



**Registration and Disclosure Statement**

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY  
3100 SHORE DRIVE  
VIRGINIA BEACH, VIRGINIA 23451**

THE FILING OF THIS DISCLOSURE STATEMENT WITH THE STATE CORPORATION COMMISSION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT OF THE COMMUNITY BY THE STATE CORPORATION COMMISSION.

JANUARY 30, 2023

Summary of Financial Information  
Westminster-Canterbury on Chesapeake Bay  
As of September 30, 2022 and 2021

	FY 2022	FY 2021
Total Assets	\$ 203,869,236	\$ 196,013,213
Total Liabilities	209,520,432	197,478,058
Total Net Assets	(5,651,196)	(1,464,845)
Total Revenues	69,359,074	70,077,492
Total Expenses	66,234,513	64,847,675
Operating Income (Loss)	3,124,561	5,229,817
Change in Net Assets without Donor Restrictions	\$ (4,186,351)	\$ 6,816,553

Narrative on Financial Condition:

Westminster-Canterbury at Chesapeake Bay (“WCCB”) had a solid financial performance for the fiscal year. We generated a positive Operating Income of \$3.1M in a year with significant headwinds – rising inflation and wage pressures. The Change in Net Assets without Donor Restrictions was driven by Unrealized Losses of (\$7.1M) due to the decline in the financial markets. \$22.6M of cash was received from proceeds of Advance Fees, net of refunds. This amount exceeded the budget by \$3.9M and indicates that demand for our product and services remains strong.

The FY22 Debt Service Coverage Ratio, a key measure of financial stability, ended the year at 5.3X, which compared favorably to the full-year bond requirement of 1.2X.

DCOH for consolidated Westminster-Canterbury on Chesapeake Bay and Subsidiaries at the end of the fiscal year was 330 days, down from the prior year due to poor financial market performance (unrealized losses) and investing in real estate as an asset class to expand the reach of our mission. Total consolidated assets are \$274.1M compared to \$221.3M the prior year.

Level of Care	Capacity	Average Occupancy	Occupancy %
Independent Living	445	407	92%
Assisted Living	63	80	79%
Nursing Care	84	99	85%

**I. NAME, ADDRESS AND LEGAL STATUS OF THE CONTINUING CARE PROVIDER.**

**Name:** Westminster-Canterbury on Chesapeake Bay

**Business Address:** 3100 Shore Drive  
Virginia Beach, Virginia 23451

**Jurisdiction In Which Provider Is Organized:** Virginia

**Type of Organization:** Westminster-Canterbury is a non-profit, non-stock Corporation formed pursuant to the provisions of the Virginia Non-Stock Corporation Act, as Codified in Title 13.1 of the Code of Virginia of 1950, as amended.

**II. INFORMATION ABOUT OWNERSHIP OF THE COMMUNITY.**

All of the land and buildings that constitute the community are located at the above address and are owned by the provider.

**III. INFORMATION ABOUT THE PROVIDER'S OFFICERS, DIRECTORS, TRUSTEES, MANAGING AND GENERAL PARTNERS, AND CERTAIN PERSONS WHO HOLD EQUITY OR BENEFICIAL INTERESTS.**

A. The Trustees of the provider are elected as a self-perpetuating board:

<b>Episcopalian Trustees</b>	<b>Presbyterian Trustees</b>
Mr. Ronald Ripley	Mrs. Katherine C. Willis, CFA, CIC
Mr. Elwood B. Boone III	The Rev. Albert G. Butzer, III
Mr. Charles D. Robison	Mrs. Lisa B. Smith, Esq
Mr. George L. Compo	Mr. John D. Cavanaugh, CPA
Mr. Richard C. Burroughs	Mr. Richard B. Thurmond
Mr. Thomas C. Damuth	Dr. George Wong
	Dr. Armistead Williams

<b>Ex-Officio Trustees</b>	<b>Ex-Officio Trustees</b>
The Rt. Rev. Susan Haynes Bishop Diocesan	The Rev. Liza Hendricks, General Presbyter Presbytery of Eastern Virginia
Dr. William Hedrick, Foundation Chair	

B. The Officers of the provider are:

Chair:	Mrs. Lisa B. Smith, Esq
Vice-Chair:	Mr. John D. Cavanaugh, CPA
Secretary:	Mr. Bernard B. Boone III
Treasurer:	Ms. Katherine C. Willis, CFA, CIC
President & CEO:	Mr. J. Benjamin Unkle, Jr.
Senior Vice President, Health and Innovation, and Assistant Secretary:	Dr. Victoria Crenshaw
Chief Financial Officer, Corporate Compliance Officer, and Assistant Treasurer	Mr. David B. Myers

**IV. BUSINESS EXPERIENCE OF THE PROVIDER, ITS OFFICERS, DIRECTORS, AND TRUSTEES; ACQUISITION OF GOODS AND SERVICES FROM THE PROVIDER, ETC.; AND CRIMINAL, CIVIL OR REGULATORY PROCEEDINGS AGAINST THE PROVIDER, ETC.**

**A. Specific business experience in the operation or management of similar communities:**

1. The Provider:

Westminster-Canterbury has owned and operated the life plan/continuing care community located at 3100 Shore Drive since it began operating in 1982. Westminster-Canterbury also owned and operated the Ballentine Home, an Assisted Living Community in Norfolk, Virginia which was sold to an unrelated party on March 5, 2012.

2. Trustees:

Lisa B. Smith, Esq. currently serves as the Chair of the Board of Trustees of Westminster-Canterbury. She also serves as a community volunteer in South Hampton Roads. She has served as a Board of Director for several non-profits including, but not limited to Access College Foundation, the Chrysler Museum, Smart Beginnings South Hampton Roads, the Norfolk Forum, CHKD's Child Abuse Development Board, and the YMCA. In 2014, Ms. Smith was appointed to the Old Dominion University Board of Visitors by Governor Terry McAuliffe, serving as Vice-Rector. Before moving to this area, Ms. Smith spent nearly twenty years as an attorney in the telecommunications industry. She has worked as Senior Regulatory Counsel for MCI Corporation for eight years,

where she focused her efforts on federal and state telecommunications public policy. Ms. Smith also served as Senior Advisor to the Federal Communications Commission Commissioner.

John D. Cavanaugh currently serves as Vice-Chair on the Board of Trustees for Westminster-Canterbury, and is Partner and co-founder of Cavanaugh Nelson PLC and a graduate of Virginia Tech. He serves as Treasurer on the Board of Trustees of Westminster-Canterbury. Mr. Cavanaugh helped form Cavanaugh Nelson in January 2000 after twenty years “Big Four” experience, the last eight of which he served as a partner in the Norfolk office of Price Waterhouse. John’s experience includes providing audit and management advisory services to private companies, financial institutions, healthcare entities, and non-profit organizations primarily located in the mid-Atlantic region. In addition to John’s client services experience, he serves or has served on the Board of Directors of the Westminster Canterbury on the Chesapeake Bay, the Boys and Girls Clubs of South Hampton Roads, the Economics Club of Hampton Roads (co-Founder), the Virginia Chapter of the American Heart Association, the ODU Center for Economic Education, the Greater Norfolk Corporation, and as a member of the Advisory Boards of the Virginia Tech Department of Accounting and the Old Dominion University College of Business and Public Administration. In addition to John's business and civic affiliations, he has served on the Board of Directors of the Norfolk Yacht and Country Club, the Cedar Point Club and the Town Point Club. John is also a member of the AICPA and VSCPA.

Elwood Bernard “Bernie” Boone III is the current Secretary on the Board of Trustees for Westminster-Canterbury, and joined Sentara Healthcare on August 15, 2012 as the President of Sentara Virginia Beach General Hospital. Bernie joined the Board of Trustees of Westminster-Canterbury January 2020. Previously, he served as Chief Executive Officer of multiple hospitals over a 16-year career with Hospital Corporation of America (HCA) in Virginia, New Hampshire, and Texas. As President of Sentara Virginia Beach General Hospital, Mr. Boone has led the development of a master facility plan and secured a \$53 million capital investment to support expansion of Surgical Services and the opening of a new ICU. In partnership with the City of Virginia Beach, Mr. Boone oversaw the commencement of the VB Strong Center designed to provide support and resources to individuals impacted by the May 31, 2019 shooting at the Virginia Beach Municipal Center.

Katherine Willis serves as the Treasurer for the Board of Trustees of Westminster-Canterbury and is a Partner with Cerity Partners, a private wealth management firm overseeing \$60 billion for families and businesses nationwide. She is a graduate of Randolph College, earned her Chartered Financial Analyst designation in 1996, and has over 30 years of broad investment and finance experience. Ms. Willis has served on numerous non-profit boards state-wide during her career and currently serves on the Board of the Sandler Center Foundation for the Performing Arts, Virginia Beach Vision, Horizons Hampton Roads, the Advisory Board of Townebank Virginia Beach, and is an Elder of First Presbyterian Church in Virginia Beach.

Richard “Dick” Thurmond is Chairman of the Board of Howard Hanna William E. Woods, the number one real estate organization in Southeastern Virginia. He currently serves on the Board of Trustees for Westminster-Canterbury. He also served on the Westminster-Canterbury Foundation for two terms and is a past Board Chair of the Foundation. Mr. Thurmond received his Bachelor of Science in Marketing from Old Dominion University. He is a certified Real Estate Brokerage Manager and Graduate of the Realtors Institute. Mr. Thurmond serves or has served as Director of TowneBank, President Real Estate Information Network (REIN), Director for Tidewater Association of Realtors and Virginia Association of Realtors, Board of Directors for the Chesapeake Bay Academy, Chairman of the Old Dominion University Annual Fund, Chairman of the Armed Forces Committee Hampton Roads Chamber of Commerce - Norfolk Division, Director Virginia Peninsula Economic Development, member and Director of Cape Henry Rotary Club, volunteer, and fundraiser for Equi kids Therapeutic Riding Program and Elder of Bayside Presbyterian Church.

Richard Burroughs spent more than 45 years in the Commercial Real Estate Market working for Harvey Lindsey. He served in several roles with the company, including President and Vice-Chairman. Mr. Burroughs also served in the U.S. Navy. He is a graduate of Norfolk Academy and received his Bachelor of Arts degree from Washington and Lee. Mr. Burroughs has served on several boards, including the Westminster-Canterbury Foundation Board and the Norfolk Academy Board of Directors. He has also been a Senior Warden for Galilee Episcopal Church in Virginia Beach.

Reverend “Al” Butzer grew up in a Presbyterian family in Buffalo, New York, where his grandfather was a minister, his father an elder in the church, and his mother the music teacher in the church’s weekday nursery school. A graduate of Tufts University near Boston, Rev. Butzer holds two degrees from Princeton Theological Seminary. Before his call in 2007 to First Presbyterian Church, Virginia Beach, he served churches in Short Hills, New Jersey, Oak Park, Illinois, and Fairfax, Virginia. In addition to working in the local congregation, Rev. Butzer has been active in presbytery throughout his ministry and was elected the 1992 Moderator of Chicago Presbytery. He has served three times as a commissioner to the General Assembly of the Presbyterian Church. He is the author of a book of sermons titled Tears of Sadness; Tears of Gladness.

George L. Compo is President of Compo Construction Company in Norfolk. He received a Bachelor of Science degree in Building Construction from Virginia Tech University and remains an avid Hokie fan. Mr. Compo serves on the Westminster-Canterbury Board of Trustees and the Virginia Tech construction school advisory board. He is also the state chair for the Association of General Contractors.

Charles Robison, who goes by the nickname “Chick” is a retired Banker. He was a senior executive with R/E Finance. Chick is a graduate of Hampden-Sydney College and R/E School of Finance through the American Bankers Association. He has served on the Board of Norfolk Botanical Garden and has been Chairman of the Norfolk Wetland Board. Chick is also a member of the Norfolk Rotary Club.

Dr. George Wong is a Clinical Instructor of Family Medicine and Assistant Professor of Clinical Family and Community Medicine at Eastern Virginia Medical School. Since 1981 he has also been with Sentara Bayside Family Practice and the Team Physician for Bayside High School. He was recently named the Medical Director at Virginia Wesleyan University Student Health Clinic. Dr. Wong is very involved in the Hampton Roads community, having served on many boards, including 38 years on the Chinese Community Association of Hampton Roads Board of Directors. He is also a Church Elder at Bayside Presbyterian. He joined the Westminster-Canterbury Board of Trustees in January 2018.

Ronald C Ripley is President of Ripley Heatwole Company, Inc., a multifamily real estate and development firm with affiliates, including a Class-A General Contractor, Mortgage Banking Services, Property Management Services, and Telecommunications. Ronald Ripley is a Principal in RH Builders, Inc., a multifamily construction company; Virginia Financial Advisors, Inc., a commercial mortgage finance company; and TELCOM Systems, L.L.C., a telecommunication company. Mr. Ripley entered the business in 1970 and has extensive experience in all facets of the multifamily real estate and development business, from affordable family and senior housing to mixed-use luxury apartments. To date, the Ripley Heatwole Company has developed over 5,300 multifamily housing units throughout the State of Virginia. Ronald Ripley is a graduate of Old Dominion University with a Bachelor of Science from the Darden College of Education. He also holds the professional appraisal designation of Senior Real Property Appraiser (SRPA) from the American Institute of Real Estate Appraisers.

Dr. Armistead Williams graduated from Princeton University and the University of Virginia Medical School. He performed a 2 year internal medicine residency at Medical College of Virginia and his Neurology Residency at the University of Virginia. He is certified by the American Board of Psychiatry and Neurology and the American Board of Electrodiagnostic Medicine. His area of interest includes stroke, dementia and general neurology. He is a member of the Sentara Medical Affairs Committee and is Stroke Director at Bon Secours DePaul Hospital.

Clint Damuth is President of Damuth Trane, a Chesapeake-based professional energy services company that specializes in providing building solutions to clients. He earned a B.A. from Virginia Tech and M.B.A. from Old Dominion University. He began his career with Damuth in the early '80s and after serving in several leadership roles was named President in 2000 and the Hampton Roads Trane Franchise Holder for Commercial Systems in 2016. Mr. Damuth has served in several roles with the Hampton Roads Chamber and currently serves on Admin Support and the Music Ministries at Bayside Presbyterian Church. Clint serves on the Southside Board of Old Point Bank, and has been a board member of the Academy of Music, LEAD Hampton Roads (LEAD Graduate Class of 2006), and served as President of the National Association of Trane Franchise Holders.



### 3. Managing Officers:

J. Benjamin Unkle, Jr. is President and CEO of Westminster-Canterbury, a developer/operator of senior living communities, and provider of back office support services to other senior living providers. Prior to joining Westminster-Canterbury, Mr. Unkle was Senior Vice President of Western Operations for Erickson Living, a national leader in senior housing and health care. Mr. Unkle had leadership responsibility for eight Continuing Care Retirement Communities in that position. The part of the organization under his charge had over \$200M in revenue. Before joining Erickson Living, Mr. Unkle practiced law with DLA Piper (formerly Piper & Marbury), headquartered in Baltimore, MD. He earned his B.A. degree in Government & Politics and his Juris Doctor, both with honors, from the University of Maryland.

Joan Punch is the President of Senior Options, a Home Health and Hospice advisory group, and Westminster-Canterbury at Home, a home health and hospice agency in Virginia Beach. She previously served as Vice President of Operations & Clinical Services for Senior Options. She has over 30 years of experience in Home and Community-Based Services (HBCS), in Hospitals, and Life Plan Communities.

Ms. Punch's compassion, energy, and focus have been evident throughout her career. She has expertise in implementing new Home Health and Hospice operations as well as supporting existing agencies in operational and financial improvement. In addition, she is an expert in operational audits, consulting, and leadership for Home Health and Hospice. Also, she is mission-focused on leadership and creating healthy organizations that bring out the best in people.

Ms. Punch has a Bachelor's Degree in Nursing from The University of Cincinnati and a Master's Degree in Organizational Development and Positive Change Management from the Weatherhead School of Management, Case Western Reserve University. Ms. Punch is Certified in Emotional Intelligence and Appreciative Inquiry.

Dr. Victoria Crenshaw is Senior Vice President of Health and Innovation. She is the subject matter expert in all healthcare-related areas. She is developing innovative ways to drive the programs and processes on the Westminster-Canterbury campus and in our community. She has consistently led her teams to produce

outstanding clinical outcomes with CMS 5 Star designation, employing cutting-edge benchmarking tools and strategies. Dr. Crenshaw is a Geropsychologist with a Master's Degree in Gerontology and a doctorate in Developmental Psychology with a concentration in Aging. She has an extensive healthcare clinical and operations background. She has served as the Vice President of a nationwide healthcare organization providing oversight to 126 skilled and assisted living centers in nine states. She also served as the Vice President of Programs and Services for the Alzheimer's Association, National Capital Division.

David B. Myers is the Chief Financial Officer and leads the financial aspects of the community. He is an accomplished and self-directed organizational leader with over 27 years of financial management experience in the senior living and healthcare industries. Before becoming the Chief Financial Officer in 2018, Mr. Myers served as the Controller of Westminster-Canterbury for 17 years, providing his expertise in financial and operational management, corporate taxes and regulatory compliance, debt restructuring, and business process improvements. Before joining Westminster-Canterbury, Mr. Myers worked for ten years for Riverside Health System, a flagship regional medical system, as an Internal Auditor and Assistant Controller in its long-term division. Mr. Myers is a CPA and has a BS in Accounting from Pennsylvania State University.

Timothy Tivvis currently serves as the Executive Director and Vice President of Campus Operations at Westminster-Canterbury on Chesapeake Bay (WCCB.). Mr. Tivvis was a General Manager for Compass Group Inc., a hospitality service management company, prior to joining WCCB. In addition, Mr. Tivvis served Compass as a Regional Platinum Service Champion partnering with ten Compass communities on operational standards and chaired a national Diversity & Inclusion Action Council for two years. Mr. Tivvis is a graduate of the Culinary Institute of America in Hospitality Management and Baking & Pastry, and an Associate Certified Coach (ACC) from the International Coaching Federation. Mr. Tivvis has begun working on a degree in Organizational Management through Purdue University Global.

3. Independent contractors hired to manage the community:

The community has some managerial assistance in dining services, but its operations are managed daily by employees of the Provider.

**B. Name and address of any professional service, firm, association, foundation, trust, partnership or corporation or any other business or**

**legal entity in which an officer, director or the like has, or which has in such person, a ten percent or greater direct or indirect interest and which it is presently intended will or may provide goods, leases or services to the provider of a value of \$500 or more, within any year, including:**

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

Neither the provider nor any of its members or other persons named in the previous section has a ten percent or greater direct or indirect interest in any professional service, firm, association, foundation, trust, partnership or corporation or any other business or legal entity (collectively "Entity"), and no such Entity has a ten percent or greater direct or indirect interest in any such person or Entity which it is presently intended will or may provide goods, leases or services to the provider of a value of \$500 or more within any year.

**C. Description of any matter in which an officer, director, or the like:**

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

**embezzlement, fraudulent conversion, or misappropriation of property.**

Neither the provider nor any of its Trustees or Officers are or have been subject to any of the actions described in paragraphs 1, 2, and 3 above.

**AFFILIATIONS WITH RELIGIOUS, CHARITABLE OR OTHER NON-PROFIT ORGANIZATIONS; TAX STATUS OF PROVIDER.**

- v. **A. Religious Affiliation and Financial Responsibility of Affiliates:**  
As previously noted, the corporation was founded by the Episcopal Diocese of Southern Virginia and the Presbytery of Eastern Virginia, Presbyterian Church (U.S.A.). Leaders of the two church bodies serve on the Board of Trustees but are not, and will not be in any way, legally responsible for the financial and contractual obligations of the provider.
- B. Federal Tax Exemption:**  
Westminster-Canterbury on Chesapeake Bay has been determined to be tax-exempt and has such status under Section 501 (c) (3) of the Federal Internal Revenue Code. The certificate and letter setting out such tax exemption are available upon request to Westminster-Canterbury.

vi. **LOCATION AND DESCRIPTION OF REAL PROPERTY AND STATUS OF ANY CONSTRUCTION THEREON.**

Westminster-Canterbury opened its original residential and health care community (the “Community”) in March of 1982 on a 12.2-acre site fronting on the Chesapeake Bay at 3100 Shore Drive in Virginia Beach, Virginia, approximately 13 miles from the business center of Norfolk and 5 miles from the oceanfront resort area of Virginia Beach. The Community originally contained 335 independent living residential units, consisting of studio, one and two-bedroom units in a 14-story high-rise structure (the “East Tower”), a swimming pool, exercise room, assorted meeting and dining rooms, lobbies, lounges, offices, and a licensed nursing home (the “Health Care Center”) containing 75 beds. Construction began in January of 1980 and the Community opened for occupancy in March of 1982.

In 1985, Westminster-Canterbury undertook the construction of 14 additional health care center private rooms and a 36-unit two-story assisted living center (the “Assisted Living Center”) to accommodate residents, provide an additional level of care and expand the physical therapy department and resident clinic. Construction was completed in 1986.

In 1985, the Ballentine Home Corporation, a 74-bed home for adults located in Norfolk, Virginia, was organized by the Episcopal Diocese of Southern Virginia and the

Presbytery of Eastern Virginia of the Presbyterian Church (U.S.A) and incorporated as a non-profit non-stock corporation. In February 2005, Westminster-Canterbury became the sole member of the Ballentine Home. Before that time, Westminster-Canterbury provided contracted management services to the Ballentine Home. On March 5, 2012, the Ballentine Home assets were sold to an unrelated party. The Ballentine Home has no operations; however, the proceeds from the sale are held by the Ballentine Home to further the mission of Westminster-Canterbury.

In 1993, construction began on an additional floor to the Assisted Living Center and renovations to the Health Care Center to provide more private beds. This addition increased the number of assisted living units from 36 to 53 and private nursing beds in the Health Care Center from 17 to 37. Construction was completed in 1994.

In 1996, Westminster-Canterbury purchased its first unit in the three-story, 30 unit, elevator-equipped condominium complex known as Casa del Playa located on the Chesapeake Bay adjacent to the Community at its eastern border. Westminster-Canterbury has now purchased 29 of these 1,350 sq. ft. units (the "Villas"), which have been assigned to residents who prefer a low-rise "cottage" type residential apartment but still want to enjoy the full program of services offered to residents in the Community. Two Westminster-Canterbury representatives serve on the Board of the Condominium Association.

During 1999, in anticipation of new construction, the first floor of the East Tower began converting independent living apartments into assisted living units. By the end of the fiscal year 1999, the number of assisted living beds had increased from 53 to 64.

In early 2000, construction was started on an expansion of the Community, which included a new 14-story residential wing ("the West Tower") that added 164 new independent living apartments, a 435 space covered parking garage, a 350 seat auditorium, a new exercise room with indoor pool and a new chapel. The Expansion Project also expanded the number of assisted living beds to 81, which included a new 14-bed memory support facility.

Renovations were made to all of the common areas in the East Tower, including a new country store and a resident business/computer office. The dining venues were renovated and expanded to include a new café for casual dining. Construction was completed at the end of March 2002 and residents began occupying the West Tower in April 2002.

In February 2006, Westminster-Canterbury completed a program of bed conversions that changed the configuration of its units/bed mix. Twenty-one assisted living beds on the third floor of the Health Care Center were converted into 20 skilled nursing beds. The additional beds are certified for the Medicare program, but not Medicaid.

The number of assisted living beds increased from 81 to 95 through the conversion of independent living apartments on the third floor of the East Tower.

In November 2008, a \$2.5 million dining services renovations project was undertaken to expand and modernize Westminster-Canterbury's dining program. The project included a new lounge with full liquor service, a new cook to order, an open kitchen area known as "Center Stage," a new Bistro offering informal café style dining, and a full-service restaurant offering upscale menu selections.

In 2013, Westminster-Canterbury created *Westminster-Canterbury at Home, LLC*, a wholly-owned limited liability company organized under the laws of the Commonwealth of Virginia. Westminster-Canterbury at Home provides Westminster-Canterbury's home health, hospice and related services.

In 2015, Westminster-Canterbury created *Senior Options, LLC*, a wholly-owned limited liability company organized under the laws of the Commonwealth of Virginia. Senior Options assists unrelated non-profit organizations in providing high-quality home and community-based health care programs to their patients. Senior Options provides administrative, quality assurance, education, training, billing, and other advisory services to other senior living organizations.

In 2016, Westminster-Canterbury created *S.O. Realty, LLC*, a wholly-owned limited liability company organized under the laws of the Commonwealth of Virginia. S.O. Realty owns an office building that provides office space for Senior Options, LLC and Westminster-Canterbury at Home, LLC. Also, one outside tenant leases space within the building.

In October 2016, Westminster-Canterbury began a \$36.4M campus-wide revitalization project. The project, completed in May 2019, consisted of the following:

- Turning semi-private rooms into private rooms in The Hoy Center (healthcare center) and creating a neighborhood model on all four floors.
- Building a new, larger, state-of-art rehabilitation center (adding 13 new units).
- Constructing a new Wellness Center addition to promote life-long healthy living.
- Remodeling dining venues and most ground floor areas throughout the community.

During 2018, Westminster-Canterbury purchased the capital stock of the *Lynnhaven Fishing Pier Corporation*, a Virginia corporation that has made an S- Corporation election and its related property for \$6,000,000. The purchase price was allocated to land on the accompanying consolidated balance sheets. Westminster-Canterbury is now the sole owner of Lynnhaven.

During 2019, Westminster-Canterbury purchased six additional Case del Playa condominiums and now owns 29 of the 30 units.

In February 2019, Plante Moran, a certified public accounting and business advisory firm, published an article in McKnight's Senior Living identifying Virginia Beach as one of the three hot metro areas needing more senior living development. The article reaffirmed Westminster-Canterbury's own investigation about the local market and the need for additional senior living housing. Westminster-Canterbury began the preliminary stages of

analyzing the feasibility (demand, pricing, building size, costs, etc.) of constructing a modernized” Assisted Living / Memory Care building and new waterfront Independent Living tower (“Expansion Project”) on an adjacent piece of property purchased in 2018. Outside consultants were engaged to assist in the analysis. In March, a Conditional Use Permit (“CUP”) application was presented to the City of Virginia Beach Planning Commission seeking approval to use the property to further the organization’s mission and purpose.

In May 2019, Westminster-Canterbury signed a purchase and sales agreement with the Casa del Playa Condominium Unit Owners’ Association to purchase the entire property, which included the 30 units and common elements, for \$15M. The purchase agreement was fully executed on August 20. Since Westminster-Canterbury already owned 29 of the 30 units, the actual cash purchase price was \$500,000. The project will be used as part of the Expansion Project.

On September 22, 2020, Virginia Beach City Council approved Westminster-Canterbury’s Expansion Project. The Expansion Project will consist of two phases. Phase I is the construction of a seven-story Assisted Living (AL) and Memory Support (MS) building with approximately 75 licensed AL apartments, approximately 48 MS Apartments, adult care program and dining facilities, and other amenities over one level of parking. Upon completion of the new AL/MS building, renovations to the existing East Tower campus property will convert the current East Tower assisted living space to approximately 34 independent living units with new lighting, plumbing, HVAC, laundry, and finishes. Phase I is scheduled to begin construction in 2024. Phase II is the construction of a new 22-story waterfront Independent Living Tower called the “Bay Tower.” The Bay Tower will be home to 225 apartments ranging from 710 sq. ft. studios to 2,675 sq. ft. two bedrooms/den apartments. As part of the 225 apartments, The Bay Tower will feature 39 highly sought-after Flats that wrap around the first five floors of the parking garage. The Flats range in size from 950 sq. ft. to 2528 sq. ft. The Bay Tower will be full of new amenities, including casual and outdoor dining, a Theater, Sip & See Paint Shop, Game Room, and a Rooftop Amenity Deck on top of our five-story parking garage. The Amenity Deck will include outdoor seating and dining, a plunge pool, outdoor gaming activities and many other unique features. The 19th Floor will also be home to a Sky Lounge complete with a Wine Bar and breathtaking views from the East and West. Presales for the Bay Tower began in August 2022.. All of the numbers and timeframes shown above are based on current estimates and may change with the completion of final plans and the state of the economy. The current plan is to issue publicly offered tax-exempt bonds to finance the Expansion Project.

In September 2021, Senior Options Community was incorporated in September 2021 as a non-profit Virginia nonstock corporation, the sole member of which is Westminster-Canterbury. Senior Options Community, governed by a board of directors appointed by the Board of Trustees of Westminster-Canterbury is a self-supporting, tax-exempt organization organized for charitable and religious purposes, including providing housing and health care to aged persons. Senior Options Community is not a member of the Obligated Group, which consists of Westminster-Canterbury on Chesapeake Bay and Westminster-Canterbury Foundation.

On December 15, 2021, Senior Options Community acquired the Overture, a 172-unit, 62+ rental apartment community located at 3317 Ocean Shore Avenue, Virginia Beach, VA 23451. The Overture, built in 2017 and less than a mile from our flagship Life Plan Community, is a preeminent beach-front rental community that offers resort-style living with best-in-class amenities and exceptional views. Senior Options Community secured a \$48.5M loan to finance the purchase, and Westminster-Canterbury on Chesapeake Bay and Westminster-Canterbury Foundation provided a \$12 million limited guaranty. The Organization believes that purchasing the Overture presented a unique opportunity to expand its mission without taking construction and absorption risk. During 2022, the Overture was rebranded as Opus Select.

As of September 30, 2022, Westminster-Canterbury has 441 independent living residential units (including 21 villas), 80 assisted living units, and 108 licensed nursing care beds. Assisted living in the East Tower is licensed by the Department of Social Services. All nursing care beds are licensed by the Department of Health and are certified by the Center for Medicare Services. Also, 12 of the nursing care beds are certified by the Center for Medicaid Services.

## **VII. SERVICES PROVIDED UNDER CONTINUING CARE CONTRACT.**

See **Exhibit 7** for a copy of the current Residence and Services Agreement.

