


# Annual Disclosure Statement

**FILED**  
**Commonwealth of Virginia**  
**State Corporation Commission**  
**Bureau of Insurance**  
*June 27, 2022*  
**Commissioner of Insurance**  
**BY:** 

Disclosure Statement as a continuing care provider in accordance with Section 38.2-4902,  
Virginia Code:

MASONIC HOME OF VIRGINIA  
500 Masonic Lane  
Richmond, Virginia 23223

A corporation chartered by the General  
Assembly of Virginia January 7, 1890;  
amended by the State Corporation Com-  
mission on February 11, 1909; December  
27, 1923; July 14, 1977; October 17, 1989

The filing of this disclosure statement with the State Corporation Commission does not con-  
stitute approval, recommendation, or endorsement of the facility by the State Corporation  
Commission.

Commonwealth of Virginia  
State Corporation Commission  
Bureau of Insurance

CONTINUING CARE PROVIDER REGISTRATION STATEMENT

Legal Name of Provider: Masonic Home of Virginia

Recorded Trade Name(s): \_\_\_\_\_

Mailing Address of Provider: P.O. Box 7866

Henrico, VA 23231

Location of Provider: 500 Masonic Lane

Richmond, VA 23223

Telephone Number: 804-222-1694

Contact Person: Anne B. Hagen, Chief Executive Officer

On what date (month/day) does your fiscal year end? December 31

Have all applicable certificate of need requirements imposed by the Health Department for existing and planned facilities been met? Yes. If no, attach an exhibit that describes the nature of the certificate of need deficiency and how it affects your ability to serve current and future residents

Have all other applicable licensure or certification requirements been met? Yes. If no, attach an exhibit that describes the nature of the deficiency and how it affects your ability to serve current and future residents.

Are you in compliance with all other state federal and municipal laws and regulations? Yes  
If no, attach an exhibit that describes the nature of your noncompliance and how it affects your ability to serve current and future residents.

Are you bankrupt, insolvent, under reorganization pursuant to federal bankruptcy laws or in imminent danger of becoming bankrupt or insolvent? No If yes, attach an exhibit that describes the nature of the bankruptcy, insolvency reorganization, or imminent bankruptcy or insolvency and how it affects your ability, to serve current and future residents.

(Continued on next page)

I, Anne B. Hagen, as a duly authorized officer, principal,  
(Name)  
general partner, or trustee of Masonic Home of Virginia

(Continuing Care Provider)

hereby certify that the information contained herein in any attached exhibits, and in the attached disclosure statement is a true representation of said provider's operation financial condition and method of doing business.

Anne B. Hagen Chief Executive Officer  
(Signature) (Title)

Subscribed and sworn to before me this 29 day of April, 2022.

Angela C. Pisano  
(Notary Public)

My commission expires 02/28/2025





## **CONTINUING CARE PROVIDER**

The Masonic Home of Virginia is a Nonprofit Corporation. The Charter of Incorporation was issued by the General Assembly of Virginia (Sess. Acts, 1889-1890, p.43) approved January 7, 1890 and amended by the Virginia State Corporation Commission on February 11, 1909; December 27, 1923; July 14, 1977; and October 17, 1989.

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

See Attachment No. 1

## **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 OF BENEFICIAL INTERESTS; AND THE MANAGEMENT**

For (i) the provider, (ii) any person named in the previous section or (iii) the proposed management, if the facility will be managed on a day-to-day basis by a person other than an individual directly employed by the provider:

- a. Give a description of any specific business experience in the operation or management of similar facilities.

The facility is managed on a day to day basis by a full-time paid Chief Executive Officer, appointed by the Board of Governors and who operates under the policies and guidelines laid down by the Board of Governors. The current Chief Executive Officer, Anne B. Hagen, MBA, CPA, was appointed November 01, 2019. She has a BS degree in Accounting from Virginia Tech. She has over thirty years' experience in management positions with nonprofit organizations. She was previously employed as the CFO for the Masonic Home for ten years. She received her MBA from Longwood University in August 2019. She also has served on various boards for nonprofit organizations in the community.

Robert A. Adkins, Sr. Administrator, who is a Licensed Nursing Home Administrator and reports to the CEO, Anne B. Hagen. Robert Adkins, received a B.S. in Health Science and Administration with a concentration in Gerontology from California State University. Mr. Adkins was the Administrator for Westminster Canterbury Richmond for six years prior to employment with the Masonic Home of Virginia in June 2012.

- 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 direct or indirect interest and which it is presently intended will or may provide goods, leases or services to the provider of a value of \$500 or more, within any year, including:**

n/a

**(1) A description of the goods, leases or services and the probable or anticipated cost thereof to the provider;**

n/a

**(2) The process by which the contract was awarded;**

n/a

**(3) Any additional offers that were received; and:**

n/a

**(4) Any additional information requested by the Commission detailing how and why a contract was awarded.**

n/a

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

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

n/a

**(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**

n/a

**(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.**

n/a

## **OWNERSHIP OF REAL PROPERTY**

All property on which the facility is operated is the property of the Masonic Home of Virginia.

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

Approximately ninety-three (93) acres located at the intersection of Nine Mile Road and Masonic Lane in Eastern Henrico County in the Fairfield Magisterial District. Buildings housing residents in the Home's care are:

- a. A Home for Adults licensed by the Virginia Department of Social Services for 168 beds. The first 64 rooms of the Home were completed in 1955; an addition of seventeen (17) rooms completed in 1960; sixty-four (64) rooms completed in April 1984; and fifty-six (56) additional rooms were completed in 1988; in 2008, twenty-one (21) beds were converted to 5 independent living apartments (and removed from licensing); in 2010, seventeen (17) beds were converted to nine (9) suite apartments (and remained under license). In 2015, twelve (12) beds were converted to four (4) independent living apartments (and removed from licensing). In 2019, twelve (12) beds were converted to six (6) suites (and remained under license).
- b. A Nursing Home of sixty-seven (67) beds, licensed by the Virginia Department of Health. The original facility contained 41 beds, and an addition of sixty (60) beds was completed and occupied in November 1992. The number of beds reduced from 101 to 67 in 2009.

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

- a. The Masonic Home of Virginia is a completely independent corporation. It renders service exclusively to those affiliated with the Grand Lodge A.F. & A.M. of Virginia. The Grand Lodge AF & A.M. of Virginia makes an annual dues assessment of all its members which is conveyed to the Masonic Home of Virginia; however there is no contractual agreement, explicit or implicit, to convey its assessment on members to the Home or to guarantee the financial and contractual obligations of the Masonic Home of Virginia.
- b. The provider is exempt from payment of income tax under Title 501 C (3). See Internal Revenue Service letter. (Attachment No. 2)

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

Residents may reside in two primary areas of the community, the Adult Home and the Masonic Village, which consists of independent living units.

Residents residing in the Adult Home are of two categories: Cornerstone and Paying. Services provided are identical with the exception of the source of payment for medical care and burial expenses.

Paying residents are simply on a “pay-as-you-go” basis. They are responsible for their own medical care and burial expense. They have access to the same care and routine assistance of our nursing staff. They have access to our nursing home facility (which we refer to as the Care Center) but are required to pay the established rate for same. This is described in our Rules of Admission and in the Paying resident’s contract. Paying residents are responsible for the costs incurred with their personal physician, any specialists to whom they may be referred, in-patient and outpatient care at acute care facilities, all medications, dental care, dentures and eye glasses.

A sub-category of Paying Residents are residents residing in the C and D Wing-Suites, which is a wing of the Adult Home. These residents receive all care and services provided to other Adult Home residents. The only distinction is that the entrance fee is slightly higher as disclosed herein (See Fees Required of Residents), due to the much larger space provided in each C and D Wing Suites. All levels of care are available to C and D Wing residents under their Contract except skilled nursing care (See Attachment No. 9 for C-Wing Suites and Attachment No. 5 for D-Wing Suites).

Cornerstone residents receive total care, fully paid for by the Masonic Home of Virginia. This also includes a proper burial at death. Adult Home residents retain 25%, Assisted Living I residents retain 20%, Assisted Living II and Memory Support I residents 15%, and Nursing Home and Memory Support II residents retain 10% of their monthly income to dispose of at their discretion, which typically may include expenditures for cosmetics, beautician or barber services, and replacement of clothing and special treats. Cornerstone residents have access to the nursing home facility and the Masonic Home of Virginia assumes financial responsibility for all medically necessary health and dental care including inpatient care in acute care facilities.

Services provided to all Adult Home residents (both Paying and Cornerstone) include but are not limited to: the use of a single room in the Home for Adults facility or a room in the Nursing Home facility; use of fitness center, housekeeping services; bed linens; normal physical maintenance of the facility; three nutritious meals per day; personal laundry services; participation in activities; access to regularly scheduled transportation; routine assistance of nursing staff; physical therapy, management of prescribed medications; and transportation to area medical appointments. Multiple licensed physicians make rounds in the Nursing Home facility, hear medical and psychiatric concerns of residents in both the Nursing Home facility and the Home for Adults facility, and as a general practitioner prescribe medications and treatments and refer residents to specialists or their personal physician as may be indicated.

Services provided in the Adult Home are based on the care needs of the residents. In accordance with regulatory guidelines of the Virginia Department of Social Services and the Virginia Department of Health, regular care planning evaluations are documented for every resident. Care planning involves social workers, licensed administrators, attending physicians,

nursing staff and other healthcare professionals, as well as input from applicable family members. For purposes of this Disclosure, a summary of services provided in each level of care is outlined in Attachment No. 19. For Paying Residents, different fees are charged for each level of care (See Fees Required of Residents). The lowest level of care provided is Residential, increasing to Assisted Level I, then Assisted Level II, then Memory Support I, then Memory Support II and Care Center. These levels of care are consistent with industry norms.

Residents in the Independent Living Units of the Masonic Village and the B-Wing Apartments occupy a one or two bedroom patio home / apartment with kitchen, living room and dining room, or a two-story home with a downstairs master bedroom, kitchen, dining room, living room, den and two upstairs bedrooms or apartments with one or two bedrooms, kitchen, living room and dining room. They live completely independent of the care program of the Adult Home and Nursing Home. All are allowed to pay for meals in the Home if they so desire; B Wing Apartment residents receive one meal per day. Services to these residents include water and sewer services, (they pay direct for other utilities), exterior maintenance, grass cutting, snow and trash removal, bi-weekly, housekeeping, interior maintenance, routine and emergency repairs, hazard insurance on the building, access to Masonic Home buildings and grounds, lounges, library, garden, etc. participation in the Home's activities and programs, access to health care services (at the resident's election and expense) and access to regularly scheduled group transportation. They are eligible to apply to the care program of the Adult Home or Nursing Home facility should the need arise, at their election. The resident shall make application and, if approved for admission by the Board of Governors, the resident shall sign a contract (Attachment 7).

See Rules of Admission (Attachment No. 3), as well as the Contract, and Property Transfer for Cornerstone Residents (Attachment Nos. 4, and 4-a), and Contract for Paying Resident (Attachment No. 5). Paying Residents who reside in our C-Wing Suites utilize a different contract and reservation agreement, see Contract of Paying Resident for C-Wing Suite and Suite Reservation Agreement (Attachment No. 9 and 20). D-Wing Suite Residents utilize a different contract for Paying Residents and Reservation Agreement (Attachment No. 21 and 22). C and D Wing Suite residents receive the same care as other Adult Home residents and pay the same monthly fees as other Adult Home Paying Residents, depending on the level of care provided (See Fees Required of Residents).

See Reservation Agreement for Independent Living Units, Village Entrance Fee Options, Resident Agreement, Resident Agreement for Apartments, Contract of Respite Resident, Pet Policy, Rights & Responsibilities of Residents (ILU), Procedure for Temporary or Permanent Transfer of ILU Resident to Masonic Home Care Center, and Contract of Paying Resident upon Transfer from the Masonic Village (Attachment Nos. 6, 7, 7-a, 8, 10, 11, 12, 13 and 14)

The Masonic Home of Virginia cared for 839 orphans of Virginia Masons from April 1890 until the last child was released in March 1975. While the Home is not at present licensed for the care of children and has not received a request for such care in approximately 47 years, it stands ready to support any orphans who are in need and qualify as an orphan of a

Mason holding membership in a Lodge chartered by the Grand Lodge A.F. & A.M. of Virginia.

Any such orphan would most likely be supported in a foster home or licensed facility with full expenses paid for by the Masonic Home of Virginia, at no charge to the child or its family. A contract would be developed at the time of request based on the circumstances which might then prevail.

In the long tradition of caring for orphans, the Masonic Home of Virginia has never levied a charge against any child or its family. In the event our charges were eligible for Social Security survivor's benefits, it was accumulated in trust for them and paid to them in a lump sum when they were released from the Home.

### **FEES REQUIRED OF RESIDENTS**

- a. Adult Home paying residents (except C- and D -Wing Suites) pay upon admission an entrance fee of \$30,000 if single or \$40,000 if a couple. After six months in residence, this fee is not refundable. If a resident (or couple) withdraw or are asked to leave within six months of admission, 50% of the entry fee is refunded on a prorated basis. There are no deposits or application fees before admission.
- b. Adult Home paying residents in C-and D -Wing Suites pay upon admission an entrance fee of \$30,000 if single or \$40,000 if a couple. The amount of the entrance fee is 50% refundable after admission prorated over 6 months. A suite fee of \$50,000 if single or \$40,000 if a couple for a total entrance fee up to \$80,000. The amount of entrance fee refund available decreases in value at the rate of ten percent (10%) upon admission, and one and one-half percent (1 1/2%) of the entrance fee each month thereafter, up to a maximum reduction of one hundred percent (100%). Therefore, the refund available declines over five years and no refund is made after five (5) years. There are no deposits or application fees before admission.
- c. Cornerstone residents applying to the Adult Home surrender all real estate and life insurance, and a percentage of personal assets upon admission and of all subsequent income based on their level of care, retaining a life interest in the remaining percentage. If their level of care needs change, the corresponding percentage of income changes after 30 days. Resident retains a life interest in the remaining assets and income to dispose of as they wish during their lifetime. Should a resident withdraw or be expelled, costs of their care will be calculated on a paying basis from the date of admission to the date of leaving. Said costs will be deducted from the total of all assets and income surrendered and any balance will be refunded in cash to the resident upon leaving.

Monthly fees for paying residents are on a per-person basis. Residents are notified in writing of any change in the monthly fee, with the increase becoming effective 30 days thereafter. In 2005, a separate category for the Assisted Living area of the Home was established. The newly established rate is shown in the Assisted Living Rate table below. In 2010, two new

levels of care were established: Assisted Living I and Memory Support I. C – and D -Wing Suite residents pay the same monthly fees as other residents within the Adult Home, depending on the level of care provided.

