

FILED
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State Corporation Commission
Bureau of Insurance
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Commissioner of Insurance
BY: Sarowar Jahan

SUMMIT SQUARE

CONTINUING CARE PROVIDER DISCLOSURE STATEMENT

APRIL 30, 2023

NOTICE

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

CONTINUING CARE PROVIDER

Sunnyside Presbyterian Home (“Sunnyside Communities” or the “Company”), doing business as Summit Square in Waynesboro, Virginia, is a continuing care retirement community (“CCRC”), also referred to as a life plan community and is incorporated as a non-stock corporation under the laws of the Commonwealth of Virginia. Sunnyside Communities owns and operates three campuses — Sunnyside, King’s Grant and Summit Square. The business address of the Company is 600 University Boulevard, Suite L, Harrisonburg, Virginia 22801. The business address of the Summit Square facility is 501 Oak Avenue, Waynesboro, Virginia 22980.

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

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

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

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

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

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

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

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

Mrs. Ellen R. Blose, Secretary
2935 Preston Lake Boulevard
Rockingham, VA 22801

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

Current members of the Board of Trustees are as follows:

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

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

Dr. April Temple
311 Baldwin Drive
Staunton, VA 24401

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

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

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

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

Mr. Richard R.J. Morin
620 Allegheny Avenue
Harrisonburg, VA 22802

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

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

Mrs. Ellen R. Blose
2935 Preston Lake Boulevard
Rockingham, VA 22801

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

BUSINESS EXPERIENCE OF; ACQUISITION OF GOODS AND SERVICES FROM; AND CRIMINAL, CIVIL AND REGULATORY PROCEEDINGS AGAINST THE PROVIDER; ITS OFFICERS, DIRECTORS, TRUSTEES, MANAGING AND GENERAL PARTNERS; CERTAIN PERSONS WHO HOLD EQUITY OR BENEFICIAL INTERESTS; AND THE MANAGEMENT

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

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

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

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

Matt Dameron, Executive Director, received his Bachelor's degree in management and business from James Madison University. He is a licensed nursing home administrator and preceptor in Virginia. He joined the company in 2022. An experienced senior living professional, he has served in several leadership roles including serving as associate executive director, assistant executive director and director of resident services.

- B. No Corporate Officer, Trustee or the Provider owns a ten percent or greater direct or indirect interest in any firm, foundation, trust, partnership, corporation or other business entity in which it is presently intended will or may provide goods, leases or services to the Company of a value of \$500 or more.

- C. Sunnyside Communities, nor any of its Officers, Trustees, or Managers:

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

OWNERSHIP OF REAL PROPERTY

Sunnyside Communities owns in fee simple the entire 5.3-acre campus on which it operates a continuing care retirement community along with all buildings and other improvements located thereon. See Note 6 of the 2022 Financial Statements for details relative to mortgages on said property.

LOCATION AND DESCRIPTION OF REAL PROPERTY

The real property is located at 501 Oak Avenue in Waynesboro, Virginia. The property consists of: 5.3 acres of land and a 141,000 square foot five-story brick building containing 70 independent living apartments, 18 assisted living beds, 17 memory care bed, 18 nursing beds, and eight patio homes located along the south property line of the site.

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

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

SERVICES PROVIDED UNDER CONTINUING CARE CONTRACTS

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

Health care services to be provided are as follows:

Outpatient Services

Summit Square may provide a clinic where the resident may be examined and treated as an outpatient. Summit Square may arrange for Clinical staff to be available from time to time in the clinic. The resident may, however, engage the services of an alternative clinical professional who may also use the facilities of the clinic subject to policies and procedures of Summit Square.

Summit Square may arrange for the services of a physical, occupational or speech therapist, a dentist, and other health professionals, as appropriate. The resident is responsible for payment of charges by these health professionals. The resident is also responsible for charges incurred in the clinic.

Inpatient Services

Type I Contract. Residents are entitled to priority admission to Summit Square's Assisted Living Center or Health Care Center, a Skilled Nursing Facility. In accordance with Section 3.2 of the Occupancy Agreements, the cost of care in the Assisted Living Center or Health Care Center will be the responsibility of the resident. Fees for care beyond any credits shall be the responsibility of the resident. Care beyond the capacity of Summit Square Health Care Center may require transfer to an appropriate facility outside of Summit Square.

Type II Contract. Should the resident require care in Assisted Living and/or the Health Care Center, ninety (90) days of such care shall be provided by Summit Square. Such days are cumulative over the resident's lifetime and are non-transferable, non-renewable, and non-refundable. During those ninety (90) days, the resident will continue to be responsible for his/her regular Monthly Fee, additional meals, and ancillary medical supplies. If care is required beyond the ninety (90) day period, the resident shall be responsible for payment of the full per diem rate currently applicable to the level of care that he/she is receiving.

Type III Contract. Residents are entitled to priority admission to Summit Square’s Assisted Living Center or Health Care Center, an Intermediate Care Facility. The Resident is responsible for payment of the cost associated with these levels of care in accordance with Section 3.2 of the Occupancy Agreement. In accordance with Section 7 of the Occupancy Agreement, a partial (up to 50%) refund of the Entrance Fee is provided, which may be used to pay the cost of care in the Eiland Assisted Living Center or Pannill Health Care Center. Care beyond the capacity of the Pannill Health Care Center may require transfer to an appropriate facility outside of Summit Square.

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

FEES REQUIRED OF RESIDENTS

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

Schedules of entrance and monthly fees are attached to this disclosure statement as Exhibit C.

Entrance Fees are payable at execution of the occupancy agreement. Full refund prior to occupancy will be granted should the resident(s) decide not to enter Sunnyside. See Section 7.1 of the Occupancy Agreements.

The following table shows the frequency and average dollar amount of increase in monthly fees for Summit Square:

Year	SUMMIT SQUARE				
	Patio Homes	Apartments	Assisted Living	Memory Care	Health Care
2023	\$72	\$180	\$490	\$574	\$669
2022	\$51	\$126	\$331	\$335	\$482
2021	\$30	\$70	\$213	\$0	\$300
2020	\$50	\$86	\$216		\$301
2019	\$32	\$74	\$210		\$292
2018	\$39	\$71	\$183		\$270
2017	\$39	\$71	\$152		\$183
2016	\$36	\$63	\$122		\$206
2015	\$36	\$63	\$120		\$166

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

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

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

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

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

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

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

RESERVE FUNDING

In accordance with generally accepted accounting principles, Sunnyside Communities maintains its accounting records utilizing the principles of fund accounting. Within this method, entrance fees are recorded as deferred Revenue when received and amortized into revenue on an actuarial basis (see Note 1 to the 2022 Financial Statements).

Sunnyside Communities has established endowment funds, which receives contributions that are solicited by Sunnyside's various fund-raising programs. The interest and dividends earned by this fund are used to assist individual residents who may have financial difficulty, for general obligations of Sunnyside Communities or those specified by the donor. These funds are under the control of the Audit and Finance Committee of Sunnyside's Board of Trustees who have appointed CapTrust as manager of these funds and all other internally and externally designated funds, as well as all other unrestricted investments. The performance of all such investments are reviewed and evaluated quarterly by the Audit and Finance Committee. The Audit and Finance Committee has the authority to approve or disapprove of the investment portfolio selected by the above-mentioned managers. On December 31, 2022, the fair value of the investments which were temporarily restricted by donors, the terms of the bond agreements or the Board of Trustees was \$18.9 million and the fair value of investments which were unrestricted was \$35.1 million.

CERTIFIED FINANCIAL STATEMENTS

See Exhibit D - Audited Financial Statements.

PRO FORMA INCOME STATEMENT

See Exhibit E for Pro Forma 2023 Statement of Revenue and Support, and Expenses, and the assumptions underlying these projections.

SUNNYSIDE COMMUNITIES DEBT COVENANTS

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

ADMISSION OF NEW RESIDENTS

Applicants for Assisted Living or the Health Care Center are considered based upon the criteria described in the Summit Square's Admissions Policies and Guidelines (Exhibit G). However, applicants for patio home residences or residential apartments are expected to have the financial ability to pay the required Entrance Fee and to have sufficient income to cover the existing and future monthly Maintenance Fees. If, due to increase in monthly fees, decline in income, or a combination of these events, a resident is unable to pay the entire monthly Maintenance Fee, application for Fellowship assistance can be made to Summit Square's Executive Director.

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

See Exhibit G - Summit Square Admission Policy.

ACCESS TO FACILITY BY NON-RESIDENTS

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

ANTICIPATED SOURCE AND APPLICATION OF PURCHASE OR CONSTRUCTION FUNDS

As noted in the 2023 capital budget, Summit Square's planned capital expenditure spend in 2023 is \$2.2 million, \$1.5 million of which relates to unit and common space renovations and \$0.9 million for building exterior and grounds, infrastructure, vehicles, and IT.

PROCEDURE FOR RESIDENT TO FILE A COMPLAINT OR DISCLOSE CONCERN

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

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

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

OTHER RELEVANT INFORMATION

There is no pending litigation against the Company or significant subsequent events reportable for the 2022 audited financial statements.

Exhibits A & B

Occupancy Agreements

SUMMIT SQUARE

ASSISTED LIVING OCCUPANCY AGREEMENT



Summit Square

WHERE LIFE IS BETTER

**SUMMIT SQUARE
ASSISTED LIVING OCCUPANCY AGREEMENT**

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SUMMIT SQUARE ASSISTED LIVING OCCUPANCY AGREEMENT

INTRODUCTION

THIS AGREEMENT is made on _____,
by and between SUNNYSIDE PRESBYTERIAN HOME of Rockingham County,
Virginia, hereinafter Summit Square, and _____ (“Resident”)

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

AGREEMENTS

1. LIVING ACCOMMODATIONS AND FACILITIES

1.1 Living Accommodations. The Resident shall have a personal, non-assignable right to occupy Room number _____ located in the Assisted Living Unit (the “Living Unit”), subject to removal only as hereinafter provided.

1.2 Furnishings. Summit Square shall provide in the Living Unit a bed, nightstand, chest of drawers, and chair. Resident may provide other furnishings.

1.3 Summit Square Facilities. Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by Sunnyside.

2. SERVICES PROVIDED BY SUMMIT SQUARE

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

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

2.1.2 Meals. Summit Square shall furnish the Resident with three meals per day. Meals shall be nutritionally well balanced and served in the Assisted Living dining room. Resident may opt for meals in their room if medical conditions warrant.

2.1.3 Housekeeping. Weekly housekeeping services shall be provided by Summit Square. However, the Resident shall maintain the Living Unit in a clean, sanitary, and orderly condition.

2.1.4 Laundry. Summit Square shall provide laundry service for all bed linen, towels, and personal laundry.

2.1.5 Maintenance and Repairs. Necessary repairs, maintenance, and replacement of property owned by Summit Square shall be performed and provided by Summit Square.

2.1.6 Grounds. Summit Square shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

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

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

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

2.1.10 Nursing Services. Summit Square shall provide assistance with the activities of daily living, including bathing, dressing, taking

of prescribed medication, etc. This assistance will be provided by Summit Square's nursing staff in the Assisted Living Unit. Nursing personnel are available, in case of emergency, on a 24-hour basis.

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

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

3. HEALTH CARE

3.1 Outpatient Services. Summit Square shall provide a clinic where the Resident may be examined and treated as an outpatient. Summit Square does not provide or supervise physician services.

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

3.2 Inpatient Services. The Resident shall have priority admission to the Health Care Center. The cost of care in these facilities shall be the responsibility of the Resident. Care shall be provided as may be appropriate in a nursing facility. Need for care beyond that which can be provided in this setting may require the Resident to relocate to an appropriate facility (example: acute care hospital or mental illness or drug abuse treatment facility). Permanent transfer to the Health Care Center shall terminate the rights and obligations of both parties to this Agreement.

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

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

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

3.5 Medical Insurance

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

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

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

4. OCCUPANCY AND FEES

4.1 Daily Fee. Resident shall pay to Summit Square a Daily Fee, currently \$ _____ payable monthly in advance for the services described in Sections 1 and 2. Summit Square shall endeavor to maintain its schedule of fees at the lowest possible rate consistent with sound financial practices. Summit Square may adjust the schedule of fees at any time upon a 30-day written notice to the Resident. **Community Fee.** In addition to the daily fee, the Resident shall pay a one-time, non-refundable community fee of \$3,000 (If the Resident has previously paid an entrance fee, this fee will be waived). In the event of transfer of ownership, closing of facility, or Resident transfer or discharge, any advance payments beyond the effective date of said event shall be refunded.

4.2 Power of Attorney. Resident agrees to: (1) appoint and maintain a valid Power of Attorney, (2) execute an Advance Medical Directive, and (3) provide Summit Square with current copies of these documents.

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

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

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

4.6 Removal of Property. In the event of withdrawal, death, or permanent transfer of a Resident, including permanent transfer to the Health Care Center, all of the Resident's property shall be removed from the previously occupied Living Unit within 15 days. In the event that such property is not removed within such 15-day period, Summit Square shall have the right to remove and store such property at the Resident's expense, or at the expense of his/her estate, for a period of six months; and, thereafter, if such property is not claimed, it shall be disposed of in accordance with the laws of the State of Virginia.

4.10 Damage or Loss of Property. Although Summit Square will exercise reasonable care in providing effective security, it is recommended the Resident insure his/her property against casualty and theft loss.

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

5. SURRENDER OF RIGHT OF OCCUPANCY

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

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

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

5.4 Voluntary Cancellation by Resident. Resident shall give a thirty (30) day written notice prior to voluntary cancellation of this agreement. If Resident fails to give the proper notice, he/she agrees that Summit Square shall charge its normal fees for the 30-day period.

6. MISCELLANEOUS

6.1 Further Assurances. The Resident, for himself/herself, his/her heirs, personal representatives and assigns, agrees to execute and deliver to Summit Square such legal instruments as may be requisite to carry out the provisions of this Agreement.

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

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

(a) Based on your Uniform Assessment Information (UAI), Summit Square is licensed to provide the services required.

(b) Summit Square is licensed to operate an Assisted Living Facility by the Department of Social Services. The regional office address is:

Commonwealth of Virginia
Department of Social Services
Division of Licensing
57 Beam Lane, Suite 102
Fishersville, VA 22939
540-332-2330

(c) Summit Square is licensed to operate a Nursing Care Facility (Health Care Center) by the Virginia State Department of Health, which is located at 109 Governor Street, Richmond, Virginia 23219.

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

Summit Square and the Resident agree to the terms and conditions set forth in this Agreement dated _____

SIGNATURES

Print Name

SUNNYSIDE PRESBYTERIAN HOME

By: _____
"Summit Square"

Print Name

By: _____
"Resident"

By: _____
"Resident"

By: _____
"Attorney-in-Fact", if applicable

ACKNOWLEDGMENTS:

I hereby acknowledge I/we have received the following:

Initials:

- _____ A complete copy of this Occupancy Agreement
- _____ A copy of this Resident's Handbook
- _____ A copy of the Admissions Acknowledgement for Assisted Living (Attached)
- _____ A copy of the Schedule of Ancillary Fees
- _____ A copy of the Assisted Living Liability Insurance Disclosure Notification Form (Attached)

Signed:

Initials _____

Assisted Living Facility Liability Insurance Disclosure Notification Form

Required by the Virginia Department of Social Services

(As specified in 22 VAC 40-742-390 A 6

Facility must indicate Yes or No below:

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

Yes

No

Resident Signature: _____

Date: _____

Initials _____

Summit Square

APARTMENT OCCUPANCY AGREEMENT

Initials

_____ **Type I – Fee for Service**

_____ **Type II – 90 Days Care**

_____ **Type III – 50% Refund**



Summit Square

WHERE LIFE IS BETTER

Summit Square
APARTMENT OCCUPANCY AGREEMENT

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I. Recitals

Definitions

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

“Assisted Living” shall mean the assisted living services and facilities at Summit Square, which the Summit Square shall be licensed by the state to provide.

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

“Community” shall mean the Sunnyside Presbyterian Home of Rockingham County, Virginia, hereafter Summit Square a Virginia not-for-profit corporation and the operator of Summit Square.

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

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

“Entrance Fee” shall mean the sum of money transferred by the resident to Summit Square as full or partial consideration for acceptance of the resident into Summit Square and as described in Section 4.2 of this Agreement.

“Executive Director” shall mean the individual with overall responsibility for directing and planning the day-to-day administration of Summit Square.

“Health Care Center” shall mean the nursing facility licensed by the Virginia Department of Health at Summit Square.

“Monthly Fee” shall mean the fee paid by the Resident to Summit Square on a monthly basis and described in this Agreement.

“Permanent Resident” shall mean a Resident who the Resident review Committee, after consultation with the Resident and/or the Resident’s responsible party, the personal physician and the Executive Director, has determined needs permanent or prolonged full-time care in a nursing facility or hospital (including a mental health facility).

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

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

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

Summit Square

APARTMENT OCCUPANCY AGREEMENT

INTRODUCTION

THIS AGREEMENT is made on _____ by and between SUNNYSIDE PRESBYTERIAN HOME of Rockingham County, Virginia, hereinafter doing business as Summit Square, and _____ (“Resident”).

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

AGREEMENTS

1. LIVING ACCOMMODATIONS, FACILITIES AND FEES

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

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

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

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

1.4 Furnishings. Summit Square shall provide an all-electric kitchenette in the Residence. Resident shall provide all other furnishings. Electrical and mechanical appliances provided by Resident shall be subject to approval by Summit Square.

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

1.6 Summit Square Facilities. Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by Summit Square.

2. SERVICES PROVIDED BY SUMMIT SQUARE

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

2.1.1 Utilities. Summit Square shall provide the utilities reasonably required (water and sewer, electricity, heating, air conditioning, cable television, and in-house telephone service) in connection with the occupancy of the Residence, subject, however, to the availability of such services to Summit Square. Summit Square will provide local and long-distance telephone service at an additional charge.

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

2.1.3 Meals. Summit Square shall provide a meal plan each month to the Resident. The Resident may purchase additional meals at a cost to be determined by Summit Square. The monthly allocation from the Resident's monthly fee for the meal plan will be \$350. The amount of the allocation may be adjusted from time to time as determined by Summit Square.

2.1.4 Housekeeping. Summit Square shall provide weekly housekeeping services. However, the Resident shall maintain the Residence in a clean, sanitary, and orderly condition.

2.1.6 Laundry. Summit Square shall provide weekly laundry service for all bed linen and towels. Summit Square shall provide washers and dryers in common areas for use by the Resident for his/her personal laundry.

2.1.7 Maintenance and Repairs. Necessary repairs, maintenance, and replacement of property owned by Summit Square shall be performed and provided by Summit Square. Any work provided by Summit Square at the request of the Resident for repairs, maintenance and replacement will be at the Resident's own expense. All contractors performing work must be approved by the Executive Director or his or her designee.