### **A. Services provided that are included in the basic contract:**

1. Shelter and related services:
  - Use of an apartment or health-related accommodations
  - Allelectric kitchen (with microwave, dishwasher)
  - Flooring
  - Window blinds
  - Individually controlled heating and air conditioning
  - Bathroom safety features
  - Laundry facilities available on each floor of the East Tower
  - West Tower apartments are provided with washer/dryer
  - Smoke detectors and emergency alarm system
  - All utilities (including heat, air-conditioning, electricity, water, and sewerage)
  - Local telephone hookup and 24-hour switchboard service
  - Basic television service
  - Security services
  - Maintenance supervision of buildings and grounds
  - Real estate taxes, if applicable
  - Emergency generator and lighting system
  - Trash chutes on each floor



2. Dining Services:
  - The monthly fee includes a flexible spending account that is sufficient to provide one complete dinner meal per day.
  - Residents may purchase additional meals on an a la carte basis.
  
3. Housekeeping Services:
  - Vacuuming
  - Dusting
  - Floor maintenance
  - Necessary bathroom and kitchen cleaning
  - Changing of bed linens
  - Window washing
  - Laundry facilities also are available on each floor where washer/dryers are not available in the units.
  
4. Maintenance of buildings, grounds and furnished appliances
  
5. Medically Related Services:
  - Access to Clinic services (extra charges may apply)
  - Health services in your unit in case of accident or temporary illness (some extra charges may apply)
  - Nursing care and physical assistance care as needed in designated Assisted Living units and in the Health Care Center (some extra charges may apply)
  
6. Incidentals:
  - Individual mailbox
  - Private dining room that may be reserved for special occasions
  - Craft rooms for ceramics, art, weaving, sewing, woodworking, etc. (residents supply materials, Westminster-Canterbury provides tools)
  - Gardening areas
  - Social, recreational, health, educational, and religious activities for those interested
  - Two swimming pools and additional facilities for exercise and health maintenance (Wellness)

**B. Other services provided at additional cost:**

**Below is a listing of additional charges which may not be all-inclusive:**

- Health care services not listed above (e.g., most Clinic, Hospitalization, and Rehabilitation services) that are described in C

below, most of the costs for which should be covered by a resident's Medicare or other health care insurance program.

- Medications, special treatments, supplies, laboratory tests and physician fees
- Transportation, personal laundry, beauty shop and some activity outings, long-distance phone calls, IT support, and WiFi access
- Group travel for special cultural, social, sporting, and scenic excursions
- Daily delivery of newspapers
- Additional meals, guest meals, and accommodations (See **Exhibit 1** for current charges)
- Laundry services
- If the resident fails to maintain a level of cleanliness and repair in their apartment acceptable to Westminster-Canterbury, Westminster-Canterbury has the right to provide additional cleaning, maintenance, and repair services and charge the resident for them.

**C. Health care services:**

Westminster-Canterbury offers an extensive array of health care services to its residents. These include Clinic services, skilled and intermediate nursing care, Assisted Living arrangements for hospitalization, emergency services and other services. These services are described in more detail below. A high percentage of nursing care in the Health Care Center and other medical services costs are covered jointly by Medicare and a Medicare supplement policy carried by the resident. Residents are expected to carry Medicare Parts A & B or a supplemental health insurance policy. Residents not eligible for Medicare will be expected to carry equivalent health insurance coverage at their own expense. When receiving nursing care in the Health Care Center and Memory Support Center, residents must be served three meals a day. When insurance does not cover such charges, residents will pay for the additional meals (See **Exhibit 1** for information concerning specific charges.)

1. Clinic Services:

All residents of Westminster-Canterbury have complete freedom of choice in selecting a physician. For the convenience of residents,

Westminster-Canterbury has contracted with qualified physicians to hold regular hours for consultation in a variety of specialties. The charges for such visits are billed to the provider's Medicare and Third Party insurance. To the extent these charges are not covered by insurance, the resident pays these charges. Laboratory services are available for routine tests and procedures and billed to Medicare, Third Party Insurance, or the resident. Special screening clinics are held from time to time. These screening clinics are voluntary and typically held free of charge.

2. Skilled Nursing Services and Intermediate Care Services:

As a function of the continuum of care, some residents may require skilled nursing or intermediate care services in the Health Care Center. Normally such services involve a short-term illness, a return to Westminster-Canterbury following a period of hospitalization, or on a continuing, long-term care basis. The Health Care Center is a skilled nursing facility licensed by the Virginia Department of Health. Skilled Nursing Facility medical and health care services provided in the Health Care Center will be billed to Medicare and the resident's co-pay insurance carrier when appropriate. Residents lacking Medicare or insurance coverage will receive an invoice for these services. Residents who stay in Stone Rehab longer than their Medicare and/or Managed Care skilled care requirements will be charged the standard skilled care room rate. Any ancillary charges will be billed privately as well. Residents in the Health Care Center on a non-skilled, long-term care basis will be charged their monthly fee plus any additional ancillary charges. While in the Health Care Center, residents will be charged for specialized equipment and supplies. Three meals are provided daily in the Health Care Center and residents will be billed for those meals not already covered by Medicare to the resident's existing monthly meal plan.

3. Assisted Living:

Assisted Living provides a program of care for individuals that are appropriately assessed for that level of care, based on the Virginia Department of Social Services Uniform Assessment Instrument. This program of care will provide an environment that encourages wellness, independence self-worth and enhances socialization. Twenty-four-hour assistance is available for certain aspects of residents' care. Licensed nursing staff and/or certified nursing staff will provide this assistance.

Licensed nurses and/or certified medication aides administer medications in accordance with the physicians', and physician

extenders instructions and as indicated by the Uniform Assessment Instrument. Residents who are dependent on medication administration will be required to obtain their medications through a pharmacy that provides unit dose packaging, which may incur an additional charge.

4. Services to Apartments:

a. Licensed Nurse Services:

A variety of services to residents is available seven days a week. These services include professional nurse visits for emergency calls, medication administration and treatments as prescribed by your physician and response to an emergency medical situation. Some visits require a fee for service, while others are provided as a courtesy.

Guidelines for Emergency Nurse Fee for Non-Emergency Service  
Current rates available upon request:

- Residents who receive treatments in the Clinic during on the weekend may be charged when an Emergency Nurse provides this service.
- Residents with physician-ordered treatments that need to be administered in the apartment.
- Resident follow-up care after leaving the hospital or Health Care Center against medical advice.
- Residents who are not on the weekend treatment schedule and come to the Clinic for treatment will be charged.
- Residents who request a non-emergency apartment visit.
- Residents who do not come to the Clinic during scheduled medication administration times.
- Residents who require the assistance of the nurse to coordinate physician interventions for a plan of treatment in a non-emergency situation.
- Medication delivery to your apartment.

b. Personal Care Assistant Services:

Personal Care Assistants are available through Westminster-Canterbury at Home for a fee for scheduled visits to provide limited assistance with activities of daily living such as bathing, dressing, laundry and light meal prep.

5. Hospitalization:

Major surgery and many diagnostic and medical services will require hospitalization. Westminster-Canterbury has made agreements with area hospitals, two of which are located within five miles of Westminster-Canterbury for the transfer of residents needing hospitalization. Generally, such hospital and transportation costs are covered by insurance. To the extent not covered by insurance, the resident pays these costs.

6. Emergency Services:

The resident may sound an emergency alarm switch in the bathroom of each apartment which will summon help immediately. Nurses are on duty 24 hours a day in the Health Care Center. Additional charges may be imposed for these emergency services

7. Other Services:

Physical therapy, occupational therapy, speech therapy, and other special services are available by appointment and physician's order. The costs for such services are borne by Medicare and ThirdParty Insurance, and to the extent not covered, are borne by the resident.

Additionally, to the extent that other services are not covered by Medicare or Third Party Insurance, the resident pays for medicine, drugs, vitamins, food supplements, dental work, glasses, hearing aids, and other health-related items.

## **VIII. FEES REQUIRED OF RESIDENTS.**

### **A. Payment of Fees:**

#### 1. Entrance Fee:

See **Exhibit 8** for current Entrance Fees and **Exhibit 3** for changes in those fees over the last five years. The Entrance Fee entitles the resident to occupancy of an apartment at the appropriate level of care and use of all facilities. It is payable as follows:

- a. The Entrance Fee must be paid in full on or before the earlier of the following: (i) the resident's assigned occupancy date, which date shall be not earlier than seven (7) days after the execution of the Residence and Services Agreement by both the resident and Westminster-Canterbury, or (ii) ninety (90) days after you sign the Residence and Services Agreement.
- b. Generally, any rights to residential care benefits start at the age of 62..
- c. Westminster-Canterbury offers several Entrance Fee options for each apartment. The Entrance Fee for a given apartment varies based on which refund option and/or medical assistance option the resident selects. These options are spelled out in the Appendices to the Residence and Services Agreement that is attached hereto as **Exhibit 7**. While the refund policies for Entrance Fees and Monthly Fees are outlined principally in the Appendices to the Residence and Services Agreement, they also are discussed in Articles II, VI, VII, IX, and XII of the Residence and Services Agreement.  
Once an applicant has agreed in a Residence and Services Agreement to pay a particular Entrance Fee, there are no provisions for adjusting that Entrance Fee unless (i) another person takes up residence in the resident's apartment, (ii) the resident moves to another apartment, or (iii) unless otherwise required by State or Federal assistance programs. The Entrance Fee to be charged to a new applicant may be adjusted from time to time prior to signing a Residence and Services Agreement in order to account for economic and market fluctuations.
- d. Any part of the 10% Deposit or balance of the Entrance Fee that a prospective resident pays to Westminster-Canterbury prior to the prospective resident's assigned occupancy date will be placed in an escrow account with a bank selected by

Westminster-Canterbury. The escrowed funds are not subject to claims of Westminster-Canterbury's creditors. The bank may not release the prospective resident's escrowed funds except in accordance with the escrow agreement governing that account and the terms set forth below. The principal balance of any such advance payment will not be released to Westminster-Canterbury until the prospective resident moves into the community or until Westminster-Canterbury makes a suitable apartment available on or after the prospective resident's assigned occupancy date, whichever is earlier.

The principal balance of any such advance payment will be released to the prospective resident:

- i. if such amount is still on deposit with the escrow agent on the date three years after such was deposited with the escrow agent (the "Deposit Date") or such later date (not later than six years after the Deposit Date without the express written approval of Virginia's State Corporation Commission) as is expressly agreed to in writing by the prospective resident and Westminster-Canterbury, but only if such agreement is entered into at least two years after the Deposit Date and if the escrow agent has received written notice thereof.
- ii. if the prospective resident dies before his assigned occupancy date and such amount has not become the property of a co-resident pursuant to the terms of the Residence and Services Agreement of the prospective resident;,or
- iii. if the Residence and Services Agreement has been rescinded prior to the prospective resident's assigned occupancy date without liability pursuant to the terms thereof or pursuant to Title 38.1, Chapter 31, Code of Virginia 1950, as amended, and such amount has not become the property of a co-resident pursuant to the terms of the Residence and Services Agreement of the prospective resident.

The escrow agent will be entitled to deduct reasonable charges for its services from the income generated by the escrowed funds. If this income is insufficient to cover all

charges, then on a pro-rata basis from the principal balance of such prospective resident's advance payments.

2. Monthly Fees:

See **Exhibit 8**, attached, for current Monthly Fees. Monthly Fees charged to a resident may be adjusted by Westminster-Canterbury after giving thirty (30) days advance notice to that resident or as otherwise required by State or Federal programs. Westminster-Canterbury will endeavor to maintain Monthly Fees as low as reasonably possible without sacrificing the quality of services, the maintenance of the facilities, and sound financial practices. **Exhibit 3** describes all changes in Monthly Fees and average amounts of increases over the past five years (minimum).

3. Health Care Center Charges:

Generally, the charges for skilled nursing care, Clinic and some limited nursing care services provided to a resident are paid by Medicare, Blue Cross/Blue Shield or some other third-party insurer of the resident. In those limited instances where some of the charges are not covered by such third parties, the resident shall be responsible for the payment of those charges not otherwise covered. Those health services charges that are set by the provider (e.g., Assisted Living Services and Health Care Center room charges, meal charges and health care services provided by employees of the provider) may be adjusted by the provider from time to time by giving 30 days prior notice of such charges or notice otherwise required by State and Federal programs. Health care charges are not "periodic charges" or "recurring fees" since they are not incurred regularly and their amount and duration are highly dependent upon the resident's medical needs. On average, however, charges for health care services controlled by the provider have not increased by more than 10% per year since the provider began operating the community.

**IX. RESERVE FUNDING.**

A debt service reserve fund with an amount in excess of the maximum annual debt service (principal and interest payments) on the Series 1999A, 2004A, 2004B and 2005 bonds was required to be held in trust by U.S. Bank. As these bonds were paid in full during the 2015 fiscal year, the debt service reserve fund was no longer required and therefore had a zero balance since September 30, 2019.



**X. CERTIFIED FINANCIAL STATEMENTS FOR LAST TWO FISCAL YEARS.**

The certified Consolidated Financial Statements and Supplementary Information for the two most recent fiscal years ended, with the Independent Auditors' Report, are attached as **Exhibits 4**.

**XI. PRO FORMA INCOME STATEMENT FOR CURRENT YEAR.**

Attached as **Exhibit 5** is a pro forma schedule of income and expenses projected for the current and prior years, with notes describing the major assumptions used in developing the pro forma statement. **Exhibit 6** is a schedule showing the prior fiscal year pro forma income statement compared to actual results explaining significant variances.

**XII. ANTICIPATED SOURCE AND APPLICATION OF PURCHASE OR CONSTRUCTION FUNDS.**

Westminster-Canterbury opened for business on March 29, 1982. The information that normally would be contained in this section is required to be reported only for communities that have not yet commenced business and as such, is not applicable to Westminster-Canterbury.

**XIII. CRITERIA FOR ADMISSION OF NEW RESIDENTS.**

New residents must be at least 62 years of age to receive residential LifeCare benefits. Persons younger than age 62 may enter, if entering with a qualified applicant, under a Boarding Agreement. New residents must meet the following general and specific physical and mental criteria:

A. General Criteria for Independent Living:

One must be able to perform without assistance from others all activities of daily living, including the ability to access the dining room for meals, negotiating all other necessary areas of the building and functioning compatibly at Westminster-Canterbury so that the resident is contributing to and benefiting from the community.

B. Specific Criteria for Independent Living - Residents Must:

1. Be able to access the dining room or provide own nourishment.

2. Be able to operate the washers and dryers. Private domestic help may be hired, if this is by choice and not a necessity, in adherence with Westminster-Canterbury's policies.
3. Attend to light housekeeping such as making a bed, washing dishes, keeping the apartment tidy, keep refrigerator contents "current" and not overloaded. Residents may hire domestic help for these services at their own expense in adherence with Westminster-Canterbury's policies, if by choice and not a necessity.
4. Dress appropriately and be able to maintain their personal hygiene at a socially acceptable and healthy level.
5. Make provision for their own transportation.
6. Handle their own business affairs or make provision for proper handling.
7. Be in physical and mental condition, which would normally enable them to initiate emergency help if needed in their apartments and to react promptly and intelligently to fire alarms or other disaster signals.
8. Be able to use kitchen equipment intelligently and safely.
9. Be able to use apartment facilities without extensive physical changes.
10. Maintain reasonable mental, physical and emotional behavior appropriate to community living. Examples of inappropriate behavior would be: knocking on a neighbor's door in the middle of the night for a non-emergency, excessive calling on neighbors for help, making disturbances in corridors or other public areas of the building, etc.
11. Be able to negotiate the building adequately, managing elevators, doors, and other customary environmental barriers.
12. Be mentally capable of keeping abreast of rules and regulations of the community with respect to safety, security and other necessary directives for community living.
13. Be continent of bowel and bladder.

14. Not have a high risk of early or prolonged need for health care services as judged by evaluation of medical reports and examinations.
15. Display compatibility with communal living.

Additionally, new residents must demonstrate the financial wherewithal to provide the following sums:

- a. Entrance Fee.
- b. Monthly Fee.

If an applicant does not have the above sums available, he may be granted or approved to receive Financial Assistance by Westminster-Canterbury for admission.

Section VII B of the Residence and Services Agreement sets forth the provider's criteria for new residents if a resident marries a non-resident.

#### **XIV. ACCESS TO COMMUNITY BY NON-RESIDENT:**

##### **A. Guests:**

The third paragraph on page two (2) of the Residence and Services Agreement sets forth the policy concerning visitors:

"You will be free to invite guests to your apartment for daily and overnight visits. Westminster-Canterbury will maintain guest rooms for your use on a first-come, first-serve basis at a reasonable rate. Westminster-Canterbury reserves the right to make rules regarding visits and guest behavior and may limit or terminate a visit at any time for reasons it deems appropriate."

In addition, Paragraph B, on the same page provides:

"You may purchase additional meals for yourself and your guests at the guest meal rates then in effect."

##### **B. Special Functions:**

Westminster-Canterbury, from time to time, will schedule special functions and events by outside organizations for the benefit of residents and/or staff.

C. Health Care Center and Assisted Living Facilities:

Westminster-Canterbury residents have priority access for admission to the Health Care and Assisted Living Facilities. To the extent space is available, these facilities may be utilized by other outside community residents.

**XV. SPECIAL INFORMATION REQUIRED BY COMMONWEALTH.**

None at present.

**XVI. PROCEDURE FOR RESIDENT TO FILE A COMPLAINT OR DISCLOSE CONCERNS.**

**Exhibit 9** is a copy of a form that is completed by each resident upon entrance to Westminster-Canterbury. The form is an acknowledgment of the resident's receipt of The Resident Bill of Rights (**Exhibit 10**) and of the resident's understanding of the grievance procedure. The Bill of Rights is posted within the community, and a review is held annually. Residents are invited to attend this review. In addition, copies of The Bill of Rights are available to everyone in our Library.

Residents are also encouraged to communicate grievances and concerns. There are several avenues through which this can occur: i.e., one-to-one conversation with a staff member, Resident committees, Resident Association and the Resident Relations Committee of the Board of Trustees.

**EXHIBIT 1**

**CHARGES EFFECTIVE OCTOBER 1, 2022**

**Resident Meal Plans**

<b><u>Monthly Meal Plans:</u></b>	
Additional 60 meals per month (available only to Healthcare residents)	\$ 380.40
Absence Credit	(\$6.34) per day (minimum of 28 consecutive days)
Reduced Away Credit	(\$3.78)
<b><u>Quarterly Flexible Dollar Meal Plans:</u></b>	
\$1,280 per quarter flexible dollars (included in monthly fee) (represents 91 meals * \$14.06 Beach Front dining room average menu price)	(included)
\$773 per quarter flexible dollars (credit toward monthly fee) (represents 55 meals * \$14.06 Beach Front dining room average menu price)	\$ (76.05)
\$1,673 per quarter flexible dollar supplemental add-on option – available to Enhanced Service residents only	\$60.00

**Guest Rooms**

Starfish Villa Condo (weekly rate, minimum of 1 week)	\$1,500.00
Urchin Road Condo (daily rate, minimum of 2 nights)	\$250.00
Guest room with breakfast (taxes not included)	\$120.00
Daily Cot Rate	\$ 20.00

**EXHIBIT 2**

**DAILY ROOM RATES FOR RESIDENTIAL CARE SERVICES**

	<b>Effect. 10/1/18</b>	<b>Effect. 10/1/19</b>	<b>Effect. 10/1/20</b>	<b>Effect. 10/1/21</b>	<b>Effect. 10/1/22</b>
<b>HEALTH CARE</b>					
Intermediate Private – Cape Henry	N/A	N/A	N/A	N/A	\$417
Intermediate Private – All Others	\$411	\$411	\$411	\$411	\$411
Intermediate Suite	\$354	\$354	\$354	\$354	\$354
Skilled Private	\$558	\$558	\$558	\$558	\$558
<b>ENHANCED SERVICES</b>					
Studio	\$257	\$257	\$257	\$257	\$272
1 Bedroom	\$272	\$272	\$272	\$272	\$288
(2 <sup>nd</sup> person)	\$139	\$139	\$139	\$139	\$147
Memory Impaired	\$302	\$302	\$302	\$302	\$320

**EXHIBIT 3**

**HISTORICAL FEE INCREASES**

<b><u>Fiscal Year</u></b>	<b><u>Monthly Fees</u></b>	<b><u>Entrance Fees</u></b>
2014	2.90%	0%-3.5%
2015	2.86%	0%-4%
2016	3.94%	3%-5%
2017	3.89%	Avg. 4.9%
2018	3.78%	1.9%-6.6%
2019	4.20%	2.0%-8.0%
2020	4.81%	2.0%-5.0%
2021	4.24%	3.0%-5.0%
2022	1.35%	5%
2023	6.54%	3%-7%

See following pages for details on specific apartments.

**EXHIBIT 4**

**PRIOR TWO YEARS\* AUDITED STATEMENTS**



**WESTMINSTER-CANTERBURY ON CHESAPEAKE  
BAY AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**



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**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Westminster-Canterbury on Chesapeake Bay  
and Subsidiaries  
Virginia Beach, Virginia

We have audited the accompanying consolidated financial statements of Westminster-Canterbury on Chesapeake Bay and Subsidiaries, which comprise the consolidated balance sheets as of September 30, 2021 and 2020, and the related consolidated statements of operations and changes in net assets (deficit) without donor restrictions, changes in net assets (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. For the year ended September 30, 2021, we also conducted our audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Trustees  
Westminster-Canterbury on Chesapeake Bay  
and Subsidiaries

**Opinion**

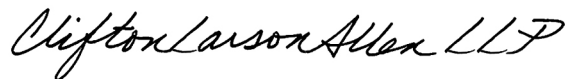
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Westminster-Canterbury on Chesapeake Bay and Subsidiaries as of September 30, 2021 and 2020, and the consolidated results of their operations, changes in their net assets (deficit), and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis-of-Matter Regarding Changes in Accounting Principle**

As discussed in Note 1 to the consolidated financial statements, Westminster-Canterbury adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2016-02 *Leases (Topic 842)*, which provides new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and financial leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2022, on our consideration of Westminster-Canterbury on Chesapeake Bay and Subsidiaries' 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 Westminster-Canterbury on Chesapeake Bay and Subsidiaries' 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 Westminster-Canterbury on Chesapeake Bay and Subsidiaries' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
January 27, 2022

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2021 AND 2020**

<b>ASSETS</b>	2021	2020
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 28,695,666	\$ 8,220,806
Receivables	3,176,137	3,958,127
Accrued Interest Receivable and Other	3,284,159	3,226,837
Total Current Assets	35,155,962	15,405,770
 <b>ASSETS LIMITED AS TO USE</b>		
Externally Restricted Under Residency Agreements	2,027,264	1,330,836
Externally Restricted Under Escrow Agreement	499,500	-
Externally Restricted Under Bond Indenture Agreements	383,590	383,899
Total Assets Limited As To Use	2,910,354	1,714,735
 <b>INVESTMENTS</b>	57,398,119	55,852,423
 <b>PROPERTY, PLANT, AND EQUIPMENT, NET</b>	125,857,228	124,182,419
  Total Assets	\$ 221,321,663	\$ 197,155,347

*See accompanying Notes to Consolidated Financial Statements.*

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (CONTINUED)**  
**SEPTEMBER 30, 2021 AND 2020**

	2021	2020
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 8,862,826	\$ 6,877,079
Accrued Interest	303,825	304,948
Reservation Fees	567,020	556,020
Current Portion of Refundable Advance Fees	399,000	416,000
Deferred Revenue - Provider Relief Funding	-	477,967
Current Portion of Leases Payable	70,275	-
Current Portion of Long-Term Debt	1,571,284	1,499,224
Total Current Liabilities	11,774,230	10,131,238
<b>ADVANCE FEES AND DEPOSITS</b>		
Advance Fee Deposits	2,009,147	1,398,770
Refundable Advance Fees	10,872,892	4,400,190
Deferred Revenue from Advance Fees	96,329,955	91,743,490
Total Advance Fees and Deposits	109,211,994	97,542,450
<b>DEFERRED ANNUITY OBLIGATIONS</b>	368,829	395,197
<b>LEASES PAYABLE, LESS CURRENT PORTION</b>	176,878	-
<b>LONG-TERM DEBT, LESS CURRENT PORTION</b>	74,924,903	76,654,115
Total Liabilities	196,456,834	184,723,000
<b>NET ASSETS (DEFICIT)</b>		
Without Donor Restrictions	9,875,935	(384,016)
With Donor Restrictions:		
Purpose Restricted	12,719,465	10,561,186
Perpetual in Nature	2,269,429	2,255,177
Total Net Assets	24,864,829	12,432,347
Total Liabilities and Net Assets	\$ 221,321,663	\$ 197,155,347

See accompanying Notes to Consolidated Financial Statements.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN**  
**NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>		
Resident Services, Including Amortization of Deferred Revenue from Advance Fees of \$12,846,566 and \$11,574,926 in 2021 and 2020, Respectively	\$ 50,996,102	\$ 48,212,624
Home and Community Based Services	12,170,687	11,243,905
Contributions	705,974	397,850
Investment Income	5,230,864	866,664
Other	3,111,515	3,009,507
Net Assets Released from Restriction for Operations	1,282,218	1,776,729
Total Revenues, Gains, and Other Support	73,497,360	65,507,279
<b>EXPENSES</b>		
Resident and Community Based Services	24,268,905	23,113,498
Dining Services	7,551,022	7,611,658
Housekeeping and Laundry	2,233,631	2,255,031
General and Administrative	14,248,494	14,037,408
Plant Maintenance	3,024,053	3,031,314
Depreciation and Amortization	9,634,574	9,183,160
Interest Expense	3,361,884	3,397,477
Fellowship Payments	885,305	965,933
Other	684,897	1,176,064
Total Expenses	65,892,765	64,771,543
<b>OPERATING INCOME</b>	7,604,595	735,736
<b>OTHER INCOME (LOSS)</b>		
Change in Estimated Value of Deferred Annuity Obligations	463	(13,587)
Net Change in Unrealized Gains (Losses) on Investments	2,654,893	2,630,086
Total Other Income (Loss)	2,655,356	2,616,499
<b>EXCESS OF REVENUES, GAINS, AND OTHER SUPPORT OVER EXPENSES AND INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>\$ 10,259,951</b>	<b>\$ 3,352,235</b>

See accompanying Notes to Consolidated Financial Statements.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (DEFICIT)**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	Net Assets (Deficit)			Total
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	
<b>BALANCE - SEPTEMBER 30, 2019</b>	\$ (3,736,251)	\$ 10,423,093	\$ 2,249,656	\$ 8,936,498
Excess of Revenues, Gains, and Other Support Over Expenses	3,352,235	-	-	3,352,235
Contributions	-	769,001	-	769,001
Investment Income	-	368,996	-	368,996
Net Change in Unrealized Gains on Investments	-	776,825	5,521	782,346
Net Assets Released from Restriction for Operations	-	(1,776,729)	-	(1,776,729)
Net Increase in Net Assets (Deficit)	<u>3,352,235</u>	<u>138,093</u>	<u>5,521</u>	<u>3,495,849</u>
<b>BALANCE - SEPTEMBER 30, 2020</b>	(384,016)	10,561,186	2,255,177	12,432,347
Excess of Revenues, Gains, and Other Support Over Expenses	10,259,951	-	-	10,259,951
Contributions	-	807,419	-	807,419
Investment Income	-	915,488	-	915,488
Net Change in Unrealized Gains on Investments	-	1,717,590	14,252	1,731,842
Net Assets Released from Restriction for Operations	-	(1,282,218)	-	(1,282,218)
Net Increase in Net Assets (Deficit)	<u>10,259,951</u>	<u>2,158,279</u>	<u>14,252</u>	<u>12,432,482</u>
<b>BALANCE - SEPTEMBER 30, 2021</b>	<u>\$ 9,875,935</u>	<u>\$ 12,719,465</u>	<u>\$ 2,269,429</u>	<u>\$ 24,864,829</u>

See accompanying Notes to Consolidated Financial Statements.



**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 12,432,482	\$ 3,495,849
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Amortization of Deferred Revenue from Advance Fees	(12,846,566)	(11,574,926)
Proceeds from Advance Fees Net of Refunds	18,978,161	11,582,682
Depreciation	9,634,574	9,183,160
Bad Debt Expense	45,443	98,770
Amortization of Deferred Financing Costs	46,216	46,215
Amortization of Bond Premium	(204,150)	(204,151)
(Gains) Losses on Sales of Investments, Net	(4,828,532)	181,600
Net Change in Unrealized Gains on Investments	(4,386,735)	(3,412,432)
Proceeds From Contributions with Donor Restrictions	(807,419)	(769,001)
Increase (Decrease) in Receivables, Other Assets, and Pledges Receivable	679,225	493,684
(Increase) Decrease in Current Liabilities Excluding Debt	1,032,531	(1,682,602)
Net Cash Provided by Operating Activities	19,775,230	7,438,848
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(20,742,391)	(9,264,770)
Proceeds from Sale of Investments	28,411,962	8,877,376
Acquisition of Property, Plant, and Equipment	(10,588,104)	(12,002,651)
Net Cash Used by Investing Activities	(2,918,533)	(12,390,045)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in Advance Deposits	610,377	262,320
Increase (Decrease) in Reservation Fees	11,000	(19,000)
Proceeds from Refundable Advance Fees	4,910,572	2,528,640
Decrease in Annuity Obligation	(26,368)	(81,927)
Proceeds from Contributions with Donor Restrictions	807,419	769,001
Repayment of Long-Term Debt	(1,499,218)	(1,427,391)
Net Cash Provided by Financing Activities	4,813,782	2,031,643
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	21,670,479	(2,919,554)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	9,935,541	12,855,095
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	\$ 31,606,020	\$ 9,935,541
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Operating Cash and Cash Equivalents	\$ 28,695,666	\$ 8,220,806
Restricted Cash included in Assets Limited as to Use	2,910,354	1,714,735
Total	\$ 31,606,020	\$ 9,935,541
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION</b>		
Property, Plant and Equipment Included in Accounts Payable	\$ 551,120	\$ 76,994
Right of Use Assets Obtained through Leases Payable	\$ 315,936	\$ -

See accompanying Notes to Consolidated Financial Statements.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Westminster-Canterbury on Chesapeake Bay: Westminster-Canterbury on Chesapeake Bay (Westminster-Canterbury) was incorporated as a nonprofit Virginia nonstock corporation in 1976 as a result of the joint efforts of the Commission on Services to the Aging, Episcopal Diocese of Southern Virginia and Tidewater Westminster Homes, Incorporated, of the Norfolk Presbytery of the Presbyterian Church in the United States. The purpose of Westminster-Canterbury, as managed by the board of trustees, is to create, maintain and operate life plan communities and to provide related services as a nonprofit organization. Westminster-Canterbury owns and operates an independent living, assisted living and health care community located in Virginia Beach, Virginia.