**Residential (Including C- and D -Wing Suites) Rate Changes:**

<b>Year</b>	<b>Rate</b>
<b>2022</b>	<b>\$4,320</b>
<b>2021</b>	<b>\$4,155</b>
<b>2020</b>	<b>\$4,040</b>
<b>2019</b>	<b>\$3,890</b>
<b>2018</b>	<b>\$3,740</b>
<b>2017</b>	<b>\$3,595</b>
<b>2016</b>	<b>\$3,460</b>
<b>2015</b>	<b>\$3,330</b>

**Assisted Living I (Including C- and D -Wing Suites) Rate Changes:**

<b>Year</b>	<b>Rate</b>
<b>2022</b>	<b>\$5,835</b>
<b>2021</b>	<b>\$5,610</b>
<b>2020</b>	<b>\$5,450</b>
<b>2019</b>	<b>\$5,250</b>
<b>2018</b>	<b>\$5,050</b>
<b>2017</b>	<b>\$4,855</b>
<b>2016</b>	<b>\$4,675</b>
<b>2015</b>	<b>\$4,500</b>

**Assisted Living II (Including C- and D -Wing Suites) Rate Changes:**

<b>Year</b>	<b>Rate</b>
<b>2022</b>	<b>\$7,395</b>
<b>2021</b>	<b>\$7,110</b>
<b>2020</b>	<b>\$6,910</b>
<b>2019</b>	<b>\$6,650</b>
<b>2018</b>	<b>\$6,400</b>
<b>2017</b>	<b>\$6,150</b>
<b>2016</b>	<b>\$5,920</b>
<b>2015</b>	<b>\$5,700</b>

**Memory Support I Rate Changes:**

<b>Year</b>	<b>Rate</b>
<b>2022</b>	<b>\$9,235</b>

<b>2021</b>	<b>\$8,880</b>
<b>2020</b>	<b>\$8,630</b>
<b>2019</b>	<b>\$8,310</b>
<b>2018</b>	<b>\$7,995</b>
<b>2017</b>	<b>\$7,685</b>
<b>2016</b>	<b>\$7,400</b>
<b>2015</b>	<b>\$7,125</b>

**Care Center and Memory Support II Rate Changes:**

<b>Year</b>	<b>Rate</b>
<b>2022</b>	<b>11,105</b>
<b>2021</b>	<b>\$10,680</b>
<b>2020</b>	<b>\$10,380</b>
<b>2019</b>	<b>\$9,995</b>
<b>2018</b>	<b>\$9,615</b>
<b>2017</b>	<b>\$9,245</b>
<b>2016</b>	<b>\$8,900</b>
<b>2015</b>	<b>\$8,570</b>

The rate charged is for each person and in the instance of a couple would be the sum of the fee charged for each person.

Residents residing in the independent living units (ILU's) of the Masonic Village and B-Wing Apartments receive, at no additional charge, up to thirty days care in a calendar year in the Home including our Nursing Home facility (Care Center).

Paying Residents residing in the Adult Home receive 30 days' notice before their fee changes based on increased level of care needs. Should stays exceed such thirty days, or should resident become a long-term nursing home patient, nursing home rates will apply. To conform to State regulations, those requiring nursing home level of care cannot remain in their room in the Adult Home facility, but must be transferred to our Nursing Home facility. The resident's primary care physician along with the Home's Medical Director will determine if such care is a medical necessity.

The first paying residents were admitted in April 1984. There have been thirty-two fee increases and six fee decreases since 1984.

Residents residing in the Independent Living Units which include the Masonic Village and B-Wing Apartments pay an entrance fee and a monthly service fee. Fees may be changed from time to time by the approval of the Board of Governors based on market prices and demand of similar units in the community or in response to cost changes. In 2011, a second Fee Plan Option (Plan B) was adopted. In addition to the initial Fee Plan Option (Plan A) in



which the applicant pays the published entrance fee in full and subsequent monthly Maintenance Fees; Plan B allows for an Entrance Fee reduced to correspond with the Adult Home Entrance Fee (\$30,000 if single or \$40,000. if a couple) with increased monthly Maintenance Fees. Introduced in 2012, Fee Plan Option C offers the applicant to ‘swap’ their personal residence to offset the required entrance fee. The amount allowed towards the entrance fee is determined from a third party appraisal and inspections by the Masonic Home of Virginia. The arrangement is agreed to in writing by the applicant in advance. Plan A and C monthly rates apply once the total entrance fee has been satisfied. Plan B rates remain for the length of the resident’s occupancy.

**Masonic Village (patio homes & two story homes)**

Entrance fee           Determined by the Board of Governors at the time of offering  
 Monthly fee range    \$2,510 to \$5,615 per couple

**B-Wing Apartments**

Entrance fee           Determined by the Board of Governors at the time of offering  
                                   (Only Fee Plan A applies in apartment units)  
 Monthly fee range    \$2,770 to \$3,064 per couple

The entrance fee is payable in two installments; one third upon signing the Resident’s Agreement and the final two-thirds upon occupancy of the premises.

**Masonic Village**

Year	Rate A	Rate B	Rate C
2022	\$2,510	\$5,615	\$2,510
2021	\$2,411	\$5,396	\$2,411
2020	\$2,345	\$5,060	\$2,345
2019	\$2,260	\$4,880	\$2,260
2018	\$2,180	\$4,691	\$2,180
2017	\$2,095	\$4,510	\$2,095
2016	\$2,018	\$4,343	\$2,018
2015	\$1,943	\$4,182	\$1,943

**B-Wing Apartments**

Year	Rate
2022	\$2,770-\$3,064
2021	\$2,665-\$2,953
2020	\$2,590-\$2,870
2019	\$2,495-\$2,765
2018	\$2,400-\$2,665
2017	\$2,305-\$2,558
2016	\$2,220-\$2,463
2015	\$1,582-\$1,825

## **RESERVED FUNDING**

The Masonic Home of Virginia has an Institutional Fund, a portion of which is endowed. The fund is primarily with Bank of America, Institutional Investments and Philanthropic Solutions and provides investment consulting services to the Masonic Home. The fund is divided between several investment managers recommended by BOA and approved by the Masonic Home's Board of Governor's Finance Committee.

Bank of America (BOA) has been serving communities for 240 years. BOA provides investment-consulting services and Global Banking & Markets to 95% of the U.S. Fortune 1,000 companies and 77% of the Global Fortune 500 companies. BOA serves 66 million consumers and small businesses.

The investment portfolio has self-imposed guidelines for which the Board of Governors has established an investment policy and spending policy.

At the close of the fiscal year, the Masonic Home calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. At December 31, 2020, this calculation did not result in a liability. (Attachment 15, the audit report from Keiter CPA and Associates).

For paying residents, an escrow account may be established at SunTrust Bank for each individual paying resident. The monthly fee is deducted through ACH from this account and a copy is provided to the resident. If the resident would leave the Home or pass away, the remainder of the escrow account would revert back to the resident or his/her estate. SunTrust sends the Home a monthly statement of the account, which is reviewed by staff and shared with the resident.

## **CERTIFIED FINANCIAL STATEMENTS**

See Certified Annual Financial Statement prepared by auditors, Keiter CPA and Associates and Yount Hyde & Barbour for the years ending December 31, 2021 (Attachment No. 15) and December 31, 2020, (Attachment No. 16)

## **PRO FORMA INCOME STATEMENT**

**Major assumptions used to prepare the pro forma income statements are based on prior actual performance. Resident income includes a 4.0% increase on all paying fees effective January 1, 2022, along with an increase in assets expected from residents entering the Home under the Cornerstone program or Life Care Contract. Transfers from investments reflect a decreased commitment to capital. Expenses are anticipated to increase by 2.2% due to a CPI inflation factor being applied for all expense categories. The Home's projected capital expenditures are based on anticipated needed**

**improvements, along with several significant capital projects, not uncommon for a facility of its size and age.**

Pro Forma Income Statement is enclosed (see Attachment No. 17)

### **ADMISSION OF NEW RESIDENTS**

Copies of the Rules of Admission for Cornerstone, Paying, and Independent Living Unit residents are enclosed, see Attachment No. 3.

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

Residents are permitted to have visitors as set forth in each type of contract. Masonic Home of Virginia reserves the right to restrict visitation when health or safety is at risk. If a visitor poses a danger to the environment or residents, s/he may be asked to leave and may not be permitted to return. The Masonic Home does not allow solicitations by outside vendors.

We do not provide services to non-residents.

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

Not applicable

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

The Masonic Home of Virginia has an established grievance procedure for residents of the Home. There are Resident Advisory Council meetings held by the Residents that include department heads to share concerns and opportunities for resolutions. Residents are encouraged to first take their concerns to applicable department heads, then the Administrator, then to the Chief Executive Officer, then to the Board of Governors, and then to the appropriate State agency (Attachment No.18).

### **DIFFERENCES IN PRO-FORMA INCOME VS ACTUAL**

**Major assumptions used to prepare the pro forma income statement are based on prior actual performance. The largest difference in projected income for 2021 is the recognition of gains related to investments as a result of overall market conditions. Expenses were under projection by 10%. The biggest driver, in dollar terms, was the salaries and related expenses due to the continued attrition of staff during the year.**

### **POSITION OF NEW PROPERTY ACQUIRED**

As indicated previously, the Masonic Home receives in the normal course of its operation conveyances of real property from residents as part of their entrance fee. Such property is

immediately offered for sale through reputable real estate brokers. All net proceeds from the sale of such properties are used in the operation of the Home, i.e., to provide care for the resident community or refunded to the resident in accordance to their contracts appropriate. No property was acquired that will be used for facilities or other uses.

## LIST OF ATTACHMENTS

1. Roster of Board Members
2. Internal Revenue Letter of Exemption
3. Rules for Admission
4. Contract of Cornerstone Resident
  - 4-a. Property Transfer
5. Contract of Paying Resident
6. Reservation Agreement for Independent Living Units
7. Resident Agreement for Independent Living Units
  - 7-a. Village Entrance Fee Options
8. Resident Agreement for Apartments
9. Contract of Paying Resident for C-Wings Suite
10. Contract of Interim Resident
11. Pet Policy
12. Rights & Responsibilities of Residents – ILU
13. Procedure for Temporary or Permanent Transfer of ILU Resident to Masonic Home Care Center
14. Contract of Paying Resident Upon Transfer from the Masonic Village
15. 2021 Audit Statement
16. 2020 Audit Statement
17. Summary of Financial Information and Pro Forma Income Statement & Assumptions
18. Grievance Procedure
19. Levels of Care
20. C-Wing Suite Reservation Agreement
21. D-Wing Paying Resident Contract
22. D-Wing Reservation Agreement

## **Masonic Home of Virginia**

500 Masonic Lane  
Richmond, VA 23223

Telephone 804.222.1694 • Facsimile 804.226.4567

### **Board of Governors**

James W. Golladay, Jr.	Grand Master
Don E. Strehle	Deputy Grand Master
Jack K. Lewis	Grand Senior Warden
Gary D. Huffman	Grand Junior Warden
Mark T. Pennypacker	Grand High Priest
Alan W. Adkins	SGIG Scottish Rite
Peter R. Spring	Grand Commander
Samuel M. Jones	President
Frank L. Wright, Jr.	Vice President
Sheldon B. Richman	Secretary
Gino W. Williams	Treasurer
Lambros G. Deligan	Member
James F. Dickerson.	Member
Thomas Hannifan	Member
Harris T. Luscomb, III	Member
Steve W. McGowan	Member

**Internal Revenue Service**

**Date:** February 28, 2007

MASONIC HOME OF VA INC  
4101 NINE MILE RD  
RICHMOND VA 23223-4916

**Department of the Treasury**  
**P. O. Box 2508**  
**Cincinnati, OH 45201**

**Person to Contact:**  
Ms. Mills 31-08706  
Customer Service Representative  
**Toll Free Telephone Number:**  
877-829-5500  
**Federal Identification Number:**  
54-0541802

Dear Sir or Madam:

This is in response to your request of February 28, 2007, regarding your organization's tax-exempt status.

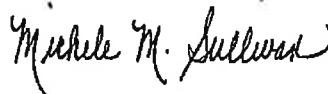
In November 1928 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Michele M. Sullivan, Oper. Mgr.  
Accounts Management Operations 1

# MASONIC HOME OF VIRGINIA

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## RULES OF ADMISSION AND GENERAL INFORMATION

OF VIRGINIA



# **MASONIC HOME OF VIRGINIA**

## **General Information & Rules of Admission**

### **GENERAL INFORMATION**

The Masonic Home of Virginia is a continuing care retirement community located in a beautiful 92 acre setting on Nine Mile Road, just east of the Richmond city limits. Visitors are welcome during normal business hours, and special arrangements may be made by calling 804-222-1694 (or toll-free in Virginia at 800-262-4644)

The Home's mission is to create a safe, caring community where individuals can enjoy an active retirement. Founded in 1890 as a Masonic orphanage, it now flourishes as a continuing care retirement community for Masons, their wives, widows and other qualified individuals while remaining responsive to Masonic orphans in need.

The Masonic Home operates under licensure from both the Virginia Department of Social Services (Adult Home) and the Virginia Department of Health (Care Center). Facilities include private and semi-private rooms, lounges, a medical care center, a separate memory support center, assisted care, independent living cottages, a chapel, and administrative offices. The Masonic Home's Chief Executive Officer is responsible for daily operations and reports directly to its Board. The Board meets monthly at the Home to review applications for admission and to determine matters of operating policy.

The Masonic Home of Virginia is recognized by the IRS as a public charity under section 501 (c) 3 of the Internal Revenue Code. Each year, over half of the Home's operating budget is derived from a combination of current gifts and investment earnings from its Institutional Fund. The Institutional Fund consists of monies previously donated and assets transferred by Cornerstone Participants upon admission. Revenues from entrance fees and monthly fees of residents are the next largest source of revenue. Finally, each member of the Virginia Masonic fraternity, as part of their individual dues, contributes directly to the Home's operations. The Home's budget is developed and regularly monitored by the Board to insure the most cost effective use of resources, as well as to insure the continued vitality of the Home for future generations of residents.

Information concerning admissions, fees and other general information is available from the Home's Admissions Coordinator. The entire admissions process, once begun, is often completed within ninety days.

# Rules of Admission

## ELIGIBILITY

The Masonic Home of Virginia (Home) provides a continuum of care in numerous settings (cottage, apartment, etc.). However, in all settings, the Home must follow certain state-mandated guidelines related to the health of individuals who apply for admission to our community. Therefore, all applicants must undergo a review of their physical and mental health prior to admission. Each Applicant must be ambulatory and able to physically and mentally take care of their own basic personal needs. Although a licensed nursing facility is available for those with infirmities developed after admission, persons requiring this degree of care at the time of application are not eligible for admission.

In addition to the basic eligibility rule related to health, each applicant must meet more specific admissions criteria outlined in the following sections of this document.

## ADULT HOME

### ADMISSION CRITERIA

The Adult Home is the apartment-style care setting provided for individual residents or married couples who desire to enjoy the benefits of a private room(s) and centralized dining, all in a fully-maintained, well-staffed environment. Every applicant to the Adult Home must meet **one** of the following Masonic relationship criteria:

1. "Mason"-- is defined as a Master Mason who has reached his sixty-fifth (65<sup>th</sup>) birthday; who is a member in good standing in a Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia, as that term is defined from time to time, by the laws of the Grand Lodge of Virginia, A. F. & A.M. Said Mason must retain membership in a Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia to remain a resident of the Masonic Home of Virginia.
2. "Wife"—is defined as a woman who has been married to a Mason as defined above, provided they shall have been married continuously for at least five (5) years immediately prior to her application for admission, and who at the time of such application is still married to such Mason, and has reached her sixty-second (62<sup>nd</sup>) birthday.
3. "Widow"—is defined as a woman who was married to a Mason who at the time of his death met the above test, provided she shall have been married to said Mason for at least five (5) years immediately prior to his death, she has not remarried, and she has reached her sixty-second (62<sup>nd</sup>) birthday.
4. "Eligible Relative" – is defined as the grandfather, grandmother, mother, father, daughter, sister, half-sister, granddaughter, great-granddaughter, step-mother, step-daughter, step-sister, daughter-in-law, niece, nephew, great niece, widows who remarried but are currently single, mother-in-law or sister-in-law of a Master Mason who has reached his sixtieth (60<sup>th</sup>) birthday; and who is a member in good standing in a

Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia, as that term is defined from time to time, by the laws of the Grand Lodge of Virginia, A. F. & A.M. Said Mason must retain membership in a Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia to remain a resident of the Masonic Home of Virginia.

