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**CONTINUING CARE PROVIDER**

**Westminster Canterbury of Lynchburg, Inc., is a non-stock, nonprofit Virginia corporation located at 501 V.E.S. Road, Lynchburg, Virginia, 24503. The property and buildings are owned by Westminster-Canterbury.**

**The registered agent for Westminster Canterbury of Lynchburg is:**

Herschel V. Keller  
Gentry, Locke, Rakes & Moore, LLP  
P. O. Box 6218  
Lynchburg, Virginia 24505

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

Board of Trustees

<u>Board Members</u>	<u>Principal Business Affiliation and Home Address</u>
Susan G. Ackley	Retired CPA 238 Woodland Avenue Lynchburg, VA 24503
Pattie W. Ames	Canon, Episcopal Diocese 3456 Ivylink Place Lynchburg, VA 24503
Marcus P. Borel	Financial Advisor 1433 Farmington Drive Forest, VA 24551
Pamela S. Bradford	Retired Investment Manager 1105 Running Cedar Way Lynchburg, VA 24503
David W. Frantz, M.D.	Retired Surgeon 118 Oakwood Place Lynchburg, VA 24503
Becky W. Giles	Business Owner 1541 Parkland Drive Lynchburg, VA 24503

Board Members, continued                      Principal Business Affiliation and Home Address

<i>Melissa W. Johnson</i>	<i>Retired Educator 304 Molly Stark Trail Lynchburg, VA 24503</i>
<i>Elizabeth B. Laundon</i>	<i>Resident 501 V.E.S. Road, W319 Lynchburg, VA 24503</i>
<i>Robert S. Lockridge, Jr., M.D.</i>	<i>Retired Physician 1734 Timberlake Drive Lynchburg, VA 24502</i>
<i>Anne R. McVeigh</i>	<i>Financial Advisor 3515 Otterview Place Lynchburg, VA 24503</i>
<i>Robert M. O'Brian, Sr.</i>	<i>Business Owner 1912 Quarry Road Lynchburg, VA 24503</i>
<i>William W. Perkins</i>	<i>Retired, Electrical Engineer 117 Overstreet Lane Lynchburg, VA 24503</i>
<i>Thomas R. Stevens</i>	<i>Retired, Nuclear Industry 305 Barkley Court Lynchburg, VA 24503</i>
<i>Mark A. Strosnider</i>	<i>Banker 102 Waterton Drive Lynchburg, VA 24503</i>
<i>William A. Stuart, II</i>	<i>Resident 160 Bishops Lane Lynchburg, VA 24503</i>
<i>Elizabeth M. Conzen Zellner</i>	<i>Civic Leader 4925 Mountain Laurel Drive Lynchburg, VA 24503</i>

Other Officers and Members

Sean M. Huyett  
President & CEO

Westminster Canterbury  
501 V.E.S. Road  
Lynchburg, Virginia 24503

Marianne S. Sanford  
Vice President  
Marketing & Development

Westminster Canterbury  
501 V.E.S. Road  
Lynchburg, VA 24503

Paul Shelton  
Vice President & CFO

Westminster Canterbury  
501 V.E.S. Road  
Lynchburg, VA 24503

Lori R. Sweeney  
Vice President  
Health Services

Westminster Canterbury  
501 V.E.S. Road  
Lynchburg, Virginia 24503

Angela B. Jones  
Corporate Secretary

Westminster Canterbury  
501 V.E.S. Road  
Lynchburg, Virginia 24503

*Westminster Canterbury is a nonstock membership corporation, the members of which are: Southwestern Episcopal Homes, Inc. (1002 First Street, S.W., Roanoke, Virginia 24016) and Westminster Presbyterian Homes, Inc. (801 Main Street, 11<sup>th</sup> floor, Lynchburg, VA 24504), corporate affiliates of the Episcopal Diocese of Southwestern Virginia and the Synod of the Mid-Atlantic, Presbyterian Church, U.S.A.*

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

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

*Sean M. Huyett joined the staff of Westminster Canterbury Lynchburg on May 27, 2010, as President and CEO. Mr. Huyett is a licensed nursing home administrator. Before coming to Westminster Canterbury, Mr. Huyett was the Executive Director at Scotia Village and Glenaire, both affiliates of the Presbyterian Homes, Inc. for eight years. Prior to that Sean was the Administrator at Belle Meade/ St. Joseph of the Pines Health Systems in Southern Pines, NC for 3 years, where he was responsible for the management of 176 skilled nursing beds and 40 assisted living beds. Prior to Belle Meade, Sean worked for Britthaven, Inc., a for-profit nursing home chain, for 3 years.*

*Mr. Huyett has a Bachelor of Science in Health Services Administration and a Master of Business Administration from James Madison University.*

*Marianne S. Sanford joined the staff of Westminster Canterbury of Lynchburg on September 19, 2022 as the Vice President of Marketing and Development. She comes to Westminster Canterbury from an eight-year tenure at Randolph College where she started as Major Gifts Officer and advanced to Director for Principal and Planned Giving. Prior to joining the development team at Randolph, Marianne held positions with Sweet Briar College, The Lynchburg Chapter of the American Red Cross and New Vistas School. She attended the University of Mary Washington and is a graduate of Virginia Commonwealth University.*

*Lori R. Sweeney came to Westminster Canterbury in 2013, as the Admissions Director for Health Services. While working at Westminster Canterbury, Lori earned her long-term care administrator license and was promoted to Assisted Living Administrator and Assistant Administrator of Health Services. In September of 2020, Lori was promoted, yet again, to Vice President of Health Services. Lori is an accomplished leader with 23 years of experience in long-term-care, previously holding various positions such as Social Services Director for Avante at Lynchburg for 10 years and was the Lead Social Worker for Centra Health's senior care division for 5 years.*

*Mrs. Sweeney holds a Bachelor of Science in Sociology with a minor in Psychology from Radford University. Lori is licensed by the Commonwealth of Virginia as a Nursing Home Administrator.*

*Paul Shelton, Vice President & Chief Financial Officer, has been employed by Westminster Canterbury since April 2001. He holds a Bachelor of Science in Accounting from Averett University and has 37 years of financial management experience. Prior to joining Westminster Canterbury, he was a Healthcare Financial Consultant with MDI/Monette, a healthcare software solutions provider.*

*Angela B. Jones, Executive Assistant and Corporate Secretary, has been employed by Westminster Canterbury since August, 2012. She holds a Bachelor of Business Administration from Averett University and an Associate of Arts and Sciences in Business Administration from Central Virginia Community College. She previously worked for a federally-qualified health center.*

*Westminster Canterbury has 43 years of experience in operating this continuing care retirement community.*

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

**(1) A description of the goods, leases or service and the probable or anticipated cost thereof of 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.**

**(c) Give a description of any matter in which such person:**

**(1) Has been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; or**

**(2) Is subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental**

**agency or department, arising out of or relating to business activity or health care, including without limitation actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state; or**

- (3) Is currently the subject of any state or federal prosecution or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.**

*None of the matters above applies to Westminster Canterbury of Lynchburg, Inc. or, to our knowledge, to any Officer or Trustee of the Corporation, or to Southwestern Episcopal Homes or Westminster Presbyterian Homes.*

#### **OWNERSHIP OF REAL PROPERTY**

*The real property is owned by Westminster Canterbury of Lynchburg, Inc.*

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

*Westminster Canterbury is located on approximately 52 acres at the intersection of Virginia Episcopal School Road and Williams Road in a residential section of Lynchburg, Virginia. It consists of: 36 cottages; four residential buildings containing 226 independent living units and adjoining buildings containing 105 nursing beds, 40 assisted living beds, and a 14-bed memory support center.*



**AFFILIATIONS WITH RELIGIOUS, CHARITABLE, OR OTHER NONPROFIT ORGANIZATIONS; TAX STATUS OF PROVIDER**

**Give a statement as to:**

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

*Westminster Canterbury is a nonstock membership Corporation, the members of which are: Southwestern Episcopal Homes, Inc. (1002 First Street, S.W., Roanoke, Virginia, 24016) and Westminster Presbyterian Homes, Inc. (801 Main Street, 11<sup>th</sup> floor, Lynchburg, VA 24504), corporate affiliates of the Episcopal Diocese of Southwestern Virginia and the Synod of the Mid-Atlantic, Presbyterian Church (U.S.A.). While Westminster Canterbury is the result of a joint planning effort undertaken by Episcopalians and Presbyterians, the Corporation is not an agent of the Episcopal Diocese of Southwestern Virginia or the Synod of the Mid-Atlantic, Presbyterian Church (U.S.A.), or any of their affiliated entities, and liability for the performance of Westminster Canterbury's obligations is limited to Westminster Canterbury of Lynchburg, Inc.*

- (b) Any provision of the Federal Internal Revenue Code under which the provider is exempt from the payment of income tax.**

*Westminster Canterbury is exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code.*

**SERVICES PROVIDED UNDER CONTINUING CARE CONTRACTS**

**SERVICES PROVIDED IN THE MONTHLY FEE:**

1. *Healthcare Services: consistent with the contractual option chosen by resident*
2. *Some Resident Clinic services*
3. *Utilities: heat, air conditioning, electricity, water, sewer, and trash removal*
4. *Individual mailboxes*
5. *The equivalent of 30 meals per month*
6. *Groundskeeping*
7. *Weekly housekeeping*
8. *Auxiliary power source in central buildings*
9. *Xfinity Digital Preferred Package on one television*
10. *Illuminated parking*
11. *One phone line and local service*
12. *Availability of outdoor garden spots*
13. *Security supervision of buildings and grounds*
14. *Participation in resident social, wellness, and health education programs*
15. *Use of meeting/conference rooms for private activities*
16. *Emergency call system*
17. *Sprinkler and smoke detection system centrally monitored*
18. *Use of all community spaces and grounds*
19. *Limited meal delivery in residence during illness*

**SERVICES PROVIDED AT AN ADDITIONAL CHARGE:**

1. *Additional meals and alcohol charges*
2. *Assisted Living suite fees*
3. *Memory Support fee*
4. *Beauty/Barbershop/Manicurist*
5. *Dry cleaning/laundry*
6. *Guest meals and/or catering*
7. *Guest accommodations, subject to availability*
8. *Premium television packages billed separately by Xfinity*
9. *Special diets*
10. *Banking services on site*
11. *Upgrade options to residence*
12. *Long distance calls and cost associated with additional phone lines.*
13. *Medical services: dental, podiatry, etc.*
14. *Local transportation*
15. *Minor repairs to resident's personal property*
16. *Resident Clinic services (N.P. and M.D. services are billed separately by provider)*
17. *High Speed Internet Access from Xfinity (billed separately)/ computer support*
18. *Valet parking*
19. *Medical supplies & equipment in healthcare and assisted living*
20. *Prescription co-payments and deductibles and over-the-counter medications in healthcare and assisted living*
21. *Home health and hospice with Westminster at Home*
22. *Part B and private pay therapy services provided by Westminster Outpatient Therapy*
23. *Additional services provided by the Building Services Department, to include parts and labor*
24. *Additional services provided by the Environmental Services Department, to include personal laundry per occurrence and additional housekeeping services billed by the hour*
25. *A one-time, non-refundable Pet Fee paid at move-in*

See Schedule of Ancillary Charges on next page.

APPENDIX A			
Westminster Canterbury of Lynchburg			
Service Fee & Ancillary Charges Schedule			
Revised Rates November 1, 2023			
<b>Beauty Shop</b>		<b>Transportation</b>	
Color - Price varies based on service. Base price \$60.00	Varies	Doctor Visits -	Varies
Highlights - Price varies based on service. Base price \$75.00	Varies	3-7 mile radius	\$ 6.00
Extra Color Bowl	\$ 10.00	7-10 mile radius	\$ 8.00
Haircut - Female - Does NOT include Set/Style	\$ 20.00	Over 10 miles - per mile rate is:	\$ 0.90
Haircut - Female - with Chemical Service	\$ 20.00	Valet Parking Ticket booklet	\$ 25.00
Haircut - Female - with set or blowdry	\$ 20.00	<b>Telephone, Computer &amp; IT Services</b>	
Haircut - Male	\$ 15.00	Long Distance Calls - per minute	\$ 0.07
Ethnic Hair Per Hour	\$ 20.00	Second Telephone Line (per month)	\$ 12.50
Deep Conditioner	\$ 10.50	Computer Support charged PER 15 MINUTES	\$ 50.00
Permanent - Does NOT include Set/Style cost	\$ 70.00	High Speed Internet from Xfinity	Contact Xfinity
Recomb	\$ 10.00	Key Fob Replacement	\$ 10.00
Set without Shampoo	\$ 15.00	<b>Television Services - Xfinity</b>	
Shampoo ONLY	\$ 10.00	Basic TV Service provided at no cost by WC	No Charge
Shampoo, Blow Dry and Style	\$ 22.00	Additional services and equipment provided and billed by Xfinity	Contact Xfinity
Shampoo, Roller Set and Style	\$ 25.00	Xfinity Customer Support Number 1-855-638-2855	
Updo	\$ 20.00	<b>Resident Clinic Charges</b>	
Beard Trim	\$ 10.00	Drawing Fee	\$ 5.25
Trim	Varies	EKG	\$ 42.00
Misc. Beauty Supplies	Varies	Flu Vaccine	\$ 30.00
Moisturizing/Skin Renewal Facial	\$ 25.00	Foley Catheter Kit	\$ 21.00
Eyebrow Tint	\$ 10.00	Glucometer Test with personal glucometer	\$ 3.00
Wax Eyebrow	\$ 10.00	PPD (TB Test)	\$ 8.40
Chin Wax	\$ 10.00	Suture/Staple Removal Kit	\$ 5.25
Wax Lip	\$ 10.00	Suture/Staple Removal Fee	\$ 8.00
Wax Brow, Lip and Chin Combo	\$ 20.00	Syringes	\$ 2.10
<b>Manicure/Pedicure Service</b>		TED Stocking Administration Fee	\$ 3.00
Manicure & Polish	\$ 22.00	Injection Administration Fee	\$ 8.00
Manicure / No Polish	\$ 20.00	Eye Drop Admin. Fee (cataract protocol)	\$ 10.00
Cut & File Finger Nails	\$ 15.00	Ear Irrigation	\$ 20.00
Soak, Cut and File Nails (Feet Only)	\$ 25.00	Protine Testing	\$ 7.00
Shellac or Gel Polish with Manicure	\$ 25.00	Straight Catheterization Fee	\$ 20.00
Shellac or Gel Polish Only	\$ 15.00	Foley Catheterization Fee	\$ 30.00
Remove and Re-apply Shellac or Gel Polish	\$ 30.00	Dressing Changing Fee - Level 1 (Simple)	\$ 3.00
Remove Gel Polish only	\$ 12.00	Dressing Changing Fee - Level 2 (Moderate)	\$ 8.00
Polish only (non Gel)	\$ 12.00	Dressing Changing Fee - Level 3 (Complex)	\$ 15.00
Pedicure - No polish	\$ 35.00	Dressing, Wound Care & Medical Supplies	Varies
Pedicure with polish	\$ 40.00	COVID-19 Testing	\$ 30.00
<b>Resident Meal Plan Options</b>		<b>Doctor Fees - Billed by their offices to insurance</b>	
Please contact the Accounting office at x3510 or x3513 to change meal plan.		Dr Overfelt Podiatry Services and Charges	Billed from his office
25 Meal Plan Option	\$ 300.00	Nurse Practitioner or Dr. Archiblad Lord Services and	Billed by their Office
30 Meal Plan Option	\$ 360.00	** These doctor charges above, will NOT be included on your WC billing.**	
25 Meal Plan Monthly Credit - This credit will be reflected on your WC statement.	\$ 18.75	<b>Dr. Massie Dental Service Fees - billed on WC statement</b>	
Resident Holiday and Special Events Prices	Varies	<b>Dental Charges - billed on WC invoice - your insurance is filed by WC your dental insurance will reimburse you directly. Present insurance cards at apt.</b>	
<b>Holidays and special events included but are not limited to:</b>		<b>"In Residence" Non- Emergency Nursing Services</b>	
Easter, Mother's Day, Father's Day, Thanksgiving, Christmas day & New Years day and evening.		RN - Per 15 minute increment	\$ 30.00
<b>Lodging (Price includes Local Taxes)</b>		LPN - Per 15 minute increment	\$ 25.00
Guest Room-1 Person	\$ 64.73	Housekeeping Services Per Hour/Per HK staff requests	\$ 25.00
Guest Room-2 Person	\$ 71.43	<b>Examples of additional services: clean inside refrigerator, cleaning microwave, cleaning inside oven, clean patio, vacuum furniture and requiring furniture to be moved etc.</b>	
Guest Room-3 Person	\$ 77.02	<b>Misc Privately Billed Services Examples</b>	
Guest Room-4 Person	\$ 83.83	Laundry preprocessed in HC or AL laundry rooms (per load)	\$ 10.00
Cot	\$ 6.71	EVS Laundry Services (Comforters, Bedspreads, personal laundry items etc)	\$ 25.00
**Food and Lodging subject to change at anytime based on any local or tax changes**		UPS located in Building & Grounds	Varies
<b>Medical Record Copy Charges</b>		Physical,Occupational and Speech Therapy	Varies
Administration Fees	\$ 25.00	Project Lifesaver	\$ 275.00
Cost per page	\$ 0.15	SARA - Replacement Pendant	\$ 150.00
<b>Building &amp; Grounds Services</b>		Secure Care Transmitter - Healthcare	\$ 195.00
Examples of additional services: Adding receptacles, dimmers and lights. Assembling or repairing furniture, lamps and other personal items. Picture hanging after 2 hour move in allowance time.Ceiling fans, landscape upgrades, etc.	\$20.00-30 mins \$40.00 per hr	Key - Replacement	\$ 2.00
See resident handbook for additional items not listed.		Mail Postage - Regular mail/certified mail and small packages. Services are available in the Accounting Ofc.	Varies
		Pet Fee (one-time, non-refundable)	\$200

## **FEES REQUIRED OF RESIDENTS**

### **Description and Use of Fees**

*The Residence and Services Agreement sets out in detail the fees required of residents both upon admission to Westminster Canterbury and adjustments that might be occasioned by changes in a resident's situation, and the reader should refer to those sections for complete information. Provisions regarding fees in the event of marriage are found in Paragraph V. M. Provisions regarding medical and surgical insurances are found in Paragraph II D, E & F.*

*Westminster Canterbury residents pay an entrance fee and a monthly fee. Residents pay a monthly fee which covers the occupancy of the Residence and the basic services provided under the Residence and Services Agreement.*

*During the annual budgeting process, the volume and cost of providing the services enumerated in the Residence and Services Agreement is forecast. Rates (and increases or decreases) are calculated to provide sufficient revenue to meet those obligations. The budget and all fee schedules require approval by the Westminster Canterbury Board of Trustees. Residents receive at least 30 days written notice of any fee increases. Residents in Assisted Living and in Nursing may pay an additional fee to cover the two additional meals provided daily.*

*Entrance Fees and monthly fees (see also Section 3 of the attached Residence and Services Agreement) may be adjusted only by the Board of Trustees of Westminster Canterbury and all residents will be given 30 days written notice of such action. While fees can be adjusted at any time by Westminster Canterbury, such action is most likely to occur at the beginning of a fiscal year (October 1st) and is based on the annual operating budget adopted by the Board of Trustees.*

*In the event two persons are occupying an apartment and one dies, the surviving occupant will then pay the single-person rate for the unit occupied. If two persons are occupying an apartment/cottage and one is transferred to nursing care or assisted living, they continue to pay the two-person rate for the apartment/cottage occupied at the time the transfer was made. This would also be true in the event both are transferred to nursing care or assisted living.*

*Entrance fees and monthly fees are projected to increase annually. Entrance fees are actuarially determined and increases are based on the projected cost of resident health care and the estimated replacement cost of the facility. Monthly maintenance fees are increased by amounts necessary to keep pace with: (1) operational costs, (2) inflationary projections, and (3) maintaining the "required coverage" of total income over total expenses*

as required by agreement with long-term lenders. "Required coverage" is defined as: "for the fiscal year in question, a dollar amount equal to 110% of the debt service requirements on all Bonds and other long-term indebtedness of Westminster Canterbury in the Bond Year ending during such Fiscal Year." Required coverage is obtained in the budgetary process by adding Operating Income, Non-operating Income, and Founder's Fees budgeted to be received during the fiscal year in question. From this total, operating expenses are subtracted, and the resulting dollar amount is thence divided by the sum of long-term debt principal and interest payments to be made during the fiscal year in question. The quotient must be greater than 1.2 to satisfy the "required coverage" defined in the Bond Agreement. Westminster Canterbury has, historically, maintained a ratio in excess of that required.

Residents will be charged for ancillary or extra services provided by Westminster Canterbury as detailed on pages 9 - 10.

It should be noted that a private ruling has been obtained from the Internal Revenue Service concluding that a resident of a facility similar to Westminster Canterbury can deduct a portion of both the entrance fee and monthly maintenance fee which is properly allocable to their medical care subject to the provisions of Section 213 of the Internal Revenue Code. The deduction is made during the year in which the fees are paid. For the year ended December 31, 2023, deductible amounts based on medical costs incurred were 44% for the entrance fee and 44% for the monthly maintenance fee. While Westminster Canterbury cannot guarantee any resident relying upon the ruling that the desired tax result will be allowed, Westminster Canterbury makes this information available for each resident annually.

Westminster Canterbury has established a Fellowship Program whereby qualified residents of the facility receive financial help in meeting costs associated with residence at the facility. There are two forms of fellowships: fellowship assistance regarding entrance payments, reducing the amount of entrance fee new residents will pay, and fellowship assistance for monthly maintenance fees, whereby the monthly fee requirement will be reduced for a resident. The amount of fellowship assistance of both forms is based on the anticipated annual earnings of the Fellowship Fund.

### **ESCROW OF ENTRANCE FEES**

All entrance fees or portions thereof in excess of \$1,000 per person received by Westminster Canterbury prior to the prospective resident's date of occupancy must be escrowed. "Entrance fee" is defined as advanced payment or a series of advanced payments totaling at least \$5,000. Westminster Canterbury is required to place such funds in escrow as the property of the potential resident and shall not be subject to any claim against the provider. The funds become available to Westminster Canterbury when the apartment or cottage is occupied or is available to the Resident for immediate occupancy.

*Truist Bank serves as Westminster Canterbury's escrow agent.*

*Funds are to be released to the prospective resident only:*

- 1. When the assets have not been released within three years after placement in escrow or three years after start of new construction, whichever is later (but in any event assets must be released within six years after placement in escrow unless additional time is approved by the Commission);*
- 2. If the prospective resident dies before occupying a unit;*
- 3. If construction of a facility not yet operating is stopped indefinitely before completion; and*
- 4. Upon rescission of the continuing care contract pursuant to provisions in the continuing care contract.*

#### **RESERVE FUNDING**

*No funds are currently set aside for a Debt Service Reserve Account.*

#### **CERTIFIED FINANCIAL STATEMENTS**

*See attached financial statements and accountant's opinion for the Fiscal Years ending September 30, 2023 and September 30, 2022 (Attachment A). For your convenience, a Summary of Financial Information for the twelve months ending September 30, 2023 is also included (Attachment B).*

#### **FUNDS HELD BY BOND TRUSTEE- NONE**

<b>Westminster Canterbury of Lynchburg</b>	
<b>Budget/Projected Income Statement-Operating</b>	
<b>For the Twelve Months Ending September 30, 2024</b>	
	<b>FY-2024</b>
<b>Revenues, Gains and Other Support:</b>	<b>Budget</b>
Residential Services Fee Income	\$12,908,739
Amortization of Deferred Entrance Fees Income	\$5,873,440
Health Care Services	\$10,090,905
Assisted Living & MSC Services	\$2,591,069
Westminster at Home - (Home Health & Hospice)	\$1,893,749
Westminster Outpatient Rehab	\$470,526
Investment Income	\$1,100,000
Other Revenue	\$1,320,810
Use of Board Designated Fellowship Funds	(\$250,000)
<b>Total Operating Income</b>	<b>\$35,999,238</b>
<b>Expenses</b>	
Administrative	\$5,245,201
Environmental Services	\$1,707,954
Buildings and Grounds	\$2,717,276
Resident Services	\$1,197,513
Assisted Living Services	\$1,747,128
Health Care Center	\$7,984,913
Home & Community Services	\$1,049,501
Hospice	\$873,435
Outpatient Rehab Expene	\$283,309
Dining Services	\$4,757,079
Community Relations & Marketing	\$782,646
Interest Expense	\$2,281,578
Depreciation and Amortization	\$5,006,266
<b>Total Operating Expenses</b>	<b>\$35,633,799</b>
<b>Increase of Revenues, Gains and Other support over Expenses</b>	<b>\$365,439</b>



**The major assumptions used in developing the Pro Forma Income and Expense Statement for Fiscal Year 2024 are as follows:**

**Income**

1. *Apartment and cottage fees were budgeted assuming an average occupancy rate of 252 cottages and apartments, and an average of 81 second persons in independent living. Monthly fees increased 6.0% on October 1, 2023.*
2. *Nursing care fees were budgeted based on anticipated inpatient days and payor mix. Total Skilled and Intermediate inpatient days of 36,317 (94.76%) were budgeted along with a 6.0% increase for all private pay rates.*
3. *Assisted living and memory support fees were budgeted based on a projected occupancy of 16,425 (83.33%) inpatient days. A 6.0% increase in daily rates was effective October 1, 2023.*
4. *Other Resident Services Income is comprised of guest meals and lodging income, barber and beauty shop income, long distance toll calls, high speed internet service, maintenance repairs income, plus gift shop and Café income. Budgeted income is based on historical experience and projected inflationary adjustments.*
5. *Other Medical Services Income includes all medically related revenues such as all therapies, drugs, oxygen, medical supplies, etc. The FY 2024 budget is based on the past year's actual experience coupled with a projected volume of services.*
6. *Other Income includes special events income, laundry income, and unrestricted contributions. Budgeted Other Income was projected using historical experience.*
7. *Interest Income is the earnings on all invested assets. Budgeted Interest Income was calculated assuming an average yield of approximately 1.0% on all invested funds.*
8. *Earned Entrance Fees income is the portion of the entrance fees paid by residents that can be recorded as income. The budget is calculated each year using the actuarial remaining life of each resident applied to the declining balance of the entrance fee.*

**Expense**

1. *Operating expenses are budgeted for each department and cost center using a zero-based budgeting approach. Actual and projected quantities are developed along with current unit pricing and inflationary adjustments. Operating expenses in these departments include items such as salaries, employee benefits, payroll taxes, professional and contract services repairs and maintenance, supplies, advertising and public relations, dues, subscriptions, telephone, training, travel, vehicle expenses, small tools, appliances and utensils, oil, electricity, water, natural gas, food costs, laboratory fees, Medicare coinsurance and deductible expenses, Medicaid coinsurance and deductible expenses, and miscellaneous items.*
2. *Depreciation expense is calculated on all fixed assets having a useful life of three to 40 years. Straight-line depreciation is used to calculate depreciation on all depreciable assets.*
3. *Amortization Expense reflects the annual portion of the costs associated with the issuance of the 2016, 2017, 2017A and 2021A Economic Development Authority Bonds. The budget is calculated using a straight-line method over the life of the bonds.*
4. *Interest Expense is the amount of annual interest on the Series 2016, 2017 and 2017A Economic Development Authority Bond Issues. The 2021A bond was capitalized through September 30, 2023.*

**ACTUAL FY2023 INCOME VERSUS FY2023 PRO FORMA INCOME PROJECTION**

*FY2023 income statement shows income of \$1,156,617 versus the Pro forma projection of income of \$101,914. The difference of \$1,054,663 is primarily due to the accounting receivable accrual recognition of future proceeds from an Employee Retentions Credit (ERC) application submitted to the IRS in May 2023.*

### **ADMISSION OF NEW RESIDENTS**

*The admission requirements for residence at Westminster Canterbury are non-discriminatory except as to age. Admission is restricted to persons 62 years of age or older, except that in the case of a married couple in which one spouse is at least 62 years of age, the other spouse shall be at least 58 years of age.*

*New residents coming to Westminster Canterbury must be capable of independent living. This is defined as being physically and mentally capable of performing routine activities of daily living and the ability to respond appropriately to emergency situations. See Section V of the Residence and Services Agreement.*

### **ACCESS TO FACILITY BY NONRESIDENTS**

*The Healthcare Center and Assisted Living provide supportive services to residents of Westminster Canterbury and to community residents to the extent that beds are available.*

*On occasion, permission for outside groups to use portions of the facility may be granted if they are:*

- (1) Sponsored by a resident,*
- (2) Associated with the Presbyterian, Episcopal, other churches and community groups.*
- (3) Professional associations affiliated with Westminster Canterbury, or*
- (4) Educational institutions associated with residential or employee programs.*

*Permission will be granted if Westminster Canterbury believes the event can be handled efficiently and without unduly disrupting the residential life of our community.*

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

*Westminster Canterbury strives to deliver services to all residents with efficiency and in a professional manner. We do realize that, try as we may, concerns sometimes arise that need to be brought to our attention. We want residents to share these with us and we will respond to them as promptly and appropriately as possible. In order to do this, we ask that residents follow the appropriate Concern Policy detailed on pages 18 – 22.*

### **Concern Policies for Residents**

Residents, their family members and/or legally responsible party, and staff members are free to voice their concerns and recommend changes in policies and services free from restraint, interference, coercion, discrimination, or reprisal. For this reason, a procedure has been established to assist in expressing concerns or offering suggestions.

Depending on where the Resident resides within the Westminster Canterbury community, one of the following must be followed:

#### **Concern Policy for Independent Living Residents**

*Westminster Canterbury of Lynchburg (WCL) recognizes the right of all residents to make suggestions, complaints, or present grievances without threat or fear of retaliation. Each grievance is to be treated seriously and respectfully, with an awareness that communication issues are often at the heart of a grievance. Staff and residents of our community have a responsibility to resolve internal disputes by taking timely action. Confidentiality will be maintained by all parties regarding matters related to grievances. Efforts to resolve a complaint may include—but are not limited to—review of policy or procedures, notifying others of how their behaviors are impacting the community, accommodating individual wishes as appropriate to the community, etc.*

*WCL administration will annually review grievances to monitor trends, identify feasible performance improvement actions, and monitor the results of previous and ongoing performance improvement actions. As part of this process, grievances submitted will be tracked and trended for follow up and analysis at the administration level.*

#### **PROCEDURES:**

*While residents have a right to make suggestions or complaints in any format—verbal (by telephone or in person) or written (either electronically or in hard-copy)—in order to trigger the formal grievance procedure, a grievance request must be submitted on the Grievance Form or in writing that specifically requests a grievance review. However, anyone may fill out a grievance request for a resident at the resident's request, including WCL staff and administration. Grievance Forms are located in the Resident Life & Wellness Office.*

*A written request for a grievance review should be submitted to the Director of Resident Life & Wellness (DRL) or, in the DRL's absence, an appropriate designee. A grievance request should outline the resident's issue and desired solution. The DRL will return an initial decision in writing to the resident within 3 business days.*

*The resident should indicate on the written decision within 10 days of receipt whether the action satisfies his or her grievance. If there is no response from the resident within this time period, the grievance will be assumed to be resolved. If the action does not satisfy the grievance, the CEO will appoint a three-person panel to collect pertinent information and hear from interested parties chosen by the resident. The CEO may choose the members of the three-person panel from WCL trustees, staff, or residents in whatever proportion the CEO deems appropriate.*

*The panel will meet within 10 days of the resident's indication of dissatisfaction with the initial decision and, by majority vote, will decide whether they agree, do not agree, or agree in part with the initial WCL decision. Based on this decision, the panel will formulate a recommendation to the CEO for final resolution of the grievance.*

*The majority recommendation of the three-person panel will be forwarded in writing to the CEO within 10 days of the panel meeting, with a copy sent to the participating resident.*

*The CEO will take final action in the matter within 5 business days of receiving the panel recommendation.*

*Please note that depending on the complexity of the issue, response times may need to be adjusted accordingly.*

*A resident who is dissatisfied with a final action on a grievance may resort to external review with an agency listed in the policy portion of this document.*

*A resident may be represented by a family member, attorney, or other designated representative during the grievance review process.*

*Procedures related to grievances are not applicable to the Residence and Care Agreement, where disagreements lead directly to arbitration, or to other policies with defined appeal procedures.*

*Residents should be aware of the availability of external sources to hear a grievance. These external sources are related to level of care and living arrangement, and include:*

- § The Virginia Department of Social Services, Adult Protective Services (888-832-3858)*
- § The Virginia Long-Term Care Ombudsman Program – Division for the Aging (800-552-3402)*
- § The Virginia Office for Protection and Advocacy (800-552-3962)*

- § The Lynchburg City Department of Social Services, Tamara Rosser, Director, (434-455-5794)
- § Central Virginia Alliance for Community Living, Deborah Silverman, Executive Director, (434-385-9070)

### **Concern Policy for Health Services Residents**

Westminster Canterbury respects the residents' right to voice grievances to the facility or another agency or entity that hear grievances without discrimination or reprisal. Such grievances include those with respect to care and treatment, which have been provided, as well as that which have not been provided, the behavior of staff and of other residents; and other concerns regarding their stay. The resident/resident representative has the right to file a grievance orally (spoken) or in writing, and the right to file a grievance anonymously. The facility will make prompt efforts to resolve grievances and keep the resident appropriately apprised of its progress toward resolution.

#### **Definitions:**

**Grievance** - an official statement or verbalization of a complaint or concern over something believed to be wrong or unfair, which is not limited to, but may include a formal, written grievance process.

**Health Services Residents** include all residents of the facility residing either in a long-term or short-term basis in Assisted Living, Memory Support or Healthcare Center areas of campus.

**Prompt efforts to resolve** include facility acknowledgment of the grievance and actively working toward its resolution.

#### **Procedures for Filing a Concern/Grievance:**

1. The Resident receives a written copy of Resident Rights upon admission, and annually or upon revision thereafter. A posting is also located in the residing neighborhood.
  - A. This notice informs them of their rights to file grievances;
    - Orally or in writing,
    - the right to file grievances anonymously,
    - the contact information of the grievance official,
    - a reasonable expected time frame for completing review of the grievance,
    - the right to obtain a written decision,
    - the contact information of independent entities to whom grievances may be filed (state agency, quality improvement or, state survey agency, state LTC ombudsman).
  - B. The following forms are made available and located on the hallways of Drinkard & Hearthside Health Center, Hearthside Assisted Living and the Memory Support Center:

- Grievance Forms,
  - Contact information for the facility Grievance Official (Director of Nursing), Pertinent State agency, Quality Improvement Organization, State Survey Agency, and State Long-Term Care Ombudsman program or Protection and Advocacy System.
- C. Resident complaints/concerns may be communicated verbally or in writing. A written grievance can be given to the nurse at the nurse's station on the unit or may be given to the main lobby receptionist to turn into the grievance officer.
2. The Director of Nursing (DON) serves as the Grievance Official and is responsible for:
    - Overseeing the grievance process,
    - Receiving and tracking grievances to conclusion,
    - Leading any necessary investigations,
    - Maintaining the confidentiality of all information associated with grievances,
    - Issuing written grievance decisions,
    - Coordinating with the HS administrator, state and federal agencies as necessary in light of specific allegations.
  3. When a grievance is made known, staff will work together with the resident/resident representative for an immediate resolution and to prevent further potential violations of any other resident right. If the grievance is not satisfied with the team leader's response, it may be continued in writing or verbally by contacting the Grievance Official. If resident/resident representative is not satisfied with the response, the Grievance Official may contact the Administrative staff for assistance, who will put the reasons for continued grievance in writing and offer a recommendation for resolution orally or in writing to the resident/resident representative. Reviews will be completed in a reasonable time frame based on the situation of the incident.
  4. All alleged violations involving neglect, abuse, including injuries of unknown source, and/or misappropriation of resident property by anyone furnishing services on behalf of Westminster Canterbury, must be reported immediately to their supervisor, who will alert the DON and the Health Service Administrator.
  5. All written grievance decisions must include:
    - the date the grievance was received
    - a summary statement of the resident's grievance
    - the steps taken to investigate the grievance
    - a summary of the pertinent findings or conclusions regarding the concern
    - a statement as to whether the grievance was confirmed or not confirmed and any corrective action taken
    - the date the written decision was issued;
  6. The Grievance Official will confer with the Administrator for the appropriate corrective action in accordance with State law;
  7. The Administrator will maintain all completed Grievance forms for a period of no less than 3 years from the issuance of the grievance.
  8. Analysis of trends and actions taken in response to grievances/complaints will be reported to the QAPI Committee for additional oversight and/or recommendation.

**Contact Information:**

**Westminster Canterbury Grievance Official**

Ashley Lawson, RN, DON  
[alawson@wclynchburg.org](mailto:alawson@wclynchburg.org)  
Director of Nursing  
501 VES Road  
Lynchburg, VA 24503  
434-386-3573

**Virginia Department of Health**

9960 Maryland Drive, Suite 401  
Henrico, Virginia 23233-1463  
Complaint Coordinator  
1-800-955-1819 or 804-367-2106

**Office for Protection and Advocacy**

1910 Byrd Avenue, Suite 5  
Richmond, Virginia 23230  
1-800-552-3962  
Lynchburg APS Office 434-455-5850

**VA Office of the State Long-term Care Ombudsman**

8004 Franklin Farms Drive  
Richmond, Virginia 23229  
1-800-552-3402

**Local Lynchburg Ombudsman**

**Central Virginia Alliance for Community Living Inc.**

501 12<sup>th</sup> Street  
Lynchburg, VA 24504  
1-866-255-6868  
Fax: 434-385-9209

**Department of Medical Assistance**

Appeals Division-Discharge Notice  
600 East Broad Street, Suite 1300  
Richmond, Virginia 23219  
1-804-786-7933 Fax: 804-452-5454



# Fee Schedule

## LIFECARE

### More Information About LifeCare Schedule

Westminster Canterbury is pleased to offer several contract options to better accommodate prospective residents' wishes. Entry Fees vary based on the size of the residence. A significant portion of the Entry Fee and Monthly Services Fee is recognized as a prepaid healthcare expense and may be deductible for Federal Income Tax purposes.

*Our Marketing staff will answer your questions concerning the following options:*

#### **LifeCare Unlimited**

This most extensive option provides future unlimited assisted living and healthcare accommodations with cost for care based on the monthly fee of the prior independent living residence. There will be a charge for the required additional meals and a healthcare charge.

#### **365 Days LifeCare Limited**

This option offers residents 365 lifetime days of assisted living and healthcare accommodations with cost for care based on the monthly fee of the prior independent living residence. Following the initial 365 days, assisted living services are provided at the per diem rate less 5% and healthcare services are provided at the per diem rate less 15%.

#### **Fee for Service with Healthcare Available**

This option provides assisted living services at the per diem rate less 5% and healthcare services are provided at the per diem rate less 15%. Independent living entry fees and monthly services fees are significantly reduced if this plan is selected.

#### **Monthly Service Fee**

The Monthly Service Fee entitles residents of Westminster Canterbury to enjoy the following services, programs, common areas and amenities:

- Flexible dining account in three dining venues
- All utilities, except long-distance telephone and internet
- Property insurance
- Cable television service
- 24-hour security and central security system
- Weekly housekeeping services, heavy cleaning on scheduled basis
- Full maintenance of interior and exterior of residences, including appliances, electrical, plumbing, carpeting, painting, etc.
- Groundskeeping and landscaping
- Transportation, outside of scheduled shopping trips, at a preferred rate
- Additional storage
- Social, recreational, spiritual, educational and cultural opportunities
- Templeton Wellness Center with fitness equipment, programming and indoor heated pool
- On-campus healthcare services offering emergency care, Assisted Living, Nursing Care and Memory Support
- Outpatient health services with regular office hours at the Paulsen Resident Clinic

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<i>Brookhaven &amp; Creekside</i>		Square Feet	LifeCare Unlimited Entry Fee Single	LifeCare Unlimited Entry Fee Couple	365 Days LifeCare Entry Fee Single	365 Days LifeCare Entry Fee Couple	Monthly Service Fee Single	Monthly Service Fee Couple
Azalea	Studio, 1 Bath	423	\$94,963	\$144,429	\$71,755	\$107,594	\$2,979	\$4,474
Dogwood	Studio, 1 Bath	598	136,295	185,761	113,085	148,924	3,261	4,756
Jefferson	1 Bedroom, 1 Bath	684	200,889	250,355	177,684	213,523	3,402	4,897
Madison	1 Bedroom, 1½ Bath	846	273,656	323,122	244,645	280,484	3,930	5,425
Washington	1 Bedroom, 1 Bath	846	273,656	323,122	244,645	280,484	3,930	5,425
Juniper	1 Bedroom, 1½ Bath	954	301,990	351,456	272,983	308,822	3,997	5,492
Blue Ridge	2 Bedroom, 1½ Bath	990	321,827	371,293	288,594	324,433	4,222	5,717
Lee	1 Bedroom, 1½ Bath, Den	1,021	321,827	371,293	292,833	328,672	4,222	5,717
Sycamore	1 Bedroom, 1 Bath	1,072	331,002	380,468	302,009	337,848	4,231	5,726
Virginian	2 Bedroom, 2 Bath	1,107	352,745	402,211	323,745	359,584	4,241	5,736
Cardinal	2 Bedroom, 2 Bath	1,269	400,819	450,285	371,822	407,661	4,522	6,017
Shenandoah	2 Bedroom, 2 Bath	1,282	406,903	456,369	378,302	414,141	4,593	6,088
Redbud	2 Bedroom, 2½ Bath	1,377	415,217	464,683	381,856	417,695	4,686	6,181
Peaks	2 Bedroom, 2 Bath, Den	1,530	444,875	494,341	412,284	448,123	4,743	6,238
Robin	2 Bedroom, 2 Bath	1,710	484,721	534,187	452,577	488,416	5,007	6,502

<i>Cottage Homes</i>		Square Feet	LifeCare Unlimited Entry Fee Single	LifeCare Unlimited Entry Fee Couple	365 Days LifeCare Entry Fee Single	365 Days LifeCare Entry Fee Couple	Monthly Service Fee Single	Monthly Service Fee Couple
Monticello	2 Bedroom, 2 Bath	1,390	\$420,042	\$469,508	\$391,028	\$426,867	\$4,979	\$6,474
Mount Vernon	2 Bedroom, 2 Bath, Den	1,598	475,589	525,055	440,792	476,631	4,980	6,475
Montpelier	2 Bedroom, 2 Bath, Den	1,700	513,486	562,952	478,682	514,521	6,059	7,554
Second Person			49,466		35,839		1,495	



## Woods Edge

		Square Feet	LifeCare Unlimited Entry Fee Single	LifeCare Unlimited Entry Fee Couple	365 Days LifeCare Entry Fee Single	365 Days LifeCare Entry Fee Couple	Monthly Service Fee Single	Monthly Service Fee Couple
Chestnut	1 Bedroom, 1 Bath	695	\$223,084	\$272,550	\$194,072	\$229,911	\$3,418	\$4,913
Maple	1 Bedroom, 1 Bath	845	277,598	327,064	248,595	284,434	4,101	5,596
Pine	1 Bedroom, 1 Bath	939	294,139	343,605	265,138	300,977	4,118	5,613
Poplar	1 Bedroom, 1 Bath, Den	1,010	332,359	381,825	303,362	339,201	4,557	6,052
Oak	2 Bedroom, 2 Bath	1,234	393,959	443,425	364,965	400,804	4,631	6,126
Spruce	2 Bedroom, 2 Bath	1,343	414,829	464,295	385,824	421,663	4,646	6,141
Birch	2 Bedroom, 2 Bath	1,362	425,254	474,720	396,243	432,082	4,650	6,145
Willow	2 Bedroom, 2 Bath, Den	1,367	434,365	483,831	399,561	435,400	4,745	6,240
Magnolia	2 Bedroom, 2 Bath, Den	1,442	464,874	514,340	430,062	465,901	4,875	6,370

All apartments in Woods Edge have balconies or patios.