During 2013, Westminster-Canterbury created Westminster-Canterbury at Home, LLC (WC at Home), a wholly owned limited liability company organized under the laws of the Commonwealth of Virginia. WC at Home provides Westminster-Canterbury's home health, hospice, and related services.

During 2015, Westminster-Canterbury created Senior Options, LLC (Senior Options), a wholly owned limited liability company organized under the laws of the Commonwealth of Virginia. Senior Options assists unrelated organizations in providing high quality home and community-based health care programs to its patients. Senior Options provides administrative, quality assurance, education, training, billing, and other advisory services to other senior living organizations.

During 2016, Westminster-Canterbury created S.O. Realty, LLC (S.O. Realty), a wholly owned limited liability company organized under the laws of the Commonwealth of Virginia. S.O. Realty owns an office building that provides office space for Senior Options, LLC and Westminster-Canterbury at Home, LLC. The last outside tenant vacated the building on November 1, 2019. Annual rental income was approximately \$216,000 and \$172,000 during 2021 and 2020, respectively.

During 2018, Westminster-Canterbury purchased the capital stock of the Lynnhaven Fishing Pier Corporation (Lynnhaven), a Virginia corporation that has made an S-Corporation election, and its related property for \$6,000,000. The purchase price was allocated to land on the accompanying consolidated balance sheets. Westminster-Canterbury is now the sole owner of Lynnhaven.

Westminster-Canterbury on Chesapeake Bay Foundation: Westminster-Canterbury on Chesapeake Bay Foundation (the Foundation) was incorporated in December 1992 as a nonprofit Virginia nonstock corporation, the sole member of which is Westminster-Canterbury. The Foundation, managed by a board of directors appointed by the board of trustees of Westminster-Canterbury, is a self-supporting, tax-exempt organization that supports the mission of Westminster-Canterbury by furthering its financial assistance and fundraising goals.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

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

**Organization (Continued)**

Ballentine Home Corporation: The Ballentine Home Corporation (the Ballentine) was incorporated as a nonprofit nonstock corporation in May 1985, and was organized by the Episcopal Diocese of Southern Virginia and the Presbytery of Eastern Virginia of the Presbyterian Church (U.S.A.). Westminster-Canterbury is the sole member of the Ballentine. The Ballentine operated a 74-bed home for adults in Norfolk, Virginia. During the year ended September 30, 2012, the Ballentine entered into an asset purchase agreement and sold the Ballentine assets to an unrelated party. The Ballentine has no operations; however, the proceeds from the sale are held by the Ballentine to further the mission of Westminster-Canterbury.

On May 23, 2019, Westminster-Canterbury signed a purchase and sales agreement with the Casa del Playa Condominium Unit Owners' Association to purchase the Casa del Playa Condominium property for \$15 million. The property consists of thirty (30) individual units and common elements located at 2400 Starfish Road, adjacent to Westminster-Canterbury. On August 24, 2020, the purchase agreement was executed. Since Westminster-Canterbury already owned twenty-nine (29) of the thirty (30) units, the actual cash exchanged was \$500,000.

Senior Options Community: Senior Options Community was incorporated in September 2021 as a nonprofit Virginia nonstock corporation, the sole member of which is Westminster-Canterbury. Senior Options Community, governed by a board of directors appointed by the board of trustees of Westminster-Canterbury, is a self-supporting, tax-exempt organization. Senior Options Community was organized for charitable and religious purposes, including providing housing and health care to aged person. Senior Options Community had no activity in 2021.

**Principles of Consolidation**

The consolidated financial statements consist of the accounts of Westminster-Canterbury on Chesapeake Bay, Westminster-Canterbury on Chesapeake Bay Foundation, Senior Options, LLC, Westminster-Canterbury at Home, LLC, S.O. Realty, LLC, the Ballentine Home Corporation and the Lynnhaven Fishing Pier Corporation, collectively referred to as "WCCB" or the "Corporation." Significant intercompany accounts and transactions have been eliminated in consolidation.

**Use of Estimates**

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

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

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

**Cash and Cash Equivalents**

The Corporation considers cash and cash equivalents to include cash on hand and temporary investments, including obligations acquired with original maturities of three months or less.

The Corporation maintains cash balances at several financial institutions located within its market area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC). At times, deposits may exceed FDIC amounts.

**Allowance for Doubtful Accounts**

The Corporation provides an allowance for doubtful accounts using management's judgment. Residents and off-campus clients are not required to provide collateral for services rendered. Payment for services is required upon receipt of invoice or claim submission. Accounts past due are individually analyzed for collectability. In addition, an allowance is estimated for aged accounts based on historical experience of the Corporation. At September 30, 2021 and 2020, the allowance for doubtful accounts was approximately \$227,000 and \$236,000, respectively.

**Pledges Receivable**

Pledges receivable are recorded in the period in which the pledges are received. Pledges receivable are included in receivables, net on the consolidated balance sheets. Pledges receivable outstanding at September 30, 2021 are expected to be collected over the following terms:

Less than One Year	\$ 229,445
Two to Five Years	-
Total	<u>\$ 229,445</u>

**Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities (including funds held by Trustee) are measured at fair value in the consolidated balance sheets. Investments include mutual funds, marketable equity securities, and alternative investments with maturities generally ranging from five months to 30 years.

The fair value of marketable equity securities, bonds and other investments is based on quoted market prices. Realized gains and losses on the sale of investments are determined based on the cost of the specific investment sold.

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in operating income unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments, if any, are excluded from operating income.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

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

**Assets Limited as to Use**

Assets limited as to use are measured at fair value in the accompanying consolidated balance sheets and consist of proceeds from reservation fees restricted under residency agreements and amounts restricted under bond indenture and escrow agreements.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated on the basis of cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 40 years. The Corporation capitalizes all assets over \$500 if a single item, and over \$1,000 for a group of items.

**Deferred Financing Costs**

Financing costs incurred in connection with the issuance of long-term debt are deferred and amortized over the term of the related indebtedness, which approximates the effective interest method. Amortization expense, which is included with interest expense on the consolidated statement of operations and changes in net assets (deficit) without donor restrictions, was approximately \$46,000 for the years ended September 30, 2021 and 2020.

**Leases**

The Corporation determines if an arrangement is a lease at inception. Operating leases are included in property, plant, and equipment as right-of-use (ROU) assets and leases payable in the consolidated balance sheets. ROU assets present the Corporation's right to use an underlying asset for the lease term and lease payables represent the Corporation's obligation to make lease payments arising from the lease. ROU assets and payables are recognized at the commencement date of the lease based on present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Corporation will exercise the option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Corporation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease payables or ROU assets on the consolidated balance sheets.

**Reservation Fees**

Reservation fees are comprised of prospective residents' deposits for priority of apartments. Upon acceptance by the resident of an apartment, the reservation fee is applied to the advance fee and becomes part of deferred revenue from advance fees. Reservation fees are fully refundable, subject to certain terms and conditions of the reservation agreements.

**Advance Fees**

Residents admitted to the community pay an "advance fee" at admission and a monthly fee to cover the cost of their care. Under the Standard Contract, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 2% for each month of occupancy up to 48 months. No refund is due after 48 months of occupancy.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

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

**Advance Fees (Continued)**

In the event of the resident's death, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 2% per month if death occurs within six months of occupancy.

No refund of any amount of the advance fee will be made if death of resident occurs after six months.

Under the 50-month Declining Balance Contract, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 2% for each month of occupancy up to 48 months due to termination for any reason, including death. No refund is due after 48 months of occupancy.

Under the 50% Refundable Contract, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 2% for each month of occupancy up to 23 months due to termination for any reason, including death. The refund is never less than 50% of the advance fee paid.

Under the 90% Refundable Contract, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 1% for each month of occupancy up to six months due to termination for any reason, including death. The refund is never less than 90% of the advance fee paid.

Four additional contracts are available to residents – the limited medical assistance (365 days), limited medical assistance (180 days) contracts, 90% refundable fee-for-service contract, and a fee-for-service contract. These contracts are subject to the same refund of advance fee provisions as the Standard Contract.

In 2020, the Corporation revised all contracts to recognize the 4% nonrefundable administrative charge as other operating income upon payment of the advance fees. Prior to 2020, the nonrefundable administrative charge was recognized as deferred revenue from advance fees and amortized into income over the life expectancy of the resident. Total administrative charges recognized as other income was approximately \$921,000 and \$592,000 for the years ended September 30, 2021 and 2020, respectively.

As of September 30, 2021, 91% of the residents have entered Westminster-Canterbury under the Standard Contract.

At September 30, 2021 and 2020, the portion of advance fees subject to refund provisions amounted to approximately \$41,419,000 and \$33,905,000 respectively. Amounts expected to be refunded to current residents, based on Westminster-Canterbury's experience, are approximately \$11,272,000 and \$4,816,000 at September 30, 2021 and 2020, respectively.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

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

**Deferred Revenue – Provider Relief Funding**

In response 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 the Corporation as of September 30, 2021 was \$1,885,766. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit.

The Corporation recognized \$685,766 and \$1,200,000 as other operating revenue in the consolidated statements of operations and changes in net assets (deficit) without donor restrictions in 2021 and 2020, respectively. \$477,967 was recorded as deferred revenue in the consolidated balance sheets as of September 30, 2020. Management believes the amounts have been recognized appropriately as of September 30, 2021.

**Obligation to Provide Future Services**

Westminster-Canterbury annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents 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 the use of facilities exceeds the deferred revenue from advance fees, a liability is recorded with the corresponding charge to income (obligation to provide future services). The obligation is discounted at 4.5-6.0%, based on the expected long-term rate of return on government obligations. At September 30, 2021 and 2020, Westminster-Canterbury did not have an obligation to provide future services.

**Charitable Gift Annuities**

Assets received are recognized at fair value and an annuity liability (deferred annuity obligation) is recognized for the present value of future cash flows expected to be paid to the donor (discounted at 6% in 2021 and 2020). Contribution revenue is recognized for the difference between these amounts. Adjustments to the annuity liability are made annually to reflect changes in the discount rate or the life expectancy of the donor and are recognized as "Change in Estimated Value of Deferred Annuity Obligations" in the consolidated statements of operations and changes in net assets (deficit) without donor restrictions.

**Net Assets with Donor Restrictions**

Purpose restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Perpetually restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

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

**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 either purpose or perpetually restricted support 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 purpose restriction is accomplished, purpose restricted net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets (deficit) without donor restrictions as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without restrictions in the accompanying consolidated financial statements.

**Excess of Revenues, Gains, and Other Support over Expenses**

The consolidated statements of operations and changes in net assets (deficit) without donor restrictions include excess of revenues, gains, and other support over expenses. Changes in net assets (deficit) without donor restrictions which are excluded from operating income, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets, including assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets.

**Risks and Uncertainties**

The Corporation holds investments in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will continue to occur in the near term and that such changes could materially affect the Corporation's investment balances and the amounts reported in the consolidated balance sheets of the Corporation.

**Income Taxes**

Westminster-Canterbury, the Foundation and the Ballentine are nonprofit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

Senior Options, WC at Home, and S.O. Realty are single member limited liability companies and are considered disregarded entities for income tax purposes.

Lynnhaven is an S corporation owned 100% by Westminster-Canterbury. Any net revenue that Lynnhaven generates while remaining an S corporation will be considered unrelated business income (UBI) to Westminster-Canterbury. During the year, Lynnhaven did not generate any revenue that would generate UBI.



**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

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

**Income Taxes (Continued)**

Westminster-Canterbury, the Foundation, and Ballentine file as tax-exempt organizations. Management is not aware of any activities that would jeopardize the tax-exempt status of Westminster-Canterbury, the Foundation, or Ballentine. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for Westminster-Canterbury, the Foundation, or Ballentine.

Westminster-Canterbury, the Foundation, and Ballentine follow guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The application has had no impact on the Corporation's consolidated financial statements.

**Fair Value Measurement**

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Corporation 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 Corporation 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; and,

*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.

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.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

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

**Fair Value Measurement (Continued)**

Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange. In addition, Level 1 inputs include securities that are traded by dealers or brokers in active over-the-counter markets, such as U.S. Treasury and other U.S. government and agency mortgage-backed securities, municipal bonds, and corporate bonds. Level 2 inputs include deferred annuity obligations due from the Corporation. Assets valued using Level 3 inputs include alternative investments.

The Fair Value Option Standard for Financial Assets and Financial Liabilities allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for eligible financial assets and liabilities on an instrument-by-instrument basis. The Corporation has not elected to measure any existing financial assets or financial liabilities at fair value under this option.

**Benevolent Assistance**

Providing benevolent assistance to qualified residents is an integral part of the Corporation's mission. The Corporation has a benevolent assistance policy to provide entrance fees and/or monthly fee assistance to applicants who meet the admission requirement and have served their church and/or community, but lack sufficient resources for admission. The Corporation also provides monthly assistance to residents, who through no fault of their own, experience financial difficulties and can no longer meet their monthly obligations. These residents are identified based on financial information obtained from the resident at the time of admission. This information is subsequently reviewed and analyzed by the Corporation.

The Corporation has estimated its direct and indirect costs of providing benevolent assistance under its benevolent assistance policy. In order to estimate the cost of providing such care, management calculated a cost-to-charge ratio by comparing the cost to provide services to residents and amount charged to residents. The cost-to-charge ratio is applied to the charges foregone to calculate the estimated direct and indirect cost of providing benevolent assistance. Using this methodology, the Corporation has estimated the costs for services under the Corporation's benevolent assistance policy to be approximately \$1,246,000 and \$1,322,000 for the years ended September 30, 2021 and 2020, respectively.

The Corporation received approximately \$606,000 and \$580,000 in contributions to subsidize the costs of providing benevolent assistance under its benevolent assistance policy for the years ended September 30, 2021 and 2020, respectively.

In addition, the estimated cost related to unreimbursed Medicaid services provided was approximately \$451,000 and \$257,000 for the years ended September 30, 2021 and 2020, respectively.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

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

**New Accounting Pronouncement – ASU 2016-02**

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of the ROU assets and lease liabilities by lessees for these leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Corporation adopted the provisions of this standard effective October 1, 2020 using the modified retrospective method and the additional transition method under ASU 2018-11, which allows for a cumulative effect adjustment within retained earnings in the period of adoption. The Corporation elected the package of three practical expedients which allows companies to not reassess whether arrangements contain leases, the classification of leases, and the capitalization of initial direct costs. In addition, the Corporation elected the short-term lease recognition whereby operating lease related assets or liabilities for lease terms less than twelve months will not be recognized. The Corporation has also elected the practical expedient to not separate lease and non-lease components for all asset classes. The Corporation elected the use-of-hindsight practical expedient to reassess the lease terms for existing leases.

**Subsequent Events**

In preparing these consolidated financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through January 27, 2022, the date the consolidated financial statements were issued.

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**NOTE 2 RESIDENT AND HOME AND COMMUNITY BASED SERVICES REVENUE**

Resident and home and community based services revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing resident and home and community based care. These amounts are due from residents, patients, 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. Generally, the Corporation bills the residents, patients and third-party payors several days after the services are performed. Service fees paid by residents for maintenance, meals, and other services are assessed monthly and are recognized as revenue in the period services are rendered. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Corporation. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Corporation 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 facilities receiving skilled nursing services or housing residents receiving services in the facilities. The Corporation considers daily services provided to residents of the skilled nursing facilities, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our residents and patients in a retail setting (for example, gift shop and cafeteria meals) and the Corporation does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Corporation has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Corporation 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 Corporation's policy, and/or implicit price concessions provided to residents. The Corporation determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The Corporation determines its estimate of implicit price concessions based on its historical collection experience.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

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**NOTE 2 RESIDENT AND HOME AND COMMUNITY BASED SERVICES REVENUE (CONTINUED)**

Medicare and Medicaid

The Corporation's licensed nursing facility participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). On October 1, 2019, CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare Prospective Payment System (PPS). Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient is used as a basis for reimbursement. In addition, PDPM introduced variable adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

The Corporation's licensed nursing facility participates in the Medicaid program which is administered by Virginia's Department of Medical Assistance Services (DMAS). DMAS uses a price-based payment system to reimburse providers, which is weighted for each claim based on PDPM HIPPS codes listed on each claim. Each year DMAS publishes a priced-based total case mix rate and a total indirect rate, both of which make up the bulk of the base payment rate for each provider. The total case mix rate and the total indirect rate are determined by a preassigned peer group of geographically similar regions within Virginia. The price-based rate is weighted for the severity of care of the documented code listed for each claim. Annual Medicaid cost reports are required by the state of Virginia, however, they are not used to settle the costs of claims. Instead, the cost reports are used in the development of price-based rates and to monitor the adequacy of the reimbursement methodology.

Other

Payment agreements with certain commercial insurance carriers provide for payment using prospectively determined daily rates.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Corporation's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2021 or 2020.

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**NOTE 2 RESIDENT AND HOME AND COMMUNITY BASED SERVICES REVENUE (CONTINUED)**

Generally residents and patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Corporation estimates the transaction price for residents and patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and home and community based services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2021 and 2020. Subsequent changes that are determined to be the result of an adverse change in the resident's or patient's ability to pay are recorded as bad debt expense.

The Corporation has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, service line, method of reimbursement, and timing of when revenue is recognized.

The composition of residential and home and community based services revenue by primary payor for the years ended September 30 is as follows:

	<u>2021</u>	<u>2020</u>
Medicare	\$ 14,264,910	\$ 13,649,992
Medicaid	585,342	456,754
Private	47,795,731	44,823,528
Other	<u>520,806</u>	<u>526,255</u>
Total	<u>\$ 63,166,789</u>	<u>\$ 59,456,529</u>

Revenue from resident's and patient's deductibles and coinsurance are included in the categories presented above based on the primary payor.

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**NOTE 2 RESIDENT AND HOME AND COMMUNITY BASED SERVICES REVENUE (CONTINUED)**

The composition of residential and home and community based services revenue based on the Corporation's lines of business, method of reimbursement, and timing of revenue recognition for the years ended September 30 are as follows:

	2021	2020
Service Lines:		
Independent Living	\$ 21,380,998	\$ 24,215,728
Assisted Living	3,583,838	3,253,306
Health Care Services	13,184,700	9,168,664
Home and Community Based Services	12,170,687	11,243,905
Amortization of Entrance Fees	12,846,566	11,574,926
Total	\$ 63,166,789	\$ 59,456,529
Method of Reimbursement:		
Monthly Service Fees	\$ 26,597,859	\$ 29,293,334
Amortization of Entrance Fees	12,846,566	11,574,926
Fee for Service	23,722,364	18,588,269
Total	\$ 63,166,789	\$ 59,456,529
Timing of Revenue and Recognition:		
Health Care Services Transferred Over Time	\$ 63,166,789	\$ 59,456,529
Total	\$ 63,166,789	\$ 59,456,529

**Financing Component**

The Corporation has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from residents and third-party payors for the effects of a significant financing component due to its expectation that the period between the time the service is provided to a resident and the time that the resident or a third-party payor pays for that service will be one year or less. However, the Corporation does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

**Contract Costs**

The Corporation has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Corporation otherwise would have recognized is one year or less in duration.

The opening and closing contract balances related to resident accounts receivable and residence and service agreements were as follows:

	Accounts Receivable	Deferred Revenue	Refundable Advance Fees
Balance as of October 1, 2019	\$ 3,662,685	\$ 88,390,194	\$ 5,202,090
Balance as of September 30, 2020	3,766,547	91,743,490	4,400,190
Balance as of September 30, 2021	2,946,692	96,329,955	10,872,892

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
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**NOTE 3 ASSETS LIMITED AS TO USE**

Assets limited as to use at September 30 are summarized as follows:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Externally Restricted Under Residency Agreements:				
Cash and Cash Equivalents	\$ 2,027,264	\$ 2,027,264	\$ 1,330,836	\$ 1,330,836
Externally Restricted Under Bond Indenture Agreements:				
Cash and Cash Equivalents	499,500	499,500	-	-
Externally Restricted Under Bond Indenture Agreements:				
Cash and Cash Equivalents	383,590	383,590	383,899	383,899
Total	<u>\$ 2,910,354</u>	<u>\$ 2,910,354</u>	<u>\$ 1,714,735</u>	<u>\$ 1,714,735</u>

**NOTE 4 INVESTMENTS**

Investments at September 30 are summarized as follows:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Westminster-Canterbury:				
Mutual Funds	\$ 13,402,561	\$ 13,750,033	\$ 10,877,928	\$ 11,666,515
Money Market	-	-	2,000,068	2,000,068
Equity Securities	12,382,578	26,099,954	13,104,489	22,794,015
	<u>25,785,139</u>	<u>39,849,987</u>	<u>25,982,485</u>	<u>36,460,598</u>
Foundation:				
Mutual Funds	4,061,699	4,133,910	3,580,834	3,800,347
Equity Securities	8,363,379	13,414,222	8,502,917	11,438,691
Alternative Investments	-	-	23,902	1,609
	<u>12,425,078</u>	<u>17,548,132</u>	<u>12,107,653</u>	<u>15,240,647</u>
Ballentine:				
Mutual Funds	-	-	1,373,964	1,450,956
Equity Securities	-	-	1,575,704	2,700,222
	<u>-</u>	<u>-</u>	<u>2,949,668</u>	<u>4,151,178</u>
Total Investments	<u>\$ 38,210,217</u>	<u>\$ 57,398,119</u>	<u>\$ 41,039,806</u>	<u>\$ 55,852,423</u>



**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
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**NOTE 4 INVESTMENTS (CONTINUED)**

Investment income and realized gains and losses are classified as follows for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Included in Investment Income:		
Without Donor Restrictions:		
Interest and Dividend Income	\$ 985,710	\$ 1,046,687
Net Realized Gains (Losses) on Sales of Investments	<u>4,245,154</u>	<u>(180,023)</u>
Total Without Donor Restrictions	5,230,864	866,664
Purpose Restricted:		
Interest and Dividend Income	332,110	370,573
Net Realized Gains (Losses) on Sales of Investments	<u>583,378</u>	<u>(1,577)</u>
Total Purpose Restricted	915,488	368,996
Total	<u>\$ 6,146,352</u>	<u>\$ 1,235,660</u>

**NOTE 5 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 8,762,634	\$ 8,762,634
Land Improvements	2,401,746	2,290,883
Buildings and Fixtures	187,944,906	185,454,602
Right of Use Assets	315,936	-
Furniture and Equipment	<u>19,113,269</u>	<u>18,771,698</u>
Total	218,538,491	215,279,817
Less: Accumulated Depreciation	<u>(109,748,508)</u>	<u>(101,264,318)</u>
Total	108,789,983	114,015,499
Construction in Progress	<u>17,067,245</u>	<u>10,166,920</u>
Total	<u>\$ 125,857,228</u>	<u>\$ 124,182,419</u>

Depreciation expense for the years ended September 30, 2021 and 2020 totaled approximately \$9,635,000 and \$9,183,000, respectively. Construction in progress related to routine renovation projects and an expansion project as of September 30, 2021. Construction in progress related to routine renovation projects as of September 30, 2020.

In 2021 the Corporation signed contracts with an architecture firm for a total fee of \$2,249,500 and a construction firm for a total fee of \$4,156,995. As of September 30, 2021, approximately \$4,485,000 remains to be paid on these contracts.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
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**NOTE 6 LEASES PAYABLE**

The Corporation leases equipment as well as certain office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2025. Total rent expense on these operating leases was approximately \$90,000 and \$56,000 for 2021 and 2020, respectively.

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 30, 2021, is as follows:

<u>Year Ending September 30.</u>	<u>Amount</u>
2022	\$ 79,399
2023	76,437
2024	76,437
2025	<u>33,657</u>
Total Lease Payments	265,930
Less: Current Portion	(70,275)
Less: Imputed Interest	<u>(18,777)</u>
Present Value of Lease Payable, Net of Current Portion	<u>\$ 176,878</u>

The lease payable will continue to be impacted by new leases, lease modifications, lease terminations, and reevaluation of any new facts and circumstances. As of September 30, 2021, the weighted average lease term remaining that is included in the maturities of the lease payables is 3.5 years.

As the rate implicit in each lease is not readily determinable, the Corporation uses an incremental borrowing rate to calculate the lease liability that represents an estimate of the interest rate the Corporation would have to borrow on a collateralized basis over the term of a lease. The weighted average discount rate used for operating leases was 4.25% at September 30, 2021.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
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**NOTE 7 LONG-TERM DEBT**

Long-term debt consists of the following at September 30:

<u>Description</u>	<u>2021</u>	<u>2020</u>
City of Virginia Beach Development Authority Series 2018 (Fixed Rate Bond) Residential Care Facility Revenue Refunding Bonds:		
Serial Bonds, due in graduated installments ranging from \$845,000 in September 2019 to \$2,540,000 in September 2036. Interest is payable semi-annually at annual rates ranging from 3.75% to 5.0%.	\$ 27,740,000	\$ 28,965,000
Term Bonds, due on September 1, 2040, 2044, and 2048 in amounts of \$11,480,000, \$13,955,000, and \$16,705,000, respectively. Interest is payable semi- annually at annual rates ranging from 4.0% to 5.0%.	42,140,000	42,140,000
Commercial Mortgage Loan, Due in Annual Installments beginning on March 2018 through maturity in February 2028. Interest is payable monthly at an annual rate of 4.25%.	<u>2,069,561</u>	<u>2,343,778</u>
Subtotal	71,949,561	73,448,778
Less: Current Portion	(1,571,284)	(1,499,224)
Plus: Unamortized Bond Premium	5,478,037	5,682,187
Less: Unamortized Deferred Financing Costs	<u>(931,411)</u>	<u>(977,626)</u>
Total	<u>\$ 74,924,903</u>	<u>\$ 76,654,115</u>

In September 2018, Westminster-Canterbury and the Foundation (collectively, the Obligated Group) issued \$73,115,000 in Residential Care Facility Revenue Refunding Bonds (Series 2018 Bonds). The proceeds of the bonds were used to refund the Series 2015 Bonds and to pay certain issuance costs. The Series 2018 Bonds bear interest at fixed interest rates ranging from 3.75% to 5.0%. Interest payments are due semi-annually and commenced on March 2019. Principal payments are due annually and commenced on September 2019. The Obligated Group recognized a loss on the early extinguishment of debt of approximately \$349,000 for the year ended September 30, 2018 related to the write-off of unamortized deferred financing costs.

In September 2015, the Obligated Group issued \$85,000,000 in Residential Care Facility Revenue and Refunding Bonds (Series 2015 Bonds). The proceeds of the bonds were used to refund the Series 2011, 2009, 2005, and 2004A Bonds, to pay certain issuance costs and to finance various capital renovations. The Series 2015 Bonds bore interest at a fixed interest rate of 3.2%. Principal and interest payments were due monthly commencing October 2015. The Obligated Group recognized a loss on the early extinguishment of debt of approximately \$1.5 million for the year ended September 30, 2015 related to the write-off of unamortized deferred financing costs, unamortized bond discounts, and prepayments of interest expense. During 2018, the outstanding Series 2015 Bonds were refinanced.

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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

During 2018, Westminster-Canterbury entered into a loan agreement with a financial institution to provide \$3,000,000 to finance a portion of the purchase of Lynnhaven. The loan bears interest at a rate of 4.25%. Principal and interest payments are due monthly commencing March 2018 through maturity in February 2028. The loan is guaranteed by the Foundation and Lynnhaven.

Total interest paid during the years ended September 30, 2021 and 2020, was \$3,283,128 and \$3,340,483 respectively.

The following table sets forth the annual principal payments:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 1,571,284
2023	1,648,881
2024	1,731,833
2025	1,815,348
2026	1,904,447
Thereafter	<u>63,277,768</u>
Total	<u>\$ 71,949,561</u>

The Series 2018 Bonds are secured by revenues and receipts derived from operation of the Obligated Group, substantially all rights to endowments, gifts, grants and bequests of the Obligated Group, and deeds of trust on the property and equipment now owned and hereafter acquired by the Obligated Group.

The Trust Agreement between the Obligated Group and the trustee for the Series 2018 Bonds contains certain covenants including, among other things (1) requirements relating to ownership and maintenance of the community and (2) a requirement that the long-term debt service coverage ratio calculated at the end of each fiscal year, as defined in the agreement, be no less than 1.20. At September 30, 2021, management believes it is in compliance with these covenants.

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of September 30:

	<u>2021</u>	<u>2020</u>
Restricted for Time:		
Pledges Receivable	\$ 229,445	\$ 191,580
Restricted for Purpose:		
Fellowships	10,071,022	8,808,998
Birdsong Initiative	17,143	63,150
Other	<u>2,401,855</u>	<u>1,497,458</u>
Total Restricted for Purpose and Time	12,719,465	10,561,186
Perpetual in Nature:		
Endowments	<u>2,269,429</u>	<u>2,255,177</u>
Total Net Assets With Donor Restrictions	<u>\$ 14,988,894</u>	<u>\$ 12,816,363</u>

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
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**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

During the years ended September 30, 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	2021	2020
Fellowships	\$ 885,305	\$ 965,934
Bird Song Initiative	46,506	486,371
Health Services Operations	109,521	110,000
Other	240,886	214,424
Total	\$ 1,282,218	\$ 1,776,729

**NOTE 9 PERPETUALLY RESTRICTED NET ASSETS**

**Interpretation of Relevant Law**

The Commonwealth of Virginia adopted the Virginia Prudent Management of Institutional Funds Act (the Act). The board of trustees of the Corporation has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as perpetually restricted net assets (1) the original value of gifts donated to the permanent endowment and (2) the original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted Endowment Fund that is not classified in perpetually restricted net assets is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed in the Act. In accordance with the Act, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Corporation and the Donor-Restricted Endowment Fund
- General economic conditions
  
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Corporation
- The investment policy of the Corporation

**Funds with Deficiencies**

It is the Corporation's policy to maintain the corpus amounts of each individual Donor-Restricted Endowment Fund received. If the fair value of assets associated with Individual Donor-Restricted Endowment Funds were to fall below the level that the donor or the Act requires the Corporation to retain as a fund of perpetual duration, in accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions.