5. "Eligible Individual through Masonic Youth Organizations" – is defined as an individual who was a member for three (3) years or more in International Order of Rainbow for Girls, International Order of Job's Daughters or DeMolay International even if they are not otherwise qualified as a relative.

## **ADDITIONAL INFORMATION REQUIRED**

In addition to meeting the eligibility and admissions criteria contained herein, additional information is required from each Adult Home applicant as follows:

1. Medical History - a report of applicant's complete medical history, including a recent examination by his or her personal physician.
2. Medical Examination - a medical examination by the applicant's personal physician within 30 days prior to admission for tuberculosis testing and medical status update.
3. Needs Assessment - a summary of the financial and physical needs of the applicant, which may establish necessity for priority consideration of the application. This will be coordinated by the Home's Social Services staff, and shall include an interview with the applicant.
4. Financial Condition - a full schedule of the applicant's assets and income sources at the time of the application, together with a statement of any transfers, cumulative gifts or loans individually in excess of \$1,000 made within a period of five (5) years prior to the date of the application.

All approvals for admission to the Masonic Home are valid for ninety (90) days. While we realize that any move to a new home could take time to arrange, any admission after ninety days would require an updated assessment of care needs, since a person's health can change over time.

If the application is approved, there are certain other required steps that must be taken prior to admission, as follows:

1. Power of Attorney – Each individual applicant must execute a power of attorney in favor of the Masonic Home of Virginia or its designated agent on the day of admission to the Home; or, on a form approved by the Home's attorney, a "Springing Power of Attorney" may be substituted
2. Contract – Each individual applicant must sign an applicable Contract of Resident, which shall not be executed until the day of admission.
3. Pay Fees – Each applicant must make suitable arrangements to pay all fees described herein, including entrance fees, monthly fees and any applicable escrow deposits. The Home does not wish financial conditions to hinder the ability of qualified applicants to join the community. For this reason, the Cornerstone Program, described later in these Rules, is available for certain qualified applicants needing financial assistance.

## FEES

Residents admitted to the Adult Home pay an entrance fee and a monthly fee for each month of residence. **These fees are determined by the Board and are adjusted periodically.** All fee adjustments apply to both new and existing residents. In order to continue residency, existing residents have the option of paying the adjusted fees or, if they need financial assistance, applying for the Cornerstone Program as outlined herein.

Upon admission, residents will pay a one-time entrance fee as determined by the Board, which is refundable on a pro-rated basis for six (6) months from the date of admission. The entrance fee as of **1-01-2022** is **\$30,000** for a single resident or **\$40,000** for a married couple.

The Residential Living monthly fee, which is paid, in addition to the one-time entrance fee, is **\$4,320** per person per month as of **1-01-2022**.

If a resident's care needs change and the Home's Interdisciplinary Team determines the resident must be permanently transferred to the Assisted Living area, the resident's monthly fee will be adjusted accordingly. The monthly fee for the Home's Assisted Living I area is **\$5,835** per person per month as of **1-01-2022**. The monthly fee for the Home's Assisted Living II area is **\$7,395** per person per month as of **1-01-2022**.

Any resident who stays in the Home's Care Center (nursing home facility) in excess of thirty (30) days in a calendar year, including as a long-term patient, will be charged an adjusted monthly fee. The monthly fee for the Care Center is **\$11,105** per person per month as of **1-01-2022**.

### Escrow Deposit

Each applicant's ability to pay will be reviewed at the time of application and annually thereafter by the Finance Committee of the Board which may, depending on circumstances, require a deposit of monies to cover anticipated charges incurred by the resident. If required, the escrow deposit will not exceed an amount equal to the total anticipated charges by the Home for sixty (60) months.

If an escrow deposit is required, the Home will invest the funds to produce a reasonable rate of return, and will draw on the resident's account each month to pay the Home's charges. A report will be provided at least quarterly on the status of the resident's account.

Any funds that might remain in the escrow deposit at the resident's death, and after payment of indebtedness to the Home, will revert to the resident's estate or to whomever she/he has selected in proper legal form within the preceding thirty (30) days. Should the resident withdraw from residency in the Home, the net balance in the escrow account, after payment of any indebtedness to the Home, will be refunded to him/her, including accumulated interest, within thirty (30) days.

Should the escrow deposit of a resident become entirely depleted during the period of residency, s/he may remain a resident by continuing to pay the then-current monthly rate from other assets; or she/he may apply for reclassification as a Cornerstone Participant under the terms applicable at the time of such application for reclassification. Eligible Relatives and those Eligible through Masonic

Youth Organizations as defined under Admission Criteria to the Adult Home are not eligible for the Cornerstone Program.

## **SERVICES ROUTINELY PROVIDED TO ADULT HOME RESIDENTS**

In consideration of the monthly fee as stipulated in the Resident's Contract and, for Cornerstone Participants, the assets and income conveyed to the Home, the resident will receive life use of one single room, or a larger room if a couple. The actual room shall be selected by the Home. The room will be furnished with appropriate furnishings provided by the resident. The following services shall be provided by the Home without additional cost to the resident:

- Housekeeping services once weekly, with change of bath linens.
- Weekly change of bed linens.
- Normal physical maintenance of room.
- Three nutritious meals per day in the dining room.
- Participation in activities normally provided all residents.
- Access to regularly scheduled transportation to shopping centers.
- Minor assistance of nursing staff, but not medical care.
- Coordination and help in selecting physician services, if requested.
- Transportation to area medical appointments if scheduled through the Home's nursing staff.
- For Cornerstone Participants not owning a prepaid funeral contract at the time of the resident's death, the Home will provide standard funeral arrangements.

## **ASSISTED CARE PLACEMENT**

The Home's Interdisciplinary Team, using the Uniform Assessment Instrument (UAI), regularly assesses the resident's ability to perform certain functions. Residents are rated as independent, semi-dependent, dependent, or totally dependent in *Activities of Daily Living* (such as bathing, dressing, toileting, transferring, bowel and bladder function, eating and feeding), *Behavior Patterns*, *Instrumental Activities of Daily Living* (such as meal preparation, housekeeping, laundry, money management), and *Medication Administration*. Based on the UAI, if the resident is unable to perform certain tasks the Interdisciplinary Team recommends transfer to Assisted Care at the Home.

In addition to the services provided to residents of the Adult Home, Assisted Living residents receive assistance in the area of need.

## **CARE CENTER PLACEMENT**

In accordance with regulations of the Commonwealth of Virginia, residents requiring a nursing home level of care cannot remain in an independent living or assisted living room, but must be transferred to the Home's nursing facility (the Care Center). This transfer may be temporary or permanent depending on need as determined by the UAI and a physician's order. If a resident remains in the Care Center thirty (30) days or longer, State Regulations require that his/her primary care physician visit and observe the resident in order to document a care plan. The Home's staff will work closely with the resident's physician to carry out this individualized care plan.

## CORNERSTONE PARTICIPANT CRITERIA

The Cornerstone Program provides financial assistance to pay for the cost of care provided to Adult Home residents. The funding for this program is provided by the Masons of Virginia through their dues and their gifts. Therefore, certain additional Masonic membership criteria are required for assistance. Eligible Relatives and those Eligible through Masonic Youth Organizations as defined under Admission Criteria to the Adult Home are not eligible for the Cornerstone Program. In addition to meeting the eligibility and admissions criteria for the Adult Home described above, any person applying to the Cornerstone Program must meet **one** of the following criteria:

1. "Mason"-- is defined as a Master Mason who has reached his sixty-fifth (65<sup>th</sup>) birthday; who is a member in good standing in a Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia, as that term is defined from time to time, by the laws of the Grand Lodge of Virginia, A. F. & A.M; has been a member of such lodge for at least five (5) consecutive years immediately prior to the date of his application for admission; and who has been a Master Mason for ten (10) years. Said Mason must retain membership in a Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia to remain a resident of the Masonic Home of Virginia.
2. "Wife"—is defined as a woman who has been married to a Mason as defined above, provided they shall have been married continuously for at least five (5) years immediately prior to her application for admission, and who at the time of such application is still married to such Mason, and has reached her sixty-second (62<sup>nd</sup>) birthday.
3. "Widow"—is defined as a woman who was married to a Mason who at the time of his death met the above test, provided she shall have been married to said Mason for at least five (5) years immediately prior to his death, she has not remarried, and she has reached her sixty-second (62<sup>nd</sup>) birthday.

Applicant cannot have resided in an Assisted Living or Skilled Nursing Facility for more than 100 days in the thirty-six (36) months immediately preceding application to the Home. Residency in such a facility while under a physician directed plan of rehabilitation is excluded from the 100 days.

Once approved by the Board, Cornerstone Participants will receive care for their remaining lives and will not be required to pay any entrance fees, monthly fees or escrow deposits. In exchange for this care, upon admission, approved Cornerstone Participants must take the following required steps:

1. Current Assets – Participants will upon admission, transfer a percentage of all monetary assets, personal property and other assets (excepting only real property, see below) to the Masonic Home at a rate determined by the Board.
2. Future Income and Assets – Participants agree in writing to transfer a portion of all future income, as well as any and all other assets or property received or hereafter acquired to the Home at a rate determined by the Board.
3. Life Insurance – Participants will, upon admission, transfer all ownership and beneficiary rights to the Home for all life insurance policies they own in which they are the insured person.
4. Real Property – Participants will upon admission transfer all ownership rights, both full and partial, of any and all real property, including life estates, to the Home.

In addition to the other required steps that must be taken prior to admission for all Adult Home residents as outlined above, Cornerstone Participants must perform the following:

1. Replace Previously Transferred Assets – In cases where applicants have previously gifted, loaned or otherwise transferred their assets in the five years prior to admission, the Board may, at its discretion, require that the applicant convey a portion of or the total value of said transferred assets to the Home.
2. Power of Attorney – Each Cornerstone Participant must execute a power of attorney in favor of the Masonic Home of Virginia or its designated agent, on the day of admission to the Home. A “springing Power of Attorney” is not an acceptable alternative for Cornerstone Participants.

## MASONIC VILLAGE

### ADMISSION CRITERIA

The Masonic Village (Village) is a neighborhood of cottages, located on the grounds of the Home, designed for independent living. This part of the community is provided for individual residents or married couples who desire to enjoy the benefits of private cottages with one or two bedrooms, kitchens, dining and living areas, all in a fully-maintained individual unit. Optional plans are available which provide for meals in the Home’s central dining room. Every applicant to the Village must meet **one** of the following Masonic relationship criteria:

1. "Mason"-- is defined as a Master Mason who has reached his sixtieth (60<sup>th</sup>) birthday; who is a member in good standing in a Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia, as that term is defined from time to time, by the laws of the Grand Lodge of Virginia, A. F. & A.M. Said Mason must retain membership in a Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia to remain a resident of the Masonic Home of Virginia.
2. "Wife"—is defined as a woman who has been married to a Mason as defined above, provided they shall have been married continuously for at least five (5) years immediately prior to her application for admission, and who at the time of such application is still married to such Mason, and has reached her sixtieth (60<sup>th</sup>) birthday.
3. "Widow"—is defined as a woman who was married to a Mason who at the time of his death met the above test, provided she shall have been married to said Mason for at least five (5) years immediately prior to his death, she has not remarried, and she has reached her sixtieth (60<sup>th</sup>) birthday.
4. "Eligible Relative" - is defined as the grandfather, grandmother, mother, father, daughter, sister, half-sister, granddaughter, great-granddaughter, step-mother, step-daughter, step-sister, daughter-in-law, niece, nephew, great niece, widows who remarried but are currently single, mother-in-law or sister-in-law of a Master Mason who has reached his sixtieth (60<sup>th</sup>) birthday; and who is a member in good standing in a Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia, as that term is defined from time to time, by the laws of the Grand Lodge of



Virginia, A. F. & A.M. Said Mason must retain membership in a Lodge duly chartered by the Grand Lodge A.F. & A.M. of Virginia to remain a resident of the Masonic Home of Virginia.

5. "Eligible Individual through Masonic Youth Organizations" – is defined as an individual who was a member for three (3) years or more in International Order of Rainbow for Girls, International Order of Job's Daughters or DeMolay International even if they are not otherwise qualified as a relative.

Village residents will pay an entrance fee and a monthly fee, as outlined below, which shall entitle the Masonic Village resident, his wife or widow, to occupy the facility selected by them for the life of the tenant and that of his wife provided they, or the survivor, continue to be deemed by the Board to be physically and mentally capable of caring for themselves and living in the facilities provided. In the event a Village resident becomes incapable of caring for him/herself, the resident may be transferred to the general population of the Home. The Village unit that the resident occupied would at that time become available for other disposition by the Home. Specific services available to Village residents will be outlined in the contract, but may include any of the following: provision of living space for life-time use, meals and related care matters.

#### **ADDITIONAL INFORMATION REQUIRED**

In addition to meeting the eligibility and admissions criteria contained herein, additional information is required from each Adult Home applicant as follows:

1. Medical History - a report of applicant's complete medical history, including a recent examination by his or her personal physician.
2. Medical Examination - a medical examination by the applicant's personal physician within 30 days prior to admission for tuberculosis testing and medical status update.
3. Needs Assessment - a summary of the financial and physical needs of the applicant, which may establish necessity for priority consideration of the application. This will be coordinated by the Home's Social Services staff, and shall include an interview with the applicant.
4. Financial Condition - a full schedule of the applicant's assets and income sources at the time of the application, together with a statement of any transfers, cumulative gifts or loans individually in excess of \$1,000 made within a period of five (5) years prior to the date of the application.

If the Village application is approved, there are certain other required steps that must be taken prior to admission, as follows:

1. Contract – Each individual applicant must sign an applicable Resident's Agreement, which shall not be executed until the day of admission.
2. Pay Fees – Each applicant must make suitable arrangements to pay all fees described herein, including entrance fees and monthly fees.



## **Fees**

The entrance fee for Masonic Village is determined by the Board at the time of application. The entrance fee is payable in two installments: one-third upon signing the Resident's Agreement and the final two-thirds when the building is complete or upon occupancy of the premises, whichever comes first. In the event the unit is already in existence, the fee will be paid in two installments: one-third upon signing the Resident's Agreement, and two-thirds within thirty (30) days of notice that the unit is ready for occupancy or upon occupancy of the unit, whichever is sooner.

The Village monthly service fee as of **1-01-2022** is **\$2,510** for a couple and **\$2,210** for an individual. The fee is payable in advance by the 5th of each month. No portion of the fee is refundable. The service fee is subject to adjustment annually by the Board.

Services provided as part of the fee include:

- Water and sewer service
- Grounds Fee (includes exterior maintenance, grass cutting, snow removal, etc.).
- Trash removal.
- Housekeeping (as itemized in the Agreement).
- One meal each day.
- Interior maintenance, and routine and emergency service repairs.
- Hazard insurance on building (not contents).
- Access to the Home's buildings and grounds, lounges, library, gardens, etc.
- Participation in Home's activities and programs at the election of the Resident.
- Access to regularly scheduled group transportation.
- Access to health care services to the extent provided for in the Resident's Agreement.