## Riverside

		Square Feet	LifeCare Unlimited Entry Fee Single	LifeCare Unlimited Entry Fee Couple	365 Days LifeCare Entry Fee Single	365 Days LifeCare Entry Fee Couple	Monthly Service Fee Single	Monthly Service Fee Couple
Bedford	1 Bedroom, 1 ½ Bath, Den	800	\$288,423	\$337,889	\$263,839	\$299,678	\$4,093	\$5,588
Campbell	1 Bedroom, 1 ½ Bath, Den	1007	342,024	391,490	312,871	348,710	4,553	6,048
Albemarle	2 Bedroom, 2 Bath	1,079	351,466	400,932	321,509	357,348	4,574	6,069
Dorchester	2 Bedroom, 2 Bath	1,169	379,831	429,297	357,004	392,843	4,587	6,082
Franklin	2 Bedroom, 2 Bath	1,187	390,267	439,733	347,515	383,354	4,597	6,092
Norfolk	2 Bedroom, 2 Bath, Den	1,356	426,320	475,786	389,985	425,824	4,627	6,122
Rockbridge	2 Bedroom, 2 Bath, Den	1,462	447,295	496,761	409,170	445,009	4,851	6,346
Fairfax	2 Bedroom, 2 ½ Bath, Den	1,663	458,224	507,690	419,169	455,008	4,871	6,366
Second Person			49,466		35,839		1,495	

All apartments in Riverside have balconies or patios.

**NOTES:** (1) Entry Fee is listed for the Traditional Refund Plan. The Marketing staff can provide information about our 90 percent and 50 percent refund plans. (2) Monthly Services Fee includes a flexible dining account of \$360 per month for each person.

# Fee Schedule

— FEE FOR SERVICE —

## More Information About Fee-for-Service Schedule

The Monthly Service Fee entitles residents of Westminster Canterbury to enjoy the following services, programs, common areas and amenities:

- Flexible dining account in three dining venues
- All utilities, except long-distance telephone and internet
- Property insurance
- Cable television service
- 24-hour security and central security system
- Weekly housekeeping services, heavy cleaning on scheduled basis
- Full maintenance of interior and exterior of residences, including appliances, electrical, plumbing, carpeting, painting, etc.
- Groundskeeping and landscaping
- Transportation, outside of scheduled shopping trips, at a preferred rate
- Additional storage
- Social, recreational, spiritual, educational and cultural opportunities
- Templeton Wellness Center with fitness equipment, programming and indoor heated pool
- On-campus healthcare services offering emergency care, Assisted Living, Nursing Care and Memory Support at preferred member rates
- Outpatient health services with regular office hours at the Paulsen Resident Clinic

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<i>Brookhaven &amp; Creekside</i>		Square Feet	Entry Fee Single	Entry Fee Couple	Monthly Service Fee Single	Monthly Service Fee Couple
Azalea	Studio, 1 Bath	423	\$58,453	\$76,099	\$2,039	\$2,994
Dogwood	Studio, 1 Bath	598	93,532	111,177	2,229	3,184
Jefferson	1 Bedroom, 1 Bath	684	156,707	174,353	2,322	3,277
Madison	1 Bedroom, 1½ Bath	846	229,599	247,245	3,143	4,098
Washington	1 Bedroom, 1 Bath	846	229,599	247,245	3,143	4,098
Juniper	1 Bedroom, 1½ Bath	954	257,516	275,161	3,177	4,132
Blue Ridge	2 Bedroom, 1½ Bath	990	272,894	290,539	3,182	4,137
Lee	1 Bedroom, 1½ Bath, Den	1,021	277,066	294,711	3,190	4,145
Sycamore	1 Bedroom, 1 Bath	1,072	286,109	303,754	3,201	4,156
Virginian	2 Bedroom, 2 Bath	1,107	307,523	325,168	3,204	4,159
Cardinal	2 Bedroom, 2 Bath	1,269	314,761	332,406	3,554	4,509
Shenandoah	2 Bedroom, 2 Bath	1,282	322,848	340,493	3,698	4,653
Redbud	2 Bedroom, 2½ Bath	1,377	335,350	352,995	3,804	4,758
Peaks	2 Bedroom, 2 Bath, Den	1,530	371,857	389,502	3,858	4,813
Robin	2 Bedroom, 2 Bath	1,710	403,248	420,893	4,006	4,961

<i>Cottage Homes</i>		Square Feet	Entry Fee Single	Entry Fee Couple	Monthly Service Fee Single	Monthly Service Fee Couple
Monticello	2 Bedroom, 2 Bath	1,390	\$345,147	\$362,792	\$3,879	\$4,834
Mount Vernon	2 Bedroom, 2 Bath, Den	1,598	382,839	400,484	3,879	4,834
Montpelier	2 Bedroom, 2 Bath, Den	1,700	414,461	432,107	4,889	5,844
Second Person			17,645		995	



<b>Woods Edge</b>		<b>Square Feet</b>	<b>Entry Fee Single</b>	<b>Entry Fee Couple</b>	<b>Monthly Service Fee Single</b>	<b>Monthly Service Fee Couple</b>
Chestnut	1 Bedroom, 1 Bath	695	\$179,770	\$197,415	\$2,346	\$3,301
Maple	1 Bedroom, 1 Bath	845	233,483	251,128	3,109	4,063
Pine	1 Bedroom, 1 Bath	939	249,782	267,427	3,128	4,083
Poplar	1 Bedroom, 1 Bath, Den	1,010	287,440	305,086	3,357	4,312
Oak	2 Bedroom, 2 Bath	1,234	326,594	344,240	3,695	4,650
Spruce	2 Bedroom, 2 Bath	1,343	347,154	364,800	3,701	4,656
Birch	2 Bedroom, 2 Bath	1,362	353,666	371,311	3,713	4,668
Willow	2 Bedroom, 2 Bath, Den	1,367	361,625	379,270	3,713	4,668
Magnolia	2 Bedroom, 2 Bath, Den	1,442	371,771	389,416	3,781	4,736

All apartments in Woods Edge have balconies or patios.

<b>Riverside</b>		<b>Square Feet</b>	<b>Entry Fee Single</b>	<b>Entry Fee Couple</b>	<b>Monthly Service Fee Single</b>	<b>Monthly Service Fee Couple</b>
Bedford	1 Bedroom, 1½ Bath, Den	800	\$253,374	\$271,019	\$3,105	\$4,060
Campbell	1 Bedroom, 1½ Bath, Den	1007	297,502	315,147	3,457	4,412
Albemarle	2 Bedroom, 2 Bath	1,079	309,914	327,560	3,606	4,561
Dorchester	2 Bedroom, 2 Bath	1,169	310,312	327,958	3,639	4,594
Franklin	2 Bedroom, 2 Bath	1,187	318,376	336,022	3,669	4,624
Norfolk	2 Bedroom, 2 Bath, Den	1,356	356,168	373,813	3,703	4,658
Rockbridge	2 Bedroom, 2 Bath, Den	1,462	373,463	391,109	3,828	4,783
Fairfax	2 Bedroom, 2½ Bath, Den	1,663	376,522	394,167	3,837	4,792
Second Person			17,645		995	

All apartments in Riverside have balconies or patios.

**NOTES:** (1) Entry Fee is listed for the Traditional Refund Plan. The Marketing staff can provide information about our 90 percent and 50 percent refund plans. (2) Monthly Services Fee includes a flexible dining account of \$360 per month for each person.

**MONTHLY MAINTENANCE FEE SCHEDULE**

<b>HISTORICAL MONTHLY MAINTENANCE FEE SCHEDULE</b>						
(based on 30 meal plan)						
Unit Type	Sq. Ft.	FY2020	FY2021	FY2022	FY2023	FY2024
		Effective 10/1/2019	Effective 10/1/2020	Effective 10/1/2021	Effective 10/1/2022	Effective 10/1/2023
The Azalea - Studio	423	2,562	2,626	2,705	2,811	2,979
		n/a	n/a	n/a	n/a	n/a
The Azalea - Studio - No Ent Fee Full H/C	423	4,069	4,211	4,337	4,506	4,776
		n/a	n/a	n/a	n/a	n/a
The Dogwood - Master Studio	598	2,805	2,875	2,961	3,077	3,261
		n/a	n/a	n/a	n/a	n/a
The Jefferson - One Bedroom A	684	2,926	2,999	3,089	3,210	3,402
with 2nd person		4,243	4,316	4,446	4,620	4,897
The Chestnut - One-Bedroom	695	2,939	3,013	3,103	3,224	3,418
with 2nd person		4,256	4,330	4,460	4,634	4,913
The Madison - One Bedroom B	846	3,380	3,464	3,568	3,707	3,930
with 2nd person		4,697	4,781	4,925	5,117	5,425
The Washington - One Bedroom C	846	3,380	3,464	3,568	3,707	3,930
with 2nd person		4,697	4,781	4,925	5,117	5,425
The Patrick Henry - Two-Bedroom A	990	N/A	N/A	N/A	N/A	N/A
with 2nd person		N/A	N/A	N/A	N/A	N/A
The Maple - One-Bedroom	845	3,527	3,615	3,724	3,869	4,101
with 2nd person		4,844	4,932	5,081	5,279	5,596
The Pine - One-Bedroom	939	3,541	3,630	3,739	3,885	4,118
with 2nd person		4,858	4,947	5,096	5,295	5,613
The Juniper - One-Bedroom	954	3,438	3,524	3,629	3,771	3,997
with 2nd person		4,755	4,841	4,986	5,181	5,492
The Lee - Custom One-Bedroom	1021	3,631	3,722	3,833	3,983	4,222
with 2nd person		4,948	5,039	5,190	5,393	5,717
The Blue Ridge Two Bedroom B	846	3,631	3,722	3,833	3,983	4,222
with 2nd person		4,948	5,039	5,190	5,393	5,717
The Sycamore - One-Bedroom	1072	3,639	3,730	3,842	3,991	4,230
with 2nd person		4,956	5,047	5,199	5,401	5,725
The Popular - One-Bedroom with Den	1010	3,920	4,018	4,138	4,299	4,557
with 2nd person		5,237	5,335	5,495	5,709	6,052
The Virginian - Two Bedroom C	1107	3,647	3,739	3,851	4,001	4,241
with 2nd person		4,964	5,056	5,208	5,411	5,736
The Oak - Two-Bedroom	1234	3,983	4,082	4,205	4,369	4,631
with 2nd person		5,300	5,399	5,562	5,779	6,126
The Cardinal - Two-Bedroom Grande	1269	3,889	3,986	4,106	4,266	4,522
with 2nd person		5,206	5,303	5,463	5,676	6,017
The Shenendoah - Custom Two-Bedroom	1320	3,950	4,049	4,170	4,333	4,593
with 2nd person		5,267	5,366	5,527	5,743	6,088
The Spruce - Two-Bedroom	1343	3,996	4,096	4,219	4,383	4,646
with 2nd person		5,313	5,413	5,576	5,793	6,141
The Birch - Two-Bedroom	1362	3,999	4,099	4,222	4,387	4,650
with 2nd person		5,316	5,416	5,579	5,797	6,145

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<b>HISTORICAL MONTHLY MAINTENANCE FEE SCHEDULE</b>						
(based on 30 meal plan)						
Unit Type	Sq. Ft.	FY2020	FY2021	FY2022	FY2023	FY2024
		Effective 10/1/2019	Effective 10/1/2020	Effective 10/1/2021	Effective 10/1/2022	Effective 10/1/2023
The Redbud - 2 Bedroom, 1.5 Bath	1377	4,030	4,131	4,255	4,421	4,686
with 2nd person		5,347	5,448	5,612	5,831	6,181
The Willow - Two-Bedroom with Den	1367	4,091	4,183	4,309	4,477	4,746
with 2nd person		5,408	5,500	5,666	5,887	6,241
The Magnolia - Two-Bedroom with Den	1442	4,193	4,298	4,426	4,599	4,875
with 2nd person		5,510	5,615	5,783	6,009	6,370
The Peaks - 2 Bedrooms, 2 Bath	1530	4,079	4,181	4,306	4,474	4,742
with 2nd person		5,396	5,498	5,663	5,884	6,237
The Robin - 2 Bedroom, 2 Bath Grande+	1710	4,306	4,414	4,546	4,724	5,007
with 2nd person		5,623	5,731	5,903	6,134	6,502
Monticello - Cottage Pair (Basic)	1390	4,282	4,289	4,521	4,697	4,979
with 2nd person		5,599	5,606	5,878	6,107	6,474
Mount Vernon - Cottage Pair (Expanded)	1598	4,283	4,390	4,522	4,699	4,981
with 2nd person		5,600	5,707	5,879	6,109	6,476
Montpelier - Cottage Home	1700	5,211	5,341	5,502	5,716	6,059
with 2nd person		6,528	6,658	6,859	7,126	7,554
The Bedford -1 Bedroom, 1.5 Bath, Den, Balcony					3,861	4,093
with 2nd person					5,271	5,588
The Campbell - 1 Bedroom, 1.5 Bath, Den					4,295	4,553
					5,705	6,048
The Albemarle - 2 Bedroom, 2 Bath, Balcony					4,315	4,574
					5,725	6,069
The Dorchester - 2 Bedroom, 2 Bath, Balcony					4,327	4,587
					5,737	6,082
The Franklin - 2 Bedroom, 2 Bath, Balcony					4,337	4,597
					5,747	6,092
The Norfolk - 2 Bedroom, 2 Bath, Den, Balcony					4,365	4,627
					5,775	6,122
The Rockbridge - 2 Bedroom, 2 Bath, Den, Balcony					4,577	4,852
					5,987	6,347
The Fairfax - 2 Bedroom, 2.5 bath, Den, Balcony					4,595	4,871
with 2nd person					6,005	6,366



The following are attached:

- 1) *LifeCare Residence & Services Agreement*
- 2) *Azalea Option LifeCare Residence & Services Agreement*
- 3) *Fee-for-Service Agreement*
- 4) *Azalea Option Fee-for-Service Agreement*
- 5) *Zero Entrance Fee Agreement*



**LIFECARE**

**RESIDENCE & CARE AGREEMENT**

**LIFECARE RESIDENCE AND CARE AGREEMENT  
WESTMINSTER CANTERBURY OF LYNCHBURG, INC.**

THIS LIFECARE RESIDENCE AND CARE AGREEMENT (referred to as the "Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_. LYNCHBURG, INC. (referred to as "Westminster Canterbury") and \_\_\_\_\_ (referred to as "Resident", "You" or "you").

**RECITALS:**

- A. Westminster Canterbury is a non-profit corporation organized under the laws of the Commonwealth of Virginia and has established and operates a Continuing Care Retirement Community in Lynchburg, Virginia.
- B. You desire to become a resident of Westminster Canterbury and to use and enjoy the common areas and amenities, programs, and services provided by Westminster Canterbury, including Assisted Living, Memory Support, and Nursing Care.
- C. You and Westminster Canterbury desire to establish your rights and obligations and Westminster Canterbury's rights and obligations, in addition to those afforded or implied by law, regarding your residency at Westminster Canterbury in Lynchburg, Virginia.

**AGREEMENTS:**

**WHEREFORE**, in consideration of the above recitals, the following covenants, promises and obligations, and other good and valuable considerations, the receipt and sufficiency of which you and Westminster Canterbury acknowledge, you and Westminster Canterbury agree as follows:

**I. RESIDENCE, AMENITIES AND SERVICES**

- A. **Residence.** You will have the exclusive, personal, non-assignable right to occupy, use, and enjoy **apartment**, including but not limited to Section II.H.
- B. **Furnishings in the Residence.** Westminster Canterbury will provide such features as flooring, emergency call system and other furnishings as described in Westminster Canterbury's current literature. All other furniture and furnishings for the Residence will be provided by the Resident.
- C. **Options and Custom Features in the Residence.** Westminster Canterbury will provide and you may select certain options and custom features in the Residence as described in Westminster Canterbury's literature at additional charge. Any such improvement or modification will become the property of Westminster Canterbury. The value of such improvements or modifications will not be credited to Resident in calculating any amount due from or to the Resident, including the amount of any refund.
- D. **Amenities.** Westminster Canterbury provides common areas and amenities for the use and benefit of all residents such as Dogwood Dining, Canterbury Cafe, James

River Grille, meeting and conference rooms, arts and crafts room, Art Studio, exercise/fitness amenities, the Strickler Library, Weissert Chapel, "The Commons" area, "Bridge" area, lobbies, lounges, indoor and outdoor recreational areas

E. **Parking.** Westminster Canterbury provides lighted and paved parking areas.

F. **Services.**

1. **Utilities.** Westminster Canterbury will furnish heating, air conditioning, electricity, water, sewer, local telephone service and trash removal. You will pay for long-distance telephone service charges.
2. **Dining.** Westminster Canterbury offers three meals daily with the exception of special holidays and Sunday. Your Monthly Services Fee includes the equivalent of 30 meals, using a declining dollar value program. You may purchase additional meals at established rates.
3. **Dining Delivery.** Limited dining service to your Residence may be provided when approved by authorized staff at an additional charge.
4. **Housekeeping Services.** Weekly housekeeping service will be provided by Westminster Canterbury in the Residence including vacuum cleaning, dusting, cleaning of baths and kitchen, and trash removal. You agree to maintain the Residence in a safe, clean, sanitary and orderly condition, and to perform all usual light housekeeping. In the event you fail to so maintain the Residence, Westminster Canterbury may, in addition to and not in limitation of its other rights under this Agreement, perform at your expense such cleaning, fumigation and other work necessary to return the Residence to a safe, clean, sanitary, or orderly condition.
5. **Laundry and Linens.** If you are a cottage resident or reside in a residence with a washer/dryer unit, you will provide and launder your own bed and bath linens and Westminster Canterbury will change these linens for you; otherwise Westminster Canterbury will provide and launder bed and bath linens.
6. **Groundskeeping.** Westminster Canterbury will furnish groundskeeping service, including lawn, tree and shrubbery care. Subject to approval by Westminster Canterbury, you may plant and maintain certain areas designated for such purpose.
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 Westminster Canterbury caused by you or your guests, ordinary wear and tear excepted.

8. **Transportation.** Westminster Canterbury will provide local transportation for residents on a scheduled basis for shopping and medical appointments. An additional charge may be made for transportation, special, personal or group trips.
9. **Security and Safety.** Westminster Canterbury will provide smoke detectors in each residence, a 24-hour emergency call system, security procedures, illuminated parking areas and roadways, a sprinkler system in the central building, and an auxiliary power source in designated areas in the central buildings.
10. **Television.** Access to a television system will be provided to you. A basic package of channels is included in the Monthly Services Fee for one television in the residence. An additional charge will be made for premium channel packages.
11. **Internet.** As an on-campus Resident, access to internet will be provided to you. Our public Wi-Fi is provided free of charge. An additional charge will be made for private internet provided at various speeds through Comcast.
12. **Arts and Programs.** Westminster Canterbury will provide social, recreational, spiritual, educational and cultural programs, exercise and health programs, and other special activities. An additional charge may apply for some events.
13. **Guests.** Westminster Canterbury provides guest dining and overnight accommodations, subject to availability and at established rates. Westminster Canterbury may require that overnight guests be registered. Guest stays longer than one week must be approved in advance. You will be responsible for the conduct of your guests. No guest will be entitled to any rights or privileges under this Agreement by reason of his or her status as your guest.
14. **Private Dining and Catering.** A private dining room is provided upon reasonable request at no charge. Catering services are provided at an additional charge.
15. **Beauty/Barber Shop.** Beauty/barber service is provided and such services will be billed monthly.
16. **Pets.** Pets may reside with you in accordance with the policies and procedures of Westminster Canterbury.
17. **Smoking.** Smoking is not permitted at Westminster Canterbury

## II. HEALTH SERVICES

Following payment of the Entrance Fee and Monthly Services Fee, Westminster Canterbury will furnish health services to the extent deemed necessary by Westminster Canterbury's Medical Director and subject to the following provisions. The health services provided by Westminster Canterbury include assisted living, memory support, nursing care, and skilled nursing care.

- A. Outpatient Services.** Westminster Canterbury will provide a clinic at Westminster Canterbury where you may be examined and treated as an outpatient. Westminster Canterbury will arrange for a physician to be available from time to time in the Clinic for your convenience. You are free, however, to engage the services of a physician of your own choice and such physician may also use the services of the Clinic, subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury may make available the services of a physical therapist and other health professionals as it deems necessary, but you are free to engage the services of health professionals of your choice.
- B. Inpatient Services.** Westminster Canterbury will be responsible for nursing care not covered by Medicare and assisted living care if it is determined by Westminster Canterbury that you require such care. As a resident, you will be entitled to priority admission over non-resident community applicants for inpatient services, including admission to assisted living (including memory support) or nursing care (including skilled care) services, on an equal basis with all other residents of Westminster Canterbury.

Care offered by Westminster Canterbury will be provided in nursing care, assisted living, or another specifically designated part of Westminster Canterbury. You will be responsible for a health care charge in Memory Support and Health Care. An additional fee will also be charged for a suite in Assisted Living.

You may employ private duty employees at your own expense, but subject to approval by Westminster Canterbury and subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury has disclosed and explained your options with regard to the level of nursing care provided, and you have indicated your choice of nursing care coverage on Addendum "A" attached hereto.

No refund of the Entrance Fee is due at the time the sole occupant of a Residence is transferred to the Healthcare Center receiving services in assisted living (including memory support) or nursing care (including skilled care) services.

Westminster Canterbury will provide a Memory Support Center for residents requiring routine assistance and a supportive environment due to Alzheimer's disease and related disorders. Services provided in the Memory Support Center will be limited to those permitted and typically provided under licensure from governing authorities. An additional charge will be made should Memory Support services be needed.

**C. Wellness Program.** Westminster Canterbury will provide a Wellness Program that includes use of the Westminster Canterbury pool, fitness and exercise center, subject to the rules and regulations of Westminster Canterbury.

**D. Medicare and Health Insurance Assignment.** You will, if not already enrolled, apply for and secure enrollment in the Hospital Insurance Benefits Program under Part A of Public Law 89-97 (“Medicare”) and during the next enrollment period after submitting your application for admission to Westminster Canterbury, apply for, secure and pay the premium for the Medicare supplementary medical insurance benefits under Part B of Public Law 89-97 or Part C Medicare Advantage Plan, as well as a Part D prescription plan. If you are not eligible for these programs, you will obtain equivalent insurance coverage acceptable to Westminster Canterbury. If you become entitled to payments for health services from other governmental agencies or programs, you will make application for such payments and turn over and remit to Westminster Canterbury any payments received.

Westminster Canterbury is certified in the Medicare/Medicaid Programs, and reserves the right to withdraw from one or both programs if deemed advisable by Westminster Canterbury. Additionally, the provisions of this Agreement are subject to changes in State and Federal Law, as may be applicable.

**E. Supplemental Insurance.** You will obtain a supplemental insurance policy acceptable to Westminster Canterbury to pay Medicare Part A and Part B co-insurance and deductible amounts.

**F. Maintenance of Health Insurance.** There are many reasons why it’s important to maintain health insurance. A health insurance plan, like Medicare and supplemental insurance, can cover most or all medical and hospital expenses if you’re injured, sick or require an operation. It can also offset costs for preventative care like screenings, check-ups, therapy and vaccines that are essential for maintaining your health. Failure to maintain your health insurance coverage will cause you to be financially responsible for any cost related to medical services provided by Westminster Canterbury.

**G. Health-Related Charges.** You will pay the following charges to the extent they are not covered by Medicare or your supplemental insurance:

1. Charges of any physician, physical therapist, occupational therapist, podiatrist, or other health professional, whether provided at Westminster Canterbury or elsewhere;
2. Hospital charges and charges for care or services beyond that licensed or provided at Westminster Canterbury;
3. Charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, and other health-related items; and

4. All other charges for services Westminster Canterbury is not required by this Agreement or law to provide.

**H. Transfer from Residence.** The Resident agrees that Westminster Canterbury will have the authority to determine whether the Resident should be transferred from the Residence to Assisted Living, Memory Support or Health Care or from one level of care to another level of care within the community. Such determination will be based on the professional opinion of Westminster Canterbury's Medical Director and the President and CEO and will be made only after consultation to the extent practical with the Resident, a representative of the Resident's family or the sponsor of the Resident, and the Resident's attending physician.

**I. Changes to Scope of Care or Services.** Westminster Canterbury will provide you with at least 30 days' notice of any change in the scope of the care or services provided in Section II before such change becomes effective, unless the change is required earlier by state or federal assistance programs or by law.

**J. Health Care Information Consent.** At any time after occupying the Residence, Westminster Canterbury may require a physician's report or other medical and health care information following any hospitalization or doctor's office visit, when Westminster Canterbury determines that your health condition warrants such a report or information or when required by a licensing agency. You give your consent and grant permission for such reports and information to be disclosed by your health care provider to Westminster Canterbury for this purpose.

### **III. FINANCIAL ARRANGEMENTS**

**A. Entrance Fee.** You agree to pay to Westminster Canterbury an entrance fee of \_\_\_\_\_ (the "Entrance Fee") as a condition of becoming a resident. The Entrance Fee is a lump sum payment based on the Residence specified in Section I.A., and will not be increased or decreased during the term of this Agreement, except as provided in Section V.D. of this Agreement outlining your ability to choose to move to a different residence.

**B. Terms of Payment of the Entrance Fee.** The terms of payment of the Entrance Fee will be as follows:

1. **Entrance Fee Deposit.** An amount equal to \$ \_\_\_\_\_ was paid at the time you submitted your application.

Westminster Canterbury will maintain the deposit in a separate account prior to the date the Residence is available for occupancy. All funds or assets deposited in the account will remain your property until released to Westminster Canterbury upon settlement payment of the balance of the Entrance Fee. These reservation funds or assets will not be subject to any liens, judgments, garnishments or creditor's claims against Westminster Canterbury. All reservation funds or assets deposited will be released to Westminster Canterbury



when you have occupied the Residence or a Residence of the type reserved by you is available for immediate occupancy by you.

2. **Entrance Fee Balance.** The balance of the total Entrance Fee, \$ \_\_\_\_\_, will be due and payable on or before date of occupancy or within 60 days from the date of this Agreement, whichever is sooner, unless otherwise extended in writing by Westminster Canterbury.
- C. **Monthly Services Fee.** In addition to the Entrance Fee and the payment for any options and custom features, you agree to pay a Monthly Services Fee during the term of this Agreement which will be payable, in advance, on the first of each month and will be prorated for any period less than a month. Unless otherwise agreed to in writing by Westminster Canterbury, the initial Monthly Services Fee of \$ \_\_\_\_\_ will begin upon date of occupancy or within 60 days of the time when the Residence is available for occupancy, unless otherwise extended in writing by Westminster Canterbury. The Monthly Services Fee may be adjusted by Westminster Canterbury during the term of this Agreement pursuant to Section III.D. below.
- D. **Increases in the Monthly Services Fee.** The Monthly Services Fee is payable to provide the amenities, programs and services described in this Agreement and is intended to meet Westminster Canterbury's operating costs. Westminster Canterbury may increase the Monthly Services Fee as it, in its discretion, deems necessary in order to reflect changes in costs consistent with operating on a sound financial basis and maintaining the quality of amenities, programs, and services. Any increases in the Monthly Services Fee or other charges may be made by Westminster Canterbury upon 30 days' written notice to you. Westminster Canterbury will endeavor to maintain its schedule of fees at the lowest possible rate consistent with sound financial practice and maintenance of the quality of programs and services.
- E. **Monthly Statements; Late Fee.** Westminster Canterbury will furnish you with monthly statements showing the total amount of fees and other charges owed by you. In the event the Monthly Services Fee or other charges are not paid in full on or before the 25<sup>th</sup> day of the month for which such are due and payable, a late payment assessment of one and one-half percent (1.5%) per month will be charged on the unpaid balance.
- F. **Healthcare Services and Additional Dining Charges.** Westminster Canterbury will provide you nursing care services as detailed in Section II.B. (Inpatient Services) of this Agreement and as selected by you on Addendum "A". If you need care in assisted living (including memory support) or nursing care, you will pay the then current Monthly Services Fee for the Residence, plus the cost of two additional meals to provide you three meals daily as required under federal and state law for a person residing in such a facility.
- G. **Fellowship Assistance.** Westminster Canterbury may grant financial assistance (referred to as "Fellowship Assistance") to you under policies and procedures established by Westminster Canterbury, as stated in Addendum "B" and as established and amended from time to time.

**H. Liability for Charges.** In the event it is necessary for Westminster Canterbury to institute legal action or other proceedings to recover amounts payable to Westminster Canterbury under this Agreement, or otherwise to enforce any of the provisions of this Agreement, Westminster Canterbury also will be entitled to recover reasonable attorneys' and legal fees and all costs incurred in connection with such proceedings. This provision will survive the termination of this Agreement.

#### **IV. TERMINATION AND REFUND PROVISIONS**

**A. General.** Subject to the right of refund set forth in this Section IV, Westminster Canterbury will use the Entrance Fee for general corporate purposes. Except for rescission by you of this Agreement under Section IV.B. below and termination of this Agreement prior to occupancy under Section IV.C. below, all refunds of any portion of the Entrance Fee are expressly conditioned upon Westminster Canterbury's acceptance for admission of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence. Any refund of the Entrance Fee that may be due to you or your estate will first be applied to satisfy, in part or in whole, any outstanding Monthly Services Fee or other charge(s) owed by you to Westminster Canterbury and/or the interest and principal outstanding on any Fellowship Assistance granted to you by Westminster Canterbury, and the balance thereof will be paid to you or your estate. In no event will you or your estate receive a refund of the Monthly Services Fee paid to Westminster Canterbury.

**B. Right of Rescission and Seven (7) Day Rescission Period.** This Agreement may be rescinded by you by giving written notice of such rescission to Westminster Canterbury within seven (7) days following the date of this Agreement. It may also be rescinded by you by giving written notice of such rescission to Westminster Canterbury at any time prior to occupancy of the Residence at Westminster Canterbury. In the event of such rescission, you will receive a full refund of the Entrance Fee paid by you. Such refund will be paid by Westminster Canterbury within 30 days following the receipt of written notification of such termination. You will not be required to take occupancy of the Residence prior to the expiration of the Seven (7) Day Rescission Period.

**C. Termination Prior to Occupancy.** You may terminate this Agreement for any reason prior to occupancy of the Residence by giving written notice to Westminster Canterbury. In the event of such termination, you will receive a refund of the Entrance Fee paid by you.

Unless protected by a confirmation letter from Westminster Canterbury affirming your LifeCare eligibility, Westminster Canterbury may terminate this Agreement prior to your occupancy of the Residence if you suffer an illness or injury or become incapacitated after the date of this Agreement and prior to your occupancy of the Residence such that the illness, injury, or incapacity renders you then ineligible for admission to Westminster Canterbury in Westminster Canterbury's discretion. You will receive a refund of the Entrance Fee paid by you, less costs incurred by Westminster Canterbury at your request and set forth on Exhibit A attached hereto.

This refund will be paid by Westminster Canterbury within 30 days following Westminster Canterbury's determination to so terminate this Agreement.

- D. Voluntary Termination after Occupancy.** You may terminate this Agreement for any reason after occupancy of the Residence by giving thirty 30 days written notice to Westminster Canterbury. In the event of termination, you will receive a refund of the Entrance Fee paid by you, determined in accordance with your selection in Addendum "A" below. Such refund, if any, will be expressly conditioned upon acceptance by Westminster Canterbury of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence, and will be paid by Westminster Canterbury within 30 days following receipt of such Entrance Fee.
- E. Termination upon Death.** In the event of your death at any time after occupancy of the Residence, your obligations and those of Westminster Canterbury under this Agreement will terminate, and, except as is specifically provided herein, the refund of the Entrance Fee paid by you will be determined in accordance with your selection in Addendum "A" below. Notwithstanding the termination of this Agreement, Resident (including a deceased Resident) will be deemed to occupy their Residence and Resident's Monthly Services Fee will continue to accrue as normal. In the event of the death of a Resident, Resident's family or sponsor will have no more than thirty (30) days to remove Resident's possessions from the Residence.
- F. Termination by Westminster Canterbury.** Westminster Canterbury may terminate this Agreement at any time for good cause. Good cause will be limited to: (i) proof that you are a danger to yourself or others; (ii) nonpayment of the Monthly Services Fee or other charges; (iii) repeated conduct by you that interferes with other residents' quiet enjoyment of the community; (iv) persistent refusal to comply with reasonable written rules and regulations of Westminster Canterbury; (v) a material misrepresentation made intentionally or recklessly by you in your application, or related materials, which, if accurately provided, would have resulted in either your failure to qualify for Residence or a material increase in the cost of providing to you the care and services provided under this Agreement; or (vi) material breach by you of the terms and conditions of this Agreement. Westminster Canterbury will not terminate this Agreement pursuant to this Section IV.F. without 60 days prior written notice of such termination by the President of Westminster Canterbury, during which period you will have the opportunity to cure the matters on which the notice by Westminster Canterbury to terminate were based. In the event of termination for any of these causes, the refund of the Entrance Fee will be determined in accordance with your selection on Addendum "A" attached hereto.
- G. Refund of Entrance Fee for Voluntary Termination, Death, or Termination by Westminster Canterbury.** Westminster Canterbury has disclosed and explained to you the Entrance Fee Refund Plan options available in the event that this Agreement is terminated by you voluntarily, by your death, or by Westminster Canterbury. You have indicated your choice of Entrance Fee Refund options on Addendum "A" attached hereto.

- H. Condition of Residence.** On the effective date of termination of this Agreement, you will vacate the Residence and will leave it in as good condition as it was on the date of occupation of the Residence by you, ordinary wear and tear excepted. You or your estate will be liable to Westminster Canterbury for any cost incurred in restoring the Residence to as good condition as that when you occupied the Residence, ordinary wear and tear excepted.
- I. Multiple Occupancy.** In the event that the Agreement is being made with two persons who will occupy the Residence, no refund will be made to one such resident or his or her estate until both Residents no longer reside at Westminster Canterbury and have vacated the Residence and the Residence is occupied by a new resident.

**V. TERMS OF RESIDENCY**

**A. Physical and Mental Health Requirements of Resident.** As a condition of occupancy of the Residence, you will be physically and mentally capable of performing routine activities of daily living and able to respond appropriately to emergency situations. If, in the judgment of Westminster Canterbury's Medical Director or President, you are unable to comply with these requirements, Westminster Canterbury will transfer you to an appropriate level of care within Westminster Canterbury. In the event Westminster Canterbury is not permitted by law to provide the necessary care to you, the provisions of Section V.F. below will apply.

**B. Covenants by You.** You covenant and agree to:

1. Comply with all rules, policies, and procedures of Westminster Canterbury, now in effect and as amended, modified, or adopted from time to time. Any rules and regulations adopted by Westminster Canterbury will be applied to all residents similarly situated without preference or prejudice to any resident or group of residents;
2. Pay the fees and charges required under this Agreement in a timely fashion;
3. Not impair your ability to meet your financial obligations under this Agreement by making any gift or other transfer of property for less than adequate consideration if the gift or transfer would render you unable to meet such obligations;
4. Provide Westminster Canterbury with financial statements, including income and gift tax returns, pursuant to Addendum "B" if you are requesting Fellowship Assistance, for the five years prior to requesting such assistance; and
5. Abide by all other terms of this Agreement.

**C. Representations.** Your application and the statements of your finances and health history filed with Westminster Canterbury are incorporated in this Agreement by this reference and all statements therein including the statement of your age contained

herein are deemed to be representations by you as of the date made. You represent that there have been no material changes in the information provided since the date of your application and the statements of your finances and health history.

**D. Transfer to a Different Residence.** At any time after occupying the Residence, you may transfer to another residence (the “New Residence”) within Westminster Canterbury based on availability and approval. No refund for the difference between the Entrance Fee for the Residence and the Entrance Fee for the smaller New Residence will be made by Westminster Canterbury. If you transfer to a larger New Residence, you will pay an amount equal to the then-current Entrance Fee for the larger New Residence less the Entrance Fee paid by you for the original Residence. When you transfer to a smaller New Residence or a larger New Residence, you agree to sign an addendum to this Agreement for the New Residence and begin paying its then-current Monthly Services Fee. The type of healthcare coverage in the original Residence & Care Agreement and its Refund plan selected must remain the same. Your new Monthly Services Fee will be prorated based on the number of days in each residence (the original Residence and the New Residence) for the month of your transfer. Thereafter you will pay the Monthly Services Fee associated with the New Residence. Westminster Canterbury may charge an in-house move fee. The fee will be determined by Westminster Canterbury and explained prior to your move.

**1. For transfers to an equal or smaller residence**

Upon termination, the Resident or Resident’s estate will receive the same refund which would have been previously available as if no transfer had taken place. The refund calculation will be based upon the original Agreement and Refund plan selected. If Indefinite/Permanent Transfer to the Healthcare Center occurs within six (6) months of such a move to a new Residential Unit of a lesser Entrance Fee, the Monthly Services Fee for the new Residential Unit will revert back to the previous Residence’s Monthly Services Fee until Resident is no longer in the Health Center, except in the event of double-occupancy where one Resident remains in the Residence.

**2. For transfers to a larger residence**

Upon termination, the Resident or Resident’s estate will receive the same refund which would have been previously available as if no transfer had taken place. An additional refund amount may be available to the Resident or Resident’s estate according to the additional amount paid for the larger residence. The refund calculation will be based upon the original Agreement and Refund plan selected.

**E. Transfer at Option of Westminster Canterbury.** If Westminster Canterbury reasonably determines that the Residence needs to be vacated by you to permit repairs or renovations or the transfer of such space to a different use or different configuration, Westminster Canterbury may transfer you to a new Residence of the same size provided that Westminster Canterbury (i) consults with you prior to undertaking any such transfer; (ii) gives you reasonable notice of and time to prepare for such transfer; (iii) incurs the costs of such move; and (iv) arranges for the prompt and convenient moving of your personal furnishings.

**F. Transfer from Westminster Canterbury.** If you suffer any disability for which Westminster Canterbury is not authorized by law to provide care, or if your presence is deemed by Westminster Canterbury, in its sole discretion, to be detrimental to the health or quiet enjoyment of the other residents, or if Westminster Canterbury, in its sole discretion, determines such action to be in your best interest, Westminster Canterbury will have authority to transfer you to another facility or institution, public or private. If such transfer is determined by Westminster Canterbury's Medical Director to be temporary, the transfer will not be deemed a termination of this Agreement.

If such transfer is determined by Westminster Canterbury's Medical Director not to be temporary, the transfer will constitute a termination of this Agreement, the Residence will be released, the provisions of Section V.I. will apply as to the disposition of your property, and the refund of the Entrance Fee, if any, due to you will be determined in accordance with your selection of Entrance Fee Refund made on Addendum "A" hereto and subject to the admission of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence formerly occupied by you.

**G. Indebtedness of Resident.** Westminster Canterbury will not be liable or responsible for any expense incurred or debt or obligation of any kind contracted by you on your own account. Westminster Canterbury is not obligated to furnish, supply, or give you any support, maintenance, board, or lodging when you are absent from Westminster Canterbury, nor any credit for absence from lodging or meals, except upon the prior written approval of Westminster Canterbury, and in accordance with such regulations as Westminster Canterbury may adopt from time to time. You will not cause any person to provide any labor or material for any repair or improvement to any part of Westminster Canterbury's facility, without the express written consent of Westminster Canterbury.

**H. Right of Entry.** You agree to give to duly authorized employees of Westminster Canterbury the right of entry into the Residence at all reasonable times for inspection, maintenance, and housekeeping purposes and at any time for emergency purposes. Westminster Canterbury recognizes your right to privacy and its responsibility to limit entry to such inspection, maintenance, housekeeping, and emergency purposes. For your safety, you agree not to replace or add any locks to the doors or windows of the Residence.

**I. Disposition of Property.** Upon termination of this Agreement or your indefinite transfer to assisted living (including memory support) or nursing care or your non-temporary transfer from Westminster Canterbury, all of your property must be removed from the Residence within 30 days. Westminster Canterbury will have the right to charge you or your estate the Monthly Services Fee in effect at the time of termination or transfer, prorated daily, until the property is removed from the Residence, which fee may be deducted from the Entrance Fee Refund, if any, due to you or your estate. In the event your property is not removed within such 30 day period, Westminster

Canterbury will have the right to remove and store your property at your expense or the expense of your estate for a period of six (6) months, and, thereafter, if such property is not claimed, title to such property will become vested in Westminster Canterbury and it will be disposed of as Westminster Canterbury, in its discretion, deems appropriate, without any liability to you or your estate.

- J. Loss or Damage.** Notwithstanding any provision in this Agreement to the contrary, Westminster Canterbury, to the extent that it is authorized to do so by the terms and provisions of any fire insurance policy covering Westminster Canterbury, hereby waives any and all right to recover from you for any costs, loss or damage to Westminster Canterbury from risks ordinarily insured against under a standard fire policy with extended coverage, but only to the extent that such costs, loss or damage are covered by such policy and are collected by Westminster Canterbury.

Westminster Canterbury carries insurance on its buildings and property, however, this insurance coverage does not cover the contents of your Residence or your valuable items. Accordingly, you agree to maintain adequate insurance coverage for the replacement value of your personal property. You assume the risk of any damage to or loss of your personal property, whether caused by Westminster Canterbury or otherwise, which is not covered by insurance. On behalf of you and your insurers you waive any right of subrogation against Westminster Canterbury regarding damage to or loss of your personal property.