2.1.8 Grounds. Summit Square shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

2.1.9 Mail. Individual mailboxes shall be provided in a central location.

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

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

2.1.12 Emergency Services. Summit Square shall provide, in case of a medical emergency, 24-hour on-call nursing personnel.

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

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

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

3. **HEALTH CARE (Nursing, Assisted Living and Catered Living)**

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

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

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

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

3.2.2 For Type II Occupancy Agreements only. Should the Resident require care in Assisted Living and/or the Health Care Center, ninety (90) days of such care shall be provided by Summit Square. Such days are cumulative over the Resident's lifetime and are non-transferable,

non-renewable, and non-refundable. During those ninety (90) days, the Resident will continue to be responsible for his/her regular Monthly Fee, additional meals, and ancillary medical supplies. If care is required beyond the ninety (90) day period, the Resident shall be responsible for payment of the full per diem rate currently applicable to the level of care that he/she is receiving.

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

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

3.4.1 Charges of any physicians, physical/occupational/speech therapists, podiatrists, or other health professional, whether provided by Summit Square or elsewhere;

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

3.5 Medical Insurance. The Resident shall maintain, at all times, at the Resident's own cost, the maximum coverage under any federal, state, municipal public insurance plans, and Medigap or other supplemental insurance for which the Resident may qualify. Summit Square and this Agreement do not act as a substitute

for Medigap or other supplemental insurance. All premium payments on such policies and the associated costs of the same shall be reflected in future Monthly Fees. The Resident agrees to cooperate fully in connection with the application for and maintenance of such insurance.

4. OCCUPANCY

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

4.2 Occupancy. Resident agrees to occupy the Residence assigned on or before _____. In the event the Resident does not occupy the Residence on this assigned date, the Resident shall be obligated to pay the applicable monthly fee from the assigned occupancy date to the actual date of occupancy. The Residence shall be occupied solely by the Resident(s) herein. There shall be no occupancy by non-residents. No guest, other than a family member, should occupy a residence for longer than one (1) week without prior approval of the executive director or his or her designee. Responsibility for the conduct and other actions by the Resident's guest(s) is the responsibility of the Resident.

4.3 Policies and Procedures. Resident will abide by the Summit Square policies and procedures and such reasonable amendments, modifications and changes of these policies and procedures as may hereafter be adopted by Summit Square. Any policies and procedures adopted by Summit Square shall be applied to all residents similarly situated without preference or prejudice to any resident or group of residents.

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

this Agreement, provided that the survivor can demonstrate his or her ability to continue to meet the financial terms of this agreement. In the event the survivor is unable or unwilling to do so, he or she will be subject to termination of this agreement.

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

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

4.7 Financial Statements. To ensure Summit Square's ongoing ability to plan for future needs of residents who outlive their resources, it is important to anticipate, as much as practicable, what those obligations will be. Therefore,

Resident agrees to provide an updated and complete financial statement, along with associated documentation, as requested every three (3) years.

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

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

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

4.11 Tobacco-Free Policy. Summit Square is committed to providing the healthiest possible environment for all its residents, employees and visitors. Effective March 1, 2018, Summit Square became a tobacco-free community and adopted a tobacco-free policy that applies to all residents, employees, volunteers, vendors and contractors. Tobacco use of any type is prohibited and includes cigarettes, cigars, pipes, snuff, chewing tobacco and vapor products such as e-cigarettes and other related products used to simulate smoking. This policy applies to all property owned and/or leased by Summit Square (e.g., personal residences, parking lots, grounds, public areas, company cars and resident cars parked on the Summit Square campus), as well as adjacent property. Residents not adhering to the

policy will be assessed for damages caused by tobacco products and the cost of such will be paid by the Resident or may be subtracted from the entrance fee refund, if applicable.

5. TRANSFER AND SURRENDER OF RIGHT OF OCCUPANCY

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

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

5.3 Exchange Between Residences. Residents may transfer to or exchange residences with the prior approval of the Executive Director. Requests will be considered based on the Policies and Procedures of Summit Square.

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

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

This process may be initiated by:

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

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

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

and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by Summit Square will be provided to the Resident.

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

5.7 Voluntary Cancellation by Resident. The Resident shall give a sixty (60) day written notice prior to voluntary cancellation of this Agreement. If the Resident fails to give proper notice, he/she agrees that Summit Square shall be entitled to reduce the Resident's unamortized Entrance Fee by 2% per month for the sixty (60) day period.

6. Co-Occupancy

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

6.2 Marriage and/or Co-Occupancy with a Current Resident. In the event that the Co-occupant is already a resident of Summit Square, this Agreement and the Co-Occupant's Agreement shall be cancelled, and the Resident and Co-occupant will enter into a new Agreement with Summit Square. If the Resident remains in the current Residence and the Co-occupant moves into the Resident's Residence, the only additional Entrance Fee payment required shall be for the current second person Entrance Fee if applicable. If two entrance fees have been

paid, no additional entrance fee may be required; if only one entrance fee has been paid, an additional entrance fee will be required. There will also be a second person Monthly Fee for the Resident's Co-Occupant based upon his or her occupancy agreement type. This charge will be at the current rate charged to other residents. In this case, a refund of any portion of the Entrance Fee paid under this Agreement shall be governed by the terms and conditions of the new Agreement.

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

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

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

6.3.2 If one Resident desires to move out of Summit Square, the other Resident may remain in the current Residence or move to a new Residence, subject to the terms and conditions of this Agreement. If the remaining Resident stays in the current Residence, the Resident shall

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

7. ENTRANCE FEE REFUND

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

7.1.1 For Type I and Type II Occupancy Agreements only. If the withdrawal or death occurs during the first 50 months following the date of occupancy, or assigned occupancy date, whichever occurs first, a refund of the Entrance Fee will be made, reduced by 2% per month from the date herein referred to, until the Residence is released to Summit Square. There will be no refund made under this policy after 50 months.

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

7.1.3 If the Resident dies before occupying the Residence, or is precluded through illness, injury, or incapacity from becoming a Resident under the terms of the Occupancy Agreement, the Agreement is automatically rescinded, and the Resident or his /her legal representative shall receive a full refund of all money paid to Summit Square, except those costs specifically incurred by Summit Square at the request of the Resident.

8. MISCELLANEOUS

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

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

8.3 Responsibility for Protection of the Resident's Property. Summit Square shall not be responsible for the loss of any personal property belonging to the Resident due to theft, fire or any other cause. The Resident shall have the

responsibility, at the Resident's own expense, of insuring the Resident's property against such risks under a tenant's or homeowner's insurance policy.

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

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

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

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

8.8 Whole and Binding Agreement. The Resident has received this Agreement and has had the opportunity to have it reviewed by his or her attorney or

financial advisor. The parties agree that this Agreement and the Disclosure Statement contain the entire agreement. This Agreement is binding on the Resident and Summit Square and all parties who lawfully succeed to their rights or take their places.

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on _____

SIGNATURES

Print Name

SUNNYSIDE PRESBYTERIAN HOME

By: _____
"Summit Square"

Print Name

By: _____
"Resident"

By: _____
"Resident"

Initials _____

ACKNOWLEDGMENTS:

I hereby acknowledge I/we have received the following:

Initials:

_____ A copy of Summit Square's Continuing Care Provider Disclosure Statement

_____ A complete copy of this Occupancy Agreement

_____ A copy of this Resident's Handbook

Signed: _____

Date: _____

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

Initials _____

SUMMIT SQUARE

HEALTHCARE OCCUPANCY AGREEMENT



Summit Square

WHERE LIFE IS BETTER

SUMMIT SQUARE HEALTHCARE OCCUPANCY AGREEMENT

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SUMMIT SQUARE HEALTHCARE OCCUPANCY AGREEMENT

INTRODUCTION

THIS AGREEMENT is made on _____, by and between SUNNYSIDE PRESBYTERIAN HOME of Rockingham County, Virginia, hereinafter Summit Square, and _____ (“Resident”).

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

AGREEMENTS

1. LIVING ACCOMMODATIONS AND FACILITIES

1.1 Living Accommodations. The Resident shall have a personal, non-assignable right to occupy Room number _____ (the “Living Unit”) located in the Heathcare Center, subject to removal only as hereinafter provided.

1.2 Furnishings. Summit Square shall provide in the Living Unit a bed, nightstand, dresser, over-the-bed table, and chair (if requested). Resident may provide other furnishings.

1.3 Summit Square Facilities. Resident shall have the right to use, in Common with other Summit Square residents, the congregate and communal facilities provided by Summit Square.

2. SERVICES PROVIDED BY SUMMIT SQUARE

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

Initials _____

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

2.1.2 Meals. Summit Square shall furnish the Resident with three meals per day. Meals shall be nutritionally well balanced and served in Lady Staunton dining room or other areas designated by Summit Square.

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

2.1.4 Laundry. Summit Square shall provide laundry service for all bed linen, towels, and personal laundry.

2.1.5 Maintenance and Repairs. Necessary repairs, maintenance, and replacement of property owned by Summit Square shall be performed and provided by Summit Square.

2.1.6 Grounds. Summit Square shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

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

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

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

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

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

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

3. HEALTHCARE AND ANCILLARY SERVICES

3.1 Outpatient Services. The Resident may engage the services of a Physician who may also use the clinic subject to rules and regulations of Summit Square. Summit Square provides a medical director who is responsible for the overall care policies in the Health Care Center.

Summit Square will arrange for the services of a physical therapist, a dentist, and other health professionals, as it deems necessary. The Resident is responsible for payment of charges by these health professionals.

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

3.3 Attorney-in-Fact. The Resident agrees that in the event of physical injury or illness which requires immediate hospitalization, medical treatment, or surgical operation, that in the event the Resident is incapable or incompetent because of injury or illness to consent to such necessary hospitalization, medical treatment or surgery and the Resident's Attorney-in-Fact or Agent pursuant to a Medical Power of Attorney cannot be reached in time to make the necessary decision, Resident hereby appoints the Executive Director of Summit Square or a person so

designated to act in the stead of said Executive Director as his/her agent and attorney-in-fact, to contract for him/her in his/her name for such hospitalization, medical treatment, or to have such necessary surgical operation performed, provided a competent physician advises and recommends such medical treatment or surgery as apparently necessary. It is distinctly agreed that neither Summit Square nor the Executive Director and/or designee shall be liable to Resident nor to any other person in any manner whatsoever because of such surgery or the result thereof.

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

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

3.5 Medical Insurance

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

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

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

4. OCCUPANCY AND FEES

4.1 Daily Fee. Resident, or Resident's designated representative, shall pay to Summit Square a daily fee for a private/semiprivate room, currently \$ _____ payable monthly in advance for the services described in Sections 1 and 2 of this Agreement. Summit Square shall endeavor to maintain its schedule of fees at the lowest possible rate consistent with sound financial practices. Summit Square may adjust the schedule of fees at any time upon a 60-day written notice to the Resident or his/her Power of Attorney. In the event of transfer of ownership, closing of facility, or Resident transfer or discharge, any advance payments beyond the effective day of said event shall be refunded.

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

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

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

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

4.6 Damage or Loss of Property. Although Summit Square will exercise reasonable care in providing effective security, it is recommended the Resident insure his/her property against casualty and theft loss.

4.7 Rules and Regulations. Resident will abide by the Summit Square rules and regulations and such reasonable amendments, modifications and changes

of these rules and regulations as may hereafter be adopted by Summit Square. Any rules and regulations adopted by Summit Square shall be applied to all residents similarly situated without preference or prejudice to any resident or group of residents.

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

5. SURRENDER OF RIGHT OF OCCUPANCY AGREEMENT

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

5.2 Cancellation of Agreement. Summit Square shall not cancel this Occupancy Agreement with the resident without good cause. Good cause shall be limited to: proof that Resident is a danger to him/herself or others; nonpayment of the Daily Fee; repeated conduct by the Resident that interferes with other residents quiet enjoyment of Summit Square; persistent refusal to comply with Summit Square's written rules and regulations; a material misrepresentation made

intentionally or recklessly by the Resident in his/her application for residency, or related materials regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by Summit Square will be provided to the Resident.

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

5.4 Voluntary Cancellation by Resident. Resident shall give a thirty (30) day written notice prior to voluntary cancellation of this agreement. If Resident fails to give the proper notice, he/she agrees that Summit Square shall charge its normal fees for the 30-day period.

6. LICENSURE

Summit Square is licensed to operate a nursing facility (Healthcare Center) by the Commonwealth of Virginia, Virginia Department of Health, which is located at 3600 Centre Suite 216, 3600 West Broad Street, Richmond, Virginia 23230.

7. MISCELLANEOUS

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

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

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

Summit Square and the Resident agree to the terms and conditions set forth in this agreement dated _____

SIGNATURES

Print Name

SUNNYSIDE PRESBYTERIAN HOME

By: _____

“Summit Square”

Print Name

By: _____

“Resident”

By: _____

“Attorney-in-Fact”, if applicable

ACKNOWLEDGMENTS:

I hereby acknowledge I/we have received the following:

Initials:

_____ A complete copy of this Occupancy Agreement

_____ A copy of this Resident’s Handbook

Signed: _____

Summit Square

PATIO HOME OCCUPANCY AGREEMENT

Initials

_____ **Type I – Fee for Service**

_____ **Type II – 90 Days Care**

_____ **Type III – 50% Refund**



Summit Square

WHERE LIFE IS BETTER

Summit Square
APARTMENT OCCUPANCY AGREEMENT

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I. Recitals

Definitions

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

“Assisted Living” shall mean the assisted living services and facilities at Summit Square, which Summit Square shall be licensed by the state to provide.

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

“Community” shall mean the Sunnyside Presbyterian Home of Rockingham County, Virginia, hereafter Summit Square a Virginia not-for-profit corporation and the operator of Summit Square.

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

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

“Entrance Fee” shall mean the sum of money transferred by the resident to Summit Square as full or partial consideration for acceptance of the resident into Summit Square and as described in Section 4.2 of this Agreement.

“Executive Director” shall mean the individual with overall responsibility for directing and planning the day-to-day administration of Summit Square.

“Health Care Center” shall mean the nursing care facility at Summit Square.

“Monthly Fee” shall mean the fee paid by the Resident to Summit Square on a monthly basis and described in this Agreement.

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

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

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

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

Summit Square APARTMENT OCCUPANCY AGREEMENT

INTRODUCTION

THIS TYPE _____ AGREEMENT is made _____,
by and between SUNNYSIDE PRESBYTERIAN HOME of Rockingham County,
Virginia, hereinafter doing business as Summit Square, and
_____ (“Resident”).

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

AGREEMENTS

1. LIVING ACCOMMODATIONS AND FACILITIES

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

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

1.3 Monthly Fee. Resident shall pay to Summit Square a Monthly Fee, currently \$ _____, **payable in advance** for the services described herein. Summit Square shall endeavor to maintain its schedule of fees at a reasonable rate consistent with sound financial practices. Summit Square may adjust the schedule of fees at any time upon a 30-day written notice to the Resident. The Resident shall

Initials _____

not be entitled to occupy the Residence or to receive any services whatsoever from Summit Square until the payment of the Monthly Fee and/or Entrance Fee described in these Sections has been received.

1.4 Furnishings. Summit Square shall provide an all-electric kitchenette in the Residence. Resident shall provide all other furnishings. Electrical and mechanical appliances provided by Resident shall be subject to approval by Summit Square.

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

1.6 Summit Square Facilities. Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by Summit Square.

2. SERVICES PROVIDED BY SUMMIT SQUARE

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

2.1.1 Utilities. Summit Square shall provide the utilities reasonably required (water and sewer, electricity, heating, air conditioning, cable television, and in-house telephone service) in connection with the occupancy of the Residence, subject, however, to the availability of

such services to Summit Square. Summit Square will provide local and long-distance telephone service at an additional charge.

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

2.1.3 Housekeeping. The Resident shall maintain the Residence in a clean, sanitary, and orderly condition. However Housekeeping services shall be provided by Summit Square at an additional charge to the Resident.

2.1.4 Laundry. Summit Square shall provide washers and dryers in Patio Homes for use by the Resident.

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

2.1.6 Grounds. Summit Square shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

2.1.7 Mail. Individual mailboxes shall be provided in a central location.

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

2.1.9 Emergency Services. Summit Square shall provide, in case of a medical emergency, 24-hour on-call nursing personnel.

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

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

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

3. **HEALTH CARE (Nursing, Assisted Living and Catered Living)**

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

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

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

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

3.2.2 For Type II Occupancy Agreements only. Should the Resident require care in the Summit Square Assisted Residence and/or the Health Care Center, ninety (90) days of such care shall be provided by Summit Square. Such days are cumulative over the Resident's lifetime and are non-transferable, non-renewable, and non-refundable. During those ninety (90) days, the Resident will continue to be responsible for his/her regular Monthly Fee, additional meals, and ancillary medical supplies. If care is required beyond the ninety (90) day period, the Resident shall

be responsible for payment of the full per diem rate currently applicable to the level of care that he/she is receiving.

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

3.3.1 Health Related Charges. The Resident shall be responsible for the following charges to the extent they are not covered by Medicare or the Resident's Supplemental Insurance: Charges of any physician, physical/occupational/speech therapist, podiatrist, or other health professional, whether provided by Summit Square or elsewhere;

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

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

4. OCCUPANCY AND FEES

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

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

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

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

4.5 Relocation or Death of Resident(s). This Agreement does not create any interest in the real estate owned by Summit Square, and this occupancy privilege shall not inure to the use or benefit of the heirs, assignees, or representatives of

residents and, upon the relocation or death of the last surviving of the Residents, all rights of occupancy under this Agreement shall terminate.

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

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

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

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

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

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

5. TRANSFER AND SURRENDER OF RIGHT OF OCCUPANCY

5.1 Physical and Mental Health Requirements of Resident. As a condition of occupancy at Summit Square, the Resident shall be physically and mentally

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

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

5.3 Exchange Between Accommodations. Residents may transfer to or exchange accommodations with the prior approval of the Executive Director. Requests will be considered based on the Policies and Procedures of Summit Square.

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

- (a) Limited mobility
- (b) Limited vision
- (c) Failing general health that precludes Resident from Independent Living due to his/her inability to cook, clean, bathe, and secure groceries and supplies

- (d) Loss of mental faculties to a degree where living independently poses a hazard to his/her health or to the health of the community.

This process may be initiated by:

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

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

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

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

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

5.7 Voluntary Cancellation by Resident. The Resident shall give a sixty (60) day written notice prior to voluntary cancellation of this Agreement. If the Resident fails to give proper notice, he/she agrees that Summit Square shall be entitled to reduce the Resident's unamortized Entrance Fee by 2% per month for the sixty (60) day period.