## **ADMISSION CRITERIA OF ORPHANS**

Applicants for this category must meet the following criterion:

"Orphan" means the male or female child of a Mason who at the time of his death was a member in good standing, as that term is defined from time to time, by the laws of the Grand Lodge of Virginia, A. F. & A.M and who is under the age of eighteen (18) years at the time of said Mason's death.

Orphans admitted to the Home while under the age of eighteen (18) years without restriction other than medical, may be housed at the expense of the Home in an approved facility operated by another agency, whether or not it is a Masonic facility.

Application for admission as an orphan shall be made on behalf of such orphan by the person, persons, or Court having legal responsibility for such orphan's care, custody, and control, and:

- Shall be made on forms prescribed by the Board;
- Shall include all relevant personal data as the Board may deem necessary;
- Shall include a copy of the orphan's birth certificate;
- Shall include a copy of the court order or other legal document designating the Home or its duly accredited agent as the legal guardian and custodian of the orphan; and

- If available, shall include the agreement of some adult member of the orphan's family to resume custody of the orphan upon the Home's request in the event that the Board, in its sole discretion, deems it necessary to dismiss said orphan from its care, custody and control.

Orphans may withdraw from the Home or may be dismissed by the Board whenever the Board determines that it is no longer in the best interests of the orphan or the Home that the orphan remains in its care, custody, and control. In the event of the withdrawal or dismissal of such orphan prior to his attaining his eighteenth (18th) birthday, he shall be returned to the custody and care of the adult member of his family who, in connection with his admission, executed an agreement to resume his care, custody, and control. In the event of the refusal of such adult to resume custody or, in the absence of such agreement having been executed, then the Board shall ask the Juvenile and Domestic Relations General District Court of Henrico County, Virginia, to assume responsibility for said orphan or shall return him to the care, custody and control of the court, if any, which placed him in the Home's care.

Orphans who have attained their eighteenth (18th) birthday may be honorably dismissed from the Home's care, custody, and control, or, with their agreement, may be retained under the Home's care while completing their education.

## **GENERAL INFORMATION RELATIVE TO ALL APPLICANTS**

### **ACCEPTANCE OF APPLICATIONS**

The acceptance of all applications shall be determined by the Board and shall be within its sole discretion. Nothing contained herein shall affect the authority of the Board to accept or reject any application. The Board may in its sole discretion waive any admission requirement and accept any applicant consistent with the purposes outlined in the Masonic Home's Charter. Such waivers of requirements shall not constitute precedent for future waivers of requirements.

### **WITHDRAWALS AND DISMISSALS**

Any resident may withdraw from the Home's facilities or may be dismissed from the Home's facilities by the Board. In such instances, the Board shall direct the return to the resident the value of property or money he or she may have transferred or conveyed to the Home, less the costs incurred by the Home on account of his or her residence there.

### **AGREEMENTS AND CONTRACTS SUBJECT TO THESE RULES**

Every agreement or contract for the admission and care of a resident is subject to the provisions of these rules. Every contract and agreement made between the applicant and the Home shall include the text of this rule, and a copy of all rules of admission shall be furnished to the applicant prior to completion of his or her application. The Board reserves the right to modify these rules of admission from time to time without notice to any resident or applicant.

### **FALSE AND FRAUDULENT STATEMENTS**

Any false or fraudulent statement made on any application for admission to the Home, whether with respect to age, Masonic status, or the extent of the property owned by the applicant, or in any other particular, shall be deemed sufficient cause for the Board to reject the application or, if the applicant has been accepted, to cause his or her withdrawal from the Home's facilities forthwith.

## **OTHER INFORMATION**

The Home's Business Office will process for payment Explanation of Benefits for all insurance claims for Cornerstone Participants and will assist other residents, if requested. An officer or employee of the Home will be designated by the Board to act under conditional Power of Attorney to administer the affairs of a resident who becomes incompetent or otherwise incapable of managing his/her own affairs.

The applicant's Lodge or, if a lady, the husband's Lodge, is the applicable subordinate Lodge.

In situations where units in the Home are not vacant, the Board reserves the right, in its sole discretion, to determine the order in which approved applicants may be admitted.

Since each applicant is presumed to be fully competent to make his/her decision, moving to the Home must be an entirely voluntary act. No one can be "put" into the Home against their wishes. Coming into the Home is an important decision and the applicant should be fully informed. Those considering making application are urged to visit the Home first, request and thoroughly review all available information and, where applicable, seek professional and/or family input.

## **EFFECTIVE DATE**

**These rules are effective as of September 15, 2021 and include all changes adopted by the Board of Governors on that date.**

**Attested:**

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**Anne B. Hagen, CPA, MBA**  
**Chief Executive Officer**

CONTRACT OF CORNERSTONE RESIDENT

THIS CONTRACT, entered into this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by and between \_\_\_\_\_ (“APPLICANT”)  
and MASONIC HOME OF VIRGINIA, a Virginia corporation (“HOME”).

WITNESSETH:

WHEREAS, APPLICANT, having applied by written application for admission as a Cornerstone Resident of the HOME, which application has been accepted by the HOME, the parties hereto, by their signatures below, agree to the following terms and conditions of this acceptance:

1. LEVELS OF CARE – APPLICANT agrees that, at the time of initial admission to the HOME, APPLICANT will be admitted to a level of care based upon the care assistance required by the APPLICANT, as determined by the HOME in its sole discretion. Based upon the level of care to which APPLICANT is initially admitted, APPLICANT will irrevocably transfer and assign certain assets, defined herein, to the HOME, and will also irrevocably transfer and assign certain percentages of future income, as defined herein, to the HOME. It is understood that, in response to changes in APPLICANT’S condition, the HOME may, in its sole discretion, determine at some future time that APPLICANT requires a different level of care. If the HOME makes this determination, the APPLICANT’S transfer and assignment of income to the HOME will change as defined herein, and APPLICANT will irrevocably transfer and assign to the HOME certain additional assets as defined herein.

2. ASSET TRANSFER DOCUMENTS – APPLICANT will immediately make, execute and deliver to the HOME good and sufficient deeds, bills of sale, assignments, powers of attorney, or any other necessary instrument or instruments, in a form satisfactory to the HOME, conveying, assigning and transferring to the HOME and its successors and assigns, forever, APPLICANT’S right, title, interest, estate, claim and demand, both at law and in equity, of, in and to APPLICANT’S assets and income in the percentages set forth below. In recognition of APPLICANT’S duties under this paragraph, and of the HOME’s responsibilities regarding the APPLICANT’S ongoing cost of care, APPLICANT shall, as a condition of admission, execute a general durable power of attorney in favor of the HOME, regardless of the existence of any other power of attorney.

3. COST TO THE APPLICANT – APPLICANT, in consideration of services rendered under this Agreement, will irrevocably transfer and assign certain assets, as defined herein; will irrevocably transfer and assign a percentage of income, as defined herein; and does hereby assign, transfer and convey all right and title to a certain percentage of all assets acquired after his admission date to the HOME. APPLICANT understands that APPLICANT will transfer different percentages of assets and income to the HOME for different levels of care provided to APPLICANT, as set forth below:

a. PAYMENT AT INITIAL ADMISSION - Upon or before APPLICANT’S initial admission to any level of care provided by the HOME, APPLICANT shall convey to the Home:

i. All (100%) of APPLICANT'S right, title, interest, estate, claim and demand, both at law and in equity, of, in and to all real property, including houses, buildings, and other real estate, wherever situated; and

ii. All (100%) of APPLICANT'S ownership and beneficiary interests in any life insurance policy issued on APPLICANT'S life; and

iii. The PERSONAL PROPERTY PERCENTAGE, defined herein for the applicable level of care, of all of APPLICANT'S tangible and intangible personal property of every kind, character and description, inclusive of all assets and rights therein owned by APPLICANT as of the date of admission, including, but not limited to, cash, stocks, bonds, brokerage accounts, 401(k)s, IRAs, Roth IRAs, unannuitized annuity contracts, deposit accounts, automobiles, negotiable instruments, collectibles and other personal property.

b. ANNUAL COSTS TO APPLICANT - APPLICANT, in further consideration of services rendered under this contract, in addition to conveying to the HOME the assets set forth above, transfers and assigns to the HOME and shall, immediately upon receipt and in an ongoing manner, deliver to the HOME the INCOME PERCENTAGE for APPLICANT'S level of care for all income, as defined herein, that APPLICANT may receive or is or becomes entitled to after the date of initial admission from all sources, including, but not limited to:

i. Social Security, Railroad Retirement, or distributions from any pension or retirement plan of any kind, including all distributions (including but not limited to required minimum distributions) from 401(k)s, IRAs, and Keogh plans; and

- ii. Distributions from any annuitized annuities or from any trusts; and
- iii. Any other money or other personal property received from any source, including, but not limited to, bequests, devises, intestate succession, gifts, settlement payments, refunds, rebates, credits, insurance benefits, or other sources, inclusive of any such transactions related to the APPLICANT'S Medicare, Civil Service, Veterans Administration, or other governmental benefits.

4. PERSONAL PROPERTY PERCENTAGE DEFINED – As used herein, the PERSONAL PROPERTY PERCENTAGE to be conveyed by APPLICANT to the HOME upon initial admission is as follows:

- a. Residential (Independent) Living – seventy-five percent (75%);
- b. Assisted Living I– eighty percent (80%);
- c. Assisted Living II – eighty-five percent (85%);
- d. Richard E. Brown Memory Support Center I – eighty-five percent (85%); and
- e. Richard E. Brown Memory Support Center II – ninety percent (90%); and
- f. Care Center – ninety percent (90%).

5. INCOME PERCENTAGE DEFINED – As used herein, the INCOME PERCENTAGE conveyed and assigned by APPLICANT to the HOME after the date of initial admission, to be delivered to the HOME immediately upon receipt throughout APPLICANT'S stay at the HOME, is as follows:

- a. Residential (Independent) Living – seventy-five percent (75%);

- b. Assisted Living I – eighty percent (80%);
- c. Assisted Living II – eighty-five percent (85%);
- d. Richard E. Brown Memory Support Center I – eighty-five percent (85%);
- e. Richard E. Brown Memory Support Center II – ninety percent (90%); and
- f. Care Center - ninety percent (90%).

6. TRANSFER TO NEW LEVELS OF CARE AFTER INITIAL ADMISSION –

After the APPLICANT'S initial admission to the HOME, APPLICANT agrees that changes in the APPLICANT'S condition thereafter may require, in the HOME'S sole discretion, that APPLICANT transfer from time to time into a different level of care within the HOME. If APPLICANT'S transfer between levels of care is temporary, the applicable INCOME PERCENTAGE will not change. A transfer between levels of care shall be deemed to be permanent once APPLICANT has resided in a new level of care more than thirty (30) days in any twelve (12) month period. When a permanent transfer in level of care occurs, APPLICANT shall immediately begin to pay to the HOME the INCOME PERCENTAGE applicable to the new level of care. The HOME shall notify APPLICANT in writing of a permanent change in level of care.

7. ANNUAL FINANCIAL DISCLOSURE – APPLICANT agrees to provide to the HOME, no less frequently than annually, APPLICANT'S financial information, including, but not limited to, tax returns, investment records, bank statements, and all other information reasonably required by the HOME for the purpose of verifying that the APPLICANT is in compliance with all financial requirements for residency. Failure to



provide the HOME with this information is grounds for the HOME to terminate APPLICANT'S residency.

8. RELIANCE ON APPLICATION INFORMATION - The HOME has calculated the Cost to Applicant and the Annual Costs to Applicant based upon the information set forth in APPLICANT'S Statement of Applicant and Financial Information Checklist, all of which is incorporated herein by reference. The HOME has relied on all statements of APPLICANT and of APPLICANT'S physician as to APPLICANT'S physical and mental condition. APPLICANT agrees that APPLICANT'S health insurance coverage is considered part of APPLICANT'S Cost of Care, and that the HOME shall have the right to require APPLICANT to maintain adequate and cost-effective health insurance coverage. In deciding to grant APPLICANT admission, the HOME relied on all representations made with respect to APPLICANT'S finances and health, including APPLICANT'S representations that they have health insurance coverage and that APPLICANT shall cooperate in the establishment and maintenance of adequate and cost-effective health insurance coverage. APPLICANT'S intentional or reckless misrepresentation or omission in APPLICANT'S admission documents of a fact which, if provided accurately, would have resulted in failure of APPLICANT to qualify for admission, or a material increase in the cost of providing to APPLICANT the care and services provided, shall render this contract voidable at the option of the HOME.

9. ELECTION TO WITHDRAW FROM CORNERSTONE - Should APPLICANT'S future financial position enable APPLICANT to meet the requirements of a paying resident, APPLICANT may (but is not required to) elect to withdraw from the Cornerstone program and remain in the HOME as a paying resident. In such event, any

monies or other property of value which APPLICANT has paid and delivered to the HOME shall be refunded to APPLICANT, after deducting the costs that the HOME would have charged APPLICANT, had APPLICANT been a paying resident from the date of initial admission until withdrawal from the Cornerstone program.

10. ACTION FOR ASSETS NOT TRANSFERRED PROPERLY - APPLICANT expressly agrees that, if for any reason APPLICANT should fail to disclose, transfer, convey, or deliver possession of any part of APPLICANT'S property to the HOME during APPLICANT'S lifetime as required by this contract, the title to such property is vested in the HOME as of the date of APPLICANT'S admission by virtue of APPLICANT'S signature hereto. APPLICANT agrees that the HOME shall have full authority to take possession of all such property as its own, including what might remain of the percentage of personal property and income which APPLICANT otherwise retained. APPLICANT agrees that the HOME may record or otherwise deliver this contract to any custodian of such property and such recordation or delivery, without more, will serve as proof of the HOME'S ownership of such property and the APPLICANT'S release of ownership of such property.

11. OBLIGATIONS OF APPLICANT – APPLICANT agrees that the HOME in no way, shape, manner or form, assumes or agrees to pay any obligation owed by APPLICANT.

12. RULES OF ADMISSION - [*initials of applicant* \_\_\_\_\_ ] APPLICANT acknowledges receipt of a copy of the HOME'S "Rules of Admission," agrees that the HOME has fully explained the Rules to the APPLICANT prior to the execution of this contract, and agrees that the Rules are incorporated herein by reference and made a

part hereof. APPLICANT also acknowledges and agrees that the Rules of Admission may be amended from time to time and agrees to be bound by those amendments.

13. APPLICANT'S RIGHT TO CANCEL – [*initials of applicant* \_\_\_\_\_ ]

APPLICANT understands that he has the right to rescind and cancel this contract without penalty or forfeiture within seven (7) calendar days after making an initial deposit or executing this contract. The HOME shall not require APPLICANT to move into the HOME before the expiration of said seven (7) calendar day period.

14. VIEWING ADMISSIONS VIDEO - [*initials of applicant* \_\_\_\_\_ ]

APPLICANT acknowledges that, prior to the execution of this contract, he is required to view an educational video as determined by the HOME describing realistic expectations for Long Term Care and to complete an Agreement upon the conclusion of such viewing. APPLICANT consents to the admission of that Agreement into evidence, along with the video, in the event of arbitration or any other form of legal or administrative proceeding.