- K. Rights of Resident.** Your rights under this Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of Westminster Canterbury.

In order to comply with the requirements of any bona fide lender to Westminster Canterbury, including holders of securities issued by the Industrial Development Authority of the City of Lynchburg, Virginia, now or hereafter outstanding, you agree that your rights under this Agreement will at all times be subordinate and inferior to the rights of the lender under any mortgage or deed of trust now or hereafter executed by Westminster Canterbury, or any successor to it in title, creating a lien on the property constituting Westminster Canterbury and you further agree to execute, acknowledge and deliver such subordination agreement as such lender may require in order to establish the priority of such mortgage or deed of trust as a lien against the property.

- L. Occupancy by Two Residents.** If two residents occupy the Residence, upon termination with respect to one of the residents, this Agreement will continue in effect for the remaining resident. The remaining resident will thereafter pay the Monthly Services Fee for one resident.

- M. Marriage during Occupancy or Additional Occupant.** In the event that you wish to have a second person occupy, by marriage or otherwise, the Residence, Westminster Canterbury may charge the second resident a fee equal to the then applicable Entrance Fee for such Residence or such lesser amount as agreed upon by Westminster Canterbury, you, and the second person.

Westminster Canterbury's acceptance of this second person will be contingent upon his or her ability to meet the criteria for admission to Westminster Canterbury. In the event that any additional second person does not qualify for admission to Westminster Canterbury for occupancy in the Residence based on physical, mental, or other health criteria, Westminster Canterbury will make a reasonable effort to provide the necessary level of care for such person in assisted living (including memory support) or nursing care at established daily rates. In such a case, the second person will be treated as a resident of assisted living (including memory support) or nursing care, paying a daily rate for care.

## VI. GENERAL

- A. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, and services and programs of Westminster Canterbury are personal to you and may not be transferred or assigned by you.
- B. **Management of Westminster Canterbury.** The Board of Trustees of Westminster Canterbury and its management reserve the absolute rights of management as delegated by the Board of Trustees. Westminster Canterbury reserves the right to accept or reject any person for Residence. Residents do not have the right to determine admissions or terms of admission of any other resident.
- C. **No Liability of Officers, Board Members or Affiliate.** You hereby acknowledge and agree that the obligations of Westminster Canterbury under this Agreement are an obligation of Westminster Canterbury only and that such obligations have not been guaranteed by any officer, Board member, employee, agent or affiliate of Westminster Canterbury or any other organization other than Westminster Canterbury and that no other person or organization is responsible to you for the provision of any service or the payment of any money pursuant to this Agreement.
- D. **Negligence and Misconduct.** Westminster Canterbury assumes no responsibility for any injury to you or damage or loss to your property caused by the negligence or misconduct of another resident or any guest of another resident, unless Westminster Canterbury has been grossly negligent and such negligence caused such injury, damage, or loss.
- E. **Waiver of Liability.** You hereby release Westminster Canterbury and its Board of Trustees, officers, and employees from liability for your death, injury (to your person or property) caused by fire, theft, assault or other cause beyond the control of Westminster Canterbury, and from any liability resulting from the negligence or wrongful acts of other residents, and you hereby waive any claim that you or your estate may have against Westminster Canterbury therefrom.
- F. **Confidentiality of Personal Information.** Westminster Canterbury will hold in confidence all of your personal, financial, and medical information pursuant to the rules and regulations of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and Section 63.2-1808.A.4 of the Code of Virginia, 1950, as amended.



**G. Entire Agreement.**

This Agreement, including all Addenda, constitutes the entire contract between Westminster Canterbury and you. Westminster Canterbury will not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent Westminster Canterbury, unless such statements, representations or promises are set forth in this Agreement.

This Agreement contains a statement of all of your rights and responsibilities. Do NOT enter into this Agreement in reliance on any statement made by any person on behalf of Westminster Canterbury which has not been put in writing, signed and attached hereto.

This Agreement constitutes a legal and binding contract between you and Westminster Canterbury. Accordingly, Westminster Canterbury encourages you to seek independent financial and legal advice before executing this Agreement, but you are not required to do so to make this Agreement binding.

**H. Nature of Your Interest.** Your rights are primarily for services, with a contractual right of occupancy. The rights and privileges granted to you by this Agreement do not include any right, title or interest in any part of the personal property, land, buildings or improvements owned or administered by Westminster Canterbury. Nothing contained in this Agreement will be construed to create a lease or the relationship of landlord and tenant between Westminster Canterbury and you.

**I. Successors and Assigns.** This Agreement will bind and inure to the benefit of the successors and assigns of Westminster Canterbury. This Agreement may not be assigned by You, however, your heirs, executors, and administrators shall be bound by the terms of this Agreement.

**J. Interruption in Services.** Westminster Canterbury will not be responsible for any interruption of the services provided in this Agreement caused by labor disputes, governmental or judicial orders and requirements, acts of God, civil riot, temporary termination of utility services, and any other cause not reasonably within its control, and which, by the exercise of ordinary care, Westminster Canterbury is unable, wholly or partially, to prevent or overcome.

**K. Power of Attorney, Advance Medical Directive, Living Will, and Health Care Power of Attorney.** You agree to execute a general power of attorney designating some competent person as Attorney-in-Fact. You are further encouraged to consider execution of an Advance Medical Directive (or Living Will and Health Care Power of Attorney). You will provide Westminster Canterbury with a copy of your Power of Attorney, and, if applicable, a copy of your Advance Medical Directive (or Living Will and Health Care Power of Attorney, as the case may be).

**L. Residents' Association.** The residents of Westminster Canterbury have established a Residents' Association, which is open to all residents. The Residents' Association elects representatives to a Residents' Council and Westminster Canterbury meets and consults

regularly with the Residents' Council on matters directly affecting the well-being of residents for the purpose of discussing issues related to the community.

- M. Affiliation with Religious Organizations.** You acknowledge that Westminster Canterbury is not an agent of the Episcopal Diocese of Southwestern Virginia or the Presbyterian Synod of the Mid-Atlantic, U.S.A., or any of their affiliated entities, and that liability for performance of Westminster Canterbury's obligations hereunder is limited to Westminster Canterbury.
- N. Waiver of One Breach Not a Waiver of Any Other Breach.** The failure of Westminster Canterbury in any one or more instances to insist upon your strict performance and compliance of any provision of this Agreement will not constitute a waiver or relinquishment by Westminster Canterbury of its right to insist on your future strict compliance.
- O. Renovations and Additions to Westminster Canterbury Facilities.** From time to time, Westminster Canterbury may decide to renovate, demolish and add by construction to its property. You agree that you anticipate such activities by Westminster Canterbury, and that they will not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. You also agree that such activities by Westminster Canterbury will not constitute a breach by Westminster Canterbury of this Agreement or any other obligation owed by it to you. You further agree not to maintain any action against Westminster Canterbury to enjoin it from renovating, demolishing or adding by construction to its property.
- P. Insurance.** Westminster Canterbury carries insurance on its buildings and property, however, this insurance coverage does not cover the contents of your Residence or your valuable items. Accordingly, you agree to maintain adequate insurance coverage for the replacement value your personal property. You assume the risk of any damage to or loss of your personal property, whether caused by Westminster Canterbury or otherwise, which is not covered by insurance. On behalf of you and your insurers you waive any right of subrogation against Westminster Canterbury regarding damage to or loss of your personal property.
- Q. Notice.** Any notice or payment required by this Agreement to be delivered to any party will be considered properly given and sufficient for all purposes if delivered in person or mailed by first class postage prepaid to the appropriate party at the address given below or such other address as is provided to the sender by the receiving party:

**Westminster Canterbury:** President  
Westminster Canterbury of Lynchburg, Inc.  
501 VES Road  
Lynchburg, Virginia 24503

**Resident (prior to occupancy):**

R. **Governing Law.** The laws of the Commonwealth of Virginia will govern this Agreement.

VII. **EXCEPTIONS**

This section will not be applicable and will be without effect, unless completed.

**ACKNOWLEDGEMENTS**

You acknowledge that you have been given **Westminster Canterbury’s Disclosure Statement** (pursuant to Sections 38.2-4902 and 38.2-4903 of the Code of Virginia, 1950, as amended) at least three (3) days prior to signing this Agreement and that you understand that it is your responsibility to read this document. You have been given the opportunity to seek independent financial and legal advice as to the terms of this Agreement, and you have been given the opportunity to discuss the provisions of this Agreement and Westminster Canterbury’s Disclosure Statement with Westminster Canterbury.

IN WITNESS WHEREOF, Westminster Canterbury and the Resident have executed this Agreement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

WESTMINSTER CANTERBURY OF LYNCHBURG, INC.

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

**ADDENDUM "A"**  
**to the LifeCare Residence and Care Agreement between**  
**WESTMINSTER CANTERBURY of LYNCHBURG, INC. ("Westminster**  
**Canterbury") and \_\_\_\_\_ ("Resident", "You" or "you")**

**RECITALS:**

Westminster Canterbury and you have entered into a certain Residence and Care Agreement of even date herewith (the "Agreement"). Westminster Canterbury and you wish to execute this Addendum "A" for the purpose of evidencing your elections as to Nursing Care Coverage and the Entrance Fee Refund.

**Assisted Living and/or NURSING COVERAGE**

- I. You have initialed to indicate that you** have selected the following level of nursing care coverage for purposes of this Agreement:
- A.**    \_\_\_ \_\_\_ Assisted Living and/or Nursing Care for an *unlimited* period.
  
  - B.**    \_\_\_ Assisted Living and/or Nursing Care for a cumulative *limited* period not to exceed 365 days beyond those days covered by Medicare.

**ENTRANCE FEE REFUNDS**

You have initialed to indicate that you have selected the following Entrance Fee Refund plan for purposes of this Agreement:

- A.**    \_\_\_    \_\_\_ **Traditional Plan.** In the event: (i) you voluntarily terminate this Agreement after the date of this Agreement, (ii) of your death after the date of this Agreement, (iii) of termination of this Agreement by Westminster Canterbury, or (iv) of your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, after the date of this Agreement; provided, however, the refund of the Entrance Fee will not exceed ninety-six percent (96%) of the Entrance Fee paid. No Refund of the Entrance Fee will be paid to you or your estate after 50 months following the date of this Agreement. In the event of your failure to initial one of the three Entrance Fee Refund Plans, the refund of the Entrance Fee will be determined according to this Traditional Plan option.
  
- B.**    \_\_\_ **Guaranteed 50% Plan.** An additional 34% will be added to the posted entry fee. In the event: (i) you voluntarily terminate this Agreement after the date of this Agreement, (ii) of your death after the date of this Agreement (iii) of termination of this Agreement by Westminster Canterbury, or (iv) of your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, for 25 months following the date of this Agreement, with a 50% refund thereafter of the total Entrance Fee paid by you; provided, however, in no event will the refund of the Entrance Fee exceed 96% of the Entrance Fee.

C. Guaranteed 90% Plan. An additional 90% will be added to the posted entry fee. In the event: (i) you voluntarily terminate this Agreement after the date of this Agreement, (ii) of your death after the date of this Agreement (iii) of termination of this Agreement by Westminster Canterbury, or (iv) of your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, for five (5) months following the date of this Agreement, with a 90% refund thereafter of the total Entrance Fee paid by you; provided, however, in no event will the refund of the Entrance Fee exceed 96% of the Entrance Fee.

II. No refund becomes due until Resident (or both Residents if this Agreement covers two people) no longer resides at Westminster Canterbury and has vacated the Residence and the Residence is occupied by a new resident who has paid an Entrance Fee.

IN WITNESS WHEREOF Westminster Canterbury and \_\_\_\_\_ have executed and delivered this Addendum to the Agreement this \_\_\_\_\_ **day of** \_\_\_\_\_.

Westminster Canterbury of Lynchburg, Inc. By : \_\_\_\_\_

Its : \_\_\_\_\_

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

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

1-25-07  
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3/01/18

**ADDENDUM "B"**  
**FELLOWSHIP ASSISTANCE**

THIS FELLOWSHIP ASSISTANCE AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between WESTMINSTER CANTERBURY OF LYNCHBURG, INC. (referred to as "Westminster Canterbury") and \_\_\_\_\_ (referred to as "Resident", "You" or "you").

**RECITALS:**

- A. Westminster Canterbury and you have entered into a LifeCare Residence and Care Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Agreement").
- B. If due to financial hardship, you are unable to pay the Entrance Fee, Monthly Services Fee, or other fees set forth in the Agreement, Westminster Canterbury is willing to provide Fellowship Assistance to you from gifts made by third parties to the Fellowship Fund.
- C. Westminster Canterbury and you wish to execute this Fellowship Assistance Agreement for the purpose of evidencing responsibilities of both parties as to Fellowship Assistance and your receipt and repayment of Fellowship Assistance.

**AGREEMENTS:**

- A. **Granting and Review of Fellowship Assistance.** Westminster Canterbury will grant Fellowship Assistance in the form of a loan to you under policies established by it. You agree that any determinations made by Westminster Canterbury concerning Fellowship Assistance will be final and binding on you, your heirs, and assigns, and any determination will be regarded as a confidential transaction between Westminster Canterbury and you except for reports required to be made to financial institutions lending monies to Westminster Canterbury and to regulatory and other governmental bodies. The amount of Fellowship Assistance lent is based, among other considerations, on the representations made by you at the time of application as to your financial position and assets. Westminster Canterbury may, at any time and in its sole discretion, begin, increase, decrease, or terminate Fellowship Assistance because of changes in the operating costs of Westminster Canterbury or changes in your assets or monthly income. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three (3) years.
- B. **Amount of Fellowship Assistance.** Westminster Canterbury will loan you as Fellowship Assistance the sum of \$ \_\_\_\_\_, with interest accruing at a rate of \_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Entrance Fee, and initially the sum of \$ \_\_\_\_\_ with interest accruing at a rate of \_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Monthly Services Fee shown in the LifeCare Agreement ("Fellowship Assistance"). Westminster Canterbury agrees to furnish annual statements of Fellowship Assistance lent to you.
- C. **Claim against Your Estate.** You agree that upon your death your estate will be liable to

Westminster Canterbury for the Fellowship Assistance you have received. This provision will apply irrespective of whether you are a resident at Westminster Canterbury at the time of death. Westminster Canterbury may deduct the full amount of Fellowship Assistance from any refund which may become due to you or your estate. You agree to execute any instruments, including notes, assignments, security agreements and deeds of trust that Westminster Canterbury deems necessary or desirable to evidence or secure its claim for repayment of Fellowship Assistance.

- D. Management of Assets.** Upon request by Westminster Canterbury, you will make arrangements for the preservation and management of your property by a third party or parties, including the execution and funding of a trust agreement for your benefit whenever in the sole judgment of Westminster Canterbury it appears that (1) continued management of your property by you may place you in need of Fellowship Assistance or (2) you receive Fellowship Assistance. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three years.
- E. Pursuit of Other Sources of Income.** If your sources of income are determined by Westminster Canterbury to be inadequate to meet your financial obligations to Westminster Canterbury and to pay personal expenses, you agree to make efforts to obtain financial assistance from family connections or other available means. If you are eligible to receive public benefits, including but not limited to, social security, old age benefits, aid to the blind, and veteran's pensions, you agree to apply for and diligently seek such benefits, and any such benefits obtained will be taken into account in adjusting Westminster Canterbury's monthly charge to you. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to apply for such benefits within a reasonable period of time, as determined by Westminster Canterbury, in its sole discretion.
- F. Health Insurance.** As a condition of receiving Fellowship Assistance, you must submit evidence of health insurance held and maintained in accordance with the requirements of Section II of the Agreement. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to maintain such insurance, or if you failed to maintain such insurance in the past and such failure materially impaired your ability to satisfy your financial obligations under this Agreement.
- G. Prohibited Transfers.** As a condition of receiving Fellowship Assistance, you represent that you have not made any gift of real, personal, or intangible property within the five (5) years prior to submitting this request for Fellowship Assistance that materially impaired your ability to satisfy your financial obligations under the Agreement. You agree to provide any materials reasonably requested by Westminster Canterbury to evaluate your request for Fellowship Assistance, including the materials outlined in Section V.B.4. of the Agreement. You agree that you will not make any gift subsequent to receipt of Fellowship Assistance that would impair your ability or that of your estate to satisfy your financial obligations under the Agreement and this Fellowship Assistance Agreement.

**H. Receipt of Assets.** You agree to report promptly to Westminster Canterbury your receipt of or right to any property or any material increase or decrease in the value of your income or assets, whether the result of gift, inheritance, change in public assistance or otherwise.

IN WITNESS WHEREOF Westminster Canterbury and you have executed this Fellowship Assistance Agreement, which is attached to and made a part of the Residence and Care Agreement, all as of the day and year first above written.

Westminster Canterbury of Lynchburg, Inc.

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

Its: \_\_\_\_\_

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

1-25-07  
8-27-07  
1-24-09  
1-25-11  
11-1-14  
1/15/15  
3/01/18



**ADDENDUM "C"**  
**to the LifeCare Residence and Care Agreement between**  
**WESTMINSTER CANTERBURY of LYNCHBURG, INC. ("Westminster**  
**Canterbury") and \_\_\_\_\_ ("Resident", "You" or "you")**

**RECITALS:**

Westminster Canterbury and you have entered into a certain Residence and Care Agreement dated \_\_\_\_\_ (the "Agreement"). Westminster Canterbury and you wish to execute this Addendum "C" for the purpose of evidencing your agreement regarding the terms of payment of the Entrance Fee.

Westminster Canterbury will allow \_\_\_\_\_(Resident) to reside in \_\_\_\_\_ prior to complete payment of the Entrance Fee, as such fee is defined in the Agreement, under the following conditions:

1. Resident agrees to secure and provide proof of an equity line of credit or bridge loan, in an amount sufficient to pay Westminster Canterbury \$\_\_\_\_\_, the outstanding balance of the Entrance Fee.
2. The balance of the Entrance Fee must be paid to Westminster Canterbury no later than September 10, \_\_\_\_\_.
3. Westminster Canterbury agrees to credit the resident's monthly statement for interest incurred on such equity line or bridge loan for no more than six months.

IN WITNESS WHEREOF, Westminster Canterbury and Resident have executed and delivered this Addendum C to the Agreement this \_\_\_\_\_ day of \_\_\_\_\_.

WESTMINSTER CANTERBURY OF LYNCHBURG, INC.

Administration: \_\_\_\_\_

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



**AZALEA OPTION LIFECARE  
RESIDENCE & CARE AGREEMENT**

**AZALEA OPTION  
LIFECARE RESIDENCE AND CARE AGREEMENT  
WESTMINSTER CANTERBURY OF LYNCHBURG, INC.**

THIS LIFECARE RESIDENCE AND CARE AGREEMENT (referred to as the "Agreement") is made and entered into this day of \_\_\_\_\_ by and between WESTMINSTER CANTERBURY OF LYNCHBURG, INC. (referred to as "Westminster Canterbury") and \_\_\_\_\_ (referred to as "Resident", "You" or "you").

**RECITALS:**

- A. Westminster Canterbury is a non-profit corporation organized under the laws of the Commonwealth of Virginia and has established and operates a Continuing Care Retirement Community in Lynchburg, Virginia.
- B. You desire to become a resident of Westminster Canterbury and to use and enjoy the common areas and amenities, programs, and services provided by Westminster Canterbury, including Assisted Living, Memory Support, and Nursing Care.
- C. You and Westminster Canterbury desire to establish your rights and obligations and Westminster Canterbury's rights and obligations, in addition to those afforded or implied by law, regarding your residency at Westminster Canterbury in Lynchburg, Virginia.

**AGREEMENTS:**

**WHEREFORE**, in consideration of the above recitals, the following covenants, promises and obligations, and other good and valuable considerations, the receipt and sufficiency of which you and Westminster Canterbury acknowledge, you and Westminster Canterbury agree as follows:

**I. RESIDENCE, AMENITIES AND SERVICES**

- A. **Residence.** As of the date of this Agreement, you are a Resident who has chosen the Azalea Option (an "Azalea Resident"). As an Azalea Resident, you will not be assigned to a residence unit until such time as you choose to move into a residence on Westminster Canterbury's campus. Addendum "D", attached hereto and incorporated by reference, outlines the policy under which an Azalea Resident will transition to being a Resident occupying an on-campus residence (such residence, the "Residence"). You will have the exclusive, personal, non-assignable right to occupy, use, and enjoy the Residence, subject to the provisions of this Agreement, including, but not limited to, Section II.H.
- B. **Furnishings in the Residence.** As an on-campus Resident, Westminster Canterbury will provide such features as flooring, painting, emergency call system and other furnishings as described in Westminster Canterbury's current literature. All other furniture and furnishings for the Residence will be provided by the Resident.
- C. **Options and Custom Features in the Residence.** As an on-campus Resident, Westminster Canterbury will provide and you may select certain options and custom

features in the Residence as described in Westminster Canterbury's literature at additional charge. Any such improvement or modification will become the property of Westminster Canterbury. The value of such improvements or modifications will not be credited to Resident in calculating any amount due from or to the Resident, including the amount of any refund.

- D. Amenities.** Westminster Canterbury provides common areas and amenities for the use and benefit of all residents such as Dogwood Dining, Canterbury Cafe, James River Grille, meeting and conference rooms, arts and crafts room, Art Studio, exercise/fitness amenities, the Strickler Library, Weissert Chapel, "The Commons" area, "Bridge" area, lobbies, lounges, indoor and outdoor recreational areas
- E. Parking.** Westminster Canterbury provides lighted and paved parking areas.
- F. Services.**
- 1. Utilities.** As an on-campus Resident, Westminster Canterbury will furnish heating, air conditioning, electricity, water, sewer, local telephone service and trash removal. You will pay for long-distance telephone service charges.
  - 2. Dining.** Westminster Canterbury offers three meals daily with the exception of special holidays and Sunday. As an on-campus Resident, your Monthly Services Fee includes the equivalent of 30 meals, using a declining dollar value program. You may purchase additional meals at established rates.
  - 3. Dining Delivery.** As an on-campus Resident, limited dining service to your Residence may be provided when approved by authorized staff at an additional charge.
  - 4. Housekeeping Services.** As an on-campus Resident, weekly housekeeping service will be provided by Westminster Canterbury in the Residence including vacuum cleaning, dusting, cleaning of baths and kitchen, and trash removal. You agree to maintain the Residence in a safe, clean, sanitary and orderly condition, and to perform all usual light housekeeping. In the event you fail to so maintain the Residence, Westminster Canterbury may, in addition to and not in limitation of its other rights under this Agreement, perform at your expense such cleaning, fumigation and other work necessary to return the Residence to a safe, clean, sanitary, or orderly condition.
  - 5. Laundry and Linens.** If you are a cottage resident or reside in a residence with a washer/dryer unit on-campus, you will provide and launder your own bed and bath linens and Westminster Canterbury will change these linens for you; otherwise Westminster Canterbury will provide and launder bed and bath linens.
  - 6. Groundskeeping.** As an on-campus Resident, Westminster Canterbury will furnish groundskeeping service, including lawn, tree and shrubbery care.

Subject to approval by Westminster Canterbury, you may plant and maintain certain areas designated for such purpose.

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 Westminster Canterbury caused by you or your guests, ordinary wear and tear excepted.
8. **Transportation.** As an on-campus Resident, Westminster Canterbury will provide local transportation for residents on a scheduled basis for shopping and medical appointments. An additional charge may be made for transportation, special, personal or group trips.
9. **Security and Safety.** Westminster Canterbury will provide smoke detectors in each residence, a 24-hour emergency call system, security procedures, illuminated parking areas and roadways, a sprinkler system in the central building, and an auxiliary power source in designated areas in the central buildings.
10. **Television.** As an on-campus Resident, access to a television system will be provided to you. A basic package of channels is included in the Monthly Services Fee for one television in the residence. An additional charge will be made for premium channel packages.
11. **Internet.** As an on-campus Resident, access to internet will be provided to you. Our public Wi-Fi is provided free of charge. An additional charge will be made for private internet provided at various speeds through Comcast.
12. **Arts and Programs.** Westminster Canterbury will provide social, recreational, spiritual, educational and cultural programs, exercise and health programs, and other special activities. An additional charge may apply for some events.
13. **Guests.** Westminster Canterbury provides guest dining and overnight accommodations, subject to availability and at established rates. Westminster Canterbury may require that overnight guests be registered. Guest stays longer than one week must be approved in advance. You will be responsible for the conduct of your guests. No guest will be entitled to any rights or privileges under this Agreement by reason of his or her status as your guest.
14. **Private Dining and Catering.** A private dining room is provided upon reasonable request at no charge. Catering services are provided at an additional charge.
15. **Beauty/Barber Shop.** Beauty/barber service is provided and such services will be billed monthly.

16. **Pets.** Pets may reside with you in accordance with the policies and procedures of Westminster Canterbury.
17. **Smoking.** Smoking is not permitted at Westminster Canterbury

## II. **HEALTH SERVICES**

Following payment of the Entrance Fee and Monthly Services Fee, Westminster Canterbury will furnish health services to the extent deemed necessary by Westminster Canterbury's Medical Director and subject to the following provisions. The health services provided by Westminster Canterbury include assisted living, memory support, nursing care, and skilled nursing care.

**A. Outpatient Services.** As an on-campus Resident, Westminster Canterbury will provide a clinic at Westminster Canterbury where you may be examined and treated as an outpatient. Westminster Canterbury will arrange for a physician to be available from time to time in the Clinic for your convenience. You are free, however, to engage the services of a physician of your own choice and such physician may also use the services of the Clinic, subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury may make available the services of a physical therapist and other health professionals as it deems necessary, but you are free to engage the services of health professionals of your choice.

**B. Inpatient Services.** Westminster Canterbury will be responsible for nursing care not covered by Medicare and assisted living care if it is determined by Westminster Canterbury that you require such care. Care offered by Westminster Canterbury will be provided in nursing care, assisted living, or another specifically designated part of Westminster Canterbury. You will be responsible for a health care charge in Memory Support and Health Care. An additional fee will also be charged for a suite in Assisted Living. You will be entitled to priority over non-resident community applicants for admission to assisted living (including memory support) or nursing care (including skilled care) services.

As an on-campus Resident, you may employ private duty employees at your own expense, but subject to approval by Westminster Canterbury and subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury has disclosed and explained your options with regard to the level of nursing care provided, and you have indicated your choice of nursing care coverage on Addendum "A" attached hereto.

No refund of the Entrance Fee is due at the time the sole occupant of a Residence is transferred to the Healthcare Center receiving services in assisted living (including memory support) or nursing care (including skilled care) services.

Westminster Canterbury will provide a Memory Support Center for residents requiring routine assistance and a supportive environment due to Alzheimer's disease and related disorders. Services provided in the Memory Support Center will be limited to those permitted and typically provided under licensure from governing authorities. An additional

charge will be made should Memory Support services be needed.

**C. Wellness Program.** Westminster Canterbury will provide a Wellness Program that includes use of the Westminster Canterbury pool, fitness and exercise center, subject to the rules and regulations of Westminster Canterbury.

**D. Medicare and Health Insurance Assignment.** You will, if not already enrolled, apply for and secure enrollment in the Hospital Insurance Benefits Program under Part A of Public Law 89-97 (“Medicare”) and during the next enrollment period after submitting your application for admission to Westminster Canterbury, apply for, secure and pay the premium for the Medicare supplementary medical insurance benefits under Part B of Public Law 89-97 or Part C Medicare Advantage Plan, as well as a Part D prescription plan. If you are not eligible for these programs, you will obtain equivalent insurance coverage acceptable to Westminster Canterbury. If you become entitled to payments for health services from other governmental agencies or programs, you will make application for such payments and turn over and remit to Westminster Canterbury any payments received.

Westminster Canterbury is certified in the Medicare/Medicaid Programs, and reserves the right to withdraw from one or both programs if deemed advisable by Westminster Canterbury. Additionally, the provisions of this Agreement are subject to changes in State and Federal Law, as may be applicable.

**E. Supplemental Insurance.** You will obtain a supplemental insurance policy acceptable to Westminster Canterbury to pay Medicare Part A and Part B co-insurance and deductible amounts.

**F. Maintenance of Health Insurance.** There are many reasons why it’s important to maintain health insurance. A health insurance plan, like Medicare and supplemental insurance, can cover most or all medical and hospital expenses if you’re injured, sick or require an operation. It can also offset costs for preventative care like screenings, check-ups, therapy and vaccines that are essential for maintaining your health. Failure to maintain your health insurance coverage will cause you to be financially responsible for any cost related to medical services provided by Westminster Canterbury.

**G. Health-Related Charges.** You will pay the following charges to the extent they are not covered by Medicare or your supplemental insurance:

1. Charges of any physician, physical therapist, occupational therapist, podiatrist, or other health professional, whether provided at Westminster Canterbury or elsewhere;
2. Hospital charges and charges for care or services beyond that licensed or provided at Westminster Canterbury;
3. Charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, and other health-related items; and

4. All other charges for services Westminster Canterbury is not required by this Agreement or law to provide.

**H. Transfer from Residence.** The Resident agrees that Westminster Canterbury will have the authority to determine whether the Resident should be transferred from the Residence to Assisted Living, Memory Support or Health Care or from one level of care to another level of care within the community. Such determination will be based on the professional opinion of Westminster Canterbury's Medical Director and the President and CEO and will be made only after consultation to the extent practical with the Resident, a representative of the Resident's family or the sponsor of the Resident, and the Resident's attending physician.

**I. Changes to Scope of Care or Services.** Westminster Canterbury will provide you with at least 30 days' notice of any change in the scope of the care or services provided in Section II before such change becomes effective, unless the change is required earlier by state or federal assistance programs or by law.

**J. Health Care Information Consent.** At any time after occupying the Residence, Westminster Canterbury may require a physician's report or other medical and health care information following any hospitalization or doctor's office visit, when Westminster Canterbury determines that your health condition warrants such a report or information or when required by a licensing agency. You give your consent and grant permission for such reports and information to be disclosed by your health care provider to Westminster Canterbury for this purpose.

### **III. FINANCIAL ARRANGEMENTS**

**A. Entrance Fee.** You agree to pay to Westminster Canterbury an entrance fee as a condition of becoming a resident (the "Entrance Fee"). The Entrance Fee for the Azalea Option (the "Azalea Option Entrance Fee") is \$\_\_\_\_\_. Upon your election to transition from an Azalea Resident to an on-campus Resident, prior to occupying the chosen Residence, you will pay any additional Entrance Fee that may be due. This transition policy is more particularly described below, in Section VII. Exceptions, and in Addendum "D".

**B. Terms of Payment of the Entrance Fee.** The terms of payment of the Entrance Fee will be as follows:

1. **Azalea Option Entrance Fee Deposit.** An amount equal to \$\_\_\_\_\_ was paid at the time you submitted your application.

Westminster Canterbury will maintain the deposit in a separate account. All funds or assets deposited in the account will remain your property until released to Westminster Canterbury upon settlement payment of the balance of the Azalea Option Entrance Fee. These reservation funds or assets will not be subject to any liens, judgments, garnishments or creditor's claims against Westminster



Canterbury. All reservation funds or assets deposited will be released to Westminster Canterbury upon payment of the balance of the Azalea Option Entrance Fee.

2. **Azalea Option Entrance Fee Balance.** The balance of the Azalea Option Entrance Fee, \$ \_\_\_\_\_, will be due on the date of this agreement unless otherwise extended in writing by Westminster Canterbury.
3. **Transition to On-Campus Resident; Entrance Fee.** Upon your election to transition from being an Azalea Resident to an on-campus Resident, you agree to sign an addendum to this Agreement reflecting your choice of Residence and any additional Entrance Fee due, based on the Residence you choose (such addendum the “Azalea Resident Transition Addendum”).

**C. Monthly Services Fee.** In addition to the Entrance Fee and the payment for any options and custom features, you agree to pay a monthly services fee (the “Monthly Services Fee”) during the term of this Agreement, which will be payable, in advance, on the first of each month and will be prorated for any period less than a month. Unless otherwise agreed to in writing by Westminster Canterbury, the Monthly Services Fee while you are an Azalea Resident will be \$ \_\_\_\_\_, which will begin upon your signing of this Agreement, unless otherwise extended in writing by Westminster Canterbury. The Monthly Services Fee will be adjusted upon your transition from an Azalea Resident to a Resident residing on-campus at Westminster Canterbury, such Monthly Services Fee will be outlined in the Azalea Resident Transition Addendum. The Monthly Services Fee may be adjusted by Westminster Canterbury during the term of this Agreement pursuant to Section III.D. below. **SEE SECTION VII. EXCEPTIONS**

**D. Increases in the Monthly Services Fee.** The Monthly Services Fee is payable to provide the amenities, programs and services described in this Agreement and is intended to meet Westminster Canterbury’s operating costs. Westminster Canterbury may increase the Monthly Services Fee as it, in its discretion, deems necessary in order to reflect changes in costs consistent with operating on a sound financial basis and maintaining the quality of amenities, programs, and services. Any increases in the Monthly Services Fee or other charges may be made by Westminster Canterbury upon 30 days' written notice to you. Westminster Canterbury will endeavor to maintain its schedule of fees at the lowest possible rate consistent with sound financial practice and maintenance of the quality of programs and services. **SEE SECTION VII. EXCEPTIONS**

**E. Monthly Statements; Late Fee.** Westminster Canterbury will furnish you with monthly statements showing the total amount of fees and other charges owed by you. In the event the Monthly Services Fee or other charges are not paid in full on or before the 25<sup>th</sup> day of the month for which such are due and payable, a late payment assessment of one and one-half percent (1.5%) per month will be charged on the unpaid balance.

**F. Healthcare Services and Additional Dining Charges.** Westminster Canterbury will provide you nursing care services as detailed in Section II.B. (Inpatient Services) of this Agreement and as selected by you on Addendum “A”. If you experience a health change

while you are an Azalea Resident, Addendum “D” outlines the impact, for both a single individual and two individuals, on the Monthly Services Fee and any applicable Entry Fee balance. If you need care in assisted living (including memory support) or nursing care, you will pay the then current Monthly Services Fee for the Residence, plus the cost of two additional meals to provide you three meals daily as required under federal and state law for a person residing in such a facility.

**G. Fellowship Assistance.** Westminster Canterbury may grant financial assistance (referred to as “Fellowship Assistance”) to you under policies and procedures established by Westminster Canterbury, as stated in Addendum “B” and as established from time to time.

**H. Liability for Charges.** In the event it is necessary for Westminster Canterbury to institute legal action or other proceedings to recover amounts payable to Westminster Canterbury under this Agreement, or otherwise to enforce any of the provisions of this Agreement, Westminster Canterbury also will be entitled to recover reasonable attorneys’ and legal fees and all costs incurred in connection with such proceedings. This provision will survive the termination of this Agreement.

#### **IV. TERMINATION AND REFUND PROVISIONS**

**A. General.** Subject to the right of refund set forth in this Section IV, Westminster Canterbury will use the Entrance Fee for general corporate purposes. Except for rescission by you of this Agreement under Section IV.B. below and termination of this Agreement under Section IV.C. below (but only if such termination occurs prior to occupancy), all refunds of any portion of the Entrance Fee are expressly conditioned upon Westminster Canterbury’s acceptance for admission of a new resident, the new resident’s payment of the Entrance Fee, and the new resident’s occupancy of the Residence. Any refund of the Entrance Fee that may be due to you or your estate will first be applied to satisfy, in part or in whole, any outstanding Monthly Services Fee or other charge(s) owed by you to Westminster Canterbury and/or the interest and principal outstanding on any Fellowship Assistance granted to you by Westminster Canterbury, and the balance thereof will be paid to you or your estate. In no event will you or your estate receive a refund of the Monthly Services Fee paid to Westminster Canterbury.

**B. Right of Rescission and Seven (7) Day Rescission Period.** This Agreement may be rescinded by you by giving written notice of such rescission to Westminster Canterbury within seven (7) days following the date of this Agreement. It may also be rescinded by you by giving written notice of such rescission to Westminster Canterbury at any time prior to occupancy of the Residence at Westminster Canterbury. In the event of such rescission, you will receive a full refund of the Entrance Fee paid by you. Such refund will be paid by Westminster Canterbury within 30 days following the receipt of written notification of such termination. You will not be required to take occupancy of the Residence prior to the expiration of the Seven (7) Day Rescission Period.

**C. Termination.** You may terminate this Agreement for any reason within one year of the date of this Agreement by giving written notice to Westminster Canterbury. In the event of such termination, you will receive a refund of the Entrance Fee paid by you.

Unless protected by a confirmation letter from Westminster Canterbury affirming your LifeCare eligibility, Westminster Canterbury may terminate this Agreement prior to your occupancy of the Residence, or the signing of this agreement by an Azalea Option resident, if you suffer an illness or injury or become incapacitated after the date of this Agreement and prior to your occupancy of the Residence such that the illness, injury, or incapacity renders you then ineligible for admission to Westminster Canterbury in Westminster Canterbury's discretion. You will receive a refund of the Entrance Fee paid by you, less costs incurred by Westminster Canterbury, at your request and as set forth on Exhibit A attached hereto. This refund will be paid by Westminster Canterbury within 30 days following Westminster Canterbury's determination to so terminate this Agreement.

**D. Voluntary Termination after Occupancy.** You may terminate this Agreement for any reason, before or after occupancy of the Residence, by giving thirty 30 days written notice to Westminster Canterbury. In the event of termination, you will receive a refund of the Entrance Fee paid by you, determined in accordance with your selection in Addendum "A" attached hereto. Such refund, if any, will be expressly conditioned upon acceptance by Westminster Canterbury of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence, and will be paid by Westminster Canterbury within 30 days following receipt of such Entrance Fee.

**E. Termination upon Death.** In the event of your death at any time after occupancy of the Residence, your obligations and those of Westminster Canterbury under this Agreement will terminate, and, except as is specifically provided herein, the refund of the Entrance Fee paid by you will be determined in accordance with your selection in Addendum "A". Notwithstanding the termination of this Agreement, Resident (including a deceased Resident) will be deemed to occupy their Residence and Resident's Monthly Services Fee will continue to accrue as normal. In the event of the death of a Resident, Resident's family or sponsor will have no more than thirty (30) days to remove Resident's possessions from the Residence.

**F. Termination by Westminster Canterbury.** Westminster Canterbury may terminate this Agreement at any time for good cause. Good cause will be limited to: (i) proof that you are a danger to yourself or others; (ii) nonpayment of the Monthly Services Fee or other charges; (iii) repeated conduct by you that interferes with other residents' quiet enjoyment of the community; (iv) persistent refusal to comply with reasonable written rules and regulations of Westminster Canterbury; (v) a material misrepresentation made intentionally or recklessly by you in your application, or related materials, which, if accurately provided, would have resulted in either your failure to qualify for Residence or a material increase in the cost of providing to you the care and services provided under this Agreement; or (vi) material breach by you of the terms and conditions of this Agreement. Westminster Canterbury will not terminate this Agreement pursuant to this Section IV.F. without 60 days prior written notice of such termination by the President of Westminster Canterbury, during which period you will have the opportunity to cure the matters on which the notice by Westminster Canterbury to terminate were based. In the event of termination for any of these causes, the refund of the Entrance Fee will be determined in accordance with your selection on Addendum "A" attached hereto.

**G. Refund of Entrance Fee for Voluntary Termination, Death, or Termination by Westminster Canterbury.** Westminster Canterbury has disclosed and explained to you the Entrance Fee Refund Plan options available in the event that this Agreement is terminated by you voluntarily, by your death, or by Westminster Canterbury. You have indicated your choice of Entrance Fee Refund options on Addendum "A" attached hereto.

**H. Condition of Residence.** On the effective date of termination of this Agreement, you will vacate any occupied Residence and will leave it in as good condition as it was on the date of occupation of the Residence by you, ordinary wear and tear excepted. You or your estate will be liable to Westminster Canterbury for any cost incurred in restoring the Residence to as good condition as that when you occupied the Residence, ordinary wear and tear excepted.

**I. Multiple Occupancy.** In the event that the Agreement is being made with two persons who will occupy the Residence, no refund will be made to one such resident or his or her estate until both Residents no longer reside at Westminster Canterbury and have vacated the Residence and the Residence is occupied by a new resident.

**V. TERMS OF RESIDENCY**

**A. Physical and Mental Health Requirements of Resident.** As a condition of occupancy of the Residence, you will be physically and mentally capable of performing routine activities of daily living and able to respond appropriately to emergency situations. If, in the judgment of Westminster Canterbury's Medical Director or President, you are unable to comply with these requirements, Westminster Canterbury will transfer you to an appropriate level of care within Westminster Canterbury. In the event Westminster Canterbury is not permitted by law to provide the necessary care to you, the provisions of Section V.F. below will apply.

**B. Covenants by You.** You covenant and agree to:

1. Comply with all rules, policies, and procedures of Westminster Canterbury, now in effect and as amended, modified, or adopted from time to time. Any rules and regulations adopted by Westminster Canterbury will be applied to all residents similarly situated without preference or prejudice to any resident or group of residents;
2. Pay the fees and charges required under this Agreement in a timely fashion;
3. Not impair your ability to meet your financial obligations under this Agreement by making any gift or other transfer of property for less than adequate consideration if the gift or transfer would render you unable to meet such obligations;
4. Provide Westminster Canterbury with financial statements, including income and gift tax returns, pursuant to Addendum "B" if you are requesting Fellowship Assistance, for the five years prior to requesting such assistance; and
5. Abide by all other terms of this Agreement.

**C. Representations.** Your application and the statements of your finances and health history

filed with Westminster Canterbury are incorporated in this Agreement by this reference and all statements therein including the statement of your age contained herein are deemed to be representations by you as of the date made. You represent that there have been no material changes in the information provided since the date of your application and the statements of your finances and health history.

**D. Transfer to a Different Residence.** At any time after occupying the Residence, you may transfer to another residence (the “New Residence”) within Westminster Canterbury based on availability and approval. No refund for the difference between the Entrance Fee for the Residence and the Entrance Fee for the smaller New Residence will be made by Westminster Canterbury. If you transfer to a larger New Residence, you will pay an amount equal to the then-current Entrance Fee for the larger New Residence less the Entrance Fee paid by you for the original Residence. When you transfer to a smaller New Residence or a larger New Residence, you agree to sign an addendum to this Agreement for the New Residence and begin paying its then-current Monthly Services Fee. The type of healthcare coverage in the original Residence & Care Agreement and its Refund plan selected must remain the same. Your new Monthly Services Fee will be prorated based on the number of days in each residence (the original Residence and the New Residence) for the month of your transfer. Thereafter you will pay the Monthly Services Fee associated with the new Residence. Westminster Canterbury may charge an in-house move fee. The fee will be determined by Westminster Canterbury and explained prior to your move.