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**NOTE 9 PERPETUALLY RESTRICTED NET ASSETS (CONTINUED)**

**Return Objectives and Risk Parameters**

The Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds the Corporation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standard to minimize the risk of large losses.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Management targets a diversified asset allocation that meets the Corporation's long-term rate of return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Corporation's spending policy is consistent with its objective of preservation of the fair value of the original gift of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

At September 30, 2021 and 2020, the Corporation had approximately \$2,269,000 and \$2,255,000, respectively, in endowments with donor restrictions perpetual in nature for which the income is used to support the purpose of the Foundation. The Corporation had no board-designated endowment funds for the year ended September 30, 2021.

The following is the change in endowment net assets for the years ended September 30, 2021 and 2020:

	2021			
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets, Beginning of the Year	\$ 55,019	\$ 453,177	\$ 2,255,177	\$ 2,763,373
Change in Unrealized Gains on Investments	157,470	250,440	14,252	422,162
Contributions	-	-	-	-
Endowment Net Assets, End of the Year	<u>\$ 212,489</u>	<u>\$ 703,617</u>	<u>\$ 2,269,429</u>	<u>\$ 3,185,535</u>

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**NOTE 9 PERPETUALLY RESTRICTED NET ASSETS (CONTINUED)**

**Spending Policy and How the Investment Objectives Relate to Spending Policy**  
**(Continued)**

	2020			Total
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	
Endowment Net Assets, Beginning of the Year	\$ (5,981)	\$ 351,936	\$ 2,249,656	\$ 2,595,611
Change in Unrealized Gains on Investments	61,000	101,241	5,521	167,762
Contributions	-	-	-	-
Endowment Net Assets, End of the Year	<u>\$ 55,019</u>	<u>\$ 453,177</u>	<u>\$ 2,255,177</u>	<u>\$ 2,763,373</u>

**NOTE 10 DEFERRED COMPENSATION PLAN**

The Corporation maintains deferred compensation plans which cover substantially all eligible employees. For those employees at Westminster-Canterbury who are eligible to participate in the Corporation's IRC 403(b) Church Sponsored Employer Contributory Plan, the Corporation contributes a matching contribution equal to 100% of the voluntary contributions of each employee up to a maximum of 4% of annual compensation. The Corporation also contributed at its discretion an additional 3% of the annual compensation of each eligible employee for the years ended September 30, 2021 and 2020. The Westminster-Canterbury 403(b) plan is a qualified plan but is not subject to ERISA regulations. The Corporation also maintains nonqualified 457(b) and 457(f) plans for executive level staff contributions. The expenses related to deferred compensation plans were approximately \$966,000 and \$827,000 for the years ended September 30, 2021 and 2020, respectively.

**NOTE 11 LIQUIDITY AND AVAILABILITY**

The Corporation invests cash in excess of short-term requirements in short-term investments. In addition, the Corporation has long-term mutual funds and equity securities which are liquid within one week.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 11 LIQUIDITY AND AVAILABILITY (CONTINUED)**

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 28,695,666	\$ 8,220,806
Investments:		
Mutual Funds	17,883,943	16,917,818
Money Market	-	2,000,068
Equity Securities	39,514,176	36,932,928
Receivables, Net	3,176,137	3,958,127
Less: Net Assets With Donor Restrictions	<u>(14,988,894)</u>	<u>(12,816,363)</u>
Total Financial Assets Available to Meet Liquidity Needs	<u>\$ 74,281,028</u>	<u>\$ 55,213,384</u>

**NOTE 12 FAIR VALUE MEASUREMENTS**

The Corporation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Corporation measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies.

The following tables present the fair value hierarchy for the balances of the assets and liabilities of the Corporation measured at fair value on a recurring basis as of September 30:

	<u>2021</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Assets:				
Investments:				
Mutual Funds	\$ 17,883,943	\$ -	\$ -	\$ 17,883,943
Equity Securities	39,514,176	-	-	39,514,176
Total Assets	<u>\$ 57,398,119</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,398,119</u>
Liabilities:				
Deferred Annuity Obligations	\$ -	\$ 368,829	\$ -	\$ 368,829
Total Liabilities	<u>\$ -</u>	<u>\$ 368,829</u>	<u>\$ -</u>	<u>\$ 368,829</u>

	<u>2020</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Assets:				
Investments:				
Mutual Funds	\$ 16,917,818	\$ -	\$ -	\$ 16,917,818
Equity Securities	36,932,928	-	-	36,932,928
Alternative Investments	-	-	1,609	1,609
Total Assets	<u>53,850,746</u>	<u>-</u>	<u>1,609</u>	<u>53,852,355</u>
Liabilities:				
Deferred Annuity Obligations	\$ -	\$ 395,197	\$ -	\$ 395,197
Total Liabilities	<u>\$ -</u>	<u>\$ 395,197</u>	<u>\$ -</u>	<u>\$ 395,197</u>



**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)**

The Corporation had \$2,000,068 of cash and cash equivalents included with investments on the consolidated balance sheet at September 30, 2020 which is not included in the above table.

The following table presents changes in assets measured at fair value using Level 3 inputs on a recurring basis for the years ended September 30, 2021 and 2020:

	Alternative Investments
Balance at October 1, 2019	\$ 22,062
Total Gains or Losses (Realized or Unrealized) for the Year Included in Operating Profit	(20,453)
Purchases, Sales, Issuances, and Settlements, Net	-
Balance at September 30, 2020	1,609
Total Gains or Losses (Realized or Unrealized) for the Year Included in Operating Profit	-
Purchases, Sales, Issuances, and Settlements, Net	(1,609)
Balance at September 30, 2021	\$ -

The following table represents the Corporation's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the unobservable inputs:

	2020		
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs
Private Equity Funds	\$ 1,609	Market Value	Financial Statements

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

The Corporation is subject to legal proceedings and claims which arise in the course of providing health care services. The Corporation maintains liability insurance coverage for claims made during the policy year. In management's opinion, adequate provision has been made 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, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. As of September 30, 2021, management believes it is in compliance with all Medicare and Medicaid laws and regulations.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Self – Insurance**

Health Insurance

In 2012, the Corporation began to self-insure its employees' health plan. The Corporation has contracted with an administrative service company to supervise and administer the program and act as its representative. Provisions for expected future payments are accrued based on the Corporation's experience and include amounts for claims filed and claims incurred but not reported. The Corporation insures for excessive and unexpected health claims and is liable for claims not to exceed \$150,000 for each covered member per plan year and an aggregate amount of \$2,737,108 per plan year.

Liability Insurance

The Corporation, together with other similar retirement communities in the state of Virginia, is a member of Virginia Senior Care Group, a limited liability corporation whose primary purpose is that of obtaining general liability and professional insurance for its members. 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. In addition, the Corporation maintains a loss fund deposit in the event that claims exceed the premiums. 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 component of reinsurance. Management has not recorded any liabilities related to this policy as they are not aware of any underfunding within the pool.

The Corporation's professional liability is on the claims-made basis. Under a claims-made policy, determination of coverage is triggered by the date the insured first becomes aware and notifies the insurer of a claim or potential claim.

**COVID-19**

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Corporation, COVID-19 may impact various parts of its 2022 operations and financial results including but not limited to additional costs for emergency preparedness, disease control, and containment, potential shortages of healthcare personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Corporation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of September 30, 2021.

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 14 SUBSEQUENT EVENTS**

After fiscal year end, on December 15, 2021, Senior Options Community, a wholly-owned subsidiary of Westminster-Canterbury and a company outside of the Obligated Group, purchased the Overture. The Overture is a 172-unit, 62 and over rental apartment community located at 3317 Ocean Shore Avenue, Virginia Beach, VA, 23451. The Overture, built in 2017, is located three miles from Westminster-Canterbury's primary campus and is a beach-front rental community that offers resort-style living with best-in-class amenities and exceptional views.

Senior Options Community secured a \$48.5 million loan to purchase the Overture. Westminster-Canterbury and the Foundation provided a \$12 million guarantee. The Corporation believes that purchasing the Overture presented an unique opportunity to expand its mission while limiting construction and absorption risk.

**NOTE 15 FUNCTIONAL EXPENSES**

Program, management, and fundraising expenses for the year ended September 30 are summarized as follows:

	Program Services			2021 Total			
	Residential Services	Health Services	Other Program	Program Services	Management and General	Fundraising	Total
Salaries and Benefits	\$ 7,385,092	\$ 13,933,490	\$ -	\$ 21,318,582	\$ 4,261,679	\$ 245,155	\$ 25,825,416
Interest Expense	938,639	1,590,851	87,268	2,616,758	715,906	29,220	3,361,884
Depreciation and Amortization	2,703,162	4,484,511	251,320	7,438,993	2,111,432	84,149	9,634,574
Employee Fringe Benefits	927,368	2,800,800	35,706	3,763,874	568,574	63,959	4,396,407
Other Supplies & Expenses	2,844,927	3,018,312	2,111	5,865,350	3,365,762	83,499	9,314,611
Food Costs	2,478,269	-	-	2,478,269	-	-	2,478,269
Utilities	385,876	604,285	33,865	1,024,026	434,867	11,339	1,470,232
Contracted Management Services	539,674	52,341	2,933	594,948	216,343	982	812,273
Real Estate, Property, Sales Taxes	351,737	576,709	32,320	960,766	280,637	10,822	1,252,225
Corporate Insurance	-	-	-	-	1,263,890	-	1,263,890
Other Professional Fees	-	233,893	-	233,893	563,059	48,815	845,767
Employee Related Expenses	28,616	211,985	-	240,601	391,494	558	632,653
Therapy, Pharmacy, Ancillary Costs	-	3,322,346	-	3,322,346	-	-	3,322,346
Program Costs	-	-	1,282,218	1,282,218	-	-	1,282,218
Total Expenses by Function	<u>\$ 18,583,360</u>	<u>\$ 30,829,523</u>	<u>\$ 1,727,741</u>	<u>\$ 51,140,624</u>	<u>\$ 14,173,643</u>	<u>\$ 578,498</u>	<u>\$ 65,892,765</u>

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 15 FUNCTIONAL EXPENSES (CONTINUED)**

	2020						
	Residential Services	Program Services Health Services	Other Program	Total Program Services	Management and General	Fundraising	Total
Salaries and Benefits	\$ 7,477,910	\$ 13,593,266	\$ -	\$ 21,071,176	\$ 3,960,841	\$ 197,070	\$ 25,229,087
Interest Expense	989,062	1,545,730	126,649	2,661,441	710,591	25,445	3,397,477
Depreciation and Amortization	2,661,809	4,159,942	340,845	7,162,596	1,952,084	68,480	9,183,160
Employee Fringe Benefits	1,071,430	2,763,482	67,379	3,902,291	627,293	53,226	4,582,810
Other Supplies & Expenses	2,725,197	2,452,499	3,594	5,181,290	3,718,597	83,980	8,983,867
Food Costs	2,506,450	-	-	2,506,450	-	-	2,506,450
Utilities	396,654	619,900	50,791	1,067,345	438,110	10,205	1,515,660
Contracted Management Services	637,623	38,690	3,170	679,483	112,468	637	792,588
Real Estate, Property, Sales Taxes	361,435	553,615	45,360	960,410	273,714	9,113	1,243,237
Corporate Insurance	-	-	-	-	921,684	-	921,684
Other Professional Fees	-	240,495	-	240,495	412,762	36,571	689,828
Employee Related Expenses	28,500	280,785	-	309,285	418,982	380	728,647
Therapy, Pharmacy, Ancillary Costs	-	3,220,319	-	3,220,319	-	-	3,220,319
Program Costs	-	-	1,776,729	1,776,729	-	-	1,776,729
Total Expenses by Function	\$ 18,856,070	\$ 29,468,723	\$ 2,414,517	\$ 50,739,310	\$ 13,547,126	\$ 485,107	\$ 64,771,543

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on a square footage basis include depreciation and amortization, interest expense, employee fringe benefits, contracted management services, and real estate, property, sales taxes.



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees  
Westminster-Canterbury on Chesapeake Bay  
and Subsidiaries  
Virginia Beach, Virginia

We have audited the consolidated financial statements of Westminster-Canterbury on Chesapeake Bay and Subsidiaries as of and for the year ended September 30, 2021, and our report thereon dated January 27, 2022, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
January 27, 2022

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**CONSOLIDATING BALANCE SHEET**  
**SEPTEMBER 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	WC at Home	Senior Options	S.O. Realty	Ballentine	Lynnhaven	Nonobligated Group	Eliminations	Consolidated
<b>ASSETS</b>												
<b>CURRENT ASSETS</b>												
Cash and Cash Equivalents	\$ 6,459,780	\$ 697,550	\$ -	\$ 7,157,330	\$ 11,595,659	\$ 2,453,233	\$ 102,443	\$ 7,387,001	\$ -	\$ 21,538,336	\$ -	\$ 28,695,666
Receivables	28,720,696	274,208	(42,869)	28,952,035	9,306,497	2,273,733	248,669	1,476,913	106	13,305,918	(39,081,816)	3,176,137
Accrued Interest Receivable and Other	3,272,689	-	-	3,272,689	4,167	2,083	5,220	-	-	11,470	-	3,284,159
Total Current Assets	38,453,165	971,758	(42,869)	39,382,054	20,906,323	4,729,049	356,332	8,863,914	106	34,855,724	(39,081,816)	35,155,962
<b>ASSETS LIMITED AS TO USE</b>												
Externally Restricted Under Residency Agreements	2,027,264	-	-	2,027,264	-	-	-	-	-	-	-	2,027,264
Externally Restricted Under Escrow Agreement	499,500	-	-	499,500	-	-	-	-	-	-	-	499,500
Externally Restricted Under Bond Indenture Agreements	383,590	-	-	383,590	-	-	-	-	-	-	-	383,590
Total Assets Limited as to Use	2,910,354	-	-	2,910,354	-	-	-	-	-	-	-	2,910,354
<b>INVESTMENTS</b>	39,849,987	17,548,132	-	57,398,119	-	-	-	-	-	-	-	57,398,119
<b>PROPERTY, PLANT, AND EQUIPMENT, NET</b>	117,103,679	-	-	117,103,679	59,163	516,922	1,971,540	-	6,205,924	8,753,549	-	125,857,228
Total Assets	\$ 198,317,185	\$ 18,519,890	\$ (42,869)	\$ 216,794,206	\$ 20,965,486	\$ 5,245,971	\$ 2,327,872	\$ 8,863,914	\$ 6,206,030	\$ 43,609,273	\$ (39,081,816)	\$ 221,321,663

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**CONSOLIDATING BALANCE SHEET (CONTINUED)**  
**SEPTEMBER 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

LIABILITIES AND NET ASSETS (DEFICIT)	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	WC at Home	Senior Options	S.O. Realty	Ballentine	Lynnhaven	Nonobligated Group	Eliminations	Consolidated
<b>CURRENT LIABILITIES</b>												
Accounts Payable and Accrued Expenses	\$ 17,202,072	\$ 93,943	\$ (42,869)	\$ 17,253,146	\$ 16,238,163	\$ 5,332,274	\$ 2,323,671	\$ 31,931	\$ 6,765,457	\$ 30,691,496	\$ (39,081,816)	\$ 8,862,826
Accrued Interest	303,825	-	-	303,825	-	-	-	-	-	-	-	303,825
Reservation Fees	567,020	-	-	567,020	-	-	-	-	-	-	-	567,020
Current Portion of Refundable Advance Fees	399,000	-	-	399,000	-	-	-	-	-	-	-	399,000
Current Portion of Leases Payable	70,275	-	-	70,275	-	-	-	-	-	-	-	70,275
Current Portion of Long-Term Debt	1,571,284	-	-	1,571,284	-	-	-	-	-	-	-	1,571,284
Total Current Liabilities	20,113,476	93,943	(42,869)	20,164,550	16,238,163	5,332,274	2,323,671	31,931	6,765,457	30,691,496	(39,081,816)	11,774,230
<b>ADVANCE FEES AND DEPOSITS</b>												
Advance Fee Deposits	2,009,147	-	-	2,009,147	-	-	-	-	-	-	-	2,009,147
Refundable Advance Fees	10,872,892	-	-	10,872,892	-	-	-	-	-	-	-	10,872,892
Deferred Revenue from Advance Fees	96,329,955	-	-	96,329,955	-	-	-	-	-	-	-	96,329,955
Total Advance Fees and Deposits	109,211,994	-	-	109,211,994	-	-	-	-	-	-	-	109,211,994
Deferred Annuity Obligations	-	368,829	-	368,829	-	-	-	-	-	-	-	368,829
Leases Payable, Less Current Portion	176,878	-	-	176,878	-	-	-	-	-	-	-	176,878
Long-Term Debt, Less Current Portion	74,924,903	-	-	74,924,903	-	-	-	-	-	-	-	74,924,903
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	204,427,251	462,772	(42,869)	204,847,154	16,238,163	5,332,274	2,323,671	31,931	6,765,457	30,691,496	(39,081,816)	196,456,834
<b>NET ASSETS (DEFICIT)</b>												
Without Donor Restrictions	(6,110,066)	3,068,224	-	(3,041,842)	4,727,323	(86,303)	4,201	8,831,983	(559,427)	12,917,777	-	9,875,935
With Donor Restrictions:												
Purpose Restricted	-	12,719,465	-	12,719,465	-	-	-	-	-	-	-	12,719,465
Perpetual in Nature	-	2,269,429	-	2,269,429	-	-	-	-	-	-	-	2,269,429
Total Net Assets (Deficit)	(6,110,066)	18,057,118	-	11,947,052	4,727,323	(86,303)	4,201	8,831,983	(559,427)	12,917,777	-	24,864,829
Total Liabilities and Net Assets (Deficit)	\$ 198,317,185	\$ 18,519,890	\$ (42,869)	\$ 216,794,206	\$ 20,965,486	\$ 5,245,971	\$ 2,327,872	\$ 8,863,914	\$ 6,206,030	\$ 43,609,273	\$ (39,081,816)	\$ 221,321,663

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS**  
**YEAR ENDED SEPTEMBER 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	WC at Home	Senior Options	S.O. Realty	Ballentine	Lynnhaven	Nonobligated Group	Eliminations	Consolidated
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>												
Resident Services, Including Amortization of Deferred Revenue from Advance Fees of \$12,846,566	\$ 50,996,102	\$ -	\$ -	\$ 50,996,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,996,102
Home and Community Based Services	-	-	-	-	9,884,344	3,074,573	-	-	-	12,958,917	(788,230)	12,170,687
Contributions	17,500	688,474	-	705,974	-	-	-	-	-	-	-	705,974
Investment Income	2,976,094	167,516	-	3,143,610	15,434	1,930	-	2,128,281	-	2,145,645	(58,391)	5,230,864
Other	2,895,248	-	-	2,895,248	303	-	215,964	-	-	216,267	-	3,111,515
Net Assets Released from Restriction	-	1,282,218	-	1,282,218	-	-	-	-	-	-	-	1,282,218
Total Revenues, Gains, and Other Support	56,884,944	2,138,208	-	59,023,152	9,900,081	3,076,503	215,964	2,128,281	-	15,320,829	(846,621)	73,497,360
<b>EXPENSES</b>												
Resident and Community Based Services	13,242,453	-	-	13,242,453	8,853,935	2,960,747	-	-	-	11,814,682	(788,230)	24,268,905
Dining Services	7,551,022	-	-	7,551,022	-	-	-	-	-	-	-	7,551,022
Housekeeping and Laundry	2,233,631	-	-	2,233,631	-	-	-	-	-	-	-	2,233,631
General and Administrative	13,679,179	429,320	-	14,108,499	-	-	98,394	13,254	86,738	198,386	(58,391)	14,248,494
Plant Maintenance	2,983,952	-	-	2,983,952	-	-	19,112	-	20,989	40,101	-	3,024,053
Depreciation and Amortization	9,565,224	-	-	9,565,224	14,852	4,785	49,713	-	-	69,350	-	9,634,574
Interest Expense	3,361,884	-	-	3,361,884	-	-	-	-	-	-	-	3,361,884
Fellowship Payments	-	885,305	-	885,305	-	-	-	-	-	-	-	885,305
Other	228,792	396,913	-	625,705	-	-	-	59,192	-	59,192	-	684,897
Total Expenses	52,846,137	1,711,538	-	54,557,675	8,868,787	2,965,532	167,219	72,446	107,727	12,181,711	(846,621)	65,892,765
<b>OPERATING INCOME (LOSS)</b>	4,038,807	426,670	-	4,465,477	1,031,294	110,971	48,745	2,055,835	(107,727)	3,139,118	-	7,604,595
<b>OTHER INCOME (LOSS)</b>												
Change in Estimated Value of Deferred Annuity Obligations	-	463	-	463	-	-	-	-	-	-	-	463
Net Unrealized Gains on Investments	3,586,736	258,219	-	3,844,955	-	-	-	(1,190,062)	-	(1,190,062)	-	2,654,893
Total Other Income (Loss)	3,586,736	258,682	-	3,845,418	-	-	-	(1,190,062)	-	(1,190,062)	-	2,655,356
<b>EXCESS (DEFICIT) OF REVENUES, GAINS, AND OTHER SUPPORT OVER (UNDER) EXPENSES</b>	7,625,543	685,352	-	8,310,895	1,031,294	110,971	48,745	865,773	(107,727)	1,949,056	-	10,259,951
<b>OTHER CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS</b>												
Transfer from Westminster-Canterbury to Ballentine	(2,000,000)	-	-	(2,000,000)	-	-	-	2,000,000	-	2,000,000	-	-
<b>CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS</b>	\$ 5,625,543	\$ 685,352	\$ -	\$ 6,310,895	\$ 1,031,294	\$ 110,971	\$ 48,745	\$ 2,865,773	\$ (107,727)	\$ 3,949,056	\$ -	\$ 10,259,951



**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)**  
**YEAR ENDED SEPTEMBER 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	WC at Home	Senior Options	S.O. Realty	Ballentine	Lynnhaven	Nonobligated Group	Eliminations	Consolidated
<b>NET ASSETS (DEFICIT)</b>												
<b>WITHOUT DONOR RESTRICTIONS</b>												
Change in Net Assets (Deficit) Without Donor Restrictions	\$ 5,625,543	\$ 685,352	\$ -	\$ 6,310,895	\$ 1,031,294	\$ 110,971	\$ 48,745	\$ 2,865,773	\$ (107,727)	\$ 3,949,056	\$ -	\$ 10,259,951
<b>PURPOSE</b>												
<b>RESTRICTED NET ASSETS</b>												
Contributions	-	807,419	-	807,419	-	-	-	-	-	-	-	807,419
Investment Gains	-	915,488	-	915,488	-	-	-	-	-	-	-	915,488
Net Change in Unrealized Gains on Investments	-	1,717,590	-	1,717,590	-	-	-	-	-	-	-	1,717,590
Net Assets Released from Restriction	-	(1,282,218)	-	(1,282,218)	-	-	-	-	-	-	-	(1,282,218)
Change in Purpose Restricted Net Assets	-	2,158,279	-	2,158,279	-	-	-	-	-	-	-	2,158,279
<b>PERPETUAL IN NATURE</b>												
<b>RESTRICTED NET ASSETS</b>												
Net Change in Unrealized Gains on Investments	-	14,252	-	14,252	-	-	-	-	-	-	-	14,252
Change in Perpetual in Nature Restricted Net Assets	-	14,252	-	14,252	-	-	-	-	-	-	-	14,252
<b>INCREASE (DECREASE) IN NET ASSETS</b>	5,625,543	2,857,883	-	8,483,426	1,031,294	110,971	48,745	2,865,773	(107,727)	3,949,056	-	12,432,482
Net Assets (Deficit) - Beginning of Year	(11,735,609)	15,199,235	-	3,463,626	3,696,029	(197,274)	(44,544)	5,966,210	(451,700)	8,968,721	-	12,432,347
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ (6,110,066)</u>	<u>\$ 18,057,118</u>	<u>\$ -</u>	<u>\$ 11,947,052</u>	<u>\$ 4,727,323</u>	<u>\$ (86,303)</u>	<u>\$ 4,201</u>	<u>\$ 8,831,983</u>	<u>\$ (559,427)</u>	<u>\$ 12,917,777</u>	<u>\$ -</u>	<u>\$ 24,864,829</u>



**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  
Westminster-Canterbury on Chesapeake Bay  
and Subsidiaries  
Virginia Beach, Virginia

We have audited, in accordance with the 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 consolidated financial statements of Westminster-Canterbury on Chesapeake Bay and Subsidiaries, which comprise the consolidated balance sheet as of September 30, 2021, and the related consolidated statements of operations and changes in net assets without donor restrictions, statements of changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 27, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Westminster-Canterbury on Chesapeake Bay and Subsidiaries' 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 Westminster-Canterbury Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Westminster-Canterbury on Chesapeake Bay and Subsidiaries' 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.

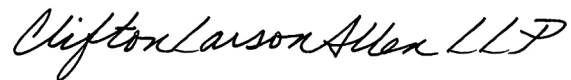
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Westminster-Canterbury on Chesapeake Bay and Subsidiaries' 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity'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**

Charlotte, North Carolina  
January 27, 2022

**EXHIBIT 5**

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY**  
**Income and Expense Pro Forma**  
**Fiscal Year 2022 and 2023**

	BUDGET FY 2022	BUDGET FY 2023	DOLLAR CHANGE	PERCENT CHANGE
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Resident & Health Services, including Amortization of Deferred Revenue from Advance Fees	\$52,543,600	\$54,794,711	\$2,251,111	4.1%
Home & Community Based Services	13,763,993	14,761,136	997,143	6.8%
Investment Income	1,265,374	1,141,675	(123,699)	(10.8%)
Other Operating Revenues	1,930,486	2,352,462	421,976	17.9%
Total Revenues, Gains, and Other Support	69,503,453	73,049,984	3,546,531	4.9%
<b>EXPENSES</b>				
Resident & Health Services	14,453,586	15,076,693	623,107	4.1%
Home & Community Based Services	12,648,735	13,898,747	1,250,012	9.0%
Dining Services	8,077,211	8,548,978	471,767	5.5%
Housekeeping & Laundry	2,229,906	2,649,044	419,138	15.8%
General & Administrative	13,523,192	13,942,458	419,266	3.0%
Plant Maintenance	3,125,216	3,195,301	70,085	2.2%
Depreciation & Amortization	10,307,445	10,296,185	(11,260)	(0.1%)
Interest Expense	3,309,159	3,283,079	(26,080)	(0.8%)
Other Expenses	542,780	1,284,119	741,339	57.7%
Total Expenses	68,217,230	72,174,604	3,957,374	5.5%
<b>DEFICIENCY OF REVENUES, GAINS, AND OTHER SUPPORT OVER EXPENSES</b>	1,286,223	875,380	(410,843)	(46.9%)
<b>OTHER CHANGES IN UNRESTRICTED NET ASSETS</b>				
Net Unrealized Gains (Losses) on Investments	0	0	0	----
	0	0	0	----
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	1,286,223	875,380	(410,843)	(46.9%)

## EXHIBIT 5 (Cont'd.)

### WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY

#### Income and Expense Pro Forma Fiscal Year Ending September 30, 2023

The following assumptions were used to develop the income and expense pro forma statement for 2023 (FY23).

#### **Budget Assumptions**

1. Occupancy:
  - ILU (East and West Towers): 410 out of 449 apartments (91.3%), of which couples occupy 92
  - Enhanced Services: 73 out of 80 apartments (90.6%)
  - Healthcare Services: 91 out of 108 beds (83.9%)
    - ✓ 23 Medicare average daily census
    - ✓ 7 Medicaid average daily census
2. Apartment Turnover (re-sales):
  - 38 ILU new move-ins
  - 36 ILU apartments budgeted for turnover
  - \$15.3M of new entrance fees generated from new move-ins
3. Early Advantage
  - 50 new members
  - \$4.4M of new membership fees
4. Monthly Fees
  - 6.54% increase in monthly fees for all apartments
5. Entrance Fees
  - Average first-person fee of 5% (varies among apartment types)
  - Average second-person fee of 5%

#### **Operating Revenues**

1. Independent Living Revenue (2.4% increase)
  - 6.54% increase in the monthly fee
  - Reflects Villas being converted to rental units as contracted life care residents move out in preparation for the new Bay Towers. Rental Income is booked as Other Operating Revenue.
  - Includes WC Early Advantage revenue of \$70K, based on a monthly average of 27 members at a monthly fee of \$217 per member. WC Early Advantage's revenue of \$70K is in line with the prior year.
2. Enhanced Services Revenue (13.3% increase)
  - 6.54% increase in the monthly fee

## EXHIBIT 5 (Cont'd.)

### WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY

#### Income and Expense Pro Forma Fiscal Year Ending September 30, 2023

- Increase is driven by having more Direct Life Care and Community admissions in FY23.
3. Healthcare Services Revenue (5.5% increase)
    - 6.54% increase in the monthly fee
    - Assumes an average occupancy of 7.5 private-paying residents in Hoy 1A.
    - Assumes an average Medicare daily census of 23.1 for FY23 compared to 25.5 in FY22. A more conservative estimate was used for FY23, as skipping the "SNF" is still prevalent.
    - Assumes an average Medicare per Diem of \$534 compared to \$518 in FY22. Medicare per Diem for FY23 is based on the current average reimbursement rate less a forecasted 2.5% decrease in the Medicare per Diem from CMS.
  4. Revenue from Advance Fees (0.0% increase)
    - Assumes no change year over year
    - Note – this line item generates no additional cash flow.
  5. Ancillary Services Revenue (42.9% increase)
    - \$438K increase in Outpatient Therapy Services based on current trends, an increase in Managed Care contracts, and providing additional services to Opus Select residents.
    - \$40K increase in Birdsong Clinic Revenue due to providing additional services to Opus Select residents and WCCB team members.
  6. Home and Community-Based Services Revenue (7.7% increase)
    - Home Care Services assumes \$1.3M in revenue, an increase of \$205K compared to FY22. The increase is driven by a 3% increase in volume (average monthly hours of 3600) and a 16.3% increase in rates.
    - Hospice assumes \$6.6M in revenue, an increase of \$566K compared to FY22. The increase is driven by a 9.9% increase in volume (average monthly census of 115). The average daily rate of \$157 remained flat budget over budget.
    - Home Health assumes \$3.5M in revenue, an increase of \$117K compared to the FY22 Budget. The number of episodes (100 per month) remained flat year over year. The reimbursement per episode was increased by 3.5 % to \$3,40 % in FY23.
    - Senior Options assumes \$3.6M in gross revenue, an increase of \$108K from the FY22 Budget due to increased partners' volume.
  7. Dining and Catering Services Revenue (9.4% increase)
    - Increase is driven by additional catered events provided to the Opus Select residents and the greater community.
  8. Other Operating Revenue (17.1 % increase)
    - Increased is driven from Villa rentals to non-residents as contracted life plan residents move out.