15. TERMINATION OF CONTRACT - [*initials of applicant* \_\_\_\_\_ ] The

HOME will not terminate this contract unless APPLICANT becomes a danger to himself or others; is guilty of repeated conduct that interferes with other residents' quiet enjoyment of the HOME, or is persistent in his refusal to comply with duly promulgated written rules of which he has been furnished a copy. In the event the HOME feels it necessary to terminate APPLICANT'S contract under the aforesaid circumstances, it will give APPLICANT written notice of the termination and a reasonable time to cure the basis for the termination. Upon termination under this paragraph, any monies or other property of value which APPLICANT has paid and delivered to the HOME shall be

refunded to APPLICANT, after deducting the costs that the HOME would have charged APPLICANT, had APPLICANT been a paying resident from the date of initial admission until the date of the termination under this paragraph.

16. TRANSFER FROM THE HOME DUE TO CARE CONCERNS - [***initials of applicant*** \_\_\_\_\_ ] Subject to the terms of this contract, once APPLICANT is admitted to the HOME, he would normally live there the remainder of his life. However, should APPLICANT'S level of care change such that APPLICANT is beyond the scope of the care the HOME is able to provide, APPLICANT can be transferred from the HOME to a facility licensed by the Commonwealth to provide the appropriate scope of care.

17. CHANGE IN MARITAL STATUS - [***initials of applicant*** \_\_\_\_\_ ] APPLICANT may divorce, marry or re-marry; however, the continued stay of APPLICANT at the HOME or the admission of the APPLICANT'S new spouse to the HOME must be in accord with the "Rules of Admission" in effect on the date of APPLICANT'S marriage. If APPLICANT is not eligible for continued stay at the HOME or APPLICANT'S new spouse is not eligible for admission to the HOME, then this contract shall terminate as of the date of APPLICANT'S remarriage and APPLICANT shall withdraw from the HOME. Upon such withdrawal, any monies or other property of value which APPLICANT has paid and delivered to the HOME shall be refunded to APPLICANT, after deducting the costs that the HOME would have charged APPLICANT, had APPLICANT been a paying resident from the date of initial admission until the date of the withdrawal under this paragraph.

18. APPLICANT'S CARE LEVEL CHANGE PRIOR TO ADMISSION - [***initials of applicant*** \_\_\_\_\_ ] If, in the HOME'S sole discretion, APPLICANT'S care level

changes during the time between acceptance and admission, such that APPLICANT no longer meets the care level requirements for admission, or if APPLICANT dies, then this contract shall be rescinded. In such event, the HOME shall refund to APPLICANT or APPLICANT'S legal representative all property received by the HOME, less costs reasonably incurred by the HOME and specifically related to APPLICANT.

19. APPLICANT'S ESTATE - Subject to APPLICANT'S compliance with all terms of this contract, upon APPLICANT'S death after admission to the HOME, any assets in the custody of the HOME which are part of the percentage of income and property retained by APPLICANT under this contract shall be paid over and delivered to APPLICANT'S legal representative. However, if the total of APPLICANT'S property in the custody of the HOME is less than the statutory limit under the Virginia Small Estate Act as it is written on the date of APPLICANT'S death, then APPLICANT agrees that the HOME may pay over and deliver the assets to APPLICANT'S written designee on APPLICANT'S Cornerstone Property Transfer Agreement with the HOME.

20. TRANSFERABILITY - The rights and privileges of APPLICANT under this contract are personal to the APPLICANT and cannot be transferred or assigned by act of the APPLICANT, or by any proceeding of law, or otherwise.

21. MISCELLANEOUS - If any one or more of the provisions of this contract should be finally determined to be contrary to law, then such provision or provisions shall be severable from the remaining provisions and shall in no way affect the validity of the other provisions of this contract. This contract shall be construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Commonwealth of Virginia. References to the singular shall include the plural where

appropriate, and vice-versa. References to the masculine gender shall include the female and neuter genders where appropriate, and vice-versa.

In witness whereof, APPLICANT and the HOME have signed and sealed this contract as of the day and date first written above.

\_\_\_\_\_(Seal)  
APPLICANT

\_\_\_\_\_(Seal)  
MASONIC HOME OF VIRGINIA by  
Anne B. Hagen, Chief Executive Officer

We acknowledge that we were present when this contract was reviewed and signed by the Applicant.

_____ Date	_____ Signature	_____ Print Name	Personal Representative Family Responsible Party
_____ Date	_____ Signature	_____ Print Name	Personal Representative Family Responsible Party

THIS INSTRUMENT MUST BE SIGNED BY EVERY CORNERSTONE APPLICANT

PROPERTY TRANSFER AND  
DEED OF BARGAIN AND SALE  
WITH ACKNOWLEDGMENT OF SPOUSE AND HEIRS AT LAW

I \_\_\_\_\_, on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, for and in consideration of the sum of one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, have sold, assigned, transferred and set over, and do hereby sell, grant, assign, transfer and deliver unto the Masonic Home of Virginia, a Virginia corporation (the "MAHOVA"), all my right, title, interest and claim in and to all real and personal property by me owned or to which I am, may be, or become, entitled, wheresoever situated, and particularly in and to any money on deposit in any bank or banks, or in any safe deposit box, or held for me or my account by any person, or which is or may become due me.

I request and direct any and every person, partnership, fund, corporation, insurance company, bank or safe deposit custodian or other legal entity to pay over and deliver to the MAHOVA, upon receipt of a certified true copy of this document, with or without any bank book, stock certificate, insurance policy, safe deposit box key, or other evidence of its right thereto, any money or other intangible or tangible personal property owned by me, or held for my account, or held for my credit.

I hereby for myself and for my agents, personal representatives, heirs, beneficiaries (including my spouse), executors and administrators release, discharge and indemnify any person, partnership, fund, corporation, bank, safe deposit custodian, or other legal entity which pays over and delivers real property, money or any other tangible or intangible personal property to the MAHOVA and hold them harmless from any claim on account thereof.

By my signature to this instrument, the MAHOVA shall at once become the owner of and entitled to the immediate possession of all real and personal property which I now own or to which I may be or become entitled, wheresoever situated, provided only that I shall have been admitted to the MAHOVA. I do not intend for this document to be, and it is not, a power of attorney creating an agency which expires at my death. I intend for this document to be the instrument transferring title to my real and personal property to the MAHOVA.

IN WITNESS WHEREOF, I have signed and sealed this document as of the day and date first stated above.

\_\_\_\_\_  
Signature of Applicant (SEAL)

COMMONWEALTH OF VIRGINIA )  
CITY / COUNTY OF \_\_\_\_\_ )

This \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, in my jurisdiction aforesaid, \_\_\_\_\_ acknowledged the foregoing Property Transfer and Deed of Bargain and Sale before me.

\_\_\_\_\_  
Notary Public (SEAL)

My commission expires: \_\_\_\_\_  
Notary ID: \_\_\_\_\_

THIS INSTRUMENT MUST BE SIGNED BY EVERY CORNERSTONE APPLICANT

SPOUSE OF CORNERSTONE APPLICANT

I am \_\_\_\_\_, the spouse of \_\_\_\_\_, who has applied for admission to the Cornerstone program of the Masonic Home of Virginia, a Virginia corporation, and who executed the above and foregoing contract.

In consideration of the MAHOVA approving my spouse's application and admitting my spouse as a Cornerstone resident of the MAHOVA, I hereby expressly consent and agree to the execution of said contract, bind myself to all of the terms, conditions and provisions thereof, and I further agree to make, execute and deliver to the MAHOVA any and all instruments necessary to the full performance of this contract.

It is my express intention and purpose to acknowledge that I release to and transfer to the MAHOVA any and all rights and claims which I may now have or hereafter obtain to any of my spouse's real or personal property, by virtue of the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, I have signed and sealed this document on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of Spouse (SEAL)

COMMONWEALTH OF VIRGINIA )  
CITY / COUNTY OF \_\_\_\_\_ )

This \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, in my jurisdiction aforesaid, \_\_\_\_\_ acknowledged the foregoing Property Transfer and Deed of Bargain and Sale before me.

\_\_\_\_\_  
Notary Public (SEAL)

My commission expires: \_\_\_\_\_  
Notary ID: \_\_\_\_\_

WE, the undersigned (please circle those relationships that apply)  
CHILDREN / GRANDCHILDREN / SIBLINGS / NIECES AND NEPHEWS  
of \_\_\_\_\_, who has applied for admission to the Cornerstone program of the Masonic Home of Virginia, a Virginia corporation, and who has executed the foregoing Property Transfer and Deed of Bargain and Sale, do hereby acknowledge that the applicant is of sound mind and fully competent to execute this document. In consideration of the applicant's acceptance as a Cornerstone resident of the MAHOVA, we do hereby waive any and all claims which we have, or may hereafter acquire, by virtue of the laws of the Commonwealth of Virginia, in or to the applicant's real or personal property conveyed or agreed to be conveyed to the MAHOVA, provided only that the applicant shall have been admitted to the Cornerstone program of MAHOVA.

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



CONTRACT OF PAYING RESIDENT

THIS CONTRACT, entered into this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by and between \_\_\_\_\_  
("APPLICANT"), and MASONIC HOME OF VIRGINIA, a Virginia corporation ("HOME").

WITNESSETH:

WHEREAS, APPLICANT, having applied by application in writing for admission as a paying resident of the HOME, which application has been accepted, the parties hereto, by their signatures below, agree on the following terms and conditions of this acceptance:

1. RELIANCE ON APPLICATION INFORMATION - The HOME has accepted APPLICANT for admission as a paying resident based upon the information set forth in APPLICANT'S Statement of Applicant and Financial Information Checklist, all of which is incorporated herein by reference. The HOME has relied on all statements of APPLICANT and of APPLICANT'S physician as to APPLICANT'S physical and mental condition. In deciding to grant APPLICANT admission as a paying resident, the HOME relied on all representations made with respect to APPLICANT'S finances and health. APPLICANT'S intentional or reckless misrepresentation or omission in APPLICANT'S admission documents of a fact which, if provided accurately, would have resulted in failure of APPLICANT to qualify for admission as a paying resident, or a material increase in the cost of providing to APPLICANT the care and services provided, shall render this contract voidable at the option of the HOME.

2. ENTRANCE FEE – APPLICANT, upon notice of the approval of his application, and at or before the time of admission, will immediately pay to the HOME the entrance fee of \$30,000.00 for a single resident or \$40,000 for a couple. One-half (1/2) of the Entrance Fee is non-refundable upon occupation of the residence. The remaining Entrance Fee available for refund shall abate at the rate of 1/6<sup>th</sup> of one-half of the Entrance Fee each month after the date of admission. There will be no refund of the Entrance Fee once the APPLICANT has occupied the residence for six (6) months.

3. MONTHLY FEE - At or before the date of admission, the APPLICANT will pay, in advance, the first month's fee in the amount of \$ \_\_\_\_\_. Monthly fees will be payable thereafter, in advance, by the fifth (5<sup>th</sup>) day of each month.

a. Monthly costs are presently \$4,320.00 for Residential Independent Living; \$5,835.00 for Assisted Living I; \$7,395.00 for Assisted Living II; \$9,235.00 for Richard E. Brown Memory Support Center I; and \$11,105.00 for the Richard E. Brown Memory Support Center II and the Care Center. APPLICANT understands that these charges may be changed by the HOME from time to time to reflect operating costs. The HOME will notify all residents in writing at least thirty (30) days prior to any change in fees, charges, or scope of care.

b. **If APPLICANT has been approved for admission as an “eligible relative,” the Cornerstone Program is not available, and APPLICANT at all times must be able to pay the monthly rate from APPLICANT’S income, assets, or escrow.**

4. ESCROW OPTION - If the HOME deems it necessary, APPLICANT, at or before admission, will deposit the sum of \$ \_\_\_\_\_ in escrow with the HOME, from

which APPLICANT'S monthly charge will be deducted as it is incurred. If the HOME deems the deposit unnecessary, then the remainder of this paragraph shall not apply.

a. This deposit will not exceed an amount equal to the HOME'S total anticipated charges for the APPLICANT for sixty (60) months.

b. Any funds which might remain in escrow at APPLICANT'S death, and after payment of indebtedness to the HOME, will revert to APPLICANT'S estate or to whomever APPLICANT has selected in proper legal form.

c. Should APPLICANT withdraw from residency in the HOME, the net balance in the escrow account, after payment of any indebtedness to the HOME, will be refunded to APPLICANT, including accumulated interest.

d. Should the escrow funds become entirely depleted during APPLICANT'S residency, APPLICANT may remain as a paying resident by continuing to pay the monthly rate from other assets, or may apply for reclassification as a Cornerstone resident under the "Rules of Admission" applicable at the time of such application for reclassification. **If APPLICANT has been approved for admission as an "eligible relative," the Cornerstone Program is not available, and APPLICANT at all times must be able to pay the monthly rate from APPLICANT'S income, assets, or escrow.**

5. ANNUAL FINANCIAL DISCLOSURE - APPLICANT agrees to provide to the HOME, no less frequently than annually, APPLICANT'S financial information, including, but not limited to, tax returns, investment records, bank statements, and all other information reasonably required by the HOME for the purpose of verifying that the APPLICANT is in compliance with all financial requirements for residency. Failure to

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provide the HOME with this information is grounds for the HOME to terminate APPLICANT'S residency.

6. RULES OF ADMISSION - [***initials of applicant*** \_\_\_\_\_ ] APPLICANT acknowledges receipt of a copy of the HOME'S "Rules of Admission," agrees that the HOME has fully explained the Rules to the APPLICANT prior to the execution of this contract, and agrees that the Rules are incorporated herein by reference and made a part hereof. APPLICANT also acknowledges and agrees that the Rules of Admission may be amended from time to time and agrees to be bound by those amendments.

7. APPLICANT'S RIGHT TO CANCEL - [***initials of applicant*** \_\_\_\_\_ ] APPLICANT understands that he has the right to rescind and cancel this contract without penalty or forfeiture within seven (7) calendar days after making an initial deposit or executing this contract. The HOME shall not require APPLICANT to move into the HOME before the expiration of said seven (7) calendar day period.

8. VIEWING ADMISSIONS VIDEO - [***initials of applicant*** \_\_\_\_\_ ] APPLICANT acknowledges that, prior to the execution of this contract, he is required to view an educational video as determined by the HOME describing realistic expectations for Long Term Care and to complete an Agreement upon the conclusion of such viewing. APPLICANT consents to the admission of that Agreement into evidence, along with the video, in the event of arbitration or any other form of legal or administrative proceeding.

9. TERMINATION OF CONTRACT - [***initials of applicant*** \_\_\_\_\_ ] The HOME will not terminate this contract unless APPLICANT becomes a danger to himself or others; is guilty of repeated conduct that interferes with other residents' quiet

enjoyment of the HOME, or is persistent in his refusal to comply with duly promulgated written rules of which he has been furnished a copy. In the event the HOME feels it necessary to terminate APPLICANT'S contract under the aforesaid circumstances, it will give APPLICANT written notice of the termination and a reasonable time to cure the basis for the termination.