**1. For transfers to an equal or smaller residence**

Upon termination, the Resident or Resident’s estate will receive the same refund which would have been previously available as if no transfer had taken place. The refund calculation will be based upon the original Agreement and Refund plan selected. If Indefinite/Permanent Transfer to the Healthcare Center occurs within six (6) months of such a move to a new Residential Unit of a lesser Entrance Fee, the Monthly Services Fee for the new Residential Unit will revert back to the previous Residence’s Monthly Services Fee until Resident is no longer in the Health Center, except in the event of double-occupancy where one Resident remains in the Residence.

**2. For transfers to a larger residence**

Upon termination, the Resident or Resident’s estate will receive the same refund which would have been previously available as if no transfer had taken place. An additional refund amount may be available to the Resident or Resident’s estate according to the additional amount paid for the larger residence. The refund calculation will be based upon the original Agreement and Refund plan selected.

**E. Transfer at Option of Westminster Canterbury.** If Westminster Canterbury reasonably determines that the Residence needs to be vacated by you to permit repairs or renovations or the transfer of such space to a different use or different configuration, Westminster Canterbury may transfer you to a new Residence of the same size provided that Westminster Canterbury (i) consults with you prior to undertaking any such transfer; (ii) gives you reasonable notice of and time to prepare for such transfer; (iii) incurs the costs of such move; and (iv) arranges for the prompt and convenient moving of your personal furnishings.

**F. Transfer from Westminster Canterbury.** If you suffer any disability for which Westminster Canterbury is not authorized by law to provide care, or if your presence is deemed by Westminster Canterbury, in its sole discretion, to be detrimental to the health or quiet enjoyment of the other residents, or when Westminster Canterbury, in its sole discretion, determines such action to be in your best interests, Westminster Canterbury will have authority to transfer you to another facility or institution, public or private. If such transfer is determined by Westminster Canterbury's Medical Director to be temporary, the transfer will not be deemed a termination of this Agreement.

If such transfer is determined by Westminster Canterbury's Medical Director not to be temporary, the transfer will constitute a termination of this Agreement, the Residence will be released, the provisions of Section V.I. will apply as to the disposition of your property, and the refund of the Entrance Fee, if any, due to you will be determined in accordance with your selection of Entrance Fee Refund made on Addendum A hereto and subject to the admission of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence formerly occupied by you.

**G. Indebtedness of Resident.** Westminster Canterbury will not be liable or responsible for any expense incurred or debt or obligation of any kind contracted by you on your own account. Westminster Canterbury is not obligated to furnish, supply, or give you any support, maintenance, board, or lodging when you are absent from Westminster Canterbury, nor any credit for absence from lodging or meals, except upon the prior written approval of Westminster Canterbury, and in accordance with such regulations as Westminster Canterbury may adopt from time to time. You will not cause any person to provide any labor or material for any repair or improvement to any part of Westminster Canterbury's facility, without the express written consent of Westminster Canterbury.

**H. Right of Entry.** You agree to give to duly authorized employees of Westminster Canterbury the right of entry into the Residence at all reasonable times for inspection, maintenance, and housekeeping purposes and at any time for emergency purposes. Westminster Canterbury recognizes your right to privacy and its responsibility to limit entry to such inspection, maintenance, housekeeping, and emergency purposes. For your safety, you agree not to replace or add any locks to the doors or windows of the Residence.

**I. Disposition of Property.** Upon termination of this Agreement or your indefinite transfer to assisted living (including memory support) or nursing care or your non-temporary transfer from Westminster Canterbury, all of your property must be removed from the Residence within 30 days. Westminster Canterbury will have the right to charge you or your estate the Monthly Services Fee in effect at the time of termination or transfer, prorated daily, until the property is removed from the Residence, which fee may be deducted from the Entrance Fee Refund, if any, due to you or your estate. In the event your property is not removed within such 30 day period, Westminster Canterbury will have the right to remove and store your property at your expense or the expense of your estate for a period of six (6) months, and, thereafter, if such property is not claimed, title to such property will become vested in Westminster Canterbury and it will be disposed of as Westminster Canterbury, in its discretion, deems appropriate, without any liability to you or your estate.

**J. Loss or Damage.** Notwithstanding any provision in this Agreement to the contrary, Westminster Canterbury, to the extent that it is authorized to do so by the terms and provisions of any fire insurance policy covering Westminster Canterbury, hereby waives any and all right to recover from you for any costs, loss or damage to Westminster Canterbury from risks ordinarily insured against under a standard fire policy with extended coverage, but only to the extent that such costs, loss or damage are covered by such policy and are collected by Westminster Canterbury.

Westminster Canterbury carries insurance on its buildings and property, however, this insurance coverage does not cover the contents of your Residence or your valuable items. Accordingly, you agree to maintain adequate insurance coverage for the replacement value of your personal property. You assume the risk of any damage to or loss of your personal property, whether caused by Westminster Canterbury or otherwise, which is not covered by insurance. On behalf of you and your insurers you waive any right of subrogation against Westminster Canterbury regarding damage to or loss of your personal property.

**K. Rights of Resident.** Your rights under this Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of Westminster Canterbury.

In order to comply with the requirements of any bona fide lender to Westminster Canterbury, including holders of securities issued by the Industrial Development Authority of the City of Lynchburg, Virginia, now or hereafter outstanding, you agree that your rights under this Agreement will at all times be subordinate and inferior to the rights of the lender under any mortgage or deed of trust now or hereafter executed by Westminster Canterbury, or any successor to it in title, creating a lien on the property constituting Westminster Canterbury and you further agree to execute, acknowledge and deliver such subordination agreement as such lender may require in order to establish the priority of such mortgage or deed of trust as a lien against the property.

**L. Occupancy by Two Residents.** If two residents occupy the Residence, upon termination with respect to one of the residents, this Agreement will continue in effect for the remaining resident. The remaining resident will thereafter pay the Monthly Services Fee for one resident.

**M. Marriage during Occupancy or Additional Occupant.** In the event that you wish to have a second person occupy, by marriage or otherwise, the Residence, Westminster Canterbury may charge the second resident a fee equal to the then applicable Entrance Fee for such Residence or such lesser amount as agreed upon by Westminster Canterbury, you, and the second person.

Westminster Canterbury's acceptance of this second person will be contingent upon his or her ability to meet the criteria for admission to Westminster Canterbury. In the event that any additional second person does not qualify for admission to Westminster Canterbury for occupancy in the Residence based on physical, mental, or other health criteria, Westminster Canterbury will make a reasonable effort to provide the necessary level of care for such person in assisted living (including memory support) or nursing care at established daily rates. In

such a case, the second person will be treated as a resident of assisted living (including memory support) or nursing care, paying a daily rate for care.

## VI. GENERAL

**A. Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, and services and programs of Westminster Canterbury are personal to you and may not be transferred or assigned by you.

**B. Management of Westminster Canterbury.** The Board of Trustees of Westminster Canterbury and its management reserve the absolute rights of management as delegated by the Board of Trustees. Westminster Canterbury reserves the right to accept or reject any person for Residence. Residents do not have the right to determine admissions or terms of admission of any other resident.

**C. No Liability of Officers, Board Members or Affiliate.** You hereby acknowledge and agree that the obligations of Westminster Canterbury under this Agreement are an obligation of Westminster Canterbury only and that such obligations have not been guaranteed by any officer, Board member, employee, agent or affiliate of Westminster Canterbury or any other organization other than Westminster Canterbury and that no other person or organization is responsible to you for the provision of any service or the payment of any money pursuant to this Agreement.

**D. Negligence and Misconduct.** Westminster Canterbury assumes no responsibility for any injury to you or damage or loss to your property caused by the negligence or misconduct of another resident or any guest of another resident, unless Westminster Canterbury has been grossly negligent and such negligence caused such injury, damage, or loss.

**E. Waiver of Liability.** You hereby release Westminster Canterbury and its Board of Trustees, officers, and employees from liability for your death, injury (to your person or property) caused by fire, theft, assault or other cause beyond the control of Westminster Canterbury, and from any liability resulting from the negligence or wrongful acts of other residents, and you hereby waive any claim that you or your estate may have against Westminster Canterbury therefrom.

**F. Confidentiality of Personal Information.** Westminster Canterbury will hold in confidence all of your personal, financial, and medical information pursuant to the rules and regulations of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and Section 63.2-1808.A.4 of the Code of Virginia, 1950, as amended.

**G. Entire Agreement.** This Agreement, including all Addenda, constitutes the entire contract between Westminster Canterbury and you. Westminster Canterbury will not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent Westminster Canterbury, unless such statements, representations or promises are set forth in this Agreement.

This Agreement contains a statement of all of your rights and responsibilities. Do NOT enter



into this Agreement in reliance on any statement made by any person on behalf of Westminster Canterbury which has not been put in writing, signed and attached hereto.

This Agreement constitutes a legal and binding contract between you and Westminster Canterbury. Accordingly, Westminster Canterbury encourages you to seek independent financial and legal advice before executing this Agreement, but you are not required to do so to make this Agreement binding.

**H. Nature of Your Interest.** Your rights are primarily for services, with a contractual right of occupancy upon your transfer from an Azalea Resident to an on-campus Resident. The rights and privileges granted to you by this Agreement do not include any right, title or interest in any part of the personal property, land, buildings or improvements owned or administered by Westminster Canterbury. Nothing contained in this Agreement will be construed to create a lease or the relationship of landlord and tenant between Westminster Canterbury and you.

**I. Successors and Assigns.** This Agreement will bind and inure to the benefit of the successors and assigns of Westminster Canterbury. This Agreement may not be assigned by You, however, your heirs, executors, administrators shall be bound by the terms of this Agreement.

**J. Interruption in Services.** Westminster Canterbury will not be responsible for any interruption of the services provided in this Agreement caused by labor disputes, governmental or judicial orders and requirements, acts of God, civil riot, temporary termination of utility services, and any other cause not reasonably within its control, and which, by the exercise of ordinary care, Westminster Canterbury is unable, wholly or partially, to prevent or overcome.

**K. Power of Attorney, Advance Medical Directive, Living Will, and Health Care Power of Attorney.** You agree to execute a general power of attorney designating some competent person as Attorney-in-Fact. You are further encouraged to consider execution of an Advance Medical Directive (or Living Will and Health Care Power of Attorney). You will provide Westminster Canterbury with a copy of your Power of Attorney, and, if applicable, a copy of your Advance Medical Directive (or Living Will and Health Care Power of Attorney, as the case may be).

**L. Residents' Association.** The residents of Westminster Canterbury have established a Residents' Association, which is open to all residents. The Residents' Association elects representatives to a Residents' Council and Westminster Canterbury meets and consults regularly with the Residents' Council on matters directly affecting the well-being of residents for the purpose of discussing issues related to the community.

**M. Affiliation with Religious Organizations.** You acknowledge that Westminster Canterbury is not an agent of the Episcopal Diocese of Southwestern Virginia or the Presbyterian Synod of the Mid-Atlantic, U.S.A., or any of their affiliated entities, and that liability for performance of Westminster Canterbury's obligations hereunder is limited to Westminster Canterbury.

**N. Waiver of One Breach Not a Waiver of Any Other Breach.** The failure of Westminster Canterbury in any one or more instances to insist upon your strict performance and compliance of any provision of this Agreement will not constitute a waiver or relinquishment by Westminster Canterbury of its right to insist on your future strict compliance.

**O. Renovations and Additions to Westminster Canterbury Facilities.** From time to time, Westminster Canterbury may decide to renovate, demolish and add by construction to its property. You agree that you anticipate such activities by Westminster Canterbury, and that they will not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. You also agree that such activities by Westminster Canterbury will not constitute a breach by Westminster Canterbury of this Agreement or any other obligation owed by it to you. You further agree not to maintain any action against Westminster Canterbury to enjoin it from renovating, demolishing or adding by construction to its property.

**P. Insurance.** Westminster Canterbury carries insurance on its buildings and property, however, this insurance coverage does not cover the contents of your Residence or your valuable items. Accordingly, you agree to maintain adequate insurance coverage for the replacement value your personal property. You assume the risk of any damage to or loss of your personal property, whether caused by Westminster Canterbury or otherwise, which is not covered by insurance. On behalf of you and your insurers you waive any right of subrogation against Westminster Canterbury regarding damage to or loss of your personal property.

**Q. Notice.** Any notice or payment required by this Agreement to be delivered to any party will be considered properly given and sufficient for all purposes if delivered in person or mailed by first class postage prepaid to the appropriate party at the address given below or such other address as is provided to the sender by the receiving party:

**Westminster Canterbury:** President  
Westminster Canterbury of Lynchburg, Inc.  
501 VES Road  
Lynchburg, Virginia 24503

**Resident (prior to occupancy):**

**R. Governing Law.** The laws of the Commonwealth of Virginia will govern this Agreement.

## **VII. EXCEPTIONS**

This section will not be applicable and will be without effect, unless completed.

**A. Resident will not physically occupy an apartment, however, a monthly fee and entry fee is required to establish and maintain LifeCare.**

**B. The monthly fee remains fixed under the Azalea Option contract.**

**C. Residents will be assessed for appropriate residential level at time of physical move to Westminster Canterbury Lynchburg.**

**D. Resident will pay the appropriate difference in entry fee when physically moving to an independent living residence on-campus. If a move takes place within three years of the date of this contract, today's current entry fee schedule will be used in pricing the upgrade for the residential apartment or cottage. If the physical move to Westminster Canterbury extends beyond three years, the entry fee pricing protection will become limited to the previous year's published fee schedule pricing. In either case, the full Azalea Option entry fee would apply to the new residence entry fee.**

**E. Resident's refundable portion of the Azalea Entry Fee will be calculated according to the formula described in Addendum A of the LifeCare Residence and Care Agreement, beginning at the date of your original Azalea settlement. Your refundable portion of the additional amount paid for any larger residence's Entry Fee will be calculated likewise, but will begin upon the date of your up-graded residence's settlement.**

**F. Resident may revise selected Refund Option at the time of upgrade to residential floor plan**

**ACKNOWLEDGEMENTS**

You acknowledge that you have been given **Westminster Canterbury's Disclosure Statement** (pursuant to Sections 38.2-4902 and 38.2-4903 of the Code of Virginia, 1950, as amended) at least three (3) days prior to signing this Agreement and that you understand that it is your responsibility to read this document. You have been given the opportunity to seek independent financial and legal advice as to the terms of this Agreement, and you have been given the opportunity to discuss the provisions of this Agreement and Westminster Canterbury's Disclosure Statement with Westminster Canterbury.

IN WITNESS WHEREOF, Westminster Canterbury and the Resident have executed this Agreement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

WESTMINSTER CANTERBURY OF LYNCHBURG, INC.

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

**ADDENDUM "A"**

**to the LifeCare Residence and Care Agreement between  
WESTMINSTER CANTERBURY of LYNCHBURG, INC. ("Westminster  
Canterbury") and \_\_\_\_\_ ("Resident", "You" or "you")**

**RECITALS:**

Westminster Canterbury and you have entered into a certain **Residence and Care Agreement** of even date herewith (the "Agreement"). Westminster Canterbury and you wish to execute this Addendum "A" for the purpose of evidencing your elections as to Nursing Care Coverage and the Entrance Fee Refund.

**Assisted Living and/or NURSING COVERAGE**

**I.** You have selected the following level of nursing care coverage for purposes of this Agreement (**write your initials in the blank next to your choice**):

\_\_\_ Assisted Living and/or Nursing Care for an *unlimited* period.

\_\_\_ Assisted Living and/or Nursing Care for a cumulative *limited* period not to exceed **365** days beyond those days covered by Medicare.

**ENTRANCE FEE REFUNDS**

You have initialed to indicate that you have selected the following Entrance Fee Refund plan for purposes of this Agreement:

**A.** \_\_\_ **Traditional Plan.** In the event: (i) you voluntarily terminate this Agreement after the date of this Agreement, (ii) of your death after the date of this Agreement, (iii) of termination by Westminster Canterbury of this Agreement, or (iv) of your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, after the date of this Agreement; provided, however, the refund of the Entrance Fee will not exceed ninety-six percent (96%) of the Entrance Fee. No Refund of the Entrance Fee will be paid to you or your estate after 50 months following the date of this Agreement. In the event of your failure to initial one of the three Entrance Fee Refund Plans, the refund of the Entrance Fee will be determined according to this Traditional Plan option.

**B.** \_\_\_ **Guaranteed 50% Plan.** An additional 34% will be added to the posted entry fee. In the event: (i) you voluntarily terminate this Agreement after the date of this Agreement, (ii) of your death after the date of this Agreement, (iii) of termination of this Agreement by Westminster Canterbury, (iv) of your non-temporary

transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, for 25 months following the date of this Agreement, with a 50% refund thereafter of the total Entrance Fee paid by you; provided, however, in no event will the refund of the Entrance Fee exceed 96% of the Entrance Fee.

**C. Guaranteed 90% Plan.** An additional 90% will be added to the posted entry fee. In the event: (i) you voluntarily terminate this Agreement after the date of this Agreement, (ii) of your death after the date of this Agreement, (iii) of termination of this Agreement by Westminster Canterbury, (iv) of your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, for five (5) months following the date of this Agreement, with a 90% refund thereafter of the total Entrance Fee paid by you; provided, however, in no event will the refund of the Entrance Fee exceed 96% of the Entrance Fee.

**II.** No refund becomes due until Resident (or both Residents if this Agreement covers two people) no longer resides at Westminster Canterbury and has vacated the Residence and the Residence is occupied by a new resident who has paid an Entrance Fee.

IN WITNESS WHEREOF Westminster Canterbury and \_\_\_\_\_ have executed and delivered this Addendum to the Agreement this \_\_\_\_\_ day of \_\_\_\_\_.

Westminster Canterbury of Lynchburg, Inc.

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

Its: \_\_\_\_\_

\_\_\_\_\_  
Resident

1-25-07  
1-24-09  
1-11-10  
WCL 1 25 11  
11-1-14  
1/15/15  
3/01/18

**ADDENDUM "B"**  
**FELLOWSHIP ASSISTANCE**

THIS FELLOWSHIP ASSISTANCE AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between WESTMINSTER CANTERBURY OF LYNCHBURG, INC. (referred to as "Westminster Canterbury") and \_\_\_\_\_ (referred to as "You" or "you").

**RECITALS:**

- A. Westminster Canterbury and you have entered into a LifeCare Residence and Care Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Agreement").
- B. If due to financial hardship, you are unable to pay the Entrance Fee, Monthly Services Fee, or other fees set forth in the Agreement, Westminster Canterbury is willing to provide Fellowship Assistance to you from gifts made by third parties to the Fellowship Fund.
- C. Westminster Canterbury and you wish to execute this Fellowship Assistance Agreement for the purpose of evidencing responsibilities of both parties as to Fellowship Assistance and your receipt and repayment of Fellowship Assistance.

**AGREEMENTS:**

- A. **Granting and Review of Fellowship Assistance.** Westminster Canterbury will grant Fellowship Assistance in the form of a loan to you under policies established by it. You agree that any determinations made by Westminster Canterbury concerning Fellowship Assistance will be final and binding on you, your heirs, and assigns, and any determination will be regarded as a confidential transaction between Westminster Canterbury and you except for reports required to be made to financial institutions lending monies to Westminster Canterbury and to regulatory and other governmental bodies. The amount of Fellowship Assistance lent is based, among other considerations, on the representations made by you at the time of application as to your financial position and assets. Westminster Canterbury may, at any time and in its sole discretion, begin, increase, decrease, or terminate Fellowship Assistance because of changes in the operating costs of Westminster Canterbury or changes in your assets or monthly income. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three (3) years.
- B. **Amount of Fellowship Assistance.** Westminster Canterbury will loan you as Fellowship Assistance the sum of \$ \_\_\_\_\_, with interest accruing at a rate of \_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Entrance Fee, and initially the sum of \$ \_\_\_\_\_ with interest accruing at a rate of \_\_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Monthly Services Fee shown in the LifeCare Agreement ("Fellowship Assistance"). Westminster Canterbury agrees to furnish annual statements of Fellowship Assistance lent to you.
- C. **Claim against Your Estate.** You agree that upon your death your estate will be liable to

Westminster Canterbury for the Fellowship Assistance you have received. This provision will apply irrespective of whether you are a resident at Westminster Canterbury at the time of death. Westminster Canterbury may deduct the full amount of Fellowship Assistance from any refund which may become due to you or your estate. You agree to execute any instruments, including notes, assignments, security agreements and deeds of trust that Westminster Canterbury deems necessary or desirable to evidence or secure its claim for repayment of Fellowship Assistance.

- D. Management of Assets.** Upon request by Westminster Canterbury, you will make arrangements for the preservation and management of your property by a third party or parties, including the execution and funding of a trust agreement for your benefit whenever in the sole judgment of Westminster Canterbury it appears that (1) continued management of your property by you may place you in need of Fellowship Assistance or (2) you receive Fellowship Assistance. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three years.
- E. Pursuit of Other Sources of Income.** If your sources of income are determined by Westminster Canterbury to be inadequate to meet your financial obligations to Westminster Canterbury and to pay personal expenses, you agree to make efforts to obtain financial assistance from family connections or other available means. If you are eligible to receive public benefits, including but not limited to, social security, old age benefits, aid to the blind, and veteran's pensions, you agree to apply for and diligently seek such benefits, and any such benefits obtained will be taken into account in adjusting Westminster Canterbury's monthly charge to you. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to apply for such benefits within a reasonable period of time, as determined by Westminster Canterbury, in its sole discretion.
- F. Health Insurance.** As a condition of receiving Fellowship Assistance, you must submit evidence of health insurance held and maintained in accordance with the requirements of Section II of the Agreement. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to maintain such insurance, or if you failed to maintain such insurance in the past and such failure materially impaired your ability to satisfy your financial obligations under the Agreement.
- G. Prohibited Transfers.** As a condition of receiving Fellowship Assistance, you represent that you have not made any gift of real, personal, or intangible property within the five (5) years prior to submitting this request for Fellowship Assistance that materially impaired your ability to satisfy your financial obligations under the Agreement. You agree to provide any materials reasonably requested by Westminster Canterbury to evaluate your request for Fellowship Assistance, including the materials outlined in Section V.B.4. of the Agreement. You agree that you will not make any gift subsequent to receipt of Fellowship Assistance that would impair your ability or that of your estate to satisfy your financial obligations under the Agreement and this Fellowship Assistance Agreement.
- H. Receipt of Assets.** You agree to report promptly to Westminster Canterbury your receipt of or right to any property or any material increase or decrease in the value of your income or

assets, whether the result of gift, inheritance, change in public assistance or otherwise.

IN WITNESS WHEREOF Westminster Canterbury and you have executed this Fellowship Assistance Agreement, which is attached to and made a part of the Residence and Care Agreement, all as of the day and year first above written.

Westminster Canterbury of Lynchburg, Inc.

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

Its: \_\_\_\_\_

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

1-25-07  
8-27-07  
1-24-09  
1-25-11  
11-1-14  
1/15/15  
11/15/16  
3/01/18



**ADDENDUM "D"**

**Azalea Option**

**under Westminster Canterbury's LifeCare Unlimited Residence & Care Agreement**

You agree to accept a residence of your stated preference as indicated below at a yet undetermined date in the future, but not to exceed a period longer than three (3) years from today's date, in order to enjoy Entry Fee pricing protection in accordance with today's published Fee Schedule. If your acceptance of a residence (a floor-plan you prefer), accompanied by your settlement payment for the balance of your preferred residence's Entry Fee, is delayed beyond such 3 year period, your Entry Fee pricing protection will become limited to the previous year's published Fee Schedule pricing.

**You agree to the policy set forth below:**

1.) You have reserved an Azalea Option with a deposit and will pay the balance of its Entry Fee within 90 days of the date that your LifeCare eligibility determination has been documented (a 2<sup>nd</sup> person Entry Fee applies if this Azalea Option covers two people). You will pay the Monthly Service Fee of the Azalea, reduced to reflect savings related to utilities, housekeeping services, dining account, etc. as indicated below. In consideration of the Entry Fee and Monthly Services Fee, your LifeCare protection will become effective and you will be considered a full-fledged member(s) of this community. Upon the date of your **acceptance and settlement for your preferred residence at Westminster Canterbury**, the Monthly Services Fee for your chosen residence will be adjusted to reflect the same percentage increases incurred by all residents during the period that your Azalea Option was in effect.

2.) You agree to accept a residence (a floor-plan you prefer) within three (3) years from the date of this Exhibit A, to enjoy the Entry Fee pricing protection described above, and will pay the difference in the Entry Fees between the two residences, calculated according to today's current published Fee Schedule. Such pricing protection will be in effect for no longer than the next three (3) years. **If your acceptance of a residence (a floor-plan you prefer), accompanied by your settlement payment for the balance of your preferred residence's Entry Fee, is delayed beyond such 3 year period**, your Entry Fee pricing protection will become limited to the previous year's published Fee Schedule pricing.

**If you are a single individual:** in the event of a health change while participating in the Azalea Option, you further agree to pay the full amount of the then-current Monthly Services Fee for your Azalea beginning within 30 days of such a health change event, with no further reductions in the Monthly Services Fee as were offered previously while you participated in the Azalea Option program. Such a "health change" is defined as any event requiring healthcare services in the Healthcare Center as provided by Westminster Canterbury under the terms of the Residency Agreement provisions.

**If you are two individuals:** in the event of a health change while participating in the Azalea Option, you further agree to select a residence no smaller than a Jefferson one-bedroom, and pay the appropriate Entry Fee balance plus its then-current Monthly Services Fee (for 1<sup>st</sup> and 2<sup>nd</sup> Person), beginning within 30 days of such a health change event. You understand that both the Azalea and the Dogwood Studio residences are only available for single occupancy. Such a "health change" is defined as any event requiring permanent healthcare services in the Healthcare Center as provided by Westminster Canterbury under the terms of the Residency Agreement provisions.

Current Entry Fee for Azalea Option: \$ \_\_\_\_\_

Monthly Fee - \$ \_\_\_\_\_

**The Westminster-Canterbury Residency Agreement (along with any Addendum/Exhibit) applies regarding any refunds due should you elect to terminate the Agreement. The Residency Agreement will be signed and considered fully executed as of the date of Settlement for the Azalea Option, even though no specific Azalea residence may have been assigned.**

I/We accept the above policy: x \_\_\_\_\_ Date: \_\_\_\_\_  
x \_\_\_\_\_ Date: \_\_\_\_\_

Westminster-Canterbury Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**FEE-FOR-SERVICE  
RESIDENCE & CARE AGREEMENT**

**FEE-FOR-SERVICE RESIDENCE AND CARE AGREEMENT  
WESTMINSTER CANTERBURY OF LYNCHBURG, INC.**

THIS FEE-FOR-SERVICE RESIDENCE AND CARE AGREEMENT (referred to as the "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, by and between WESTMINSTER CANTERBURY OF LYNCHBURG, INC. (referred to as "Westminster Canterbury") and \_\_\_\_\_ (referred to as "Resident", "You" or "you").

**RECITALS:**

- A. Westminster Canterbury is a non-profit corporation organized under the laws of the Commonwealth of Virginia and has established and operates a Continuing Care Retirement Community in Lynchburg, Virginia.
- B. You desire to become a resident of Westminster Canterbury and to use and enjoy the common areas and amenities, programs, and services provided by Westminster Canterbury, including Assisted Living, Memory Support, and Nursing Care.
- C. You and Westminster Canterbury desire to establish your rights and obligations and Westminster Canterbury's rights and obligations, in addition to those afforded or implied by law, regarding your residency at Westminster Canterbury in Lynchburg, Virginia.

**AGREEMENTS:**

**WHEREFORE**, in consideration of the above recitals, the following covenants, promises and obligations, and other good and valuable considerations, the receipt and sufficiency of which you and Westminster Canterbury acknowledge; you and Westminster Canterbury agree as follows:

**I. RESIDENCE, AMENITIES, AND SERVICES**

- A. **Residence.** You will have the exclusive, personal, non-assignable right to occupy, use, and enjoy \_\_\_\_\_ style residence (referred to as the "Residence"), subject to the provisions of this Agreement, including but not limited to Section II. H.
- B. **Furnishings in the Residence.** Westminster Canterbury will provide such features as flooring, emergency call system and other furnishings as described in Westminster Canterbury's current literature. All other furniture and furnishings for the Residence will be provided by the Resident.
- C. **Options and Custom Features in the Residence.** Westminster Canterbury will provide and you may select certain options and custom features in the Residence as described in Westminster Canterbury's literature at additional charge. Any such improvement or modification will become the property of Westminster Canterbury. The value of such improvements or modifications will not be credited to Resident in calculating any amount due from or to the Resident, including the amount of any refund.
- D. **Amenities.** Westminster Canterbury provides common areas and amenities for the

use and benefit of all residents such as Dogwood Dining, Canterbury Cafe, James River Grille, meeting and conference rooms, arts and crafts room, Art Studio, exercise/fitness amenities, the Strickler Library, Weissert Chapel, "The Commons" area, "Bridge" area, lobbies, lounges, indoor and outdoor recreational areas.

E. **Parking.** Westminster Canterbury provides lighted and paved parking areas.

F. **Services.**

1. **Utilities.** Westminster Canterbury will furnish heating, air conditioning, electricity, water, sewer, local telephone service and trash removal. You will pay for long-distance telephone service charges.
2. **Dining.** Westminster Canterbury offers three meals daily with the exception of special holidays and Sunday. Your Monthly Services Fee includes the equivalent of 30 meals, using a declining dollar value program. You may purchase additional meals at established rates.
3. **Dining Delivery.** Limited dining service to your Residence may be provided when approved by authorized staff at an additional charge.
4. **Housekeeping Services.** Weekly housekeeping service will be provided by Westminster Canterbury in the Residence including vacuum cleaning, dusting, cleaning of baths and kitchen, and trash removal. You agree to maintain the Residence in a safe, clean, sanitary and orderly condition, and to perform all usual light housekeeping. In the event you fail to so maintain the Residence, Westminster Canterbury may, in addition to and not in limitation of its other rights under this Agreement, perform at your expense such cleaning, fumigation and other work necessary to return the Residence to a safe, clean, sanitary, or orderly condition.
5. **Laundry and Linens.** If you are a cottage resident or reside in a residence with a washer/dryer unit, you will provide and launder your own bed and bath linens. Westminster Canterbury will change these linens for you; otherwise Westminster Canterbury will provide and launder bed and bath linens.
6. **Groundskeeping.** Westminster Canterbury will furnish groundskeeping service, including lawn, tree and shrubbery care. Subject to approval by Westminster Canterbury, you may plant and maintain certain areas designated for such purpose.
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 Westminster Canterbury caused by you or your guests, ordinary wear and tear excepted.

8. **Transportation.** Westminster Canterbury will provide local transportation for residents on a scheduled basis for shopping and medical appointments. An additional charge may be made for transportation, special, personal or group trips.
9. **Security and Safety.** Westminster Canterbury will provide smoke detectors in each residence, a 24-hour emergency call system, security procedures, illuminated parking areas and roadways, a sprinkler system in the central building, and an auxiliary power source in designated areas in the central buildings.
10. **Television.** Access to a television system will be provided to you. A basic package of channels is included in the Monthly Services Fee for one television in the residence. An additional charge will be made for premium channel packages.
11. **Internet.** As an on-campus Resident, access to internet will be provided to you. Our public Wi-Fi is provided free of charge. An additional charge will be made for private internet provided at various speeds through Comcast.
12. **Arts and Programs.** Westminster Canterbury will provide social, recreational, spiritual, educational and cultural programs, exercise and health programs, and other special activities. An additional charge may apply for some events.
13. **Guests.** Westminster Canterbury provides guest dining and overnight accommodations, subject to availability and at established rates. Westminster Canterbury may require that overnight guests be registered. Guest stays longer than one week must be approved in advance. You will be responsible for the conduct of your guests. No guest will be entitled to any rights or privileges under this Agreement by reason of his or her status as your guest.
14. **Private Dining and Catering.** A private dining room is provided upon reasonable request at no charge. Catering services are provided at an additional charge.
15. **Beauty/Barber Shop.** Beauty/barber service is provided and such services will be billed monthly.
16. **Pets.** Pets may reside with you in accordance with the policies and procedures of Westminster Canterbury.
17. **Smoking.** Smoking is not permitted at Westminster Canterbury.

## II. HEALTH SERVICES

Following payment of the Entrance Fee and Monthly Services Fee, Westminster Canterbury will furnish health services to the extent deemed necessary by Westminster Canterbury's Medical Director and subject to the following provisions. The health services provided by Westminster Canterbury include assisted living, memory support, nursing care, and skilled nursing care.

- A. Outpatient Services.** Westminster Canterbury will provide a clinic at Westminster Canterbury where you may be examined and treated as an outpatient. Westminster Canterbury will arrange for a physician to be available from time to time in the Clinic for your convenience. You are free, however, to engage the services of a physician of your own choice and such physician may also use the services of the Clinic, subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury may make available the services of a physical therapist and other health professionals as it deems necessary, but you are free to engage the services of health professionals of your choice.
- B. Inpatient Services.** If you choose to have assisted living (including memory support) or nursing care (including skilled care and nursing care) services (together referred to as “inpatient services”) provided by Westminster Canterbury, or if you require such care, you agree to pay the charges and fees associated with these inpatient services in addition to other charges and fees (such as the Monthly Services Fee while an inpatient receiving healthcare services on a temporary basis with plans of returning to the Residence). Westminster Canterbury will require you or your authorized agent to execute a contract with Westminster Canterbury for inpatient services, and you agree to execute such an agreement. Westminster Canterbury will not be responsible for covering the cost of your nursing care accommodations and services that are not covered by Medicare for inpatient services. Care offered by Westminster Canterbury will be provided in nursing care, assisted living, or another specifically designated part of Westminster Canterbury (contingent upon availability). You will be responsible for the charges related to the per diem rate for nursing care, less fifteen percent (15%) and assisted living care, less five percent (5%). You will be entitled to priority over non-resident community applicants for admission to assisted living (including memory support) or nursing care (including skilled care) services.

You may employ private duty employees at your own expense, but subject to approval by Westminster Canterbury and subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury has disclosed and explained your options with regard to the level of nursing care provided.

No refund on the Entrance Fee is due at the time the Resident is transferred to the Healthcare Center.

Westminster Canterbury will provide a Memory Support Center for residents requiring routine assistance and a supportive environment due to Alzheimer’s disease and related disorders. Services provided in the Memory Support Center will be limited to those

permitted and typically provided under licensure from governing authorities.

C. **Wellness Program.** Westminster Canterbury will provide a Wellness Program that includes use of the Westminster Canterbury pool, fitness and exercise center, subject to the rules and regulations of Westminster Canterbury.

D. **Medicare and Health Insurance Assignment.** You will, if not already enrolled, apply for and secure enrollment in the Hospital Insurance Benefits Program under Part A of Public Law 89-97 (“Medicare”) and during the next enrollment period after submitting your application for admission to Westminster Canterbury, apply for, secure and pay the premium for the Medicare supplementary medical insurance benefits under Part B of Public Law 89-97 or Part C Medicare Advantage Plan, as well as a Part D prescription plan. If you are not eligible for these programs, you will obtain equivalent insurance coverage acceptable to Westminster Canterbury. If you become entitled to payments for health services from other governmental agencies or programs, you will make application for such payments and turn over and remit to Westminster Canterbury any payments received.

Westminster Canterbury is certified in the Medicare/Medicaid Programs, and reserves the right to withdraw from one or both programs if deemed advisable by Westminster Canterbury. Additionally, the provisions of this Agreement are subject to changes in State and Federal Law, as may be applicable.

E. **Supplemental Insurance.** You will obtain a supplemental insurance policy acceptable to Westminster Canterbury to pay Medicare Part A and Part B co-insurance and deductible amounts.

F. **Maintenance of Health Insurance.** There are many reasons why it’s important to maintain health insurance. A health insurance plan, like Medicare and supplemental insurance, can cover most or all medical and hospital expenses if you’re injured, sick or require an operation. It can also offset costs for preventative care like screenings, check-ups, therapy and vaccines that are essential for maintaining your health. Failure to maintain your health insurance coverage will cause you to be financially responsible for any cost related to medical services provided by Westminster Canterbury.

G. **Health-Related Charges.** You will pay the following charges to the extent they are not covered by Medicare or your supplemental insurance:

1. Per diem rate for nursing care, less fifteen percent (15%) and assisted living care, less five percent (5%).
2. Charges of any physician, physical therapist, occupational therapist, podiatrist, or other health professional, whether provided at Westminster Canterbury or elsewhere;
3. Hospital charges and charges for care or services beyond that licensed or provided at Westminster Canterbury;

4. Charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, and other health-related items; and
5. All other charges for services Westminster Canterbury is not required by this Agreement or law to provide.

**H. Transfer from Residence.** The Resident agrees that Westminster Canterbury will have the authority to determine whether the Resident should be transferred from the Residence to Assisted Living, Memory Support or Health Care or from one level of care to another level of care within the community. Such determination will be based on the professional opinion of Westminster Canterbury's Medical Director and the President and CEO and will be made only after consultation to the extent practical with the Resident, a representative of the Resident's family or the sponsor of the Resident, and the Resident's attending physician.

**I. Change to Scope of Care or Services.** Westminster Canterbury will provide you with at least 30 days' notice of any change in the scope of the care or services provided in Section II before such change becomes effective, unless the change is required earlier by state or federal assistance programs or by law.

**J. Health Care Information Consent.** At any time after occupying the Residence, Westminster Canterbury may require a physician's report or other medical and health care information following any hospitalization or doctor's office visit, when Westminster Canterbury determines that your health condition warrants such a report or information or when required by a licensing agency. You give your consent and grant permission for such reports and information to be disclosed by your health care provider to Westminster Canterbury for this purpose.

### **III. FINANCIAL ARRANGEMENTS**

**A. Entrance Fee.** You agree to pay to Westminster Canterbury an Entrance Fee as a condition of becoming a resident. The Entrance Fee is a lump sum payment based on the Residence specified in Section I.A., and will not be increased or decreased during the term of this Agreement, except as provided in Section V.D. of this Agreement outlining your ability to choose to move to a different residence.

**B. Terms of Payment of the Entrance Fee.** The terms of payment of the Entrance Fee will be as follows:

1. **Entrance Fee Deposit.** An amount equal to \$ \_\_\_\_\_ was paid at the time you submitted your application.

Westminster Canterbury will maintain the deposit in a separate account prior to the date the Residence is available for occupancy. All funds or assets deposited in the account will remain your property until released to Westminster Canterbury upon settlement payment of the balance of the Entrance Fee. These



reservation funds or assets will not be subject to any liens, judgments, garnishments or creditor's claims against Westminster Canterbury. All reservation funds or assets deposited will be released to Westminster Canterbury when you have occupied the Residence or a Residence of the type reserved by you is available for immediate occupancy by you.

2. **Entrance Fee Balance.** The balance of the total Entrance Fee, \$ \_\_\_\_\_ will be due and payable on or before date of occupancy unless otherwise extended in writing by Westminster Canterbury.
- C. **Monthly Services Fee.** In addition to the Entrance Fee and the payment for any options and custom features, you agree to pay a Monthly Services Fee during the term of this Agreement which will be payable, in advance, on the first of each month and will be prorated for any period less than a month. Unless otherwise agreed to in writing by Westminster Canterbury, the initial Monthly Services Fee, \$ \_\_\_\_\_, will begin upon date of occupancy or within 60 days of the time when the Residence is available for occupancy, unless otherwise extended in writing by Westminster Canterbury. The Monthly Services Fee may be adjusted by Westminster Canterbury during the term of this Agreement pursuant to Section III.D. below.
- D. **Increases in the Monthly Services Fee.** The Monthly Services Fee is payable to provide the amenities, programs and services described in this Agreement and is intended to meet Westminster Canterbury's operating costs. Westminster Canterbury may increase the Monthly Services Fee as it, in its discretion, deems necessary in order to reflect changes in costs consistent with operating on a sound financial basis and maintaining the quality of amenities, programs, and services. Any increases in the Monthly Services Fee or other charges may be made by Westminster Canterbury upon 30 days' written notice to you. Westminster Canterbury will endeavor to maintain its schedule of fees at the lowest possible rate consistent with sound financial practice and maintenance of the quality of programs and services.
- E. **Monthly Statements; Late Fee.** Westminster Canterbury will furnish you with monthly statements showing the total amount of fees and other charges owed by you. In the event the Monthly Services Fee or other charges are not paid in full on or before the 25<sup>th</sup> day of the month for which such are due and payable, a late payment assessment of one and one-half percent (1.5%) per month will be charged on the unpaid balance.
- F. **Healthcare Services and Dining.** Westminster Canterbury will provide you with nursing care services as detailed in Section II.B. of this Fee-for-Service Agreement (Inpatient Services). If you need care in assisted living (including memory support) or nursing care, you will pay the charges related to the per diem rate for nursing care, less fifteen percent (15%) and assisted living care, less five percent (5%). There will be no additional charges to provide you three meals daily as required under federal and state law for a person residing in such a facility.
- G. **Fellowship Assistance.** Westminster Canterbury may grant financial assistance

(referred to as “Fellowship Assistance”) to you under policies and procedures established by Westminster Canterbury, as stated in Addendum “B” and as established from time to time.

**H. Liability for Charges.** In the event it is necessary for Westminster Canterbury to institute legal action or other proceedings to recover amounts payable to Westminster Canterbury under this Agreement, or otherwise to enforce any of the provisions of this Agreement, Westminster Canterbury also will be entitled to recover reasonable attorneys’ and legal fees and all costs incurred in connection with such proceedings. This provision will survive the termination of this Agreement.

#### **IV. TERMINATION AND REFUND PROVISIONS**

**A. General.** Subject to the right of refund set forth in this Section IV, Westminster Canterbury will use the Entrance Fee for general corporate purposes. Except for rescission by you of this Agreement under Section IV.B. below and termination of this Agreement prior to occupancy under Section IV.C. below, all refunds of any portion of the Entrance Fee are expressly conditioned upon Westminster Canterbury’s acceptance for admission of a new resident, the new resident’s payment of the Entrance Fee, and the new resident’s occupancy of the Residence. Any refund of the Entrance Fee that may be due to you or your estate will first be applied to satisfy, in part or in whole, any outstanding Monthly Services Fee or other charge(s) owed by you to Westminster Canterbury and/or the interest and principal outstanding on any Fellowship Assistance granted to you by Westminster Canterbury, and the balance thereof will be paid to you or your estate. In no event will you or your estate receive a refund of the Monthly Services Fee paid to Westminster Canterbury.