6. Co-Occupancy

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

6.2 Marriage and/or Co-Occupancy with a Current Resident. In the event that the Co-occupant is already a resident of Summit Square, this Agreement and the Co-Occupant's Agreement shall be cancelled, and the Resident and Co-occupant will enter into a new Agreement with Summit Square. If the Resident remains in the current Residence and the Co-occupant moves into the Resident's Residence, the only additional Entrance Fee payment required shall be for the current second person Entrance Fee if applicable. If two entrance fees have been paid, no additional entrance fee may be required; if only one entrance fee has been paid, an additional entrance fee will be required. There will also be a second person Monthly Fee for the Resident's Co-Occupant based upon his or her occupancy

agreement type. This charge will be at the current rate charged to other residents. In this case, a refund of any portion of the Entrance Fee paid under this Agreement shall be governed by the terms and conditions of the new Agreement.

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

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

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

6.3.2 If one Resident desires to move out of Summit Square, the other Resident may remain in the current Residence or move to a new Residence, subject to the terms and conditions of this Agreement. If the remaining Resident stays in the current Residence, the Resident shall pay the single person Monthly Fee for the current Residence. If the Resident moves to a new Residence, in addition to paying the single person's Monthly Fee for the new Residence, he or she will pay the difference between the current Entrance Fee for the new Residence and

the Entrance Fee paid under this Agreement. Summit Square shall not refund, at that time, any portion of the Entrance Fee paid under this Agreement.

7. ENTRANCE FEE REFUND

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

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

7.1.2 For Type III Occupancy Agreements only. If withdrawal or death occurs, the refund will be 50% of the Entrance Fee. In the event the Resident becomes unable to pay the applicable monthly or daily service fee(s) in any level of housing or care, the Resident shall be liable

to Summit Square for the full amount, which will be charged against the Resident's Entrance Fee refund as well as payable from the Resident's estate.

7.1.3 If the Resident dies before occupying the Residence, or is precluded through illness, injury, or incapacity from becoming a Resident under the terms of the Occupancy Agreement, the Agreement is automatically rescinded, and the Resident or his /her legal representative shall receive a full refund of all money paid to Summit Square, except those costs specifically incurred by Summit Square at the request of the Resident.

8. MISCELLANEOUS

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

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

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

8.4 Accident Caused by the Resident. The Resident shall indemnify and hold Summit Square harmless from any claims, investigations, proceedings or

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

SIGNATURES

Print Name

SUNNYSIDE PRESBYTERIAN HOME

By: _____
"Summit Square"

Print Name

By: _____
"Resident"

By: _____
"Resident"

Initials _____

ACKNOWLEDGMENTS:

I hereby acknowledge I/we have received the following:

Initials:

_____ A copy of Summit Square's Continuing Care Provider Disclosure Statement

_____ A complete copy of this Occupancy Agreement

_____ A copy of this Resident's Handbook

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

Signed:

SUMMIT SQUARE

PATIO (RENTAL) OCCUPANCY AGREEMENT



Summit Square

WHERE LIFE IS BETTER

**SUMMIT SQUARE
PATIO (RENTAL) OCCUPANCY AGREEMENT**

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I. Recitals

Definitions

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

“Assisted Living” shall mean the assisted living services and facilities at Summit Square, which Summit Square shall be licensed by the state to provide.

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

“Community” shall mean the Sunnyside Presbyterian Home of Rockingham County, Virginia, hereafter Summit Square a Virginia not-for-profit corporation and the operator of Summit Square.

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

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

“Entrance Fee” shall mean the sum of money transferred by the resident to Summit Square as full or partial consideration for acceptance of the resident into Summit Square and as described in Section 4.2 of this Agreement.

“Executive Director” shall mean the individual with overall responsibility for directing and planning the day-to-day administration of Summit Square.

“Health Care Center” shall mean the nursing care facility at Summit Square.

“Monthly Fee” shall mean the fee paid by the Resident to Summit Square on a monthly basis and described in this Agreement.

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

“Refund” shall mean the amount of non-cash credit (if determined applicable by Administration) allocated to the contract owner, unless specified by contract type.

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

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

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

SUMMIT SQUARE PATIO OCCUPANCY AGREEMENT (RENTAL)

INTRODUCTION

THIS AGREEMENT is made on _____ by and between SUNNYSIDE PRESBYTERIAN HOME of Rockingham County, Virginia, hereinafter doing business as Summit Square, and _____ (“Resident”).

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

AGREEMENTS

1. LIVING ACCOMMODATIONS, FEES AND FACILITIES

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

_____ (the “Residence”), subject to removal only as hereinafter provided.

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

1.3 Furnishings. Summit Square shall provide appliances to include, but not limited to, a refrigerator, a kitchen range, dishwasher, microwave, and a clothes washer and dryer in the Residence. Resident shall provide all other furnishings. Electrical and mechanical appliances provided by Resident shall be subject to approval by Summit Square.

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

1.5 Summit Square Facilities. Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by Summit Square.

2. SERVICES PROVIDED BY SUMMIT SQUARE

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

2.1.1 Utilities. Summit Square shall provide the following utilities reasonably required (water and sewer, cable television, and in-house telephone service) in connection with the occupancy of the Residence, subject, however, to the availability of such services to Summit Square. Local and long-distance telephone service will be provided by Summit Square at an additional charge. Resident is required to arrange and pay for electrical service and natural gas from the local service providers.

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

2.1.3 Housekeeping. The Resident shall be responsible for maintaining the Residence in a clean, sanitary, and orderly condition. However, housekeeping services shall be provided by Summit Square

upon request at an additional charge to the Resident.

2.1.4 Maintenance and Repairs. Necessary repairs, maintenance, and replacement of property owned by Summit Square shall be performed and provided by Summit Square. Any work performed by Summit Square at the request of the Resident for repairs, maintenance and replacement will be at the Resident's own expense. All contractors performing work must be approved by the Executive Director or his or her designee.

2.1.5 Grounds. Summit Square shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

2.1.6 Mail. Individual mailboxes shall be provided in a central location.

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

2.1.8 Emergency Services. Summit Square shall provide, in case of a medical emergency, 24-hour on-call nursing personnel.

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

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

2.1.11 Other Services. Services for which an additional charge may be made, if provided, include, but are not limited to: group travel trips arranged for special cultural, social, sporting, and scenic excursions;

individual transportation services; art and instruction classes, theater, orchestra, lecture series tickets, specific entertainment and activities; beauty/barber shops; clinic services (e.g.- foot care, blood glucose monitoring, etc); notary public services; additional housekeeping; and individual landscaping.

3. HEALTH CARE (Nursing, Assisted Living)

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

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

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

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

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

3.4.1 Charges for services of any podiatrist, physicians, physical/occupational/speech therapist, or other health professional, whether provided by Summit Square or elsewhere;

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

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

4. OCCUPANCY

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

4.2 Occupancy. Resident agrees to occupy the Residence assigned on or before _____. In the event Resident does not occupy the Residence on this assigned date, Resident shall be obligated to pay the applicable monthly fee from the assigned occupancy date to the actual date of occupancy. The Residence shall be occupied solely by the Resident(s) herein. There shall be no occupancy by non-residents. No guest, other than a family member should occupy a residence for more than one (1) week without prior approval of the Executive Director or his or her designee. Responsibility for the conduct and other actions by the Resident's guest(s) is the responsibility of the Resident.

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

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

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

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

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

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

4.9 Removal of Property. In the event of withdrawal, death, or permanent transfer of a Resident, including permanent transfer to Assisted Living or the Health Care Center, or upon termination of this Agreement, all of the Resident's property shall be removed from the previously occupied Residence within 30 days by an individual designated by the Resident or the Resident's Power of Attorney. **Summit Square shall impose the applicable Monthly Residence Fee until said Resident's property is removed and the Residence is released to Summit Square.** Summit Square may opt to move, store or dispose of the property at the Resident's expense. Summit Square shall not be responsible for any lost or damaged property.

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

5. TRANSFER AND SURRENDER OF RIGHT OF OCCUPANCY

5.1 Physical and Mental Health Requirements of Resident. As a condition of occupancy at Summit Square, the Resident shall be physically and mentally capable of performing routine activities of daily living and able to respond

appropriately to emergency situations. If Summit Square determines in its sole discretion that the Resident is unable to comply with these requirements or the Resident's physical or mental illness causes the Resident's continued presence at Summit Square to be detrimental to the health or safety of his/herself or others, Summit Square reserves the right to transfer the Resident to an appropriate level of care within Summit Square or transfer the Resident to an appropriate institution or facility. While at such an institution or facility the Resident shall continue to pay the monthly fee. In the event of a transfer the provision of Section 5.2 shall apply.

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

5.3 Residence Change. Residents may transfer to or exchange Residences with the prior approval of the Executive Director. Requests will be based on Summit Square's Policies and Procedures.

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

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

This process may be initiated by any of the following:

- i. Recommendation of family physician
- ii. In consultation with family members
- iii. By the Executive Director and Resident Review Committee
- iv. At the request and desire of the Resident

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

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

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

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

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

6. Co-Occupancy and/or Marriage

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

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

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

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

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

7. Miscellaneous

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

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

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

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

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

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

7.7 Non-Discrimination. Neither marital status, race, sex, national origin, disability, nor faith has any bearing upon the offer, acceptance or termination of

residence at Summit Square.

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

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

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

Print Name _____ SUNNYSIDE PRESBYTERIAN HOME
By: _____
"Summit Square"

Print Name _____
By: _____
"Resident"

By: _____
"Resident"

By: _____
"Attorney-in-Fact", if applicable

ACKNOWLEDGMENTS:

I hereby acknowledge I/we have received the following:

Initials:

- _____ A copy of Summit Square's Continuing Care Provider Disclosure Statement
- _____ A complete copy of this Occupancy Agreement
- _____ A copy of this Resident's Handbook

Signed:

Resident

Attorney-in-Fact, if applicable

Date:

Rev. 0922/lk

Summit Square

**RESIDENTIAL (Apartment)
OCCUPANCY
RENTAL AGREEMENT**



Summit Square

WHERE LIFE IS BETTER

**SUMMIT SQUARE
RESIDENTIAL (Apartment) OCCUPANCY
RENTAL AGREEMENT**

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I. Recitals

Definitions

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

“Assisted Living” shall mean the assisted living services and facilities, which Summit Square shall be licensed by the state to provide.

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

“Community” shall mean the Sunnyside Presbyterian Home of Rockingham County, Virginia, hereafter Summit Square a Virginia not-for-profit corporation and the operator of Summit Square.

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

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

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

“Executive Director” shall mean the individual with overall responsibility for directing and planning the day-to-day administration of Summit Square.

“Health Care Center” shall mean the nursing care facility at Summit Square.

“Monthly Fee” shall mean the fee paid by the Resident to Summit Square on a monthly basis and described in this Agreement.

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

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

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

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

SUMMIT SQUARE RESIDENTIAL OCCUPANCY AGREEMENT (Rental)

INTRODUCTION

THIS TYPE AGREEMENT is made on _____, by and between SUNNYSIDE PRESBYTERIAN HOME, Inc. of Rockingham County, Virginia, hereinafter doing business as Summit Square in Augusta County, Virginia and _____ (“Resident”).

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

AGREEMENTS

1. LIVING ACCOMMODATIONS, FEES AND FACILITIES

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

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

1.3 Furnishings. Summit Square shall provide an all-electric kitchenette in the Residence. Electrical and mechanical appliances provided by Resident shall be subject to approval by Summit Square.

1.4 Summit Square Facilities. Resident shall have the right to use, in common with other residents, the congregate and communal facilities provided by Summit Square.

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

2. SERVICES PROVIDED BY SUMMIT SQUARE

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

2.1.1 Utilities. Summit Square shall provide the utilities reasonably required (water and sewer, electricity, heating, air conditioning, cable television, and in-house telephone service) in connection with the occupancy of the Residence, subject, however, to the availability of such services to Summit Square. Summit Square will provide local and long-distance telephone service at an additional charge.

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

2.1.3 Meals. Summit Square shall provide a meal plan each month to the Resident. The Resident may purchase additional meals at a cost to be determined by Summit Square. The monthly allocation from the Resident's monthly fee for the meal plan will be \$350. The amount of

the allocation may be adjusted from time to time as determined by Summit Square.

2.1.4 Housekeeping. Summit Square shall provide weekly housekeeping services. However, the Resident shall maintain the Residence in a clean, sanitary, and orderly condition.

2.1.5 Laundry. Summit Square shall provide weekly laundry service for all bed linen and towels. Summit Square shall provide washers and dryers in common areas for use by the Resident for his/her personal laundry.

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

2.1.7 Grounds. Summit Square shall provide basic grounds keeping care, including lawn service and snow removal from roadways and walks.

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

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

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

2.1.11 Health Services. Summit Square shall provide, in case of a medical emergency, 24-hour on-call nursing personnel.

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

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

3. HEALTH CARE (Nursing, Assisted Living)

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

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

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

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

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

3.4.1 Charges of any Physicians, physical/occupational/speech therapist, podiatrist, or other health professional, whether provided by Summit Square or elsewhere;

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

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

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

4. OCCUPANCY

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

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

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

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

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

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

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

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

4.9 Removal of Property. In the event of withdrawal, death, or permanent transfer of a Resident, including permanent transfer to Assisted Living or the Health Care Center, or upon termination of this Agreement, all of the Resident's property shall be removed from the previously occupied Residence within 30 days by an

individual designated by the Resident or the Resident's Attorney-in-Fact. Summit Square shall impose the applicable Monthly Fee until said Resident's property is removed and the Residence is released to Summit Square. Summit Square shall be entitled to reduce an amortized Entry Fee refund, if any, by 2% per month until the property is removed. Summit Square may opt to move, store or dispose the items subject to a fee. Summit Square will not be responsible for loss or damage to the Resident's belongings.

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

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

5. TRANSFER AND SURRENDER OF RIGHT OF OCCUPANCY

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

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

5.3 Exchange Between Residences. Residents may transfer to or exchange residences with the prior approval of the Executive Director. Requests will be considered based on the Policies and Procedures of Summit Square.

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

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

This process may be initiated by:

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

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

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

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

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

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

6. Co-Occupancy and/or Marriage

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

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

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

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

6.2.2 If one Resident desires to move out of Summit Square, the other Resident may remain in the current Residence or move to a new Residence, subject to the terms and conditions of this Agreement. If the remaining Resident stays in the current Residence, the Resident shall pay the single person Monthly Fee for the residence.

7. MISCELLANEOUS

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

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

7.3 Responsibility for Protection of the Resident's Property. Summit Square shall not be responsible for the loss of any personal property belonging to the Resident due to theft, fire or any other cause. The Resident shall have the

responsibility, at the Resident's own expense, of insuring the Resident's property against such risks under a tenant's or homeowner's insurance policy.

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

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

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

7.7 Non-Discrimination. Marital status, race, sex, national origin, disability, nor faith has no bearing upon the offer, acceptance or termination of residence at Summit Square.

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

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

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

SIGNATURES

PRINT NAME:

SUNNYSIDE PRESBYTERIAN HOME

_____ By: _____
"Summit Square"

PRINT NAME:

_____ By: _____
"Resident"

_____ By: _____
"Resident"

I hereby acknowledge I/we have received the following:

_____ A complete copy of this Occupancy Agreement

_____ A copy of the Resident's Handbook

Signed:

Resident

Attorney-in-Fact, if applicable

Exhibit C

Schedule of Entrance and Monthly Fees

ENTRANCE AND MONTHLY FEE SCHEDULE* 2023

APARTMENTS	Entrance Fee Type I	Entrance Fee Type II	Entrance Fee Type III	Monthly Fee	Rental** Monthly Fee
Cherry (Studio)	\$54,910	\$73,015	\$82,365	\$2,195	\$2,922
Chinquapin (1 BR/1 BA)	\$59,840	\$77,945	\$89,760	\$2,405	\$3,185
Southern Magnolia (1 BR/1 BA)	\$65,520	\$83,625	\$98,280	\$2,600	\$3,475
Chestnut (1 BR/1 BA)	\$90,930	\$109,035	\$136,395	\$3,122	\$4,218
Birch (2 BR/1 or 1.5 BA)	\$96,760	\$114,865	\$145,140	\$3,222	\$4,400
Willow (1 BR/1 or 1.5 BA)	\$101,400	\$119,505	\$152,100	\$3,497	\$4,869
Maple (1 or 2 BR/1.5 BA/Den)	\$126,920	\$145,025	\$190,380	\$3,565	N/A
Hickory (2 BR/2 BA/Balcony)	\$148,100	\$166,205	\$222,150	\$3,909	N/A
Aspen (2 BR/2 BA/Balcony)	\$196,170	\$214,275	\$294,255	\$4,408	N/A
2nd Person Fee	\$18,130	\$36,235	\$27,195	\$796	\$982
PATIO HOMES					
Red Bud (2 BR/1.5 BA)	\$146,570	\$164,675	\$219,855	\$1,836	N/A
2nd Person Fee	\$18,500	\$36,605	\$27,750	\$350	N/A

Assisted Living Private Room	\$260 Per Day
Assisted Living Deluxe Room	\$283 Per Day
2nd Person Rate	\$142 Per Day
Health Care Semi-Private Room	\$335 Per Day
Health Care Private Room	\$366 Per Day
Memory Support-Private Room	\$293 Per Day

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

** Rental options are available only on select units.

Effective as of 01/01/2023. Prices subject to change.