## EXHIBIT 5 (Cont'd.)

### WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY

#### Income and Expense Pro Forma Fiscal Year Ending September 30, 2023

9. Investment Income (9.8% decrease)
  - Assumes a 2.7% return on an average investment balance of \$41.8M.
  - Fewer invested dollars drove the decrease in Investment Income compared to FY22 Budget.

#### **Operating Expenses**

1. Wages and Salaries (8.5% increase)
  - Assumes 5.0% market adjustment (approximately \$1.6M)
  - Assumes a full of wage-related inflation adjustments implemented in FY22 (approximately \$530K)
  - Total Productive FTEs are flat compared to FY22 Budget
    - ✓ -8.6 FTEs for the Bay Campus. Efficiencies and improved staffing drove the reduction.
    - ✓ +4.3 FTEs for revenue-producing activities
    - ✓ +1.8 FTEs for expansion project (salary charged to Expansion Project)
    - ✓ +0.9 FTEs in-sourced from FLIK (offsetting savings in Contracted Management Services)
    - ✓ +1.1 FTEs for program/service-enhancing activities
2. Interest Expense (0.8% decrease)
  - Assumes 3.20% interest rate on an average balance of \$66.3M for the 2018 Bonds
  - Assumes 4.25% interest rate on an average balance of \$1.9M for the 2018 Truist Bank loan
  - Assumes no interest on the TowneBank Line of Credit
  - Lower principal balances contributed to the slight decrease in Interest Expense.
3. Depreciation Expense (0.9% increase)
  - Based on depreciation expense on FY23 routine capital budget of \$8.6M and existing assets that include the revitalization of Hoy and Overlook \$32.6M, as well as the completion of projects currently sitting in CIP.
  - The lean increase for FY23 is due to offsetting assets, which will become fully depreciated next year.
  - For more details, see FY23 Capital Expenditure Presentation.
4. Employee Benefits (7.5% increase)
  - \$203K increase in FICA taxes due to increased Wages and Salaries
  - \$94K increase in Employer Retirement Contributions due to increased wages and a 1% escalation for team members contributing less than 4% toward their retirement
  - \$211K increase in Employee Health Plan costs due to an increase in the cost of medical and pharmacy claims

## EXHIBIT 5 (Cont'd.)

### WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY

#### Income and Expense Pro Forma Fiscal Year Ending September 30, 2023

5. Other and Expenses (8.8% increase)
  - \$475K increase in marketing expenses for the Expansion Project, a new expense line for FY23. Except for commissions, marketing expenses cannot be capitalized per Generally Acceptable Accounting Practices (GAAP). Our external auditors also confirmed this
  - \$160K increase in stop-loss insurance for Employee Health Plan
  - The remaining increase is inflation-driven.
6. Food Costs (5.6% Increase)
  - Increase is below the 10.1% CPI food index due to savings achieved through FLIK national buying power, menu engineering, and improved waste management
7. Utilities (1.2% increase)
  - Expense savings of \$33K in Electricity driven by prior capital investments in LED lighting and equipment controllers partially offset the increase of \$51K in Gas.
8. Contracted Management Services (17.2% decrease)
  - Decrease is driven by insourcing a management position into WCCB payroll.
9. Real Estate and Property Taxes (1.6% increase)
  - Increase is relatively flat and based on published property assessment tax rates.
10. Corporate Insurance (0.2% decrease)
  - The slight decrease is due to saving achieved in Worker's Compensation insurance resulting from fewer work-related accidents.
11. Other Professional Fees (1.9% increase)
  - Increase is primarily driven by a slight increase in Legal Fees based on a 2-year trend.
12. Employee Related Expenses (9.5% increase)
  - Increase is driven by providing a more robust Employee Education Assistance program to attract and retain team members.
13. Ancillary Costs (5.3% increase)
  - The increase is driven by providing more Outpatient Therapy Services to residents. Services are reimbursed by Medicare Part B and secondary insurance.



**EXHIBIT 6**

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY**  
**Statement of Operations and Other Changes in Unrestricted Net Assets**  
**For the Fiscal Year Ending September 30, 2022**

	ACTUAL FY 2022	BUDGET FY 2022	DOLLAR CHANGE	PERCENT CHANGE
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Resident & Health Services, including Amortization of Deferred				
Revenue from Advance Fees	\$53,190,391	\$52,543,600	\$646,791	1.2%
Home & Community Based Services	12,989,434	13,763,993	(774,559)	-5.6%
Contributions	33,108	0	33,108	----
Investment Income	1,151,265	1,265,374	(114,109)	-9.0%
Other Income - Employee Retention Credit	0	0	0	----
Other Operating Revenues	1,994,876	1,930,486	64,390	3.3%
Total Revenues, Gains, and Other Support	69,359,074	69,503,453	(144,379)	-0.2%
<b>EXPENSES</b>				
Resident & Health Services	13,093,015	14,453,586	(1,360,571)	-9.4%
Home & Community Based Services	12,160,088	12,648,735	(488,647)	-3.9%
Dining Services	7,666,326	8,077,211	(410,885)	-5.1%
Housekeeping & Laundry	2,403,030	2,229,906	173,124	7.8%
General & Administrative	14,097,140	13,523,192	573,948	4.2%
Plant Maintenance	3,103,413	3,125,216	(21,803)	-0.7%
Depreciation & Amortization	9,895,701	10,307,445	(411,744)	-4.0%
Interest Expense	3,340,182	3,309,159	31,023	0.9%
Other Expenses	475,618	542,780	(67,162)	-12.4%
Total Expenses	66,234,513	68,217,230	(1,982,717)	-2.9%
<b>EXPENSES</b>	3,124,561	1,286,223	1,838,338	142.9%
<b>OTHER CHANGES IN UNRESTRICTED NET ASSETS</b>				
Net Unrealized Gains (Losses) on Investments	(7,459,141)	0	(7,459,141)	----
Loss on Settlement	(291,364)	0	(291,364)	----
Other Income	439,593	0	439,593	----
	(7,310,912)	0	(14,770,053)	----
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	(4,186,351)	1,286,223	(5,472,574)	-425.5%

## EXHIBIT 6 (Cont'd.)

### WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY

#### Explanation of Actual to Budget Year-end Variances Fiscal Year Ending September 30, 2022

##### **Revenues, Gains, and Other Support**

Total revenues, gains, and other support of \$69.4M were in line with the budget.

##### Resident & Health Services

Revenue from Resident & Health Services was \$2.2M less than the budget (favorable) for the following reasons.

- Independent Living Revenue was \$660,000 less than budget due to the timing of IL move-ins and residents moving through the continuum of care. While census lagged behind budget, Entrance Fees of \$22.9M exceeded the budget by \$3.9M.
- Revenue from Advance Fees was \$433,000 less than budget due to Termination Income, which records the remaining balance of non-refundable advance fees into income upon the death of a resident.
- Healthcare Services Revenue was \$1.4M less than budget due to the following reasons:
  - The skilled census did not return to its pre-COVID levels as anticipated in the budget, resulting in a budget miss of approximately \$1.0M.
  - A 15-bed wing closed during COVID was reopened in FY22 to serve private-paying community residents. The reopening was delayed for a couple of months, which resulted in a budget miss of \$515,000.
- Ancillary Services Revenue (Outpatient Therapy and Nurse Practitioner) were \$408,000 more than budget due to increased volume.

##### Home & Community-Based Services

Home & Community-Based Services Revenue was \$775,000 less than budget due to not having staff (nurses) to meet the service demands.

##### Investment Income

Investment Income was \$114,000 less than budget due to less cash. Cash in our Home & Community-Based businesses, which sit outside the Obligated Group, was used to purchase Opus Select, a 172-unit, 62 and over rental apartment community located three miles from Westminster-Canterbury's primary campus.

##### Other Income – Employee Retention Credit

With the guidance of a reputable accounting firm, management believes it met the qualifications to receive an Employee Retention Credit (ERC) of \$5.6M. \$2.8M was recorded as Other Income in FY22, with the remainder recorded as a receivable due to the lack of history and guidance related to the potential IRS reviews of the credit.

## EXHIBIT 6 (Cont'd.)

### WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY

#### Explanation of Actual to Budget Year-end Variances Fiscal Year Ending September 30, 2022

##### Other Operating Revenues

Other Operating Revenues were in line with budget.

##### **Expenses**

Total expenses of \$66.2M were 2.9% less than budget (favorable) due to the following reasons:

##### Resident & Health Services

Resident & Health Services expenses were \$1.4M less than budget due to savings in wages and fringe benefits.

##### Home & Community-Based Services

Home & Community-Based Services were \$489,000 less than budget due to savings in wages and supplies.

##### Dining Services

Dining Services expenses were \$411,000 less than budget due to savings in wages and contracted management fees.

##### Housekeeping and Laundry

Housekeeping and Laundry expenses were \$173,000 more than budget due to unbudgeted COVID-19-related supplies (gloves, masks, personal protective equipment, etc.).

##### General and Administration

General and Administrative expenses were \$574,000 more than budget because more staff members started to utilize their healthcare benefits when COVID-19 restrictions were lifted, and healthcare services became more accessible.

##### Plant Maintenance

Plant Maintenance expenses were in line with budget.

##### Depreciation and Amortization

Depreciation and Amortization expense was \$412,000 less than budget due to the timing of fixed assets placed in service.

##### Interest Expense

Interest Expense was in line with the budget.

##### Other Expenses

Other Expenses were \$67,000 below budget due to the timing of payments for Professional Fees.

**EXHIBIT 7**

**RESIDENCE AND SERVICES AGREEMENT**

## RESIDENCE AND SERVICES AGREEMENT

### Westminster-Canterbury on Chesapeake Bay Virginia Beach, Virginia 23451

Westminster-Canterbury on Chesapeake Bay (referred to in this Agreement as “Westminster-Canterbury”) is a nonprofit, nonstock corporation organized under the laws of the Commonwealth of Virginia to establish and operate Westminster-Canterbury on Chesapeake Bay as a residential community (the “Community”) for persons who have reached retirement age.

\_\_\_\_\_  
(referred to in this Agreement as “You” or as “Resident”) has this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, entered into this **RESIDENCE AND SERVICES AGREEMENT** with Westminster-Canterbury, the terms of which are set out below.

#### I. SERVICES AND FACILITIES

Unless specifically noted otherwise in this Agreement, Westminster-Canterbury will furnish You with the lodging, personal services, nursing care and facilities described in this Agreement during your lifetime beginning with your assigned occupancy date.

**A. Your Residence.** You have agreed that the Residence listed in **Article XII** (the “Residence”) will be your Residence. You will occupy your Residence within six (6) months following the occupancy date assigned to You by Westminster-Canterbury (your “assigned occupancy date”) and You will reside therein at least one hundred eighty (180) days during each calendar year. You will have a personal and non-assignable right to live in your Residence during your lifetime as called for in this Agreement. Your assigned occupancy date is listed in **Article XII** and this date shall be not earlier than seven (7) days after the execution of this Agreement by both parties.

**B. Furnishings in Your Residence.** Westminster-Canterbury will provide flooring, emergency signal equipment, refrigerator with icemaker, range, oven, hood vent, and other furnishings as described in the Community’s current literature. Where available, a microwave, dishwasher, washer and dryer and a garbage disposal will also be provided. All other furniture, furnishings, decorations and other personal property will be provided by You.

**C. Options and Custom Features in Your Residence.** Westminster-Canterbury will provide and the Resident may select certain options and custom features at additional cost in the Residence as described in the Community's literature. Any such options and custom features selected and paid for by You will become part of the Residence and the property of Westminster-Canterbury upon installation in your Residence. The value of any such improvements will not be considered in computing refunds and Westminster-Canterbury will have a vested ownership in such improvements.

**D. Common Areas and Amenities.** Westminster-Canterbury will provide common areas and amenities for the use and benefit of all residents such as a formal dining room, casual dining room, café, library, chapel, mailboxes, Starfish Pointe retail store, bank, lobby, multi-purpose room, auditorium, lounges, card and game room, arts and crafts room, woodshop, swimming pool, fitness room, beauty and barbershop, walking areas, on-site clinic, on-site Assisted Living residences, Nursing Care in an on-site Health Care Center, and other common areas and amenities described in the Community's current literature.

**E. Parking.** Westminster-Canterbury will provide and maintain a lighted parking garage and parking areas for your personal vehicle if You actively drive and use this vehicle on a regular basis (limited to one vehicle for each individual resident) and parking for occasional guests. Your vehicle must display current inspection and registration decals and valid state license plates at all times. Inoperable or unused vehicles will be removed from the Westminster-Canterbury parking areas at your expense.

**F. Storage.** Westminster-Canterbury will provide limited assigned storage space outside of the apartment for personal items on a space-available basis.

**G. Guest Privileges.** Westminster-Canterbury will provide guest rooms at selected locations throughout the Community. Residents may house guests overnight in their apartments or reserve space for them in one of these guest rooms in accordance with current published policies regarding time limits, applicable fees and space priorities. These policies will be available to all residents and will be fully explained to You at your request.

**H. Services and Programs.**

**1. Utilities.** Westminster-Canterbury will furnish heating, air conditioning, electricity, water, sewer, local telephone service with one (1) telephone, basic cable television service, trash removal and municipal services. You are responsible for all additional charges related to telephone and premium television service and wireless internet.

**2. Meals.** Westminster-Canterbury will make available to the Residents three nutritionally well-balanced meals each day served in the various dining areas. Meal options are available and your Monthly Fee will reflect the program of your choice.

3. **Special Diets and Tray Service.** Meals containing substitute or special diets and tray services delivered to the Residence will be available when approved by authorized staff members at an additional cost to you.

4. **Housekeeping Services.** Westminster-Canterbury agrees to provide You with weekly housekeeping services, including vacuum cleaning, dusting, cleaning of baths and kitchens and trash removal in the Residence. Other housekeeping options are available and your Monthly Fee will be adjusted accordingly. Additional housekeeping may be scheduled at your request and expense.

5. **Laundry.** Westminster-Canterbury will provide washers and dryers for all residents. (Bed and bath linens will be provided for residents in the East Tower where washers and dryers are not provided in each individual residence and for all residents in Assisted Living and in Nursing Care in the Health Care Center.) Linen service for residents in the West Tower where washers and dryers are provided in each individual residence will be available at an additional cost to You.

6. **Groundskeeping.** Westminster-Canterbury will furnish basic grounds keeping service for the grounds, including lawn, tree and shrubbery care. Subject to approval by Westminster-Canterbury, You may plant and maintain certain areas designated for such purposes by the Community.

7. **Maintenance and Repairs.** Westminster-Canterbury will maintain and keep in repair its own improvements, furnishings and equipment. You will be responsible for the cost of repairing damage to property of the Community caused by your negligence or the negligence of any of your guests, ordinary wear and tear excepted.

8. **Transportation.** Westminster-Canterbury will provide local transportation (in a defined area) for You on a regularly scheduled basis and transportation to local doctor and medical appointments at a nominal charge when scheduled by authorized staff. An additional charge may be made for transportation for special or group trips.

9. **Security.** Westminster-Canterbury will provide twenty-four (24) hour security staffing. Emergency call devices and smoke detectors will be located in each Residence.

10. **Activities.** Westminster-Canterbury will provide planned and scheduled social, recreational, spiritual, educational and cultural activities, arts and crafts, exercise and health programs, and other special activities designed to meet the needs of its Residents.

## **I. Medical and Nursing Facilities and Services**

1. **Outpatient Facilities.** Westminster-Canterbury operates a Clinic on the premises where residents may be examined and treated as outpatients by appointment. Every effort will be made for physician(s) selected by Westminster-Canterbury to keep scheduled office hours at the Clinic. There is no obligation to use the Clinic or the physician selected by Westminster-

Canterbury. You are free to engage the services of any physician of your choice at his or her office or elsewhere off the premises.

Westminster-Canterbury may make arrangements for the services of a physical therapist, occupational therapist, podiatrist or other health professionals to be available to residents on the premises by appointment at their expense. You are free to engage the services of a licensed health care professional of your choice at his or her office or elsewhere off the premises.

**2. Emergency and Special Services.** Westminster-Canterbury's health services personnel will be made available to You when You are confined to your Residence for temporary illnesses if Westminster-Canterbury deems this service advisable and in your best health care interest. Westminster-Canterbury will provide routine services for You at your request in your Residence through its health services personnel and will make appropriate charges to You for such services.

**3. The Health Care Center.** Westminster-Canterbury operates a licensed nursing facility which also provides skilled nursing care. If it is determined by Westminster-Canterbury that You need such care, Westminster-Canterbury will provide this care on a 24-hour basis through qualified, licensed or certified professionals. Other services include daily housekeeping, daily bed making, assistance with meals, special diets, bathing, dressing and other activities of daily living, medication monitoring and dispensing, medical procedures as prescribed by a physician and other nursing care services as allowed by regulations for licensure. When You reside in the Health Care Center, You will also be served three (3) meals a day and your Monthly Fee will reflect the charges for a three-meal plan. Laundry services are also available at your expense.

Westminster-Canterbury will maintain sufficient private and semi-private beds in the Health Care Center in accordance with state regulations to meet the reasonably anticipated needs of the Westminster-Canterbury population for nursing care. If no accommodation is available in the Health Care Center, Westminster-Canterbury will care for You in your Residence, if this course of action is deemed reasonable by Westminster-Canterbury, until space becomes available. If Westminster-Canterbury determines that You cannot be cared for in a reasonable manner in your Residence, Westminster-Canterbury will arrange for your admission to another facility that can supply such care until an accommodation in the Health Care Center becomes available. While in the Health Care Center, You may employ private duty nurses and sitters at your own expense with the written approval of Westminster-Canterbury. Such private duty nurses and sitters shall be subject to Westminster-Canterbury's rules and regulations and must register with the Resident and Services Department.

**4. Assisted Living Services.** Westminster-Canterbury also provides limited assistance with activities of daily living to residents residing in areas designated for Assisted Living Services. If it is determined by Westminster-Canterbury that You need such care, Westminster-Canterbury will provide You with these services. Assisted Living Services provide assistance for residents who need more services than are available in the independent residences, but do not require the twenty-four (24) hour nursing services available in the Health Care Center.



Qualified staff are on duty twenty-four (24) hours a day to provide assistance with activities of daily living, such as bathing, dressing and help with medications. Three meals a day, housekeeping and linen services, physical therapy services, a planned schedule of activities and assistance with beauty shop appointments are also available to Assisted Living residents. All services are provided under Westminster-Canterbury's general supervision and are designed to promote the highest level of independence possible for each resident.

While utilizing Assisted Living Services, You may employ private duty nurses and sitters at your own expense with the written approval of Westminster-Canterbury. Such private duty nurses and sitters shall be subject to Westminster-Canterbury's rules and regulations and must register with the Resident and Services Department. If You are utilizing Assisted Living Services, You may require three meals a day and your Monthly Fee will reflect the charges for a three-meal plan.

**5. Changes in Scope of Care or Services Provided**

Westminster-Canterbury may make changes in the scope of care or services provided hereunder, which shall become effective upon giving You at least thirty (30) days' prior notice of such changes or as otherwise required by State or Federal assistance programs.

**6. Staffing.** The areas designated for Assisted Living Services and the Health Care Center are staffed by qualified, licensed and certified nursing staff twenty-four (24) hours per day.

**7. Medical Director.** The overall condition and supervision of health care and medical services throughout the Community will be provided by a Medical Director, who will be a licensed physician selected by Westminster-Canterbury.

**8. Charges.** Charges for Assisted Living, Home Care, Clinic and Nursing Services, as described above, are set forth in Section II.C. of this Agreement.

**9. Personal Physician.** The Resident may choose to use the services of a personal physician and will be responsible for the fees charged by that physician.

**II. PAYMENT OF FEES, REIMBURSEMENT OF EXPENSES AND INSURANCE**

**A. Entrance Fee**

**1. Amount.** You agree to pay to Westminster-Canterbury in full, by your assigned occupancy date, an Entrance Fee for your Residence in the amount set forth in **Article XII.** (See **Articles VI, VII and IX** regarding the policy on refunds of the Entrance Fee.) Your Entrance Fee will not be changed during the term of this Agreement unless (i) another person begins to reside in your Residence, (ii) You move to another residence or (iii) unless otherwise required by State or Federal regulations. **Four percent (4%) of your total Entrance Fee is**

designated as a non-refundable Administration Fee used to cover a portion of the costs and expenses incurred by Westminster-Canterbury.

2. **Refund Option.** You shall select one of the refund options outlined below by noting the appropriate number thereof in **Article XII.D.**, and this selection shall govern all refunds of the Entrance Fee applicable to your Residence:

Refund Option	Description	Refund Schedule
No. 1	Standard Agreement	Deduct 4% administrative fee plus 2% per month after assigned occupancy date for 48 months due to termination by Resident for reasons other than death; 4% administrative fee plus 2% per month after assigned occupancy date if death occurs within 6 months after assigned occupancy date; No refund if the death of Resident occurs after 6-month period.
No. 2	50 – Month Declining Balance Agreement	Deduct 4% administrative fee plus 2% per month after assigned occupancy date for 48 months due to termination by Resident for any reason, including death; No refund due after 48 months from assigned occupancy date.
No. 3	80% Refund Agreement (Age 84 and under)	Deduct 4% administrative fee plus 4% per month after assigned occupancy date for four months, due to termination by Resident for any reason including death; Refund never less than 80% of Entrance Fee paid for Residence.

The refund amounts shown above for the 50-Month Declining Balance Option and the 80% Refund Option reflect premiums in addition to the Standard Agreement Refund Option based on industry calculations by a financial consultant. You must select your refund option at the time of signing this Agreement. Your refund option may not be changed after the date that the balance of the Entrance Fee is paid.

3. **Terms of Payment of the Entrance Fee.** The terms of payment of the Entrance Fee are as follows:

(a) **Reservation Deposit.** A Reservation Deposit of One Thousand Dollars (\$1,000) will be paid upon the execution of the Reservation Agreement, or your Future Residency Program (FRP) waitlist deposit will be transferred to satisfy your reservation deposit at the time of reservation.

(b) **Ten Percent (10%) Deposit.** An amount equal to ten percent (10%) of the total Entrance Fee for your Residence, less the One Thousand Dollars (\$1,000.00)

Your Ten Percent (10%) Deposit or \_\_\_\_\_ Dollars is due and payable at the time of signing this Agreement.

(c) **Balance of Entrance Fee.** The balance of the Entrance Fee for your Residence will be due and payable on your assigned occupancy date and no later than 90 days from the date that this Agreement is signed by you, whichever event first occurs.

4. **Escrow Account.** Westminster-Canterbury will establish an escrow account with a bank or trust company selected by it upon the terms and conditions set forth in the Virginia Code. Westminster-Canterbury shall place in the escrow account any portion of the Entrance Fee received by it from You pursuant to this Agreement prior to the date that You are permitted to occupy your Residence.

**B. Monthly Fee.**

1. **Amount.** You further agree to pay the Monthly Fee applicable to your Residence, as adjusted from time to time. The current Monthly Fee for your Residence is set out in **Article XII** of this Agreement. Your Monthly Fee is due and payable in advance on the first business day of each month beginning with your assigned occupancy date, whether or not You occupy Your Residence and shall be prorated for any applicable period of less than one month. You are required to pay the Monthly Fee applicable to your Residence whether You are residing in your Residence, the Assisted Living or Health Care Centers and this Monthly Fee shall be paid until such time as your Residence is vacated and all of your property is removed therefrom.

2. **Adjustments in the Monthly Fee.** The Monthly Fee is charged to provide the facilities, programs and services described in this Agreement and is intended to cover the expenses associated with the operation and management of the Community. Westminster-Canterbury shall have the authority to adjust the Monthly Fee from time to time during the term of this Agreement as it in its discretion deems necessary in order to reflect changes in the cost of providing the facilities, programs and services described herein consistent with operating on a sound financial basis and maintaining the quality of services called for herein. Any such adjustment in the Monthly Fee or other charges may be made by Westminster-Canterbury upon thirty (30) days written notice to all Residents.

3. **Billing Procedures and Late Payment Charges**

You will be invoiced monthly for your Monthly Fee and for any services and supplies provided or obtained for You that are not included by Westminster-Canterbury as part of the Monthly Fee. Such invoices are due upon receipt. Without limiting its other rights and remedies, Westminster-Canterbury reserves the right to charge a late charge on all fees (including the Monthly Fee) and other charges which are not paid within thirty (30) days of their due date.

**C. Health Related Charges.**

**1. Base Charges.** You agree to pay for all base charges for medical services rendered by Westminster-Canterbury or its agents to the extent they are not included in the Monthly Fee, are not covered by public or private insurance or assistance programs, including Medicare, Medicaid and your supplemental insurance or are not paid for directly to Westminster-Canterbury, or its authorized representatives, by Medicare or any other supplemental insurance or assistance programs covering you, including without limitation: (1) charges of any physician, physical therapist, occupational therapist, podiatrist or other health care professional whether provided in the Westminster-Canterbury clinic, the Health Care Center areas designated for Assisted Living Services or elsewhere, (2) hospital charges, and (3) ancillary charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices and other health-related items. You may choose to limit Westminster-Canterbury's obligation to pay base charges for medical services rendered by Westminster-Canterbury or its agents that are not included in your Monthly Fee, are not covered by Medicare, Medicaid or some other public or private insurance or assistance programs covering your care or otherwise payable by you by selecting a limited medical care assistance option outlined in **Article XII.E.** This selection shall govern each party's obligation to pay the base charges for these services during the term of this Agreement.

**2. Continuance of Monthly Fee.** Should You qualify for assisted living services in areas designated therefore or skilled nursing care in the Health Care Center or other designated areas, it is understood that You will continue to be charged the amount of your Monthly Fee for the Residence occupied by You at the time of transfer. In addition to the Monthly Fee, charges will be made for any additional meals needed to total three (3) meals per day and other charges for ancillary services as described above in Section C.1. of this **Article II.** This continuance of the Monthly Fee is known as the "True LifeCare" Benefit. The amount of the Monthly Fee may be reduced or terminated if you have selected a limited medical care assistance option in **Article XII.E.** hereof, are permanently transferred to an assisted living area or the Health Care Center and are subsequently required to pay the community rate established by Westminster-Canterbury from time to time for services provided in the assisted living areas or the Health Care Center.

**3. Medicare and Supplemental Insurance.**

If You have not already enrolled, You agree to (a) apply for and secure your enrollment in the Hospital Insurance Benefits Program under Part A of Public Law 89-67 (Medicare), or its successor program, and (b) during the next enrollment period following the filing of your application for admission to Westminster-Canterbury, apply, pay the premiums, secure and maintain your enrollment in the Supplemental Medical Insurance Benefits Program under Part B of Public Law 89-67, or its successor program. If You are not eligible for these programs, or they cease, You agree to obtain equivalent insurance coverage acceptable to Westminster-Canterbury. If You do not obtain such coverage, You agree to pay Westminster-Canterbury for all charges and for services rendered by Westminster-Canterbury that would have been reimbursed

by such insurance. If at any time You become eligible for payments from other governmental agencies for health services, You agree to make application for such payments. Westminster-Canterbury will assist You in filing insurance or other claims for services rendered by Westminster-Canterbury. Upon request and direction of Westminster-Canterbury, You agree to execute an assignment of benefits to Westminster-Canterbury or to the physicians staffing the Clinic or Health Care Center.

You agree to obtain and maintain a supplemental insurance policy acceptable to Westminster-Canterbury such as Blue Cross Medicare Extended Major Medical, to pay Medicare co-insurance (co-pay) and deductible amounts and to provide major medical coverage up to a \$250,000.00 lifetime maximum. Should you fail or neglect to arrange for such coverage, you agree to pay Westminster-Canterbury for services rendered by its health care professionals (whether employees or agents) which would otherwise have been covered by such supplemental insurance.

**D. Reliance on Information Provided By You**

Please understand that in processing your application for admission, setting its fees and other charges and calculating the financial assistance discussed below, Westminster-Canterbury relies heavily on the statements of health and financial condition provided by you. It is imperative that these statements be completed as fully and accurately as possible. Therefore, you hereby represent that you have completed, or have caused to be completed in this manner, any such statements that you have provided to Westminster-Canterbury in connection with your application for admission.

**III. FINANCIAL ASSISTANCE**

**A. Financial Assistance Loans (“Fellowship”)**

“Financial Assistance” (defined below) is made available from time to time by and at the discretion of Westminster-Canterbury to those residents, it deems to be in need of such assistance. While Westminster-Canterbury cannot guarantee that such assistance will always be available to all residents in need, it will try to make such assistance available to those residents who initially can demonstrate their need for such assistance or can show that their circumstances have changed through no fault of their own in such a way that they no longer can pay all fees and charges assessed pursuant to their Residence Agreement.