10. TRANSFERS DUE TO CARE CONCERNS - [*initials of applicant* \_\_\_\_\_]

Subject to the terms of this contract, once APPLICANT is admitted to the HOME, he would normally live there the remainder of his life. After the APPLICANT'S initial admission to the HOME, APPLICANT agrees that changes in the APPLICANT'S condition thereafter may require, in the HOME'S sole discretion, that APPLICANT transfer from time to time into a different level of care within the HOME, subject to the then-current residency and fee requirements for that level of care. APPLICANT acknowledges that, once admitted to the Care Center, APPLICANT must be followed by an attending physician who is available (or who has an associate available) promptly at all times to provide the medical consultations required by Virginia Department of Health regulations. However, should APPLICANT'S level of care change such that APPLICANT is beyond the scope of the care the HOME is able to provide, APPLICANT can be transferred from the HOME to a facility licensed by the Commonwealth of Virginia to provide the appropriate scope of care. APPLICANT acknowledges that, because of the HOME's experience that many Applicants choose to live at the HOME for the remainder of their lives, the HOME requires each Applicant to provide a signed copy of a general durable power of attorney in favor of a designated individual, and further requires each Applicant to execute a springing power of attorney appointing the

HOME to act as Agent in the event of the invalidity of the Applicant's own power of attorney or permanent absence of the Applicant's designated agent(s).

11. CHANGE IN MARITAL STATUS - [**initials of applicant** \_\_\_\_\_ ]

APPLICANT may divorce, marry or re-marry; however, the continued stay of APPLICANT at the HOME or the admission of the APPLICANT'S new spouse to the HOME must be in accord with the "Rules of Admission" in effect on the date of APPLICANT'S marriage. If APPLICANT is not eligible for continued stay at the HOME or APPLICANT'S new spouse is not eligible for admission to the HOME, then this contract shall terminate as of the date of APPLICANT'S remarriage and APPLICANT shall withdraw from the HOME. Upon such withdrawal, if APPLICANT has an escrow account, the HOME will return to APPLICANT the net balance in the escrow account, after payment of any indebtedness to the HOME, including accumulated interest.

12. APPLICANT'S CARE LEVEL CHANGE PRIOR TO ADMISSION - [**initials of applicant** \_\_\_\_\_ ] If, in the HOME'S sole discretion, APPLICANT'S care level changes during the time between acceptance and admission, such that APPLICANT no longer meets the care level requirements for admission, or if APPLICANT dies, then this contract shall be rescinded. In such event, the HOME shall refund to APPLICANT or APPLICANT'S legal representative all property received by the HOME, less costs reasonably incurred by the HOME and specifically related to APPLICANT.

13. TRANSFERABILITY - The rights and privileges of APPLICANT under this contract are personal to the APPLICANT and cannot be transferred or assigned by act of the APPLICANT, or by any proceeding of law, or otherwise.

14. MISCELLANEOUS - If any one or more of the provisions of this contract should be finally determined to be contrary to law, then such provision or provisions shall be severable from the remaining provisions and shall in no way affect the validity of the other provisions of this contract. This contract shall be construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Commonwealth of Virginia. References to the singular shall include the plural where appropriate, and vice-versa. References to the masculine gender shall include the female and neuter genders where appropriate, and vice-versa.

In witness whereof, APPLICANT and the HOME have signed and sealed this contract as of the day and date first written above.

\_\_\_\_\_(Seal)  
APPLICANT

\_\_\_\_\_(Seal)  
MASONIC HOME OF VIRGINIA by  
Anne B. Hagen, Chief Executive Officer

We acknowledge that we were present when this contract was reviewed and signed by the Applicant.

\_\_\_\_\_  
Date                      Signature

\_\_\_\_\_  
Print Name

Personal  
Representative  
Family  
Responsible  
Party

\_\_\_\_\_  
Date                      Signature

\_\_\_\_\_  
Print Name

Personal  
Representative  
Family  
Responsible  
Party

## RESERVATION AGREEMENT

This is an Agreement to reserve an Independent Living Unit, accommodation number \_\_\_\_\_, in the Masonic Village on the campus of the Masonic Home of Virginia, made in duplicate originals, by and between the Masonic Home of Virginia, Inc. ("Masonic Home") and \_\_\_\_\_ ("collectively, Prospective Resident").

WHEREAS, the Masonic Home intends to construct, has begun construction of, or has completed construction of an Independent Living Unit accommodation described by the above Unit number, on the campus of the Masonic Home; and

WHEREAS, the parties to this Agreement intend to sign a Resident's Agreement providing for the Prospective Resident to reside in such Living Unit accommodation in accordance with the terms and conditions of such Resident's Agreement; and

WHEREAS, the Masonic Home must gather information prior to assessing the Prospective Resident's eligibility to reside in the Independent Living Unit accommodation on the campus of the Masonic Home; and

WHEREAS, the Prospective Resident desires to reserve such Unit during the period of information gathering prior to signing a Resident's Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. That upon the Masonic Home's receipt of the sum of One Thousand and No/100 Dollars (\$1,000.00) ("Reservation Fee") for each Prospective Resident, the Masonic Home agrees to hold the Unit number referenced above for the Prospective Resident. Except as provided herein, the Reservation Fee is non-refundable.

2. This Reservation Agreement shall be superseded by a Resident's Agreement signed by the Masonic Home and Prospective Resident. This Reservation Agreement can be terminated at the option of any party upon written notice to the other party (ies) at the addresses listed herein. The death of a Prospective Resident shall terminate this Agreement as it applies to that individual. A surviving Prospective Resident may elect either to terminate or to reaffirm this Agreement. This Reservation Fee shall be refunded within thirty (30) days after occupancy of the Living Accommodation by either (i) applying the Reservation Fee to the final payment of the Living Accommodation or (ii) returning the Reservation Fee to the Prospective Resident; such option of the refund method shall be at the discretion of the Chief Executive Officer. The Reservation Fee shall be refunded to the Prospective Resident or the Prospective Resident's Estate should the Prospective Resident die prior to occupying the Living Accommodation or be precluded through illness, injury or incapacity from becoming a Resident under the terms of the Resident's Agreement. The



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Reservation Fee may be refunded to the Prospective Resident, in the sole discretion of the Chief Executive Officer, if the Prospective Resident terminates the application process prior to occupying the Living Accommodation. The Reservation Fee is otherwise nonrefundable.

3. All references to the singular shall include the plural where appropriate. All references to the male gender shall include the female gender where appropriate. This is the entire understanding and agreement between the parties, and no additional understandings, agreements or representations which are not a part of this Agreement exist.

4. All notices given under any provision of this Agreement shall be deemed to have been duly given if mailed first-class, postage prepaid, to the following addresses:

Masonic Home of Virginia  
ATTN: Anne B. Hagen  
Chief Executive Officer  
Post Office Box 7866  
Henrico, VA 23231-0366

Prospective Resident:

Any party to this Agreement may direct that notice pursuant to this Agreement be delivered to a different address, if such request is made in writing and delivered to the other parties.

WITNESS the following signatures of the parties set forth on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ on each of two counterparts of this document, each of which shall be deemed an original.

\_\_\_\_\_  
Date

\_\_\_\_\_  
PROSPECTIVE RESIDENT

\_\_\_\_\_  
Date

\_\_\_\_\_  
PROSPECTIVE RESIDENT

MASONIC HOME OF VIRGINIA, INC.

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Chief Executive Officer

**MASONIC HOME OF VIRGINIA**  
RESIDENT'S AGREEMENT  
FOR  
THE MASONIC VILLAGE

\* \* \*

RESIDENT'S AGREEMENT FOR  
THE MASONIC VILLAGE

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IMPORTANT NOTICE THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION THAT CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.

### MASONIC HOME OF VIRGINIA

#### RESIDENT'S AGREEMENT FOR THE MASONIC VILLAGE

This Agreement, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the Masonic Home of Virginia, (the "Home"), and \_\_\_\_\_, ("Resident").

WHEREAS, APPLICANT, having applied by application in writing for admission as a paying resident of the Masonic Village at the Masonic Home of Virginia (the Village), which application has been accepted, the parties hereto, by their signatures below, agree on the following terms and conditions of this acceptance.

NOW, THEREFORE, the Home and the Resident, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS. Except as otherwise defined by this Agreement, the terms set forth below shall have the following meanings:

1.1 "CARE CENTER" means the nursing care facility of the Home;

1.2 "CHIEF EXECUTIVE OFFICER" means the person who is designated by the Board of Governors of the Home as the Chief Administrative Officer;

1.3 "SINGLE OCCUPANCY" means occupancy of one Living Accommodation by one person who is a Resident;

1.4 "DOUBLE OCCUPANCY" means occupancy of one Living Accommodation by two persons, each of whom is a Resident;

1.5 "LIVING ACCOMMODATION" means the particular independent housing unit provided for exclusive occupancy by the Resident;

1.6 "MEDICAL CARE" means first aid, limited emergency services or health maintenance activities, and includes medical or surgical services and care, hospital care, and general nursing in the Care Center;

1.7 "MASONIC HOME FOR ADULTS" means the separate facility maintained by the Home which is licensed in accordance with applicable state laws;

1.8 "REMAINING RESIDENT" means the Resident who continues to occupy a Living Accommodation after the other Resident in double occupancy withdraws or terminates such double occupancy;

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1.9 "SURRENDER" means to cease to occupy a Living Accommodation, to remove all possessions from it and to turn in to the Home all keys for the Living Accommodation and for any other building in the Masonic Village;

1.10 "TERMINATE THIS AGREEMENT" or "TERMINATION OF THIS AGREEMENT" means the termination of the right of occupancy in a Living Accommodation and the termination of the right of the Resident to the services to be provided as described herein;

1.11 "ENTRANCE FEE" means that one-time fee paid to the Home by the Resident or Residents for the use and occupancy of a Living Accommodation pursuant to this Agreement;

1.12 "RESERVATION FEE" means that one-time fee, per person, paid to the Home to reserve to that person or those persons a Living Accommodation while the Home evaluates his, her or their application for the use and occupancy of a Living Accommodation, prior to signing this Agreement;

1.13 "SERVICE FEE" means that periodic charge paid to the Home by the Resident or Residents in return for the services made available to the Resident or Residents by the Home in conjunction with the use and occupancy of a Living Accommodation.

## 2 ENTRANCE FEE.

2.1 AGREEMENT TO PAY - Resident, by signing the Resident's Agreement, agrees to pay to the Home a fee (the "Entrance Fee") in the amount of \$ \_\_\_\_\_. The Entrance Fee is subject to the provisions contained hereunder, and must be paid in full prior to occupancy of the Living Accommodation.

2.2 RIGHT TO RESCIND - The Resident shall have the right to rescind this Agreement, without penalty or forfeiture of the Entrance Fee or any portion thereof, within seven (7) days after making an initial deposit or executing this Agreement. The Home shall not permit the Resident to move into a Living Accommodation before the expiration of the seven (7) day period. This right to rescind applies only to the Entrance Fee and does not apply to any other payments, fees, or deposits made by the Resident to the Home.

2.3 ENTRANCE FEE – CASH PAYMENT. **INITIAL HERE TO SELECT THIS PAYMENT OPTION:** \_\_\_\_\_. The Resident agrees that one third (1/3) of the Entrance Fee, which one-third is \$ \_\_\_\_\_, is due upon signing this Agreement. The Resident agrees that the remaining two-thirds (2/3) of the Entrance Fee, which two-thirds is \$ \_\_\_\_\_, will be paid within thirty (30) days after the date on which the Living Accommodation is ready for occupancy, or prior to occupancy, whichever is sooner.

2.4 ENTRANCE FEE – 'IN-KIND' PAYMENT. **INITIAL HERE TO SELECT THIS PAYMENT OPTION:** \_\_\_\_\_. The Resident conveys to the Home, and the Home accepts from the Resident, the Resident's real estate located at \_\_\_\_\_ (the "Resident's Real Estate"). The Home and the Resident agree that the Home will promptly list the Resident's Real Estate for sale at a price of \$ \_\_\_\_\_ (the "Agreed Value"), which will be reported to the appropriate locality as the consideration received by the Resident for the Home's acquisition of the Resident's Real Estate. The Home and the Resident agree that the amount of net proceeds a seller should reasonably expect to receive from a sale of the Resident's Real Estate listed on

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the open market at the Agreed Value, after paying for necessary and reasonable repairs, maintenance, and improvements, is \$ \_\_\_\_\_ (the "Credit Value"). The Home will list the Resident's Real Estate for the Agreed Value on the open market. The Home shall collect the Resident's Entrance Fee from the Credit Value, as follows:

If the Credit Value of the Resident's Real Estate is less than the Entrance Fee, the Resident will pay the Home the difference between the Credit Value and the Entrance Fee in cash. The Resident agrees to pay one third (1/3) of the difference between the Credit Value and the Entrance Fee, which one third is \$ \_\_\_\_\_, by cash or certified funds, upon signing this Agreement; and the Resident further agrees to pay the remainder of the difference between the Credit Value and the Entrance Fee, which remainder is \$ \_\_\_\_\_, within thirty (30) days after (i) the date on which the Living Accommodation is ready for occupancy or (ii) immediately prior to occupancy, whichever is sooner. When the Home receives the net proceeds of the sale of the Resident's Real Estate, the Home will apply the Credit Value to the remaining balance of the Resident's Entrance Fee, and the Resident shall not be required to pay the Home any shortfall between the net proceeds and the Credit Value.

If the Credit Value of the Resident's Real Estate is greater than or equal to the Entrance Fee, then, notwithstanding the actual net proceeds of the sale of the Resident's Real Estate, the Home shall apply the difference between the Credit Value and the Entrance Fee as a credit to the Resident's monthly Service Fees, as and when the Service Fees are due. When the Home receives the net proceeds of the sale of the Resident's Real Estate, the Home will collect the Resident's Entrance Fee from the net sales proceeds and the Home will establish an escrow account to hold the difference between the net sales proceeds and the Resident's Entrance Fee. The Home will collect the Resident's Service Fees from the funds in the Resident's escrow account as and when the Service Fees are due. If any escrowed funds remain at the later of the (i) termination of this Agreement or (ii) the surrender of the Living Accommodation to the Home, then the Home will pay over the remaining escrowed funds to the Resident or to the Resident's estate.

The Resident and the Home acknowledge that the "Credit Value" of the real estate and the "net proceeds of the sale of the real estate" are not the same number, and that the Home cannot and does not guarantee that the real estate will sell for, or generate net proceeds of, any particular amount. Accordingly, subject to the provisions of the following paragraph, the Resident agrees that the Resident will make all Service Fee payments from other assets once the Resident has incurred Service Fees equal to the amount by which the Credit Value exceeds the Entrance Fee.

If the net proceeds of the sale of the personal residence are more than the Credit Value of the personal residence, then the Home will place ninety percent (90%) of the amount by which the net proceeds exceed the Credit Value in the Resident's escrow account and will retain the other ten percent (10%).

2.5 MONTHLY SERVICE FEE - The Resident will pay to the Home monthly, in advance, a fee (the "Service Fee") of \$ \_\_\_\_\_ per month. The Home shall adjust the Service Fee from time to time as necessary to anticipate increased costs to the Home in making available the services and accommodations it offers under this Agreement. Such adjustment will be effective thirty (30) days after written notice of such adjustment is given to the Resident. The provision for advance written notice shall not apply to any changes in fees or services that are required by state or federal assistance programs. The Home will make all reasonable



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efforts in its judgment to maintain the Service Fee at the lowest figure consistent with operating the Village on a sound financial basis. The obligation to pay the Service Fee is to commence on the date on which the Resident takes occupancy of the Living Accommodation. The Service Fee may be pro-rated for the first and last months of occupancy, if applicable. The obligation of the Resident to pay the Service Fee shall continue until this Agreement is terminated and the premises are surrendered to the Home. If two Residents have signed this Agreement, and one Resident vacates the Living Accommodation, the Remaining Resident shall pay a monthly Service Fee for Single Occupancy for the Living Accommodation.

