</b>	<b>Vinson Hall at Home, LLC</b>	<b>Consolidating Entries</b>	<b>Consolidated Balance</b>
<b>ASSETS</b>					
Current assets:					
Cash	\$ 462,610	\$ 277,380	\$ 39,765	\$ -	\$ 779,755
Accounts receivable, net	-	1,181,412	154,796	-	1,336,208
Other receivables	32,184	4,022	-	-	36,206
Intercompany receivable	54,322,447	-	-	(54,322,447)	-
Prepaid expenses and other current assets	275,923	125,307	-	-	401,230
Total current assets	55,093,164	1,588,121	194,561	(54,322,447)	2,553,399
Property and equipment, net	2,767,253	96,313,949	-	-	99,081,202
Other assets:					
Investments	47,630,483	-	-	-	47,630,483
Endowment fund	3,275,678	-	-	-	3,275,678
Investments restricted by donors	1,030,241	-	-	-	1,030,241
Interest rate swap	5,712,044	-	-	-	5,712,044
Other long-term assets	196,157	-	-	-	196,157
Total other assets	57,844,603	-	-	-	57,844,603
Total assets	<u>\$ 115,705,020</u>	<u>\$ 97,902,070</u>	<u>\$ 194,561</u>	<u>\$ (54,322,447)</u>	<u>\$ 159,479,204</u>

	Navy Marine Coast Guard Residence Foundation	Vinson Hall, LLC	Vinson Hall at Home, LLC	Consolidating Entries	Consolidated Balance
<b>LIABILITIES AND NET ASSETS</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 200,600	\$ 1,272,359	\$ 88,991	\$ -	\$ 1,561,950
Accrued salaries and benefits	202,807	1,476,863	52,600	-	1,732,270
Intercompany payable	-	53,922,774	399,673	(54,322,447)	-
Accrued interest	-	315,772	-	-	315,772
Current portion of deferred revenue	-	6,961	-	-	6,961
Current portion of long-term debt	-	2,402,225	-	-	2,402,225
Total current liabilities	403,407	59,396,954	541,264	(54,322,447)	6,019,178
Long-term obligations:					
Long-term debt, net of \$780,285 of unamortized debt issuance costs, less current	-	66,715,242	-	-	66,715,242
Annuity contracts	52,919	-	-	-	52,919
Entry fee deposits held	1,411,350	-	-	-	1,411,350
Deferred revenue, less current portion	9,255,177	-	-	-	9,255,177
Refundable entry fees	74,007,330	-	-	-	74,007,330
Total long-term obligations	84,726,776	66,715,242	-	-	151,442,018
Total liabilities	85,130,183	126,112,196	541,264	(54,322,447)	157,461,196
Net assets (deficit):					
Without donor restrictions	26,268,918	(28,210,126)	(346,703)	-	(2,287,911)
With donor restrictions	4,305,919	-	-	-	4,305,919
Total net assets (deficit)	30,574,837	(28,210,126)	(346,703)	-	2,018,008
Total liabilities and net assets	\$ 115,705,020	\$ 97,902,070	\$ 194,561	\$ (54,322,447)	\$ 159,479,204

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidating Balance Sheets**  
**December 31, 2021**

	<b>Navy Marine Coast Guard Residence Foundation</b>	<b>Vinson Hall, LLC</b>	<b>Consolidating Entries</b>	<b>Consolidated Balance</b>
<b>ASSETS</b>				
Current assets:				
Cash	\$ -	\$ 1,132,769	\$ (8,910)	\$ 1,123,859
Accounts receivable, net	-	3,430,305	-	3,430,305
Other receivables	517,503	3,190	-	520,693
Due from VHC	52,712,997	-	(52,712,997)	-
Prepaid expenses and other current assets	76,374	337,069	-	413,443
Total current assets	53,306,874	4,903,333	(52,721,907)	5,488,300
Property and equipment, net	-	102,718,277	-	102,718,277
Other assets:				
Investments	55,859,196	-	-	55,859,196
Assets whose use is limited:				
Investments held by bond trustee,				
Endowment fund	4,099,195	-	-	4,099,195
Investments restricted by donors	1,294,472	-	-	1,294,472
Investments restricted by the board for deferred compensation	85,248	-	-	85,248
Other long-term assets	-	31,752	-	31,752
Total other assets	61,338,111	31,752	-	61,369,863
Total assets	\$ 114,644,985	\$ 107,653,362	\$ (52,721,907)	\$ 169,576,440

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidating Balance Sheets**  
**December 31, 2021**

**(Continued)**

	<b>Navy Marine Coast Guard Residence Foundation</b>	<b>Vinson Hall, LLC</b>	<b>Consolidating Entries</b>	<b>Consolidated Balance</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities:</b>				
Cash overdraft	\$ 8,910	\$ -	\$ (8,910)	\$ -
Accounts payable and accrued expenses	34,844	1,317,136	-	1,351,980
Accrued salaries and benefits	114,362	1,390,184	-	1,504,546
Due to NMCGRF	-	52,712,997	(52,712,997)	-
Accrued interest	-	99,617	-	99,617
Current portion of deferred revenue	-	1,957,382	-	1,957,382
Current portion of long-term debt	-	2,470,848	-	2,470,848
<b>Total current liabilities</b>	<b>158,116</b>	<b>59,948,164</b>	<b>(52,721,907)</b>	<b>7,384,373</b>
<b>Long-term obligations:</b>				
Deferred compensation payable	85,248	-	-	85,248
Long-term debt, net of \$787,808 of unamortized debt issuance costs less current	-	69,124,067	-	69,124,067
Liability for interest rate swaps	-	1,251,322	-	1,251,322
Annuity contracts	53,274	-	-	53,274
Entry fee deposits held	1,209,450	-	-	1,209,450
Deferred revenue	9,550,645	-	-	9,550,645
Refundable entry fees	72,017,552	-	-	72,017,552
<b>Total long-term obligations</b>	<b>82,916,169</b>	<b>70,375,389</b>	<b>-</b>	<b>153,291,558</b>
<b>Total liabilities</b>	<b>83,074,285</b>	<b>130,323,553</b>	<b>(52,721,907)</b>	<b>160,675,931</b>
<b>Net assets (deficit):</b>				
Without donor restrictions	26,177,033	(22,670,191)	-	3,506,842
With donor restrictions	5,393,667	-	-	5,393,667
<b>Total net assets (deficit)</b>	<b>31,570,700</b>	<b>(22,670,191)</b>	<b>-</b>	<b>8,900,509</b>
<b>Total liabilities and net assets</b>	<b>\$ 114,644,985</b>	<b>\$ 107,653,362</b>	<b>\$ (52,721,907)</b>	<b>\$ 169,576,440</b>

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidating Operations and Changes in Net Assets**  
**Year Ended December 31, 2022**

	Navy Marine Coast Guard Residence Foundation		Vinson Hall, LLC	Vinson Hall at Home, LLC	Consolidating Entries	Consolidated Balance		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	Total
Revenue:								
Resident Fees, including amortization	\$ 1,884,974	\$ -	\$ 26,421,185	\$ 2,249,167	\$ -	\$ 30,555,326	\$ -	\$ 30,555,326
Other program revenue	3,140,344	-	1,448,660	-	(3,140,344)	1,448,660	-	1,448,660
Philanthropy and engagement	202,740	184,229	-	-	-	202,740	184,229	386,969
Interest and dividends, net of fees	917,480	62,820	-	-	-	917,480	62,820	980,300
Net assets released from restrictions	593,830	(593,830)	-	-	-	593,830	(593,830)	-
Total revenue	6,739,368	(346,781)	27,869,845	2,249,167	(3,140,344)	33,718,036	(346,781)	33,371,255
Expenses:								
Salaries and wages	1,816,606	-	11,280,538	1,093,305	-	14,190,449	-	14,190,449
Employee benefits and payroll taxes	253,064	-	2,312,014	234,195	-	2,799,273	-	2,799,273
Contracted services	913,675	-	1,253,462	979,120	-	3,146,257	-	3,146,257
Administration and management fee	473,270	-	3,454,847	276,815	(3,140,344)	1,064,588	-	1,064,588
Maintenance	-	-	1,493,808	-	-	1,493,808	-	1,493,808
Healthcare and medical expenses	58	-	1,505,172	-	-	1,505,230	-	1,505,230
Supplies	539,125	-	1,076,537	12,435	-	1,628,097	-	1,628,097
Utilities	-	-	1,009,199	-	-	1,009,199	-	1,009,199
Dining services	-	-	905,011	-	-	905,011	-	905,011
Insurance	144,753	-	188,922	-	-	333,675	-	333,675
Marketing	182,295	-	7,142	-	-	189,437	-	189,437
Shared services allocation	-	-	777,200	-	-	777,200	-	777,200
Depreciation and amortization	27,376	-	5,644,882	-	-	5,672,258	-	5,672,258
Fundraising	117,108	-	-	-	-	117,108	-	117,108
Interest	2,649	-	2,167,349	-	-	2,169,998	-	2,169,998
Total expenses	4,469,979	-	33,076,083	2,595,870	(3,140,344)	37,001,588	-	37,001,588
Loss from operations	2,269,389	(346,781)	(5,206,238)	(346,703)	-	(3,283,552)	(346,781)	(3,630,333)

See independent auditor's report.