Westminster-Canterbury agrees to credit the sum established by it as a “Financial Assistance Credit” toward the payment of your Entrance Fee and/or the sum established by it as a “Monthly Financial Assistance Credit” toward the payment of your Monthly Fees. Westminster-Canterbury may at any time and at its sole discretion begin, increase, decrease or terminate its Financial Assistance because of (a) changes in the cost of operating Westminster-Canterbury or (b) changes in your assets or income from the amounts shown on the financial statement included with your application.

All Financial Assistance Credits shall constitute a loan of such sums to you on the date that monies are credited to your account. These loans shall bear interest at the rate of 8% per annum from the credit date, compounded annually, until the date that the loan is fully paid. Principal and interest on Financial Assistance loans shall be due and payable (a) upon the reasonable determination by Westminster-Canterbury that changes in your financial condition allow for the repayment of all or part of the loan in addition to amounts You are then paying Westminster-Canterbury, (b) upon your death, or (c) upon the termination of this Agreement. Westminster-Canterbury may credit amounts due it for Financial Assistance provided to You against any refund owed to You. You agree to pay the reasonable costs (including attorney's fees) of collecting any debt resulting from Financial Assistance provided to you.

**B. Other Duties of Those Who Receive Financial Assistance**

You agree that if You receive Financial Assistance from Westminster-Canterbury, You will do the following:

(a) Apply for and diligently seek the benefits of any public assistance program for which You might qualify, including Medicaid, Social Security and Veteran's Pensions. Any benefits You receive may be taken into account in adjusting your Financial Assistance.

(b) Report promptly to the administrator of Westminster-Canterbury any material increases in your assets or their value, whether the increase occurs by way of gift, inheritance, appreciation in value or otherwise.

(c) Refrain from transferring any material assets for less than their fair market value in money or money's worth, whether by gift or otherwise. If You are receiving Financial Assistance from the date of occupancy, You hereby represent that You have not transferred any material assets for less than their fair value in money or money's worth to any party in contemplation of your admission to Westminster-Canterbury.

(d) At the request of Westminster-Canterbury, make arrangements for the preservation and management of your property by a third party (or parties), including, but not limited to, the execution and funding of a trust agreement for your benefit.

(e) Execute any instruments (including notes, assignments, security agreements, and deed of trust) that Westminster-Canterbury deems necessary to evidence or secure the repayment of its Financial Assistance.

(f) Upon request, provide Westminster-Canterbury with copies of your federal and state income and gift tax returns for the three years prior to such request.

**C. Spend-Down of Refundable Fees**

To ensure that Westminster-Canterbury's charitable funds benefit as many residents as possible, holders of Residence Agreements with active refund options (amounts due to residents)

will be required to spend-down the refundable portion of their Entrance Fee (less the Administrative Fee) to be eligible for Financial Assistance. Refundable Entrance Fees may be consumed and applied at the level requested by you to cover Monthly Fees and other Westminster-Canterbury fees once your income and other resources are insufficient to pay these fees. The term “insufficient resources” means that you do not have the necessary funds to pay all fees due to Westminster-Canterbury monthly and still retain a reasonable amount of disposable income needed to pay personal expenses. Westminster-Canterbury’s intention is that residents will continue to have available the disposable income they would have under current Fellowship Policies during the spend-down period. It will be your responsibility to contact Resident Services to review current Fellowship requirements and to fill out the necessary forms to start the spend-down process. After review and approval of all forms, the Chief Financial Officer will notify you when spend-down funds are available and the effective date to start the spend-down process. You will receive periodic statements reflecting the remaining balance of your Entrance Fee. The spend-down process will continue until your Entrance Fee Balance is exhausted. Upon completing the spend-down process, you will qualify for Financial Assistance if you meet all of the Fellowship eligibility requirements, as stated in the Fellowship Policy. Any unused remaining balance of your Entrance Fee will still be refunded to you.

#### **IV. ADMISSION REQUIREMENTS AND PROCEDURES**

Residents become qualified for admission to Westminster-Canterbury upon satisfaction of the following requirements:

**A. Age.** The entrance requirements for residence at the Community are nondiscriminatory except as to age, and the Community is open to both married and single men and women of all races and religions and without regard to the place of former residence. A ny rights to residential care benefits starts at the age of 62.

**B. Personal Interview.** You will have interviews with representatives of Westminster-Canterbury prior to taking residency. Upon review of all information required to be furnished herein, additional personal interviews may be requested by Westminster-Canterbury.

**C. Reservation Agreement.** You have signed a Reservation Agreement.

**D. Disclosure Statement.** Westminster-Canterbury will provide You with a copy of the Disclosure Statement which fully describes the organization, facilities, policies, services, fees, financial condition and projections and other vital information related to the Community.

**E. Application Forms.** Upon entering into the Reservation Agreement, You have submitted for approval by the Westminster-Canterbury Admissions Committee, an Application for Admissions, a Personal Health History, a Physician completed Medical Screening Form and a Confidential Financial Statement on forms provided by Westminster-Canterbury and copies of your current medical records.

**F. Admissions Committee.** The completed application forms will be submitted to the Westminster-Canterbury Admissions Committee. The Admissions Committee will review the

forms submitted by You as a basis for initial acceptance into the Community and may request such additional information as it deems necessary for this purpose. The Committee will accept or deny your application based on admissions criteria and policies established by the Westminster-Canterbury Board of Trustees and will notify You promptly of its decision.

**G. Residence and Services Agreement.** Within ten (10) days after notification of application acceptance by the Admissions Committee, You have entered into this **RESIDENCE AND SERVICES AGREEMENT**.

**H. Health Requirements.** Prior to taking occupancy of your Residence but within 30 days of occupancy, You will be required to be re-evaluated by our on-site Physician for a final health assessment and clearance. You also agree to provide, if requested by Westminster-Canterbury, such additional information as maybe needed by the Admissions Committee to make a final decision concerning your admission to the Community. The Admissions Committee may also require an additional physical examination by the Westminster-Canterbury Medical Director or another physician selected by it. You shall be responsible for all costs connected with such physical examinations. If your health, as disclosed by the Physician's Report or the report from the additional physical examination or from additional information requested by the Admissions Committee, is determined by the Admissions Committee to differ materially from that disclosed in your Personal Health History, Westminster-Canterbury shall have the right to decline your admission into the Community and to terminate this Agreement or in its discretion, to permit You to take occupancy of accommodations within Westminster-Canterbury that are more suitable to your needs based on your existing health status and the availability of alternate accommodations.

**I. Financial Requirements.** You must have assets and an income which will be sufficient under foreseeable circumstances to pay your financial obligations called for in this Agreement and to meet your ordinary living expenses. From time to time, the Community may require You to furnish updated financial information and you agree to promptly provide such information.

**J. Representations.** Please understand that in processing your application for admission, setting its fees and other charges and calculating the financial information discussed above, Westminster-Canterbury relies heavily on the statements of health and financial condition provided by You. It is imperative that these statements be completed as fully and accurately as possible. Therefore, you do hereby affirm that the representations made in the application for admission, Personal Health History, confidential financial statement and other documentation provided by you are true and correct and may be fully relied upon by Westminster-Canterbury as a basis for entering into this Agreement.



## **V. PROPERTY RIGHTS**

You understand that this is an Agreement primarily for services. Though You are granted a right of occupancy, this Agreement is not a lease and You will have no right, title, or interest in any of the real or personal property of Westminster-Canterbury. Your rights under this Agreement are personal, and may not be assigned, transferred, inherited or devised. Any rights, privileges, benefits or interests created by or under this Agreement shall be subordinated to any mortgage, deed of trust or other security interest on any of the premises or interests in the real estate of Westminster-Canterbury, and to all amendments, modifications, replacements or refunds thereof. You agree to execute and deliver any document required by Westminster-Canterbury or by the holder of any mortgage or deed of trust to evidence or effect such subordination.

You agree that employees of Westminster-Canterbury shall have the right to enter your Residence at reasonable times and upon reasonable notice to perform housekeeping and maintenance functions, and at any time without notice, to respond to fire or medical alerts or for other emergency purposes.

Though Westminster-Canterbury will exercise reasonable care in providing effective security, You agree to ensure your property against casualty and theft loss and to provide proof of such insurance upon request. Westminster-Canterbury shall not be responsible for the loss or damage of any of your property by theft or other cause.

Upon termination of this Agreement or your permanent transfer from your Residence to another level of care, all of your property must be removed from your Residence within three (3) weeks thereafter. After three (3) weeks, Westminster-Canterbury will have the right to remove your property and store it at your expense for an additional thirty (30) days. All property not claimed and removed by the end of the thirty (30) day period shall become the property of Westminster-Canterbury to dispose of as it chooses without any liability to You or your estate. Your Monthly Fee is due and payable up to and including the date that your Residence is vacated and all of your property is removed therefrom.

You agree to reimburse Westminster-Canterbury for any costs incurred or damages suffered by it resulting from the actions of You or your guests. You hereby waive your right to make any claim against Westminster-Canterbury for, and release Westminster-Canterbury from, any liability for your death or injury to your person or your property caused by any theft, fire, assault or other cause beyond the control of Westminster-Canterbury and from any liability resulting from the unauthorized acts of the employees or agents of Westminster-Canterbury or from the acts of any other person.

## **VI. REQUIRED TRANSFER AND SUBSEQUENT RELEASE OF YOUR APARTMENT**

Except in the event of a termination of this Agreement or in case of emergency or as otherwise described in this **Article VI**, Westminster-Canterbury agrees not to transfer You from your Residence into another residence or facility within the Community until Westminster-

Canterbury has, to the extent practicable, consulted with you, your personal physician and a member of your family or designated representative. In cases of emergency transfer, the consultations described above will be scheduled by Westminster-Canterbury within ten (10) days of transfer.

Westminster-Canterbury may transfer You to a hospital or other appropriate facility only (1) when it is determined by Westminster-Canterbury that You need to be transferred to the Health Care Center or an area where Assisted Living Services are available, but space is not available in these facilities or (2) when your condition is one that Westminster-Canterbury is not properly licensed, staffed or equipped to care for. Westminster-Canterbury may also transfer You on a temporary or permanent basis to another apartment, to an area where Assisted Living Services are available or to the Health Care Center when it determines in its discretion that (1) your continued occupancy of your Residence constitutes a danger to other residents or to yourself, or is otherwise detrimental to the peace or health of other residents or (2) your transfer is required to meet demonstrated needs of the Westminster-Canterbury facility that promote the overall welfare of the resident community or provide for the orderly administration of Westminster-Canterbury's facilities and services.

When Westminster-Canterbury determines that your physical condition or conduct is such that You are no longer able to live in Westminster-Canterbury's independent living facility, then, after the consultations called for herein, Westminster-Canterbury may transfer You from your Residence to the Health Care Center or to areas where Assisted Living Services are available, or if necessary, to a suitable public or private facility able to provide needed care for hospitalization, nursing care or other treatment, and Westminster-Canterbury shall have full authority and right to so transfer You without having to obtain your further consent.

If Westminster-Canterbury determines that the condition which required your transfer is not temporary in nature, your Residence shall be released and made available to a new resident. If Westminster-Canterbury determines under this **Article VI** that You are to be permanently transferred to another residence within Westminster-Canterbury, your Monthly Fee will be adjusted and appropriate adjustments shall be made to your Entrance Fee. Westminster-Canterbury will publish as of October 1 of each year its policies governing Entrance Fee payments and refunds, Monthly Fees, refund schedules and other financial consequences related to transfers of residents by Westminster-Canterbury to new residences within the Community during that calendar year. This information will be available to all residents and will be fully explained to You at your request. This Agreement shall be terminated if You need to be transferred permanently to another facility.

Any determination or decision by Westminster-Canterbury relating to your transfer or the release of your Residence may be appealed to the Westminster-Canterbury Board of Trustees, whose decision shall be binding on all parties.

## **VII. CHANGE OF APARTMENTS, MARRIAGE OR DOUBLE OCCUPANCY**

### **A. Change of Apartments**

You may transfer to another residence within the Community with Westminster-Canterbury's prior written approval. This approval may not be granted until the apartment into which You are requesting to transfer has been available for occupancy for at least thirty (30) days. If your request is due to a physical handicap or a financial hardship, the thirty (30) day requirement may be waived. If your request is approved, You will have twenty-four (24) hours to accept whichever residence, fitting your description, Westminster-Canterbury notifies You in writing is available, and if You accept this residence as your new Residence, Westminster-Canterbury will determine and assess the amount of any additional Entrance Fee, or any refund or credit thereof, which is appropriate to your new Residence. Your Monthly Fee shall become that which is applicable to your new Residence.

Westminster-Canterbury will publish as of October 1 of each year its policies governing Entrance Fee payments and refunds, Monthly Fees, refund schedules and other financial consequences related to voluntary transfers by residents to new residences within the Community during that calendar year. This information will be available to all residents and will be fully explained to You at your request.

Westminster-Canterbury will provide and the resident may select certain options and custom features at additional cost in the residence. Any such options and custom features that are selected and paid for by the resident will become part of the residence and the property of Westminster-Canterbury upon installation. The value of any such improvements will not be considered in computing refunds and Westminster-Canterbury will have a vested ownership in such improvements,

Resident Services and the Re-Occupancy Manager will make an appointment with a transferring resident to walkthrough both the apartment being vacated and the new apartment. Except for paint, vinyl and carpet, the resident must accept the apartment as is. Any changes they want to make will be at their expense. If the resident is not willing to accept the apartment "as is", then they must wait for the next available apartment. They may hire their own contractor and make changes at their expense. The resident must leave the vacated apartment "as is" since all changes that were made there (cabinet change, build-ins, closet changes, etc.) belong to Westminster-Canterbury and remain with the apartment. If any exceptions are made, the resident is responsible for repairing or paying for the cost of repairing the walls, removal of wallpaper, cabinets or other areas where those changes were made.

If a resident has special needs, they will be referred to Resident Services.

Residents moving to a larger apartment will pay the appropriate transfer fee and the additional entrance fee for the larger apartment (current year to the current year). The additional entrance fee is equal to the difference between the current entry fee of the new apartment less the current entry fee of the apartment that is being vacated.

Residents making an in-house transfer will also pay the monthly fee on their existing apartment until it is occupied, not to exceed 90 days, to compensate for the vacancy created.

Residents requesting upgrades will meet with the Re-Occupancy Manager to review changes, selections, and cost. Residents may need to hire outside contractors for special changes. If Westminster-Canterbury is willing to make those changes, the resident will be presented with a statement of cost and will sign off on that statement before changes are made.

Any outside contractors must be presented to the Re-Occupancy Manager and be approved by Buildings and Grounds. Outside contractors will be responsible for any damage to Westminster-Canterbury property caused by their work and installation.

## **B. Marriage or Double Occupancy**

Co-occupants may not occupy an apartment smaller than a Master Studio.

See **Article IX** for additional terms relating to persons who are co-occupants of a residence.

If You marry a non-resident after becoming a resident, or You are married but your spouse has not yet also become a resident of Westminster-Canterbury, your spouse may reside with You at Westminster-Canterbury on the following terms and conditions:

(a) If your spouse is at least sixty-two (62) years old and is otherwise qualified to be admitted to Westminster-Canterbury, both of You shall enter into a new **RESIDENCE AND SERVICES AGREEMENT** (yours will be a modification of your old agreement) in which **Article XI** is made effective. (You may be required to sign your spouse's **RESIDENCE AND SERVICES AGREEMENT** as a guarantor.) The Entrance Fee for Your Residence in which both of You will reside shall be based on that fee for double occupancy which is currently in effect for such residence, and the Monthly Fee for Your Residence will be the Monthly Fee currently in effect for two individuals living in that residence. Any refund due You of a portion of your old Entrance Fee or payment of additional funds from You shall be determined as if You have changed residence pursuant to Part A of this **Article VII**.

(b) If your spouse is not yet sixty-two (62) years old or is otherwise not qualified to be admitted as a LifeCare resident into Westminster-Canterbury, your spouse may be allowed to reside with You in Westminster-Canterbury until your **RESIDENCE AND SERVICES AGREEMENT** is terminated (whether by your death or otherwise). Your spouse will be required to execute a separate boarding agreement acknowledging: (i) that he/she may reside in Westminster-Canterbury for only so long as your **RESIDENCE AND SERVICES AGREEMENT** remains in effect, (ii) that he/she will abide by all rules and regulations established by Westminster-Canterbury, and (iii) that he/she will have no rights to any of the health-related services offered by Westminster-Canterbury under the terms of this Agreement, including those described in Part I of **Article I** hereof unless they are separately paid for on a fee-for-service basis. Your Agreement will be modified to obligate You to pay the Monthly Fee applicable for two (2) persons occupying Your

Residence in which both of You will reside. In the event You must transfer to another residence in order to reside with your spouse, any refund due You of your original Entrance Fee or payment of additional funds from You shall be determined pursuant to Part A of this **Article VII**.

All portions of this Part B of **Article VII** shall also apply to situations where persons who are not married desire to occupy the same apartment and one of them is not yet a resident of Westminster-Canterbury.

Regardless of the age of your spouse, if your spouse is otherwise not eligible to be admitted into Westminster-Canterbury even pursuant to (b) above (e.g., without limitation: your spouse cannot care for himself/herself or Westminster-Canterbury is not licensed to care for his/her condition), You may terminate this Agreement as provided for in Part A of **Article IX**.

Similar adjustments will be made by Westminster-Canterbury in the event you, subsequent to your assigned occupancy date, request to live in the same apartment with another resident of Westminster-Canterbury. Both You and the other resident will be required to sign new **RESIDENCE AND SERVICES AGREEMENTS** in which **Article XI** becomes operative and your respective Entrance Fees and Monthly Fees shall be credited to the new fees to which each of You is obligated for Your Residence in which both of You are going to reside. For purposes of determining any refund of Entrance Fee caused by the two of You living in the same apartment, Part A of this **Article VII** shall control.

Of course, any request to move to a new apartment will be subject to space availability and the related terms set forth in Part A of this **Article VII**.

## **VIII. RIGHT TO RESCIND AGREEMENT**

You may rescind this Agreement, without penalty or forfeiture, for a period of seven (7) days after signing it. You will not be required or allowed to move into Westminster-Canterbury prior to the expiration of the seven (7) day period.

## **IX. TERMINATION AND REFUNDS**

**A. Termination By Resident Prior to Assigned Occupancy Date.** This Agreement may be terminated by You for any reason within thirty (30) days after signing it (an additional twenty-three (23) days in excess of your seven-day right of rescission provided for above) and on or before your assigned occupancy date, whichever event first occurs, by giving prompt written notice of such termination to the President of Westminster-Canterbury. In the event of such termination, You will receive a full refund of all money paid by You to Westminster-Canterbury less any costs incurred by it at your written request. In the event You terminate this Agreement at any time after such thirty (30) day period or your assigned occupancy date, whichever event first occurs and prior to your assigned occupancy date, You will receive a refund of all money paid to

Westminster-Canterbury by you less an administrative charge equal to four percent (4%) of the total amount of the Entrance Fee applicable to your Residence as set forth in **Article XII.C** hereof. No administrative fee will be made, however, if such termination is due to your death or the death of your spouse or the fact that your physical, mental or financial condition or that of your spouse no longer makes you or your spouse eligible for entrance into the Community.

**B. Termination by Resident After Assigned Occupancy Date.** Once your assigned occupancy date arrives and from then on, You have the right to terminate this Agreement for any reason at any time, by giving written notice at least thirty (30) days before the desired termination date to the President of Westminster-Canterbury. If you terminate this Agreement pursuant to the preceding sentence, You may be entitled to receive a refund of a portion of the Entrance Fee paid by You as provided for in Appendix I to this Agreement and subject to the conditions set forth in Section F of this Article.

**C. Termination by Westminster-Canterbury**

In order to remain a resident of Westminster-Canterbury, you must comply with the terms of this Agreement and the rules and regulations promulgated by Westminster-Canterbury, and you must make all payments when due. Even if your physical condition deteriorates, you may remain a resident of Westminster-Canterbury provided it has the space available and is sufficiently staffed and properly licensed to care for your condition.

Notwithstanding the foregoing, Westminster-Canterbury shall have the right to terminate this Agreement without liability if a material deterioration occurs in your physical or mental condition between the time of the physical examination conducted in connection with your application and the time you move into your Residence. If Westminster-Canterbury exercises its right to terminate, for this reason, you shall receive a full refund of all amounts you have paid to Westminster-Canterbury with the exception of any costs incurred by Westminster-Canterbury at your written request, which request shall be appended to this Agreement and signed by both parties.

In order to be in compliance with the terms of this Agreement, you must conduct yourself in such a way that this Agreement is not subject to being terminated as set forth below. Westminster-Canterbury shall have the right to terminate this Agreement by action of its Board of Trustees for any cause which, in the judgment and sole discretion of the Board shall be good and sufficient. Good and sufficient cause shall be limited to the following: (1) Westminster-Canterbury reasonably believes you are a danger to yourself or others, (2) you have failed to pay the Monthly Fees and/or other charges that may be assessed pursuant to this Agreement, (3) you have persistently failed to abide by the written rules and regulations of Westminster-Canterbury (which shall include all of the obligations imposed upon you by this Agreement), including such amendments as may be properly adopted from time to time, or (4) you repeatedly conduct yourself in a manner that interferes with the quiet enjoyment of the facilities by other residents or the orderly administration of the facilities by Westminster-Canterbury personnel.

You agree that a decision by the Board of Trustees of Westminster-Canterbury to terminate this Agreement for "good and sufficient cause" shall be binding on all parties. Westminster-Canterbury shall give you reasonable, prior written notice of your termination date and a determination that your continued occupancy presents a threat to the safety of others or yourself shall be a factor in determining the reasonableness of that notice.

If Westminster-Canterbury terminates this Agreement, you may be entitled to receive a refund of a portion of the Entrance Fee paid by you as provided for in the Appendix to this Agreement and subject to the conditions set out in Section F of this Article.

Should Westminster-Canterbury seek to terminate this Agreement as set forth above, you will receive written notice of and a reasonable opportunity to cure, within a reasonable time period, whatever conduct is alleged to warrant the termination of the agreement.

**D. Termination by Reason of Death.** If You die prior to your assigned occupancy date, this Agreement shall terminate automatically upon your death and your estate shall receive a full refund of all money paid to Westminster-Canterbury or due to You under the terms of this Agreement except for costs incurred by Westminster-Canterbury at your written request, which request shall be signed by both parties. If You die on the assigned occupancy date or at any time thereafter, this Agreement shall terminate automatically upon your death. Your estate may be entitled to receive a refund of a portion of the Entrance Fee paid by You as provided for in Appendix I to this Agreement and subject to the conditions set out in Section F of this Article.

**E. Termination When Apartment Occupied by More Than One Resident**

If You are one of two residents sharing an apartment and the other resident dies or is permanently transferred to the Assisted Living Center or the Health Care Center or his/her **RESIDENCE AND SERVICES AGREEMENT** is otherwise terminated, You may continue to live in your Residence, or You may transfer to another residence in accordance with **Article VII.A.** of this Agreement. You will not receive any refund of the Entrance Fee because of the termination of the other resident's **RESIDENCE AND SERVICES AGREEMENT**. If You die or your **RESIDENCE AND SERVICES AGREEMENT** is otherwise terminated prior to the other resident's death or the termination of his/her **RESIDENCE AND SERVICES AGREEMENT**, You or your estate may be entitled to a refund of a portion of the Entrance Fee paid by You as provided for in Appendix I to this Agreement.

**F. Conditions of Refund and Duties Upon Termination**

If You terminate this Agreement, the refund of a portion of the Entrance Fee to which You may be entitled under the Appendix to this Agreement shall be due thirty (30) days after the assigned occupancy date of the new resident who has signed a **RESIDENCE AND SERVICES AGREEMENT** with Westminster-Canterbury to occupy your Residence. In all other cases, any refund to which You or your estate is entitled shall be due thirty (30) days after your termination date. You are obligated to pay Monthly Fees through the date that you vacate your Residence and remove all of your property therefrom. In no event shall Westminster-

Canterbury be obligated to refund more than one month's payment of the Monthly Fees You have paid. No refund of any portion of the Entrance Fee shall be due as a result of your transfer to an area designated for Assisted Living Services or the Health Care Center or to another institution or facility unless this Agreement is terminated in accordance with its terms. Upon termination of this Agreement for any reason, You agree to pay Westminster-Canterbury all amounts owed to it and any reasonable expenses incurred in connection with your termination, including costs of any repairs or replacements of property, or any painting or other refurbishment of your Residence, considered necessary by Westminster-Canterbury to prepare it for a new resident. Westminster-Canterbury may deduct any amounts owed it by You from any refund due.

For purposes of computing refunds of the Entrance Fee, but not your eligibility for such a refund, a partial calendar month of more than fifteen days shall be treated as a full month and a partial calendar month of fifteen days or less shall be ignored. Your assigned occupancy date shall be counted as a full day.

## **X. MISCELLANEOUS**

### **A. Confidentiality of Personal Information**

All personal financial information and individually identifiable health information supplied by You shall be used solely for the purposes for which it was requested or as otherwise required by Westminster-Canterbury to provide the services set forth herein. This information shall be treated as confidential, subject to standard disclosures necessary (i) to carry out or facilitate medical treatment, (ii) for insurance, billing or operations purposes, (iii) to comply with an authorization or request that You have made in writing; (iv) to comply with legal process; or (v) for other health care-related purposes allowed by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and other applicable laws.

### **B. Rules of Westminster-Canterbury**

You agree to abide by the Westminster-Canterbury rules and regulations, including any reasonable changes that may be adopted by Westminster-Canterbury.

### **C. Residents' Association**

Westminster-Canterbury has assisted in organizing a Residents' Association, and will confer regularly with representatives of the Association about matters of concern to residents. Westminster-Canterbury retains all authority regarding admission, dismissal, adjustment of fees and management of Westminster-Canterbury. No resident shall have the right to prevent the admission of a new resident or the termination of another resident's **RESIDENCE AND SERVICES AGREEMENT**, or to protest the fees charged or Financial Assistance rendered to any other resident.



**D. Preservation of Your Assets**

At the request of Westminster-Canterbury, You agree to make arrangements for the preservation and management of your property by a third party (or parties), including but not limited to the execution and funding of a trust agreement for your benefit whenever, in the sole judgment of Westminster-Canterbury, it appears that your continued management of your property may place You in need of Financial Assistance from Westminster-Canterbury. Upon request, You agree to provide Westminster-Canterbury with a complete financial statement, including copies of your federal and state income and gift tax returns for the three years prior to such request.

**E. Injury by a Third Party**

If You are injured as a result of the acts of a third party, that third party may be liable for the cost of any medical, surgical, nursing or additional care resulting therefrom. You or your personal representative shall notify Westminster-Canterbury promptly if You are injured by a third party and will pursue diligently any claim for damages which may be due from a third party or parties for that injury. Westminster-Canterbury is not required to bear the cost of care which is made necessary by the acts of third parties, and You agree to indemnify Westminster-Canterbury for any expenses incurred by Westminster-Canterbury in providing such care up to the amount of any net recovery You may collect as a result of the acts of such third party. Any funds You may recover as a result of such an injury are hereby assigned to Westminster-Canterbury to the extent necessary to reimburse Westminster-Canterbury for the charges for providing care made necessary by such injuries, and this assignment may be enforced by Westminster-Canterbury against your estate or other property.

**F. Waiver, Representations, Binding Effect, Construction and Governing Law**

The failure of Westminster-Canterbury in any one or more instances to insist upon your strict performance, observation and compliance with any of the terms or provisions of this Agreement, or Westminster-Canterbury's waiver of your breach of this Agreement, shall not be construed to be a waiver or relinquishment of its right to insist upon your strict compliance with all the terms and provisions of this Agreement in every other instance, and to make any claim or enforce its rights with respect thereto. Westminster-Canterbury's representatives have made no promises or representations regarding your Residence, facilities of Westminster-Canterbury, refunds or services to be provided other than those specifically set out in this Agreement. You understand that none of the sponsoring organizations of Westminster-Canterbury (Episcopal Diocese of Southern Virginia and the Presbytery of Eastern Virginia of the Presbyterian Church) are parties to this Agreement and You hereby represent that You have not relied on the creditworthiness or sponsorship of any such sponsoring organization as an inducement to execute this Agreement. This Agreement constitutes the entire contract between You and Westminster-Canterbury with respect to the specific matters detailed herein and supersedes all previous discussions and understandings, written or oral, between the parties with respect thereto. This Agreement may not be amended except as set forth in **Article XI**. 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. Your application, financial statement and health history statement filed with Westminster-Canterbury are hereby incorporated in this Agreement by reference and all statements contained therein are represented by You to be true. All references in this Agreement to masculine pronouns and adjectives shall be deemed to include the feminine and vice versa. All headings contained in this agreement are for convenience only and have no effect on the terms of the Agreement. The duties owed Westminster-Canterbury under this Agreement shall inure to the benefit of its successors and assigns. The failure of Westminster-Canterbury or You to insist upon the compliance of any provision of this Agreement by the other party at a particular time or date shall not be deemed a waiver of such provision at some later date.

**G. Power of Attorney**

You agree to execute under seal and maintain in effect a Limited Power of Attorney valid under Virginia law. This Power of Attorney shall designate as your attorney, in fact, a bank, lawyer or other responsible person or persons of your choice to act for You in managing your financial affairs and filing for insurance or other benefits under private and public assistance programs as fully and completely as You could act if acting personally, and shall be in a form which survives your incapacity or disability and is otherwise satisfactory to Westminster-Canterbury. You will be required to deliver a fully executed copy of this Power of Attorney to Westminster-Canterbury prior to occupancy of your Residence. You agree to keep Westminster-Canterbury informed as to the identity of the Executor of your estate, the location of your will, and your funeral plans.

**H. Assignment Rights and Privileges of Resident under this Agreement.**

Residence, Common Areas, Amenities and Services and Programs of the Community are personal to the Resident and they may not be transferred or assigned in any way by the Resident or any other party. Except as otherwise set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Westminster-Canterbury and the heirs, executors, administrators and assigns of the Resident.