**B. Right of Rescission and Seven (7) Day Rescission Period.** This Agreement may be rescinded by you by giving written notice of such rescission to Westminster Canterbury within seven (7) days following the date of this Agreement. It may also be rescinded by you by giving written notice of such rescission to Westminster Canterbury at any time prior to occupancy of the Residence at Westminster Canterbury. In the event of such rescission, you will receive a full refund of the Entrance Fee paid by you. Such refund will be paid by Westminster Canterbury within 30 days following the receipt of written notification of such termination. You will not be required to take occupancy of the Residence prior to the expiration of the Seven (7) Day Rescission Period.

**C. Termination Prior to Occupancy.** You may terminate this Agreement for any reason prior to occupancy of the Residence by giving written notice to Westminster Canterbury. In the event of such termination, you will receive a refund of the Entrance Fee paid by you.

Unless protected by a confirmation letter affirming your Fee-for-Service Agreement eligibility, Westminster Canterbury may terminate this Agreement prior to your occupancy of the Residence if you suffer an illness or injury or become incapacitated after the date of this Agreement and prior to your occupancy of the Residence such that the illness, injury, or incapacity renders you then ineligible for admission to

Westminster Canterbury at Westminster Canterbury's discretion. You will receive a refund of the Entrance Fee paid by you, less costs incurred by Westminster Canterbury at your request and set forth on Exhibit A attached hereto. This refund will be paid by Westminster Canterbury within 30 days following Westminster Canterbury's determination to so terminate this Agreement.

- D. Voluntary Termination after Occupancy.** You may terminate this Agreement for any reason after occupancy of the Residence by giving thirty 30 days written notice to Westminster Canterbury. In the event of termination, you will receive a refund of the Entrance Fee paid by you, determined in accordance with your selection in Addendum "A" attached hereto. Such refund, if any, will be expressly conditioned upon acceptance by Westminster Canterbury of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence, and will be paid by Westminster Canterbury within 30 days following receipt of such Entrance Fee.
- E. Termination upon Death.** In the event of your death at any time after occupancy of the Residence, your obligations and those of Westminster Canterbury under this Agreement will terminate, and, except as is specifically provided herein, the refund of the Entrance Fee paid by you will be determined in accordance with your selection in Addendum "A" below. Notwithstanding the termination of this Agreement, Resident (including a deceased Resident) will be deemed to occupy their Residence and Resident's Monthly Services Fee will continue to accrue as normal. In the event of the death of a Resident, Resident's family or sponsor will have no more than thirty (30) days to remove Resident's possessions from the Residence.
- F. Termination by Westminster Canterbury.** Westminster Canterbury may terminate this Agreement at any time for good cause. Good cause will be limited to: (i) proof that you are a danger to yourself or others; (ii) nonpayment of the Monthly Services Fee or other charges; (iii) repeated conduct by you that interferes with other residents' quiet enjoyment of the community; (iv) persistent refusal to comply with reasonable written rules and regulations of Westminster Canterbury; (v) a material misrepresentation made intentionally or recklessly by you in your application, or related materials, which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of providing to you the care and services provided under this Agreement; or (vi) material breach by you of the terms and conditions of this Agreement. Westminster Canterbury will not terminate this Agreement pursuant to this Section IV.F. without 60 days prior written notice of such termination by the President of Westminster Canterbury, during which period you will have the opportunity to cure the matters on which the notice by Westminster Canterbury to terminate were based. In the event of termination for any of these causes, the refund of the Entrance Fee will be determined in accordance with your selection on Addendum "A" attached hereto.
- G. Refund of Entrance Fee for Voluntary Termination, Death, or Termination by Westminster Canterbury.** Westminster Canterbury has disclosed and explained to you the Entrance Fee Refund Plan options available in the event that this Agreement is terminated by you voluntarily, by your death, or by Westminster Canterbury. You have indicated your choice of Entrance Fee Refund options on Addendum "A" attached

hereto.

**H. Condition of Residence.** On the effective date of termination of this Agreement, you will vacate the Residence and will leave it in as good condition as it was on the date of occupation of the Residence by you, ordinary wear and tear excepted. You or your estate will be liable to Westminster Canterbury for any cost incurred in restoring the Residence to as good condition as that when you occupied the Residence, ordinary wear and tear excepted.

**I. Multiple Occupancy.** In the event that the Agreement is being made with two persons who will occupy the Residence, no refund will be made to one such resident or his or her estate until both Residents no longer reside at Westminster Canterbury and have vacated the Residence and the Residence is occupied by a new resident.

**V. TERMS OF RESIDENCY**

**A. Physical and Mental Health Requirements of Resident.** As a condition of occupancy of the Residence, you will be physically and mentally capable of performing routine activities of daily living and able to respond appropriately to emergency situations. If, in the judgment of Westminster Canterbury's Medical Director or President, you are unable to comply with these requirements, Westminster Canterbury will transfer you to an appropriate level of care within Westminster Canterbury. In the event Westminster Canterbury is not permitted by law to provide the necessary care to you, the provisions of Section V.F. below will apply.

**B. Covenants by You.** You covenant and agree to:

1. Comply with all rules, policies, and procedures of Westminster Canterbury, now in effect and as amended, modified, or adopted from time to time. Any rules and regulations adopted by Westminster Canterbury will be applied to all residents similarly situated without preference or prejudice to any resident or group of residents;
2. Pay the fees and charges required under this Agreement in a timely fashion;
3. Not impair your ability to meet your financial obligations under this Agreement by making any gift or other transfer of property for less than adequate consideration if the gift or transfer would render you unable to meet such obligations;
4. Provide Westminster Canterbury with financial statements, including income and gift tax returns, pursuant to Addendum "B" if you are requesting Fellowship Assistance, for the five years prior to requesting such assistance; and
5. Abide by all other terms of this Agreement.

- C. **Representations.** Your application and the statements of your finances and health history filed with Westminster Canterbury are incorporated in this Agreement by this reference and all statements therein and the statement of your age contained herein are deemed to be representations by you as of the date made. You represent that there have been no material changes in the information provided since the date of your application and the statements of your finances and health history.
- D. **Transfer to a Different Residence.** At any time after occupying the Residence, you may transfer to another residence (the “New Residence”) within Westminster Canterbury based on availability and approval. No refund for the difference between the Entrance Fee for the Residence and the Entrance Fee for the smaller New Residence will be made by Westminster Canterbury. If you transfer to a larger New Residence, you will pay an amount equal to the then current Entrance Fee for the larger Residence less the Entrance Fee paid by you for the original Residence. When you transfer to a smaller New Residence or a larger New Residence, you agree to sign an addendum to this Agreement for the New Residence. Your Monthly Services Fee will be prorated based on the number of days in each Residence (the original Residence and the New Residence) for the month of your transfer. Thereafter you will pay the Services Fee associated with the New Residence. Westminster Canterbury may charge an in-house move fee. The fee will be determined by Westminster Canterbury and explained prior to your move.
- E. **Transfer at Option of Westminster Canterbury.** If Westminster Canterbury reasonably determines that the Residence needs to be vacated by you to permit repairs or renovations or the transfer of such space to a different use or different configuration, Westminster Canterbury may transfer you to a new Residence of the same size provided that Westminster Canterbury (i) consults with you prior to undertaking any such transfer; (ii) gives you reasonable notice of and time to prepare for such transfer; (iii) incurs the costs of such move; and (iv) arranges for the prompt and convenient moving of your personal furnishings.
- F. **Transfer from Westminster Canterbury.** If you suffer any disability for which Westminster Canterbury is not authorized by law to provide care, or if your presence is deemed by Westminster Canterbury, in its sole discretion, to be detrimental to the health or quiet enjoyment of the other residents, or when Westminster Canterbury, in its sole discretion, determines such action to be in your best interest, Westminster Canterbury will have authority to transfer you to another facility or institution, public or private. If such transfer is determined by Westminster Canterbury’s Medical Director to be temporary, the transfer will not be deemed a termination of this Agreement.

If such transfer is determined by Westminster Canterbury’s Medical Director not to be temporary, the transfer will constitute a termination of this Agreement, the Residence will be released, the provisions of Section V.I. will apply as to the disposition of your property, and the refund of the Entrance Fee, if any, due to you will be determined in accordance with your selection of Entrance Fee Refund made on Addendum A hereto and subject to the admission of a new resident, the new

resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence formerly occupied by you.

- G. Indebtedness of Resident.** Westminster Canterbury will not be liable or responsible for any expense incurred or debt or obligation of any kind contracted by you on your own account. Westminster Canterbury is not obligated to furnish, supply, or give you any support, maintenance, board, or lodging when you are absent from Westminster Canterbury, nor any credit for absence from lodging or meals, except upon the prior written approval of Westminster Canterbury, and in accordance with such regulations as Westminster Canterbury may adopt from time to time. You will not cause any person to provide any labor or material for any repair or improvement to any part of Westminster Canterbury's facility, without the express written consent of Westminster Canterbury.
- H. Right of Entry.** You agree to give to duly authorized employees of Westminster Canterbury the right of entry into the Residence at all reasonable times for inspection, maintenance, and housekeeping purposes and at any time for emergency purposes. Westminster Canterbury recognizes your right to privacy and its responsibility to limit entry to such inspection, maintenance, housekeeping, and emergency purposes. For your safety, you agree not to replace or add any locks to the doors or windows of the Residence.
- I. Disposition of Property.** Upon termination of this Agreement or your indefinite transfer to assisted living (including memory support) or nursing care or your non-temporary transfer from Westminster Canterbury, all of your property must be removed from the Residence within 30 days. Westminster Canterbury will have the right to charge you or your estate the Monthly Services Fee in effect at the time of termination or transfer, prorated daily, until the property is removed from the Residence, which fee may be deducted from the Entrance Fee Refund, if any, due to you or your estate. In the event your property is not removed within such 30 day period, Westminster Canterbury will have the right to remove and store your property at your expense or the expense of your estate for a period of six (6) months, and, thereafter, if such property is not claimed, title to such property will become vested in Westminster Canterbury and it will be disposed of as Westminster Canterbury, in its discretion, deems appropriate, without any liability to you or your estate.
- J. Loss or Damage.** Notwithstanding any provision in this Agreement to the contrary, Westminster Canterbury, to the extent that it is authorized to do so by the terms and provisions of any fire insurance policy covering Westminster Canterbury, hereby waives any and all right to recover from you for any costs, loss or damage to Westminster Canterbury from risks ordinarily insured against under a standard fire policy with extended coverage, but only to the extent that such costs, loss or damage are covered by such policy and are collected by Westminster Canterbury.

Westminster Canterbury carries insurance on its buildings and property, however, this insurance coverage does not cover the contents of your Residence or your valuable items. Accordingly, you agree to maintain adequate insurance coverage for the replacement value your personal property. You assume the risk of any damage to or loss of your personal property, whether caused by Westminster Canterbury or otherwise, which is not covered by insurance. On behalf of you and your insurers you waive any right of subrogation against Westminster Canterbury regarding damage to or loss of your personal property.

- K. Rights of Resident.** Your rights under this Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of Westminster Canterbury.

In order to comply with the requirements of any bona fide lender to Westminster Canterbury, including holders of securities issued by the Industrial Development Authority of the City of Lynchburg, Virginia, now or hereafter outstanding, you agree that your rights under this Agreement will at all times be subordinate and inferior to the rights of the lender under any mortgage or deed of trust now or hereafter executed by Westminster Canterbury, or any successor to it in title, creating a lien on the property constituting Westminster Canterbury and you further agree to execute, acknowledge and deliver such subordination agreement as such lender may require in order to establish the priority of such mortgage or deed of trust as a lien against the property.

- L. Occupancy by Two Residents.** If two residents occupy the Residence, upon termination with respect to one of the residents, this Agreement will continue in effect for the remaining resident. The remaining resident will thereafter pay the Monthly Services Fee for one resident.
- M. Marriage during Occupancy or Additional Occupant.** In the event that you wish to have a second person occupy, by marriage or otherwise, the Residence, Westminster Canterbury may charge the second resident a fee equal to the then applicable Entrance Fee for such Residence or such lesser amount as agreed upon by Westminster Canterbury, you, and the second person.

Westminster Canterbury's acceptance of this second person will be contingent upon his or her ability to meet the criteria for admission to Westminster Canterbury. In the event that any additional second person does not qualify for admission to Westminster Canterbury for occupancy in the Residence based on physical, mental, or other health criteria, Westminster Canterbury will make a reasonable effort to provide the necessary level of care for such person in assisted living (including memory support) or nursing care at established daily rates. In such a case, the second person will be treated as a resident of assisted living (including memory support) or nursing care, paying a daily rate for care.

## **VI. GENERAL**

- A. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, and services and programs of Westminster Canterbury are personal to you and may not be transferred or assigned by you.
- B. **Management of Westminster Canterbury.** The Board of Trustees of Westminster Canterbury and its management reserve the absolute rights of management as delegated by the Board of Trustees. Westminster Canterbury reserves the right to accept or reject any person for Residence. Residents do not have the right to determine admissions or terms of admission of any other resident.
- C. **No Liability of Officers, Board Members or Affiliate.** You hereby acknowledge and agree that the obligations of Westminster Canterbury under this Agreement are an obligation of Westminster Canterbury only and that such obligations have not been guaranteed by any officer, Board member, employee, agent or affiliate of Westminster Canterbury or any other organization other than Westminster Canterbury and that no other person or organization is responsible to you for the provision of any service or the payment of any money pursuant to this Agreement.
- D. **Negligence and Misconduct.** Westminster Canterbury assumes no responsibility for any injury to you or damage or loss to your property caused by the negligence or misconduct of another resident or any guest of another resident, unless Westminster Canterbury has been grossly negligent and such negligence caused such injury, damage or loss.
- E. **Waiver of Liability.** You hereby release Westminster Canterbury and its Board of Trustees, officers, and employees from liability for your death, injury (to your person or property) caused by fire, theft, assault or other cause beyond the control of Westminster Canterbury, and from any liability resulting from the negligence or wrongful acts of other residents, and you hereby waive any claim that you or your estate may have against Westminster Canterbury therefrom.
- F. **Confidentiality of Personal Information.** Westminster Canterbury will hold in confidence all of your personal, financial, and medical information pursuant to the rules and regulations of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and Section 63.2-1808.A.4 of the Code of Virginia, 1950, as amended.
- G. **Entire Agreement.**  
This Agreement, including all Addenda, constitutes the entire contract between Westminster Canterbury and you. Westminster Canterbury will not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent Westminster Canterbury, unless such statements, representations or promises are set forth in this Agreement.

This Agreement contains a statement of all of your rights and responsibilities. Do NOT enter into this Agreement in reliance on any statement made by any person on behalf of Westminster Canterbury which has not been put in writing, signed and



attached hereto.

This Agreement constitutes a legal and binding contract between you and Westminster Canterbury. Accordingly, Westminster Canterbury encourages you to seek independent financial and legal advice before executing this Agreement, but you are not required to do so to make this Agreement binding.

- H. **Nature of Your Interest.** Your rights are primarily for services, with a contractual right of occupancy. The rights and privileges granted to you by this Agreement do not include any right, title or interest in any part of the personal property, land, buildings or improvements owned or administered by Westminster Canterbury. Nothing contained in this Agreement will be construed to create a lease or the relationship of landlord and tenant between Westminster Canterbury and you.
- I. **Successors and Assigns.** This Agreement will bind and inure to the benefit of the successors and assigns of Westminster Canterbury. This Agreement may not be assigned by You, however, your heirs, executors, and administrators shall be bound by the terms of this Agreement.
- J. **Interruption in Services.** Westminster Canterbury will not be responsible for any interruption of the services provided in this Agreement caused by labor disputes, governmental or judicial orders and requirements, acts of God, civil riot, temporary termination of utility services, and any other cause not reasonably within its control, and which, by the exercise of ordinary care, Westminster Canterbury is unable, wholly or partially, to prevent or overcome.
- K. **Power of Attorney, Advance Medical Directive, Living Will, and Health Care Power of Attorney.** You agree to execute a general power of attorney designating some competent person as Attorney-in-Fact. You are further encouraged to consider execution of an Advance Medical Directive (or Living Will and Health Care Power of Attorney). You will provide Westminster Canterbury with a copy of your Power of Attorney, and, if applicable, a copy of your Advance Medical Directive (or Living Will and Health Care Power of Attorney, as the case may be).
- L. **Residents' Association.** The residents of Westminster Canterbury have established a Residents' Association, which is open to all residents. The Residents' Association elects representatives to a Residents' Council and Westminster Canterbury meets and consults regularly with the Residents' Council on matters directly affecting the well-being of residents for the purpose of discussing issues related to the community.
- M. **Affiliation with Religious Organizations.** You acknowledge that Westminster Canterbury is not an agent of the Episcopal Diocese of Southwestern Virginia or the Presbyterian Synod of the Mid-Atlantic, U.S.A., or any of their affiliated entities, and that liability for performance of Westminster Canterbury's obligations hereunder is limited to Westminster Canterbury.
- N. **Waiver of One Breach Not a Waiver of Any Other Breach.** The failure of

Westminster Canterbury in any one or more instances to insist upon your strict performance and compliance of any provision of this Agreement will not constitute a waiver or relinquishment by Westminster Canterbury of its right to insist on your future strict compliance.

**O. Renovations and Additions to Westminster Canterbury Facilities.**

From time to time, Westminster Canterbury may decide to renovate, demolish and add by construction to its property. You agree that you anticipate such activities by Westminster Canterbury, and that they will not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. You also agree that such activities by Westminster Canterbury will not constitute a breach by Westminster Canterbury of this Agreement or any other obligation owed by it to you. You further agree not to maintain any action against Westminster Canterbury to enjoin it from renovating, demolishing or adding by construction to its property.

**P. Insurance.** Westminster Canterbury carries insurance on its buildings and property, however, this insurance coverage does not cover the contents of your Residence or your valuable items. Accordingly, you agree to maintain adequate insurance coverage for the replacement value your personal property. You assume the risk of any damage to or loss of your personal property, whether caused by Westminster Canterbury or otherwise, which is not covered by insurance. On behalf of you and your insurers you waive any right of subrogation against Westminster Canterbury regarding damage to or loss of your personal property.

**Q. Notice.** Any notice or payment required by this Agreement to be delivered to any party will be considered properly given and sufficient for all purposes if delivered in person or mailed by first class postage prepaid to the appropriate party at the address given below or such other address as is provided to the sender by the receiving party:

**Westminster Canterbury:** President  
Westminster Canterbury of Lynchburg, Inc.  
501 VES Road  
Lynchburg, Virginia 24503

**Resident (prior to occupancy):** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Q. Governing Law.** The laws of the Commonwealth of Virginia will govern this Agreement.

**VII. EXCEPTIONS**

This section will not be applicable and will be without effect, unless completed.

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

**VIII. ACKNOWLEDGEMENTS**

You acknowledge that you have been given **Westminster Canterbury's Disclosure Statement** (pursuant to Sections 38.2-4902 and 38.2-4903 of the Code of Virginia, 1950, as amended) at least three (3) days prior to signing this Agreement and that you understand that it is your responsibility to read this document. You have been given the opportunity to seek independent financial and legal advice as to the terms of this Agreement, and you have been given the opportunity to discuss the provisions of this Agreement and Westminster Canterbury's Disclosure Statement with Westminster Canterbury.

IN WITNESS WHEREOF, Westminster Canterbury and the Resident have executed this Agreement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

\_\_\_\_\_  
(current address)  
\_\_\_\_\_

WESTMINSTER CANTERBURY OF LYNCHBURG, INC.

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

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

**ADDENDUM "A"**

**to the Fee-for-Service Residence and Care Agreement between  
WESTMINSTER CANTERBURY of LYNCHBURG, INC. ("Westminster Canterbury")  
and \_\_\_\_\_ ("Resident", "You" or "you")**

**RECITALS:**

Westminster Canterbury and you have entered into a Fee-for-Service Residence and Care Agreement of even date herewith (the "Agreement"). Westminster Canterbury and you wish to execute this Addendum "A" for the purpose of evidencing your elections as to Assisted Living and/or Nursing Care Coverage and the Entrance Fee Refund.

**ASSISTED LIVING and/or NURSING COVERAGE**

**I.** You have selected the Fee-for-Service Agreement:

Assisted Living and/or Nursing Care may be covered for a limited time under the Resident's Medicare or Medicare Supplement policies (and/or any additional LTC insurance policy Resident has in effect). Westminster Canterbury is not responsible for any Assisted Living or Nursing Care services charges under this Fee-for-Service Agreement, outside of the five percent (5%) reduction for assisted living and the fifteen percent (15%) reduction for health care described in Section II. B. of this Agreement.

**ENTRANCE FEE REFUNDS**

You have initialed to indicate that you have selected the following Entrance Fee Refund plan for purposes of this Agreement:

- A. \_\_\_\_\_ Traditional Plan.** In the event: (i) you voluntarily terminate this Agreement after **the date of this Agreement**, (ii) of your death after the date of this Agreement (iii) of termination of this Agreement by Westminster Canterbury, or (iv) of your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, **after the date of this Agreement**; provided, however, the refund of the Entrance Fee will not exceed ninety-six percent (96%) of the Entrance Fee **paid**. No Refund of the Entrance Fee will be paid to you or your estate after 50 months **following the date of this Agreement**. In the event of your failure to initial one of the three Entrance Fee Refund Plans, the refund of the Entrance Fee will be determined according to this Traditional Plan option.
- B. \_\_\_\_\_ Guaranteed 50% Plan.** An additional 34% will be added to the posted entry fee. In the event: (i) you voluntarily terminate this Agreement after **the date of this Agreement**, (ii) of your death after **the date of this Agreement** (iii) of

termination of **this Agreement** by Westminster Canterbury, or (iv) of your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, for 25 months **following the date of this Agreement**, with a 50% refund thereafter of the total Entrance Fee paid by you; provided, however, in no event will the refund of the Entrance Fee exceed 96% of the Entrance Fee.

C. Guaranteed 90% Plan. An additional 90% will be added to the posted entry fee. In the event: (i) you voluntarily terminate this Agreement after **the date of this Agreement**, (ii) of your death after **the date of this Agreement** (iii) of termination of this Agreement by Westminster Canterbury, or (iv) of your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, for five (5) months **following the date of this Agreement**, with a 90% refund thereafter of the total Entrance Fee paid by you; provided, however, in no event will the refund of the Entrance Fee exceed 96% of the Entrance Fee.

II. No refund becomes due until Resident (or both Residents if this Agreement covers two people) no longer resides at Westminster Canterbury and has vacated the Residence and the Residence is occupied by a new resident who has paid an Entrance Fee.

IN WITNESS WHEREOF Westminster Canterbury and \_\_\_\_\_  
have executed and delivered this Addendum to the Agreement this \_\_\_\_\_ **day of**  
\_\_\_\_\_ **20** \_\_\_\_\_.

Westminster Canterbury of Lynchburg, Inc.

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

Its : \_\_\_\_\_

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

1-25-07  
1-24-09  
1-11-10  
WCL 1 25 11  
11-3-14  
10-1-15  
3-01-18

**ADDENDUM "B"**  
**FELLOWSHIP ASSISTANCE**

THIS FELLOWSHIP ASSISTANCE AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between WESTMINSTER CANTERBURY OF LYNCHBURG, INC. (referred to as "Westminster Canterbury") and \_\_\_\_\_ (referred to as "You" or "you").

**RECITALS:**

- A. Westminster Canterbury and you have entered into a Fee-for-Service Residence and Care Agreement dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Agreement").
- B. If due to financial hardship, you are unable to pay the Entrance Fee, Monthly Services Fee, or other fees set forth in the Agreement, Westminster Canterbury is willing to provide Fellowship Assistance to you from gifts made by third parties to the Fellowship Fund.
- C. Westminster Canterbury and you wish to execute this Fellowship Assistance Agreement for the purpose of evidencing responsibilities of both parties as to Fellowship Assistance and your receipt and repayment of Fellowship Assistance.

**AGREEMENTS:**

- A. **Granting and Review of Fellowship Assistance.** Westminster Canterbury will grant Fellowship Assistance in the form of a loan to you under policies established by it. You agree that any determinations made by Westminster Canterbury concerning Fellowship Assistance will be final and binding on you, your heirs, and assigns, and any determination will be regarded as a confidential transaction between Westminster Canterbury and you except for reports required to be made to financial institutions lending monies to Westminster Canterbury and to regulatory and other governmental bodies. The amount of Fellowship Assistance lent is based, among other considerations, on the representations made by you at the time of application as to your financial position and assets. Westminster Canterbury may, at any time and in its sole discretion, begin, increase, decrease, or terminate Fellowship Assistance because of changes in the operating costs of Westminster Canterbury or changes in your assets or monthly income. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three (3) years.
- B. **Amount of Fellowship Assistance.** Westminster Canterbury will loan you as Fellowship Assistance the sum of \$ \_\_\_\_\_, with interest accruing at a rate of \_\_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Entrance Fee, and initially the sum of \$ \_\_\_\_\_ with interest accruing at a rate of \_\_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Monthly Services Fee shown in the Agreement ("Fellowship Assistance"). Westminster Canterbury agrees to furnish annual statements of Fellowship Assistance lent to you.

- C. **Claim against Your Estate.** You agree that upon your death your estate will be liable to Westminster Canterbury for the Fellowship Assistance you have received. This provision will apply irrespective of whether you are a resident at Westminster Canterbury at the time of death. Westminster Canterbury may deduct the full amount of Fellowship Assistance from any refund which may become due to you or your estate. You agree to execute any instruments, including notes, assignments, security agreements and deeds of trust that Westminster Canterbury deems necessary or desirable to evidence or secure its claim for repayment of Fellowship Assistance.
- D. **Management of Assets.** Upon request by Westminster Canterbury, you will make arrangements for the preservation and management of your property by a third party or parties, including the execution and funding of a trust agreement for your benefit whenever in the sole judgment of Westminster Canterbury it appears that (1) continued management of your property by you may place you in need of Fellowship Assistance or (2) you receive Fellowship Assistance. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three years.
- E. **Pursuit of Other Sources of Income.** If your sources of income are determined by Westminster Canterbury to be inadequate to meet your financial obligations to Westminster Canterbury and to pay personal expenses, you agree to make efforts to obtain financial assistance from family connections or other available means. If you are eligible to receive public benefits, including but not limited to, social security, old age benefits, aid to the blind, and veteran's pensions, you agree to apply for and diligently seek such benefits, and any such benefits obtained will be taken into account in adjusting Westminster Canterbury's monthly charge to you. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to apply for such benefits within a reasonable period of time, as determined by Westminster Canterbury, in its sole discretion.
- F. **Health Insurance.** As a condition of receiving Fellowship Assistance, you must submit evidence of health insurance held and maintained in accordance with the requirements of Section II of the Agreement. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to maintain such insurance, or if you failed to maintain such insurance in the past and such failure materially impaired your ability to satisfy your financial obligations under this Agreement.
- G. **Prohibited Transfers.** As a condition of receiving Fellowship Assistance, you represent that you have not made any gift of real personal, or intangible property within the five (5) years prior to submitting this request for Fellowship Assistance that materially impaired your ability to satisfy your financial obligations under the Agreement. You agree to provide any materials reasonably requested by Westminster Canterbury to evaluate your request for Fellowship Assistance, including the materials outlined in Section V.B.4. of the Agreement. You agree that you will not make any gift subsequent to receipt of Fellowship Assistance that would impair your ability or that of your estate to satisfy your financial obligations under the Agreement and this Fellowship Assistance Agreement.

**H. Receipt of Assets.** You agree to report promptly to Westminster Canterbury your receipt of or right to any property or any material increase or decrease in the value of your income or assets, whether the result of gift, inheritance, change in public assistance or otherwise.

IN WITNESS WHEREOF Westminster Canterbury and you have executed this Fellowship Assistance Agreement, which is attached to and made a part of the Residence and Care Agreement, all as of the day and year first above written.

Westminster Canterbury of Lynchburg, Inc.

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

Its: \_\_\_\_\_

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

1-25-07  
8-27-07  
1-24-09  
12-15 11  
5-1-14  
1-21-15  
3-01-18



**ADDENDUM "C"**  
**to the LifeCare Residence and Care Agreement between**  
**WESTMINSTER CANTERBURY of LYNCHBURG, INC. ("Westminster**  
**Canterbury") and \_\_\_\_\_ ("Resident", "You" or "you")**

**RECITALS:**

Westminster Canterbury and you have entered into a certain Residence and Care Agreement dated \_\_\_\_\_ (the "Agreement"). Westminster Canterbury and you wish to execute this Addendum "C" for the purpose of evidencing your agreement regarding the terms of payment of the Entrance Fee.

Westminster Canterbury will allow \_\_\_\_\_ (Resident) to reside in \_\_\_\_\_ prior to complete payment of the Entrance Fee, as such fee is defined in the Agreement, under the following conditions:

1. Resident agrees to secure and provide proof of an equity line of credit or bridge loan, in an amount sufficient to pay Westminster Canterbury \$ \_\_\_\_\_, the outstanding balance of the Entrance Fee.
2. The balance of the Entrance Fee must be paid to Westminster Canterbury no later than September 10, \_\_\_\_\_.
3. Westminster Canterbury agrees to credit the resident's monthly statement for interest incurred on such equity line or bridge loan for no more than six months.

IN WITNESS WHEREOF, Westminster Canterbury and Resident have executed and delivered this Addendum C to the Agreement this \_\_\_\_\_ day of \_\_\_\_\_.

WESTMINSTER CANTERBURY OF LYNCHBURG, INC.

Administration: \_\_\_\_\_

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



**AZALEA OPTION FEE-FOR-SERVICE  
RESIDENCE & CARE AGREEMENT**

**AZALEA OPTION  
FEE-FOR-SERVICE RESIDENCE AND CARE AGREEMENT  
WESTMINSTER CANTERBURY OF LYNCHBURG, INC.**

THIS FEE-FOR-SERVICE RESIDENCE AND CARE AGREEMENT (referred to as the "Agreement") is made and entered into this \_\_\_\_day of \_\_\_\_\_, by and between WESTMINSTER CANTERBURY OF LYNCHBURG, INC. (referred to as "Westminster Canterbury") and \_\_\_\_\_ (referred to as "Resident", "You" or "you").

**RECITALS:**

- A. Westminster Canterbury is a non-profit corporation organized under the laws of the Commonwealth of Virginia and has established and operates a Continuing Care Retirement Community in Lynchburg, Virginia.
- B. You desire to become a resident of Westminster Canterbury and to use and enjoy the common areas and amenities, programs, and services provided by Westminster Canterbury, including Assisted Living, Memory Support, and Nursing Care.
- C. You and Westminster Canterbury desire to establish your rights and obligations and Westminster Canterbury's rights and obligations, in addition to those afforded or implied by law, regarding your residency at Westminster Canterbury in Lynchburg, Virginia.

**AGREEMENTS:**

**WHEREFORE**, in consideration of the above recitals, the following covenants, promises and obligations, and other good and valuable considerations, the receipt and sufficiency of which you and Westminster Canterbury acknowledge; you and Westminster Canterbury agree as follows:

**I. RESIDENCE, AMENITIES, AND SERVICES**

- A. **Residence.** As of the date of this Agreement, you are a Resident who has chosen the Fee-For-Service Azalea Option (an "Azalea Resident"). As an Azalea Resident, you will not be assigned to a residence unit until such time as you choose to move into a residence on Westminster Canterbury's campus (such residence, the "Residence"). You will have the exclusive, personal, non-assignable right to occupy, use, and enjoy the Residence, subject to the provisions of this Agreement, including, but not limited to Section II.H.
- B. **Furnishings in the Residence.** As an on-campus Resident, Westminster Canterbury will provide such features as flooring, emergency call system and other furnishings as described in Westminster Canterbury's current literature. All other furniture and furnishings for the Residence will be provided by the Resident.
- C. **Options and Custom Features in the Residence.** As an on-campus Resident, Westminster Canterbury will provide and you may select certain options and custom features in the Residence as described in Westminster Canterbury's literature at additional charge. Any such improvement or modification will become the property of Westminster Canterbury. The value of such improvements or

modifications will not be credited to Resident in calculating any amount due from or to the Resident, including the amount of any refund.

- D. Amenities.** Westminster Canterbury provides common areas and amenities for the use and benefit of all residents such as Dogwood Dining, Canterbury Cafe, James River Grille, meeting and conference rooms, arts and crafts room, Art Studio, exercise/fitness amenities, the Strickler Library, Weissert Chapel, "The Commons" area, "Bridge" area, lobbies, lounges, indoor and outdoor recreational areas.
- E. Parking.** Westminster Canterbury provides lighted and paved parking areas.
- F. Services.**
- 1. Utilities.** As an on-campus Resident, Westminster Canterbury will furnish heating, air conditioning, electricity, water, sewer, local telephone service and trash removal. You will pay for long-distance telephone service charges.
  - 2. Dining.** Westminster Canterbury offers three meals daily with the exception of special holidays and Sunday. As an on-campus Resident, your Monthly Services Fee includes the equivalent of 30 meals, using a declining dollar value program. You may purchase additional meals at established rates.
  - 3. Dining Delivery.** As an on-campus Resident, limited dining service to your Residence may be provided when approved by authorized staff at an additional charge.
  - 4. Housekeeping Services.** As an on-campus Resident, weekly housekeeping service will be provided by Westminster Canterbury in the Residence including vacuum cleaning, dusting, cleaning of baths and kitchen, and trash removal. You agree to maintain the Residence in a safe, clean, sanitary and orderly condition, and to perform all usual light housekeeping. In the event you fail to so maintain the Residence, Westminster Canterbury may, in addition to and not in limitation of its other rights under this Agreement, perform at your expense such cleaning, fumigation and other work necessary to return the Residence to a safe, clean, sanitary, or orderly condition.
  - 5. Laundry and Linens.** If you are a cottage resident or reside in a residence with a washer/dryer unit on-campus, you will provide and launder your own bed and bath linens. Westminster Canterbury will change these linens for you; otherwise Westminster Canterbury will provide and launder bed and bath linens.
  - 6. Groundskeeping.** As an on-campus Resident, Westminster Canterbury will furnish groundskeeping service, including lawn, tree and shrubbery care. Subject to approval by Westminster Canterbury, you may plant and maintain certain areas designated for such purpose.

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 Westminster Canterbury caused by you or your guests, ordinary wear and tear excepted.
8. **Transportation.** As an on-campus Resident, Westminster Canterbury will provide local transportation for residents on a scheduled basis for shopping and medical appointments. An additional charge may be made for transportation, special, personal or group trips.
9. **Security and Safety.** Westminster Canterbury will provide smoke detectors in each residence, a 24-hour emergency call system, security procedures, illuminated parking areas and roadways, a sprinkler system in the central building, and an auxiliary power source in designated areas in the central buildings.
10. **Television.** As an on-campus Resident, access to a television system will be provided to you. A basic package of channels is included in the Monthly Services Fee for one television in the residence. An additional charge will be made for premium channel packages.
11. **Internet.** As an on-campus Resident, access to internet will be provided to you. Our public Wi-Fi is provided free of charge. An additional charge will be made for private internet provided at various speeds through Comcast.
12. **Arts and Programs.** Westminster Canterbury will provide social, recreational, spiritual, educational and cultural programs, exercise and health programs, and other special activities. An additional charge may apply for some events.
13. **Guests.** Westminster Canterbury provides guest dining and overnight accommodations, subject to availability and at established rates. Westminster Canterbury may require that overnight guests be registered. Guest stays longer than one week must be approved in advance. You will be responsible for the conduct of your guests. No guest will be entitled to any rights or privileges under this Agreement by reason of his or her status as your guest.
14. **Private Dining and Catering.** A private dining room is provided upon reasonable request at no charge. Catering services are provided at an additional charge.
15. **Beauty/Barber Shop.** Beauty/barber service is provided and such services will be billed monthly.
16. **Pets.** Pets may reside with you in accordance with the policies and procedures of Westminster Canterbury.

17. **Smoking.** Smoking is not permitted at Westminster Canterbury

## **II. HEALTH SERVICES**

Following payment of the Entrance Fee and Monthly Services Fee, Westminster Canterbury will furnish health services to the extent deemed necessary by Westminster Canterbury's Medical Director and subject to the following provisions. The health services provided by Westminster Canterbury include assisted living, memory support, nursing care, and skilled nursing care.

- A. Outpatient Services.** As an on-campus Resident, Westminster Canterbury will provide a clinic at Westminster Canterbury where you may be examined and treated as an outpatient. Westminster Canterbury will arrange for a physician to be available from time to time in the Clinic for your convenience. You are free, however, to engage the services of a physician of your own choice and such physician may also use the services of the Clinic, subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury may make available the services of a physical therapist and other health professionals as it deems necessary, but you are free to engage the services of health professionals of your choice.
- B. Inpatient Services.** If you choose to have assisted living (including memory support) or nursing care (including skilled care and nursing care) services (together referred to as "inpatient services") provided by Westminster Canterbury, or if you require such care, you agree to pay the charges and fees associated with these inpatient services in addition to other charges and fees (such as the Monthly Services Fee while an inpatient receiving healthcare services on a temporary basis with plans of returning to the Residence). Westminster Canterbury will require you or your authorized agent to execute a contract with Westminster Canterbury for inpatient services, and you agree to execute such an agreement. Westminster Canterbury will not be responsible for covering the cost of your nursing care accommodations and services that are not covered by Medicare for inpatient services. Care offered by Westminster Canterbury will be provided in nursing care, assisted living, or another specifically designated part of Westminster Canterbury (contingent upon availability). You will be responsible for the charges related to the per diem rate for nursing care, less fifteen percent (15%) and assisted living care, less five percent (5%). You will be entitled to priority over non-resident community applicants for admission to assisted living (including memory support) or nursing care (including skilled care) services.
- C.** As an on-campus Resident, you may employ private duty employees at your own expense, but subject to approval by Westminster Canterbury and subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury has disclosed and explained your options with regard to the level of nursing care provided.

No refund on the Entrance Fee is due at the time the Resident is transferred to the Healthcare Center.

Westminster Canterbury will provide a Memory Support Center for residents requiring routine assistance and a supportive environment due to Alzheimer's disease and related disorders. Services provided in the Memory Support Center will be limited to those permitted and typically provided under licensure from governing authorities.

**D. Wellness Program.** Westminster Canterbury will provide a Wellness Program that includes use of the Westminster Canterbury pool, fitness and exercise center, subject to the rules and regulations of Westminster Canterbury.

**E. Medicare and Health Insurance Assignment.** You will, if not already enrolled, apply for and secure enrollment in the Hospital Insurance Benefits Program under Part A of Public Law 89-97 ("Medicare") and during the next enrollment period after submitting your application for admission to Westminster Canterbury, apply for, secure and pay the premium for the Medicare supplementary medical insurance benefits under Part B of Public Law 89-97 or Part C Medicare Advantage Plan, as well as a Part D prescription Plan. If you are not eligible for these programs, you will obtain equivalent insurance coverage acceptable to Westminster Canterbury. If you become entitled to payments for health services from other governmental agencies or programs, you will make application for such payments and turn over and remit to Westminster Canterbury any payments received.

Westminster Canterbury is certified in the Medicare/Medicaid Programs, and reserves the right to withdraw from one or both programs if deemed advisable by Westminster Canterbury. Additionally, the provisions of this Agreement are subject to changes in State and Federal Law, as may be applicable.

**F. Supplemental Insurance.** You will obtain a supplemental insurance policy acceptable to Westminster Canterbury to pay Medicare Part A and Part B co-insurance and deductible amounts.

**G. Maintenance of Health Insurance.** There are many reasons why it's important to maintain health insurance. A health insurance plan, like Medicare and supplemental insurance, can cover most or all medical and hospital expenses if you're injured, sick or require an operation. It can also offset costs for preventative care like screenings, check-ups, therapy and vaccines that are essential for maintaining your health. Failure to maintain your health insurance coverage will cause you to be financially responsible for any cost related to medical services provided by Westminster Canterbury.

**H. Health-Related Charges.** You will pay the following charges to the extent they are not covered by Medicare or your supplemental insurance:

1. Per diem rate for nursing care, less fifteen percent (15%) and assisted living care, less five percent (5%).
2. Charges of any physician, physical therapist, occupational therapist, podiatrist, or other health professional, whether provided at Westminster Canterbury or elsewhere;

3. Hospital charges and charges for care or services beyond that licensed or provided at Westminster Canterbury;
4. Charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, and other health-related items; and
5. All other charges for services Westminster Canterbury is not required by this Agreement or law to provide.

**I. Transfer from Residence.** The Resident agrees that Westminster Canterbury will have the authority to determine whether the Resident should be transferred from the Residence to Assisted Living, Memory Support or Health Care or from one level of care to another level of care within the community. Such determination will be based on the professional opinion of Westminster Canterbury's Medical Director and the President and CEO and will be made only after consultation to the extent practical with the Resident, a representative of the Resident's family or the sponsor of the Resident, and the Resident's attending physician.

**J. Change to Scope of Care or Services.** Westminster Canterbury will provide you with at least 30 days' notice of any change in the scope of the care or services provided in Section II before such change becomes effective, unless the change is required earlier by state or federal assistance programs or by law.

**K. Health Care Information Consent.** At any time after occupying the Residence, Westminster Canterbury may require a physician's report or other medical and health care information following any hospitalization or doctor's office visit, when Westminster Canterbury determines that your health condition warrants such a report or information or when required by a licensing agency. You give your consent and grant permission for such reports and information to be disclosed by your health care provider to Westminster Canterbury for this purpose.

### **III. FINANCIAL ARRANGEMENTS**

**A. Entrance Fee.** You agree to pay to Westminster Canterbury an entrance fee as a condition of becoming a resident (the "Entrance Fee"). The Entrance Fee for the Azalea Option (the "Azalea Option Entrance Fee") is **\$71,370**. Upon your election to transition from an Azalea Resident to an on-campus Resident, prior to occupying the chosen Residence, you will pay any additional Entrance Fee that may be due. This transition policy is more particularly described below, in Section VII, Exceptions.

**B. Terms of Payment of the Entrance Fee.** The terms of payment of the Entrance Fee will be as follows:

1. **Azalea Option Entrance Fee Deposit.** An amount equal to \$\_\_\_\_\_ was paid at the time you submitted your application.



Westminster Canterbury will maintain the deposit in a separate account. All funds or assets deposited in the account will remain your property until released to Westminster Canterbury upon settlement payment of the balance of the Azalea Option Entrance Fee. These reservation funds or assets will not be subject to any liens, judgments, garnishments or creditor's claims against Westminster Canterbury. All reservation funds or assets deposited will be released to Westminster Canterbury upon payment of the balance of the Azalea Option Entrance Fee.