Navy Marine Coast Guard Residence Foundation and Subsidiaries  
Consolidating Operations and Changes in Net Assets  
Year Ended December 31, 2022

(Continued)

	Navy Marine Coast Guard Residence Foundation		Vinson Hall, LLC	Vinson Hall at Home, LLC	Consolidating Entries	Consolidated Balance		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	
Nonoperating gains (losses):								
Realized loss	(277,845)	(132,517)	-	-	-	(277,845)	(132,517)	(410,362)
Unrealized loss	(8,863,025)	(608,450)	-	-	-	(8,863,025)	(608,450)	(9,471,475)
Change in interest rate swap value	6,963,366	-	-	-	-	6,963,366	-	6,963,366
Loss on disposal of fixed assets	-	-	(452,438)	-	-	(452,438)	-	(452,438)
Other	-	-	118,741	-	-	118,741	-	118,741
Net (loss) income	91,885	(1,087,748)	(5,539,935)	(346,703)	-	(5,794,753)	(1,087,748)	(6,882,501)
Net assets (deficit), beginning of year	26,177,033	5,393,667	(22,670,191)	-	-	3,506,842	5,393,667	8,900,509
Net assets (deficit), end of year	<u>\$ 26,268,918</u>	<u>\$ 4,305,919</u>	<u>\$ (28,210,126)</u>	<u>\$ (346,703)</u>	<u>\$ -</u>	<u>\$ (2,287,911)</u>	<u>\$ 4,305,919</u>	<u>\$ 2,018,008</u>

See independent auditor's report.

**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidating Operations and Changes in Net Assets**  
**Year Ended December 31, 2021**

	Navy Marine Coast Guard Residence Foundation		Vinson Hall, LLC	Consolidated Balance		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Resident Fees, including amortization	\$ 2,059,025	\$ -	\$ 28,161,114	\$ 30,220,139	\$ -	\$ 30,220,139
Other program revenue	18,000	-	709,592	727,592	-	727,592
Philanthropy and engagement	219,739	178,273	-	219,739	178,273	398,012
Interest and dividends	774,687	51,537	1,809	776,496	51,537	828,033
Net assets released from restrictions	285,006	(285,006)	-	285,006	(285,006)	-
Total revenue	3,356,457	(55,196)	28,872,515	32,228,972	(55,196)	32,173,776
Expenses:						
Salaries and wages	485,444	-	12,784,591	13,270,035	-	13,270,035
Employee benefits and payroll taxes	66,739	-	2,656,949	2,723,688	-	2,723,688
Contracted services	13,645	-	2,952,745	2,966,390	-	2,966,390
Administration and management fee	78,542	-	1,053,564	1,132,106	-	1,132,106
Maintenance	-	-	1,660,476	1,660,476	-	1,660,476
Healthcare and medical expenses	-	-	1,522,044	1,522,044	-	1,522,044
Supplies	66,995	-	1,904,650	1,971,645	-	1,971,645
Utilities	-	-	1,008,273	1,008,273	-	1,008,273
Dining services	-	-	794,056	794,056	-	794,056
Insurance	-	-	398,362	398,362	-	398,362
Marketing	5,475	-	176,469	181,944	-	181,944
Depreciation and amortization	-	-	5,440,392	5,440,392	-	5,440,392
Fundraising	129,941	-	-	129,941	-	129,941
Interest	3,918	-	2,122,875	2,126,793	-	2,126,793
Total expenses	850,699	-	34,475,446	35,326,145	-	35,326,145
Income (loss) from operations	2,505,758	(55,196)	(5,602,931)	(3,097,173)	(55,196)	(3,152,369)

See independent auditor's report.



**Navy Marine Coast Guard Residence Foundation and Subsidiaries**  
**Consolidating Operations and Changes in Net Assets**  
**Year Ended December 31, 2021**

**(Continued)**

	<b>Navy Marine Coast Guard Residence Foundation</b>		<b>Vinson Hall, LLC</b>	<b>Consolidated Balance</b>		<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Without Donor Restrictions</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	
Nonoperating gains:						
Realized gains	3,628,278	188,560	-	3,628,278	188,560	3,816,838
Unrealized gains	200,904	50,816	-	200,904	50,816	251,720
Change in interest rate swap value	-	-	(1,251,322)	(1,251,322)	-	(1,251,322)
Loss on extinguishment of debt	-	-	(9,726,327)	(9,726,327)	-	(9,726,327)
Other	-	-	145,025	145,025	-	145,025
Net income (loss)	6,334,940	184,180	(16,435,555)	(10,100,615)	184,180	(9,916,435)
Transfer to net assets restricted in perpetuity	(1,197,443)	1,197,443	-	(1,197,443)	1,197,443	-
Contributions (to) from affiliate	(3,110,731)	-	3,110,731	-	-	-
Changes in net assets	2,026,766	1,381,623	(13,324,824)	(11,298,058)	1,381,623	(9,916,435)
Net assets (deficit), beginning of year	24,150,267	4,012,044	(9,345,367)	14,804,900	4,012,044	18,816,944
Net assets (deficit), end of year	<u>\$ 26,177,033</u>	<u>\$ 5,393,667</u>	<u>\$ (22,670,191)</u>	<u>\$ 3,506,842</u>	<u>\$ 5,393,667</u>	<u>\$ 8,900,509</u>

See independent auditor's report.



**EXHIBIT G**  
**NMCGRF & VH, LLC Combined Financial Statements, 2021 & 2020**





# **Navy Marine Coast Guard Residence Foundation and Subsidiary**



## **Consolidated Financial Statements and Supplementary Information**

**Years Ended December 31, 2021 and 2020**



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## Independent Auditors' Report

Board of Trustees  
Navy Marine Coast Guard Residence Foundation and Subsidiary  
McLean, VA

### ***Opinion***

We have audited the consolidated financial statements of Navy Marine Coast Guard Residence Foundation and Subsidiary (collectively, the "Corporation"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and the results of its operations 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 Consolidated Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement



resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 Corporation'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 Corporation'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.

#### ***Report on Consolidating Information***

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

*Dixon Hughes Goodman LLP*

Tysons, VA  
April 29, 2022



**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Consolidated Balance Sheets**  
**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 1,123,859	\$ 931,203
Assets whose use is limited, current portion of trustee held funds	-	400,495
Accounts receivable, net	3,430,305	3,335,334
Other receivables	520,693	109,598
Prepaid expenses and other current assets	<u>413,443</u>	<u>335,515</u>
Total current assets	5,488,300	5,112,145
Property and equipment, net	102,718,277	103,286,592
Other assets:		
Investments	55,859,196	55,661,583
Assets whose use is limited:		
Investments held by bond trustee, less current portion	-	5,050,539
Endowment fund	4,099,195	3,347,687
Investments restricted by donors	1,294,472	983,764
Investments restricted by the board for deferred compensation	85,248	149,173
Other long-term assets	<u>31,752</u>	<u>-</u>
Total other assets	61,369,863	65,192,746
Total assets	<u><u>\$ 169,576,440</u></u>	<u><u>\$ 173,591,483</u></u>

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Consolidated Balance Sheets**  
**December 31, 2021 and 2020**

**(Continued)**

	<b>2021</b>	<b>2020</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,351,980	\$ 1,485,334
Accrued salaries and benefits	1,504,546	1,357,349
Accrued interest	99,617	288,725
Current portion of deferred revenue	1,957,382	1,703,262
Current portion of long-term debt	<u>2,470,848</u>	<u>1,347,497</u>
Total current liabilities	<u>7,384,373</u>	<u>6,182,167</u>
Long-term obligations:		
Deferred compensation payable	85,248	149,173
Long-term debt, net of \$787,808 and \$1,860,150 of unamortized debt issuance costs at December 31, 2021 and 2020, respectively, less current portion	69,124,067	67,606,408
Liability for interest rate swaps	1,251,322	-
Annuity contracts	53,274	53,628
Entry fee deposits held	1,209,450	970,300
Deferred revenue, less current portion	9,550,645	9,977,427
Refundable entry fees	<u>72,017,552</u>	<u>69,835,436</u>
Total long-term obligations	<u>153,291,558</u>	<u>148,592,372</u>
Total liabilities	<u>160,675,931</u>	<u>154,774,539</u>
Net assets:		
Without donor restrictions	3,506,842	14,804,900
With donor restrictions	<u>5,393,667</u>	<u>4,012,044</u>
Total net assets	<u>8,900,509</u>	<u>18,816,944</u>
Total liabilities and net assets	<u>\$ 169,576,440</u>	<u>\$ 173,591,483</u>

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Consolidated Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenue:			
Resident Fees (including amortization of entrance fees of \$2,231,525)	\$ 30,220,139	\$ -	\$ 30,220,139
Other program revenue	727,592	-	727,592
Philanthropy and engagement	219,739	178,273	398,012
Interest and dividends	776,496	51,537	828,033
Net assets released from restrictions	285,006	(285,006)	-
Total revenue	32,228,972	(55,196)	32,173,776
Expenses:			
Salaries and wages	13,270,035	-	13,270,035
Employee benefits and payroll taxes	2,723,688	-	2,723,688
Contracted services	2,966,390	-	2,966,390
Administration and management fee	1,132,106	-	1,132,106
Maintenance	1,660,476	-	1,660,476
Healthcare and medical expenses	1,522,044	-	1,522,044
Supplies	1,971,645	-	1,971,645
Utilities	1,008,273	-	1,008,273
Dining services	794,056	-	794,056
Insurance	398,362	-	398,362
Marketing	181,944	-	181,944
Depreciation and amortization	5,440,392	-	5,440,392
Fundraising	129,941	-	129,941
Interest	2,126,793	-	2,126,793
Total expenses	35,326,145	-	35,326,145
Loss from operations	(3,097,173)	(55,196)	(3,152,369)
Nonoperating gains (losses):			
Realized gains	3,628,278	188,560	3,816,838
Unrealized gains	200,904	50,816	251,720
Change in interest rate swap value	(1,251,322)	-	(1,251,322)
Loss on extinguishment of debt	(9,726,327)	-	(9,726,327)
Other	145,025	-	145,025
Net (loss) income	(10,100,615)	184,180	(9,916,435)
Transfer to net assets restricted in perpetuity	(1,197,443)	1,197,443	-
Changes in net assets	(11,298,058)	1,381,623	(9,916,435)
Net assets, beginning of year	14,804,900	4,012,044	18,816,944
Net assets, end of year	\$ 3,506,842	\$ 5,393,667	\$ 8,900,509

See accompanying notes.