Exhibit D

Audited Financial Statements

SUNNYSIDE PRESBYTERIAN HOME
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2022 AND 2021



CPAs | CONSULTANTS | WEALTH ADVISORS

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**SUNNYSIDE PRESBYTERIAN HOME
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Sunnyside Presbyterian Home
Harrisonburg, Virginia

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sunnyside Presbyterian Home, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunnyside Presbyterian Home of December 31, 2022 and 2021, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Sunnyside Presbyterian Home and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunnyside Presbyterian Home's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunnyside Presbyterian Home's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

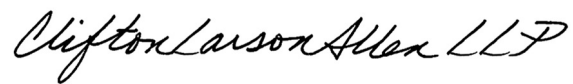
Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The balance sheet by division and statement of operations by division are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Trustees
Sunnyside Presbyterian Home

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023, on our consideration of Sunnyside's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sunnyside's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sunnyside's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 26, 2023

**SUNNYSIDE PRESBYTERIAN HOME
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,633,722	\$ 3,183,250
Cash and Cash Equivalents - Resident Funds	27,704	31,073
Accounts Receivable, Net	1,150,297	2,712,589
Other Receivables	57,197	33,932
Pledges and Gifts Receivable	200	6,600
Inventories	422,932	506,734
Prepaid Expenses	690,928	572,938
Total Current Assets	3,982,980	7,047,116
ASSETS LIMITED AS TO USE		
Externally Designated by Donor Restriction	5,459,058	6,705,354
Externally Restricted by the Terms of the Bond Agreement	344,911	3,282,507
Internally Designated by Board of Trustees	13,111,602	15,064,777
Total Assets Limited as to Use	18,915,571	25,052,638
INVESTMENTS	35,065,328	37,499,615
PROPERTY, PLANT, AND EQUIPMENT, LESS ACCUMULATED DEPRECIATION OF \$131,806,489 in 2022 AND \$124,119,411 in 2021	84,169,491	83,692,705
OTHER ASSETS		
Investment in Joint Venture	557,513	576,039
Investment in First Choice Home Health	1,097,004	1,120,306
Miscellaneous	101,510	101,510
Total Other Assets	1,756,027	1,797,855
FAIR VALUE INTEREST RATE SWAP AGREEMENTS	915,501	-
Total Assets	\$ 144,804,898	\$ 155,089,929

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME
BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2022 AND 2021**

	2022	2021
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 2,041,179	\$ 1,991,633
Current Portion of Annuities Payable	91,085	100,270
Accounts Payable	1,403,813	1,146,712
Accrued Expenses:		
Salaries and Wages	1,820,383	1,563,454
Other	761,269	435,298
Deferred Advance - Provider Relief Funds	-	1,031,622
Refundable Advance Fees	864,000	864,000
Resident Funds Payable	27,704	31,072
Total Current Liabilities	7,009,433	7,164,061
ADVANCE FEES AND DEPOSITS		
Advance Fee Deposits	458,050	311,592
Deferred Revenue from Advance Fees	46,482,908	47,297,641
Refundable Entrance Fee Liability	3,749,951	3,895,074
Total Advance Fees and Deposits	50,690,909	51,504,307
FAIR VALUE INTEREST RATE SWAP AGREEMENTS	-	873,886
LONG-TERM DEBT, LESS CURRENT PORTION	46,048,670	48,383,102
ANNUITIES PAYABLE, LESS CURRENT PORTION	315,334	355,080
Total Liabilities	104,064,346	108,280,436
NET ASSETS		
Without Donor Restrictions	35,281,494	40,104,139
With Donor Restrictions	5,459,058	6,705,354
Total Net Assets	40,740,552	46,809,493
Total Liabilities and Net Assets	\$ 144,804,898	\$ 155,089,929

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
REVENUE, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS		
Residential Services, Including Amortization of Deferred Revenue from Advance Fees of \$6,540,715 and \$6,794,411 in 2022 and 2021, Respectively	\$ 19,775,626	\$ 18,936,663
Health Care Services Revenue	15,357,159	15,172,323
Assisted Living Revenue	12,278,771	11,087,387
Unrestricted Gifts and Donations	836,123	445,732
Investment Income	2,530,328	3,895,873
Pharmacy Revenue	269,452	274,253
Provider Relief Funds - HHS	1,031,623	771,869
Other	1,231,666	1,183,564
Total Revenue, Gains, and Other Support Without Donor Restrictions	53,310,748	51,767,664
EXPENSES		
Nursing Services:		
Health Care	9,788,894	8,685,358
Assisted Living	4,712,495	4,231,253
Clinical	449,946	414,011
Dining Services	5,564,864	4,679,847
Resident Services	3,176,273	2,786,536
Environmental Services	5,103,306	4,602,020
General and Administrative Services	9,644,676	8,921,182
Utilities	2,516,983	2,153,603
Pharmacy Services	229,183	242,089
Fund Raising Expenses	264,096	268,617
Depreciation	8,015,732	7,675,395
Interest Expense	1,453,890	1,506,754
Other	431,472	384,210
Total Expenses	51,351,810	46,550,875
OPERATING INCOME	1,958,938	5,216,789
NONOPERATING GAINS (LOSSES)		
Change in Present Value of Annuities Payable	(11,138)	(31,927)
Unrealized Gain (Loss) on Equity Securities	(6,212,911)	1,471,626
Change in Fair Value Interest Rate Swap Agreements	1,789,387	849,747
Loss on Extinguishment of Debt	(74,095)	-
Total Nonoperating Gains (Losses)	(4,508,757)	2,289,446
EXCESS (DEFICIT) OF REVENUE, GAINS, AND OTHER SUPPORT OVER EXPENSES	(2,549,819)	7,506,235
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Net Assets Released from Restrictions for Capital Expenditures and Other Reclassifications	25,100	-
Net Unrealized Gain (Loss) on Fixed Income Investments	(2,297,926)	724,829
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ (4,822,645)	\$ 8,231,064

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
BALANCE - JANUARY 1, 2021	\$ 31,873,075	\$ 6,186,441	\$ 38,059,516
Excess of Revenue, Gains, and Other Support Over Expenses	7,506,235	-	7,506,235
Net Unrealized Gain on Fixed Income Investments	724,829	-	724,829
Restricted Gifts and Contributions	-	8,156	8,156
Change in Present Value of Perpetual Trusts	-	519,051	519,051
Net Assets Released from Restrictions for Operating Expenses and Other Reclassifications	-	(8,294)	(8,294)
Increase in Net Assets	<u>8,231,064</u>	<u>518,913</u>	<u>8,749,977</u>
BALANCE - DECEMBER 31, 2021	40,104,139	6,705,354	46,809,493
Deficit of Revenue, Gains, and Other Support Over Expenses	(2,549,819)	-	(2,549,819)
Net Unrealized Loss on Fixed Income Investments	(2,297,926)	-	(2,297,926)
Restricted Gifts and Contributions	-	43,812	43,812
Change in Present Value of Perpetual Trusts	-	(1,208,795)	(1,208,795)
Net Assets Released from Restrictions for Operating Expenses and Other Reclassifications	-	(56,213)	(56,213)
Net Assets Released from Restrictions for Capital Expenditures	<u>25,100</u>	<u>(25,100)</u>	<u>-</u>
Decrease in Net Assets	<u>(4,822,645)</u>	<u>(1,246,296)</u>	<u>(6,068,941)</u>
BALANCE - DECEMBER 31, 2022	<u>\$ 35,281,494</u>	<u>\$ 5,459,058</u>	<u>\$ 40,740,552</u>

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (6,068,941)	\$ 8,749,977
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Amortization of Deferred Revenue from Advance Fees	(6,540,715)	(6,794,411)
Depreciation	8,015,732	7,675,395
Amortization of Deferred Financing Costs	39,683	39,674
Net Unrealized (Gain) Loss on Investments	8,510,837	(2,196,455)
Change in Fair Value Interest Rate Swap Agreements	(1,789,387)	(849,747)
Change in Present Value of Charitable Remainder and Perpetual Trusts	1,208,795	(519,051)
Loss on Extinguishment of Debt	74,095	-
Original Issue Premium Amortization	(329,436)	(336,929)
Net Change in Investment in Joint Venture	18,526	(7,733)
Net Change in Investment in First Choice Home Health	23,302	50,962
Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	1,562,292	(1,384,869)
Other Receivables	(23,265)	27,722
Pledges and Gifts Receivable	6,400	3,900
Inventories	83,802	22,579
Prepaid Expenses	(117,990)	(150,076)
Accounts Payable	257,101	(237,735)
Salaries and Wages	256,929	8,752
Other Accrued Expenses	325,971	(156,299)
Deferred Advance - Provider Relief Funds	(1,031,622)	453,584
Advance Fee Deposits	146,458	(112,773)
Resident Funds	(3,368)	(1,831)
Net Cash Provided by Operating Activities	4,625,199	4,284,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant, and Equipment	(8,492,518)	(8,409,778)
Purchase of Investments and Assets Limited as to Use	(17,090,919)	(24,085,608)
Sale of Investments and Assets Limited as to Use	12,996,825	16,572,216
Net Cash Used by Investing Activities	(12,586,612)	(15,923,170)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Entrance Fees, Net of Refunds	5,580,859	9,675,576
Repayment of Long-Term Debt	(2,069,228)	(1,911,350)
Change in Annuities Payable	(48,931)	(62,506)
Net Cash Provided by Financing Activities	3,462,700	7,701,720
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(4,498,713)	(3,936,814)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	6,506,786	10,443,600
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 2,008,073	\$ 6,506,786

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH TO BALANCE SHEET		
Cash and Cash Equivalents	\$ 1,633,722	\$ 3,183,250
Cash and Cash Equivalents - Resident Funds	27,704	31,073
Restricted Cash Included in Assets Limited to Use - Donor Restricted	1,736	9,956
Restricted Cash Included in Assets Limited to Use - Bond Agreements	344,911	3,282,507
Cash, Cash Equivalents, and Restricted Cash - End of Year	\$ 2,008,073	\$ 6,506,786
NONCASH ITEMS		
Net Change in Investment in First Choice Home Health	\$ (23,302)	\$ (50,962)
Net Change in Investment in Joint Venture	(18,526)	7,733
Total Noncash Items	\$ (41,828)	\$ (43,229)

See accompanying Notes to Financial Statements.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

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

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

Use of Estimates

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

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company had no cash equivalents at December 31, 2022 and 2021. Restricted cash is that which cannot be accessed based on restrictions related to either passage of time or occurrence of events. Documentation related to category-based capital expenditures must be submitted in order to have cash transferred out of the restricted accounts.

Accounts Receivable

The Company provides an allowance for uncollectible accounts based on the allowance method consistently applied using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or as the claim is submitted for third-party payors. Accounts past due more than 60 days are individually analyzed for collectability. In addition, an allowance is estimated for other accounts based on historical experience. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At December 31, 2022 and 2021, the allowance for doubtful accounts was approximately \$239,000 and \$278,000, respectively.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

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

	<u>Accounts Receivable</u>
Balance as of January 1, 2021	\$ 1,532,395
Balance as of December 31, 2021	2,988,587
Balance as of December 31, 2022	1,381,609

Inventories

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

Assets Limited as to Use

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

Investments

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

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

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

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant, and Equipment

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

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

The Company records impairment losses on property and equipment when events and circumstances indicate that it is probable that the assets are impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. Based on management's estimation process, no impairment losses have been recorded as of December 31, 2022 and 2021.

Deferred Financing Costs

The Company deferred all financing costs incurred in connection with the issuance of its long-term debt. Such costs are being amortized on the straight-line method, a method which approximates the effective interest rate method, over the term of the related indebtedness. These costs are amortized as a component of interest expense for the years ended December 31, 2022 and 2021 in the amount of \$39,683 and \$39,674, respectively.

Investment in Joint Venture

The Company's investment in joint venture of Virginia Senior Care Group, LLC is carried at cost and adjusted for the owner's share of the earnings, losses, and distributions. As of December 31, 2022 and 2021, the Company owned approximately 7.25% and 8.09% of the joint venture, respectively.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in First Choice Home Health Services, LLC

The Company owns 1/3 interest in First Choice Home Health Services, LLC (First Choice), a Virginia limited liability company. Virginia Mennonite Retirement Community, Inc. (VMRC) and Bridgewater Healthcare, Inc. (Bridgewater) own equal shares of the remaining interest in First Choice. The Company has accounted for its investment in First Choice using the equity method of accounting. The Company's equity share of income of First Choice was \$322,835 and \$346,137 for 2022 and 2021, respectively, which was included in the investment income line of the statements of operations. The Company received a dividend from First Choice of \$346,137 in 2023 and \$397,100 in 2022.

Deferred Revenue from Advance Fees and Refundable Entrance Fees

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

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

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

	<u>Amortizable Entrance Fees</u>
Balance as of January 1, 2021	\$ 44,297,579
Balance as of December 31, 2021	47,297,641
Balance as of December 31, 2022	46,482,908

Obligation to Provide Future Services

The Company annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents, net of monthly fees anticipated, and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services). This calculation did not result in a liability as of December 31, 2022 and 2021.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Interest Rate Swap Agreements

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

Net Assets

Net assets without donor restrictions consist of investments and other amounts that are available for use in carrying out the Company's mission and include those expendable resources which have been designated for special use by the board of trustees. *Net assets with donor restrictions* are those whose use has been limited by donors to a specific time period or purpose. *Other net assets with donor restrictions* have been restricted by donors to be maintained in perpetuity.

Residential Services Revenue

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

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

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or residents receiving services in the facility. The Company measures the performance obligation from admission into the facility, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents. The Company does not believe it is required to provide additional goods or services related to that sale.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Residential Services Revenue (Continued)

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

Health Care and Assisted Living Services Revenue

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

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

Revenue from the Medicaid program accounted for approximately 17% and 15% of the Company's health care service revenues for the years ended December 31, 2022 and 2021, respectively. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Occupancy Percentages

During the years ended December 31, 2022 and 2021, the occupancy percentages and the percentages of Skilled Nursing Center (SNF) residents covered under the Medicaid program, Medicare program, and private pay were as follows:

	2022		
	Sunnyside	King's Grant	Summit Square
Medicaid	38%	3%	16%
Medicare	12%	14%	24%
Private Pay and Other	50%	83%	60%
Total	100%	100%	100%
	2021		
	Sunnyside	King's Grant	Summit Square
Medicaid	34%	3%	16%
Medicare	8%	13%	27%
Private Pay and Other	58%	84%	57%
Total	100%	100%	100%

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Composition of Resident Care Service Revenue

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

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

	<u>2022</u>	<u>2021</u>
Medicaid	\$ 2,661,411	\$ 2,348,513
Medicare	4,070,417	3,711,820
Managed Care	287,215	522,358
Private Pay	8,338,116	8,589,632
Total Health Care Services Revenue	<u>\$ 15,357,159</u>	<u>\$ 15,172,323</u>

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

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

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Composition of Resident Care Service Revenue (Continued)

	2021				Total
	Sunnyside Presbyterian Retirement Community	King's Grant Retirement Community	Summit Square	University Plaza	
Service Lines:					
Health Care Services	\$ 9,251,367	\$ 3,647,059	\$ 2,273,897	\$ -	\$ 15,172,323
Assisted Living	5,660,345	2,937,575	2,489,467	-	11,087,387
Independent Living	11,183,818	5,192,303	2,560,542	-	18,936,663
Retail Sales	265,213	-	9,040	-	274,253
Other	504,075	222,127	187,334	262,982	1,176,518
Total	<u>\$ 26,864,818</u>	<u>\$ 11,999,064</u>	<u>\$ 7,520,280</u>	<u>\$ 262,982</u>	<u>\$ 46,647,144</u>
Method of Reimbursement:					
Fee for Services	\$ 26,127,556	\$ 11,595,095	\$ 7,352,850	\$ -	\$ 45,075,501
Retail Sales	737,262	403,969	167,430	262,982	1,571,643
Total	<u>\$ 26,864,818</u>	<u>\$ 11,999,064</u>	<u>\$ 7,520,280</u>	<u>\$ 262,982</u>	<u>\$ 46,647,144</u>
Timing of Revenue and Recognition:					
Health Care Services					
Transferred Over Time	\$ 26,127,556	\$ 11,595,095	\$ 7,352,850	\$ -	\$ 45,075,501
Sales at Point in Time	737,262	403,969	167,430	262,982	1,571,643
Total	<u>\$ 26,864,818</u>	<u>\$ 11,999,064</u>	<u>\$ 7,520,280</u>	<u>\$ 262,982</u>	<u>\$ 46,647,144</u>

Contributed Support

The Company has enjoyed a long history of providing care to residents in all levels of care who end up exhausting their personal resources. Once in assisted or nursing care, the Company continues its support along with funds that residents receive from governmental programs such as the Virginia Medical Assistance Program (Medicaid) for healthcare or Old Age Assistance Grants (Auxiliary Grant) for Assisted Living. The Company funded from contributed support approximately \$1,663,000 and \$1,778,000 in charity care and contractual adjustments for its residents in 2022 and 2021, respectively.

Donor-Restricted Gifts

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

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Indicator

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

Income Taxes

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

Professional Liability Insurance

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

Leases

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

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company did not have any operating or finance leases at the end of December 31, 2022 and 2021, respectively.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions and valuation techniques. The new standard, as amended, is to be applied retrospectively to annual reporting periods beginning after June 15, 2021, and interim periods with annual reporting periods beginning after June 15, 2022. After evaluating contributed nonfinancial assets, management has determined that the adoption of the standard has no impact on the financial statements.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 26, 2023, the date the financial statements were issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

As of December 31, 2022, Sunnyside has, based on normal expenditures, days cash on hand of 423 days. Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

	2022	2021
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 1,633,722	\$ 3,183,250
Accounts Receivable, Net	1,150,297	2,712,589
Pledges and Gifts Receivable	200	6,600
Assets Limited As to Use:		
Externally Designated by Donor Restriction	5,459,058	6,705,354
Externally Restricted by the Terms of the Bond Agreement	344,911	3,282,507
Internally Designated by Board of Trustees	13,111,602	15,064,777
Investments	35,065,328	37,499,615
Total Financial Assets	56,765,118	68,454,692
Less Amounts Not Available to be Used Within One Year or Which Are Restricted to Certain Events:		
Pledges and Gifts Receivable	200	6,600
Externally Designated by Donor Restriction	5,459,058	6,705,354
Externally Restricted by the Terms of the Bond Agreement	344,911	3,282,507
Financial Assets not Available to be Used Within One Year	5,804,169	9,994,461
Financial Assets Available to Meet General Expenditures within One Year	\$ 50,960,949	\$ 58,460,231

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3 ASSETS LIMITED AS TO USE

Assets limited as to use are summarized as follows:

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Externally Designated by Perpetual Donor Restriction: Beneficial Interest in Trust Funds	\$ 4,270,569	\$ 3,789,741	\$ 5,479,364	\$ 4,360,717
Marketable Equity Securities	100,461	109,450	100,459	92,344
Total	<u>4,371,030</u>	<u>3,899,191</u>	<u>5,579,823</u>	<u>4,453,061</u>
Externally Designated by Donors Subject to Timing Restrictions: Cash and Cash Equivalents U.S. Government and Corporate Obligations	1,736	1,736	9,956	9,956
Marketable Equity Securities	268,626	308,824	273,709	281,111
Total	<u>1,088,028</u>	<u>1,185,342</u>	<u>1,125,531</u>	<u>1,034,551</u>
Internally Designated by Board of Trustees for Charitable Gift Annuities: Cash and Cash Equivalents U.S. Government and Corporate Obligations	20,918	20,918	133,261	133,261
Marketable Equity Securities	3,237,155	3,721,567	3,663,496	3,762,575
Total	<u>9,853,529</u>	<u>10,541,807</u>	<u>11,268,020</u>	<u>9,951,262</u>
Externally Restricted by the Terms of the Bond Agreement for Capital Projects: Cash and Cash Equivalents	13,111,602	14,284,292	15,064,777	13,847,098
Total Assets Whose Use is Limited	<u>344,911</u>	<u>344,911</u>	<u>3,282,507</u>	<u>3,282,507</u>
	<u>\$ 18,915,571</u>	<u>\$ 19,713,736</u>	<u>\$ 25,052,638</u>	<u>\$ 22,617,217</u>

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 INVESTMENTS

Investments are summarized as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Cash and Cash Equivalents	\$ 1,087,556	\$ 1,087,556	\$ 353,004	\$ 353,004
U.S. Government and Corporate Obligations	10,880,023	12,006,569	10,814,942	11,053,282
Marketable Equity Securities	<u>23,097,749</u>	<u>24,637,481</u>	<u>26,331,669</u>	<u>23,234,218</u>
Total Investments	<u>\$ 35,065,328</u>	<u>\$ 37,731,606</u>	<u>\$ 37,499,615</u>	<u>\$ 34,640,504</u>

Target prices reached with a number of underlying holdings within value-oriented investment funds triggered sales and recognized gains in 2021 and 2022. Proceeds from these sales primarily have been reinvested in the related funds. Management continually reviews its investment portfolio and evaluates whether declines in the fair value of securities should be considered other-than-temporary. Factored into this evaluation are the general and sector specific market conditions, the issuer's financial condition and near-term prospects, conditions in the issuer's industry, the recommendation of advisors, and the length of time and extent to which the market value has been less than cost.