2. **Azalea Option Entrance Fee Balance.** The balance of the Azalea Option Entrance Fee, \$\_\_\_\_\_, will be due on the date of this agreement unless otherwise extended in writing by Westminster Canterbury.
3. **Transition to On-Campus Resident; Entrance Fee.** Upon your election to transition from being an Azalea Resident to an on-campus Resident, you agree to sign an addendum to this Agreement reflecting your choice of Residence and any additional Entrance Fee due, based on the Residence you choose (such addendum the "Azalea Resident Transition Addendum").

C. **Monthly Services Fee.** In addition to the Entrance Fee and the payment for any options and custom features, you agree to pay a monthly services fee (the "Monthly Services Fee") during the term of this Agreement, which will be payable, in advance, on the first of each month and will be prorated for any period less than a month. While you are an Azalea Resident and before you transition on campus, no Monthly Services Fee will be due, unless adjusted by Westminster Canterbury in accordance with Section III.D. The Monthly Services Fee will be adjusted upon your transition from an Azalea Resident to a Resident residing on-campus at Westminster Canterbury, such Monthly Services Fee will be outlined in the Azalea Resident Transition Addendum. Unless otherwise agreed to in writing by Westminster Canterbury, this Monthly Services Fee, will begin upon the date of occupancy of the Residence or the date outlined in the Azalea Resident Transition Addendum. The Monthly Services Fee may be adjusted by Westminster Canterbury during the term of this Agreement pursuant to Section III.D. below. **SEE SECTION VII. EXCEPTIONS**

D. **Increases in the Monthly Services Fee.** The Monthly Services Fee is payable to provide the amenities, programs and services described in this Agreement and is intended to meet Westminster Canterbury's operating costs. Westminster Canterbury may increase the Monthly Services Fee as it, in its discretion, deems necessary in order to reflect changes in costs consistent with operating on a sound financial basis and maintaining the quality of amenities, programs, and services. Any increases in the Monthly Services Fee or other charges may be made by Westminster Canterbury upon 30 days' written notice to you. Westminster Canterbury will endeavor to maintain its schedule of fees at the lowest possible rate consistent with sound financial practice and maintenance of the quality of programs and services. **SEE SECTION VII. EXCEPTIONS**

- E. Monthly Statements; Late Fee.** Westminster Canterbury will furnish you with monthly statements showing the total amount of fees and other charges owed by you. In the event the Monthly Services Fee or other charges are not paid in full on or before the 25<sup>th</sup> day of the month for which such are due and payable, a late payment assessment of one and one-half percent (1.5%) per month will be charged on the unpaid balance.
- F. Healthcare Services and Dining.** Westminster Canterbury will provide you with nursing care services as detailed in Section II.B. of this Fee-for-Service Agreement (Inpatient Services). If you need care in assisted living (including memory support) or nursing care, you will pay the charges related to the per diem rate for nursing care, less fifteen percent (15%) and assisted living care, less five percent (5%). There will be no additional charges to provide you three meals daily as required under federal and state law for a person residing in such a facility.
- G. Fellowship Assistance.** Westminster Canterbury may grant financial assistance (referred to as “Fellowship Assistance”) to you under policies and procedures established by Westminster Canterbury, as stated in Addendum “B” and as established from time to time.
- H. Liability for Charges.** In the event it is necessary for Westminster Canterbury to institute legal action or other proceedings to recover amounts payable to Westminster Canterbury under this Agreement, or otherwise to enforce any of the provisions of this Agreement, Westminster Canterbury also will be entitled to recover reasonable attorneys’ and legal fees and all costs incurred in connection with such proceedings. This provision will survive the termination of this Agreement.

#### **IV. TERMINATION AND REFUND PROVISIONS**

- A. General.** Subject to the right of refund set forth in this Section IV, Westminster Canterbury will use the Entrance Fee for general corporate purposes. Except for rescission by you of this Agreement under Section IV.B. below and termination of this Agreement under Section IV.C. below (but only if such termination occurs prior to occupancy), all refunds of any portion of the Entrance Fee are expressly conditioned upon Westminster Canterbury’s acceptance for admission of a new resident, the new resident’s payment of the Entrance Fee, and the new resident’s occupancy of the Residence. Any refund of the Entrance Fee that may be due to you or your estate will first be applied to satisfy, in part or in whole, any outstanding Monthly Services Fee or other charge(s) owed by you to Westminster Canterbury and/or the interest and principal outstanding on any Fellowship Assistance granted to you by Westminster Canterbury, and the balance thereof will be paid to you or your estate. In no event will you or your estate receive a refund of the Monthly Services Fee paid to Westminster Canterbury.
- B. Right of Rescission and Seven (7) Day Rescission Period.** This Agreement may be rescinded by you by giving written notice of such rescission to Westminster Canterbury within seven (7) days following the date of this Agreement. It may also be rescinded by you by giving written notice of such rescission to Westminster Canterbury at any time prior to completion of the agreement. In the event of such rescission, you will receive a

full refund of the Entrance Fee paid by you. Such refund will be paid by Westminster Canterbury within 30 days following the receipt of written notification of such termination.

**C. Termination.** You may terminate this Agreement for any reason within one year of the date of this Agreement by giving written notice to Westminster Canterbury. In the event of such termination, you will receive a refund of the Entrance Fee paid by you.

Unless protected by a confirmation letter affirming your Fee-for-Service Agreement eligibility, Westminster Canterbury may terminate this Agreement prior to your completion of the agreement if you suffer an illness or injury or become incapacitated making you then ineligible for admission to Westminster Canterbury at Westminster Canterbury's discretion. You will receive a refund of the Entrance Fee paid by you, less costs incurred by Westminster Canterbury, at your request and as set forth on Exhibit A attached hereto. This refund will be paid by Westminster Canterbury within 30 days following Westminster Canterbury's determination to so terminate this Agreement.

**D. Voluntary Termination after Occupancy.** You may terminate this Agreement for any reason after occupancy of the Residence by giving thirty 30 days written notice to Westminster Canterbury. In the event of termination, you will receive a refund of the Entrance Fee paid by you, determined in accordance with your selection in Addendum "A" attached hereto. Such refund, if any, will be expressly conditioned upon acceptance by Westminster Canterbury of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence, and will be paid by Westminster Canterbury within 30 days following receipt of such Entrance Fee.-DOES NOT APPLY TO AZALEA OPTION

**E. Termination upon Death.** In the event of your death at any time after occupancy of the Residence, your obligations and those of Westminster Canterbury under this Agreement will terminate, and, except as is specifically provided herein, the refund of the Entrance Fee paid by you will be determined in accordance with your selection in Addendum "A" below. Notwithstanding the termination of this Agreement, Resident (including a deceased Resident) will be deemed to occupy their Residence and Resident's Monthly Services Fee will continue to accrue as normal. In the event of the death of a Resident, Resident's family or sponsor will have no more than thirty (30) days to remove Resident's possessions from the Residence.

**F. Termination by Westminster Canterbury.** Westminster Canterbury may terminate this Agreement at any time for good cause. Good cause will be limited to: (i) proof that you are a danger to yourself or others; (ii) nonpayment of the Monthly Services Fee or other charges; (iii) repeated conduct by you that interferes with other residents' quiet enjoyment of the community; (iv) persistent refusal to comply with reasonable written rules and regulations of Westminster Canterbury; (v) a material misrepresentation made intentionally or recklessly by you in your application, or related materials, which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of providing to you the care and services provided under this Agreement; or (vi) material breach by you of the terms and conditions of this

Agreement. Westminster Canterbury will not terminate this Agreement pursuant to this Section IV.F. without 60 days prior written notice of such termination by the President of Westminster Canterbury, during which period you will have the opportunity to cure the matters on which the notice by Westminster Canterbury to terminate were based. In the event of termination for any of these causes, the refund of the Entrance Fee will be determined in accordance with your selection on Addendum "A" attached hereto.

**G. Refund of Entrance Fee for Voluntary Termination, Death, or Termination by Westminster Canterbury.** Westminster Canterbury has disclosed and explained to you the Entrance Fee Refund Plan options available in the event that this Agreement is terminated by you voluntarily, by your death, or by Westminster Canterbury. You have indicated your choice of Entrance Fee Refund options on Addendum "A" attached hereto.

**H. Condition of Residence.** On the effective date of termination of this Agreement, you will vacate any occupied Residence and will leave it in as good condition as it was on the date of occupation of the Residence by you, ordinary wear and tear excepted. You or your estate will be liable to Westminster Canterbury for any cost incurred in restoring the Residence to as good condition as that when you occupied the Residence, ordinary wear and tear excepted.

**I. Multiple Occupancy.** In the event that the Agreement is being made with two persons who will occupy the Residence, no refund will be made to one such resident or his or her estate until both Residents no longer reside at Westminster Canterbury and have vacated the Residence and the Residence is occupied by a new resident.

**V. TERMS OF RESIDENCY**

**A. Physical and Mental Health Requirements of Resident.** As a condition of occupancy of the Residence, you will be physically and mentally capable of performing routine activities of daily living and able to respond appropriately to emergency situations. If, in the judgment of Westminster Canterbury's Medical Director or President, you are unable to comply with these requirements, Westminster Canterbury will transfer you to an appropriate level of care within Westminster Canterbury. In the event Westminster Canterbury is not permitted by law to provide the necessary care to you, the provisions of Section V.F. below will apply.

**B. Covenants by You.** You covenant and agree to:

1. Comply with all rules, policies, and procedures of Westminster Canterbury, now in effect and as amended, modified, or adopted from time to time. Any rules and regulations adopted by Westminster Canterbury will be applied to all residents similarly situated without preference or prejudice to any resident or group of residents;
2. Pay the fees and charges required under this Agreement in a timely fashion;

3. Not impair your ability to meet your financial obligations under this Agreement by making any gift or other transfer of property for less than adequate consideration if the gift or transfer would render you unable to meet such obligations;
  4. Provide Westminster Canterbury with financial statements, including income and gift tax returns, pursuant to Addendum "B" if you are requesting Fellowship Assistance, for five years prior to requesting such assistance; and
  5. Abide by all other terms of this Agreement.
- C. **Representations.** Your application and the statements of your finances and health history filed with Westminster Canterbury are incorporated in this Agreement by this reference and all statements therein and the statement of your age contained herein are deemed to be representations by you as of the date made. You represent that there have been no material changes in the information provided since the date of your application and the statements of your finances and health history.
- D. **Transfer to a Different Residence.** At any time after occupying the Residence, you may transfer to another residence (the "New Residence") within Westminster Canterbury based on availability and approval. No refund for the difference between the Entrance Fee for the Residence and the Entrance Fee for the smaller New Residence will be made by Westminster Canterbury. If you transfer to a larger Residence, you will pay an amount equal to the then current Entrance Fee for the larger New Residence less the Entrance Fee paid by you for the original Residence. When you transfer to a smaller New Residence or a larger New Residence, you agree to sign an addendum to this Agreement for the New Residence. Your Monthly Services Fee will be prorated based on the number of days in each Residence (the original Residence and the New Residence) for the month of your transfer. Thereafter you will pay the Services Fee associated with the new Residence. Westminster Canterbury may charge an in-house move fee. The fee will be determined by Westminster Canterbury and explained prior to your move.
- E. **Transfer at Option of Westminster Canterbury.** If Westminster Canterbury reasonably determines that the Residence needs to be vacated by you to permit repairs or renovations or the transfer of such space to a different use or different configuration, Westminster Canterbury may transfer you to a new Residence of the same size provided that Westminster Canterbury (i) consults with you prior to undertaking any such transfer; (ii) gives you reasonable notice of and time to prepare for such transfer; (iii) incurs the costs of such move; and (iv) arranges for the prompt and convenient moving of your personal furnishings.
- F. **Transfer from Westminster Canterbury.** If you suffer any disability for which Westminster Canterbury is not authorized by law to provide care, or if your presence is deemed by Westminster Canterbury, in its sole discretion, to be detrimental to the health or quiet enjoyment of the other residents, or when Westminster Canterbury, in its sole discretion, determines such action to be in your best interests, Westminster

Canterbury will have authority to transfer you to another facility or institution, public or private. If such transfer is determined by Westminster Canterbury's Medical Director to be temporary, the transfer will not be deemed a termination of this Agreement.

If such transfer is determined by Westminster Canterbury's Medical Director not to be temporary, the transfer will constitute a termination of this Agreement, the Residence will be released, the provisions of Section V.I. will apply as to the disposition of your property, and the refund of the Entrance Fee, if any, due to you will be determined in accordance with your selection of Entrance Fee Refund made on Addendum A hereto and subject to the admission of a new resident, the new resident's payment of the Entrance Fee, and the new resident's occupancy of the Residence formerly occupied by you.

- G. Indebtedness of Resident.** Westminster Canterbury will not be liable or responsible for any expense incurred or debt or obligation of any kind contracted by you on your own account. Westminster Canterbury is not obligated to furnish, supply, or give you any support, maintenance, board, or lodging when you are absent from Westminster Canterbury, nor any credit for absence from lodging or meals, except upon the prior written approval of Westminster Canterbury, and in accordance with such regulations as Westminster Canterbury may adopt from time to time. You will not cause any person to provide any labor or material for any repair or improvement to any part of Westminster Canterbury's facility, without the express written consent of Westminster Canterbury.
- H. Right of Entry.** You agree to give to duly authorized employees of Westminster Canterbury the right of entry into the Residence at all reasonable times for inspection, maintenance, and housekeeping purposes and at any time for emergency purposes. Westminster Canterbury recognizes your right to privacy and its responsibility to limit entry to such inspection, maintenance, housekeeping, and emergency purposes. For your safety, you agree not to replace or add any locks to the doors or windows of the Residence.
- I. Disposition of Property.** Upon termination of this Agreement or your indefinite transfer to assisted living (including memory support) or nursing care or your non-temporary transfer from Westminster Canterbury, all of your property must be removed from the Residence within 30 days. Westminster Canterbury will have the right to charge you or your estate the Monthly Services Fee in effect at the time of termination or transfer, prorated daily, until the property is removed from the Residence, which fee may be deducted from the Entrance Fee Refund, if any, due to you or your estate. In the event your property is not removed within such 30 day period, Westminster Canterbury will have the right to remove and store your property at your expense or the expense of your estate for a period of six (6) months, and, thereafter, if such property is not claimed, title to such property will become vested in Westminster Canterbury and it will be disposed of as Westminster Canterbury, in its discretion, deems appropriate, without any liability to you or your estate.

- J. Loss or Damage.** Notwithstanding any provision in this Agreement to the contrary, Westminster Canterbury, to the extent that it is authorized to do so by the terms and provisions of any fire insurance policy covering Westminster Canterbury, hereby waives any and all right to recover from you for any costs, loss or damage to Westminster Canterbury from risks ordinarily insured against under a standard fire policy with extended coverage, but only to the extent that such costs, loss or damage are covered by such policy and are collected by Westminster Canterbury.

Westminster Canterbury carries insurance on its buildings and property, however, this insurance coverage does not cover the contents of your Residence or your valuable items. Accordingly, you agree to maintain adequate insurance coverage for the replacement value your personal property. You assume the risk of any damage to or loss of your personal property, whether caused by Westminster Canterbury or otherwise, which is not covered by insurance. On behalf of you and your insurers you waive any right of subrogation against Westminster Canterbury regarding damage to or loss of your personal property.

- K. Rights of Resident.** Your rights under this Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of Westminster Canterbury.

In order to comply with the requirements of any bona fide lender to Westminster Canterbury, including holders of securities issued by the Industrial Development Authority of the City of Lynchburg, Virginia, now or hereafter outstanding, you agree that your rights under this Agreement will at all times be subordinate and inferior to the rights of the lender under any mortgage or deed of trust now or hereafter executed by Westminster Canterbury, or any successor to it in title, creating a lien on the property constituting Westminster Canterbury and you further agree to execute, acknowledge and deliver such subordination agreement as such lender may require in order to establish the priority of such mortgage or deed of trust as a lien against the property.

- L. Occupancy by Two Residents.** If two residents occupy the Residence, upon termination with respect to one of the residents, this Agreement will continue in effect for the remaining resident. The remaining resident will thereafter pay the Monthly Services Fee for one resident.
- M. Marriage during Occupancy or Additional Occupant.** In the event that you wish to have a second person occupy, by marriage or otherwise, the Residence, Westminster Canterbury may charge the second resident a fee equal to the then applicable Entrance Fee for such Residence or such lesser amount as agreed upon by Westminster Canterbury, you, and the second person.

Westminster Canterbury's acceptance of this second person will be contingent upon his or her ability to meet the criteria for admission to Westminster Canterbury. In the

event that any additional second person does not qualify for admission to Westminster Canterbury for occupancy in the Residence based on physical, mental, or other health criteria, Westminster Canterbury will make a reasonable effort to provide the necessary level of care for such person in assisted living (including memory support) or nursing care at established daily rates. In such a case, the second person will be treated as a resident of assisted living (including memory support) or nursing care, paying a daily rate for care.

## VI. GENERAL

- A. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, and services and programs of Westminster Canterbury are personal to you and may not be transferred or assigned by you.
- B. **Management of Westminster Canterbury.** The Board of Trustees of Westminster Canterbury and its management reserve the absolute rights of management as delegated by the Board of Trustees. Westminster Canterbury reserves the right to accept or reject any person for Residence. Residents do not have the right to determine admissions or terms of admission of any other resident.
- C. **No Liability of Officers, Board Members or Affiliate.** You hereby acknowledge and agree that the obligations of Westminster Canterbury under this Agreement are an obligation of Westminster Canterbury only and that such obligations have not been guaranteed by any officer, Board member, employee, agent or affiliate of Westminster Canterbury or any other organization other than Westminster Canterbury and that no other person or organization is responsible to you for the provision of any service or the payment of any money pursuant to this Agreement.
- D. **Negligence and Misconduct.** Westminster Canterbury assumes no responsibility for any injury to you or damage or loss to your property caused by the negligence or misconduct of another resident or any guest of another resident, unless Westminster Canterbury has been grossly negligent and such negligence caused such injury, damage or loss.
- E. **Waiver of Liability.** You hereby release Westminster Canterbury and its Board of Trustees, officers, and employees from liability for your death, injury (to your person or property) caused by fire, theft, assault or other cause beyond the control of Westminster Canterbury, and from any liability resulting from the negligence or wrongful acts of other residents, and you hereby waive any claim that you or your estate may have against Westminster Canterbury therefrom.
- F. **Confidentiality of Personal Information.** Westminster Canterbury will hold in confidence all of your personal, financial, and medical information pursuant to the rules and regulations of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and Section 63.2-1808.A.4 of the Code of Virginia, 1950, as amended.



**G. Entire Agreement.**

This Agreement, including all Addenda, constitutes the entire contract between Westminster Canterbury and you. Westminster Canterbury will not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent Westminster Canterbury, unless such statements, representations or promises are set forth in this Agreement.

This Agreement contains a statement of all of your rights and responsibilities. Do NOT enter into this Agreement in reliance on any statement made by any person on behalf of Westminster Canterbury which has not been put in writing, signed and attached hereto.

This Agreement constitutes a legal and binding contract between you and Westminster Canterbury. Accordingly, Westminster Canterbury encourages you to seek independent financial and legal advice before executing this Agreement, but you are not required to do so to make this Agreement binding.

**H. Nature of Your Interest.** Your rights are primarily for services, with a contractual right of occupancy upon your transfer from an Azalea Resident to an on-campus Resident. The rights and privileges granted to you by this Agreement do not include any right, title or interest in any part of the personal property, land, buildings or improvements owned or administered by Westminster Canterbury. Nothing contained in this Agreement will be construed to create a lease or the relationship of landlord and tenant between Westminster Canterbury and you.

**I. Successors and Assigns.** This Agreement will bind and inure to the benefit of the successors and assigns of Westminster Canterbury. This Agreement may not be assigned by You, however, your heirs, executors, and administrators, shall be bound by the terms of this Agreement.

**J. Interruption in Services.** Westminster Canterbury will not be responsible for any interruption of the services provided in this Agreement caused by labor disputes, governmental or judicial orders and requirements, acts of God, civil riot, temporary termination of utility services, and any other cause not reasonably within its control, and which, by the exercise of ordinary care, Westminster Canterbury is unable, wholly or partially, to prevent or overcome.

**K. Power of Attorney, Advance Medical Directive, Living Will, and Health Care Power of Attorney.** You agree to execute a general power of attorney designating some competent person as Attorney-in-Fact. You are further encouraged to consider execution of an Advance Medical Directive (or Living Will and Health Care Power of Attorney). You will provide Westminster Canterbury with a copy of your Power of Attorney, and, if applicable, a copy of your Advance Medical Directive (or Living Will and Health Care Power of Attorney, as the case may be).

**L. Residents' Association.** The residents of Westminster Canterbury have established a Residents' Association, which is open to all residents. The Residents' Association

elects representatives to a Residents' Council and Westminster Canterbury meets and consults regularly with the Residents' Council on matters directly affecting the well-being of residents for the purpose of discussing issues related to the community.

- M. Affiliation with Religious Organizations.** You acknowledge that Westminster Canterbury is not an agent of the Episcopal Diocese of Southwestern Virginia or the Presbyterian Synod of the Mid-Atlantic, U.S.A., or any of their affiliated entities, and that liability for performance of Westminster Canterbury's obligations hereunder is limited to Westminster Canterbury.
- N. Waiver of One Breach Not a Waiver of Any Other Breach.** The failure of Westminster Canterbury in any one or more instances to insist upon your strict performance and compliance of any provision of this Agreement will not constitute a waiver or relinquishment by Westminster Canterbury of its right to insist on your future strict compliance.
- O. Renovations and Additions to Westminster Canterbury Facilities.** From time to time, Westminster Canterbury may decide to renovate, demolish and add by construction to its property. You agree that you anticipate such activities by Westminster Canterbury, and that they will not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. You also agree that such activities by Westminster Canterbury will not constitute a breach by Westminster Canterbury of this Agreement or any other obligation owed by it to you. You further agree not to maintain any action against Westminster Canterbury to enjoin it from renovating, demolishing or adding by construction to its property.
- P. Insurance.** Westminster Canterbury carries insurance on its buildings and property, however, this insurance coverage does not cover the contents of your Residence or your valuable items. Accordingly, you agree to maintain adequate insurance coverage for the replacement value your personal property. You assume the risk of any damage to or loss of your personal property, whether caused by Westminster Canterbury or otherwise, which is not covered by insurance. On behalf of you and your insurers you waive any right of subrogation against Westminster Canterbury regarding damage to or loss of your personal property.
- Q. Notice.** Any notice or payment required by this Agreement to be delivered to any party will be considered properly given and sufficient for all purposes if delivered in person or mailed by first class postage prepaid to the appropriate party at the address given below or such other address as is provided to the sender by the receiving party:

**Westminster Canterbury:**

President  
Westminster Canterbury of Lynchburg, Inc.  
501 VES Road  
Lynchburg, Virginia 24503

Resident (prior to occupancy):

- Q. Governing Law.** The laws of the Commonwealth of Virginia will govern this Agreement.

**VII. EXCEPTIONS**

- A. Residents will be assessed for appropriate residential level at time of physical move to Westminster Canterbury Lynchburg.**
- B. Resident will pay the appropriate difference in entry fee when physically moving to an independent living residence on campus. If a move takes place within three years of the date of this contract, today's current entry fee schedule will be used in pricing the upgrade for the residential apartment or cottage. If the physical move to Westminster Canterbury extends beyond three years, the entry fee pricing protection will become limited to the previous year's published fee schedule pricing. In either case, the full Azalea Option entry fee would apply to the new residence entry fee.**
- C. Your refundable portion of the Azalea Entry Fee will be calculated according to the formula described in the Residency Agreement, beginning at the date of your original Azalea settlement. Your refundable portion of the additional amount paid for any larger residence's Entry Fee will be calculated likewise, but will begin upon the date of your up-graded residence's settlement.**
- D. Refund option may be revised, if desired, when a physical move to Westminster Canterbury takes place.**
- E. A Fee for Service Azalea Option resident will not be charged a monthly fee until physical residency takes place at Westminster Canterbury.**

**ACKNOWLEDGEMENTS**

You acknowledge that you have been given **Westminster Canterbury’s Disclosure Statement** (pursuant to Sections 38.2-4902 and 38.2-4903 of the Code of Virginia, 1950, as amended) at least three (3) days prior to signing this Agreement and that you understand that it is your responsibility to read this document. You have been given the opportunity to seek independent financial and legal advice as to the terms of this Agreement, and you have been given the opportunity to discuss the provisions of this Agreement and Westminster Canterbury’s Disclosure Statement with Westminster Canterbury.

IN WITNESS WHEREOF, Westminster Canterbury and the Resident have executed this Agreement.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

WESTMINSTER CANTERBURY OF LYNCHBURG, INC.

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

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

**ADDENDUM "A"**

**Addendum "A" to the  
Fee-for-Service Residence and Care Agreement between  
WESTMINSTER CANTERBURY of LYNCHBURG, INC. ("Westminster  
Canterbury") and \_\_\_\_\_  
("Resident", "You" or "you")**

**RECITALS:**

Westminster Canterbury and you have entered into a Fee-for-Service Residence and Care Agreement of even date herewith (the "Agreement"). Westminster Canterbury and you wish to execute this Addendum "A" for the purpose of evidencing your elections as to Assisted Living and/or Nursing Care Coverage and the Entrance Fee Refund.

**ASSISTED LIVING and/or NURSING COVERAGE**

You have selected the Fee-for-Service Agreement:

Assisted Living and/or Nursing Care may be covered for a limited time under the Resident's Medicare or Medicare Supplement policies (and/or any additional LTC insurance policy Resident has in effect). Westminster Canterbury is not responsible for any Assisted Living or Nursing Care services charges under this Fee-for-Service Agreement, outside of the five percent (5%) reduction for assisted living and the fifteen percent (15%) reduction for health care described in Section II. B. of this Agreement.

**ENTRANCE FEE REFUNDS**

You have selected the following Entrance Fee Refund plan for purposes of this Agreement (**Initial to indicate your choice**):

- A.   **Traditional Plan.** In the event: (i) you voluntarily terminate this Agreement after the date of this Agreement, (ii) of your death after the date of this Agreement, (iii) of termination by Westminster Canterbury of this Agreement, or (iv) of your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, after the date of this Agreement; provided, however, the refund of the Entrance Fee will not exceed ninety-six percent (96%) of the Entrance Fee. No Refund of the Entrance Fee will be paid to you or your estate after 50 months following the date of this Agreement. In the event of your failure to initial one of the three Entrance Fee Refund Plans, the refund of the Entrance Fee will be determined according to this Traditional Plan option.

- B. Guaranteed 50% Plan**. An additional 34% will be added to the posted entry fee. In the event: (i) you voluntarily terminate this Agreement after the date of this Agreement, (ii) of your death after the date of this Agreement, (iii) of termination of this Agreement by Westminster Canterbury, or (iv) your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, for 25 months following the date of this Agreement, with a 50% refund thereafter of the total Entrance Fee paid by you; provided, however, in no event will the refund of the Entrance Fee exceed 96% of the Entrance Fee.
- C. Guaranteed 90% Plan** An additional 90% will be added to the posted entry fee. In the event: (i) you voluntarily terminate this Agreement after the date of this Agreement, (ii) of your death after the date of this Agreement, (iii) of termination of this Agreement by Westminster Canterbury, or (iv) your non-temporary transfer from Westminster Canterbury, you or your estate will receive a refund of the Entrance Fee paid by you to Westminster Canterbury less two percent (2%) thereof for each month, or portion of a month, for five (5) months following the date of this Agreement, with a 90% refund thereafter of the total Entrance Fee paid by you; provided, however, in no event will the refund of the Entrance Fee exceed 96% of the Entrance Fee.

IN WITNESS WHEREOF Westminster Canterbury and \_\_\_\_\_  
 have executed and delivered this Addendum to the Agreement this \_\_\_\_\_.

Westminster Canterbury of Lynchburg, Inc.

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

Its: \_\_\_\_\_

\_\_\_\_\_

Resident

\_\_\_\_\_

Resident

1-25-07  
 1-24-09  
 1-11-10  
 WCL 1 25 11  
 11-3-14  
 3-01-18

**ADDENDUM "B"**  
**FELLOWSHIP ASSISTANCE**

THIS FELLOWSHIP ASSISTANCE AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between WESTMINSTER CANTERBURY OF LYNCHBURG, INC. (referred to as "Westminster Canterbury") and \_\_\_\_\_ (referred to as "Resident", "You" or "you").

**RECITALS:**

- A. Westminster Canterbury and you have entered into a LifeCare Residence and Care Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Agreement").
- B. If due to financial hardship, you are unable to pay the Entrance Fee, Monthly Services Fee, or other fees set forth in the Agreement, Westminster Canterbury is willing to provide Fellowship Assistance to you from gifts made by third parties to the Fellowship Fund.
- C. Westminster Canterbury and you wish to execute this Fellowship Assistance Agreement for the purpose of evidencing responsibilities of both parties as to Fellowship Assistance and your receipt and repayment of Fellowship Assistance.

**AGREEMENTS:**

- A. **Granting and Review of Fellowship Assistance.** Westminster Canterbury will grant Fellowship Assistance in the form of a loan to you under policies established by it. You agree that any determinations made by Westminster Canterbury concerning Fellowship Assistance will be final and binding on you, your heirs, and assigns, and any determination will be regarded as a confidential transaction between Westminster Canterbury and you except for reports required to be made to financial institutions lending monies to Westminster Canterbury and to regulatory and other governmental bodies. The amount of Fellowship Assistance lent is based, among other considerations, on the representations made by you at the time of application as to your financial position and assets. Westminster Canterbury may, at any time and in its sole discretion, begin, increase, decrease, or terminate Fellowship Assistance because of changes in the operating costs of Westminster Canterbury or changes in your assets or monthly income. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three (3) years.
- B. **Amount of Fellowship Assistance.** Westminster Canterbury will loan you as Fellowship Assistance the sum of \$ \_\_\_\_\_, with interest accruing at a rate of \_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Entrance Fee, and initially the sum of \$ \_\_\_\_\_ with interest accruing at a rate of \_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Monthly Services Fee shown in the LifeCare Agreement ("Fellowship Assistance"). Westminster Canterbury agrees to furnish annual statements of Fellowship Assistance lent to you.
- C. **Claim against Your Estate.** You agree that upon your death your estate will be liable to

Westminster Canterbury for the Fellowship Assistance you have received. This provision will apply irrespective of whether you are a resident at Westminster Canterbury at the time of death. Westminster Canterbury may deduct the full amount of Fellowship Assistance from any refund which may become due to you or your estate. You agree to execute any instruments, including notes, assignments, security agreements and deeds of trust that Westminster Canterbury deems necessary or desirable to evidence or secure its claim for repayment of Fellowship Assistance.

- D. Management of Assets.** Upon request by Westminster Canterbury, you will make arrangements for the preservation and management of your property by a third party or parties, including the execution and funding of a trust agreement for your benefit whenever in the sole judgment of Westminster Canterbury it appears that (1) continued management of your property by you may place you in need of Fellowship Assistance or (2) you receive Fellowship Assistance. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three years.
- E. Pursuit of Other Sources of Income.** If your sources of income are determined by Westminster Canterbury to be inadequate to meet your financial obligations to Westminster Canterbury and to pay personal expenses, you agree to make efforts to obtain financial assistance from family connections or other available means. If you are eligible to receive public benefits, including but not limited to, social security, old age benefits, aid to the blind, and veteran's pensions, you agree to apply for and diligently seek such benefits, and any such benefits obtained will be taken into account in adjusting Westminster Canterbury's monthly charge to you. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to apply for such benefits within a reasonable period of time, as determined by Westminster Canterbury, in its sole discretion.
- F. Health Insurance.** As a condition of receiving Fellowship Assistance, you must submit evidence of health insurance held and maintained in accordance with the requirements of Section II of the Agreement. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to maintain such insurance, or if you failed to maintain such insurance in the past and such failure materially impaired your ability to satisfy your financial obligations under this Agreement.
- G. Prohibited Transfers.** As a condition of receiving Fellowship Assistance, you represent that you have not made any gift of real, personal, or intangible property within the five (5) years prior to submitting this request for Fellowship Assistance that materially impaired your ability to satisfy your financial obligations under the Agreement. You agree to provide any materials reasonably requested by Westminster Canterbury to evaluate your request for Fellowship Assistance, including the materials outlined in Section V.B.4. of the Agreement. You agree that you will not make any gift subsequent to receipt of Fellowship Assistance that would impair your ability or that of your estate to satisfy your financial obligations under the Agreement and this Fellowship Assistance Agreement.



**H. Receipt of Assets.** You agree to report promptly to Westminster Canterbury your receipt of or right to any property or any material increase or decrease in the value of your income or assets, whether the result of gift, inheritance, change in public assistance or otherwise.

IN WITNESS WHEREOF Westminster Canterbury and you have executed this Fellowship Assistance Agreement, which is attached to and made a part of the Residence and Care Agreement, all as of the day and year first above written.

Westminster Canterbury of Lynchburg, Inc.

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

Its: \_\_\_\_\_

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

1-25-07  
8-27-07  
1-24-09  
1-25-11  
11-1-14  
1/15/15  
3/01/18



**ZERO ENTRANCE FEE**

**RESIDENCE & CARE AGREEMENT**

**The Zero Entrance Fee Contract is a continuing care contract  
*without an entrance fee.***

**ZERO ENTRANCE FEE  
LIFE CARE AGREEMENT  
WESTMINSTER CANTERBURY OF LYNCHBURG, INC.**

THIS ZERO ENTRANCE FEE LIFE CARE AGREEMENT (referred to as the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_, by and between WESTMINSTER CANTERBURY OF LYNCHBURG, INC. (referred to as "Westminster Canterbury") and (referred to as "Resident", "You" or "you").

**RECITALS:**

- A. Westminster Canterbury is a non-profit corporation organized under the laws of the Commonwealth of Virginia and has established and operates a Continuing Care Retirement Community in Lynchburg, Virginia.
- B. You desire to become a resident of Westminster Canterbury and to use and enjoy the common areas and amenities, programs, and services provided by Westminster Canterbury, including Assisted Living, Memory Support, and Nursing Care.
- C. You and Westminster Canterbury desire to establish your rights and obligations and Westminster Canterbury's rights and obligations, in addition to those afforded or implied by law, regarding your residency at Westminster Canterbury.-in Lynchburg, Virginia.

**AGREEMENTS:**

**WHEREFORE**, in consideration of the above recitals, the following covenants, promises and obligations, and other good and valuable considerations, the receipt and sufficiency of which you and Westminster Canterbury acknowledge; you and Westminster Canterbury agree as follows:

**I. RESIDENCE, AMENITIES, AND SERVICES**

- A. **Residence.** You will have the exclusive, personal, non-assignable right to occupy, use, and enjoy #204, a **Dogwood** style apartment/cottage (referred to as the "Residence"), subject to the provisions of this Agreement, including but not limited to Section II.H.
- B. **Furnishings in the Residence.** Westminster Canterbury will provide such features as flooring, emergency call system and other furnishings as described in Westminster Canterbury's current literature. You will provide all other furnishings.
- C. **Options and Custom Features in the Residence.** Westminster Canterbury will provide and you may select certain options and custom features in the Residence as described in Westminster Canterbury's literature at additional charge. Any such improvement or modification will become the property of Westminster Canterbury. The value of such improvements or modifications will not be credited to Resident in calculating any amount due from or to the Resident, including the amount of any refund.

- D. **Amenities.** Westminster Canterbury provides common areas and amenities for the use and benefit of all residents such as Dogwood Dining, Canterbury Cafe, James River Grille, meeting and conference rooms, arts and crafts room, Art Studio, exercise/fitness amenities, the Strickler Library, Weissert Chapel, "The Commons" area, "Bridge" area, lobbies, lounges, indoor and outdoor recreational areas..
- E. **Parking.** Westminster Canterbury provides lighted and paved parking areas.
- F. **Services.**
1. **Utilities.** Westminster Canterbury will furnish heating, air conditioning, electricity, water, sewer, local telephone service and trash removal. You will pay for long-distance telephone service charges.
  2. **Dining.** Westminster Canterbury offers three meals daily with the exception of special holidays and Sunday. Your Monthly Services Fee includes the equivalent of 30 meals, using a declining dollar value program. You may purchase additional meals at established rates.
  3. **Dining Delivery.** Limited dining service to your Residence may be provided when approved by authorized staff at an additional charge.
  4. **Housekeeping Services.** Weekly housekeeping service will be provided by Westminster Canterbury in the Residence including vacuum cleaning, dusting, cleaning of baths and kitchen, and trash removal. You agree to maintain the Residence in a safe, clean, sanitary, and orderly condition, and to perform all usual light housekeeping. In the event you fail to so maintain the Residence, Westminster Canterbury may, in addition to and not in limitation of its other rights under this Agreement, perform at your expense such cleaning, fumigation, and other work necessary to return the Residence to a safe, clean, sanitary, or orderly condition.
  5. **Laundry and Linens.** If you are a cottage resident or reside in a residence with a washer/dryer unit, you will provide and launder your own bed and bath linens and Westminster Canterbury will change these linens for you; otherwise Westminster Canterbury will provide and launder bed and bath linens.
  6. **Groundskeeping.** Westminster Canterbury will furnish groundskeeping service, including lawn, tree, and shrubbery care. Subject to approval by Westminster Canterbury, you may plant and maintain certain areas designated for such purpose.
  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 Westminster Canterbury caused by you or your guests, ordinary wear and tear excepted.

8. **Transportation.** Westminster Canterbury will provide local transportation for residents on a scheduled basis for shopping and medical appointments. An additional charge **may** be made for transportation, special, personal or group trips.
9. **Security and Safety.** Westminster Canterbury will provide smoke detectors in each residence, a 24-hour emergency call system, security procedures, illuminated parking areas and roadways, a sprinkler system in the central building, and an auxiliary power source in designated areas in the central buildings.
10. **Television.** Access to a television system will be provided to you. A basic package of channels is included in the Monthly Services Fee for one television in the residence. An additional charge will be made for premium channel packages.
11. **Internet.** As an on-campus Resident, access to internet will be provided to you. Our public Wi-Fi is provided free of charge. An additional charge will be made for private internet provided at various speeds through Comcast.
12. **Arts and Programs.** Westminster Canterbury will provide social, recreational, spiritual, educational and cultural programs, exercise and health programs, and other special activities. An additional charge may apply for some events.
13. **Guests.** Westminster Canterbury provides guest dining and overnight accommodations, subject to availability and at established rates. Westminster Canterbury may require that overnight guests be registered. Guest stays longer than one week must be approved in advance. You will be responsible for the conduct of your guests. No guest will be entitled to any rights or privileges under this Agreement by reason of his or her status as your guest.
14. **Private Dining and Catering.** A private dining room is provided upon reasonable request at no charge. Catering services are provided at an additional charge.
15. **Beauty/Barber Shop.** Beauty/barber service is provided and such services will be billed monthly.
16. **Pets.** Pets may reside with you in accordance with the policies and procedures of Westminster Canterbury.
17. **Smoking.** Smoking is not permitted at Westminster Canterbury

## II. **HEALTH SERVICES**

Following payment of the Monthly Services Fee, Westminster Canterbury will furnish health services to the extent deemed necessary by Westminster Canterbury's Medical Director and subject to the following provisions. The health services provided by Westminster Canterbury include assisted living, memory support, nursing care, and skilled nursing care.

- A. Outpatient Services.** Westminster Canterbury will provide a clinic at Westminster Canterbury where you may be examined and treated as an outpatient. Westminster Canterbury will arrange for a physician to be available from time to time in the Clinic for your convenience. You are free, however, to engage the services of a physician of your own choice and such physician may also use the services of the Clinic, subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury may make available the services of a physical therapist and other health professionals as it deems necessary, but you are free to engage the services of health professionals of your choice.
- B. Inpatient Services.** Westminster Canterbury will be responsible for nursing care not covered by Medicare and assisted living care if it is determined by Westminster Canterbury that you require such care. As a resident you will be entitled to priority admission over non-resident community applicants for inpatient services, including admission to assisted living (including memory support) or nursing care (including skilled care) services, on an equal basis with all other residents of Westminster Canterbury.

Care offered by Westminster Canterbury will be provided in nursing care, assisted living, or another specifically designated part of Westminster Canterbury. You will be responsible for a health care charge in Memory Support and Health Care. An additional fee will also be charged for a suite in Assisted Living. You may employ private duty employees at your own expense, but subject to approval by Westminster Canterbury and subject to the rules and regulations of Westminster Canterbury. Westminster Canterbury has disclosed and explained your options with regard to the level of nursing care provided, and you have indicated your choice of nursing care coverage on Addendum "A" attached hereto.

Westminster Canterbury will provide a Memory Support Center for residents requiring routine assistance and a supportive environment due to Alzheimer's disease and related disorders. Services provided in the Memory Support Center will be limited to those permitted and typically provided under licensure from governing authorities. An additional charge will be made should Memory Support services be needed.

- C. Wellness Program.** Westminster Canterbury will provide a Wellness Program that includes use of the Westminster Canterbury pool, fitness and exercise center, subject to the rules and regulations of Westminster Canterbury.
- D. Medicare and Health Insurance Assignment.** You will, if not already enrolled, apply for and secure enrollment in the Hospital Insurance Benefits Program under Part A of Public Law 89-97 ("Medicare") and during the next enrollment period after submitting your application for admission to Westminster Canterbury, apply for, secure and pay the premium for the Medicare supplementary medical insurance

benefits under Part B of Public Law 89-97 or Part C Medicare Advantage Plan, as well as a Part D prescription plan. If you are not eligible for these programs, you will obtain equivalent insurance coverage acceptable to Westminster Canterbury. If you become entitled to payments for health services from other governmental agencies, you will make application for such payments and turn over and remit to Westminster Canterbury any payments received.

Westminster Canterbury is certified in the Medicare/Medicaid Programs, and reserves the right to withdraw from one or both programs if deemed advisable by Westminster Canterbury. Additionally, the provisions of this Agreement are subject to changes in State and Federal Law, as may be applicable.

- E. Supplemental Insurance.** You will obtain a supplemental insurance policy acceptable to Westminster Canterbury to pay Medicare Part A and Part B co-insurance and deductible amounts.
- F. Maintenance of Health Insurance.** There are many reasons why it's important to maintain health insurance. A health insurance plan, like Medicare and supplemental insurance, can cover most or all medical and hospital expenses if you're injured, sick or require an operation. It can also offset costs for preventative care like screenings, check-ups, therapy and vaccines that are essential for maintaining your health. Failure to maintain your health insurance coverage will cause you to be financially responsible for any cost related to medical services provided by Westminster Canterbury.
- G. Health-Related Charges.** You will pay the following charges to the extent they are not covered by Medicare or your supplemental insurance:
1. Charges of any physician, physical therapist, occupational therapist, podiatrist, or other health professional, whether provided at Westminster Canterbury or elsewhere;
  2. Hospital charges and charges for care or services beyond that licensed or provided at Westminster Canterbury;
  3. Charges for medicines, drugs, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, and other health-related items; and
  4. All other charges for services Westminster Canterbury is not required by this Agreement or law to provide.
- H. Transfer from Residence.** The Resident agrees that Westminster Canterbury will have the authority to determine whether the Resident should be transferred from the Residence to Assisted Living, Memory Support or Health Care or from one level of care to another level of care within the community. Such determination will be based on the professional opinion of Westminster Canterbury's Medical Director and the President and CEO and will be made only after consultation to the extent practical with the Resident, a representative of the Resident's family or the sponsor of the Resident, and the Resident's attending physician.