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Consolidated Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue:</b>			
Resident Fees (including amortization of entrance fees of \$2,216,226)	\$ 27,931,365	\$ -	\$ 27,931,365
Other program revenue	1,972,845	-	1,972,845
Philanthropy and engagement	345,048	68,038	413,086
Interest and dividends	1,457,023	96,456	1,553,479
<b>Total revenue</b>	<b>31,706,281</b>	<b>164,494</b>	<b>31,870,775</b>
<b>Expenses:</b>			
Salaries and wages	11,974,241	-	11,974,241
Employee benefits and payroll taxes	2,501,955	-	2,501,955
Contracted services	3,739,259	-	3,739,259
Administration and management fee	776,922	-	776,922
Maintenance	1,541,339	-	1,541,339
Healthcare and medical expenses	1,321,814	-	1,321,814
Supplies	2,236,035	-	2,236,035
Utilities	909,943	-	909,943
Dining services	711,841	-	711,841
Insurance	372,182	-	372,182
Marketing	205,178	-	205,178
Depreciation and amortization	5,294,838	-	5,294,838
Fundraising	83,430	-	83,430
Interest	3,587,770	-	3,587,770
<b>Total expenses</b>	<b>35,256,747</b>	<b>-</b>	<b>35,256,747</b>
<b>(Loss) income from operations</b>	<b>(3,550,466)</b>	<b>164,494</b>	<b>(3,385,972)</b>
<b>Nonoperating gains:</b>			
Realized gains	2,544,745	146,165	2,690,910
Unrealized gains	1,449,213	135,321	1,584,534
Other	153,378	-	153,378
<b>Changes in net assets</b>	<b>596,870</b>	<b>445,980</b>	<b>1,042,850</b>
<b>Net assets, beginning of year</b>	<b>14,208,030</b>	<b>3,566,064</b>	<b>17,774,094</b>
<b>Net assets, end of year</b>	<b>\$ 14,804,900</b>	<b>\$ 4,012,044</b>	<b>\$ 18,816,944</b>

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Changes in net assets	\$ (9,916,435)	\$ 1,042,850
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Non-refundable entry fees received	1,023,661	418,247
Amortization of entry fees	(2,231,525)	(2,216,226)
Depreciation and amortization	5,440,392	5,294,837
Amortization of debt issuance costs	74,626	68,752
Realized and unrealized gains on investments	(4,068,558)	(4,275,444)
Restricted contributions and investment income received	(229,810)	(164,494)
Unrealized loss on interest rate swaps	1,251,322	-
Loss on the extinguishment of debt	9,726,327	-
Change in:		
Accounts receivable	159,149	(676,118)
Other receivables	36,413	18,571
Prepaid expenses and other current assets	(77,928)	77,717
Accounts payable and accrued expenses	(594,418)	628,461
Accrued salaries and benefits	147,197	300,410
Accrued interest	(189,108)	(4,300)
Deferred compensation	(63,925)	(70,000)
Annuity contracts	(354)	(355)
Deferred revenue	-	12,866
Net cash provided by operating activities	<u>487,026</u>	<u>455,774</u>
Cash flows from investing activities:		
Purchases of investments	(18,989,526)	(29,362,937)
Proceeds from sale of investments	13,897,702	36,555,862
Change in investments held for deferred compensation, net	63,925	70,000
Investment in other long-term assets	(31,752)	-
Purchase of property and equipment	(4,411,013)	(4,647,503)
Net cash (used in) provided by investing activities	<u>(9,470,664)</u>	<u>2,615,422</u>
Cash flows from financing activities:		
Restricted contributions and restricted investment income	229,810	164,494
Proceeds from deposits and refundable entry fees	9,378,017	2,916,752
Refunds of deposits and refundable entry fees	(6,623,177)	(3,832,872)
New borrowings	73,311,690	-
Bond issuance costs paid	(828,058)	-
Payments on long-term debt	(71,743,022)	(1,326,687)
Net cash provided (used in) by financing activities	<u>3,725,260</u>	<u>(2,078,313)</u>
Net change in cash and restricted cash	<u>(5,258,378)</u>	<u>992,883</u>
Cash, cash equivalents and restricted cash, beginning of year	<u>6,382,237</u>	<u>5,389,354</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 1,123,859</u>	<u>\$ 6,382,237</u>
Supplemental disclosure of cash flow information and noncash investing and financing activities:		
Equipment acquired through capital lease	\$ -	\$ 31,941
Equipment acquisition in accounts payable	\$ 461,064	\$ -
Promissory notes received for entrance fees	\$ 447,508	\$ -
Interest paid	<u>\$ 2,315,901</u>	<u>\$ 3,739,714</u>

See accompanying notes.

## Notes to Consolidated Financial Statements

### 1. Organization and Nature of Business

Navy Marine Coast Guard Residence Foundation ("NMCGRF") and Vinson Hall, LLC ("Vinson Hall", a wholly controlled subsidiary of NMCGRF) provide secure independent living, primarily for retired commissioned officers, from all branches of the military, and their immediate families; as well as assisted living and nursing care services to all members of the general public. NMCGRF actively raises contributions to help provide confidential financial assistance, as available and as determined on a case-by-case basis, to those residents who may have outlived their resources. Vinson Hall provides independent living, assisted living, and skilled nursing services to elderly and handicapped persons in McLean, Virginia. Beneficiaries of this secure retirement reside in Vinson Hall ("VH"), Willow Oak ("WO"), Arleigh Burke Pavilion ("ABP"), and The Sylvestery ("TS"). As of December 31, 2021, VH has 166 independent living units, and provided services primarily to commissioned officers of the uniformed services and their spouses. WO has 75 independent living apartments in a separate building that opened in November 2014. ABP, which began operations in 1991, has 49 licensed nursing beds and 21 assisted living apartments. In 2003, TS was opened as a 36-bed facility to provide assisted living to memory impaired adults. In January 2015, Vinson Hall also opened a Community Building.

### 2. Summary of Significant Accounting Policies

#### ***Basis of presentation***

The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("U.S. GAAP") that NMCGRF and Vinson Hall (collectively, the "Corporation") follow to ensure its financial condition, results of operations, changes in net assets, and cash flows are consistently reported. References to U.S. GAAP issued by the FASB in these notes are to the FASB Accounting Standards Codification ("ASC").

#### ***Basis of accounting***

The Corporation prepares its consolidated financial statements in accordance with U.S. GAAP, which include the use of the accrual basis of accounting, whereby revenues are reported when performance obligations are satisfied and expenses are reported when incurred.

#### ***Use of estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Principles of consolidation***

The consolidated financial statements include accounts of NMCGRF and Vinson Hall. All material intercompany accounts and transactions have been eliminated in the consolidated financial statements.

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Notes to Consolidated Financial Statements**

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**Concentration of risk**

Vinson Hall grants credit without collateral to its residents, most of whom are private pay, with some residents being insured under third-party arrangements.

**Cash and cash equivalents**

Cash and cash equivalents are cash in banks, cash on hand, and highly liquid financial instruments with original maturities of less than 90 days when purchased, and are recorded at cost, which approximates fair value. Cash equivalents included in investment accounts, other than those held by trustee, are reported as investments, and are not considered cash equivalents for the purposes of the consolidated statements of cash flows. Primarily all of the Corporation's cash and cash equivalents are maintained in a commercial bank (Truist Bank), for which an aggregate of \$250,000 per bank is insured by the Federal Deposit Insurance Corporation ("FDIC"). The Corporation's cash holdings in the commercial bank routinely exceed the maximum amount insured by the FDIC. The Corporation has not experienced any losses related to funds held in excess of the FDIC limits.

Restricted cash included in assets whose use is limited on the accompanying balance sheets represents amounts held by a trustee under debt agreements.

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,123,859	\$ 931,203
Restricted cash and cash equivalents, included in assets whose use is limited, trustee held funds	<u>-</u>	<u>5,451,034</u>
Total cash and restricted cash shown in the statements of cash flows	<u>\$ 1,123,859</u>	<u>\$ 6,382,237</u>

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values. Assets whose use is limited that are required to meet current liabilities of the Corporation have been classified as current assets. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is recognized in the consolidated statements of operations and changes in net assets as an increase in net assets without donor restrictions, unless restricted by donor or law.

**Property and equipment**

Property and equipment is recorded at cost. Donated property is reported at fair value at date of receipt. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Land improvements	7–20 years
Building and improvements	15–50 years
Furniture and equipment	3–20 years
Vehicle	3–15 years

Expenditures that extend the useful lives of the asset or significantly increase their capacity are capitalized.