**XI. CO-OCCUPANT (To be used with a married couple or two persons sharing an apartment.)**

An identical **RESIDENCE AND SERVICES AGREEMENT** is being made contemporaneously by Westminster-Canterbury with \_\_\_\_\_ (your "Co-Occupant"), who will share your Residence with you. The Entrance Fee and Monthly Fee set out in this Agreement represents the total Entrance Fee and Monthly Fee for two persons occupying your Residence. The **RESIDENCE AND SERVICES AGREEMENT** of your Co-occupant requires the payment of identical fees. While only one Entrance Fee and a single Monthly Fee is due from the two of you, Westminster-Canterbury has made no determination of that portion of such fees which are due and payable from or are actually paid by each of you. Any money that may be due and owing as a refund of the original Entrance Fee pursuant to the terms of this Agreement shall be paid to the last occupant of your Residence. Westminster-Canterbury

shall have no obligation to determine what portion of such money that may be claimed to be or may actually be the property of other parties and shall not be required to account for the payment of any such money to the last occupant of your Residence. A small portion of the Entrance Fee may be paid to the first Co-occupant who dies or whose **RESIDENCE AND SERVICES AGREEMENT** is otherwise terminated on or after the assigned occupancy date as hereinafter provided. If your Co-occupant predeceases You or his/her **RESIDENCE AND SERVICES AGREEMENT** is otherwise terminated, You agree to pay the Monthly Fee then applicable for a single person occupying your Residence.

If You predecease your Co-occupant on or after the assigned occupancy date, your estate may be entitled to a refund of a portion of the Entrance Fee paid by You as provided for in Appendix I to this Agreement.

If your **RESIDENCE AND SERVICES AGREEMENT** is terminated by You or by Westminster-Canterbury for any reason on or after the assigned occupancy date and prior to the termination of the **RESIDENCE AND SERVICES AGREEMENT** of your Co-occupant, You may be entitled to a refund of a portion of the Entrance Fee paid by You as provided for in Appendix I to this Agreement.

Any refund of the Entrance Fee to You or your Co-occupant shall be determined by using the earlier assigned occupancy date of You or your Co-occupant.

**XII. RESIDENCE NUMBER, ASSIGNED OCCUPANCY DATE AND SCHEDULE OF FEES**

A. **Residence Number/Unit Style** \_\_\_\_\_  
Your Residence listed here  
will be your residence.

B. **Projected/Assigned  
Occupancy Date** \_\_\_\_\_

C. **Schedule of Fees**

1. **Entrance Fees**

The Entrance Fee  
Applicable to Your Residence \_\_\_\_\_

Payment(s) Received as of Date of  
this agreement \_\_\_\_\_

Balance Due by Assigned  
Occupancy Date \_\_\_\_\_

2. **Monthly Fees**

Monthly Fee Currently Applicable  
to your Residence \_\_\_\_\_

D. **Refund Option Number** \_\_\_\_\_

Your selected refund option listed here will govern all refunds of Entrance Fees related to your Apartment. Accordingly, the only provisions of Appendix I to this Agreement that are applicable to You are those that relate directly to your selected refund option. All available refund options are fully explained in Appendix I.

E. **Limited Medical Care Assistance Option No.** \_\_\_\_\_ \*

(Resident must initial 1st page of selected Option)

Your selection of a limited medical care assistance option will limit the obligation of Westminster-Canterbury to pay the base charges for medical services rendered by Westminster-Canterbury or its agents that are not included in your Monthly Fee, are not covered by Medicare, Medicaid or other public or private insurance or assistance programs covering your care or

**otherwise payable by you as provided for in Section II.C. of this Agreement. Accordingly, your payment for a portion of these medical services will be regulated by the provisions of the limited assistance option selected by you and more fully explained in Appendix II to this Agreement.**

**It is important that You read and understand other Articles of this Agreement which further explain the Entrance Fee, Monthly Fee and terms of Financial Assistance. Your attention is particularly directed to the following Articles:**

**Article I-G: Meals and Personal Services**

**Article I-H: Medical and Nursing Facilities and Services**  
**(Long-term care or nursing home insurance may not be necessary since Westminster-Canterbury provides these services without further cost to you. However, You may wish to review the continued need for this insurance with your insurance advisor.)**

**Article II-A,B&C: Payment of Fees and Charges**  
**(Your Monthly Fee will be adjusted from time to time. Typically, a 30-day notice of Monthly Fee changes will be given each year at the end of August and the new Monthly Fee will be effective as of the following October 1)**

**Article II-C: Medicare and Supplemental Insurance**  
**(Please remember that You have agreed to carry Medicare Parts A and B and the Medicare supplemental insurance that covers “skilled” nursing care or other equivalent insurance coverage acceptable to Westminster-Canterbury. If You do not obtain such coverage or your coverage is less than the standard coverage required by this Agreement, You will personally be responsible for paying all charges and costs for medical services provided by Westminster-Canterbury that would have been paid for by such insurance. Skilled nursing care, medications, supplies, therapies, oxygen are some of the medical services or supplies that will be billed to You if You do not carry the required insurance)**

**Article III: Financial Assistance**

**Article V: Property Rights**  
**(You will need to ensure your furnishings and other personal property in your Residence against loss from fire or theft with a standard renter’s insurance policy which includes personal liability coverage for You. Please contact your insurance agent to help You purchase this insurance prior to moving into your Residence)**

**Article VI: Required Transfer and Subsequent Release of Your Apartment**

**Article VII: Change of Apartments, Marriage or Double Occupancy**

**Article IX: Termination of this Agreement**

## **XII. AMENDMENTS TO THIS AGREEMENT**

Westminster-Canterbury reserves the right to amend this Agreement from time to time in its discretion without Resident's consent so long as such amendment is needed (1) to cure any ambiguity, inconsistency or omission in the terms of this Agreement or (2) to comply with the Federal, state or local laws, rules or regulations that are applicable to Westminster-Canterbury or the Community and any of its programs, or (3) make any other change considered necessary by Westminster-Canterbury that does not in either case in Westminster-Canterbury's opinion have an adverse economic impact or consequence of a material nature on the rights or obligations of Resident hereunder. All amendments to this Agreement must be in writing, signed by Westminster-Canterbury and attached to this Agreement. Amendments other than those set forth above must also be signed by you.

**The foregoing section is a voluntary agreement to resolve any dispute that may arise in the future between the parties relating to this Agreement or the Resident's Occupancy and Care in the Community by arbitration. In arbitration, a neutral third party arbitrator acceptable to Westminster-Canterbury and Resident determines the merits of any dispute between the parties as opposed to a judge or jury in court.**

## **XIII. OTHER INFORMATION**

Westminster-Canterbury is licensed by:

Department of Social Services  
Commonwealth of Virginia  
Tidewater Regional Office  
Pembroke Four Building, Suite 4  
Virginia Beach, Virginia 23462

Department of Health  
Commonwealth of Virginia  
Center for Quality Health Services  
and Consumer Protection  
3600 West Broad Street  
Suite 216  
Richmond, Virginia 23230

IN WITNESS WHEREOF, Westminster-Canterbury and You have executed this Agreement as of the day and year first above written.

WESTMINSTER-CANTERBURY  
ON CHESAPEAKE BAY

BY: \_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
RESIDENT SIGNATURE

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
WITNESS

**GUARANTY**

To induce Westminster-Canterbury on Chesapeake Bay, to enter into the foregoing Residence and Services Agreement with the Resident, and in consideration of the sum of One Dollar paid to the undersigned, the receipt of which is hereby acknowledged, the undersigned hereby guarantees to Westminster-Canterbury the payment by Resident of all fees, and the performance by the Resident of all the other terms, covenants, obligations and conditions of this Agreement. Notice of all defaults, extensions of time, and modifications of terms is waived and consent is hereby given to all extensions of time and modifications of terms that Westminster-Canterbury may grant.

Date: \_\_\_\_\_ (SEAL)

Date: \_\_\_\_\_ (SEAL)



## **Westminster-Canterbury in Virginia Beach**

### **Summary of Responsibilities**

Below is a list of some of the services and facilities Westminster-Canterbury will provide under its standard Residence and Services Agreement, and some of the expenses for which each resident will remain responsible.

Please understand that the following is a summary and not a complete list. We urge You and your personal advisors to read the Residence and Services Agreement in full, rather than rely on this capsule presentation of certain of its features. If this list differs in any respect from the Residence and Services Agreement, the Residence and Services Agreement shall control.

#### **I. Westminster-Canterbury will provide**

- |           |                         |                                       |
|-----------|-------------------------|---------------------------------------|
| <b>A.</b> | An apartment with:      | Optional Furnishings where available: |
|           | – flooring              | - microwave                           |
|           | – window coverings      | - dishwasher                          |
|           | – refrigerator          | - washer and dryer                    |
|           | – range                 | - garbage disposal                    |
|           | – emergency call system |                                       |
- 
- B.** Utilities
- water
  - heat
  - air-conditioning
  - electricity
  - local telephone service with one telephone
  - basic tv service
- C.** Maintenance of building, grounds and furnished appliances
- D.** Certain common spaces may be reserved for your private use from time to time, including
- limited storage space
  - mailbox
  - parking space
  - guest rooms
- E.** One meal a day unless You contract for other options

- F.** Weekly maid service for housekeeping unless you decline this service (weekly changes of bed linens and towels if no washer and dryer is provided in your Residence)
- G.** Health Services (depending on your choice of Medical Care Assistance Options)
  - Westminster-Canterbury provides the Clinic space and nursing staff, but charges are made for services rendered by medical professionals as well as prescription drugs and special medical items
  - health services in Your Residence in case of accident or temporary illness (some extra charges may be imposed)
  - skilled or intermediate nursing care or physical assistance care in areas designated for Assisting Living Services and Health Care Centers not otherwise covered by insurance or governmental programs (special medical needs may require an extra charge)
  - assistance in filing Westminster-Canterbury related medical insurance claims at Westminster-Canterbury's option

**II. You will provide or pay for:**

- furnishings
- telephones or telephone lines in addition to those furnished
- long-distance calls
- arts and crafts supplies
- beauty/barber services
- roll-away beds if needed for guests in your Residence
- use of guest rooms by your guests
- meals for your guests
- extra meals beyond those covered by your Monthly Fees
- tray service to your Residence in case of illness
- special diets (if available)
- Health Services (not otherwise covered by this Agreement such as Home Care Services in your apartment)
- Medicare coverage
  - supplemental insurance such as Blue Cross/Blue Shield Extended Major Medical
- ancillary services such as physical, occupational and speech therapy, medical supplies, and prescription drugs while either a resident in an area designated for Assisted Living Services or the Health Care Center or a resident in any other residence
- hospital charges not covered by insurance, including: medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, and orthopedic devices

**APPENDIX I:  
OPTIONS FOR REFUNDS OF ENTRANCE FEES**

GENERAL

All terms used in this Appendix I have the meanings assigned to them in the foregoing Residence and Services Agreement (the “Agreement”). All fees paid to Westminster-Canterbury shall become its exclusive property upon the assigned occupancy date for your Residence or the date of payment, if later. However, Westminster-Canterbury shall use such fees, to the extent necessary, to meet its obligations to you under the Agreement (including the obligation to make refunds, if any, as set out in this Appendix) and to meet its obligations to the other residents of Westminster-Canterbury. For purposes of computing refunds of Entrance Fees as set forth below but not your eligibility for such refunds, a partial calendar month of more than 15 days shall be treated as a full month and a partial calendar month of 15 days or less shall be ignored. The assigned occupancy date shall be counted as a full day.

THE APPLICABILITY OF THE FOLLOWING TERMS DEPENDS UPON THE NUMBER  
OF THE REFUND OPTION WHICH IS SPECIFIED IN ARTICLE XII OF YOUR  
RESIDENCE AND SERVICES AGREEMENT. IF NO NUMBER IS SPECIFIED THERE, IT  
SHALL BE PRESUMED THAT REFUND OPTION 1 APPLIES.

REFUND OPTION 1 (STANDARD CONTRACT)

A. Refund After Termination By Resident During First 48 Months. This Paragraph A applies only to Refund Option No. 1. If the Agreement is terminated by you during the first 48 months after your assigned occupancy date, the entire Entrance Fee (less Financial Assistance, if any), shall be refunded less a 4% administrative fee and 2% thereof for each calendar month following your assigned occupancy date and continuing through the date a new resident occupies your Apartment.

For example: If your assigned occupancy date was July 1, 1996, your Termination Date was December 31, 1996, and a new resident occupied your apartment as of March 1, 1997 (8 months), then the refund would equal the total Entrance Fee paid less 20% or a refund of 80% of the Entrance Fee paid by you.

In the event that two persons have each signed an Agreement as Resident and one person terminates his or her Agreement during the first 48 months after the earlier of the two (2) assigned occupancy dates, the foregoing shall apply to the difference between the Entrance Fee paid and the Entrance Fee which would have been due and payable on the assigned occupancy date with respect to the single occupancy of the Apartment. If the second Agreement related to the Apartment is subsequently terminated by the other Resident during such 48-month period, the foregoing shall then apply to the balance of the Entrance Fee.

This Paragraph A applies only to Refund Option No. 1. After the end of the 48th month from the earlier of the two (2) assigned occupancy dates, no refund will be paid by Westminster-Canterbury to either Resident upon the termination of either Agreement by Resident.

B. Refund After Termination by Westminster-Canterbury During the First 96 Months. This Paragraph B applies only to Refund Option No. 1. If the Agreement is terminated by Westminster-Canterbury during the first 96 months after your assigned occupancy date, the entire Entrance Fee (less Financial Assistance, if any) shall be refunded less a 4% administrative fee and 1% thereof for each calendar month following your assigned occupancy date and continuing through your Termination Date.

For Example: If your assigned occupancy date was July 1, 1995, and your Termination Date was December 31, 1996 (18 months), then the refund would equal the total Entrance Fee paid less 22% or a refund of 78% of the Entrance Fee paid by you.

In the event that two persons have each signed an Agreement as Resident and Westminster-Canterbury terminates one of the Agreements during the first 96 months after the earlier of the two (2) assigned occupancy dates, the foregoing shall apply to the difference between the Entrance Fee paid and the Entrance Fee which would have been due and payable on the assigned occupancy date with respect to the single occupancy of the Apartment. If the second

Agreement related to the Apartment is subsequently terminated by Westminster-Canterbury during such 100-month period, the foregoing shall then apply to the balance of the Entrance Fee.

This Paragraph B applies only to Refund Option No. 1. After the end of the 96th month from the earlier of the two (2) assigned occupancy dates, no refund will be paid by Westminster-Canterbury to either Resident upon the termination of either Agreement by Westminster-Canterbury.

C. Termination by Reason of Death During the First 6 Months. This Paragraph C applies to Refund Option No. 1. The Agreement is automatically terminated by death and if your death occurs during the first 6 months after your assigned occupancy date, the entire Entrance Fee (less Financial Assistance, if any), shall be refunded less a 4% administrative fee and 2% thereof for each month following the assigned occupancy date and continuing through the date of your death.

For Example: If your assigned occupancy date was July 1, 1996, and you died on November 30, 1996 (5 months), then the refund would equal the total Entrance Fee paid less 14% or a refund of 86% of the Entrance Fee paid by you.

In the event that two persons have each signed an Agreement as Resident and one person dies during the first 6 months after the earlier of the two (2) assigned occupancy dates, the foregoing shall apply to the difference between the Entrance Fee paid and the Entrance Fee which would have been due and payable on the assigned occupancy date with respect to the single occupancy of the Apartment. If the second Agreement is subsequently terminated by the death of the second Resident during such 6 month period, the foregoing shall then apply to the balance of the Entrance Fee.

This Paragraph C applies to Refund Option No. 1. After the end of the 6th month from the earlier of the two (2) assigned occupancy dates, no Refund will be paid by Westminster-Canterbury to either Resident as a result of his or her death.

## REFUND OPTION 2 (50 MONTH DECLINING BALANCE CONTRACT)

A. Refund After Termination By Resident (including Death) During First 48 Months. This Paragraph A applies only to Refund Option No. 2. If the Agreement is terminated by you or as a result of your death during the first 48 months after your assigned occupancy date, the entire Entrance Fee (less Financial Assistance, if any), shall be refunded less a 4% administrative fee and 2% thereof for each calendar month following your assigned occupancy date and continuing through the date a new resident occupies your Apartment.

For Example: If your assigned occupancy date was July 1, 1996, you died on December 30, 1996, and a new resident occupied your Apartment as of March 1, 1997 (8 months), then the refund would equal the total Entrance Fee paid less 20% or a refund of 80% of the Entrance Fee paid by you.

In the event that two persons have each signed an Agreement as Residents and one person dies or terminates his or her Agreement during the first 48 months after the earlier of the two (2) assigned occupancy dates, the foregoing shall apply to the difference between the Entrance Fee paid and the Entrance Fee which would have been due and payable on the assigned occupancy date with respect to the single occupancy of the Apartment. If the second Agreement is subsequently terminated by the second Resident or as a result of his or her death during such 48-month period, the foregoing shall then apply to the balance of the Entrance Fee.

This Paragraph A applies to Refund Option No. 2. After the end of the 48th month from the earlier of the two (2) assigned occupancy dates, no Refund will be paid by Westminster-Canterbury to either Resident upon the termination of either Agreement by Resident or as a result of his or her death.

B. Refund After Termination by Westminster-Canterbury During the First 96 Months. This Paragraph B applies only to Refund Option No. 2. If the Agreement is terminated by Westminster-Canterbury during the first 96 months after your assigned occupancy date, the entire Entrance Fee (less Financial Assistance, if any) shall be refunded less a 4% administrative fee and 1% thereof for each calendar month following your assigned occupancy date and continuing through your Termination Date.

For Example: If your assigned occupancy date was July 1, 1995, and your Termination Date was December 31, 1996 (18 months), then the refund would equal the total Entrance Fee paid less 22% or a refund of 78% of the Entrance Fee paid by you.

In the event that two persons have each signed an Agreement as Resident and Westminster-Canterbury terminates one of the Agreements during the first 96 months after the earlier of the two (2) assigned Occupancy dates, the foregoing shall apply to the difference between the Entrance Fee paid and the Entrance Fee which would have been due and payable on the assigned occupancy date with respect to single occupancy of the Apartment. If this second

Agreement related to the Apartment is subsequently terminated by Westminster-Canterbury during such 96 month period, the foregoing shall then apply to the balance of the Entrance Fee.

This Paragraph B applies only to Refund Option No. 2. After the end of the 96th month from the earlier of the two (2) assigned Occupancy dates, no refund will be paid by Westminster-Canterbury to either Resident upon the termination of either Agreement by Westminster-Canterbury.

REFUND OPTION 3 (80% REFUNDABLE CONTRACT)

A. Refund After Termination By Resident (including Death) During the First 4 Months. This Paragraph A applies only to Refund Option No. 3. If the Agreement is terminated by you or as a result of your death during the first 4 months after your assigned occupancy date, the entire Entrance Fee (less Financial Assistance, if any), shall be refunded less a 4% administrative fee and 4% thereof for each calendar month up to four months following your assigned occupancy date and continuing through the date a new resident occupies your Apartment.

For Example: If your assigned occupancy date was July 1, 1996, you died on August 31, 1996, and a new resident occupied your Apartment on October 1, 1996 (3 months), then the refund would equal the total Entrance Fee paid less 16% or a refund of 84% of the Entrance Fee paid by you.

This Paragraph A applies only to Refund Option No. 3. If the Agreement is terminated by Resident or as a result of his or her death at any time after the end of the 4th month from the earlier of the two (2) assigned occupancy dates, a refund equal to 80% of the Entrance Fee (less Financial Assistance, if any) will be paid by Westminster-Canterbury.

In the event that two persons have each signed an Agreement as Resident and one dies or terminates his or her Agreement during the first 4 months after the earlier of the two (2) assigned occupancy dates or thereafter, the foregoing shall apply to the difference between the Entrance Fee paid and the Entrance Fee which would have been due and payable on the assigned occupancy date with respect to the single occupancy of the Apartment. If the second Agreement is subsequently terminated by the second Resident or as a result of his or her death during such 4-month period or thereafter, the foregoing shall then apply to the balance of the Entrance Fee.

B. Refund After Termination by Westminster-Canterbury During the First 4 Months. This Paragraph B applies only to Refund Option No. 3. If the Agreement is terminated by Westminster-Canterbury during the first four months after your assigned occupancy date, the entire Entrance Fee (less Financial Assistance, if any) shall be refunded less a 4% administrative fee and 4% thereof for each calendar month following your assigned occupancy date and continuing through your Termination Date.

For Example: If your assigned occupancy date was July 1, 1996, and your Termination Date was September 30, 1996 (3 months), then the refund would equal the total Entrance Fee paid less 16% or a refund of 84% of the Entrance Fee paid by you.

This Paragraph B applies only to Refund Option No. 3. If the Agreement is terminated by Westminster-Canterbury at any time after the end of the 4th month from the earlier of the two (2) assigned Occupancy dates, a refund equal to 80% of the Entrance Fee (less Financial Assistance, if any) will be paid by Westminster-Canterbury.



In the event that two persons have each signed an Agreement as Resident and Westminster-Canterbury terminates the Agreement of one Resident during the first 4 months after the earlier of the two (2) assigned occupancy dates or thereafter, the foregoing shall apply to the difference between the Entrance Fee paid and the Entrance Fee which would have been due and payable on the assigned occupancy date with respect to single occupancy of the Apartment. If the second Agreement is subsequently terminated by Westminster-Canterbury during such 4-month period or thereafter, the foregoing shall then apply to the balance of the Entrance Fee.

## **APPENDIX II:**

### **OPTIONS TO LIMIT MEDICAL CARE ASSISTANCE BY WESTMINSTER-CANTERBURY**

#### **GENERAL**

All terms used in this Appendix II have the meanings assigned to them in the foregoing Residence and Services Agreement (the “Agreement”). Your selection of a limited medical care assistance option should be considered if you have long-term health care insurance or otherwise determine that you wish to pay for long-term medical care personally on an asneeded basis. This option allows you to limit Westminster-Canterbury’s obligation to pay base charges for these services to a specific number of days and thereby reduces the entrance fee that must be paid by you for your Residence. The applicability of the following provisions depends upon the number of the limited medical care assistance option which is specified in Article XII.E. of this Agreement. If no number is specified there, it is presumed that you have elected the standard agreement with no limitation on Westminster-Canterbury’s obligation to pay base charges for these services and the entrance fee applicable to your Residence shall confirm this presumption.

Resident certifies that he/she has read the Limited Medical Assistance Option described below and understands its terms.

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Resident initials

LIMITED MEDICAL ASSISTANCE OPTION NO. 1 (365 DAYS)

A. Limited Medical Assistance Option No. 1. This Paragraph A applies only to Limited Medical Assistance Option No. 1. Westminster-Canterbury will provide special health care services provided in your Residence, assisted living services in areas designated therefor and nursing care in the Health Care Center or other designated areas after partial reimbursement from Medicare, Medicaid or other public or private insurance or assistance programs covering you as provided for in Section II.C. of this Agreement for a limited period of three hundred sixty-five (365) cumulative (consecutive or non-consecutive) days of medical service use. For purposes of this paragraph, a day or portion thereof in an assisted living area or the Health Care Center or other area designed for these services shall count as one day of use. After this limited period of medical service use, Westminster-Canterbury will continue to provide you with medical care services but these services will be provided at your expense.

B. Subsequent Charges for Medical Care. This Paragraph B applies only to Limited Medical Assistance Option No. 1. Once you have received the allotted three hundred sixty-five (365) days of cumulative medical service use at the expense of Westminster-Canterbury (including reimbursement from Medicare, Medicaid or other public or private insurance or assistance programs covering you), you will thereafter be responsible for all additional medical services listed above and will be charged on a per-service basis at the daily community rate for assisted living and nursing care services and/or the per visit rate for special services as established and set by Westminster-Canterbury from time to time. You will also continue to be responsible for payment of your Monthly Fee until such time as your Residence has been released to Westminster-Canterbury.

For Example: You live in a one-bedroom apartment at the current applicable Monthly Fee and you are transferred for a period of twenty (20) days to the Health Care Center. You are then transferred to an area where assisted living services are provided to you for an additional period of ten (10) days before returning to your Residence. These thirty (30) days of medical service use are covered by your Monthly Fee and are subtracted from your three hundred sixty-five (365) cumulative days of medical service use. Two (2) years later, you are transferred to an assisted living area or the Health Care Center on a permanent basis and release your Residence to Westminster-Canterbury for sale to a new resident. For the first

three hundred thirty-five (335) days after your transfer (the remaining medical service coverage available to you), you will pay the then applicable Monthly Fee for your Residence and Westminster-Canterbury will pay your charges for medical care expenses during this period of time. Thereafter, you will cease paying the Monthly Fee (you have released your Residence to Westminster-Canterbury) and will be charged for medical care on a per-service basis. If your transfer to an assisted living area or the Health Care Center is on a temporary basis, then you will continue to pay the Monthly Fee for your Residence and in addition, you will be charged for medical care on a per-service basis after your remaining three hundredthirty-five (335) days of medical service coverage has been used. Your Monthly Fee will continue to be charged to you until such time as your transfer to an assisted living area or an assisted living area or the Health Care Center is determined to be permanent and your Residence has been released to Westminster-Canterbury.

C. Married Couple Occupying Residence. This Paragraph C applies only to Limited Medical Assistance Option No. 1. In the event that two (2) persons have signed this Agreement as residents and one (1) of the residents has died or been permanently transferred to an assisted living area or the Health Care Center and has used up his or her medical service coverage, the Monthly Fee for the spouse shall be changed to reflect the single occupancy of the Residence. For purposes of the provisions of this Limited Medical Assistance Option, each resident and each spouse of a married couple shall be entitled to three hundred sixty-five (365) cumulative days of medical service use to be provided at the expense of Westminster-Canterbury in accordance with the terms of this Agreement. The entitled days of medical service use are non-transferable between residents and between spouses of married couples.

Resident certifies that he/she has read the Limited Medical Assistance Option described below and understands its terms.

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Resident initials

LIMITED MEDICAL ASSISTANCE OPTION NO. 2 (180 DAYS)

A. Limited Medical Assistance Option No. 2. This Paragraph A applies only to Limited Medical Assistance Option No. 2. Westminster-Canterbury will provide special health care services in your Residence, assisted living services in areas designated therefor and nursing care in the Health Care Center or other designated areas after partial reimbursement from Medicare, Medicaid or other public or private insurance or assistance programs covering you as provided for in Section II.C. of this Agreement for a limited period of one hundred eighty (180) cumulative (consecutive or non-consecutive) days of medical service use. For purposes of this paragraph, a day or portion thereof in an assisted living area or the Health Care Center or other area designed for these services shall count as one day of use. After this limited period of medical service use, Westminster-Canterbury will continue to provide you with medical care services but these services will be provided at your expense.

B. Subsequent Charges for Medical Care. This Paragraph B applies only to Limited Medical Assistance Option No. 2. Once you have received the allotted one hundred eighty (180) days of cumulative medical service use at the expense of Westminster-Canterbury (including reimbursement from Medicare, Medicaid or other public or private insurance or assistance programs covering you), you will thereafter be responsible for all additional medical services listed above and will be charged on a per-service basis at the daily community rate for assisted living and nursing care services and/or the per-visit rate for special services as established and set by Westminster-Canterbury from time to time. You will also continue to be responsible for payment of your Monthly Fee until such time as your Residence has been released to Westminster-Canterbury.

For Example: You live in a one-bedroom apartment at the current applicable Monthly Fee and you are transferred for a period of twenty (20) days to the Health Care Center. You are then transferred to an area where assisted living services are provided to you for an additional period of ten (10) days before returning to your Residence. These thirty (30) days of medical service use are covered by your Monthly Fee and are subtracted from your one hundred eighty (180) cumulative days of medical service use. Two (2) years later, you are transferred to an assisted living area or the Health Care Center on a permanent basis and release your Residence to Westminster-Canterbury for sale to a new resident. For the first one hundred fifty (150) days after your transfer (the remaining medical service coverage available to you), you will pay the then applicable Monthly Fee for your Residence and Westminster-Canterbury will pay your charges for medical care expenses

during this period of time. Thereafter, you will cease paying the Monthly Fee (you have released your Residence to Westminster-Canterbury) and will be charged for medical care on a per-service basis. If your transfer to an assisted living area or the Health Care Center is on a temporary basis, then you will continue to pay the Monthly Fee for your Residence and in addition, you will be charged for medical care on a per-service basis after your remaining one hundred fifty (150) days of medical service coverage has been used. Your Monthly Fee will continue to be charged to you until such time as your transfer to an assisted living area or the Health Care Center is determined to be permanent and your Residence has been released to Westminster-Canterbury.

C. Married Couple Occupying Residence. This Paragraph C applies only to Limited Medical Assistance Option No. 2. In the event that two (2) persons have signed this Agreement as residents and one (1) of the residents has died or been permanently transferred to an assisted living area or the Health Care Center and has used up his or her medical service coverage, the Monthly Fee for the spouse shall be changed to reflect the single occupancy of the Residence. For purposes of the provisions of this Limited Medical Assistance Option, each resident and each spouse of a married couple shall be entitled to one hundred eighty (180) cumulative days of medical service use to be provided at the expense of Westminster-Canterbury in accordance with the terms of this Agreement. The entitled days of medical service use are non-transferable between residents and between spouses of married couples.

Resident certifies that he/she has read the Limited Medical Assistance Option described below and understands its terms.

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Resident initials

LIMITED MEDICAL ASSISTANCE OPTION NO. 3 (0 DAYS)

A. Limited Medical Assistance Option No. 3. This Paragraph A applies only to Limited Medical Assistance Option No. 3. Westminster-Canterbury has no obligation to provide and will not provide you at its expense with special health care services in your Residence, assisted living services in areas designated therefor or nursing care in the Health Care Center or other designated areas as otherwise required by Section II.C. of this Agreement. If such services are needed, Westminster-Canterbury will provide them to you but you will be responsible for the cost thereof and will be charged on a per-service basis at the daily community rate for assisted living and nursing care service and/or the per-visit rate for other special services as established and set by Westminster-Canterbury from time to time. You will also continue to be responsible for payment of your Monthly Fee until such time as your Residence has been released to Westminster-Canterbury.