- I. **Change to Scope of Care or Services** Westminster Canterbury will provide you with at least 30 days notice of any change in the scope of the care or services provided in Section II. before such change becomes effective, unless the change is required earlier by state or federal assistance programs or by law.
- J. **Health Care Information Consent.** At any time after occupying the Residence, Westminster Canterbury may require a physician's report or other medical and health care information following any hospitalization or doctor's office visit, when Westminster Canterbury determines that your health condition warrants such a report or information or when required by a licensing agency. You give your consent and grant permission for such reports and information to be disclosed by your health care provider to Westminster Canterbury for this purpose.

### III. **FINANCIAL ARRANGEMENTS**

- A. **Monthly Services Fee.** In addition to the payment for any options and custom features, you agree to pay a Monthly Services Fee during the term of this Agreement which will be payable, in advance, on the first of each month and will be prorated for any period less than a month. Unless otherwise agreed to in writing by Westminster Canterbury, the initial Monthly Services Fee, \$\_\_\_\_\_, will begin upon, the earlier of, the date of occupancy or within 60 days of the time when the Residence is available for occupancy. The Monthly Services Fee may be adjusted by Westminster Canterbury during the term of this Agreement pursuant to Section III.B. below.
- B. **Increases in the Monthly Services Fee.** The Monthly Services Fee is payable to provide the facilities, programs, and services described in this Agreement and is intended to meet Westminster Canterbury's operating costs. Westminster Canterbury may increase the Monthly Services Fee as it, in its discretion, deems necessary in order to reflect changes in costs consistent with operating on a sound financial basis and maintaining the quality of facilities, programs, and services. Any increases in the Monthly Services Fee or other charges may be made by Westminster Canterbury upon 30 days written notice to you. Westminster Canterbury will endeavor to maintain its schedule of fees at the lowest possible rate consistent with sound financial practice and maintenance of the quality of facilities, programs, and services.
- C. **Monthly Statements; Late Fee.** Westminster Canterbury will furnish you with monthly statements showing the total amount of fees and other charges owed by you. In the event the Monthly Services Fee or other charges are not paid in full on or before the 25<sup>th</sup> day of the month for which such are due and payable, a late payment assessment of one and one-half percent (1.5%) of the unpaid balance will be made.
- D. **Health Services and Additional Dining Charges.** Westminster Canterbury will provide you nursing care as detailed in Section II.B. (Inpatient Services) of this Agreement and as selected by you on Addendum A. If you need care in assisted living (including memory support) or nursing care, you will pay the current Monthly Services Fee for the Residence plus the cost of two additional meals to provide you



three meals daily as required under federal and state law for a person residing in such a facility.

- E. **Fellowship Assistance.** Westminster Canterbury may grant financial assistance (referred to as “Fellowship Assistance”) to you under policies and procedures established by Westminster Canterbury, as stated in Addendum B and as established from time to time.
- F. **Liability for Charges.** In the event it is necessary for Westminster Canterbury to institute legal action or other proceedings to recover amounts payable to Westminster Canterbury under this Agreement, or otherwise to enforce any of the provisions of this Agreement, Westminster Canterbury also will be entitled to recover reasonable attorneys’ and legal fees and all costs incurred in connection with such proceedings. This provision will survive the termination of this Agreement.

#### IV. **TERMINATION AND REFUND PROVISIONS**

- A. **General.** In no event will you or your estate receive a refund of the Monthly Services Fee paid to Westminster Canterbury.
- B. **Right of Rescission and Seven (7) Day Rescission Period.** This Agreement may be rescinded by you by giving written notice of such rescission to Westminster Canterbury within seven (7) days following the date of this Agreement. You will not be required to take occupancy of the Residence prior to the expiration of the Seven (7) Day Rescission Period.
- C. **Termination Prior to Occupancy.** You may terminate this Agreement for any reason prior to occupancy of the Residence by giving written notice to Westminster Canterbury.

Unless protected by a confirmation letter from Westminster Canterbury confirming your LifeCare eligibility, Westminster Canterbury may terminate this Agreement prior to your occupancy of the Residence if you suffer an illness or injury or become incapacitated after the date of this Agreement and prior to your occupancy of the Residence such that the illness, injury, or incapacity renders you then ineligible for admission to Westminster Canterbury in Westminster Canterbury’s discretion.

- D. **Voluntary Termination after Occupancy.** You may terminate this Agreement for any reason after occupancy of the Residence by giving 30 days written notice to Westminster Canterbury.
- E. **Termination upon Death.** Except as specifically provided otherwise herein, in the event of your death at any time after occupancy of the Residence, your obligations and those of Westminster Canterbury under this Agreement will terminate. Notwithstanding the termination of this Agreement, Resident (including a deceased Resident) will be deemed to occupy their Residence and Resident’s Monthly Service Fee will continue to accrue as normal. In the event of the death of a Resident, Resident’s family or sponsor will have no more than

thirty (30) days to remove Resident's possessions from the Residence.

- F. Termination by Westminster Canterbury.** Westminster Canterbury may terminate this Agreement at any time for good cause. Good cause will be limited to: (i) proof that you are a danger to yourself or others; (ii) nonpayment of the Monthly Services Fee or other charges; (iii) repeated conduct by you that interferes with other residents' quiet enjoyment of the facilities; (iv) persistent refusal to comply with reasonable written rules and regulations of Westminster Canterbury; (v) a material misrepresentation made intentionally or recklessly by you in your application, or related materials, which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of providing to you the care and services provided under this Agreement; or (vi) material breach by you of the terms and conditions of this Agreement. Westminster Canterbury will not terminate this Agreement pursuant to this Section IV.F. without 60 days prior written notice of such termination by the President of Westminster Canterbury, during which period you will have the opportunity to cure the matters on which the notice by Westminster Canterbury to terminate were based.
- G. Condition of Residence.** On the effective date of termination of this Agreement, you will vacate the Residence and will leave it in as good condition as it was on the date of occupation of the Residence by you, ordinary wear and tear excepted. You or your estate will be liable to Westminster Canterbury for any cost incurred in restoring the Residence to as good condition as that when you occupied the Residence, ordinary wear and tear excepted.

**V. TERMS OF RESIDENCY**

- A. Physical and Mental Health Requirements of Resident.** As a condition of occupancy of the Residence, you will be physically and mentally capable of performing routine activities of daily living and able to respond appropriately to emergency situations. If, in the judgment of Westminster Canterbury's Medical Director or President, you are unable to comply with these requirements, Westminster Canterbury will transfer you to an appropriate level of care within Westminster Canterbury. In the event Westminster Canterbury is not permitted by law to provide the necessary care to you, the provisions of Section V.F. below will apply.
- B. Covenants by You.** You covenant and agree to:
1. Comply with all rules, policies, and procedures of Westminster Canterbury, now in effect and as amended, modified, or adopted from time to time. Any rules and regulations adopted by Westminster Canterbury will be applied to all residents similarly situated without preference or prejudice to any resident or group of residents;
  2. Pay the fees and charges required under this Agreement in a timely fashion;
  3. Not impair your ability to meet your financial obligations under this Agreement by making any gift or other transfer of property for less than adequate consideration if the gift or transfer would render you unable to meet

such obligations;

4. Provide Westminster Canterbury with financial statements, including income and gift tax returns, pursuant to Addendum "B" if you are requesting Fellowship Assistance, for the five years prior to requesting such assistance; and
  5. Abide by all other terms of this Agreement.
- C. **Representations.** Your application and the statements of your finances and health history filed with Westminster Canterbury are incorporated in this Agreement by this reference and all statements therein and the statement of your age contained herein are deemed to be representations by you as of the date made. You represent that there have been no material changes in the information provided since the date of your application and the statements of your finances and health history.
- D. **Transfer to a Different Residence.** At any time after occupying the Residence you may transfer to another Residence of the same size, subject to availability and in accordance with the policies of Westminster Canterbury regarding such transfers.
- E. **Transfer at Option of Westminster Canterbury.** If Westminster Canterbury reasonably determines that the Residence needs to be vacated by you to permit repairs or renovations or the transfer of such space to a different use or different configuration, Westminster Canterbury may transfer you to a new Residence of the same size provided that Westminster Canterbury (i) consults with you prior to undertaking any such transfer; (ii) gives you reasonable notice of and time to prepare for such transfer; (iii) incurs the costs of such move; and (iv) arranges for the prompt and convenient moving of your personal furnishings.
- F. **Transfer from Westminster Canterbury.** When you suffer any disability for which Westminster Canterbury is not authorized by law to provide care, or when your presence is deemed by Westminster Canterbury, in its sole discretion, to be detrimental to the health or quiet enjoyment of the other residents, or when Westminster Canterbury, in its sole discretion, determines such action to be in your best interest, Westminster Canterbury will have authority to transfer you to another facility or institution, public or private. If such transfer is determined by Westminster Canterbury's Medical Director to be temporary, the transfer will not be deemed a termination of this Agreement.

If such transfer is determined by Westminster Canterbury's Medical Director not to be temporary, the transfer will constitute a termination of this Agreement, the Residence will be released, and the provisions of Section V.I. will apply as to the disposition of your property.

- G. **Indebtedness of Resident.** Westminster Canterbury will not be liable or responsible for any expense incurred or debt or obligation of any kind contracted by you on your own account. Westminster Canterbury is not obligated to furnish, supply, or give you any support, maintenance, board, or lodging when you are absent from Westminster Canterbury, nor any credit for

absence from lodging or meals, except upon the prior written approval of Westminster Canterbury, and in accordance with such regulations as Westminster Canterbury may adopt from time to time. You will not cause any person to provide any labor or materials for any repair or improvement to any part of Westminster Canterbury's facility, without the express written consent of Westminster Canterbury.

- H. Right of Entry.** You agree to give to duly authorized employees of Westminster Canterbury the right of entry into the Residence at all reasonable times for inspection, maintenance, and housekeeping purposes and at any time for emergency purposes. Westminster Canterbury recognizes your right to privacy and its responsibility to limit entry to such inspection, maintenance, housekeeping, and emergency purposes. For your safety, you agree not to replace or add any locks to the doors or windows of the Residence.
- I. Disposition of Property.** Upon termination of this Agreement or your indefinite transfer to Assisted Living (including Memory Support) or nursing care or your non-temporary transfer from Westminster Canterbury, all of your property must be removed from the Residence within 30 days. Westminster Canterbury will have the right to charge you or your estate the Monthly Services Fee in effect at the time of termination or transfer, prorated daily, until the property is removed from the Residence. In the event your property is not removed within such 30 day period, Westminster Canterbury will have the right to remove and store your property at your expense or the expense of your estate for a period of six (6) months, and, thereafter, if such property is not claimed, title to such property will become vested in Westminster Canterbury and it will be disposed of as Westminster Canterbury, in its discretion, deems appropriate, and without any liability to you or your estate.
- J. Loss or Damage.** Notwithstanding any provision in this Agreement to the contrary, Westminster Canterbury, to the extent that it is authorized to do so by the terms and provisions of any fire insurance policy covering Westminster Canterbury, hereby waives any and all right to recover from you for any costs, loss or damage to Westminster Canterbury from risks ordinarily insured against under a standard fire policy with extended coverage, but only to the extent that such costs, loss or damage are covered by such policy and are collected by Westminster Canterbury.
- K. Rights of Resident.** Your rights under this Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of Westminster Canterbury.

In order to comply with the requirements of any bona fide lender to Westminster Canterbury, including holders of securities issued by the Industrial Development Authority of the City of Lynchburg, Virginia, now or hereafter outstanding, you agree that your rights under this Agreement will at all times be subordinate and inferior to the rights of the lender under any mortgage or deed of trust now or hereafter executed by Westminster Canterbury, or any successor to it in title, creating a lien on the property constituting Westminster Canterbury and you further agree to execute, acknowledge and deliver such subordination agreement

as such lender may require in order to establish the priority of such mortgage or deed of trust as a lien against the property.

- L. **Occupancy by Two Residents.** The size of the residence precludes multiple occupancy.
- M. **Marriage during Occupancy or Additional Occupant.** In the event that you wish to marry or share a Residence with another person, you will be required to transfer to a larger residence suitable for multiple occupancy, and you agree to pay such additional fees and costs as may be applicable, including an Entrance Fee, as agreed upon by you, the second person, and Westminster Canterbury.

Westminster Canterbury's acceptance of this second person will be contingent upon his or her ability to meet the criteria for admission to Westminster Canterbury. In the event that the second person does not qualify for admission to Westminster Canterbury for occupancy in an apartment Residence based on physical, mental, or other health criteria, Westminster Canterbury will make a reasonable effort to provide the necessary level of care for such person in Assisted Living (including Memory Support) or nursing care at established daily rates. In such a case, the second person will be treated as a resident of that facility paying a daily rate for care.

In the event that you wish to have a second person occupy the new residence, by marriage or otherwise, Westminster Canterbury may charge the second resident a fee equal to the then applicable Entrance Fee for such Residence or such lesser amount as agreed upon by Westminster Canterbury, you, and the second person.

## VI. **GENERAL**

- A. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, and services and programs of Westminster Canterbury are personal to you and may not be transferred or assigned by you
- B. **Management of Westminster Canterbury.** The Board of Trustees of Westminster Canterbury and its management reserve the absolute rights of management as delegated by the Board of Trustees. Westminster Canterbury reserves the right to accept or reject any person for residence. Residents do not have the right to determine admissions or terms of admission of any other resident.
- C. **No Liability of Officers, Board Members, or Affiliate.** You hereby acknowledge and agree that the obligations of Westminster Canterbury under this Agreement are an obligation of Westminster Canterbury only and that such obligations have not been guaranteed by any officer, Board member, employee, agent, or affiliate of Westminster Canterbury or any other organization other than Westminster Canterbury and that no other person or organization is responsible to you for the provision of any service or the payment of any money pursuant to this Agreement.
- D. **Negligence and Misconduct.** Westminster Canterbury assumes no responsibility for any injury to you or damage or loss to your property caused by the negligence or misconduct of another resident or any guest of another resident, unless

Westminster Canterbury has been grossly negligent and such negligence caused such injury, damage, or loss.

**E. Waiver of Liability.** You hereby release Westminster Canterbury and its Board of Trustees, officers, and employees from liability for your death, injury (to your person or property) caused by fire, theft, assault or other cause beyond the control of Westminster Canterbury, and from any liability resulting from the negligence or wrongful acts of other residents, and you hereby waive any claim that you or your estate may have against Westminster Canterbury therefrom.

**G. Confidentiality of Personal Information.** Westminster Canterbury will hold in confidence all of your personal, financial, and medical information pursuant to the rules and regulations of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.

**H. Entire Agreement.** This Agreement, including all Addenda, constitutes the entire contract between Westminster Canterbury and you. Westminster Canterbury will not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent Westminster Canterbury, unless such statements, representations, or promises are set forth in this Agreement.

This Agreement contains a statement of all of your rights and responsibilities. Do NOT enter into this Agreement in reliance on any statement made by any person on behalf of Westminster Canterbury which has not been put in writing, signed and attached hereto.

This Agreement constitutes a legal and binding contract between you and Westminster Canterbury. Accordingly, Westminster Canterbury encourages you to seek independent financial and legal advice before executing this Agreement, but you are not required to do so to make this Agreement binding.

**H. Nature of Your Interest.** Your rights are primarily for services, with a contractual right of occupancy. The rights and privileges granted to you by this Agreement do not include any right, title, or interest in any part of the personal property, land, buildings, or improvements owned or administered by Westminster Canterbury. Nothing contained in this Agreement will be construed to create a lease or the relationship of landlord and tenant between Westminster Canterbury and you.

**I. Successors and Assigns.** This Agreement will bind and inure to the benefit of the successors and assigns of Westminster Canterbury. This Agreement may not be assigned by You, however, your heirs, executors, and administrators shall be bound by the terms of this Agreement.

**J. Interruption in Services.** Westminster Canterbury will not be responsible for any interruption of the services provided in this Agreement caused by labor disputes, governmental or judicial orders and requirements, acts of God, civil riot, temporary termination of utility services, and any other cause not reasonably within its control, and which, by the exercise of ordinary care, Westminster Canterbury is unable,

wholly or partially, to prevent or overcome.

- K. Power of Attorney, Advance Medical Directive, Living Will, and Health Care Power of Attorney.** You agree to execute a general Durable Power of Attorney designating some competent person as Attorney-in-Fact. You are further encouraged to consider execution of an Advance Medical Directive (or Living Will and Health Care Power of Attorney). You will provide Westminster Canterbury with a copy of your Power of Attorney, and, if applicable, a copy of your Advance Medical Directive (or Living Will and Health Care Power of Attorney, as the case may be).
- L. Residents' Association.** The residents of Westminster Canterbury have established a Residents' Association, which is open to all residents. The Residents' Association elects representatives to a Residents' Council and Westminster Canterbury meets and consults regularly with the Residents' Council on matters directly affecting the well being of residents for the purpose of discussing issues related to the community.
- M. Affiliation with Religious Organizations.** You acknowledge that Westminster Canterbury is not an agent of the Episcopal Diocese of Southwestern Virginia or the Presbyterian Synod of the Mid-Atlantic, U.S.A., or any of their affiliated entities, and that liability for performance of Westminster Canterbury's obligations hereunder is limited to Westminster Canterbury.
- N. Waiver of One Breach Not a Waiver of Any Other Breach.** The failure of Westminster Canterbury in any one or more instances to insist upon your strict performance and compliance of any provision of this Agreement will not constitute a waiver or relinquishment by Westminster Canterbury of its right to insist on your future strict compliance.
- O. Renovations and Additions to Westminster Canterbury Facilities.**
- From time to time, Westminster Canterbury may decide to renovate, demolish and add by construction to property. You agree that you anticipate such activities by Westminster Canterbury, and that they will not constitute a nuisance or give rise to any cause of action on account of noise, dust, vibration, or any other inconvenience. You also agree that such activities by Westminster Canterbury will not constitute a breach by Westminster Canterbury of this Agreement or any other obligation owed by it to you. You further agree not to maintain any action against Westminster Canterbury to enjoin it from renovating, demolishing or adding by construction to its property.
- P. Insurance.** Westminster Canterbury carries insurance on its buildings and property, however, this insurance coverage does not cover the contents of your Residence or your valuable items. Accordingly, you agree to maintain adequate insurance coverage for the replacement value your personal property. You assume the risk of any damage to or loss of your personal property, whether caused by Westminster Canterbury or otherwise, which is not covered by insurance. On behalf of you and your insurers you waive any right of subrogation against Westminster

Canterbury regarding damage to or loss of your personal property.

**Q. Notice.** Any notice or payment required by this Agreement to be delivered to any party will be considered properly given and sufficient for all purposes if delivered in person or mailed by first class postage prepaid to the appropriate party at the address given below or such other address as is provided to the sender by the receiving party:

**Westminster Canterbury:** President  
Westminster Canterbury of Lynchburg, Inc.  
501 VES Road  
Lynchburg, Virginia 24503

**Resident:**

**R. Governing Law.** The laws of the Commonwealth of Virginia will govern this Agreement.

**VII. EXCEPTIONS**

This section will not be applicable and will be without effect, unless completed.

**ACKNOWLEDGEMENTS**

You acknowledge that you have been given **Westminster Canterbury’s Disclosure Statement** (pursuant to Sections 38.2-4902 and 38.2-4903 of the Code of Virginia, 1950, as amended) at least three (3) days prior to signing this Agreement and that you understand that it is your responsibility to read this document. You have been given the opportunity to seek independent financial and legal advice as to the terms of this Agreement, and you have been given the opportunity to discuss the provisions of this Agreement and Westminster Canterbury’s Disclosure Statement with Westminster Canterbury.

IN WITNESS WHEREOF, Westminster Canterbury and the Resident have executed this Agreement as of the date above.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

WESTMINSTER CANTERBURY OF LYNCHBURG, INC.

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

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



**ADDENDUM "A"**

**Addendum "A" to the  
Zero Entrance Fee Life Care Agreement between  
WESTMINSTER CANTERBURY of LYNCHBURG, INC. ("Westminster  
Canterbury") and ("You" or "you")**

**RECITALS:**

Westminster Canterbury and you have entered into a certain Zero Entrance Fee Life Care Agreement of even date herewith (the "Agreement").

**NURSING CARE COVERAGE**

Westminster Canterbury will provide you with nursing care for an unlimited period if you require such care during the term of this Agreement.

IN WITNESS WHEREOF Westminster Canterbury and \_\_\_\_\_ have  
executed and delivered this Addendum to the Agreement this \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_.

Westminster Canterbury of Lynchburg, Inc.

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

\_\_\_\_\_ Resident

**ADDENDUM "B"**  
**FELLOWSHIP ASSISTANCE**

THIS FELLOWSHIP ASSISTANCE AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between WESTMINSTER CANTERBURY OF LYNCHBURG, INC. (referred to as "Westminster Canterbury") and \_\_\_\_\_ (referred to as "Resident", "You" or "you").

**RECITALS:**

- A. Westminster Canterbury and you have entered into a LifeCare Residence and Care Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Agreement").
- B. If due to financial hardship, you are unable to pay the Entrance Fee, Monthly Services Fee, or other fees set forth in the Agreement, Westminster Canterbury is willing to provide Fellowship Assistance to you from gifts made by third parties to the Fellowship Fund.
- C. Westminster Canterbury and you wish to execute this Fellowship Assistance Agreement for the purpose of evidencing responsibilities of both parties as to Fellowship Assistance and your receipt and repayment of Fellowship Assistance.

**AGREEMENTS:**

- A. **Granting and Review of Fellowship Assistance.** Westminster Canterbury will grant Fellowship Assistance in the form of a loan to you under policies established by it. You agree that any determinations made by Westminster Canterbury concerning Fellowship Assistance will be final and binding on you, your heirs, and assigns, and any determination will be regarded as a confidential transaction between Westminster Canterbury and you except for reports required to be made to financial institutions lending monies to Westminster Canterbury and to regulatory and other governmental bodies. The amount of Fellowship Assistance lent is based, among other considerations, on the representations made by you at the time of application as to your financial position and assets. Westminster Canterbury may, at any time and in its sole discretion, begin, increase, decrease, or terminate Fellowship Assistance because of changes in the operating costs of Westminster Canterbury or changes in your assets or monthly income. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three (3) years.
- B. **Amount of Fellowship Assistance.** Westminster Canterbury will loan you as Fellowship Assistance the sum of \$ \_\_\_\_\_, with interest accruing at a rate of \_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Entrance Fee, and initially the sum of \$ \_\_\_\_\_ with interest accruing at a rate of \_\_\_\_ percent (\_\_\_%) per annum, to be applied toward the Monthly Services Fee shown in the LifeCare Agreement ("Fellowship Assistance"). Westminster Canterbury agrees to furnish annual statements of Fellowship Assistance lent to you.
- C. **Claim against Your Estate.** You agree that upon your death your estate will be liable to

Westminster Canterbury for the Fellowship Assistance you have received. This provision will apply irrespective of whether you are a resident at Westminster Canterbury at the time of death. Westminster Canterbury may deduct the full amount of Fellowship Assistance from any refund which may become due to you or your estate. You agree to execute any instruments, including notes, assignments, security agreements and deeds of trust that Westminster Canterbury deems necessary or desirable to evidence or secure its claim for repayment of Fellowship Assistance.

- D. Management of Assets.** Upon request by Westminster Canterbury, you will make arrangements for the preservation and management of your property by a third party or parties, including the execution and funding of a trust agreement for your benefit whenever in the sole judgment of Westminster Canterbury it appears that (1) continued management of your property by you may place you in need of Fellowship Assistance or (2) you receive Fellowship Assistance. Upon request by Westminster Canterbury, as made from time to time, you will provide Westminster Canterbury with complete current financial statements, including copies of federal and state income and gift tax returns for the previous three years.
- E. Pursuit of Other Sources of Income.** If your sources of income are determined by Westminster Canterbury to be inadequate to meet your financial obligations to Westminster Canterbury and to pay personal expenses, you agree to make efforts to obtain financial assistance from family connections or other available means. If you are eligible to receive public benefits, including but not limited to, social security, old age benefits, aid to the blind, and veteran's pensions, you agree to apply for and diligently seek such benefits, and any such benefits obtained will be taken into account in adjusting Westminster Canterbury's monthly charge to you. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to apply for such benefits within a reasonable period of time, as determined by Westminster Canterbury, in its sole discretion.
- F. Health Insurance.** As a condition of receiving Fellowship Assistance, you must submit evidence of health insurance held and maintained in accordance with the requirements of Section II of the Agreement. Westminster Canterbury may refuse to provide Fellowship Assistance to you if you fail to maintain such insurance, or if you failed to maintain such insurance in the past and such failure materially impaired your ability to satisfy your financial obligations under this Agreement.
- G. Prohibited Transfers.** As a condition of receiving Fellowship Assistance, you represent that you have not made any gift of real, personal, or intangible property within the five (5) years prior to submitting this request for Fellowship Assistance that materially impaired your ability to satisfy your financial obligations under the Agreement. You agree to provide any materials reasonably requested by Westminster Canterbury to evaluate your request for Fellowship Assistance, including the materials outlined in Section V.B.4. of the Agreement. You agree that you will not make any gift subsequent to receipt of Fellowship Assistance that would impair your ability or that of your estate to satisfy your financial obligations under the Agreement and this Fellowship Assistance Agreement.

**H. Receipt of Assets.** You agree to report promptly to Westminster Canterbury your receipt of or right to any property or any material increase or decrease in the value of your income or assets, whether the result of gift, inheritance, change in public assistance or otherwise.

IN WITNESS WHEREOF Westminster Canterbury and you have executed this Fellowship Assistance Agreement, which is attached to and made a part of the Residence and Care Agreement, all as of the day and year first above written.

Westminster Canterbury of Lynchburg, Inc.

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

Its: \_\_\_\_\_

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

1-25-07  
8-27-07  
1-24-09  
1-25-11  
11-1-14  
1/15/15  
3/01/18

ATTACHMENT A

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2023 AND 2022**



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**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Westminster Canterbury of Lynchburg, Inc.  
Lynchburg, Virginia

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

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Westminster Canterbury of Lynchburg, Inc. (the Corporation) as of September 30, 2023 and 2022, which comprise the consolidated balance sheets and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of September 30, 2023 and 2022, and the results of their operations, changes in net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

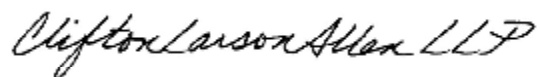
***Auditors' Responsibility for the Audit of the Consolidated Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
January 26, 2024



**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2023 AND 2022**

**ATTACHMENT A**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3,589,874	\$ 3,770,778
Investments	22,292,591	21,206,409
Accounts Receivable	1,768,515	1,841,319
Other Receivables	15,417	123,207
Employee Retention Credit Receivable	2,011,974	-
Prepaid Expenses and Supplies	827,313	633,858
Total Current Assets	30,505,684	27,575,571
<b>ASSETS LIMITED AS TO USE</b>		
Internally Designated by the Board for Fellowship	7,875,142	7,137,945
Externally Restricted Under Temporary Donor Restrictions:		
For Fellowship	9,234,914	7,994,606
Beneficial Interest in Trust Fund	813,379	787,739
Capital Campaign Fund	136,032	120,140
For Employee Education	28,707	273,195
Externally Restricted Under Perpetual Trusts	1,914,040	1,816,090
Externally Restricted for General Endowment or Other Long-Term Restrictions	22,193	26,292
Total Assets Limited as to Use	20,024,407	18,156,007
<b>PROPERTY AND EQUIPMENT, NET</b>	98,413,480	96,473,984
<b>ASSETS UNDER INTEREST RATE SWAP AGREEMENTS</b>	5,218,195	3,382,129
<b>OTHER ASSETS</b>		
Investments Under Split-Interest Agreements	6,333	24,277
Other Assets, Net	4,418	10,309
Total Other Assets	10,751	34,586
Total Assets	\$ 154,172,517	\$ 145,622,277

See accompanying Notes to Consolidated Financial Statements.

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.  
CONSOLIDATED BALANCE SHEETS (CONTINUED)  
SEPTEMBER 30, 2023 AND 2022**

**ATTACHMENT A**

	2023	2022
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,433,281	\$ 1,741,039
Accrued Compensation and Employee Benefits	1,146,447	1,094,469
Refundable Reservation Deposits	337,600	301,900
Current Portion of Long-Term Debt	2,174,605	2,153,046
Other Current Liabilities	55,893	83,786
Total Current Liabilities	5,147,826	5,374,240
<b>ADVANCE FEES AND DEPOSITS</b>		
Advance Fee Deposits	670,561	676,783
Refundable Advance Fees	3,600,719	3,188,952
Deferred Revenue from Advance Fees	52,259,237	46,289,499
<b>CHARITABLE GIFT ANNUITIES</b>	49,940	65,162
<b>LONG-TERM DEBT, LESS CURRENT PORTION</b>	67,146,249	71,226,128
Total Liabilities	128,874,532	126,820,764
<b>NET ASSETS</b>		
Without Donor Restrictions	13,828,828	8,501,301
With Donor Restrictions:		
Purpose Restricted	9,045,655	8,025,522
Perpetually Restricted	2,423,502	2,274,690
Total Net Assets	25,297,985	18,801,513
Total Liabilities and Net Assets	\$ 154,172,517	\$ 145,622,277

See accompanying Notes to Consolidated Financial Statements.

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

**ATTACHMENT A**

	2023	2022
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>		
Residential Services, Including Amortization of Advance Fees of \$5,192,242 in 2023 and \$5,825,905 in 2022	\$ 16,937,553	\$ 16,158,880
Health Care Services	9,757,582	8,851,424
Assisted Living and Memory Support Revenue	2,740,675	2,605,702
Home and Community Services Revenue	2,356,688	2,289,944
Investment Income	1,134,908	1,349,673
Other Revenue	841,037	649,271
Other Revenue - Employee Retention Credit	2,011,974	-
Contributions	268,207	155,539
Net Assets Released from Restrictions for Fellowship Assistance and Operations	692,763	545,812
Total Revenues, Gains, and Other Support	36,741,387	32,606,245
<b>EXPENSES</b>		
Administrative	5,859,514	4,962,184
Environmental Services	1,487,156	1,350,382
Building and Grounds	2,547,762	2,332,194
Resident Services	1,176,338	1,154,991
Assisted Living Services	1,709,005	1,697,508
Outpatient Rehab Services	295,629	142,437
Health Care Center	8,008,226	7,415,326
Home and Community Services	1,820,446	1,772,052
Food Services	4,734,923	4,334,627
Community Relations and Development	893,656	805,434
Interest	2,026,544	2,072,165
Depreciation	5,025,571	4,860,734
Total Expenses	35,584,770	32,900,034
<b>OPERATING INCOME (LOSS)</b>	1,156,617	(293,789)
<b>OTHER NONOPERATING GAIN (LOSS)</b>		
Unrealized Gains (Losses) on Investments	2,322,562	(7,395,025)
Gain on Disposal of Assets	1,598	17,742
Change in Value of Interest Rate Swap Agreements	1,836,067	8,674,695
Total Nonoperating Gain	4,160,227	1,297,412
<b>EXCESS OF REVENUES, GAINS, AND OTHER SUPPORT OVER EXPENSES</b>	5,316,844	1,003,623
<b>OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Change in Value of Investments Under Split-Interest Agreements	10,562	9,126
Deferred Actuarial Pension Loss	(6,649)	(288,505)
Net Assets Released from Restrictions: Used for Purchases of Property and Equipment	6,770	67,350
<b>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>\$ 5,327,527</b>	<b>\$ 791,594</b>

See accompanying Notes to Consolidated Financial Statements.

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.  
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

**ATTACHMENT A**

	2023	2022
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Excess of Revenues, Gains, and Other Support Over Expenses	\$ 5,316,844	\$ 1,003,623
Change in Value of Investments Under Split-Interest Agreements	10,562	9,126
Deferred Actuarial Pension Loss	(6,649)	(288,505)
Net Assets Released from Restrictions:		
Used for Purchases of Property and Equipment	6,770	67,350
Increase in Net Assets Without Donor Restrictions	5,327,527	791,594
<b>PURPOSE RESTRICTED NET ASSETS</b>		
Contributions	887,027	1,145,723
Investment Income (Loss)	806,987	(917,654)
Increase (Decrease) in Fair Value of Beneficial Trust Fund	25,652	(218,032)
Net Assets Released from Restrictions:		
Used for Operations and Purchases of Property and Equipment	(699,533)	(613,162)
Increase (Decrease) in Purpose Restricted Net Assets	1,020,133	(603,125)
<b>PERPETUALLY RESTRICTED NET ASSETS</b>		
Contributions	16,200	16,881
Increase (Decrease) in Fair Value of Perpetual Trust Funds	132,612	(546,701)
Increase (Decrease) in Perpetually Restricted Net Assets	148,812	(529,820)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	6,496,472	(341,351)
Net Assets - Beginning of Year	18,801,513	19,142,864
<b>NET ASSETS - END OF YEAR</b>	\$ 25,297,985	\$ 18,801,513

See accompanying Notes to Consolidated Financial Statements.

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

**ATTACHMENT A**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 6,496,472	\$ (341,351)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Value of Trust Funds	(158,264)	764,733
Amortization of Deferred Revenue from Advance Fees	(5,192,242)	(5,825,905)
Proceeds from Nonrefundable Advance Fees and Deposits	13,507,831	9,563,617
Depreciation	5,025,571	4,860,734
Amortization	67,203	56,075
Unrealized (Gains) Losses on Investments	(3,060,605)	8,510,468
Realized Gains on Investments	(430,257)	(1,020,992)
Restricted Contributions	(16,200)	(16,881)
Gain on Disposal of Asset	(1,598)	(17,742)
Change in Value of Obligation Under Interest Rate Swap Agreement	(1,836,067)	(8,674,695)
(Increase) Decrease in:		
Accounts Receivable	72,804	(230,596)
Other Receivables	107,790	(96,925)
Employee Retention Credit Receivable	(2,011,974)	-
Prepaid Expenses and Supplies	(193,455)	(42,597)
(Decrease) Increase in:		
Accounts Payable	(374,770)	(527,786)
Accrued Compensation and Employee Benefits	51,978	72,014
Net Pension Asset/Liability	-	1,952
Refundable Reservation Deposits	35,700	12,000
Other Current Liabilities	(27,893)	(175,791)
Net Cash Provided by Operating Activities	12,062,024	6,870,332
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property and Equipment	(6,896,457)	(18,400,733)
Net Sales (Purchases) of Investments and Assets Limited as to Use	1,060,170	(270,243)
Proceeds from Sale of Property and Equipment	-	17,742
Net Cash Used by Investing Activities	(5,836,287)	(18,653,234)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Long-Term Debt	(10,310,226)	(1,680,454)
Proceeds from Issuance of Long-Term Debt	6,406,965	15,392,594
Payment of Financing Costs	(216,370)	-
Payments on Charitable Gift Annuities	(15,222)	(28,928)
Restricted Contributions	16,200	16,881
Proceeds from Refundable Advance Fees	371,902	157,119
Refunds of Deposits and Refundable Fees	(2,312,208)	(2,318,871)
Net Cash Provided (Used) by Financing Activities	(6,058,959)	11,538,341

See accompanying Notes to Consolidated Financial Statements.

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

**ATTACHMENT A**

	2023	2022
<b>INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	\$ 166,778	\$ (244,561)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	4,593,321	4,837,882
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	<b>\$ 4,760,099</b>	<b>\$ 4,593,321</b>
Cash and Cash Equivalents	\$ 3,589,874	\$ 3,770,778
Cash and Cash Equivalents in Assets Limited as to Use	1,170,225	822,543
Total Cash, Cash Equivalents, and Restricted Cash	<b>\$ 4,760,099</b>	<b>\$ 4,593,321</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 2,252,526	\$ 2,066,672
Purchases of Property and Equipment in Accounts Payable	\$ 166,431	\$ 241,896

*See accompanying Notes to Consolidated Financial Statements.*

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**ATTACHMENT A**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Westminster Canterbury of Lynchburg, Inc. (the Corporation) was incorporated on May 23, 1975 as a nonstock, nonprofit membership corporation, the members of which are Southwestern Episcopal Homes, Inc. and Westminster Presbyterian Homes, Inc., corporate affiliates of the Episcopal Diocese of Southwestern Virginia and the Synod of the Mid-Atlantic, Presbyterian Church, respectively.

The Corporation operates under a concept in which residents enter into a residency agreement which requires payment of a one-time advance fee and monthly maintenance fees. These payments entitle residents to the use and privileges of the Corporation for life, including the right to occupy designated residential units and to receive certain health care services. The residency agreement does not entitle the residents to an interest in the real estate or other property owned by the Corporation.

The Corporation receives revenue from the residents' contracts, as well as certain health care services provided to nonresidents, and amounts reimbursed by third-party payors.

**Mission Statement**

The mission of the Corporation is to operate a nonprofit continuing care retirement community, guided by Christian ideals which promote independence and dignity, providing quality housing, health care, and security to residents in a fiscally responsible manner.

**Basis of Consolidation**

The consolidated financial statements include the accounts of the Corporation and its affiliated supporting organization, The Westminster-Canterbury of Lynchburg, Inc. Foundation (the Foundation), (collectively referred to as the Corporation). The Corporation and the Foundation are financially interrelated organizations in that each has the ability to influence the operating and financial decisions of the other. Contributions to the Foundation are recorded at fair value on the date of the gift. The purpose of the Foundation is to act as the recipient of contributions, grants, bequests, and other forms of donations for the benefit of the Corporation.

**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 and the reported amounts of revenues and expenses during the reporting period. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**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.

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**ATTACHMENT A**

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

**Cash and Cash Equivalents (Continued)**

The Corporation maintains substantially all of its cash and cash equivalents with a national bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC). At times, deposits may exceed FDIC amounts.

**Accounts Receivable**

Accounts receivable are uncollateralized resident obligations due under normal trade terms generally requiring payment upon receipt of invoice or claim submitted. Accounts past due are individually analyzed for collectability. In addition, an allowance is estimated for the accounts based on the historical experience of the Corporation. At September 30, 2023 and 2022, the allowance was approximately \$8,000.

The opening and closing contract balances for accounts receivable were as follows:

Balance as of October 1, 2021	\$ 1,610,723
Balance as of September 30, 2022	1,841,319
Balance as of September 30, 2023	1,768,515

**Assets Limited as to Use**

Assets limited as to use consist of investments that have been set aside by board designations, or are restricted externally by bond agreements, residency agreements, or donor restrictions. Also included is the Corporation's beneficial interest in trusts, which are classified as restricted net assets, based on the trust arrangement.

**Investments**

Investments are reported at fair value, which is based on quoted market prices, except for certain alternative investments, for which quoted market prices are generally not available. The estimated fair value of alternative investments is based on valuations provided by external investment managers and are generally based on the estimated net asset value per share of the investment fund. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material. Realized and unrealized gains and losses on investments, interest, and dividends are included in excess of revenues, gains, and other support over expenses unless restricted by donor or law.

**Property and Equipment**

Property and equipment acquisitions are recorded at cost. The Corporation capitalized all assets over \$1,000 with a useful life greater than one year. Donated items are recorded at fair market value at the date of contribution. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The cost of maintenance and repairs is charged against operations when incurred, whereas significant renewals or betterments are capitalized. The general range of estimated lives for the buildings and land improvements is five to thirty years and five to ten years for furniture and equipment.



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

**Deferred Financing Costs**

Financing costs incurred in connection with the issuance of long-term debt are deferred. Amortization of deferred financing costs is included as a component of interest on the consolidated statements of operations. These costs are amortized using the straight-line method which approximates the effective interest method, over the life of the debt.

**Advance Fees**

Advance fees represent the payments received at the time a resident is admitted into the community. Nonrefundable fees paid are recorded as deferred revenue and amortized to income using the straight-line method over the estimated remaining life expectancy of the resident. The refundable portion of advance fees received is presented on the consolidated balance sheets as refundable advance fees. The refundable portion of advance fees is not amortized into income. Upon death of a sole surviving resident, any remaining unamortized portion of the nonrefundable advance fee is recognized as operating revenue.

**Assets Under Interest Rate Swap Agreements**

The Corporation entered into interest rate swap agreements to limit the effect of increases in the interest rates of variable rate debt. These interest rate swap agreements are reported in the accompanying consolidated balance sheets at the estimated fair value at September 30, 2023 and 2022. The Corporation does not hold derivative instruments for any purpose other than limiting the effects of interest rate fluctuations and does not hold interest rate swap agreements for speculative or investment purposes. All changes in fair value appear in the consolidated statements of operations as nonoperating gain (loss).

**Obligation to Provide Future Services**

The Corporation annually calculates the present value of the estimated 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 (obligation to provide future services and use of facilities) with a corresponding charge to expenses. The present value of future services was calculated with a discount rate of 5% and did not result in an additional liability as of September 30, 2023 or 2022.

**Net Assets**

The Corporation classifies its funds for accounting and reporting purposes as either without donor restrictions, with purpose donor restrictions, or with perpetual donor restrictions as follows:

Without Donor Restrictions – Resources of the Corporation that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and investments in property and equipment.

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

**Net Assets (Continued)**

With Purpose Restrictions – Resources that carry a donor-imposed restriction that permits the Corporation to use or expend the donated assets as specified for which the restrictions are satisfied by the passage of time or by actions of the Corporation. As those restrictions are met, the contributions are released from net assets with donor restrictions and are transferred to net assets without donor restrictions.

With Perpetual Restrictions – Resources that carry a donor-imposed restriction that stipulates that donated assets be maintained in perpetuity but may permit the Corporation to use or expend part or all of the income derived from the donated assets.

**Patient and Resident Service Revenue**

The Corporation has agreements with third-party payors that provide for payments at amounts different from its established rates. Patient and resident service revenue is reported at the estimated realizable amounts from residents, third-party payors, and others for services rendered.