NOTE 5 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Land and Land Improvements	\$ 13,343,675	\$ 12,834,811
Buildings	174,464,057	168,558,288
Equipment	21,594,701	20,093,344
Construction in Progress	<u>6,573,547</u>	<u>6,325,673</u>
Total	215,975,980	207,812,116
Less: Accumulated Depreciation	<u>(131,806,489)</u>	<u>(124,119,411)</u>
Property, Plant, and Equipment	<u>\$ 84,169,491</u>	<u>\$ 83,692,705</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$8,015,732 and \$7,675,395, respectively.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 LONG-TERM DEBT

Long-term debt consists of the following:

<u>Description</u>	<u>2022</u>	<u>2021</u>
Series 2020A Residential Care Facility Revenue and Refunding Bonds issued by the Economic Development Authority of Rockingham County, Virginia dated January 8, 2020 (Series 2020A Bonds)	\$ 25,623,059	\$ 26,520,536
Series 2020B Convertible Residential Care Facility Revenue Refunding Bond issued by the Economic Development Authority of the Town of Timberville, Virginia dated January 8, 2020 (Series 2020B Bond)	6,170,851	6,896,762
Series 2017 Bank Qualified Residential Care Facility Revenue Bond issued by the Economic Development Authority of Rockingham County, Virginia dated May 19, 2017 (BQ Rockingham County Loan)	12,855,464	13,069,880
2003 Taxable Bank Note Issued in July 2003 to BB&T (the 2003 Note). Interest was payable monthly at LIBOR plus 1.75%	<u>487,596</u>	<u>644,705</u>
Long-Term Debt	45,136,970	47,131,883
Add: Unamortized Bond Premium Series 2020A	3,627,496	3,956,932
Less: Unamortized Debt Issuance Costs	(674,617)	(714,080)
Less: Current Portion of Long-Term Debt	<u>(2,041,179)</u>	<u>(1,991,633)</u>
Long-Term Debt, Less Current Portion	<u>\$ 46,048,670</u>	<u>\$ 48,383,102</u>

The bonds issued by the development authorities and purchased by U.S. Bank National Association (U.S. Bank or the Bank) and Branch Banking and Trust Company (BB&T) (now Truist or the Bank) underlie the BQ loans and the Fixed Rate Bonds discussed below. The authorities' rights, duties, and obligations of the bond notes between the Company and the authorities were assigned by the authorities to the Bank. These bonds effectively allow the Bank to issue these tax-exempt loans by utilizing the authority's tax-exempt status.

The Rockingham County BQ Loan, Series 2020B Bond, and the fix rate bonds have a first priority pledge of substantially all property and assets of the Company through a Master Trust Indenture except those with a pledged security relating to the 2003 taxable loan. This interest is pari-passu through the terms of the underlying bond trust indentures.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 LONG-TERM DEBT (CONTINUED)

2020A Bonds

On January 8, 2020, the Company issued Fixed Rate Bonds (Series 2020A Bonds) in the total amount of \$32.9 million, with a par amount of \$28.3 million and a premium of \$4.6 million. The proceeds from these bonds were used to (1) refund the outstanding portion of the 2013 Timberville BQ Loan, the 2013 Waynesboro BQ Loan and the 2017 New Timberville BQ Loan which totaled \$22.4 million, (2) provide a project fund in the amount of \$10.0 million which is restricted for use to fund future capital projects at the Sunnyside campus, and (3) fund the cost of issuance and underwriters discount which totaled \$0.5 million. These Bonds are due from December 1, 2020 through December 1, 2039 for an interest rate 4.00% to 5.00% with a blended effective rate after considering the premium and cost of issuance of 2.90%. The cost of issuance will be amortized into interest expense over the term of the loan.

2020B Loan

Simultaneous with the issuance of the Series 2020A Bonds, the Economic Development Authority of the Town of Timberville, Virginia issued its Residential Care Facilities Revenue Refunding Bond, Series 2020B (Series 2020B Bond or 2020B loan) in the total amount of \$8.2 million for the benefit of the Company for the purpose of refunding the outstanding Harrisonburg Series 2013B Fixed Rate Bonds. The 2020B loan is held by Truist (formerly BB&T) and bear interest initially at the taxable variable rate equal to One-Month LIBOR plus 1.00% and matures on December 1, 2038 with Truist agreeing to hold the 2020B loan for the initial 12 years. The rate of interest was 5.17% at December 31, 2022. The 2020B loan has a "Cinderella" feature permitting the taxable interest rate to convert to a tax-exempt interest rate on or about December 1, 2023, which coincides with the original call date of the 2013B Fixed Rate Bonds.

Certain conditions must be satisfied for the conversion of the taxable interest rate to a tax-exempt interest rate, and the Company cannot guarantee the occurrence of such events.

If such conditions are not satisfied, the 2020B loan will continue to bear interest at the taxable rate noted above. Providing these conditions are met, the interest rate after December 1, 2023 will convert to 79% of LIBOR plus 0.8295%.

The proceeds noted above, together with the sinking fund balances related to the 2013B bonds which totaled \$1.1 million, were put on deposit to fund the \$9.2 million retirement of the 2013B fixed rate bonds and the \$0.2 million for the cost of issuance. In order for the retirement of the 2013B fixed rate bonds to occur in advance of the 2023 call date, the \$9.2 million escrow payment was required, which represents the present value of the principal and interest payments from January 2020 through the 2023 call date and the principal payoff at that time.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 LONG-TERM DEBT (CONTINUED)

2020B Loan (Continued)

The \$0.2 million cost of issuance of the 2020B loan will be amortized into interest expense over the term of the loan.

Finally, the covenants for the 2020B loan were modified as follows:

- The debt to capitalization covenant of 60% was removed.
- The debt service coverage ratio of 1.20 and the days' cash on hand ratio of 150 will be tested annually at each fiscal year-end.
- The additional debt test will be modified to permit additional debt so long as after giving effect to such additional debt on a pro forma basis the Company is in compliance with a debt to capitalization ratio not in excess of 65%.

Rockingham Series 2017 Bond Modification

Simultaneous with the issuance of the Series 2020A Bonds Modification, the terms of the Rockingham Series 2017 Bond were modified to increase the applicable factor applied to One-Month LIBOR from 68% to 79%, to increase the credit spread from 0.795% to 0.8295% and to extend the holding period for 12 years from the date of modification.

Additionally, the covenants included in the 2017 Credit Agreement related to the Rockingham Series 2017 Bond were modified to agree to the covenants of 2020B the loan.

Rockingham County Loan

The Rockingham County Loan was issued on May 19, 2017 initially for an amount up to \$16 million. This is a tax-exempt bond purchased by BB&T from Rockingham County and advanced on a draw-down basis to the Company over the 18-month period ended October 31, 2018 to fund the acquisition, construction, and equipping of certain capital improvements at all three of our campuses.

The Company drew a total of \$13.8 million of this loan. Required principal payments were due monthly beginning in May 2018 and continue through December 2039. The rate of interest was 4.13% and 0.91% at December 31, 2022 and 2021, respectively.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Taxable Bank Note

The taxable bank note was issued in 2003 related to the University Plaza facility. Interest is payable monthly at LIBOR plus 1.70%. The rate of interest was 5.82% and 1.80% at December 31, 2022 and 2021, respectively. Principal payments average approximately \$11,100 between January 2019 and July 2025 with a final principal payment due August 2025 for \$846,000.

Swap Agreements

On September 29, 2017, the Company entered into an \$11 million forward swap agreement with an expiration date of May 1, 2027 (Interest Rate Swap Agreement – 4 below). This instrument hedges a portion of the variable interest rate risk related to the bank debt by effectively converting interest payments from variable rates to a fixed rate over the term of the swap agreement.

On January 8, 2020, the Company entered into two additional SWAP agreements in order to synthetically fix the interest on the 2020B loan. The salient terms of these agreements are as follows:

- The effective date on the first SWAP is January 8, 2020 and the termination date is September 5, 2023 and it exchanges the LIBOR plus 1.0% variable rate of the 2020B loan with a fixed rate of 2.651% (Interest Rate Swap Agreement – 2 below).
- The effective date on the second SWAP is September 5, 2023 and the termination date is January 5, 2032 and it exchanges the anticipated term of 79% of LIBOR plus 0.8295% variable rate of the 2020B loan with a fixed rate of 2.425% (Interest Rate Swap Agreement – 3 below).
- The notional amount of these swap agreements mirrors the outstanding principal amount of the 2020B Loan at each month-end during their respective terms.

At December 31, 2022 and 2021, the Company had interest rate swaps outstanding with the following terms:

	Notional Amount	Expiration Date	Sunnyside Pays	Sunnyside Receives	Fair Value	
					2022	2021
Interest Rate Swap Agreement - 1 ⁽¹⁾	\$ -	8/1/2025	Fixed 8.08%	100% of LIBOR	\$ -	\$ 82,638
Interest Rate Swap Agreement - 2	6,170,851	9/5/2023	Fixed 2.65%	100% of LIBOR	(139,731)	109,238
Interest Rate Swap Agreement - 3	5,612,446	1/5/2032	Fixed 2.43%	79% of LIBOR	(387,332)	139,382
Interest Rate Swap Agreement - 4	11,000,000	5/1/2027	Fixed 1.75%	68% of LIBOR	(388,438)	542,628
Total	<u>\$ 31,783,297</u>				<u>\$ (915,501)</u>	<u>\$ 873,886</u>

⁽¹⁾ On January 31, 2022, the Company terminated this swap agreement for \$74,100.

At December 31, 2022, the fair market value of the interest rate swap agreements indicated above is the estimated amount that the Company would receive from a sale of similar interest rate swap agreements as of December 31, 2022.

Interest payments receivable and payable under the terms of the interest rate swap agreements are accrued over the period to which the payment relates, and the net difference is treated as an adjustment of interest expense.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Future Principal Payment Schedule

The scheduled principal repayments on long-term debt for the next five years and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 2,041,179
2024	2,165,419
2025	2,257,512
2026	2,314,978
2027	2,394,406
2027 and Thereafter	<u>33,963,476</u>
Total	<u>\$ 45,136,970</u>

During 2022 and 2021, the Company made cash-basis interest payments on its long-term debt of approximately \$1,407,000 and \$1,469,000, respectively. No interest expense was capitalized as of December 31, 2022 and 2021.

Debt Covenants

The Corporation is required to meet certain financial covenants under the security agreements related to the bond issue. There are financial and operational covenants associated with the bond. As of December 31, 2022, management is not aware of any instances of noncompliance with the required covenants.

NOTE 7 ADVANCE FEES AND DEPOSITS

The Company uses three different styles of contracts. The first group of contracts is fee for service and has three types. Type I is fee for service with the resident paying for assisted living or healthcare on a per diem basis at the current rates. Type II is an enhanced fee for service contract where the resident pays a higher entrance fee and receives up to 90 days of care in assisted living or healthcare for no additional fees. Type III is the same as Type I with the exception that a 50% refund of the entrance fee is provided upon death or withdrawal from the community. Additionally, the Company offers a 90% refundable contract on a limited basis.

The remaining two styles of contracts are a rental contract and a lifecare contract. A rental contract does not require the resident to pay an entrance fee but instead pays a higher monthly service fee. Rental contracts are offered on a limited basis. A lifecare contract requires the resident to pay a higher entrance fee and high monthly fees but the monthly fees never increase (aside from normal annual increases) regardless of the resident's level of care.

A refundable deposit of 10% of the advance fee is made at the time a residency agreement is executed. Advance fees received from residents upon admission are subject to the refund provisions of residents' agreements. Refund periods expire ratably over 50 months from the residents' date of entrance for the most prevalent contract type (Type I contract).

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 7 ADVANCE FEES AND DEPOSITS (CONTINUED)

The total amount that is refundable for all contracts for which refunds can be applicable amounted to \$18.3 million and \$20.3 million at December 31, 2022 and 2021, respectively. Amounts expected to be refunded to current residents over the next year are classified in current liabilities and, based on actuarial projections, were approximately \$864,000 for each of the years ended December 31, 2022 and 2021. Actual refunds to residents during 2022 totaled \$693,000.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2022	2021
Subject to Expenditure for Specific Purpose		
Residential Services:		
Nursing Education	\$ 444,956	\$ 471,169
Garden Fund	165,170	192,736
Fellowship	415,591	415,591
Other Residential Services	62,311	46,035
Net Assets Restricted in Trusts and Annuities:		
Beneficial Interest in Perpetual Trust	4,270,569	5,479,364
Annuity Funds	100,461	100,459
Total Net Assets With Donor Restrictions	\$ 5,459,058	\$ 6,705,354

Net assets of \$4,371,030 and \$5,579,823 at December 31, 2022 and 2021, respectively, are restricted to investments in perpetuity, the income from which is expendable to support residential services.

NOTE 9 PENSION PLANS

The Company offers a 401(k) defined contribution plan. All employees over 21 years of age who have worked over 1,000 hours are eligible to participate in the 401(k) plan at the beginning of the quarter following the employee's one-year anniversary of service. Effective January 1, 2009, the Company contributes an amount equal to 100% of the first 4% of employee contributions. In addition, the Company may make an additional discretionary contribution, the amount of which may vary from year-to-year. Total expense related to the plan was \$483,925 and \$381,532 in 2022 and 2021, respectively.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 10 DEFERRED GIVING ARRANGEMENTS

The Company offers donors the opportunity to enter into a charitable gift annuity contract in return for the transfer of an agreed-upon amount of funds by the donor to the Company. These contracts provide payments of a specified annual allowance (annuity) to the donor from the funds and related investment earnings. The funds revert to the Company upon the death of the donor. Annuities payable represent the present value of the expected aggregate liability to participants (discounted at 2.56% and 2.15% in 2022 and 2021, respectively).

The Company is the beneficiary of certain charitable remainder trusts. Under the arrangements, the donors have established and funded trusts with specified distributions to be made to designated beneficiaries over the term of the trust. Upon termination of the trust, the Company receives its proportionate share of the trust assets.

NOTE 11 COVID-19 STIMULUS FUNDING

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by Sunnyside were \$3,119,686 between 2020 and 2021. The PRF's are subject to certain restrictions on eligible expenses or uses and reporting requirements. Sunnyside recognized \$2,088,063, as Provider Relief Funds - HHS grant revenue on the statements of operations within operating income between 2020 and 2021. The remaining portion of \$1,031,623 was recognized as a deferred advance liability on the balance sheets in 2021. As of December 31, 2022, Sunnyside recognized \$1,031,622 of the deferred advance liability as Provider Relief Funds – HHS grant revenue on the statements of operations. Management believes the amounts have been recognized appropriately as of December 31, 2022 and 2021.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 12 FUNCTIONAL EXPENSES

The Company provides residential services to the residents of its Harrisonburg, Waynesboro, and Martinsville facilities which include independent living, assisted living, and certain nursing services. All costs are directly attributable to their respective functions. Expenses related to providing these services are as follows:

	<u>Total</u>	<u>Residential Services</u>	<u>Health Care Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>
Expenses Incurred for the Year Ended December 31, 2022 Were for:					
Salaries and Benefits	\$ 26,664,930	\$ 9,350,199	\$ 10,372,486	\$ 231,239	\$ 6,711,006
Supplies and Materials	5,362,155	2,442,064	2,855,151	18,981	45,959
Depreciation	8,015,732	7,091,123	596,387	692	327,530
Interest	1,453,890	-	1,432,526	-	21,364
Insurance	825,037	-	-	-	825,037
Marketing	223,268	223,268	-	-	-
Occupancy	2,843,420	2,615,806	-	600	227,014
Purchased Services	3,539,936	1,135,126	1,608,388	9,365	787,057
Real Estate Taxes	626,538	-	-	-	626,538
Repairs and Maintenance	1,239,365	1,239,365	-	-	-
Other	557,539	89,216	126,637	3,911	337,775
Total	<u>\$ 51,351,810</u>	<u>\$ 24,186,167</u>	<u>\$ 16,991,575</u>	<u>\$ 264,788</u>	<u>\$ 9,909,280</u>
	<u>Total</u>	<u>Residential Services</u>	<u>Health Care Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>
Expenses Incurred for the Year Ended December 31, 2021 Were for:					
Salaries and Benefits	\$ 23,920,021	\$ 7,929,678	\$ 9,412,974	\$ 234,891	\$ 6,342,478
Supplies and Materials	5,000,810	2,138,123	2,800,806	19,004	42,877
Depreciation	7,675,395	6,781,754	588,035	692	304,914
Interest	1,506,754	-	1,440,446	-	66,308
Insurance	771,573	-	-	-	771,573
Marketing	242,671	242,671	-	-	-
Occupancy	2,439,590	2,232,976	-	580	206,034
Purchased Services	2,935,624	1,148,079	1,049,716	9,740	728,089
Real Estate Taxes	494,451	-	-	-	494,451
Repairs and Maintenance	1,084,846	1,084,846	-	-	-
Other	479,140	62,807	136,418	4,402	275,513
Total	<u>\$ 46,550,875</u>	<u>\$ 21,620,934</u>	<u>\$ 15,428,395</u>	<u>\$ 269,309</u>	<u>\$ 9,232,237</u>

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 13 RENTAL INCOME

In July 2000, the Company purchased the University Plaza Shopping Center. They currently hold several operating leases for this property. The carrying value of the leased property is \$4,813,841 and \$4,352,497 as of December 31, 2022 and 2021, respectively, less accumulated depreciation of \$2,715,761 and \$2,606,406, respectively. The leases expire on various future dates and renewals are negotiated on an ongoing basis. Current contracts have minimum future rentals are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 269,109
2024	165,271
2025	125,810
2026	99,603
2027 and Thereafter	<u>62,677</u>
Total	<u><u>\$ 722,470</u></u>

Rental income received for the years ended December 31, 2022 and 2021 was approximately \$261,000 and \$263,000, respectively.