**Other receivables**

Other receivables consist of short-term, note receivables to new residents. These receivables are paid off, generally within three months for notes executed, after the sale of the tenant's primary residence is completed. Interest on the note receivables is charged annually at 4% of the outstanding balance.

### ***Debt issuance costs***

Debt issuance costs incurred in issuing the bond financing issued by the Fairfax County Economic Development Authority (the "Authority") have been capitalized by Vinson Hall. Debt issuance costs are deferred and amortized over the life of the related financing on a straight-line basis which approximates the effective interest method. Debt issuance cost amortization was \$74,626 and \$68,752 for the years ended December 31, 2021 and 2020, respectively.

### ***Interest rate swap***

The Corporation utilizes an interest rate swap to manage the variability in interest rates on certain variable rate debt. The Corporation accounts for its interest rate swap under GAAP, which requires companies to recognize all derivative instruments as either assets or liabilities in the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of the foreign currency exposure of a net investment in a foreign operation. For derivative instruments not designated as hedging instruments, the changes in fair value are recognized net (loss) income. The Corporation's interest rate swap is not designated as a hedging instrument and the change in fair value is included in excess of revenue over expenses.

### ***Contracts***

Residents who move into VH and WO sign a fee-for-service contract, which provides for housing, residential services and related amenities but no health-related services. In addition to the entry fees, which are paid to NMCGRF either under a non-refundable or refundable contract, residents also pay a monthly use fee.

### ***Deferred revenue from entry fees***

The Corporation has two entrance fee options to newly admitted residents. The Corporation offered a nonrefundable contract option prior to January 2015. These contracts offer various entrance fee refund provisions as described below:

**50-Month Declining Balance Contract** – Under this contract, the entry fee decreases by 2% per month for 50 consecutive months from the contract origination date. The resident will not be entitled to a refund after 50 months of occupancy.

**90% Refundable Contract** – Under this contract, upon the death of the resident or the permanent withdrawal or removal of the resident from VH and upon the release of the resident's unit, the resident shall be entitled to a refund of ninety percent (90%) of the entry fee.

Entry fees are recorded to reflect a liability for the refundable portion and deferred revenue for the non-refundable portion. Refunds associated with these contracts are due upon the death of the resident or the permanent withdrawal or removal of the resident from Vinson Hall. Refunds do not bear interest. The gross amount of contractually refundable entry fees under contracts existing at December 31, 2021 and 2020 was \$72,991,535 and \$71,193,427, respectively. Deferred revenue is amortized to revenue using the straight-line method over the lesser of the contract term or the estimated remaining life expectancies of the resident.

### ***Net resident fees and accounts receivable***

Net resident fees represent the estimated net realizable amounts from residents and Medicare for services rendered. Accounts receivable consists of amounts due from residents and Medicare and is reported at an amount management expects to collect.



### ***Obligation to provide future services***

Vinson Hall provides services and the use of facilities to residents under contract agreements. The nature and extent of such services depend on such variables as the resident's age, health, sex, and economic status upon entering Vinson Hall. If the advance fees and periodic fees charged are insufficient to meet the costs of providing future services and the use of facilities, Vinson Hall has a liability to provide future services and the use of facilities that is equal to the estimated cost of providing future services and the use of facilities (defined as amounts that are expected to be incurred to provide services and the use of facilities to individuals over their remaining lives under residential contracts, including resident-care, dietary, health care, facility, interest, depreciation, and amortization costs) in excess of the related anticipated revenues. The liability is based on actuarial assumptions (such as mortality and morbidity rates), on estimates of future costs and revenues, and on Vinson Hall's historical experience and statistical data. In the opinion of management, Vinson Hall has no liability for obligation to provide future services as of December 31, 2021 and 2020.

### ***Risk factors***

The Corporation's ability to maintain and/or increase future revenues could be adversely affected by proposed and/or future changes in the laws, rules, regulations, and policies relating to the definition, activities, and/or taxation of not-for-profit tax-exempt entities, as well as the future of Virginia's Certification of Need program, where future deregulation could result in the entrance of new competitors, or future additional regulation may eliminate the Corporation's ability to expand new services.

The Corporation's investments are subject to credit, market and interest rate risks that cannot be predicted at this time. However, management has attempted to mitigate these risks by maintaining a diversified portfolio.

### ***Net assets***

The Corporation's net assets are grouped into the following classes, as applicable:

#### **Net assets – without donor restrictions**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Corporation. These net assets may be used at the discretion of the Corporations' management and the board of directors.

#### **Net assets – with donor restrictions**

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

### ***Contributions***

Unconditional promises to give cash and other assets to NMCGRF are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or when the conditions for receiving the donation have been satisfied. NMCGRF reports gifts of cash and other assets as net assets - 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 a purpose restriction is accomplished), net assets - with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restriction.

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***Contributed services***

Contributions of services from unpaid volunteers who possess special skills, which the Corporation would typically need to purchase, are assigned a monetary value and are recorded in the consolidated financial statements. No contributed services were recognized in the years ended December 31, 2021 and 2020.

The Corporation receives donated services from unpaid volunteers assisting in its operations. For the year ended December 31, 2021, the Corporation did not receive any assistance from volunteers. For the year ended December 31, 2020, the total volunteer hours were 1,179.5 hours. No amounts have been recorded in the consolidated statements of operations because the criteria for financial statement recognition of such volunteer effort have not been satisfied.

***Income taxes***

NMCGRF has received a tax determination letter dated April 13, 2011 indicating that NMCGRF is exempt from federal taxes under Section 501(c)(3) of the IRC effective June 8, 2010. As a single member limited liability company, Vinson Hall is treated as a "disregarded entity" under current Internal Revenue Service regulations, and as such all of the income and expenses from the operating activities of Vinson Hall pass through directly to NMCGRF. Federal tax law requires that NMCGRF be operated in a manner consistent with its initial exemption application in order to maintain its exempt status. Management has analyzed the operations of NMCGRF and concluded that it remains in compliance with the requirements for exemption.

The Commonwealth of Virginia also recognizes NMCGRF's exemption for state income tax purposes. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Organizations otherwise exempt from federal and state income taxation are nonetheless subject to taxation at corporate tax rates at both the federal and state levels on their unrelated business income. In the opinion of management, such taxes, if any, are not expected to have a material effect on the Corporation's consolidated financial position. Exemption from other state taxes, such as real and personal property tax, is separately determined.

As of December 31, 2021, the Corporation has determined that it does not have any material unrecognized tax benefits or obligations.

***Statements of operations and changes in net assets***

The consolidated statements of operations and changes in net assets report changes in net assets as its performance indicator.

***Advertising expenses***

Advertising costs are charged to expense as incurred. Advertising expense was \$181,944 and \$205,175 as of December 31, 2021 and 2020, respectively.

***Financial assistance***

Financial assistance is provided by NMCGRF to residents of Vinson Hall based on the financial resources of residents on a case-by-case basis. In the accompanying consolidated statements of operations and changes in net assets, the financial assistance expense reported by NMCGRF is eliminated along with the uncompensated charges associated with providing the financial assistance. The financial assistance provided to residents of Vinson Hall, was \$172,500 and \$198,300 for the years ended on December 31, 2021 and 2020, respectively. The estimated costs of providing the financial assistance was \$166,049 and \$186,878 for the years ended December 31, 2021 and 2020, respectively. Costs were estimated based on calculating a ratio of costs (direct and indirect) to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to residents receiving financial assistance.

### ***CARES Act Provider Relief Funds***

These relief payments are considered non-exchange transactions subject to terms and conditions specified by the resource provider distributed by the Health Resources Service Administration section of the HHS. These conditions create a restriction that such funds must be used to prevent, prepare or respond to the coronavirus ("COVID-19"), creating purpose restrictions in addition to conditions. This conditional grant revenue is recognized as contributions to the extent conditions/restrictions for entitlement are met for coronavirus related expenses or lost revenues. The Corporation reports conditional contributions for which the conditions and related restrictions are met in the same reporting period as contributions. Such funds are subject to recoupment to the extent the conditions for entitlement are not met.

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2021. One provision of the CARES Act was the establishment of the Provider Relief Fund (PRF), administered by the U.S. Department of Health and Human Services (HHS). The PRF has been distributed to healthcare providers throughout the country to support the battle against the COVID-19 outbreak. These funds are intended to reimburse qualifying expenses and lost revenues attributable to COVID-19 and are subject to the terms, conditions, and regulatory requirements set forth by HHS. If the total distributions received by the Corporation exceed the cumulative amount of qualifying expenses and lost revenues attributable to COVID-19 through the relevant period of availability, any excess funding may be subject recoupment. Related revenues are recognized as contributions as eligibility criteria are met. The Corporation received and recognized distributions of approximately \$35,000 and \$814,000 from this fund for the years ended December 31, 2021 and 2020, respectively. The Provider Relief Fund is subject to audit by HHS which may result in disallowed expenditures which may be subject to recoupment. Such amounts, if any, cannot be determined at this time.

### ***Reclassification***

Certain amounts in the 2020 financial statements have been reclassified in order to conform to the 2021 presentation. These amounts include different categorization of revenues and expenses on the 2020 statement of operations as well as moving the prepaid monthly resident fees from receivables to other current liabilities. There was no impact to total change in net assets.