**Contributions**

Contributions received are recorded as increases in net assets with donor restricted and net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, either in purpose or in perpetuity depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), purpose restricted net assets are reclassified to net assets without donor restricted and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

**Fellowship Assistance**

Financial assistance is provided to qualifying residents based on financial need to supplement monthly fees, health care charges, and other services. The fellowship fund assistance may be funded by the board designated funds of the Corporation, or the donor-restricted funds of the Foundation and Corporation. In cases where the assistance is funded by donor-restricted funds, the fellowship assistance is included in revenues, gains, and other support in the consolidated financial statements as the donor's intent is fulfilled and the restriction is released. However, when the assistance is funded by the board-designated funds, the assistance is excluded from revenue.

The Corporation has estimated its direct and indirect costs of providing fellowship assistance to be approximately \$342,000 and \$353,000 for the years ended September 30, 2023 and 2022, respectively. These amounts represent uncompensated charges which approximate the actual costs of providing the services. Included in the fellowship assistance was approximately \$228,000 and \$84,000 for the years ended September 30, 2023 and 2022, respectively, which was funded by gifts restricted by donors for this purpose.

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**ATTACHMENT A**

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

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

The consolidated statements of operations include in excess of revenues, gains, and other support over expenses all transactions increasing or decreasing net assets without donor restrictions except those of a capital nature; change in the value of investments under split-interest agreements; net assets released from restrictions for purchases of property and equipment; and changes in the pension liability other than net periodic benefit cost.

**Split-Interest Agreements**

The Corporation participates in various split-interest agreements that are unconditional and irrevocable. These arrangements are established when a donor makes a gift to the Corporation in which the Corporation shares benefits with other beneficiaries. Generally, the Corporation accounts for these agreements by recording its share of the related assets at fair market value. Liabilities are recorded for any portion of the assets held for donors or other beneficiaries equal to the present value of the expected future payments to be made. The liabilities are adjusted annually for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits.

Contribution revenues are recognized at the dates the agreements are established for the difference between the assets and the liabilities. The Corporation holds the assets under all of these split-interest agreements; therefore, the assets are included in investments under split-interest agreements and the liabilities are included in charitable gift annuities.

**Income Taxes**

The Corporation is a nonprofit organization exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

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

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

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

**Uniform Prudent Management of Institutional Funds Act**

During 2008, the Uniform Prudent Management of Institutional Funds Act became effective in the state of Virginia. In August 2008, the Financial Accounting Standards Board released the nonprofit accounting standard for reporting endowment funds which was intended to improve the quality and consistency of financial reporting for endowments held by nonprofit organizations. 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 endowments. This standard did not have a material impact on the Corporation's financial position or results of operations as of or for the years ended September 30, 2023 and 2022.

**Fair Value of Financial Instruments**

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.

*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.

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

**Fair Value of Financial Instruments (Continued)**

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Assets and liabilities valued using Level 2 inputs include the interest rate swap agreements. Assets or liabilities valued using Level 3 inputs include the beneficial interest in funds held by others.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Corporation follows the policy to value certain financial instruments at fair value; however, the Corporation has not elected to measure any existing financial instruments at fair value. The Corporation may elect to measure newly acquired financial instruments at fair value in the future.

**Adoption of Accounting Standards**

In February 2016, the FASB issued ASU 2016-02, *Leases*, which adds ASC 842 and updates various other sections throughout the ASC. The standard attempts to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet while disclosing relevant information regarding leasing arrangements. 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 requirements of the guidance effective October 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Leases held by the Corporation are not considered material and the adoption of this standard had no impact on the consolidated financial statements.

In March 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-04, Reference Rate Reform, (Topic 848). This new standard allows an entity to elect optional expedients and exceptions for applying United States Generally Accepted Accounting Principles (U.S. GAAP) to contracts, hedging relationships, and other transactions affected by reference rate reform upon the transition from the use of the London Interbank Offer Rate (LIBOR) to alternative reference rates. In December 2022, the FASB issued ASU 2022-06 to defer the sunset date of Reference Rate Reform providing temporary election through December 31, 2024. The Corporation adopted the requirements of this guidance effective October 1, 2022, and have elected to apply the provisions of these standards to the beginning of the period of adoption.

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

**Adoption of Accounting Standards (Continued)**

The Corporation's series 2016, 2017, and 2017A agreements and related swap agreements had LIBOR as a reference rate. During 2023, the agreements were amended to change the reference rate from LIBOR to the Secured Overnight Financing Rate (SOFR). No other changes were made to the original bonds as a result of this transaction. The Corporation elected the practical expedient to account for these changes as a continuation of the original contracts and not as an extinguishment.

**Employee Retention Credit**

The CARES Act allows a credit (Employee Retention Credit or ERC) against applicable employment taxes for eligible employers. Employers, including tax-exempt organizations, are eligible for the ERC, if they operate a trade or business during calendar year 2020 and 2021 and experience either the full or partial suspension of the operations of their business during any calendar quarter due to a significant decline in gross receipts or because of governmental orders limiting commerce, travel or group meetings due to COVID-19. The credit applies to qualified wages (including certain health plan expenses) paid during this period or any calendar quarter in which eligibility requirements were met.

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended September 30, 2023, the Corporation claimed a credit in the amount of \$2,011,974. The Corporation believes it meets the eligibility requirements and conditions to claim the credit and has recorded a receivable as of September 30, 2023.

**Subsequent Events**

Management has evaluated subsequent events through January 26, 2024, the date the consolidated financial statements were available to be issued.

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**NOTE 2 INVESTMENTS AND ASSETS LIMITED AS TO USE**

Investments and assets limited as to use include endowment and other nonendowment investments at September 30:

	2023	2022
Endowment and Fellowship Assets:		
Internally Designated by the Board for Fellowship	\$ 7,875,142	\$ 7,137,945
Donor Restricted for Fellowship	9,234,914	7,994,606
Restricted Under Beneficial Interest in Trust	813,379	787,739
Restricted Under Perpetual Trusts	1,914,040	1,816,090
Donor Restricted General Endowment Funds	22,193	26,292
For Acquisition of Property, Plant, and Equipment	136,032	120,140
For Employee Education Fund	28,707	273,195
Total Endowment and Fellowship Assets	20,024,407	18,156,007
Other Nonendowment Investments	22,292,591	21,206,409
Total	\$ 42,316,998	\$ 39,362,416

Investments and assets limited as to use are summarized as follows as of September 30:

	2023	2022
Investments:		
Cash and Cash Equivalents	\$ 2,631,748	\$ 4,002,922
Bond Funds	6,035,177	5,504,957
Common Stocks	13,625,666	11,698,530
Total Investments	22,292,591	21,206,409
Assets Limited as to Use:		
Cash, Cash Equivalents, and Certificates of Deposit	1,170,225	822,543
Common Stocks	13,913,574	12,518,346
Bond Funds	2,452,646	2,235,150
Alternative Investments:		
Real Estate Funds	517	517
Private Equity and Other	2,252	101,514
Funds Held in Trust by Others	2,485,193	2,477,937
Total Assets Limited as to Use	20,024,407	18,156,007
Total Investments and Assets Limited as to Use	\$ 42,316,998	\$ 39,362,416

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**NOTE 2 INVESTMENTS AND ASSETS LIMITED AS TO USE (CONTINUED)**

Investment return was comprised of the following for the years ended September 30:

	2023	2022
Operating Income:		
Interest Income (Net of Expenses of approximately \$81,000 and \$74,000 for 2023 and 2022, Respectively)	\$ 772,951	\$ 525,358
Realized Gains	361,957	824,315
Total	1,134,908	1,349,673
Other Nonoperating Gain (Loss):		
Unrealized Gains (Losses) on Investments	2,322,562	(7,395,025)
Purpose Restricted:		
Interest Income	644	1,112
Realized Gains	68,300	196,677
Unrealized Gains (Losses) on Investments	738,043	(1,115,443)
Change in Fair Value of Beneficial Interest in Trust	25,652	(218,032)
Total	832,639	(1,135,686)
Perpetually Restricted:		
Change in Fair Value of Perpetual Trust Funds	132,612	(546,701)
Total Return on Investments	\$ 4,422,721	\$ (7,727,739)

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30:

	2023	2022
Land	\$ 857,817	\$ 857,817
Land Improvements	3,338,953	3,338,953
Buildings	122,466,692	121,362,405
Furniture and Equipment	29,144,746	24,186,254
Construction in Progress	21,657,751	20,755,931
Total	177,465,959	170,501,360
Less: Accumulated Depreciation	(79,052,479)	(74,027,376)
Total Property and Equipment	\$ 98,413,480	\$ 96,473,984

Depreciation expense totaled approximately \$5,026,000 and \$4,861,000 in 2023 and 2022, respectively. The Corporation capitalized approximately \$293,000 and \$118,000 of interest during the years ended September 30, 2023 and 2022.

Construction in progress related to construction projects, including additional independent living units, and miscellaneous renovations and improvements at September 30, 2023 and 2022.

The Corporation has entered a construction contract related to projects as described in Note 6. As of September 30, 2023, the Corporation has incurred approximately \$18,513,000 on this contract. The remaining commitment as of September 30, 2023 is approximately \$210,000.



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**NOTE 4 LINE OF CREDIT**

The Corporation had an unsecured bank line of credit, which permits borrowings up to \$500,000 with interest at London Interbank Offered Rate (LIBOR) plus 2% (2.08% and 2.05% at September 30, 2022). The original line of credit expired on September 28, 2017. The line of credit was renewed multiple times with the latest renewal on May 26, 2021. The current line of credit was subject to renewal on June 30, 2022 and was not renewed by the Corporation.

**NOTE 5 BENEFICIAL INTERESTS IN ASSETS HELD BY OTHERS**

During the years ended September 30, 2023 and 2022, the Corporation invested donor endowment contributions of approximately \$16,000 and \$17,000, respectively, with others. The Corporation has recorded its beneficial interests in these endowment funds in the accompanying consolidated balance sheets. Management currently expends amounts up to the net income from the endowments for each year, but not endowment principal. No variance power was specifically granted to the Corporation.

The estimated fair value of beneficial interest in these endowment funds as reported by the Corporation was approximately \$1,914,000 and \$1,816,000 at September 30, 2023 and 2022, respectively. Income, fees, realized and unrealized gains and losses attributable to interest in these endowment funds are included in "increase (decrease) in fair value of beneficial and perpetual trust funds" on the consolidated statements of changes in net assets.

**NOTE 6 LONG-TERM DEBT**

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

<u>Description</u>	<u>2023</u>	<u>2022</u>
Economic Development Authority of the City of Lynchburg, Virginia (Authority) Residential Care Facility Mortgage Revenue Bond, Series 2021A. Bank placed with Bank of the James (Sole Bondholder):		
Due in interest only payments beginning October 1, 2021 with a final interest only payment on September 1, 2023, then due in monthly principal and interest payments beginning October 1, 2023 through September 1, 2046. The bond bears interest at an annual rate of 1.99% per annum ending September 30, 2023; 2.80% per annum beginning October 1, 2023 and ending September 30, 2033; and adjusted thereafter based on the Five Year U.S. Treasury Yield on each October 1 plus 1.00%, but not to exceed 3.80% per annum.	\$ 13,500,000	\$ 13,500,000

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**NOTE 6 LONG-TERM DEBT (CONTINUED)**

<u>Description</u>	2023	2022
<p>Economic Development Authority of the City of Lynchburg, Virginia (Authority) Residential Care Facility Mortgage Revenue Bond, Series 2021B. Bank placed with Bank of the James (Sole Bondholder):</p> <p>Due in interest only payments beginning October 1, 2022 and each month thereafter for 34 months with a final interest and principal payment on September 1, 2024. The bond bore interest at an annual rate of 1.99% per annum.</p>	\$ -	\$ 2,184,694
<p>Economic Development Authority of the City of Lynchburg, Virginia (Authority) Residential Care Facility Revenue and Refunding Bond, Series 2017A. Bank placed with STI Institutional &amp; Government, Inc. (Sole Bondholder):</p> <p>Due in monthly principal and interest payments beginning May, 1, 2019 through September 1, 2047. The bond bears interest at an annual rate of 79% multiplied by Term SOFR plus 1.5%. The Corporation has entered into an Interest Rate Swap Agreement (defined hereinafter) to fix the variable component (79% multiplied by Term SOFR) at a rate of 2.429%.</p>	37,300,936	38,566,794
<p>Economic Development Authority of the City of Lynchburg, Virginia (Authority) Residential Care Facility Revenue and Refunding Bond, Series 2017. Bank placed with STI Institutional &amp; Government, Inc. (Sole Bondholder):</p> <p>Due in monthly principal and interest payments beginning May 1, 2017 through July 1, 2031. The bond bears interest at an annual rate of 79% multiplied by Term SOFR plus 1.5%. The Corporation has entered into an Interest Rate Swap Agreement (defined hereinafter) to fix the variable component (79% multiplied by Term SOFR) at a rate of 1.514%.</p>	10,927,751	11,084,593
<p>Economic Development Authority of the City of Lynchburg, Virginia (Authority) Residential Care Facility Revenue and Refunding Bond, Series 2016. Bank placed with STI Institutional &amp; Government, Inc. (Sole Bondholder):</p>		

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**NOTE 6 LONG-TERM DEBT (CONTINUED)**

Description	2023	2022
Due in monthly principal and interest payments beginning October 1, 2016 through July 1, 2046. The bond bears interest at an annual rate of 79% multiplied by Term SOFR plus 1.5%. The Corporation has entered into an Interest Rate Swap Agreement (defined hereinafter) to fix the variable component (79% multiplied by Term SOFR) at a rate of 1.912%.	<u>\$ 8,904,940</u>	<u>\$ 9,200,808</u>
Total	70,633,627	74,536,889
Less: Unamortized Deferred Financing Costs	(1,312,773)	(1,157,715)
Less: Current Portion	<u>(2,174,605)</u>	<u>(2,153,046)</u>
Total Long-Term Debt	<u>\$ 67,146,249</u>	<u>\$ 71,226,128</u>

On August 31, 2016, the Corporation refinanced the Series 2005 Bonds through the issuance of \$10,845,818 of the Residential Care Facility Revenue and Refunding Bond Series 2016, under the authority of the Economic Development Authority of the City of Lynchburg, Virginia (Series 2016 Bond). The Series 2016 Bond was purchased by STI Institutional & Government, Inc., a national banking institution (now Truist Commercial Equity, Inc.). The proceeds from the Series 2016 Bond were used to pay off the outstanding Series 2005 Bonds as well as fund future capital projects. Per the Series 2016 Bond Purchase and Loan Agreement, the bond bore interest at an annual rate of 81.43% of one-month LIBOR plus 1.45%. The variable rate component, 81.43% of one-month LIBOR, was fixed at 1.221% through the Series 2016 Swap transaction. During fiscal year 2023, the Series 2016 Bond was amended and restated to include an updated put date and an updated interest rate which is now 79% of Term SOFR plus 1.5%. The variable component of 79% of Term SOFR, is fixed at 1.912% through the updated Series 2016 Swap transaction.

On April 5, 2017, the Corporation refinanced the Series 2007 Bonds through the issuance of \$18,580,411 of the Residential Care Facility Revenue and Refunding Bond Series 2017, under the authority of the Economic Development Authority of the City of Lynchburg, Virginia (Series 2017 Bond). The Series 2017 Bond was purchased by STI Institutional & Government, Inc., a national banking institution (now Truist Commercial Equity, Inc.). The proceeds from the Series 2017 Bond were used to pay off the outstanding Series 2007 Bonds. Per the Series 2017 Bond Purchase and Loan Agreement, the bond bore interest at an annual rate of 81.43% of one-month LIBOR plus 1.35%. The variable rate component, 67% of one-month LIBOR, was fixed at 1.226% through the Series 2017 Swap transaction. During fiscal year 2023, the Series 2017 Bond was amended and restated to include an updated interest rate which is now 79% of Term SOFR plus 1.5%. The variable component of 79% of Term SOFR, is fixed at 1.514% through the updated Series 2016 Swap transaction.

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**NOTE 6 LONG-TERM DEBT (CONTINUED)**

On September 28, 2017, the Corporation entered into a Bond Purchase and Loan Agreement with the Economic Development Authority of the City of Lynchburg, Virginia and STI Institutional & Government, Inc. (now Truist Commercial Equity, Inc.), to issue Residential Care Facility Revenue Refunding Bond Series 2017A, in an amount up to \$38,203,000, for the purpose of constructing and equipping an approximately 100,000 square foot six floor health care center and renovating certain dining and wellness facilities. The Series 2017A Bond requires monthly principal and interest payments beginning May 1, 2019 through September 1, 2047. Per the Series 2017A Bond Purchase and Loan Agreement, the bond bore interest at an annual rate of 81.43% of one-month LIBOR plus 2.1%. The variable rate component, 81.43% of one-month LIBOR, was fixed at 1.882% through the Series 2017A Swap transaction. During fiscal year 2023, the Series 2017A Bond was amended and restated to include an updated put date and an updated interest rate which is now 79% of Term SOFR plus 1.5%. The variable component of 79% of Term SOFR, is fixed at 2.429% through the updated Series 2016 Swap transaction.

On September 22, 2021, the Corporation entered into a Bond Purchase and Loan Agreement with the Economic Development Authority of the City of Lynchburg, Virginia and Bank of the James to issue Residential Care Facility Mortgage Revenue Bond Series 2021A, in an amount up to \$13,500,000, for the purpose of constructing, renovating and equipping new assisted and independent living space, construction of a parking deck, and to finance costs of issuance and other expenses in connection with the issuance of the 2021A Bonds and the construction project. As of September 30, 2022, the full \$13,500,000 was drawn down and outstanding. The Series 2021A Bond requires monthly interest payments beginning October 1, 2022 through September 2023, followed by monthly principal and interest payments through September 2046. Per the Series 2021A Bond Purchase and Loan Agreement, the bond bears interest at an annual rate of 1.99% through September 2023, 2.80% through September 2033, and beginning October 1, 2033 and adjusted in October 1, 2038 and 2043, at a variable interest rate based on the Five Year U.S. Treasury Yield on each such October 1 plus 1.0%, not to exceed 3.80%, through September 2046.

On September 22, 2021, the Corporation entered into a Bond Purchase and Loan Agreement with the Economic Development Authority of the City of Lynchburg, Virginia and Bank of the James to issue Residential Care Facility Mortgage Revenue Bond Series 2021B, in an amount up to \$7,500,000, for the same purpose as noted above related to the Series 2021A Bond. As of September 30, 2022, \$2,184,694 was drawn down and outstanding. The Series 2021B Bond requires monthly interest payments beginning October 1, 2022 with the outstanding principal balance due September 2024. Per the Series 2021B Bond Purchase and Loan Agreement, the bond bears interest at an annual rate of 1.99%. As of September 30, 2023, the Series 2021B Bond had been fully repaid.

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**NOTE 6 LONG-TERM DEBT (CONTINUED)**

Collateral for the bonds includes the trustee-held funds, a first mortgage on the real estate of the Corporation, and a security interest in equipment, inventory, accounts receivable, pledges receivable, general intangibles, chattel paper, and other rights arising from operating revenues and receipts. The bond agreements contain certain covenants including a requirement that the net revenue available for long-term debt service (as defined) be not less than 120% of the maximum annual long-term debt service (as defined), and a requirement that days cash on hand be not less than 120 days. Management is not aware of any noncompliance as of September 30, 2023.

Future principal payments on long-term debt are as follows:

<u>Year Ending September 30,</u>	<u>Principal Amount</u>
2024	\$ 2,174,605
2025	2,231,782
2026	2,285,061
2027	2,339,634
2028	2,390,822
Thereafter	<u>59,211,723</u>
Total	<u><u>\$ 70,633,627</u></u>

Interest expense for the years ended September 30 consisted of the following:

	<u>2023</u>	<u>2022</u>
Interest Incurred on Bonds and Swaps	\$ 1,959,341	\$ 2,016,090
Amortization of Deferred Financing Costs	<u>67,203</u>	<u>56,075</u>
Total	<u><u>\$ 2,026,544</u></u>	<u><u>\$ 2,072,165</u></u>

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

**Interest Rate Swap Agreements**

The Corporation entered into three variable-to-fixed interest rate swap agreements to manage the interest rate risk on the variable rate indebtedness on the Series 2016, 2017, and 2017A Bonds. Under the first swap agreement (Series 2016 Swap), the Corporation paid a fixed rate equal to 1.657% in place of the variable rate equal to 81.43% of the one-month LIBOR, for a combined rate of 3.107%, on a notional amount of \$10,845,818. As of September 30, 2023, the Series 2016 Swap has a notional amount of \$8,904,938. The Series 2016 Swap has an effective date of August 31, 2016 and terminates on August 31, 2037. This agreement was amended during 2023 so the Corporation now pays a fixed rate equal to 1.912% in place of a variable rate of 79% of Term SOFR. Under the second swap agreement (Series 2017 Swap), the Corporation paid a fixed rate equal to 1.649%, in place of the assumed variable rate equal to 81.43% of the one-month LIBOR, for an assumed combined rate of 2.999%, on a notional amount of \$18,580,411. As of September 30, 2023, the Series 2017 Swap has a notional amount of \$10,927,750. The Series 2017 Swap has an effective date of April 5, 2017 and a termination date of July 1, 2031. This agreement was amended during 2023 so the Corporation now pays a fixed rate equal to 1.514% in place of a variable rate of 79% of Term SOFR. Under the third swap agreement (Series 2017A Swap), the Corporation paid a fixed rate equal to 2.334%, in place of the assumed variable rate equal to 81.43% of the one-month LIBOR, for an assumed combined rate of 3.982%, on a notional amount of \$38,203,000. As of September 30, 2023, the Series 2017A Swap has a notional amount of \$37,300,936. The Series 2017A Swap has an effective date of April 29, 2019 and a termination date of July 1, 2037. This agreement was amended during 2023 so the Corporation now pays a fixed rate equal to 2.429% in place of a variable rate of 79% of Term SOFR. The Series 2016 Swap, Series 2017 Swap, and Series 2017A Swap will be collectively referred to as the "Swap Agreements."

The total estimated fair value of the Swap Agreements as of September 30, 2023 and 2022 was an asset of \$5,218,195 and \$3,382,129, respectively. The amount is included on the consolidated balance sheets as the Assets Under Interest Rate Swap Agreements. The change in fair value was a gain of \$1,836,067 and \$8,674,695 for the years ended September 30, 2023 and 2022, respectively, and is included in other nonoperating gain (loss) in the consolidated statements of operations for the years ended September 30, 2023 and 2022.

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**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with purpose restrictions at September 30 are available for the following purposes:

	<u>2023</u>	<u>2022</u>
General Endowment	\$ 7,692,603	\$ 6,860,797
Employee Education	513,633	452,788
Other	839,419	711,937
Total	<u>\$ 9,045,655</u>	<u>\$ 8,025,522</u>

Net assets with perpetual restrictions at September 30 are restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
Trust Held by Others for Fellowships	\$ 1,959,906	\$ 1,827,295
General Endowment	448,678	432,377
Employee Education	14,918	15,018
Total	<u>\$ 2,423,502</u>	<u>\$ 2,274,690</u>

During the years ended September 30, 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows:

	<u>2023</u>	<u>2022</u>
Fellowships	\$ 569,817	\$ 437,893
General Endowment	104,639	163,669
Employee Education	25,077	11,600
Total	<u>\$ 699,533</u>	<u>\$ 613,162</u>

**NOTE 8 ADVANCE FEES AND DEPOSITS**

Under the Residence and Services Agreement (the Agreement), a reservation fee of 10% of the advance fee is required with each reservation. The reservation fee is refundable in full if, before the occupancy date, (i) a written request is received from the applicant, (ii) the applicant is not admitted, or (iii) the applicant dies before the date of closing. Prior to occupancy this fee is reported as an advance fee payable. Upon occupancy, reservation fees are reclassified as deferred revenue from advance fees. The deferred revenue is then amortized over the estimated life expectancy of the residents.

**NOTE 8 ADVANCE FEES AND DEPOSITS (CONTINUED)**

The Agreement provides for partial refunds of the advance fee under the circumstances outlined below. The resident must elect one of the following three options:

1. Basic Plan Option – In the event of the resident’s death or voluntary termination of the contract, the resident’s estate or the resident shall receive a refund of the advance fee less 2% thereof for each month of occupancy or portion thereof. However, no refund shall exceed 96% of the advance fee. No refund of any amount of the advance fee shall be paid to the resident after 50 months of occupancy.
2. Guaranteed 50% Plan Option – In the event of the resident’s death or voluntary termination of the contract, the resident’s estate or the resident will receive a refund of the advance fee less 2% per month of such advance fee in the event of death or voluntary termination at any time within 25 months of date of occupancy, and provided, however, that no refund of the advance fee exceeds 96%. After 25 months, 50% of the advance fee is due to the resident.
3. Guaranteed 90% Plan Option – In the event of the resident’s death or voluntary termination of the contract, the resident’s estate or the resident will receive a refund of the advance fee less 2% per month of such advance fee in the event of death or voluntary termination at any time within five months of the date of occupancy, and provided that no refund of the advance fee exceeds 96%. After five months, 90% of the advance fee is due to the resident.

In addition to the refund provisions outlined above, the Corporation refunds 100% of any advance fees during the first year of a resident’s contract.

Resident contract deposit amounts include a refundable portion based on the individual agreement. The total amount of contractual refund obligations under existing contracts September 30, 2023 and 2022 are estimated not to exceed \$23,664,887 and \$17,408,653, respectively.

**NOTE 9 RETIREMENT PLANS**

**403(b) Retirement Plan**

The Corporation has a 403(b) retirement plan which covers substantially all full-time and part-time employees. The Corporation contributes a 50% matching contribution up to a maximum of 6% of gross pay. Retirement plan expenses under the 403(b) retirement plan totaled approximately \$299,000 and \$280,000 for the years ended September 30, 2023 and 2022, respectively.



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**NOTE 9 RETIREMENT PLANS (CONTINUED)**

**Defined Benefit Plan**

The Corporation had a noncontributory, defined benefit plan which covered substantially all of its employees. This plan was amended to adopt a soft freeze effective November 17, 2011. Under this amendment, employees hired after this effective date were ineligible to participate. The plan was further amended in August 2012 to adopt a hard freeze which was effective November 30, 2012. Under this amendment, in addition to new employees being ineligible to participate, actuarial calculations were frozen as to years of service and compensation for those employees who have not reached the age of 60.

During 2022, the plan was terminated as previously announced by the Corporation. Final distribution values were determined after participants made elections allowable under the plan guidelines. A settlement amount of approximately \$10,794,000 was paid out to participants during the year ended September 30, 2022.

The benefits under the plan were based on years of service and the employee's average compensation during the ten consecutive calendar years for which compensation was the highest. The Corporation's funding policy was to contribute amounts to the plan sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 (ERISA).

Changes in the plan's funded status for the year ended September 30, 2022 (measurement dates are September 30) was as follows:

	2022
Change in Benefit Obligation:	
Benefit Obligation - Beginning of Year	\$11,834,626
Service Cost	-
Interest Cost	304,210
Actuarial Loss	(790,678)
Benefits Paid	(554,236)
Settlement	(10,793,922)
Benefit Obligation - End of Year	\$ -
Change in Plan Assets:	
Fair Value of Plan Assets - Beginning of Year	\$11,836,578
Actual Return on Plan Assets	(882,816)
Employer Contributions	394,396
Benefits Paid	(554,236)
Settlement	(10,793,922)
Fair Value of Plan Assets - End of Year	\$ -
Over (Under)-Funded Status	\$ -

After the plan termination, there was no accumulated benefit obligation as of September 30, 2022.

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**NOTE 9 RETIREMENT PLANS (CONTINUED)**

**Defined Benefit Plan (Continued)**

The Corporation's investment strategy consisted of a long-term, risk-controlled approach using diversified investment options with a minimal exposure to volatile investment options like derivatives. The long-term strategy was foremost preserving plan assets from the downside market risk while secondarily out-performing peers over a full market cycle. The investment process used a diversified allocation of equity, debt, and real estate exposures that were customized to the plan's cash flow benefit needs. The weighted average expected long-term rate of return on assets was based on return expectations for target asset categories based on historical market data as well as actual returns on the plan assets.

The net periodic benefit cost for the year ended September 30, 2022 included the following components:

	2022
Components of Net Periodic Benefit Cost (Income):	
Interest Cost	\$ 304,210
Expected Return on Plan Assets	(311,355)
Amortization of Net Actuarial Loss	134,782
Effect of Settlement	2,443,017
Net Periodic Cost Recognized in Operations	\$ 2,570,654

Net periodic costs were reported in administrative expenses in the consolidated statements of operations.

The weighted average assumptions used in determining the net pension cost for the Corporation's pension plan were as follows as of September 30, 2022:

	2022
Weighted Average Discount Rate	2.50%
Rate of Increase in Compensation	3.25%
Expected Long-Term Rate of Return on Assets	6.25%

**NOTE 10 RESIDENTIAL SERVICES AND OTHER PATIENT SERVICES REVENUE**

Residential services and other patient services revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing patient and resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Corporation bills the residents 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.

**NOTE 10 RESIDENTIAL SERVICES AND OTHER PATIENT SERVICES REVENUE (CONTINUED)**

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 residents and customers 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 have 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 the established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare

The Corporation's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facilities are paid under the Patient Driven Payment Model (PDPM) which became effective October 1, 2019. Under PDPM, therapy minutes were 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 variance 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.

**NOTE 10 RESIDENTIAL SERVICES AND OTHER PATIENT SERVICES REVENUE (CONTINUED)**

Medicare (Continued)

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.

Medicaid

Effective October 1, 2019, new PDPM HIPPS codes replaced RUG scores listed on each claim for determining reimbursement amounts. 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 2023, and 2022.

Generally, residents 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 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 recorded as adjustments to resident 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, 2023, and 2022. Subsequent changes that are determined to be the result of an adverse change in the resident'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.

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**NOTE 10 RESIDENTIAL SERVICES AND OTHER PATIENT SERVICES REVENUE (CONTINUED)**

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

	<u>2023</u>	<u>2022</u>
Medicare	\$ 3,398,462	\$ 2,679,294
Medicaid	223,805	436,852
Private	22,034,916	20,963,899
Other	<u>6,135,315</u>	<u>5,825,905</u>
Total	<u>\$ 31,792,498</u>	<u>\$ 29,905,950</u>

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

The composition of residential services and other patient 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:

<b>Service Lines:</b>	<u>2023</u>	<u>2022</u>
Independent Living	\$ 16,937,553	\$ 16,158,880
Assisted Living and Memory Support Revenue	2,740,675	2,605,702
Home and Community Services Revenue	2,356,688	2,289,944
Health Center	<u>9,757,582</u>	<u>8,851,424</u>
Total	<u>\$ 31,792,498</u>	<u>\$ 29,905,950</u>

<b>Method of Reimbursement:</b>	<u>2023</u>	<u>2022</u>
Monthly Service Fees	\$ 21,118,000	\$ 20,844,954
Fee For Service	5,482,256	3,235,091
Amortization of Entrance Fees	<u>5,192,242</u>	<u>5,825,905</u>
Total	<u>\$ 31,792,498</u>	<u>\$ 29,905,950</u>

**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.

**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.

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**NOTE 10 RESIDENTIAL SERVICES AND OTHER PATIENT SERVICES REVENUE (CONTINUED)**

The opening and closing contract balances were as follows:

	Deferred Revenue
Balance as of October 1, 2021	\$ 44,719,829
Balance as of September 30, 2022	46,289,499
Balance as of September 30, 2023	52,259,237

**NOTE 11 FAIR VALUE DISCLOSURES**

The Corporation uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures. All assets have been valued using a market approach, except for alternative investments. Alternative funds held by the Corporation seek long-term capital appreciation and reduction of overall portfolio risk through investing in hedge funds of funds, real estate investment trusts, or commodities. The Corporation established alternative investment valuation procedures in which Management validates the fair value reported by the third-party investment manager. For additional information on how the Corporation measures fair value refer to Note 1 – 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, 2023 and 2022. Investments held in cash and cash equivalents have been excluded from the tables below.

	September 30, 2023			
	Fair Value	Level 1	Level 2	Level 3
<b>Assets:</b>				
Investments:				
Bond Funds	\$ 6,035,177	\$ 6,035,177	\$ -	\$ -
Common Stocks	13,625,666	13,625,666	-	-
Total	19,660,843	19,660,843	-	-
Assets Limited as to Use:				
Common Stocks	13,913,574	13,913,574	-	-
Bond Funds	2,452,646	2,452,646	-	-
Funds Held in Trust by Others	2,485,193	-	-	2,485,193
Total	18,851,413	16,366,220	-	2,485,193
Assets Under Interest Rate				
Swap Agreements	5,218,195	-	5,218,195	-
Assets Held Under Split-Interest Agreements:				
Common Stocks	6,333	6,333	-	-
Total	6,333	6,333	-	-
Total Assets Measured at Fair Value	\$ 43,736,784	\$ 36,033,396	\$ 5,218,195	\$ 2,485,193

The table above includes all assets whose use is limited and investments with the exception of cash and cash equivalents of \$3,801,973 and alternative investments of \$2,769.

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**NOTE 11 FAIR VALUE DISCLOSURES (CONTINUED)**

	September 30, 2022			
	Fair Value	Level 1	Level 2	Level 3
<b>Assets:</b>				
Investments:				
Bond Funds	\$ 5,504,957	\$ 5,504,957	\$ -	\$ -
Common Stocks	11,698,530	11,698,530	-	-
Total	<u>17,203,487</u>	<u>17,203,487</u>	-	-
Assets Under Interest Rate Swap Agreements				
	3,382,129	-	3,382,129	-
Assets Limited as to Use:				
Common Stocks	12,518,346	12,518,346	-	-
Bond Funds	2,235,150	2,235,150	-	-
Funds Held in Trust by Others	2,477,937	-	-	2,477,937
Total	<u>17,231,433</u>	<u>14,753,496</u>	-	<u>2,477,937</u>
Assets Held Under Split-Interest Agreements:				
Common Stocks	24,277	24,277	-	-
Total	<u>24,277</u>	<u>24,277</u>	-	-
Total Assets Measured at Fair Value	<u>\$ 37,841,326</u>	<u>\$ 31,981,260</u>	<u>\$ 3,382,129</u>	<u>\$ 2,477,937</u>
<b>Liabilities:</b>				
Obligations Under Interest Rate Swap Agreements				
	\$ 5,292,567	\$ -	\$ 5,292,567	\$ -
Total Liabilities Measured at Fair Value	<u>\$ 5,292,567</u>	<u>\$ -</u>	<u>\$ 5,292,567</u>	<u>\$ -</u>

The table above includes all assets whose use is limited and investments with the exception of cash and cash equivalents of \$4,825,465 and alternative investments of \$102,031.

Certain of the Corporation's investments are valued based on net asset value per share information provided by fund managers, and consist of the following as of September 30:

Major Category	Fair Value	2023		
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Funds	\$ 517	\$ 6,000	Not Eligible for Current Redemption	N/A
Private Equity	<u>2,252</u>	<u>29,315</u>	Not Eligible for Current Redemption	N/A
Total	<u>\$ 2,769</u>	<u>\$ 35,315</u>		

**WESTMINSTER CANTERBURY OF LYNCHBURG, INC.  
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**NOTE 11 FAIR VALUE DISCLOSURES (CONTINUED)**

Major Category	Fair Value	2022		
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Funds	\$ 517	\$ 6,000	Not Eligible for Current Redemption	N/A
Private Equity	<u>101,514</u>	<u>39,271</u>	Not Eligible for Current Redemption	N/A
Total	<u>\$ 102,031</u>	<u>\$ 45,271</u>		

Real estate funds are funds invested in a real estate fund of funds, structured as a limited partnership. Private equity funds are funds that include two funds, one of which is invested in oil and gas funds and one which is invested in private investment companies and structured as a limited partnership.

The risk for each of the above investments is limited to the value of the Corporation's investment plus any unfunded commitments at September 30, 2023.

The value of Beneficial Interests in Perpetual Trusts represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third-party. The Corporation does not have variance power over the trust's portfolio. The value of Beneficial Interests in Perpetual Trusts is estimated based on the fair value of the underlying investments held by the trust.

**NOTE 12 CARES ACT FUNDING**

**Provider Relief Funds**

Under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), DHHS was allocated \$100 billion in relief funds to health care providers on the front lines of the COVID-19 response. These funds are also known as the Provider Relief Funds (PRF). Payments from PRF are being distributed by DHHS through various general distributions and targeted distributions. PRF payments may be used to cover lost revenue attributable to COVID-19 or expenses associated with preparing for, preventing, or responding to COVID-19. During the year ended September 30, 2022, the Corporation received approximately \$29,000. No additional funds were received during the year ended September 30, 2023. As of September 30, 2022, the Corporation recognized approximately \$29,000 as Other Revenue in the consolidated statements of operations. As of September 30, 2023, and 2022, no amounts were recognized as Deferred Revenue in the consolidated balance sheets. Management believes the amounts have been recognized appropriately as of September 30, 2023 and 2022.



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**NOTE 13 FUNCTIONAL EXPENSES**

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 buildings and grounds, interest, and depreciation expenses. Program, management, and fundraising expenses for the year ended September 30, 2023 are summarized below.

	Health Care Services	Retirement Services	General and Administrative	Fundraising	2023 Total
Salaries and Payroll Expense	\$ 14,889,570	\$ 4,648,399	\$ 490,196	\$ 214,645	\$ 20,242,810
Service and Contract Fees	237,981	76,712	42,469	250	357,412
Advertising Expenses	67,426	-	163,029	368	230,823
Office Expenses	654,890	233,185	27,028	9,177	924,280
Occupancy	375,796	1,257,735	41,986	-	1,675,517
Travel	87,426	17,001	20,084	2,523	127,034
Interest	266,491	1,712,024	48,029	-	2,026,544
Depreciation	660,863	4,245,602	119,106	-	5,025,571
Other	2,819,209	1,709,480	432,059	14,031	4,974,779
Total	<u>\$ 20,059,652</u>	<u>\$ 13,900,138</u>	<u>\$ 1,383,986</u>	<u>\$ 240,994</u>	<u>\$ 35,584,770</u>

Program, management, and fundraising expenses for the year ended September 30, 2022 are summarized below.

	Health Care Services	Retirement Services	General and Administrative	Fundraising	2022 Total
Salaries and Payroll Expense	\$ 13,392,871	\$ 4,342,810	\$ 532,339	\$ 212,130	\$ 18,480,150
Service and Contract Fees	258,799	68,919	29,277	120	357,115
Advertising Expenses	77,923	-	105,038	-	182,961
Office Expenses	699,605	253,842	31,415	10,161	995,023
Occupancy	349,538	1,137,512	38,565	571	1,526,186
Travel	93,406	18,520	13,337	2,382	127,645
Interest	272,490	1,750,565	49,110	-	2,072,165
Depreciation	639,187	4,106,348	115,199	-	4,860,734
Other	2,711,496	1,516,626	64,204	5,729	4,298,055
Total	<u>\$ 18,495,315</u>	<u>\$ 13,195,142</u>	<u>\$ 978,484</u>	<u>\$ 231,093</u>	<u>\$ 32,900,034</u>

**NOTE 14 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 other uninsured liability.

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**NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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.

**Health Insurance**

The Corporation is primarily self-insured, up to certain limits, for employee group health claims. The Corporation has purchased stop-loss insurance for individual claims in excess of \$120,000 annually. A liability for unpaid claims and the associated claims expenses, including incurred but not reported losses, is reflected in other current liabilities in the amount of approximately \$110,000 and \$252,000 at September 30, 2023 and 2022, respectively. Total expense under the program, net of employee contributions and premiums, was approximately \$1,880,000 and \$1,335,000 in 2023 and 2022, respectively.

**NOTE 15 LIQUIDITY AND AVAILABILITY**

The Corporation invests cash in excess of short-term requirements in short-term investments. In addition, the Corporation has 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:

	2023	2022
Cash and Cash Equivalents	\$ 3,589,874	\$ 3,770,778
Investments	22,292,591	21,206,409
Accounts Receivable, Net of Allowance for Doubtful Accounts	1,768,515	1,841,319
Other Receivables	2,027,391	123,207
Total Assets Available for Use	\$ 29,678,371	\$ 26,941,713

**Westminster Canterbury of Lynchburg  
Summary of Financial Information  
For the Twelve Months Ending September 30, 2023**

	FY2023	FY2022
<b>Total Assets</b>	\$154,172,517	\$145,622,277
<b>Total Liabilities</b>	\$128,874,532	\$126,820,764
<b>Total Net Assets</b>	\$25,297,985	\$18,801,513
<b>Total Revenues</b>	\$36,741,387	\$32,606,245
<b>Total Expenses</b>	\$35,584,770	\$32,900,034
<b>Excess (Deficit) of Revenues</b>	\$1,156,617	(\$293,789)
<b>Increase (Decrease) in Net Assets</b>	\$5,327,527	\$791,594

**Narrative on Financial Condition:**

**Financial Summary.**

Independent living unit (ILU) occupancy averaged 95.8% in fiscal 2023. The fiscal year 2024 budget assumes ILU occupancy of 95.4%. FY2023 Assisted living unit (ALU) occupancy was 86.7%, an increase from 86.1% in fiscal 2022. ALU occupancy has been budgeted at 83.3% for fiscal 2024. FY2023 Healthcare occupancy of 95.8% increased from FY2022 Healthcare occupancy of 90.8%. Healthcare has been budgeted at 95.2% for FY2024. WCL's FY2023 net operating margin (NOM) of 6.14% is an increase from FY2022 of (-2.34%). This reflects income from the new Riverside Apartments and increase in Healthcare occupancy in FY2022. Operating expenses have increased year to year due to increases in wage rates driven by market demands and pressure to increase minimum wages. Management budgeted a 2.34% NOM for fiscal 2024.

Debt service coverage increased from 2.03x in fiscal 2022 to 3.93 in fiscal 2023. Debt service coverage is budgeted at 1.77 for fiscal 2024, which takes into account all additional borrowing and refundings. Days' cash on hand decreased from 418 days in fiscal 2022 to 400 days in fiscal 2023. This is due to the decline in investment value in the later end of FY2023 and lower than expected entrance fees due to decreased resident unit turnover. Days cash on hand has been budgeted at 420 for FY2024.

	2022		2023		2023		2024 Bud		2024 Bud	
	Available	Occupied	Available	Percentage	Occupied	Percentage	Available	Occupied	Percentage	Percentage
Independent Living	239	223	257	93.31%	246	95.80%	262	250	95.42%	
Assisted Living	40	35	40	86.25%	34	84.60%	40	32	80.00%	
Memory Unit	14	12	14	85.71%	13	92.86%	14	13	92.86%	
ALU/MU Combined	54	46.5	54	86.11%	47	86.74%	54	45	83.33%	
Health Care	105	95	105	90.81%	100.6	95.81%	105	100	95.24%	