NOTE 14 CONCENTRATION OF CREDIT RISK

The Company maintains its cash accounts at commercial banks. The cash balances in each bank are insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash in bank may exceed FDIC insurable limits. The funds on deposit in brokerage accounts are insured by the SIPC up to \$500,000. Investments, which include government and agency securities, fixed income mutual funds, equity mutual funds, and corporate bonds, are not concentrated in any corporation or industry.

Accounts receivable consists of amounts due from patients, their insurers, or governmental agencies. The mix of receivables from patients and third-party payors for the years ended December 31 is as follows:

	<u>2022</u>	<u>2021</u>
Medicare	23 %	20 %
Medicaid	4	7
Other Third-Party Payors	19	10
Private Pay	54	63
Total Accounts Receivable	<u><u>100 %</u></u>	<u><u>100 %</u></u>

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 15 FAIR VALUE MEASUREMENTS

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Company emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

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

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

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

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents the Company’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets Limited As To Use:				
U.S. Government and Corporate Obligations	\$ 3,505,781	\$ -	\$ -	\$ 3,505,781
Marketable Equity Securities	10,771,656	-	-	10,771,656
Beneficial Interest in Perpetual Trusts	-	-	4,270,569	4,270,569
Total	<u>\$ 14,277,437</u>	<u>\$ -</u>	<u>\$ 4,270,569</u>	<u>\$ 18,548,006</u>
Investments:				
U.S. Government and Corporate Obligations	\$ 10,880,023	\$ -	\$ -	\$ 10,880,023
Marketable Equity Securities	23,097,749	-	-	23,097,749
Total	<u>\$ 33,977,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,977,772</u>
Fair Value Interest Rate Swap Agreements	<u>\$ -</u>	<u>\$ 915,501</u>	<u>\$ -</u>	<u>\$ 915,501</u>

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 15 FAIR VALUE MEASUREMENTS (CONTINUED)

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets Limited As To Use:				
U.S. Government and Corporate Obligations	\$ 3,937,205	\$ -	\$ -	\$ 3,937,205
Marketable Equity Securities	12,210,345	-	-	12,210,345
Beneficial Interest in Perpetual Trusts	-	-	5,479,364	5,479,364
Total	<u>\$ 16,147,550</u>	<u>\$ -</u>	<u>\$ 5,479,364</u>	<u>\$ 21,626,914</u>
Investments:				
U.S. Government and Corporate Obligations	\$ 10,814,942	\$ -	\$ -	\$ 10,814,942
Marketable Equity Securities	26,331,669	-	-	26,331,669
Total	<u>\$ 37,146,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,146,611</u>
Fair Value Interest Rate Swap Agreements				
	<u>\$ -</u>	<u>\$ (873,886)</u>	<u>\$ -</u>	<u>\$ (873,886)</u>

Assets Limited as to Use and Investments

Assets limited as to use are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions.

Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. government and corporate obligations and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Fair values of the beneficial interest in trusts are determined based upon securities valued using Level 1 inputs assets less the present value of estimated future payments to the recipient. The present value is based upon an estimated discount rate and applicable mortality tables and, accordingly, is classified as using a Level 3 input.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 15 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides a summary of unobservable inputs related to the Company's beneficial interest in perpetual trusts as of December 31, 2022:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2022	2021		
Beneficial Interest In Perpetual Trust	\$ 4,270,569	\$ 5,479,364	PV of Trust Investments	Term of Distributions

There were no purchases, sales or transfers for the year ended December 31, 2022 related to the beneficial interest in perpetual trusts.

Fair Value Interest Rate Swap Agreements

Fair values for interest rate swap contracts are determined based upon good faith estimates of mid-market transactions using valuation models, such as bid-offer spreads and credit reserves and, accordingly, are classified as using Level 2 inputs.

NOTE 16 COMMITMENTS AND CONTINGENCIES

Litigation

From time-to-time, the Company is involved in legal actions arising in the ordinary course of business. No liabilities have been accrued based on these matters in the accompanying financial statements.

Compliance

The Company operates in the health care industry and may be subject to legal proceedings and claims from time-to-time that arise in the course of providing its services. The Company maintains malpractice insurance coverage on an occurrence basis, which provides coverage for claims occurring during the policy year. Management has determined that no provision is required for amounts expected to be paid under the policy's deductible limits for unasserted claims not covered by the policy and any other uninsured liability.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse.

Other

In the normal course of business, there could be various outstanding claims and contingent liabilities. No contingent liabilities are reflected in the accompanying financial statements. No such liabilities have been asserted and, therefore, no estimate of loss, if any, is determinable.

**SUNNYSIDE PRESBYTERIAN HOME
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Professional Liability Insurance

The Company has a group insurance agreement with other Virginia facilities for general liability, property, professional liability, and workers' compensation insurance. Under the terms of the policy, the risk for these entities is pooled and a potential liability for this coverage is actuarially determined. Premiums paid represent a portion of the potential liability, as actuarially determined for the group. The policy also provides for umbrella coverage, which functions as an extension of the primary limit. The policy is written on a claims first-made basis and has a reinsurance component with a third party. Management has not recorded any liabilities related to this policy as they are not aware of any underfunding within the pool.

**SUNNYSIDE PRESBYTERIAN HOME
BALANCE SHEET BY DIVISION
DECEMBER 31, 2022**

ASSETS	Sunnyside Presbyterian Retirement Community	King's Grant Retirement Community	Summit Square	University Plaza	Corporate	Eliminations	Total
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 1,523,417	\$ 5,904	\$ 32,021	\$ 30,352	\$ 42,028	\$ -	\$ 1,633,722
Cash and Cash Equivalents - Resident Funds	8,780	16,294	2,630	-	-	-	27,704
Accounts Receivable, Net	657,380	376,902	116,015	-	-	-	1,150,297
Other Receivables	31,925	-	-	-	25,272	-	57,197
Pledges and Gifts Receivable	-	-	-	-	200	-	200
Inventories	249,589	68,070	105,273	-	-	-	422,932
Prepaid Expenses	565,655	7,174	5,746	-	112,353	-	690,928
Due from Other Funds	44,365,331	1,575,321	-	-	5,845,399	(51,786,051)	-
Total Current Assets	<u>47,402,077</u>	<u>2,049,665</u>	<u>261,685</u>	<u>30,352</u>	<u>6,025,252</u>	<u>(51,786,051)</u>	<u>3,982,980</u>
ASSETS LIMITED AS TO USE							
Externally Designated by Donor Restriction	444,957	-	-	-	5,014,101	-	5,459,058
Externally Designated by Bond Trustee	344,911	-	-	-	-	-	344,911
Internally Designated by Board of Trustees	2,254,450	-	-	-	10,857,152	-	13,111,602
Total Assets Limited as to Use	<u>3,044,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,871,253</u>	<u>-</u>	<u>18,915,571</u>
INVESTMENTS	-	11,437,240	3,291,307	-	20,336,781	-	35,065,328
PROPERTY, PLANT, AND EQUIPMENT, NET	54,876,341	12,450,871	14,431,124	2,098,080	313,075	-	84,169,491
OTHER ASSETS							
Investment in Joint Venture	-	-	-	-	557,513	-	557,513
Investment in First Choice Home Health	-	-	-	-	1,097,004	-	1,097,004
Miscellaneous	-	101,510	-	-	-	-	101,510
Total Other Assets	<u>-</u>	<u>101,510</u>	<u>-</u>	<u>-</u>	<u>1,654,517</u>	<u>-</u>	<u>1,756,027</u>
FAIR VALUE INTEREST RATE SWAP AGREEMENTS	504,896	339,947	70,658	-	-	-	915,501
Total Assets	<u>\$ 105,827,632</u>	<u>\$ 26,379,233</u>	<u>\$ 18,054,774</u>	<u>\$ 2,128,432</u>	<u>\$ 44,200,878</u>	<u>\$ (51,786,051)</u>	<u>\$ 144,804,898</u>

**SUNNYSIDE PRESBYTERIAN HOME
BALANCE SHEET BY DIVISION (CONTINUED)
DECEMBER 31, 2022**

	Sunnyside Presbyterian Retirement Community	King's Grant Retirement Community	Summit Square	University Plaza	Corporate	Eliminations	Total
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Current Portion of Long-Term Debt	\$ 1,195,938	\$ 490,890	\$ 183,815	\$ 170,536	\$ -	\$ -	\$ 2,041,179
Current Portion of Annuities Payable	-	-	-	-	91,085	-	91,085
Accounts Payable	1,397,857	-	-	5,956	-	-	1,403,813
Accrued Salaries and Wages	787,136	415,278	239,500	-	378,469	-	1,820,383
Other Accrued Expenses	570,260	93,608	52,197	14,614	30,590	-	761,269
Refundable Advance Fees	463,000	258,000	143,000	-	-	-	864,000
Resident Funds Payable	8,780	16,294	2,630	-	-	-	27,704
Due to Other Funds	7,498,964	6,984,738	980,302	3,003,723	33,318,324	(51,786,051)	-
Total Current Liabilities	<u>11,921,935</u>	<u>8,258,808</u>	<u>1,601,444</u>	<u>3,194,829</u>	<u>33,818,468</u>	<u>(51,786,051)</u>	<u>7,009,433</u>
ADVANCE FEES AND DEPOSITS							
Advance Fee Deposits	120,207	18,101	305,103	14,639	-	-	458,050
Deferred Revenue from Advance Fees	33,128,861	10,486,417	2,867,630	-	-	-	46,482,908
Refundable Entrance Fee Liability	2,772,547	384,604	592,800	-	-	-	3,749,951
Total Advance Fees and Deposits	<u>36,021,615</u>	<u>10,889,122</u>	<u>3,765,533</u>	<u>14,639</u>	<u>-</u>	<u>-</u>	<u>50,690,909</u>
LONG-TERM DEBT, LESS CURRENT PORTION	30,591,037	7,939,963	7,200,610	317,060	-	-	46,048,670
ANNUITIES PAYABLE, LESS CURRENT PORTION	-	-	-	-	315,334	-	315,334
Total Liabilities	78,534,587	27,087,893	12,567,587	3,526,528	34,133,802	(51,786,051)	104,064,346
NET ASSETS							
Without Donor Restrictions	26,848,088	(708,660)	5,487,187	(1,398,096)	5,052,975	-	35,281,494
With Donor Restrictions	444,957	-	-	-	5,014,101	-	5,459,058
Total Net Assets (Deficits)	<u>27,293,045</u>	<u>(708,660)</u>	<u>5,487,187</u>	<u>(1,398,096)</u>	<u>10,067,076</u>	<u>-</u>	<u>40,740,552</u>
Total Liabilities and Net Assets	<u>\$ 105,827,632</u>	<u>\$ 26,379,233</u>	<u>\$ 18,054,774</u>	<u>\$ 2,128,432</u>	<u>\$ 44,200,878</u>	<u>\$ (51,786,051)</u>	<u>\$ 144,804,898</u>

**SUNNYSIDE PRESBYTERIAN HOME
STATEMENT OF OPERATIONS BY DIVISION
YEAR ENDED DECEMBER 31, 2022**

	Sunnyside Presbyterian Retirement Community	King's Grant Retirement Community	Summit Square	University Plaza	Corporate	Eliminations	Total
REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS							
Residential Services, Including Amortization of Deferred Revenue from							
Advance Fees of \$6,540,715	\$ 11,699,452	\$ 5,262,604	\$ 2,813,570	\$ -	\$ -	\$ -	\$ 19,775,626
Health Care Services Revenue	9,059,588	3,757,037	2,540,534	-	-	-	15,357,159
Assisted Living Revenue	6,025,098	3,256,653	2,997,020	-	-	-	12,278,771
Unrestricted Gifts and Donations	-	-	-	-	836,123	-	836,123
Investment Income	104,640	501,858	144,404	-	1,779,426	-	2,530,328
Fellowship Revenue	1,452,119	124,424	104,067	-	-	(1,680,610)	-
Facility Management Fee	-	-	-	-	2,583,864	(2,583,864)	-
Pharmacy Revenue	264,515	-	4,937	-	-	-	269,452
Provider Relief Funds - HHS	543,110	277,815	210,698	-	-	-	1,031,623
Other	670,768	88,701	173,797	261,489	36,911	-	1,231,666
Total Revenue, Gains, and Other Support Without Donor Restrictions	29,819,290	13,269,092	8,989,027	261,489	5,236,324	(4,264,474)	53,310,748
EXPENSES							
Nursing Services:							
Health Care	5,802,600	2,379,623	1,606,671	-	-	-	9,788,894
Assisted Living	2,239,090	1,480,643	992,762	-	-	-	4,712,495
Clinical	431,712	4,544	13,690	-	-	-	449,946
Dining Services	2,889,441	1,522,385	1,153,038	-	-	-	5,564,864
Resident Services	1,618,227	925,598	632,448	-	-	-	3,176,273
Environmental Services	2,759,949	1,328,318	967,061	47,978	-	-	5,103,306
General and Administrative Services	5,300,528	2,295,102	1,630,586	52,926	2,949,398	(2,583,864)	9,644,676
Utilities	1,603,212	557,312	328,619	27,840	-	-	2,516,983
Pharmacy Services	229,183	-	-	-	-	-	229,183
Fund Raising Expenses	-	-	-	-	264,096	-	264,096
Depreciation	5,025,062	1,780,459	1,028,228	109,356	72,627	-	8,015,732
Interest Expense	959,916	254,774	217,837	21,363	-	-	1,453,890
Fellowship Expense	-	-	-	-	1,680,610	(1,680,610)	-
Other	174,088	76,228	181,156	-	-	-	431,472
Total Expenses	29,033,008	12,604,986	8,752,096	259,463	4,966,731	(4,264,474)	51,351,810
OPERATING INCOME	\$ 786,282	\$ 664,106	\$ 236,931	\$ 2,026	\$ 269,593	\$ -	\$ 1,958,938



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Sunnyside Presbyterian Home
Harrisonburg, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sunnyside Presbyterian Home (Sunnyside), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 26, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sunnyside's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sunnyside's internal control. Accordingly, we do not express an opinion on the effectiveness of Sunnyside's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

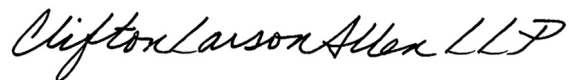
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sunnyside's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sunnyside's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sunnyside's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 26, 2023

Exhibit E

2022 & 2023

Proforma Statement of Revenue
and Support, Expenses and
Capital Additions

SUNNYSIDE COMMUNITIES

2023 Budget - Disclosure Statement

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Consolidated 2023 Budget	4
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SUNNYSIDE COMMUNITIES
2023 OPERATING BUDGET
(with comparisons)

Entrance Fees and Refunds Assumptions		2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	'23 Bdgt vs '22 Actual	
							\$	%
Consolidated	New entrance fees	7,918,225	8,402,665	8,986,847	7,169,507	7,200,014	30,506	0.5%
	Entrance fees refunded	(1,362,834)	(693,900)	(806,349)	(733,266)	(825,000)	(91,734)	11.1%
	Net entrance fees	<u>6,555,391</u>	<u>7,708,765</u>	<u>8,180,498</u>	<u>6,436,241</u>	<u>6,375,014</u>	<u>(61,228)</u>	<u>-1.2%</u>
Sunnyside	New entrance fees	5,083,755	6,302,326	6,229,133	4,063,083	4,226,726	163,642	4.6%
	Entrance fees refunded	(1,003,099)	(367,034)	(540,701)	(313,772)	(500,000)	(186,228)	37.2%
	Net entrance fees	<u>4,080,656</u>	<u>5,935,292</u>	<u>5,688,432</u>	<u>3,749,311</u>	<u>3,726,726</u>	<u>(22,586)</u>	<u>-0.7%</u>
Kings Grant	New entrance fees	1,896,036	1,410,866	2,296,993	2,463,350	2,130,508	(332,843)	-17.8%
	Entrance fees refunded	(238,937)	(205,957)	(217,370)	(22,577)	(250,000)	(227,423)	91.0%
	Net entrance fees	<u>1,657,099</u>	<u>1,204,909</u>	<u>2,079,623</u>	<u>2,440,773</u>	<u>1,880,508</u>	<u>(560,266)</u>	<u>-34.6%</u>
Summit Square	New entrance fees	938,434	689,474	460,721	643,074	842,780	199,706	33.1%
	Entrance fees refunded	(120,798)	(120,909)	(48,278)	(396,917)	(75,000)	321,917	-429.2%
	Net entrance fees	<u>817,636</u>	<u>568,565</u>	<u>412,443</u>	<u>246,157</u>	<u>767,780</u>	<u>521,623</u>	<u>98.6%</u>

SUNNYSIDE COMMUNITIES
2023 OPERATING BUDGET
(with comparisons)