For Example: You live in a one-bedroom apartment at the current applicable Monthly Fee and you are transferred for a period of twenty (20) days to the Health Care Center and then return to your Residence. Two (2) years later, you are transferred to an assisted living area or the Health Care Center on a permanent basis and release your Residence to Westminster-Canterbury for sale to a new resident. You will pay for all expenses incurred during your temporary visit to the Health Care Center and later, upon your transfer to the assisted living area or the Health Care Center on a permanent basis and you will be charged for all medical care incurred on a per-service basis. Your Monthly Fee will continue to be charged to you until such time as your transfer to an assisted living area or the Health Care Center is determined to be permanent and your Residence has been released to Westminster-Canterbury.

B. Married Couple Occupying Residence. This Paragraph B applies only to Limited Medical Assistance Option No. 3. In the event that two (2) persons have signed this Agreement as Residents and one (1) of the Residents has died or been permanently transferred to an assisted living area or the Health Care Center and has used up his or her medical services coverage, the Monthly Fee for the spouse shall be changed to reflect the single occupancy of the Residence. It is understood that the spouse of the resident signing this Limited Medical Assistance Option No. 3 may be entitled to some limited number of days of medical service use or an unlimited number of days of medical service use at Westminster-Canterbury's expense. The entitled days of medical service use of the spouse are not transferable to the resident selecting this Limited Medical Assistance Option No. 3.

**EXHIBIT 8**

**CURRENT FEE SCHEDULES**

As noted on the attached, both Entrance Fees and Monthly Fees vary depending on which payment plan is selected.



**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY**  
**SCHEDULE OF MONTHLY FEES - SINGLE OCCUPANCY**  
**FY23**

Apartment Type	Standard Contract	Low EF High MF	High EF Low MF	FFS	80% Refundable FFS
<b>EAST TOWER &amp; VILLA</b>					
Angler	3,026	3,631	2,421	2,251	2,251
Pearl	3,239	3,887	2,591	2,464	2,464
Chesapeake	3,338	4,006	2,670	2,563	2,563
Dolphin	3,489	4,187	2,791	2,714	2,714
Egret - Premier	4,053	4,864	3,242	3,278	3,278
Egret	3,679	4,415	2,943	2,904	2,904
Starfish	4,068	4,882	3,254	3,293	3,293
Seagull - Premier	4,265	5,118	3,412	3,490	3,490
Seagull	3,871	4,645	3,097	3,096	3,096
Sandpiper	4,673	5,608	3,738	3,898	3,898
Heron	4,850	5,820	3,880	4,075	4,075
Islander	4,870	5,844	3,896	4,095	4,095
Nautilus	5,302	6,362	4,242	4,527	4,527
Windsurfer	5,671	6,805	4,537	4,896	4,896
Skipjack	6,487	7,784	5,190	5,712	5,712
Seagret	6,649	7,357	4,905	5,874	5,874
Villa	6,131	7,357	4,905	5,356	5,356
<b>WEST TOWER</b>					
Angler Premier	3,239	3,887	2,591	2,464	2,464
Dolphin Premier	3,676	4,411	2,941	2,901	2,901
Crane - "V" (Latitude)	5,073	6,088	4,058	4,298	4,298
Crane	5,292	6,350	4,234	4,517	4,517
Crane Premium	5,292	6,350	4,234	4,517	4,517
Schooner (Lookout)	5,667	6,800	4,534	4,892	4,892
Schooner	5,667	6,800	4,534	4,892	4,892
Osprey - V (Lynnhaven)	5,916	7,099	4,733	5,141	5,141
Osprey - "V"	5,916	7,099	4,733	5,141	5,141
Osprey	6,167	7,400	4,934	5,392	5,392
Osprey Premium	6,167	7,400	4,934	5,392	5,392
Spinnaker - "V" (Longitude)	6,787	8,144	5,430	6,012	6,012
Spinnaker	7,076	8,491	5,661	6,301	6,301
Spinnaker Premium East	7,076	8,491	5,661	6,301	6,301
Spinnaker Premium West	7,076	8,491	5,661	6,301	6,301
Clipper	7,285	8,742	5,828	6,510	6,510
Dockside - "V" (Lighthouse)	7,184	8,621	5,747	6,409	6,409
Dockside	7,489	8,987	5,991	6,714	6,714
Dockside Premium East	7,489	8,987	5,991	6,714	6,714
Dockside Premium West	7,489	8,987	5,991	6,714	6,714
Mooring	7,612	9,134	6,090	6,837	6,837
Galleon - "V" (Lesner)	7,368	8,842	5,894	6,593	6,593
Galleon	7,680	9,216	6,144	6,905	6,905
Galleon Premium	7,680	9,216	6,144	6,905	6,905
Mariner	7,368	8,842	5,894	6,593	6,593
Sailfish	7,808	9,370	6,246	7,033	7,033
Marlin	8,207	9,848	6,566	7,432	7,432
NOTE: Use Standard Contract MONTHLY FEE for 50 Month Declining Balance, 80% Refundable, 180 & 365 Day Healthcare contracts					
"V" - Value Apartment					

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY**  
**SCHEDULE OF MONTHLY FEES - DOUBLE OCCUPANCY**  
**FY23**

Apartment Type	Standard Contract	Hi MF Low EF	Low MF Hi EF	FFS	Adjusted 80% Refundable FFS
<b>EAST TOWER &amp; VILLA</b>					
Chesapeake	4,924	5,592	4,256	3,400	3,400
Dolphin	5,075	5,773	4,377	3,551	3,551
Egret - Premier	5,639	6,450	4,828	4,115	4,115
Egret	5,265	6,001	4,529	3,741	3,741
Starfish	5,654	6,468	4,840	4,130	4,130
Seagull - Premier	5,851	6,704	4,998	4,327	4,327
Seagull	5,457	6,231	4,683	3,933	3,933
Sandpiper	6,259	7,194	5,324	4,735	4,735
Heron	6,436	7,406	5,466	4,912	4,912
Islander	6,456	7,430	5,482	4,932	4,932
Nautilus	6,888	7,948	5,828	5,364	5,364
Windsurfer	7,257	8,391	6,123	5,733	5,733
Skipjack	8,073	9,370	6,776	6,549	6,549
Segret	8,235	8,943	6,491	6,711	6,711
Villa	7,717	8,943	6,491	6,193	6,193
<b>WEST TOWER</b>					
Dolphin Premier	5,262	5,997	4,527	3,738	3,738
Crane - "V" (Latitude)	6,659	7,674	5,644	5,135	5,135
Crane	6,878	7,936	5,820	5,354	5,354
Crane Premium	6,878	7,936	5,820	5,354	5,354
Schooner (Lookout)	7,253	8,386	6,120	5,729	5,729
Schooner	7,253	8,386	6,120	5,729	5,729
Osprey - V (Lynnhaven)	7,502	8,685	6,319	5,978	5,978
Osprey - "V"	7,502	8,685	6,319	5,978	5,978
Osprey	7,753	8,986	6,520	6,229	6,229
Osprey Premium	7,753	8,986	6,520	6,229	6,229
Spinnaker - "V" (Longitude)	8,373	9,730	7,016	6,849	6,849
Spinnaker	8,662	10,077	7,247	7,138	7,138
Spinnaker Premium East	8,662	10,077	7,247	7,138	7,138
Spinnaker Premium West	8,662	10,077	7,247	7,138	7,138
Clipper	8,871	10,328	7,414	7,347	7,347
Dockside - "V" (Lighthouse)	8,770	10,207	7,333	7,246	7,246
Dockside	9,075	10,573	7,577	7,551	7,551
Dockside Premium East	9,075	10,573	7,577	7,551	7,551
Dockside Premium West	9,075	10,573	7,577	7,551	7,551
Mooring	9,198	10,720	7,676	7,674	7,674
Galleon - "V" (Lesner)	8,954	10,428	7,480	7,430	7,430
Galleon	9,266	10,802	7,730	7,742	7,742
Galleon Premium	9,266	10,802	7,730	7,742	7,742
Mariner	8,954	10,428	7,480	7,430	7,430
Sailfish	9,394	10,956	7,832	7,870	7,870
Marlin	9,793	11,434	8,152	8,269	8,269
NOTE: Use Standard Contract MONTHLY FEE for 50 Month Declining Balance, 80% Refundable, 180 & 365 Day Healthcare contracts					
Rates include First Person fee and Second Person Fee of	1,586	1,586	1,586	837	837
"V" - Value Apartment					

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY**  
**East Tower & Villa Entry Fees**  
**FY23**

<b>FY23 ENTRY FEES</b>
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		STANDARD	50 MONTH	EIGHTY PCT	180 DAYS	365 DAYS	LOW EF	HIGH EF	80% Rfnd	
Type	CONTRACT	DECL BAL	RFND'ABLE	HLTHCARE	HLTHCARE	HIGH MF	LOW MF	FFS	FFS	
<b>SINGLE OCCUPANCY</b>										
Angler (A)	Studio	175,900	185,600	395,800	141,900	158,900	104,100	255,400	135,900	305,800
Pearl	Studio	205,000	216,300	461,300	171,000	188,000	129,500	290,100	165,000	371,300
Chesapeake (C)	Studio	216,700	228,600	487,600	182,700	199,700	139,300	304,400	176,700	397,600
Dolphin (D)	Studio	230,000	242,700	517,500	196,000	213,000	149,400	321,700	190,000	427,500
Egret Premier (E)	1 Br	347,400	366,500	781,700	313,400	330,400	260,200	453,900	307,400	691,700
Egret	1 Br	281,800	297,300	634,100	247,800	264,800	199,900	378,500	241,800	544,100
Starfish (F)	1 Br	374,700	395,300	843,100	340,700	357,700	289,200	481,600	334,700	753,100
Seagull Premier (G)	1 Br	385,600	406,800	867,600	351,600	368,600	295,500	497,600	345,600	777,600
Seagull	1 Br	330,500	348,700	743,600	296,500	313,500	247,200	432,100	290,500	653,600
Sandpiper (A-A)	1 Br	427,100	450,600	961,000	393,100	410,100	328,600	549,900	387,100	871,000
Heron (H)	2 Br	496,200	523,500	1,116,500	462,200	479,200	398,300	623,600	456,200	1,026,500
Islander (I)	2 Br	496,300	523,600	1,116,700	462,300	479,300	397,900	624,200	456,300	1,026,700
Nautilus (J)	2 Br	500,100	527,600	1,125,200	466,100	483,100	389,800	639,300	460,100	1,035,200
Windsurfer (A-F)	2 Br	568,500	599,800	1,279,100	534,500	551,500	453,200	717,400	528,500	1,189,100
Seagret (E-G)	2 Br	554,400	584,900	1,247,400	520,400	537,400	424,900	715,400	514,400	1,157,400
Skipjack (D-G)	2 Br	620,900	655,000	1,397,000	586,900	603,900	464,500	811,700	580,900	1,307,000
Villa A	2 Br	601,000	634,100	1,352,300	567,000	584,000	475,200	762,000	561,000	1,262,300
Villa B	2 Br	586,300	618,500	1,319,200	552,300	569,300	459,300	747,300	546,300	1,229,200

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY**  
**East Tower & Villa Entry Fees**  
**FY23**

**FY23 ENTRY FEES**

Type		STANDARD	50 MONTH	EIGHTY PCT	180 DAYS	365 DAYS	LOW EF	HIGH EF	80% Rfnd	
		CONTRACT	DECL BAL	RFND'ABLE	HLTHCARE	HLTHCARE	HIGH MF	LOW MF	FFS	FFS
<b><u>DOUBLE OCCUPANCY</u></b>										
Chesapeake (C)	Studio	298,600	345,200	702,300	240,500	267,900	221,200	386,300	216,000	546,500
Dolphin (D)	Studio	311,900	359,300	732,200	253,800	281,200	231,300	403,600	229,300	576,400
Egret Premier (E)	1 Br	429,300	483,100	996,400	371,200	398,600	342,100	535,800	346,700	840,600
Egret	1 Br	363,700	413,900	848,800	305,600	333,000	281,800	460,400	281,100	693,000
Starfish (F)	1 Br	456,600	511,900	1,057,800	398,500	425,900	371,100	563,500	374,000	902,000
Seagull Premier (G)	1 Br	467,500	523,400	1,082,300	409,400	436,800	377,400	579,500	384,900	926,500
Seagull	1 Br	412,400	465,300	958,300	354,300	381,700	329,100	514,000	329,800	802,500
Sandpiper (A-A)	1 Br	509,000	567,200	1,175,700	450,900	478,300	410,500	631,800	426,400	1,019,900
Heron (H)	2 Br	578,100	640,100	1,331,200	520,000	547,400	480,200	705,500	495,500	1,175,400
Islander (I)	2 Br	578,200	640,200	1,331,400	520,100	547,500	479,800	706,100	495,600	1,175,600
Nautilus (J)	2 Br	582,000	644,200	1,339,900	523,900	551,300	471,700	721,200	499,400	1,184,100
Windsurfer (A-F)	2 Br	650,400	716,400	1,493,800	592,300	619,700	535,100	799,300	567,800	1,338,000
Seagret (E-G)	2 Br	636,300	701,500	1,462,100	578,200	605,600	506,800	797,300	553,700	1,306,300
Skipjack (D-G)	2 Br	702,800	771,600	1,611,700	644,700	672,100	546,400	893,600	620,200	1,455,900
Villa A	2 Br	682,900	750,700	1,567,000	624,800	652,200	557,100	843,900	600,300	1,411,200
Villa B	2 Br	668,200	735,100	1,533,900	610,100	637,500	541,200	829,200	585,600	1,378,100

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY**

**West Tower Entry Fees**

**FY23**

**FY23 ENTRY FEES**

Type	STANDARD CONTRACT	50 MONTH DECL BAL	EIGHTY PCT RFND'ABLE	180 DAYS HLTHCARE	365 DAYS HLTHCARE	LOW EF HIGH MF	HIGH EF LOW MF	FFS	80% Rfnd FFS	
<b>SINGLE OCCUPANCY</b>										
Angler Premier	Studio	213,500	225,200	480,400	179,500	196,500	138,700	298,600	173,500	390,400
Dolphin Preimier	1 Br	267,500	282,200	601,900	233,500	250,500	184,700	364,000	227,500	511,900
Latitude	1 Br / D	423,300	446,600	952,400	389,300	406,300	313,200	556,600	383,300	862,400
Crane	1 Br / D	463,600	489,100	1,043,100	429,600	446,600	350,700	602,500	423,600	953,100
Crane Premium	1 Br / D	546,100	576,100	1,228,700	512,100	529,100	439,800	685,000	506,100	1,138,700
Lookout	1 Br / D	440,200	464,400	990,500	406,200	423,200	314,700	589,000	400,200	900,500
Schooner	1 Br / D	502,600	530,200	1,130,900	468,600	485,600	382,100	651,400	462,600	1,040,900
Lynnhaven	2 Br	465,900	491,500	1,048,300	431,900	448,900	335,300	621,300	425,900	958,300
Osprey Value	2 Br	517,800	546,300	1,165,100	483,800	500,800	391,400	673,200	477,800	1,075,100
Osprey	2 Br	526,100	555,000	1,183,700	492,100	509,100	393,300	688,000	486,100	1,093,700
Osprey Premium	2 Br	603,400	636,600	1,357,700	569,400	586,400	476,800	765,300	563,400	1,267,700
Longitude	2 Br / D	491,700	518,700	1,106,300	457,700	474,700	338,600	669,900	451,700	1,016,300
Spinnaker	2 Br / D	590,900	623,400	1,329,500	556,900	573,900	437,500	776,700	550,900	1,239,500
Spinnaker Premium East	2 Br / D	715,100	754,400	1,609,000	681,100	698,100	571,600	900,900	675,100	1,519,000
Spinnaker Premium West	2 Br / D	795,500	839,300	1,789,900	761,500	778,500	658,500	981,300	755,500	1,699,900
Clipper	2 Br	830,300	876,000	1,868,200	796,300	813,300	690,100	1,021,600	790,300	1,778,200
Lighthouse	2 Br / D	595,500	628,300	1,339,900	561,500	578,500	439,300	784,200	555,500	1,249,900
Dockside	2 Br / D	671,600	708,500	1,511,100	637,600	654,600	512,900	868,300	631,600	1,421,100
Dockside Premium East	2 Br / D	800,100	844,100	1,800,200	766,100	783,100	651,700	996,800	760,100	1,710,200
Dockside Premium West	2 Br / D	905,400	955,200	2,037,200	871,400	888,400	765,400	1,102,100	865,400	1,947,200
Mooring	2 Br	703,800	742,500	1,583,600	669,800	686,800	544,200	903,700	663,800	1,493,600
Lesner	2 Br / D	582,700	614,700	1,311,100	548,700	565,700	420,200	776,300	542,700	1,221,100
Galleon	2 Br / D	683,400	721,000	1,537,700	649,400	666,400	520,200	885,100	643,400	1,447,700
Galleon Premium	2 Br / D	818,400	863,400	1,841,400	784,400	801,400	666,000	1,020,100	778,400	1,751,400
Mariner	2 Br / D	615,500	649,400	1,384,900	581,500	598,500	455,700	809,100	575,500	1,294,900
Sailfish	2 Br / D	1,037,800	1,094,900	2,335,100	1,003,800	1,020,800	899,300	1,242,900	997,800	2,245,100
Marlin	2 Br / D	1,037,800	1,094,900	2,335,100	1,003,800	1,020,800	888,100	1,253,300	997,800	2,245,100

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY**  
**West Tower Entry Fees**  
**FY23**

**FY23 ENTRY FEES**

		STANDARD	50 MONTH	EIGHTY PCT	180 DAYS	365 DAYS	LOW EF	HIGH EF	80% Rfnd	
Type	CONTRACT	DECL BAL	RFND'ABLE	HLTHCARE	HLTHCARE	HIGH MF	LOW MF	FFS	FFS	FFS
<b><u>DOUBLE OCCUPANCY</u></b>										
Dolphin Premier	1 Br	349,400	398,800	816,600	291,300	318,700	266,600	445,900	266,800	660,800
Latitude	1 Br / D	505,200	563,200	1,167,100	447,100	474,500	395,100	638,500	422,600	1,011,300
Crane	1 Br / D	545,500	605,700	1,257,800	487,400	514,800	432,600	684,400	462,900	1,102,000
Crane Premium	1 Br / D	628,000	692,700	1,443,400	569,900	597,300	521,700	766,900	545,400	1,287,600
Lookout	1 Br / D	522,100	581,000	1,205,200	464,000	491,400	396,600	670,900	439,500	1,049,400
Schooner	1 Br / D	584,500	646,800	1,345,600	526,400	553,800	464,000	733,300	501,900	1,189,800
Lynnhaven	2 Br	547,800	608,100	1,263,000	489,700	517,100	417,200	703,200	465,200	1,107,200
Osprey Value	2 Br	599,700	662,900	1,379,800	541,600	569,000	473,300	755,100	517,100	1,224,000
Osprey	2 Br	608,000	671,600	1,398,400	549,900	577,300	475,200	769,900	525,400	1,242,600
Osprey Premium	2 Br	685,300	753,200	1,572,400	627,200	654,600	558,700	847,200	602,700	1,416,600
Longitude	2 Br / D	573,600	635,300	1,321,000	515,500	542,900	420,500	751,800	491,000	1,165,200
Spinnaker	2 Br / D	672,800	740,000	1,544,200	614,700	642,100	519,400	858,600	590,200	1,388,400
Spinnaker Premium East	2 Br / D	797,000	871,000	1,823,700	738,900	766,300	653,500	982,800	714,400	1,667,900
Spinnaker Premium West	2 Br / D	877,400	955,900	2,004,600	819,300	846,700	740,400	1,063,200	794,800	1,848,800
Clipper	2 Br	912,200	992,600	2,082,900	854,100	881,500	772,000	1,103,500	829,600	1,927,100
Lighthouse	2 Br / D	677,400	744,900	1,554,600	619,300	646,700	521,200	866,100	594,800	1,398,800
Dockside	2 Br / D	753,500	825,100	1,725,800	695,400	722,800	594,800	950,200	670,900	1,570,000
Dockside Premium East	2 Br / D	882,000	960,700	2,014,900	823,900	851,300	733,600	1,078,700	799,400	1,859,100
Dockside Premium West	2 Br / D	987,300	1,071,800	2,251,900	929,200	956,600	847,300	1,184,000	904,700	2,096,100
Mooring	2 Br	785,700	859,100	1,798,300	727,600	755,000	626,100	985,600	703,100	1,642,500
Lesner	2 Br / D	664,600	731,300	1,525,800	606,500	633,900	502,100	858,200	582,000	1,370,000
Galleon	2 Br / D	765,300	837,600	1,752,400	707,200	734,600	602,100	967,000	682,700	1,596,600
Galleon Premium	2 Br / D	900,300	980,000	2,056,100	842,200	869,600	747,900	1,102,000	817,700	1,900,300
Mariner	2 Br / D	697,400	766,000	1,599,600	639,300	666,700	537,600	891,000	614,800	1,443,800
Sailfish	2 Br / D	1,119,700	1,211,500	2,549,800	1,061,600	1,089,000	981,200	1,324,800	1,037,100	2,394,000
Marlin	2 Br / D	1,119,700	1,211,500	2,549,800	1,061,600	1,089,000	970,000	1,335,200	1,037,100	2,394,000

**ENHANCED SERVICES (DIRECT ADMISSION)  
STANDARD CONTRACT**

	Effective	Effective	Effective	Effective	Effective	Effective	Effective	Effective
Entrance Fee	\$ 132,700	\$ 138,700	\$ 145,700	\$ 153,000	\$ 158,000	\$162,700	\$170,800	\$ 175,900
Monthly Fee	\$ 6,942	\$ 7,211	\$ 7,484	\$ 7,817	\$ 8,193	\$ 8,541	\$ 8,657	\$ 9,224

**EXHIBIT 9**

**RESIDENT'S ACKNOWLEDGMENT**

The Resident signed below acknowledges that he/she has been informed concerning and had explained to him/her the following, on the date indicated:

- \* \*63.2-1808 of the Code of Virginia (Residents' Rights Amendment).
- \* The policies and procedures for Assisted Living Facilities require implementing the Residents' Rights Amendments.

Signed: \_\_\_\_\_  
Resident Signature

\_\_\_\_\_ Apt. No.

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



**EXHIBIT 10**

**RIGHTS AND RESPONSIBILITIES OF  
RESIDENTS OF ASSISTED LIVING FACILITIES**

**RIGHTS AND RESPONSIBILITIES OF  
RESIDENTS OF ASSISTED LIVING FACILITIES**

**§ 63.2-1808. Rights and responsibilities of residents of assisted living facilities; certification of licensure.**

- A. Any resident of an assisted living facility has the rights and responsibilities enumerated in this section. The operator or administrator of an assisted living facility shall establish written policies and procedures to ensure that, at the minimum, each person who becomes a resident of the assisted living facility:
1. Is fully informed, prior to or at the time of admission and during the resident's stay, of his rights and of all rules and expectations governing the resident's conduct, responsibilities, and the terms of the admission agreement; evidence of this shall be the resident's written acknowledgment of having been so informed, which shall be filed in his record;
  2. Is fully informed, prior to or at the time of admission and during the resident's stay, of services available in the facility and of any related charges; this shall be reflected by the resident's signature on a current resident's agreement retained in the resident's file;
  3. Unless a committee or conservator has been appointed, is free to manage his personal finances and funds regardless of source; is entitled to access to personal account statements reflecting financial transactions made on his behalf by the facility; and is given at least a quarterly accounting of financial transactions made on his behalf when a written delegation of responsibility to manage his financial affairs is made to the facility for any period of time in conformance with state law;
  4. Is afforded confidential treatment of his personal affairs and records and may approve or refuse their release to any individual outside the facility except as otherwise provided in law and except in case of his transfer to another care-giving facility;
  5. Is transferred or discharged only when provided with a statement of reasons, or for nonpayment for his stay, and is given reasonable advance notice; upon notice of discharge or upon giving reasonable advance notice of his desire to move, shall be afforded reasonable assistance to ensure an orderly transfer or discharge; such actions shall be documented in his record;

6. In the event a medical condition should arise while he is residing in the facility, is afforded the opportunity to participate in the planning of his program of care and medical treatment at the facility and the right to refuse treatment;
7. Is not required to perform services for the facility except as voluntarily contracted pursuant to a voluntary agreement for services that states the terms of consideration or remuneration and is documented in writing and retained in his record;
8. Is free to select health care services from reasonably available resources;
9. Is free to refuse to participate in human subject experimentation or to be party to research in which his identity may be ascertained;
10. Is free from mental, emotional, physical, sexual, and economic abuse or exploitation; is free from forced isolation, threats or other degrading or demeaning acts against him; and his known needs are not neglected or ignored by personnel of the facility;
11. Is treated with courtesy, respect, and consideration as a person of worth, sensitivity, and dignity;
12. Is encouraged, and informed of appropriate means as necessary, throughout the period of stay to exercise his rights as a resident and as a citizen; to this end, he is free to voice grievances and recommend changes in policies and services, free of coercion, discrimination, threats or reprisal;
13. Is permitted to retain and use his personal clothing and possessions as space permits unless to do so would infringe upon rights of other residents;
14. Is encouraged to function at his highest mental, emotional, physical and social potential;
15. Is free of physical or mechanical restraint except in the following situations and with appropriate safeguards:
  - a. As necessary for the facility to respond to unmanageable behavior in an emergency situation, which threatens the immediate safety of the resident or others;
  - b. As medically necessary, as authorized in writing by a physician, to provide physical support to a weakened resident;

16. Is free of prescription drugs except where medically necessary, specifically prescribed, and supervised by the attending physician, physician assistant, or nurse practitioner;
17. Is accorded respect for ordinary privacy in every aspect of daily living, including but not limited to the following:
  - a. In the care of his personal needs except as assistance may be needed;
  - b. In any medical examination or health-related consultations the resident may have at the facility;
  - c. In communications, in writing or by telephone;
  - d. During visitations with other persons;
  - e. In the resident's room or portion thereof; residents shall be permitted to have guests or other residents in their rooms unless to do so would infringe upon the rights of other residents; staff may not enter a resident's room without making their presence known except in an emergency or in accordance with safety oversight requirements included in regulations of the Board;
  - f. In visits with his spouse; if both are residents of the facility they are permitted but not required to share a room unless otherwise provided in the residents' agreements;
18. Is permitted to meet with and participate in activities of social, religious, and community groups at his discretion unless medically contraindicated as documented by his physician, physician assistant, or nurse practitioner in his medical record;
19. Is fully informed, as evidenced by the written acknowledgment of the resident or his legal representative, prior to or at the time of admission and during his stay, that he should exercise whatever due diligence he deems necessary with respect to information on any sex offenders registered pursuant to Chapter 9 (§ 9.1-900 et seq.) of Title 9.1, including how to obtain such information. Upon request, the assisted living facility shall assist the resident, prospective resident, or the legal representative of the resident or prospective resident in accessing this information and provide the resident, prospective resident, or the legal representative of the resident or prospective resident with printed copies of the requested information; and
20. Is informed, in writing and upon request, of whether the assisted living facility maintains the minimum liability coverage, as established by the Board pursuant to subdivision A 10 of § 63.2-1805.

- B. If the resident is unable to fully understand and exercise the rights and responsibilities contained in this section, the facility shall require that a responsible individual, of the resident's choice when possible, designated in writing in the resident's record, be made aware of each item in this section and the decisions that affect the resident or relate to specific items in this section; a resident shall be assumed capable of understanding and exercising these rights unless a physician determines otherwise and documents the reasons for such determination in the resident's record.
- C. The rights and responsibilities of residents shall be printed in at least 12-point type and posted conspicuously in a public place in all assisted living facilities. The facility shall also post the name and telephone number of the regional licensing supervisor of the Department, the Adult Protective Services' toll-free telephone number, as well as the toll-free telephone number for the Virginia Long-Term Care Ombudsman Program, any sub-state ombudsman program serving the area, and the toll-free number of the Commonwealth's designated protection and advocacy system.
- D. The facility shall make its policies and procedures for implementing this section available and accessible to residents, relatives, agencies, and the general public.
- E. The provisions of this section shall not be construed to restrict or abridge any right that any resident has under law.
- F. Each facility shall provide appropriate staff training to implement each resident's rights included in this section.
- G. The Board shall adopt regulations as necessary to carry out the full intent of this section.
- H. It shall be the responsibility of the Commissioner to ensure that the provisions of this section are observed and implemented by assisted living facilities as a condition to the issuance, renewal, or continuation of the license required by this article.

History.

(1984, c. 677, § 63.1-182.1; 1989, c. 271; 1990, c. 458; 1992, c. 356; 1993, cc. 957, 993; 1997, c. 801; 2000, c. 177; 2002, cc. 45, 572, 747; 2004, c. 855; 2006, c. 396; 2007, cc. 120, 163; 2013, cc. 320, 571.)

**In Case of Questions or Concerns, You May Call:**

**Regional Licensing Administrator,**

**Virginia Department of Social Services: Ivy Burnham**

**Telephone Number: 757-985-4958**

**Toll-Free Telephone Number for Adult Protective Services: 1-888-832-3858  
(1-888-83ADULT)**

**Toll-Free Telephone Number for Virginia Long-Term Care Ombudsman  
Program: 1-800-552-3402**

**Local/Sub-State Ombudsman Program: Willie Alston**

**Telephone Number: 757-222-4542**

**Toll-Free Telephone Number for the disAbility Law Center of Virginia:  
1-800-552-3962**

**Westminster-Canterbury Ethics and Compliance Anonymous Hot Line  
1-800-401-8004  
(1-800-216-1288 Spanish Speaking)**

**Westminster-Canterbury  
Enhanced Services Nursing Supervisor  
757-496-1254 or 757-816-4689**

**~~Victoria Crenshaw, Ph.D.~~ Shalene Hart  
Administrator of Enhanced Services  
757-496-~~1166~~ 1663**

**Victoria Crenshaw, Ph.D.,  
Senior Vice President of Health and Innovation  
757-496-1166**

**Ben Unkle, President and CEO  
757-496-1107**