### ***Subsequent events***

The Corporation evaluated the effect subsequent events would have on the consolidated financial statements through April 29, 2022, which is the date the consolidated financial statements were issued.

## **3. Resident Fees**

VH generally provides housing, dining, and health and wellness services on a contractual basis with residents. ABP provides housing, dining, and nursing services. TS provides housing, dining and other services for the memory impaired.

The Corporation enters into contracts with residents to provide services to the residents for their remaining lives. In consideration for future services, the residents pay an entrance fee based on the type of unit occupied and the plan selected. The Corporation offers the following contracts: 90 percent refundable contract and 50-month declining balance contract. Health care services are not included in these contracts. In addition to the entrance fee, residents pay monthly fees based on the estimated costs to operate the facilities. There are no statutory or contractual requirements to retain adjusted entrance fees in escrow accounts once the resident is admitted.

Under the Corporation's residency agreements, the Corporation provides services to residents for a stated daily or monthly fee, which varies by each resident's contract. The monthly fee can be adjusted from time to time by the

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Corporation according to changes in costs to operate the facilities. The Corporation recognizes revenue for services provided to residents in accordance with the provisions of the current revenue recognition accounting standards.

The Corporation receives revenue for services under Medicare. Settlements with Medicare for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Corporation estimates the transaction price based on the terms of the contract with the payor, correspondence with the payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

The Corporation has elected a practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component due to its expectation that the period between the time the service is provided and the time payment is received will be one year or less. Additionally, the Corporation has applied the practical expedient provided by current accounting standards, and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the Corporation otherwise would have recognized is one year or less in duration.

Under current accounting standards, the Corporation recognizes revenue in the consolidated statements of operations and accounts receivable on the consolidated balance sheets only when services have been provided. Since the Corporation has performed its obligation under the contract, it has unconditional rights to the consideration on contract assets and therefore classifies those amounts as receivables. Thus, management has determined that they do not have any amounts that should be reflected separately as contract assets.

The Corporation disaggregates revenue from residential and health services revenue by payor type and service line. The Corporation notes that disaggregation of revenue into these categories achieves the disclosure objectives to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Corporation has agreements with Medicare that provide for payments at amounts different from its established rates. The Corporation is reimbursed under a prospective payment system called the patient driven payment model (PDPM), which bases payment on resident characteristics rather than services provided.

Laws and regulations governing the Medicare 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. The Corporation believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future review and interpretation. The results of such governmental review could include fines, penalties and exclusion from participation in the Medicare program.

The composition of net resident and health care services revenue by payor and service line for the years ended December 31, 2021 and 2020 are as follows:

	<b>Year Ended December 31, 2021</b>		
	<b>Private Pay</b>	<b>Medicare</b>	<b>Total</b>
Independent living	\$ 11,782,990	\$ -	\$ 11,782,990
Health care	4,168,312	3,924,941	8,093,253
Assisted living	9,018,028	-	9,018,028
	<b>\$ 24,969,330</b>	<b>\$ 3,924,941</b>	<b>\$ 28,894,271</b>

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	<b>Year Ended December 31, 2020</b>		
	<b>Private Pay</b>	<b>Medicare</b>	<b>Total</b>
Independent living	\$ 11,531,389	\$ -	\$ 11,531,389
Health care	3,770,036	3,564,922	7,334,958
Assisted living	8,181,869	-	8,181,869
	<u>\$ 23,483,294</u>	<u>\$ 3,564,922</u>	<u>\$ 27,048,216</u>

#### **4. Investments**

The investment portfolio, including assets whose use is limited, consisted of the following at December 31:

	<b>2021</b>	<b>2020</b>
Money market funds	\$ 2,538,867	\$ 8,818,930
Fixed income	20,493,318	20,009,330
Equities	38,305,926	36,764,981
	<u>\$ 61,338,111</u>	<u>\$ 65,593,241</u>

Assets whose use is limited, held by bond trustee, consisted of the following funds as of December 31, 2020:

	<b>2020</b>
Principal fund	\$ 111,759
Interest fund	288,736
Reserve fund	5,050,539
	<u>\$ 5,451,034</u>

NMCGRF's investment portfolio is held in separate accounts: assets whose use is limited, endowment and general. The endowment account holds the deposits from the donor-restricted endowment and funds permitted by the donor stipulation that are transferred to pay for residence assistance. The endowment and general account investments seek long-term growth of capital that increases purchasing power relative to inflation and to produce current income. The targeted asset allocation of investments in these two accounts is 55% of equity securities, 40% of fixed income securities, and 5% of diversifying assets with appropriate diversification. The targeted equity exposure may range between 45% and 65% of the account assets. The total return of these two accounts is intended to exceed the rate of inflation by 4.5% and to compare favorably to a universe of accounts with similar accounts.

Current accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establish a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of inputs that may be used to measure fair value are as follows:

**Level 1:** Quoted prices in active markets for identical assets or liabilities.

**Level 2:** Inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

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**Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following discussion describes the valuation methodologies used for the NMCGRF's financial assets and liabilities measured at fair value. The techniques utilized in estimating the fair values are affected by the assumptions used, including discount rates, and the estimates of the amount and timing of future cash flows. Care should be exercised in deriving conclusions about NMCGRF's business, its value, or financial position based on the fair value information of financial assets and liabilities presented below.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of the timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset or liability. Furthermore, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset or liability. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in the amounts disclosed.

The fair value of NMCGRF's money market funds is determined on the basis of cost, which approximates fair value. Fair values of NMCGRF's investments in common stocks and mutual funds classified as Level 1 are based on quoted market prices. Fair values for NMCGRF's United States government and agency securities and corporate debt securities are based on prices provided by its investment managers and its custodian bank. Both the investment managers and the custodian bank use a variety of pricing sources to determine market valuations. Each designate specific pricing services or indexes for each sector of the market based upon the investment managers' and custodian bank's experience. NMCGRF's holdings in federal government obligations are highly liquid, which allows for a high percentage of them to be priced through pricing services.

The following table presents NMCGRF's fair value hierarchy for assets and liabilities measured at fair value on a recurring basis as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents:			
Money market funds	\$ 2,538,867	\$ -	\$ 2,538,867
Fixed income:			
U.S. government securities	-	6,228,423	6,228,423
Municipal bonds	-	2,963,793	2,963,793
Corporate bonds	-	11,301,102	11,301,102
Equity securities:			
Common stock	12,101,176	-	12,101,176
Foreign stock	1,941,799	-	1,941,799
Mutual funds	<u>24,262,951</u>	<u>-</u>	<u>24,262,951</u>
Total assets	<u>\$ 40,844,793</u>	<u>\$ 20,493,318</u>	<u>\$ 61,338,111</u>
<b>Liabilities:</b>			
Interest rate swap	<u>-</u>	<u>\$ (1,251,322)</u>	<u>\$ (1,251,322)</u>
Total liabilities	<u>\$ -</u>	<u>\$ (1,251,322)</u>	<u>\$ (1,251,322)</u>

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The following table presents the NMCGRF's fair value hierarchy for assets measured at fair value on a recurring basis as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents:			
Money market funds	\$ 8,818,930	\$ -	\$ 8,818,930
Fixed income:			
U.S. government securities	-	4,986,204	4,986,204
Municipal bonds	-	3,266,927	3,266,927
Corporate bonds	-	9,050,975	9,050,975
Foreign securities	-	2,705,224	2,705,224
Equity securities:			
Common stock	6,622,733	-	6,622,733
Foreign stock	2,879,674	-	2,879,674
Mutual funds	<u>27,262,574</u>	<u>-</u>	<u>27,262,574</u>
	<u>\$ 45,583,911</u>	<u>\$ 20,009,330</u>	<u>\$ 65,593,241</u>

No significant transfers were made between the fair value hierarchy levels during 2021 or 2020.

The investment portfolio generated returns as follows for the years ended December 31:

	<u>2021</u>	<u>2021</u>
Interest and dividends	\$ 1,009,545	\$ 1,696,708
Fees	(181,512)	(176,044)
Net realized and unrealized gains	<u>4,068,558</u>	<u>4,275,444</u>
	<u>\$ 4,896,591</u>	<u>\$ 5,796,108</u>

## **5. Long-Term Debt**

In January 2013, Vinson Hall issued bonds with the Authority in the amount of \$77,170,000 (Series A) to (1) refinance the outstanding balance of the Series 2010 bonds, (2) finance capital improvement and expansions of resident facilities, including construction of an independent living building, community building, and a two level parking garage, (3) fund a debt service reserve fund for the Series 2013 bonds, and (4) finance a portion of funded interest, working capital, and costs of issuance. The Series 2013A bonds were refunded in June 2021.

During June 2021, Vinson Hall issued bonds with the Authority in the amount of \$73,311,690 (Series 2021 Bond) and entered into a cinderella refinancing bank loan with Truist Bank in which Truist Bank purchased the Series 2021 Bond. The purpose of the funds is to (1) defease, refund, and redeem the outstanding principal amount of \$70,645,000 for the Series 2013A Bonds through 2023; and (2) to finance the costs of issuance related to the issuance of the Series 2021 Bond and other related costs. The Series 2021 Bond is scheduled to mature December 1, 2047. As of December 31, 2021, the balance of the Series 2021 Bond was \$72,302,651. Interest on the Series 2021 Bond shall be calculated based on the Taxable Adjusted SOFR Rate. The Series 2021 Bond is collateralized by certain assets of the Corporation.