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	'23 Bdgt vs 22 Actual \$	%
Revenue							
Residential services	\$ 17,969,688	\$ 18,842,918	\$ 18,944,272	\$ 19,787,225	\$ 20,766,104	\$ 978,879	4.9%
Assisted living	9,442,184	10,396,013	11,079,779	12,267,185	13,057,793	790,608	6.4%
Health services	15,108,864	14,133,508	15,172,324	15,357,179	16,200,089	842,910	5.5%
Investment income	1,486,171	1,948,996	3,895,873	2,530,325	2,028,237	(502,088)	-19.8%
Other	1,624,649	3,119,025	2,430,436	3,123,578	1,980,820	(1,142,758)	-36.6%
University Plaza revenue	262,815	258,649	262,982	261,490	269,479	7,989	3.1%
Total Revenue	\$ 45,894,371	\$ 48,699,109	\$ 51,785,666	\$ 53,326,982	\$ 54,302,521	975,539	1.9%
Expenses							
Nursing services	\$ 12,270,769	\$ 12,843,974	\$ 13,330,622	\$ 14,951,358	\$ 14,833,151	\$ (118,207)	-0.8%
Dining services	4,590,869	4,552,345	4,679,847	5,564,881	6,127,434	562,553	10.1%
Environmental services	4,232,238	4,319,445	4,459,147	5,055,342	5,268,082	212,740	4.2%
Resident services	2,219,797	2,111,740	2,561,162	2,858,817	3,187,983	329,166	11.5%
General & administrative	8,126,756	9,099,974	9,195,869	9,909,246	10,024,556	115,310	1.2%
Fund raising	312,184	312,631	268,623	264,096	287,802	23,706	9.0%
Utilities	1,990,008	1,796,250	2,126,708	2,489,143	2,483,376	(5,767)	-0.2%
Interest	1,658,403	1,503,846	1,467,080	1,414,209	1,455,387	41,178	2.9%
Depreciation & amortization	6,801,503	7,419,962	7,715,169	8,053,616	8,442,463	388,847	4.8%
Other	754,896	732,245	764,694	807,410	573,924	(233,486)	-28.9%
Total Expenses	\$ 42,957,423	\$ 44,692,412	\$ 46,568,921	\$ 51,368,118	\$ 52,684,157	1,316,039	2.8%
Gain (Loss) from Operations	\$ 2,936,948	\$ 4,006,697	\$ 5,216,745	\$ 1,958,864	\$ 1,618,363	(340,501)	-17.4%
Other Changes in Net Assets							
Unrealized gain (loss) on investments	\$ 1,361,538	783,663	\$ 2,124,116	\$ (8,510,772)	\$ -	8,510,772	-100.0%
Fair value change in swaps and annuities payable	52,175	2,748	(561,028)	1,704,154	-	(1,704,154)	N/M
Loss on extinguishment of LT debt	5,556	(97,307)	65,475	-	-	-	N/M
Increase(decrease) in Net Assets	\$ 4,356,217	\$ 4,695,801	\$ 6,845,308	\$ (4,847,754)	\$ 1,618,363	\$ 6,466,117	-133.4%
Other Key Elements of Operating Income							
Uncompensated care	1,895,545	1,787,461	1,795,707	1,662,610	1,923,982	261,372	15.7%
Contributed support	372,647	720,604	445,732	836,125	690,000	(146,125)	-17.5%
Amortization of entrance fees	4,523,234	4,799,118	4,920,505	5,017,280	5,149,407	132,127	2.6%
Termination income	925,634	1,498,022	1,578,906	1,228,435	1,135,000	(93,435)	-7.6%
Total of Amort of entrance fees and term income	5,448,868	6,297,140	6,499,411	6,245,715	6,284,407	38,692	0.6%
Service Revenues	43,772,738	45,770,860	40,681,668	43,453,329	45,030,399	1,577,070	3.6%
Net operating Margin	4,233,135	4,122,785	3,676,968	1,910,767	2,654,845	744,078	38.9%
NOM Ratio	9.7%	9.0%	9.0%	4.4%	5.9%		

SUNNYSIDE COMMUNITIES
2023 OPERATING BUDGET
(with comparisons)

Statement of Cash Flows

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	'23 Bdgt vs 22 Actual	
SOURCES							
Gain (Loss) from Operations	\$ 2,936,948	\$ 4,006,697	\$ 5,216,745	\$ 1,958,864	\$ 1,618,363	\$ (340,501)	-17.4%
Add:							
Depreciation & amortization	6,801,503	7,419,962	7,715,169	8,053,616	8,442,463	388,847	4.8%
New entrance fees	7,918,225	8,402,665	8,986,847	7,169,507	7,200,014	30,506	0.4%
Deduct:							
Entrance fees amortization & Termination Income	(5,448,868)	(6,297,140)	(6,499,411)	(6,245,715)	(6,284,407)	(38,692)	0.6%
Entrance fees refunded	(1,362,834)	(693,900)	(806,349)	(733,266)	(825,000)	(91,734)	12.5%
Other				(1,246,218)			
TOTAL SOURCES	\$ 10,844,974	\$ 12,838,284	\$ 14,613,001	\$ 8,956,788	\$ 10,151,434	\$ 1,194,645	13.3%
USES							
Scheduled repayment of LT Debt	1,535,741	1,888,533	1,911,349	1,911,349	1,911,349	-	0.0%
Additional debt paydown	-	-	-	-	-		
Free Cash Flow	\$ 9,309,232	\$ 10,949,751	\$ 12,701,652	\$ 7,045,439	\$ 8,240,085	\$ 1,194,645	17.0%
New Borrowings for Cap Ex	4,308,158	3,323,068	5,170,690	2,956,862	-	(2,956,862)	-100.0%
Capital expenditures	(8,164,493)	(8,767,119)	(8,164,493)	(8,163,867)	(11,589,897)	(3,426,030)	42.0%
Cash Flow	\$ 5,452,898	\$ 5,505,699	\$ 9,707,849	\$ 1,838,434	\$ (3,349,812)	\$ (5,188,246)	-282.2%
Cash Flow (before new borrowings)	\$ 1,144,739	\$ 2,182,632	\$ 4,537,159	\$ (1,118,428)	\$ (3,349,812)	\$ (2,231,385)	199.5%

SUNNYSIDE COMMUNITIES
2023 OPERATING BUDGET
(with comparisons)

Cap Ex Budget	2019	2020	2021	2022	2022	2023	'23 Bdgt vs	
	Actual	Actual	Actual	Actual	Budget	Budget	\$	%
Consolidated	\$ 8,164,493	\$ 8,767,119	\$ 8,164,493	\$ 8,163,867	\$ 10,039,546	\$ 11,589,897	\$ 1,550,351	15.4%
Sunnyside	4,536,704	5,940,505	4,536,704	4,320,428	5,686,526	6,320,843	\$ 634,317	11.2%
Kings Grant	1,693,318	1,852,509	1,693,318	2,065,623	1,739,109	2,762,213	\$ 1,023,104	58.8%
Summit Square	1,484,952	746,339	1,484,952	1,381,845	2,334,410	2,174,821	\$ (159,589)	-6.8%
University Plaza & Corp	449,519	227,766	449,519	395,971	279,500	332,020	\$ 52,520	18.8%

SUNNYSIDE Campus
2023 OPERATING BUDGET
(with comparisons)

	2019	2020	2021	2022	2023	'23 Bdgt vs	
	Actual	Actual	Actual	Actual	Budget	22 Actual	
						\$	%
Revenue							
Residential services	\$ 10,248,082	\$ 10,932,008	\$ 11,183,818	\$ 11,699,457	\$ 12,195,730	\$ 496,273	4.2%
Assisted living	5,306,760	5,620,393	5,660,345	6,025,097	6,305,218	280,121	4.6%
Health services	9,545,935	9,090,686	9,251,368	9,059,601	9,606,023	546,422	6.0%
Investment income	106,345	118,198	182,952	104,640	113,983	9,343	8.9%
Fellowship Provided	1,567,887	1,546,412	1,464,191	1,452,119	1,619,208	167,089	11.5%
Other	780,102	1,495,962	1,191,277	1,478,395	671,883	(806,512)	-54.6%
Total Revenue	\$ 27,555,111	\$ 28,803,659	\$ 28,933,951	\$ 29,819,309	\$ 30,512,045	692,736	2.3%
Expenses							
Nursing services	\$ 6,997,079	\$ 7,248,874	\$ 7,296,932	\$ 8,473,408	\$ 8,223,081	\$ (250,327)	-3.0%
Dining services	2,458,368	2,467,409	2,519,404	2,889,451	3,264,548	375,097	13.0%
Environmental services	2,365,858	2,430,056	2,510,308	2,759,945	3,008,414	248,469	9.0%
Resident services	1,132,637	1,090,702	1,446,258	1,618,228	1,686,338	68,110	4.2%
General & administrative	4,548,358	5,024,716	4,906,927	5,300,538	5,240,135	(60,403)	-1.1%
Utilities	1,238,994	1,030,468	1,311,582	1,603,213	1,581,000	(22,213)	-1.4%
Interest	907,986	954,161	937,423	932,946	948,983	16,037	1.7%
Depreciation & amortization	4,359,708	4,659,729	4,883,999	5,052,038	5,358,148	306,110	6.1%
Pharmacy	227,391	247,016	242,089	229,187	-	(229,187)	-100.0%
Other	185,912	146,544	170,268	174,088	162,262	(11,826)	-6.8%
Total Expenses	\$ 24,422,291	\$ 25,299,675	\$ 26,225,190	\$ 29,033,042	\$ 29,472,910	439,868	1.5%
	89%	88%	91%	97%	97%		
Gain (Loss) from Operations	\$ 3,132,820	\$ 3,503,984	\$ 2,708,761	\$ 786,267	\$ 1,039,136	252,869	32.2%
HC & AL Variable Margin	\$ 7,855,616	\$ 7,462,205	\$ 7,614,781	\$ 6,611,290	\$ 7,688,160	1,076,870	16.3%
	52.9%	50.7%	51.1%	43.8%	48.3%		
Service Revenues	\$ 22,268,783	\$ 22,888,510	\$ 22,906,638	\$ 23,987,408	\$ 24,602,674	615,266	2.6%
Expenses	19,154,597	19,685,785	20,403,768	23,048,058	23,165,779	117,721	0.5%
Net operating Margin	\$ 3,114,186	\$ 3,202,725	\$ 2,502,870	\$ 939,350	\$ 1,436,895	497,545	53.0%
NOM Ratio	14.0%	14.0%	10.9%	3.9%	5.8%		

Kings Grant Campus
2023 OPERATING BUDGET
(with comparisons)

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	'23 Bdgt vs 22 Actual	
						\$	%
Revenue							
Residential services	\$ 4,683,928	\$ 5,216,113	\$ 5,192,304	\$ 5,262,607	\$ 5,610,287	\$ 347,680	6.6%
Assisted living	2,819,372	2,760,251	2,937,575	3,256,655	3,592,586	335,931	10.3%
Health services	3,572,653	3,056,163	3,647,059	3,757,044	3,928,017	170,973	4.6%
Investment income	91,532	218,131	851,780	501,857	262,379	(239,478)	-47.7%
Fellowship Provided	145,202	86,390	208,870	124,424	172,043	47,619	38.3%
Other	230,303	484,725	421,751	366,514	316,183	(50,331)	-13.7%
Total Revenue	\$ 11,542,990	\$ 11,821,773	\$ 13,259,339	\$ 13,269,101	\$ 13,881,495	\$ 612,394	4.6%
Expenses							
Nursing services	\$ 3,549,102	\$ 3,392,906	\$ 3,610,951	\$ 3,864,823	\$ 3,933,665	\$ 68,842	1.8%
Dining services	1,288,300	1,191,994	1,262,878	1,522,392	1,691,757	169,365	11.1%
Environmental services	1,112,682	1,120,354	1,185,548	1,328,319	1,360,786	32,467	2.4%
Resident services	779,280	691,857	751,043	925,604	972,161	46,557	5.0%
General & administrative	2,037,098	2,257,799	2,311,851	2,295,097	2,496,867	201,770	8.8%
Utilities	432,096	436,653	518,911	557,312	563,783	6,471	1.2%
Interest	418,176	272,788	272,927	247,344	250,172	2,828	1.1%
Depreciation & amortization	1,565,859	1,680,663	1,718,744	1,787,887	1,701,613	(86,274)	-4.8%
Other	92,151	72,166	75,968	76,230	89,195	12,965	17.0%
Total Expenses	\$ 11,274,744	\$ 11,117,180	\$ 11,708,821	\$ 12,605,008	\$ 13,060,000	\$ 454,992	3.6%
Gain (Loss) from Operations	\$ 268,246	\$ 704,593	\$ 1,550,518	\$ 664,093	\$ 821,495	\$ 157,402	23.7%
HC & AL Variable Margin	\$ 2,842,923 44.5%	\$ 2,423,508 41.7%	\$ 2,973,683 45.2%	\$ 3,148,876 44.9%	\$ 3,586,938 47.7%	\$ 438,062	-13.9%
Service Revenues	\$ 10,122,660	\$ 9,986,962	\$ 10,505,388	\$ 11,190,602	\$ 11,856,214	\$ 665,612	-5.9%
Expenses	9,290,709	9,163,729	9,717,150	10,569,777	11,108,215	538,438	5.1%
Net operating Margin	\$ 831,951	\$ 823,233	\$ 788,238	\$ 620,825	\$ 747,999	\$ 127,174	-20.5%
NOM Ratio	8.2%	8.2%	7.5%	5.5%	6.3%		

Summit Square Campus
2023 OPERATING BUDGET
(with comparisons)

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	'23 Bdgt vs 22 Actual	
						\$	%
Revenue							
Residential services	\$ 3,037,678	\$ 2,694,797	\$ 2,568,150	\$ 2,825,161	\$ 2,960,087	\$ 134,926	4.8%
Assisted living	1,316,052	2,015,369	2,481,859	2,985,433	3,159,989	174,556	5.8%
Health services	1,990,276	1,986,659	2,273,897	2,540,534	2,666,049	125,515	4.9%
Investment income	55,214	76,673	244,983	144,403	92,859	(51,544)	-35.7%
Fellowship Provided	164,456	136,659	104,646	86,067	114,731	28,664	33.3%
Other	241,597	417,734	364,630	407,433	303,254	(104,179)	-25.6%
Total Revenue	\$ 6,805,273	\$ 7,327,891	\$ 8,038,165	\$ 8,989,031	\$ 9,296,968	\$ 307,937	3.4%
Expenses							
Nursing services	\$ 1,724,588	\$ 2,202,194	\$ 2,422,739	\$ 2,613,127	\$ 2,676,405	\$ 63,278	2.4%
Dining services	844,201	892,942	897,565	1,153,038	1,171,129	18,091	1.6%
Environmental services	850,386	851,909	857,335	967,078	1,015,279	48,201	5.0%
Resident services	211,192	246,307	269,817	314,985	413,086	98,101	31.1%
General & administrative	1,511,730	1,743,101	1,768,053	1,948,074	1,927,582	(20,492)	-1.1%
Utilities	318,918	329,129	296,215	328,618	338,593	9,975	3.0%
Interest	242,419	197,823	190,422	212,557	229,493	16,936	8.0%
Depreciation & amortization	729,461	908,551	945,594	1,033,508	1,158,129	124,621	12.1%
Other	136,844	143,481	137,974	181,159	181,514	355	0.2%
Total Expenses	\$ 6,569,739	\$ 7,515,437	\$ 7,785,714	\$ 8,752,144	\$ 9,111,210	359,066	4.1%
Gain (Loss) from Operations	\$ 235,534	\$ (187,546)	\$ 252,451	\$ 236,887	\$ 185,758	(51,129)	-21.6%
HC & AL Variable Margin	\$ 1,581,740 47.8%	\$ 1,799,834 45.0%	\$ 2,333,017 49.1%	\$ 2,912,840 52.7%	\$ 3,149,632 54.1%	236,792	8.1%
Service Revenues	\$ 5,932,427	\$ 6,598,248	\$ 7,262,596	\$ 8,240,206	\$ 8,572,010	331,804	4.0%
Expenses	5,597,859	6,409,063	6,649,698	7,506,079	7,723,588	217,509	2.9%
Net operating Margin	\$ 334,568	\$ 189,185	\$ 612,898	\$ 734,127	\$ 848,422	\$ 114,295	15.6%
NOM Ratio	5.6%	2.9%	8.4%	8.9%	9.9%		

SUNNYSIDE Corporate
2023 OPERATING BUDGET
(with comparisons)

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	'23 Bdgt vs 22 Actual	
						\$	%
Revenue							
Contributed support	\$ 372,647	\$ 720,604	\$ 445,732	\$ 836,123	\$ 690,000	\$ (146,123)	-17.5%
Facility management Fees	2,446,212	2,538,756	2,647,850	2,583,864	2,595,760	11,896	0.5%
Investment income	1,233,080	1,535,994	2,616,158	1,779,425	1,559,016	(220,409)	-12.4%
Other revenue	-	-	7,046	35,111	-	(35,111)	-100.0%
University Plaza revenue	262,815	258,649	262,982	261,490	268,979	7,489	2.9%
Total Revenue	\$ 4,314,754	\$ 5,054,003	\$ 5,979,768	\$ 5,496,013	\$ 5,113,755	\$ (382,258)	-7.0%
Expenses							
Fund raising expenses	\$ 312,184	\$ 312,631	\$ 268,623	\$ 264,096	\$ 287,802	23,706	9.0%
General & administrative	2,475,782	2,613,114	2,856,888	2,949,401	2,955,732	6,331	0.2%
Fellowships provided	1,877,545	1,769,461	1,777,707	1,662,610	1,905,982	243,372	14.6%
University Plaza op ex	94,598	105,038	120,395	128,746	122,952	(5,794)	-4.5%
Depreciation & amortization	146,475	171,019	166,832	180,183	224,573	44,390	24.6%
Interest	89,822	79,074	66,308	21,362	26,740	5,378	25.2%
Other interfund transfers	18,000	18,000	18,000	18,000	18,000	-	0.0%
Total Expenses	\$ 5,014,406	\$ 5,068,337	\$ 5,274,753	\$ 5,224,398	\$ 5,541,780	\$ 317,382	6.1%
Gain (Loss) from Operations	\$ (699,652)	\$ (14,334)	\$ 705,015	\$ 271,615	\$ (428,026)	\$ (699,641)	-257.6%

EXHIBIT F

SUNNYSIDE COMMUNITIES DEBT COVENANTS - Fiscal Year 2022

**As agreed to in the Master Trust Indenture dated as of August 1, 2013,
as supplemented by the Eight Supplemental Indebture, dated as of
January 1, 2020**

1. Debt Service Coverage Ratio
2. Debt to Capitalization Ratio
3. Unrestricted Days Cash on Hand

SUNNYSIDE PRESBYTERIAN HOME
Financial Covenants Consolidated entities (includes Sunnyside, Kings Grant, Summit Square)

	Year End 2019 Actual	Year End 2020 Actual	Year End 2021 Actual	Year End 2022 Actual
DEBT SERVICE COVERAGE RATIO (i) Covenant	1.20	1.20	1.20	1.20
Net Gain (Loss) from operations	\$ 2,935,389	\$ 4,017,541	\$ 5,216,745	\$ 1,958,864
Interest expense	1,658,402	1,503,847	1,467,080	1,414,209
Depreciation and amortization	6,801,510	7,414,961	7,715,169	8,053,616
Entrance Fee Amortization	(5,448,868)	(6,297,140)	(6,499,411)	(6,245,715)
Net Entrance Fees Received	6,555,391	7,708,765	8,180,498	6,436,241
Net Revenue Available for Debt Service	\$ 12,501,824	\$ 14,347,974	\$ 16,080,081	\$ 11,617,215
Maximum Annual Debt Service	\$ 3,428,309	\$ 3,764,845	\$ 3,764,845	\$ 3,764,845
Debt Service Coverage Ratio Actual	3.65	3.81	4.27	3.09

SUNNYSIDE PRESBYTERIAN HOME

**Financial Covenants Consolidated entities (includes Sunnyside, Kings Grant, Summit Square)
Reporting Purposes Only**

	Year End 2019 Actual	Year End 2020 Actual	Year End 2021 Actual	Year End 2022 Actual
DEBT TO CAPITALIZATION RATIO				
Annual Year End Measurement Not to Exceed .60				
Long Term Debt	\$ 44,635,651	\$ 53,337,093	\$ 51,088,816	\$ 48,764,466
LT Debt+Unrestricted Net Assets+Def Rev Ent Fees	\$ 121,091,832	\$ 134,547,134	\$ 143,742,957	\$ 134,750,864
Debt to Capitalization Ratio Actual	36.9%	39.6%	35.5%	36.2%

SUNNYSIDE PRESBYTERIAN HOME

Financial Covenants Consolidated entities (includes Sunnyside, Kings Grant, Summit Square)

	Year End 2019	Year End 2020	Year End 2021	Year End 2022
UNRESTRICTED DAYS CASH ON HAND				
Annual Year End Measurement Minimum 150 Days				
Total Expenses	\$ 42,957,423	\$ 44,692,412	\$ 46,568,921	\$ 51,368,118
Depreciation	(6,801,503)	(7,419,962)	(7,715,169)	(8,053,616)
Operating Expenses (excluding depreciation)	\$ 36,155,920	\$ 37,272,450	\$ 38,853,752	\$ 43,314,502
Daily Expense (one "day" cash)	\$ 99,057	\$ 102,116	\$ 106,449	\$ 118,670
Days Cash on Hand Actual	391	439	525	420
Cash	\$ 2,414,443	\$ 2,012,921	\$ 3,214,320	\$ 1,661,427
Investments	36,321,469	42,850,863	52,624,910	48,237,946
Total Cash On Hand Available for Calculation	\$ 38,735,912	\$ 44,863,784	\$ 55,839,230	\$ 49,899,373

Exhibit G

Resident Reservation Agreement and Admissions Policies/Guidelines

SUNNYSIDE COMMUNITIES
(Sunnyside, King's Grant, and Summit Square)
RESIDENT RESERVATION AGREEMENT

INTRODUCTION

THIS RESERVATION AGREEMENT is made this ____ day of _____, 20____, by and between SUNNYSIDE PRESBYTERIAN HOME, a not-for-profit corporation organized and incorporated under the laws of the Commonwealth of Virginia (the "Corporation") and _____ ("Resident," if two persons, they are referred to herein, sometimes jointly, sometimes severally, as the "Resident," and the obligations of two such persons shall be joint and several).