**2.6 ENTRANCE PROCEDURE AND REQUIREMENTS** - The Resident shall have completed an application form, financial information statement, medical history, and resident services list. Not later than thirty (30) days prior to occupancy, an approved applicant must undergo a physical examination, including, but not limited to, a chest x-ray by the applicant's personal physician, at the applicant(s)' expense, with a report of such examination to the Home on a form provided by the Home. The applicant also agrees to have a case study performed by a member of the Department of Social Services. It is the policy of the Home that each Resident must be capable of functioning independently upon admission, must be ambulatory, and must be mentally alert.

Applicant acknowledges that, prior to the execution of this Agreement, he or she shall be required to view a video entitled Setting Realistic Expectations and complete an Agreement upon the conclusion of such viewing. Applicant consents to the admission of that Agreement into evidence, along with the Setting Realistic Expectations video, in the event of arbitration or any other form of legal or administrative proceeding.

This Agreement is to permit the Resident(s) to occupy one of the Living Accommodations in the Village. The Resident(s) has represented and the Home has established that the Resident(s) can live, and desire to live, in a completely independent environment. The Home will not provide nursing services or maintenance and care for the Resident(s) nor will it provide protection, general supervision or oversight of the physical and/or mental well-being of the Resident(s). The Home makes certain services, which are set forth later in this Agreement, available to the Resident(s). The Resident(s) may terminate his or her status, as described above, at the Resident(s)' request; the Home may also terminate the Resident(s)' status, all in accordance with the provisions of Section Seven (7).

**2.7 RESERVATION FEE** - Upon submission of a preliminary application for admission to the Village, each Resident shall pay to the Home a Reservation Fee in the amount of One Thousand and No/100 Dollars (\$1,000.00) per Resident. The Home will refund this Reservation Fee within thirty (30) days after occupancy of the Living Accommodation by either (i) applying the Reservation Fee to the final payment of the Living Accommodation or (ii) returning the Reservation Fee to the Resident, such choice being at the discretion of the Chief Executive Officer. The Reservation Fee shall be refunded to the Resident, the Resident's personal representative, or the Resident's Estate should the Resident (i) with the approval of the Chief Executive Officer, which approval shall not unreasonably be withheld, terminate the application process prior to occupying the Living Accommodation (ii) die prior to occupying the Living Accommodation or (iii) be precluded through illness, injury or incapacity from becoming a Resident under the terms of this Agreement.

**2.8 ESCROW AGREEMENT** - The Home agrees to establish an escrow account ("Escrow Account") in compliance with the requirements of Section 38.2-4904.1 of the Code of Virginia of 1950, as amended, with respect to any Entrance Fees that are in excess of

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One Thousand and No/100 Dollars (\$1,000.00) per person for the Living Accommodation received by the Home prior to the date the Resident is permitted to occupy the Living Accommodations. Upon occupancy, or the availability of the Living Accommodation for occupancy, the funds held in escrow shall be released to the Home and the Resident's refunds, if any, shall be paid pursuant to the remaining provisions of this Agreement. Notwithstanding any other provision of this section, all funds or assets deposited in escrow pursuant to this section shall be released to the Resident (or the personal representative of the Estate of the Resident) from whom they were received under the following conditions: (i) if such funds or assets have not been released within three (3) years after placement in escrow or within three (3) years after construction has started, whichever is later (but, in any event, within six (6) years after placement in escrow unless specifically approved by the State Corporation Commission), or within such longer period as determined appropriate by the State Corporation Commission in writing; (ii) if the Resident dies before occupying a Living Accommodation; (iii) if the construction of a Living Accommodation not yet operating is stopped indefinitely before the Living Accommodation is completed; or (iv) upon rescission of this Agreement within the seven (7) day period provided herein.

2.9 SUMMARY PROVISION - The Resident, prior to occupancy, shall pay to the Home, as provided in the foregoing paragraphs, the following fees:

- 1. Reservation Fee (Paragraph 2.7) \$ \_\_\_\_\_
- 2. Entrance Fee (Paragraph 2.1) \$ \_\_\_\_\_
- 3. Monthly Service Fee for the first month of occupancy (Paragraph 2.5) \$ \_\_\_\_\_
- TOTAL AMOUNT OF PAYMENT \$ \_\_\_\_\_

3 ACCOMMODATIONS PROVIDED BY THE HOME.

3.1 ASSIGNMENT OF LIVING ACCOMMODATION - The Living Accommodation to be occupied by the Resident is:

Facility \_\_\_\_\_  
 Unit Number \_\_\_\_\_  
 No. of Residents \_\_\_\_\_

No person other than the Resident(s) named herein shall have the right of occupancy of the Living Accommodation without complying with the Admissions Policy for the Village, unless otherwise permitted pursuant to guest policies established by the Home.

3.2 FURNISHINGS - The Home will furnish wall to wall carpeting of its choice in the Living Accommodation. The Resident, with the consent of the Home, may select a higher quality carpeting at the expense of the Resident. All carpeting and other fixtures shall remain in the Living Accommodation and be considered a part thereof, with the exception of a refrigerator, a washing machine, and a dryer, which the Resident, with the Home's consent, may provide at the Resident's expense. The refrigerator, washing machine, and dryer provided by the Resident shall remain the Resident's personal property or the property of a deceased Resident's estate.

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3.3 CHANGE OF ACCOMMODATIONS - If the Resident desires to move from the Living Accommodation to another similar accommodation, he shall request such change in writing from the Home in advance to allow for proper consideration.

3.4 CHANGE TO AN ACCOMMODATION OF A DIFFERENT SIZE - If the Resident wishes to move to a larger or smaller Living Accommodation, the Entrance Fee will be adjusted, if necessary. Any refund is payable only after the receipt of a new Entrance Fee and new Resident's Agreement for the surrendered Living Accommodation. If additional funds are due from the Resident who desires to upgrade his Living Accommodation, such funds are due upon the transfer to the new Living Accommodation. All costs involved with respect to moving shall be borne by the Resident.

3.5 COMMON FACILITIES - The Resident may use, at the election of the Resident, in common with others and in accordance with the rules and regulations from time to time promulgated by the Home, the dining room, lounges, auditorium, social and recreational rooms, and other facilities provided by the Home for the use of the Resident(s) of the Home.

## 4 UTILITIES, MAINTENANCE, CHANGES AND FOOD.

4.1 UTILITIES AND SERVICES - The Home will provide water and sewer for each Living Accommodation, as well as trash removal, snow removal and lawn maintenance. The Home will endeavor to remove snow within twenty-four (24) hours after snowfall ceases. The Resident(s) hereby agree(s) to refrain from using uncleared areas. The Resident will be billed separately for all utilities other than water and sewer. The Resident agrees to pay the bills for utilities promptly.

4.2 HOUSEKEEPING - The Home makes available housekeeping service for each Living Accommodation once every two weeks. This service will include cleaning the bathroom and kitchen floors, vacuuming carpets and cleaning the tub and the lavatory. If the Resident does not maintain the Living Accommodation in a clean, sanitary and orderly condition, the Home, after notice to the Resident, has the right to maintain the Living Accommodation and to bill the cost of such extra maintenance to the Resident.

4.3 MAINTENANCE AND REPAIR - The Home will perform and provide necessary repairs and maintenance for the Living Accommodation and grounds, normal wear and tear excepted. Repairs, maintenance and replacement of the property of the Resident will be the responsibility of, and at the expense of, the Resident.

4.4 STRUCTURAL CHANGES - Any structural or other physical change of any kind to the Living Accommodation, grounds or common areas shall be made only with the written approval of the Home. The cost of any change requested by the Resident will be borne by the Resident, unless otherwise agreed to in writing by the Home. The approval of any change requested by the Resident may be conditioned upon the agreement of the Resident to bear the expense of the later restoration of the Living Accommodation, grounds or common areas to its original condition.

4.5 REDECORATION - Any redecoration of the Living Accommodation, in addition to or other than that scheduled by the Home, will be made only upon the written approval of the Home and will be at the expense of the Resident. Unless otherwise agreed to in writing by the Home, title to any fixture installed by the Resident in the Living Accommodation shall vest in the Home.

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### 4.6 FOOD AND MEALS -

4.6.1 DIETARY PLAN - The Home will make available to each Resident one meal a day. The meals shall be provided in an attractive, nutritionally well-balanced and properly cooked manner. Reasonable special dietary needs may be provided for at the Resident's request, and the Home reserves the right to charge an additional fee to the Resident for such special dietary requests.

4.6.2 DINING ROOM GUEST PRIVILEGES - Upon reasonable notice, the Home allows Residents to have guests present at meals served in the dining room. The Home will charge a reasonable price for the guest's meals and will bill the Resident for such meals.

4.6.3 DRESS CODE - In order to foster a sense of dignity in the dining room during all meals, Residents are required to wear appropriate conservative attire. Neither Residents nor guests may wear night clothing, housecoats, bathrobes, articles of undergarments, or any articles of clothing giving the appearance of being inappropriate in the dining room.

4.6.4 MEAL CREDITS - The Home's established food costs per meal will be the basis for recording credits to the Resident. The Home reserves the right to change these rates. The Resident will receive a meal credit only when absent from the Living Accommodation for a period of not less than two (2) consecutive weeks, and the Resident must provide the Home two (2) weeks' written notice of the absence to receive the meal credit.

4.7 TELEPHONE - Because the Home, from time to time, will wish to make contact with the Resident through the telephone, the Resident agrees to have a telephone installed upon occupancy. The cost of installation and maintenance of the telephone shall be the Resident's expense.

4.8 CABLE TELEVISION AND INTERNET CONNECTIVITY - If the Resident desires cable television or internet access, the Resident shall make contact with the cable company or internet provider through the Home office so that installation may be properly coordinated with other underground services on the campus of the Home. All costs of service, installation, usage, and maintenance shall be the responsibility of the Resident.

4.9 ACTIVITIES - Residents of the Village are permitted to participate in the Activities Program of the Home, at the election of Resident.

## 5 OBLIGATIONS OF RESIDENT.

### 5.1 RESIDENT'S INSURANCE OBLIGATIONS -

5.1.1 HEALTH INSURANCE - The Resident(s) shall each obtain and maintain, at the Resident(s)' expense, a policy of Anthem Blue Cross Blue Shield Supplemental Coverage plus Major Medical insurance, or another policy with similar coverage written by an insurance carrier licensed to do business in Virginia ("the Policy"). The Resident(s) shall provide the Home with a copy of the Policy upon request. If the Resident(s) fail to promptly obtain or fail to maintain the Policy, or fail to provide a current copy of the Policy to the Home upon request,

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the Home may terminate this Agreement and the Resident(s) agree to surrender the Living Accommodation provided hereunder.

5.1.2 **AUTOMOBILE INSURANCE** - If the Resident maintains an automobile at the Village, the Resident shall obtain and maintain automobile insurance coverage within the limits of liability required by the Commonwealth of Virginia. All expenses of maintaining the automobile, including insurance, shall be the sole responsibility of the Resident.

5.1.3 **PERSONALTY AND CONTENTS INSURANCE** - The Home bears no responsibility for the contents and personalty of the Resident. The Resident shall obtain and maintain insurance coverage for the Resident's contents of the Living Accommodation, at the expense of the Resident.

5.2 **ACTIONS OF RESIDENT** - The Village is not designed to accommodate persons who are unable to care for themselves without supervision or assistance, nor is it designed to accommodate, or willing to accommodate, individuals who are a danger to themselves or others. If the Home determines that the physical or mental illness of the Resident, or the Resident's condition as a result of alcohol, drug or substance abuse, is such that the continued presence of the Resident in the Village is either dangerous or detrimental to the life, health, safety or peace of the Resident or other persons, the Home may terminate this Agreement and the Resident shall surrender the Living Accommodation. The Resident's entitlement to a refund of the Entrance Fee paid, if any, will be determined pursuant to Section Eight (8).

6 **FINANCIAL POLICY.** If the Resident fails to make any of the Service Fee payments at the required time, or to pay any other amounts shown on their monthly statement within thirty (30) days after receiving the statement, the Home may terminate this Agreement following thirty (30) days written notice to the Resident.

6.1 **LIQUIDATION OF ASSETS** - Should the Resident find current income insufficient to pay the monthly Service Fee, the Resident agrees to take all necessary steps to liquidate capital assets in order to meet the requirements of keeping the Resident's account on a current basis. Any unpaid monthly Service Fee or parts thereof may be subtracted from the Resident's refundable portion of the Entrance Fee.

6.2 **DUTY TO SUBSTITUTE LIVING ACCOMMODATION** - If the Resident becomes unable to pay all or part of the monthly Service Fee, the Resident agrees to move to a different Living Accommodation with a lower monthly Service Fee, if such is available, which would enable the Resident to pay the monthly Service Fee.

6.3 **FINANCIAL INFORMATION** - The Resident agrees that if the Home requests a current financial statement of the Resident or any other financial data to enable the Home to ascertain the Resident's ability to pay the monthly Service Fee, the Resident must provide such statement at the Resident's expense. If the Resident does not provide the statement within thirty (30) days of the request, the Home may terminate this Agreement. The Resident's entitlement to a refund of the Entrance Fee paid, if any, will be determined pursuant to Section 8.3.

6.4 **SPECIAL CONSIDERATION** - Without in any way limiting the Home's to terminate this Agreement, the Home may temporarily defer, in whole or in part, the monthly Service Fee of the Resident or require the Resident to move to a different Living Accommodation, if the sole reason for non-payment of the monthly Service Fee is insufficient liquid funds because

## Attachment 7

of circumstances beyond the control of the Resident. Any deferment, and any continuance of this special financial consideration, shall be at the sole discretion of the Home Board of Governors and shall be regarded as a confidential transaction between the Home and the Resident (and, if applicable, the Resident's Personal Representative). The Resident understands and agrees that the Home is under no obligation to extend special consideration, and that the Home is under no obligation to continue any special consideration granted. The Home, when it grants special consideration, does so on a case-by-case basis.

6.5 FEES DEFERRED - Should the Home defer the Resident's monthly Service Fee in whole or in part, the Resident shall not thereafter forfeit, disclaim, give, pledge, assign, sell or otherwise transfer, convert, or dispose of any property, real or personal, without the Home's written consent. The Resident acknowledges that, at such time as the Home may decide to defer the Service Fee, the Home may, as a condition to agreeing to such deferment, require the Resident to provide the Home with written assurances acceptable to the Home and its legal counsel that the Home shall recover the deferred amounts, together with interest at the rate of six percent (6%) per annum, from the Resident's estate or from the proceeds of a policy or policies of life insurance. If the Home gives a deferment to the Resident, the Home may, from time to time, request copies of the Resident's current financial holdings and tax returns, and the Resident shall provide such information, at the Resident's expense, within 30 days of receiving such request. This section 6.5 shall apply whether or not the Resident resides in the Village at the time of the death of the Resident. If the Resident does not provide the information in a timely manner, the Home may terminate this Agreement. The Resident's entitlement to a refund of the Entrance Fee paid, if any, will be determined pursuant to Section 8.3.

6.6 CHANGE IN OCCUPANCY - If one Resident in a double occupancy ceases to occupy the Living Accommodation, the Remaining Resident in the Living Accommodation agrees to pay the monthly Service Fee in the amount of single occupancy.