Interest expense, which includes the amortization of debt issuance costs, was approximately \$2,092,000 and \$3,588,000 for the years ended December 31, 2021 and 2020, respectively

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The Series 2021 Bond obligation and the Series 2013A Bonds that were refunded require certain financial performance covenants. In the opinion of management, the Corporation has complied with all relevant covenants related to these debt obligations for 2021 and 2020.

Vinson Hall leases copier machines under noncancelable leases with remaining lease terms of four to five years. As of December 31, 2021 and 2020, the balance of the finance lease obligation was \$91,585 and \$122,567, respectively. Capitalized leased equipment of \$158,339 has been included in furniture and equipment in the accompanying consolidated balance sheets at December 31, 2021 and 2020. The associated accumulated amortization for the capitalized leased equipment is \$69,860 and \$37,483 as of December 31, 2021 and 2020, respectively. Amortization expense was \$32,378 and \$38,037 for the years ended December 31, 2021 and 2020, respectively.

Maturities of long-term debt (including finance lease obligations) for the next five years and in the aggregate are as follows:

2021	\$ 2,470,848
2022	2,402,225
2023	2,076,586
2024	2,122,200
2025	2,163,542
Thereafter	<u>61,147,322</u>
	<u>\$ 72,382,723</u>

## 6. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 4,731,263	\$ 4,731,263
Land improvements	1,008,423	1,008,423
Building and improvements	147,137,819	142,373,270
Furniture and equipment	13,377,129	13,034,740
Vehicle	<u>483,846</u>	<u>483,846</u>
	166,738,480	161,631,542
Less – accumulated depreciation and amortization	<u>(64,146,022)</u>	<u>(58,705,630)</u>
	102,592,458	102,925,912
Construction in progress	<u>125,819</u>	<u>360,680</u>
	<u>\$ 102,718,277</u>	<u>\$ 103,286,592</u>

Depreciation and amortization expense was \$5,440,392 and \$5,294,837 as of December 31, 2021 and 2020, respectively.

## 7. Interest Rate Swap Agreement

In June 2021, the Corporation entered into an interest rate swap agreement with an original notional amount of \$68,074,149. The swap expires July 2033 and effectively fixes the variable interest rate of the Series 2021 Bond at 2.548 percent.



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The fair value the interest rate swap is reported as a long-term liability in the accompanying consolidated balance sheets. The change in fair value of the interest rate swap is included in net (loss) income in the accompanying consolidated statements of operations and changes in net assets.

Absent an early termination, subsequent changes in the interest rate swap will continue to be reflected in net (loss) income, which has no cash flow impact to the Corporation. The cash flow settlements of the interest rate swap agreement are reflected annually in interest expense as the Corporation pays interest to the swap counter-party at the rate noted above.

## **8. Professional and General Liability Insurance**

The Corporation maintained professional and general liability coverage of \$1,000,000 per claim with a \$3,000,000 aggregate limit on a "claims-made" basis. Based on a review of the Corporation's prior experience and incidents occurring through December 31, 2021, management determined that no accrual for asserted or unasserted malpractice or general claims is necessary at this time.

The outcome of any potential investigative, regulatory or prosecutorial activity that may occur cannot be predicted with certainty. However, in the opinion of management, any future potential losses resulting from such activity would be immaterial to the consolidated financial statements taken as a whole.

## **9. Functional Expenses**

Vinson Hall provides independent living, assisted living, and skilled nursing services to elderly and handicapped persons. The NMCGRF does not provide any care-related services but supports the operations of Vinson Hall by actively raising contributions to afford financial assistance to those residents who may have outlived their resources.

Expenses related to providing these services for the year ended December 31, 2021:

	<b>Housing and Nursing Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 12,376,917	\$ 689,314	\$ 203,804	\$ 13,270,035
Employee benefits and payroll taxes	2,656,821	44,159	22,708	2,723,688
Contracted services	2,949,971	7,650	8,769	2,966,390
Administration and management fee	1,056,339	44,687	31,080	1,132,106
Maintenance	1,660,476	-	-	1,660,476
Healthcare and medical expenses	1,522,044	-	-	1,522,044
Supplies	1,904,650	29,244	37,751	1,971,645
Utilities	1,008,273	-	-	1,008,273
Dining services	794,056	-	-	794,056
Insurance	398,362	-	-	398,362
Marketing	176,469	-	5,475	181,944
Depreciation and amortization	5,440,392	-	-	5,440,392
Fundraising	-	-	129,941	1,008,273
Interest	2,122,875	3,918	-	2,126,793
	<b>\$ 34,067,645</b>	<b>\$ 818,972</b>	<b>\$ 439,528</b>	<b>\$ 35,326,145</b>

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Expenses related to providing these services for the year ended December 31, 2020:

	<b><u>Housing and Nursing Services</u></b>	<b><u>General and Administrative</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Salaries and wages	11,084,306	664,569	225,366	11,974,241
Employee benefits and payroll taxes	2,405,633	76,670	19,652	2,501,955
Contracted services	3,739,164	95		3,739,259
Administration and management fee	743,886	7,105	25,931	776,922
Maintenance	1,541,339	-	-	1,541,339
Healthcare and medical expenses	1,321,814	-	-	1,321,814
Supplies	2,121,355	16,977	97,703	2,236,035
Utilities	909,943	-	-	909,943
Dining services	711,841	-	-	711,841
Insurance	346,502	25,680	-	372,182
Marketing	201,596	-	3,582	205,178
Depreciation and amortization	5,294,838	-	-	5,294,838
Fundraising	-	-	83,430	83,430
Interest	3,583,655	4,115	-	3,587,770
	<u>\$ 34,005,872</u>	<u>\$ 795,211</u>	<u>\$ 455,664</u>	<u>\$ 35,256,747</u>

**10. Net Assets – With Donor Restrictions**

Net assets with donor restrictions that are temporary in nature are available as of December 31 for the following programs and projects:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Resident assistance	\$ 1,780,465	\$ 1,846,204
Technology	19,663	13,087
Wounded Warrior	961,389	957,999
Other	47,720	28,240
	<u>\$ 2,809,237</u>	<u>\$ 2,845,530</u>

A portion of net assets with donor restrictions as of December 31, 2021 and 2020 consists of a donor-restricted endowment fund which is restricted to investments in perpetuity. As stipulated by the donor, the income plus 25% of the net appreciation on an annual basis (if any) is expendable to provide financial assistance to qualified residents of VH, ABP, and TS. The remaining 75% of the net appreciation (if any) is reported as a component of net assets with donor restriction and is temporary in nature in accordance with current accounting principles.

Current accounting principles provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The Commonwealth of Virginia passed UPMIFA into law in March 2008 making the provisions of the current accounting principles effective for fiscal year 2009. UPMIFA stipulates that for each donor-restricted endowment fund, unless otherwise stated, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the organization. Therefore, a not-for-profit organization shall classify the portion of the fund that is not classified in perpetually restricted net assets as with donor restrictions until appropriated for expenditure. UPMIFA also prescribes new guidelines for the expenditure of a donor-restricted endowment fund. The adoption of UPMIFA did not have a material impact on the accounting for NMCGRF's endowment.

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Notes to Consolidated Financial Statements**

NMCGRF classifies the following as restricted in perpetuity: 1) the original value of gifts donated to the permanent endowment; 2) the original value of subsequent gifts donated to the permanent endowment; and 3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment that is not classified as permanently restricted is classified as temporarily restricted until those amounts are appropriated for expenditure by the organization in a manner consistent with donor stipulation or law. Management considers factors such as the duration and preservation of the fund; the purposes of the organization and the donor-restricted endowment fund; general economic conditions; possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resource of NMCGRF; and the investment policies of the NMCGRF in making a determination to appropriate or accumulate donor-restricted endowment funds.

The activities of the donor-restricted endowment fund during 2021 are as follows:

	<b>Restricted by Time or Purpose</b>	<b>Restricted in Perpetuity</b>	<b>Total</b>
Contributions	\$ -	\$ -	\$ -
Investment income	51,537	-	51,537
Net appreciation	<u>239,376</u>	-	<u>239,376</u>
Contributions and investment return	290,913	-	290,913
Transfer to restricted in perpetuity	-	1,197,443	1,197,443
Net assets released for resident assistance	<u>(136,180)</u>	-	<u>(136,180)</u>
Total change in endowment funds	154,733	1,197,443	1,352,176
Beginning balance	<u>1,625,732</u>	<u>1,166,514</u>	<u>2,792,246</u>
Ending balance	<u>\$ 1,780,465</u>	<u>\$ 2,363,957</u>	<u>\$ 4,144,422</u>

The activities of the donor-restricted endowment fund during 2020 are as follows:

	<b>Restricted by Time or Purpose</b>	<b>Restricted in Perpetuity</b>	<b>Total</b>
Contributions	\$ -	\$ -	\$ -
Investment income	96,456	-	96,456
Net appreciation	<u>281,485</u>	-	<u>281,485</u>
Contributions and investment return	377,941	-	377,941
Net assets released for resident assistance	<u>(166,828)</u>	-	<u>(166,828)</u>
Total change in endowment funds	211,113	-	211,113
Beginning balance	<u>1,414,620</u>	<u>1,166,514</u>	<u>2,581,134</u>
Ending balance	<u>\$ 1,625,733</u>	<u>\$ 1,166,514</u>	<u>\$ 2,792,247</u>

## **11. Liquidity and Availability**

As part of its liquidity management, the Corporation has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. The Corporation has days cash on hand of approximately 685 days and 800 days at December 2021 and 2020, respectively.