AGREEMENTS

I. Reservation Fee. Resident agrees to pay the Corporation a non-refundable reservation fee of \$_____ (which equals the first month's fee) for the reservation of Unit #_____, at _____ Community, for the term of 30 days. The parties agree that the payment of this fee will reserve the Unit for a period of 30 days and will be applied to the first month of occupancy if the Resident occupies the Unit within 30 days of the execution of this Agreement. The Corporation cannot hold the Unit for a period greater than 30 days without renewal of this Agreement by payment of another 30 days' fee by the Resident 10 days in advance of the expiration of this Agreement. The term of this Agreement may be extended for 30-day intervals; however, either party may terminate this Agreement with 10 days' notice.

II. Serious Deterioration of Health. In the unlikely event that the Corporation determines that the health of the Resident (or either of them, in the case of a couple) has deteriorated to such an extent that he/she (or either of them in the case of a couple) is precluded through illness, injury or incapacity from moving into the selected unit, the Corporation may terminate this Agreement at any time prior to the Date of Occupancy

III. Miscellaneous. The Resident's rights under this Agreement may not be transferred to any other person. This Agreement constitutes the entire Agreement between the Resident and the Corporation, and no waiver or modification hereof shall be valid unless made in writing and executed by the Resident and the Corporation. This Agreement, including its validity, the capacity of the parties hereto, its form, interpretation of its language, and any questions concerning its performance and discharge, shall be governed by and construed in accordance with the laws and judicial decisions of the Commonwealth of Virginia.

SIGNATURES

_____ (Resident)

_____ (Resident)

SUNNYSIDE PRESBYTERIAN HOME

BY: _____

**SUMMIT SQUARE
POLICY AND PROCEDURE**

SUBJECT: Marketing Criteria for Process of
Admissions – Independent Living

NO. A 1.1

REVIEW: Annually

PAGE 1 of 2

APPROVED: 

ISSUED / REVISED: 061598/022002/103003/120304/42605/020507/032811
060512/032113/041414/052016/081417/081318/102119
091020/080422

POLICY:

Independent Living Units

Prospective residents (individuals or a couple as a unit) must be physically and mentally capable of maintaining all necessary functions of independent living and be at least 55 years of age.

Necessary functions shall include the normal activities of daily living. The prospective resident(s) should, at a minimum, be able to:

- | | |
|------------------------------|-------------------------------------------|
| 1. Ambulate or move about | 5. Secure groceries and supplies |
| 2. Cook and clean | 6. Demonstrate socially accepted behavior |
| 3. Feed oneself | 7. Maintain orientation to environment |
| 4. Maintain personal hygiene | 8. Able to manage medications |

All prospective residents for Independent Living at Summit Square shall be screened and evaluated according to guidelines for financial and medical assessments.

PROCEDURE:

1. **Prospect's First Visit**

Summit Square has a two-fold objective to accomplish during the prospect's first visit:

- a. Make the sale
- b. Assess the prospect's capability of functioning in his/her desired level of living.

The Marketing Director will be the prospect's primary (and possibly only) contact during this visit. He/she or an Ambassador will take the prospect on a tour of the community and may invite the prospect to lunch.

The Marketing Director will make notes of their observations and other facts they may have learned, if there is a reason for concern.

2. **Applications**

Prospects will receive applications upon their request. The application will be returned to the Marketing Director.

Upon receipt of the application, the Marketing Director will review it for completeness and email to the corporate office for approval. Once approved, the Marketing Director will put the prospect on the Active or Future Waiting List.

3. **When a living unit becomes available, the Marketing Director will:**

- a. Get a financial update if the application is over six months old or if there have been major changes in finances.
- b. Arrange for a time for the prospect to view the available unit.

4. **Physician's Examination**

A physician's examination is obtained by the Marketing Director prior to admission to Summit Square. The Marketing Director will write or call the prospect addressing the following:

- a. Physician's Medical Certificate: call the prospect and instruct him/her to make an appointment with their physician for a medical examination if the physician determines an examination is necessary.
- b. Mail or fax the Medical Certificate to the applicant's physician.
- c. The Marketing Director will have the clinic RN and Director of Social Services evaluate the prospect if there is concern or questions based on the medical certificate/observations about the prospect's appropriate level of living.

5. **Financial Update**

The Marketing Director should review the revised financial information promptly after its receipt. If income falls outside the guidelines for adequacy, if its future availability is not assured, if it is marginal, or if there are any other questions concerning the prospect's financial viability, she should consult with the Executive Director. It is then faxed to the Chief Financial Officer for approval.

6. **Admissions Committee**

When necessary, the Admissions Committee, consisting of the Executive Director and the Marketing Director will meet to review prospects under consideration for admission. All the factors heretofore described should be evaluated in the decision process.

**SUMMIT SQUARE
POLICY**

SUBJECT: Admission to the Assisted Living
Center – Responsibilities

NO. H 5.4
REVIEW: Annually
PAGE 1 of 2

ISSUED/REVISED: 072707/031008/032408/060909/062110/041111
070912/042513/042814/060115/052016/103119/
112520

APPROVED: _____

POLICY:

Upon admission to the Assisted Living Center, physician orders will be processed accurately, required assessments will be completed and the resident (and family if applicable) will be oriented to the unit and familiarized with the immediate surroundings.

A. The Social Worker will:

1. Facilitate the admission process
 - a. Ensure proper documentation secured for admission
 - b. Ascertain whether laundry services are desired
 - c. Create name tag for resident's room
2. Notify interdisciplinary team (IDT) of admission via e-mail
3. Make copies of insurance information
4. Scan admission paperwork into the electronic health record (EHR)
5. Obtain resident photograph for EHR

B. The IDT will act as follows:

1. The Executive Assistant will:
 - a. Enter resident demographics for EHR face-sheet
 - b. Assign physician for EHR face-sheet
 - c. Enter pharmacy into EHR
 - d. Enter necessary billing data into EHR
2. The Clinical Coordinator or designee will:
 - a. Obtain necessary admission paperwork (Medical Certificate, Tuberculosis screening) from social worker or physician
 - b. Process physician orders
 - c. Ensure admission assessments are completed
 1. Uniform Assessment Instrument
 2. Elopement Risk Assessment
 3. Fall Risk Assessment
 4. Skin Assessment
 - d. Assign admission vital signs and weights
 - e. Ensure service plan is developed on admission or prior to
 - f. Notify dining services of diet orders
 - g. Notify nursing staff who will:
 1. Obtain admission vitals, height, weight
 2. Work collaboratively with housekeeping services to ensure resident belongings are stored

3. Orient resident to the following:
 - a. Room
 - b. Bed
 - c. Bathroom
 - d. Meal times
 - e. Call bell system
 - f. Emergency response procedures
 3. The Life Enrichment Director will:
 - a. Assign pendant call-bell to resident
 - b. Ensure Life Enrichment team assesses for activity preferences
 4. The Housekeeping Supervisor will:
 - a. Coordinate labeling process for all resident clothing
 1. If purchased name labels are desired, the housekeeping supervisor will arrange for purchase with the resident and/or attorney-in-fact
 - b. Work collaboratively with nursing staff to ensure resident belongings are stored
- C. Re-Admission
1. Readmissions will be conducted as outlined above or at the discretion of the Director of Health Services.

**SUMMIT SQUARE
POLICY**

SUBJECT: Admission to Skilled Nursing
Team Responsibilities

NO. H 5.4.1

REVIEW: Annually

PAGE 1 of 3

ISSUED / REVISED: 061598/080803/082603/123004/010305
53105/61406/030507/032408/060909
041111/052212/042513/042814/060115
52016/091819/112520/120221

APPROVED: _____

BR

POLICY:

Upon admission to the Skilled Nursing Center, all physician orders will be processed accurately. Required assessments will be completed and the resident and/or family will be oriented to their new living environment.

I. For All Residents:

1. The nursing staff will familiarize resident with room, bed, bathroom, call bell, and SARA pendant.
 - a. Allow resident to activate call bell and SARA pendant (if appropriate) to demonstrate understanding.
2. Assist resident in arranging belongings in the room and closet. The Social Worker will ascertain whether he/she will desire laundry services. (See H 6.9).
 - a. The Director of Environmental Services will coordinate name labeling of clothing.
3. The Social Worker will ascertain whether a telephone is desired. If desired, the Social Services Coordinator will send a maintenance request, including former room number, extension (if applicable), and present room number. If resident is moving from within the Summit Square Community and the phone is being transferred from that location, include this information and room number on the form.
 - a. Two types of telephone service are available:
 1. **Service Within the Facility Only – No Charge.**
 2. **Outside Facility Service – Extra Charge.**
4. Nursing will obtain resident's vital signs every shift for 72 hours and weight on admission, and twice daily, then 4 times weekly and monthly thereafter.
5. Nursing will complete:
 - a. The Nursing Admission Assessment.
 - b. Elopement Assessment

- c. Fall Assessment
 - d. Skin Assessment – Braden Scale (at risk for decubiti)
6. The MDS Coordinator will complete an initial care plan within 24 hours of admission and complete an AIMS scale as appropriate.
 7. Physicians' Orders are to be completed by the Unit Manager or the charge nurse:
 - a. Verify physician orders via telephone if MD did not initial orders.
 - b. Notify primary physician that resident must be examined within 48 hours unless the primary physician was responsible for the discharge orders from the hospital
 - c. Transcribe all orders into the EMR which also populates the MAR and TAR
 - d. Orders will be sent to pharmacy via integration with PCC. Some orders may need to be faxed directly per pharmacy director.
 8. The Unit Manager or charge nurse will notify the Dining Services Department regarding diet orders by e-mailing the Director of Dining Services and completing and sending a written diet slip to the Gallery.
 9. The Social Worker will send out an admission notice via status change e-mail, which will prompt the following:
 - a. Social Worker to complete a name tag for room
 - b. Social Worker to take resident's photograph for EMR
 - c. Life Enrichment Director to assign the SARA pendant
 - d. Director of Environmental Services to complete the Inventory of Personal Property form
 10. Notify the Social Worker to complete the following:
 - a. Make a copy of resident's insurance information and scan into EMR
 - b. Prepare face sheet information in the EMR
 11. All admission orders must be re-written for each resident who is re-admitted to Skilled Nursing (after hospitalization). Follow procedure in #9 and #10 of this policy.
 12. At re-admission, the MDS Coordinator or Director of Health Services will evaluate the resident for changes in MDS status and complete assessments indicated by the MDS.
 13. At re-admission, the charge nurse will complete a re-admission Nursing Assessment.

II. For Skilled Nursing Residents:

1. Document date, time, method of transport of resident

2. "Resident is admitted to SNF because _____ (here list the skilled services the resident will receive)."

3. Each shift, the nurse should document the following:
 - a. Vital signs
 - b. Activity tolerance (including hours out of bed)
 - c. Basic nursing head-to-toe assessment
 - d. Each and every contact with physician, including reason and response
 - e. Abnormal test results and action you took
 - f. Mental status (alert and oriented X3, X2, alert to self.....)
 - g. Response to treatment(s)
 - h. Response to therapy(s)
 - i. Pain level

Exhibit H

Resident Grievance Procedure



RESIDENT GRIEVANCE PROCEDURE

Dear _____:
(Please print or type Resident's name.)

Although we work hard to provide care and to meet your needs, we recognize that there may at times be disagreements with policy or you may feel your rights as a resident have been infringed upon. In such cases, you are encouraged to voice your concern in the following manner:

1. If the complaint is a simple and legitimate one that is within a staff member's ability to resolve, share the concern with staff, and your complaint will be resolved as quickly as circumstances allow. If the staff member cannot resolve your problem, he/she will advise you of further steps to be taken to have your concern addressed.
2. You may share your concern with the Executive Director, who will discuss your grievance openly with you and try to resolve the problem.
3. If your grievance is still unresolved to your satisfaction, it should be put in writing (by you or with the assistance of a staff person) and presented to the Executive Director to be presented to the Management Staff at the next weekly meeting.
4. If, after taking the foregoing action, you still feel your concerns have not been sufficiently addressed by Management, you may contact the following agencies regarding your grievance:

➤ **RESIDENTS LIVING IN AN ASSISTED LIVING FACILITY SHOULD CONTACT:**

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(a) Virginia Dept. of Social Services
 Contact: Robin Ely
 57 Beam Lane, Suite 102
 Fishersville, Virginia 22939
 (p) 540.332.2330
 (f) 540.332.7748</p> | <p>(b) VA Association of Area Agencies on Aging
 State LTC Ombudsman
 24 East Cary Street, Suite 100
 Richmond, Virginia 23219
 (p) 804.565.1600 or 800.552.3402</p> |
| <p>(c) Adult Protectives
 1.888.832.3858</p> | <p>(d) Valley Program for Aging Services
 1.866.816.9020</p> |

Sunnyside and Summit Square residents call:
 Valley Licensing Office – 540.332.2330

➤ **RESIDENTS LIVING IN A NURSING FACILITY SHOULD CONTACT:**

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(a) Virginia Department of Health
 Office of Licensure and Certification
 9960 Mayland Drive, Suite 401
 Richmond, Virginia 23233
 (p) 800.546.7545</p> | <p>(b) Valley Program on Aging Services
 Local Ombudsman
 John Brownlee
 P.O. Box 817
 325 Pine Avenue
 Waynesboro, Virginia 22980
 Email: john@vpas.info
 (p) 540.949.7141 or 800.868.8727
 (c) 540.471.9244
 (f) 540.949.7143
 www.vpas.info</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

I have reviewed and understand the Resident Grievance Procedure received on this date.

Signed: _____

Date: _____

Exhibit I

Financial Summary

Sunnyside Presbyterian Home
Summit Square Campus
December 31, 2022

	Current Year	Budget	Favorable (Unfavorable) \$	Fav (Unfav) %
Total Revenues	\$ 8,989,027	\$ 8,494,159	\$ 494,868	5.8%
Total Expenses	8,752,096	8,365,528	(386,568)	-4.6%
Operating Income	236,931	128,631	108,300	84.2%
	2.6%	1.5%		
Fellowship support (included in revenue above)	\$ 86,067	\$ 121,803	\$ 35,736	29.3%

Narrative on financial condition:

Total revenue was favorable to budget as service revenue was favorable across the board, led by assisted living revenue which was bolstered by greatly improved occupancy in memory care. Although wage inflation and staff utilization caused us to lag budget in a number of expense categories, particularly in nursing, we were able to exceed planned operating margin. Fellowship continues to run at a very manageable level in relation to the related services revenue and was favorable to budget.

Sunnyside Presbyterian Home
Summit Square Campus
December 31, 2022

	Current Year	Prior Year	Increase (Decrease)	% Change
Total Assets	\$ 18,054,774	\$ 18,372,223	\$ (317,449)	-1.7%
Total Liabilities	12,567,587	12,652,046	(84,459)	-0.7%
Total Net Assets	5,487,187	5,720,177	(232,990)	-4.1%
Total Revenues	8,989,027	8,038,165	950,862	11.8%
Total Expenses	8,752,096	7,785,717	966,379	12.4%
Operating Income	236,931	252,448	(15,517)	-6.1%
<i>Operating Income Margin</i>	2.6%	3.1%		
Net Income	\$ (232,994)	\$ 558,747	\$ (791,741)	-141.7%
Fellowship support (included in revenue above)	\$ 86,067	\$ 104,646	\$ (18,579)	-17.8%

Narrative on financial condition:

Operating income decreased \$16k (6.1%) driven by an expense increase of over 12% which largely was offset by a revenue increase of 11.8%. The revenue increase was driven by an increase of 14% in service revenues. All lines of care were up but the biggest was AL as the Memory Care census (which opened in 2020 and was significantly impacted by the pandemic) increased from an average of 70% in 2021 to 85% in 2022. The \$966k increase in operating expenses related primarily to labor wage actions well above normal focused primary on nursing, large increases in areas such as dining and activities as we were celebrated post-covid life on the campus and finally, we experienced significant inflationary pressures in most cost categories, particularly utilities. Despite the immaterial decrease in operating income, Summit Square went from net income in 2021 of \$559k to a net loss in 2022 of \$233k. This \$792k swing was due to a \$639k unrealized loss on investments, partially offset by a \$169k credit related to the fair value of the swap agreements which were assets at the end of 2022 as the swaps have an inverse relationship with interest rate increases above what were originally anticipated at the time the agreements were negotiated. This unrealized loss, net of funds added to the investment portfolio, translated to a \$484k decline in investments. This and decreases in accounts receivable related to aging improvement was partially offset by fixed asset additions, net of accumulated depreciation and the fair value of the swap agreements being as asset. Liabilities were down as due to the change in the fair value of the swap from a liability in 2021 to as asset in 2022 as noted, \$230k paydown of long-term debt and a decrease in the deferred revenue from advance fees.

Occupancy Information	Capacity of Units	Average Occupancy	Percentage Occupancy
Independent living	79	61	78%
Assisted Living	18	17	96%
Memory Care	17	14	85%
Healthcare	18	17	95%