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Notes to Consolidated Financial Statements**

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Financial assets available for general expenditure within one year of the consolidated balance sheets consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,123,859	\$ 931,203
Accounts receivable, net	3,430,305	3,335,334
Other receivables	520,693	109,598
Unrestricted marketable securities	<u>55,859,196</u>	<u>55,661,583</u>
	<u>\$ 60,934,053</u>	<u>\$ 60,037,718</u>

## **12. COVID-19 Pandemic**

In March 2020, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak has disrupted supply chains and affect production and sales across a range of industries. The Corporation continues to assess and address the impact that COVID-19 has on its operational and financial performance. The accompanying consolidated financial statements do not reflect any adjustments as a result of the increase in economic uncertainty which continues through the issuance date.



## ***Supplementary Information***

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Consolidating Balance Sheets**  
**December 31, 2021**

	<b>Navy Marine Coast Guard Residence Foundation</b>	<b>Vinson Hall, LLC</b>	<b>Consolidating Entries</b>	<b>Consolidated Balance</b>
<b>ASSETS</b>				
Current assets:				
Cash	\$ -	\$ 1,132,769	\$ (8,910)	\$ 1,123,859
Accounts receivable, net	-	3,430,305	-	3,430,305
Other receivables	517,503	3,190	-	520,693
Due from VHC	52,712,997	-	(52,712,997)	-
Prepaid expenses and other current assets	76,374	337,069	-	413,443
Total current assets	53,306,874	4,903,333	(52,721,907)	5,488,300
Property and equipment, net	-	102,718,277	-	102,718,277
Other assets:				
Investments	55,859,196	-	-	55,859,196
Assets whose use is limited:				
Endowment fund	4,099,195	-	-	4,099,195
Investments restricted by donors	1,294,472	-	-	1,294,472
Investments restricted by the board for deferred compensation	85,248	-	-	85,248
Other long-term assets	-	31,752	-	31,752
Total other assets	61,338,111	31,752	-	61,369,863
Total assets	<u>\$ 114,644,985</u>	<u>\$ 107,653,362</u>	<u>\$ (52,721,907)</u>	<u>\$ 169,576,440</u>

Navy Marine Coast Guard Residence Foundation and Subsidiary  
Consolidating Balance Sheets  
December 31, 2021

(Continued)

	Navy Marine Coast Guard Residence Foundation	Vinson Hall, LLC	Consolidating Entries	Consolidated Balance
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities:				
Cash overdraft	\$ 8,910	\$ -	\$ (8,910)	\$ -
Accounts payable and accrued expenses	34,844	1,317,136	-	1,351,980
Accrued salaries and benefits	114,362	1,390,184	-	1,504,546
Due to NMCGRF	-	52,712,997	(52,712,997)	-
Accrued interest	-	99,617	-	99,617
Current portion of deferred revenue	-	1,957,382	-	1,957,382
Current portion of long-term debt	-	2,470,848	-	2,470,848
Total current liabilities	158,116	59,948,164	(52,721,907)	7,384,373
Long-term obligations:				
Deferred compensation payable	85,248	-	-	85,248
Long-term debt, net of \$787,808 of unamortized debt issuance costs, less current	-	69,124,067	-	69,124,067
Liability for interest rate swaps	-	1,251,322	-	1,251,322
Annuity contracts	53,274	-	-	53,274
Entry fee deposits held	1,209,450	-	-	1,209,450
Deferred revenue, less current portion	9,550,645	-	-	9,550,645
Refundable entry fees	72,017,552	-	-	72,017,552
Total long-term obligations	82,916,169	70,375,389	-	153,291,558
Total liabilities	83,074,285	130,323,553	(52,721,907)	160,675,931
Net assets (deficit):				
Without donor restrictions	26,177,033	(22,670,191)	-	3,506,842
With donor restrictions	5,393,667	-	-	5,393,667
Total net assets (deficit)	31,570,700	(22,670,191)	-	8,900,509
Total liabilities and net assets	\$ 114,644,985	\$ 107,653,362	\$ (52,721,907)	\$ 169,576,440

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Consolidating Balance Sheets**  
**December 31, 2020**

	<b>Navy Marine Coast Guard Residence Foundation</b>	<b>Vinson Hall, LLC</b>	<b>Consolidating Entries</b>	<b>Consolidated Balance</b>
<b>ASSETS</b>				
Current assets:				
Cash	\$ -	\$ 7,042,085	\$ (6,110,882)	\$ 931,203
Assets whose use is limited, held by bond trustee, current portion	-	400,495	-	400,495
Accounts receivable, net	-	3,335,334	-	3,335,334
Other receivables	109,598	-	-	109,598
Due from VHC	55,016,402	-	(55,016,402)	-
Prepaid expenses and other current assets	11,861	323,654	-	335,515
Total current assets	55,137,861	11,101,568	(61,127,284)	5,112,145
Property and equipment, net	-	103,286,592	-	103,286,592
Other assets:				
Investments	55,661,583	-	-	55,661,583
Assets whose use is limited:				
Investments held by bond trustee, less current portion	-	5,050,539	-	5,050,539
Endowment fund	3,347,687	-	-	3,347,687
Investments restricted by donors	983,764	-	-	983,764
Investments restricted by the board for deferred compensation	149,173	-	-	149,173
Total other assets	60,142,207	5,050,539	-	65,192,746
Total assets	<u>\$ 115,280,068</u>	<u>\$ 119,438,699</u>	<u>\$ (61,127,284)</u>	<u>\$ 173,591,483</u>



Navy Marine Coast Guard Residence Foundation and Subsidiary  
Consolidating Balance Sheets  
December 31, 2020

(Continued)

	Navy Marine Coast Guard Residence Foundation	Vinson Hall, LLC	Consolidating Entries	Consolidated Balance
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities:				
Cash overdraft	\$ 6,110,882	\$ -	\$ (6,110,882)	\$ -
Accounts payable and accrued expenses	9,604	1,475,730	-	1,485,334
Accrued salaries and benefits	106,912	1,250,437	-	1,357,349
Due to NMCGRF	-	55,016,402	(55,016,402)	-
Accrued interest	-	288,725	-	288,725
Current portion of deferred revenue	-	1,703,262	-	1,703,262
Current portion of long-term debt	-	1,347,497	-	1,347,497
Total current liabilities	6,227,398	61,082,053	(61,127,284)	6,182,167
Long-term obligations:				
Deferred compensation payable	149,173	-	-	149,173
Long-term debt, net of \$1,860,150 of unamortized debt issuance costs less current	-	67,606,408	-	67,606,408
Annuity contracts	53,628	-	-	53,628
Entry fee deposits held	970,300	-	-	970,300
Deferred revenue	9,881,822	95,605	-	9,977,427
Refundable entry fees	69,835,436	-	-	69,835,436
Total long-term obligations	80,890,359	67,702,013	-	148,592,372
Total liabilities	87,117,757	128,784,066	(61,127,284)	154,774,539
Net assets:				
Without donor restrictions	24,150,267	(9,345,367)	-	14,804,900
With donor restrictions	4,012,044	-	-	4,012,044
Total net assets	28,162,311	(9,345,367)	-	18,816,944
Total liabilities and net assets	\$ 115,280,068	\$ 119,438,699	\$ (61,127,284)	\$ 173,591,483

Navy Marine Coast Guard Residence Foundation and Subsidiary  
Consolidating Operations and Changes in Net Assets  
Year Ended December 31, 2021

	Navy Marine Coast Guard Residence Foundation		Vinson Hall, LLC	Consolidated Balance		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Resident Fees, including amortization	\$ 2,059,025	\$ -	\$ 28,161,114	\$ 30,220,139	\$ -	\$ 30,220,139
Other program revenue	18,000	-	709,592	727,592	-	727,592
Philanthropy and engagement	219,739	178,273	-	219,739	178,273	398,012
Interest and dividends	774,687	51,537	1,809	776,496	51,537	828,033
Net assets released from restrictions	285,006	(285,006)	-	285,006	(285,006)	-
Total revenue	3,356,457	(55,196)	28,872,515	32,228,972	(55,196)	32,173,776
Expenses:						
Salaries and wages	485,444	-	12,784,591	13,270,035	-	13,270,035
Employee benefits and payroll taxes	66,739	-	2,656,949	2,723,688	-	2,723,688
Contracted services	13,645	-	2,952,745	2,966,390	-	2,966,390
Administration and management fee	78,542	-	1,053,564	1,132,106	-	1,132,106
Maintenance	-	-	1,660,476	1,660,476	-	1,660,476
Healthcare and medical expenses	-	-	1,522,044	1,522,044	-	1,522,044
Supplies	66,995	-	1,904,650	1,971,645	-	1,971,645
Utilities	-	-	1,008,273	1,008,273	-	1,008,273
Dining services	-	-	794,056	794,056	-	794,056
Insurance	-	-	398,362	398,362	-	398,362
Marketing	5,475	-	176,469	181,944	-	181,944
Depreciation and amortization	-	-	5,440,392	5,440,392	-	5,440,392
Fundraising	129,941	-	-	129,941	-	129,941
Interest	3,918	-	2,122,875	2,126,793	-	2,126,793
Total expenses	850,699	-	34,475,446	35,326,145	-	35,326,145
Income (loss) from operations	2,505,758	(55,196)	(5,602,931)	(3,097,173)	(55,196)	(3,152,369)

See independent auditors' report.

Navy Marine Coast Guard Residence Foundation and Subsidiary  
Consolidating Operations and Changes in Net Assets  
Year Ended December 31, 2021

(Continued)

	Navy Marine Coast Guard Residence Foundation		Vinson Hall, LLC	Consolidated Balance		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Nonoperating gains (losses):						
Realized gains	3,628,278	188,560	-	3,628,278	188,560	3,816,838
Unrealized gains	200,904	50,816	-	200,904	50,816	251,720
Change in interest rate swap value	-	-	(1,251,322)	(1,251,322)	-	(1,251,322)
Loss on extinguishment of debt	-	-	(9,726,327)	(9,726,327)	-	(9,726,327)
Other	-	-	145,025	145,025	-	145,025
Net income (loss)	6,334,940	184,180	(16,435,555)	(10,100,615)	184,180	(9,916,435)
Transfer to net assets restricted in perpetuity	(1,197,443)	1,197,443	-	(1,197,443)	1,197,443	-
Contributions (to) from affiliate	(3,110,731)	-	3,110,731	-	-	-
Changes in net assets	2,026,766	1,381,623	(13,324,824)	(11,298,058)	1,381,623	(9,916,435)
Net assets, beginning of year	24,150,267	4,012,044	(9,345,367)	14,804,900	4,012,044	18,816,944
Net assets, end of year	\$ 26,177,033	\$ 5,393,667	\$ (22,670,191)	\$ 3,506,842	\$ 5,393,667	\$ 8,900,509

See independent auditors' report.

**Navy Marine Coast Guard Residence Foundation and Subsidiary**  
**Consolidating Operations and Changes in Net Assets**  
**Year Ended December 31, 2020**

	Navy Marine Coast Guard Residence Foundation		Vinson Hall, LLC	Consolidated Balance		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Resident Fees, including amortization	\$ 2,015,138	\$ -	\$ 25,916,227	\$ 27,931,365	\$ -	\$ 27,931,365
Other program revenue	-	-	1,972,845	1,972,845	-	1,972,845
Philanthropy and engagement	345,048	68,038	-	345,048	68,038	413,086
Interest and dividends	1,424,210	96,456	32,813	1,457,023	96,456	1,553,479
Total revenue	3,784,396	164,494	27,921,885	31,706,281	164,494	31,870,775
Expenses:						
Salaries and wages	492,881	-	11,481,360	11,974,241	-	11,974,241
Employee benefits and payroll taxes	96,322	-	2,405,633	2,501,955	-	2,501,955
Contracted services	-	-	3,739,259	3,739,259	-	3,739,259
Administration and management fee	33,132	-	743,790	776,922	-	776,922
Maintenance	-	-	1,541,339	1,541,339	-	1,541,339
Healthcare and medical expenses	-	-	1,321,814	1,321,814	-	1,321,814
Supplies	114,680	-	2,121,355	2,236,035	-	2,236,035
Utilities	-	-	909,943	909,943	-	909,943
Dining services	-	-	711,841	711,841	-	711,841
Insurance	25,680	-	346,502	372,182	-	372,182
Marketing	3,582	-	201,596	205,178	-	205,178
Shared services allocation	-	-	-	-	-	-
Depreciation and amortization	-	-	5,294,838	5,294,838	-	5,294,838
Fundraising	83,430	-	-	83,430	-	83,430
Interest	4,115	-	3,583,655	3,587,770	-	3,587,770
Total expenses	853,822	-	34,402,925	35,256,747	-	35,256,747
Income (loss) from operations	2,930,574	164,494	(6,481,040)	(3,550,466)	164,494	(3,385,972)

See independent auditors' report.

Navy Marine Coast Guard Residence Foundation and Subsidiary  
Consolidating Operations and Changes in Net Assets  
Year Ended December 31, 2020

(Continued)

	Navy Marine Coast Guard Residence Foundation		Vinson Hall, LLC	Consolidated Balance		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Nonoperating gains:						
Realized gains	2,544,745	146,165	-	2,544,745	146,165	2,690,910
Unrealized gains	1,449,213	135,321	-	1,449,213	135,321	1,584,534
Other	-	-	153,378	153,378	-	153,378
Net income (loss)	6,924,532	445,980	(6,327,662)	596,870	445,980	1,042,850
Contributions (to) from affiliate	(3,694,209)	-	3,694,209	-	-	-
Changes in net assets	3,230,323	445,980	(2,633,453)	596,870	445,980	1,042,850
Net assets, beginning of year	20,919,944	3,566,064	(6,711,914)	14,208,030	3,566,064	17,774,094
Net assets, end of year	<u>\$ 24,150,267</u>	<u>\$ 4,012,044</u>	<u>\$ (9,345,367)</u>	<u>\$ 14,804,900</u>	<u>\$ 4,012,044</u>	<u>\$ 18,816,944</u>

See independent auditors' report.



**EXHIBIT H**  
**OPERATIONAL SUMMARY**





**Navy Marine Coast Guard Residence Foundation and  
Subsidiary (Vinson Hall LLC) As of December 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>Total Assets</b>	159,479,204	169,576,440
<b>Total Liabilities</b>	157,461,196	160,675,931
<b>Total Net Assets</b>	2,018,008	8,900,509
<b>Total Revenue</b>	33,718,036	32,173,776
<b>Total Expenses</b>	37,001,588	35,326,145
<b>Operating Income (Loss)</b>	-3,283,552	-3,152,369
<b>Other Non-Operating Income (expense)</b>	-2,511,201	-6,764,066
<b>Net Income (Loss)</b>	-5,794,753	-9,916,435

**Narrative on financial condition:**

In comparing 2022 to 2021 results, the following observations have been made regarding financial performance. Total Assets decreased primarily due to a combination of reduced investment values, a change in accounting for accounts receivable and the write-off of assets no longer in service. Total liabilities are reduced simply by the principle payments applied to the long term debt.

The Operating Loss remains relatively the same. The non-operating loss improvement is mostly due to the prior year debt refinancing that required a current period expense for the interest that will be paid to bondholders over the next two years. That accounting loss for extinguishment of debt was - 9,726,327.

<b>Occupancy Information:</b>	<b>Capacity of Units</b>	<b>Average Occupancy</b>	<b>Percentage Occupancy</b>
Vinson Hall - Independent Living	162	157	96.69%
Arleigh Burke - Assisted Living	21	21	100.00%
Arleigh Burke - Nursing	49	44	89.80%
The Sylvestery – Memory Care AL	36	33	91.67%
Willow Oak - Independent Living	75	75	100.00%

**EXHIBIT I**  
**NMCGRF Budget, 2023**

NMCGRF Inc.  
 Statement of Budgeted Revenues and Expenditures  
 As of December 31, 2023  
 Prior Year vs Current Year

	Prior Year To Date 12/31/2022	Year To Date 12/31/2023
	Operating Budget	Operating Budget
Revenue		
Shared Services Revenue	5,980,716	8,218,472
Philanthropy Revenue	261,000	300,000
Total Revenue	6,241,716	8,518,472
Operating Expenses		
Salaries and Wages	1,987,257	2,296,402
Employee Benefits and Payroll		
Taxes	131,789	166,405
Contracted Services	567,600	850,430
Supplies	539,318	314,724
Insurance Expense	195,000	480,000
Advertising	189,752	197,190
Dues and Licenses	15,180	145,354
Events	142,000	156,000
Travel and Education	65,600	74,000
COVID Expenses	3,000	0
Miscellaneous	250,900	229,400
Total Operating Expenses	4,087,396	4,909,905
Income from Operations	2,154,319	3,608,567
EBITDA Percentage	34.51 %	42.36 %
Change in Net Assets	2,154,319	3,608,567

**EXHIBIT J**  
**Vinson Hall, LLC (VHRC) Budget 2023**

Vinson Hall LLC.  
Statement of Budgeted Revenues and Expenditures  
As of December 31, 2023  
Prior Year vs Current Year

	Prior Year To Date 12/31/2022	Year To Date 12/31/2023
	Operating Budget	Operating Budget
Revenue		
Program Revenue	27,880,755	30,686,100
Miscellaneous Income	72,000	42,000
Total Revenue	27,952,755	30,728,100
Operating Expenses		
Salaries and Wages	10,401,166	11,996,895
Employee Benefits and Payroll Taxes	2,660,241	3,126,746
Contracted Services	929,585	2,136,292
Management Fees	3,057,713	4,051,196
Shared Services	768,731	(3,000)
Maintenance	1,155,193	808,950
Healthcare and Medicare Expenses	1,470,512	1,144,416
Supplies	584,390	504,042
Utilities	1,008,883	910,896
Dining Services	832,219	908,789
Insurance Expense	200,004	0
Bad Debt	33,813	44,976
Dues and Licenses	32,867	11,111
Events	136,396	153,232
Transportation Expenses	30,000	0
Travel and Education	37,500	51,010
Miscellaneous	269,165	258,288
Total Operating Expenses	23,608,378	26,103,839
Income from Operations	4,344,377	4,624,261
EBITDA Percentage	15.54 %	15.05 %
Non-Operating Income and Expenses		
Non-Operating Expenses	7,059,106	9,228,000
Total Non-Operating Income and Expenses	(7,059,106)	(9,228,000)
Change in Net Assets	(2,714,728)	(4,603,739)