6.7 REPRESENTATIONS OF RESIDENT - The Resident represents that the Financial Statements submitted by the Resident and the statements of the Resident and the Resident's personal physician contained in the Personal Health History and Physician's Report are true and correct in all material respects. The Resident(s) acknowledge(s) that the Home has relied upon the truth and accuracy of said representations in its determination to accept the Resident's application. The Resident agrees that any misleading or false information contained in such statements shall constitute grounds for the Home to terminate this Agreement immediately.

## 7 TERMINATION OF AGREEMENT.

### 7.1 PRIOR TO OCCUPANCY -

7.1.1 DEATH OR INCAPACITY - If the Resident dies prior to occupancy of the Living Accommodation, or if the Resident, illness, injury or incapacity, is unable to live independently and unassisted and take occupancy of the Living Accommodation, this Agreement shall automatically be terminated as it applies to the Resident so dying or becoming incapacitated. However, where one of two co-Residents dies before occupancy, the Remaining Resident shall have the same options they would have had as if an individual application had been submitted.

7.1.2 BY THE HOME - The Home reserves the right to review the financial, health and medical condition of the Resident up to the time of Resident's occupancy,

## Attachment 7

and to terminate this Agreement at any time prior to occupancy for reasons deemed sufficient by the Home, including, but not limited to, the failure of the Resident to complete the application for admission to the satisfaction of the Home, the failure of the Resident to meet the Home's qualification for admission, or a change in the Resident's financial, health or medical condition at any time after the Resident has submitted an application for admission which, in the Home's opinion, renders the Resident ineligible for the Village.

### 7.2 AFTER OCCUPANCY -

7.2.1 BY THE RESIDENT - The Resident may terminate this Agreement after occupancy by giving the Home at least thirty (30) days written notice thereof, such termination to be effective on the thirty-first (31st) day following such notice. The Resident shall surrender the Living Accommodation by such termination date.

7.2.2 BY THE HOME - The Home may terminate this Agreement after occupancy for good cause shown, including any of the following reasons: (i) proof that the Resident is a danger to himself or others; (ii) nonpayment by the Resident of any portion of the monthly Service Fee; (iii) repeated conduct by the Resident that interferes with any other Residents' quiet enjoyment of their Living Accommodation; (iv) persistent refusal of the Resident to comply with reasonable written rules and regulations of the Home; (v) a material misrepresentation made intentionally or recklessly by the Resident in his application, or related materials, regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for admission or a material increase in the cost of providing services hereunder to the Resident; (vi) a material breach by the Resident of the terms and conditions of this Agreement. The Home may terminate this Agreement and require the surrender of the Living Accommodation by the Resident after giving written notice of the grounds for termination and an opportunity to cure the problem within a reasonable period of time. If the Resident does not cure the problem within a reasonable period of time, the Home may, at its election, terminate this Agreement, and the Resident shall surrender the Living Accommodation.

### 7.3 BY DEATH OF RESIDENT -

7.3.1 SINGLE OCCUPANCY - Unless otherwise terminated, this Agreement shall be terminated by the death of the Resident who is a single occupant of a Living Accommodation. If the Living Accommodation is not surrendered and vacated within thirty (30) days from the date of death, the estate of the Resident shall continue to be obligated hereunder until the Living Accommodation is surrendered.

7.3.2 DOUBLE OCCUPANCY - Unless otherwise terminated, this Agreement shall be terminated by the death of one of the two Residents who are in double occupancy, but only as to the deceased Resident. The Remaining Resident may elect to move to a smaller Living Accommodation or may elect to remain in the same Living Accommodation. In either case, the Service Fee will be adjusted for Single Occupancy, but otherwise this Agreement shall remain in full force and effect as to the Remaining Resident. The Remaining Resident shall be responsible for the full payment of the adjusted Service Fee for Single Occupancy and for carrying out all of the other obligations hereunder.

7.4 RELOCATION TO DIFFERENT LIVING ACCOMMODATION - The Home shall require an annual assessment to be conducted by the Medical Director or his designee to determine if the Resident is capable of performing their Activities of Daily Living (ADLs) unassisted. ADLs include the ability to toilet, bathe, dress, transfer, eat, clean house,

## Attachment 7

manage finances, do laundry, etc., as outlined by the then-current Universal Assessment Instrument used by the Virginia Department of Social Services. If the Home determines that the Resident is permanently unable to continue living in the Village, the Resident, after notification by the Home, shall have three options: (i) the Resident may apply for admission to the Adult Home of the Home, provided, however, that the Resident shall comply with and execute the necessary Agreements to enter such separate facility; (ii) the Resident may apply for admission to the Home Care Center, provided, however, that the Resident shall comply with and execute the necessary Agreements to enter such separate facility; or (iii) the Resident may surrender the Living Accommodation and leave the Home.

**7.5 CONFESSION OF JUDGMENT CLAUSE** - If the Resident does not vacate the Resident's Living Accommodation immediately upon the termination of this Agreement (whether because of the Resident's default or breach or for any other reason), the Resident does hereby appoint Carolyn A. White, Esquire, as his Attorney-in-Fact, and upon default of the Provisions of this Agreement does authorize his aforesaid Attorney-in-Fact to appear before the Clerk of the Circuit Court of Henrico County, Virginia, in the Clerk's Office, and confess judgment in favor of the Home of Virginia for the total sum of such default, including interest at the judgment rate provided for in § 6.1-330.54 of the Code of Virginia of 1950, as amended, on the amount owing at the time of the default, which interest shall be accrued from the date of default, and to confess judgment further for all of the costs of the collection proceedings, including attorney's fees and other fees provided for in this Agreement, and to waive on his behalf the benefit of his homestead and any other exemption as to the indebtedness. The Resident agrees to pay the cost of collection including costs of court and attorney's fees of twenty-five percent (25%) of the amount due hereby waiving the benefit of his homestead and any other exemption as to the amount due. In the event of legal enforcement of this Agreement, the Resident consents to the venue of the County of Henrico, Virginia. The Resident hereby intends his signature on this Agreement to induce the Maker to extend credit as herein provided. The Resident agrees that a copy of this Agreement, verified by affidavit, shall be sufficient evidence of the authority of such attorney-in-fact to agree to the entry of judgment on behalf of the Home so that it shall not be necessary to enter the original of this Agreement into court, any law or rule of court to the contrary notwithstanding.

## **8 REFUND POLICIES.**

**8.1 REFUND OF ENTRANCE FEE FOR TERMINATION PRIOR TO OCCUPANCY** - In the event termination of this Agreement due to the death of the Resident or the inability of the Resident to satisfy entrance requirements of the Village for any reason occurs before occupancy as set forth in Section 7.1.1, the Resident, the Resident's personal representative, or the Resident's estate shall receive repayment of the Entrance Fee and the Reservation Fee. The Resident agrees that those costs incurred by the Home at the request of the Resident and set forth in an addendum attached hereto shall not be included in the refund under this section.

**8.2 REFUND FOR TERMINATION DUE TO DEATH OF THE RESIDENT AFTER OCCUPANCY** - If termination of this Agreement occurs due to the death of the Resident after occupancy, the estate of the Resident in a single occupancy Living Accommodation will be entitled to repayment of the pro-rated balance of the Entrance Fee. The Entrance Fee paid by the Resident and available for refund under this Agreement shall decrease in value at the rate of ten percent (10%) upon admission, and one and one-half percent (1 1/2%) of the original Entrance Fee paid, each month thereafter up to a maximum of one hundred percent (100%). There will be no refund after the Resident has occupied the Living Accommodation for



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five (5) years. Occupancy by the Resident or the presence of furnishings in a Living Accommodation shall constitute occupancy of the Living Accommodation, and the Resident's estate shall continue to be liable to the Home for the Service Fee until the Living Accommodation is surrendered in accordance with this Agreement. For purposes of applying this provision to co-Resident parties to this Agreement (married or unmarried) in a double occupancy Living Accommodation, the termination date for repayment purposes shall be the earlier of (i) the date of death of the Remaining Resident or (ii) the surrender of the Living Accommodation by the Remaining Resident.

8.3 REFUND OF ENTRANCE FEE FOR TERMINATION BY ELECTION - If termination of this Agreement occurs by election of the Resident or of the Home after signing this Agreement and after the seven (7) day period of rescission expires, the Resident, the Resident's personal representative, or the estate of the Resident shall be entitled to a pro rata refund of the Entrance Fee paid by the Resident. The Entrance Fee paid by the Resident and available for refund under this Agreement shall decrease in value at the rate of ten percent (10%) upon admission and one and one-half percent (1 1/2%) each month thereafter up to a maximum of one hundred percent (100%). There will be no refund after the Resident has occupied the Living Accommodation for five (5) years. Occupancy by the Resident or the presence of furnishings in a Living Accommodation shall constitute occupancy of the Living Accommodation and the Resident and the Resident's estate shall remain liable to the Home for the Service Fee until the Living Accommodation is surrendered in accordance with this Agreement.

8.4 REFUND UPON PERMANENT RELOCATION OF RESIDENT - Should the Home determine, in its sole opinion, that the Resident's relocation to the Home for Adults, the Care Center, or any other facility, is or has become permanent, then the Home may make a pro rata repayment of such Resident's Entrance Fee to the Resident as provided under the preceding sections of this Agreement. If the Resident temporarily relocates to another living accommodation, there shall be no refund. In the event of a permanent relocation, the Resident shall remove all furnishings and personal belongings from the Living Accommodation within thirty (30) days after the Home notifies the Resident (or the Resident's personal representative) that the Home has determined the relocation is permanent.

8.5 DUE DATE FOR REFUNDS - Any refund of any portion of the Entrance Fee shall be made only when all of the following have been completed: (i) the Resident's Living Accommodation has been surrendered; (ii) the keys to the Living Accommodation and to any other campus buildings have been returned to the Home; (iii) all personal furniture and belongings of the Resident have been removed from the Living Accommodation; (iv) the Resident has departed from the premises of the Village; (v) the Home has accepted and entered into a Resident's Agreement with a new resident for the Living Accommodation; and (vi) the Entrance Fee of such new resident has been paid in full to the Home. After conditions (i) through (vi) have been met, the Home shall refund the Resident's pro rata portion of the Entrance Fee.

## 9 RIGHTS AND OBLIGATIONS OF RESIDENT AS TO PROPERTY.

9.1 RIGHTS TO PROPERTY - The rights and privileges granted to the Resident by this Agreement do not include any right, title or interest in or to any part of the personal property, land, buildings or improvements owned or administered by the Home. The rights of the Resident hereunder are for services with a right of occupancy and not for care or maintenance, and are not a life estate or lease agreement.

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9.2 **RESPONSIBILITY FOR DAMAGES** - Any loss or damage to the Home's real or personal property caused by the Resident's fault, negligence, or intentional misconduct, or by that of any guest, invitees, licensees or agents of the Resident, shall be charged to and paid for by the Resident, the Resident's personal representative, or the Resident's estate, jointly and severally. At the effective date of termination of this Agreement, the Resident shall vacate the Living Accommodation and shall leave it in good condition and repair, reasonable wear and tear excepted. If any fault, negligence, or intentional misconduct of the Resident results in injury, illness or damage to any other Resident, the Home assumes no responsibility therefor, and the Resident hereby releases and discharges the Home from any liability for any injury or damage to the Resident or to the Resident's personal property caused by the fault, negligence or intentional misconduct of other Residents. If a Court of competent jurisdiction declares the Home liable for any injury or damage to the Resident's personal property or to another, attributable to conduct of the Resident or his guests, invitees, licensees, or agents, the Resident hereby agrees to indemnify the Home and hold it harmless for any liability or damages.

9.3 **RIGHT OF ENTRANCE** - The Resident recognizes and consents to the right of the Home to enter the Resident's Living Accommodation in order to carry out the purpose and intent of this Agreement. Such right of entrance includes but is not limited to:

- a. Performance of scheduled cleaning and housekeeping duties.
- b. Entrance by authorized personnel if the Resident is reported missing or has not responded to calls.
- c. Scheduled or emergency maintenance.
- d. Inspection of the Living Accommodation.

10 **RESPONSIBILITY FOR PROTECTION OF THE RESIDENT'S PROPERTY.** The Home shall not be responsible for the loss of any property belonging to the Resident, or to the Resident's estate, due to theft, mysterious disappearance, fire, breakage or any other cause, unless the Home has specifically accepted, in writing, both control and care of said property, and then only for lack of ordinary care to safeguard and account for such property. Should the Resident choose to have the Resident's property protected from loss or damage, the Resident, at the Resident's own expense, shall provide insurance sufficient to protect against any such loss. If the Resident has become unable to occupy the Living Accommodation or this Agreement has been terminated for any other reason, the Home, at the Resident's cost, may immediately remove all property of the Resident from the Living Accommodation and store the same, in which case the Home shall exercise ordinary care only to protect such property against theft or other loss while stored. If the property is stored in a commercial storage warehouse, the Home shall not have responsibility for such property thereafter. Upon the termination of this Agreement for any reason, the Resident, his personal representative, or his estate, shall remove the Resident's personal property from the Living Accommodation and from any storage facility within thirty (30) days after termination. The Home will hold such property for such thirty (30) day period at the risk of and at the expense of the Resident's estate or persons entitled thereto, subject to ordinary care by the Home in safeguarding the same until removal can be made. At the end of such thirty (30) days, all remaining property in either the Living Accommodation or any storage facility shall become the sole property of the Home and shall be removed and handled as determined by the Home.

11 **COHABITATION AFTER OCCUPANCY BY THE RESIDENT.** The Living Accommodation is for the Resident's sole use. If the Resident wishes to share his Living Accommodation with another person, such other person must apply for entrance into the Village, and

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must satisfy all the requirements of the Home for admission to the Village, including, without limitation, the requirements for medical, insurance and financial resources. In addition, such proposed new Resident must sign a Resident's Agreement and must pay an Entrance Fee established by the Home for that Living Accommodation and all other fees under the the-current Resident's Agreement. In return for payment of the Entrance Fee, the new Co-Resident shall have all rights and privileges of a Resident set forth in the new Resident's Agreement. The provisions of this paragraph are specifically applicable to the Home's approval of marital as well as non-marital cohabitation.

12 GUESTS. A "guest" is defined as any individual who has not entered into a Resident's Agreement with the Home for the Village, regardless of the individual's relationship to the Resident. The Resident has the right to have guests visit the Living Accommodations, but such visits shall be limited to eight (8) consecutive days unless special permission is granted by the Home. The Resident agrees to provide careful supervision of minor visitors shall so that the other Village Residents' rights are respected. The Resident agrees to pay charges for guest meals in the dining room and give reasonable notice of guest meals to the dining room in accordance with the provisions of Section 4.6.2.

13 PETS. Pets are allowed in the Living Accommodation, provided that the Resident complies with all terms of the Home's pet policy.

14 RESIDENTS' ASSOCIATION. The Village may have a Residents' Association, of which every Resident will be a voting member.

15 NOTICE OF CHANGES IN FEES, CHARGES OR THE SCOPE OF SERVICES. The Home agrees to provide at least thirty (30) days advance notice to the Resident before any change in fees, charges or the scope of care or services may be effective, except for changes required by state or federal assistance programs.

16 NOTICE. Any notices to be given under this Agreement shall be deemed to have been properly given when delivered in person or sent by first class mail, postage prepaid, addressed as follows:

Notice to the Home:

Chief Executive Officer of the  
Masonic Home of Virginia  
500 Masonic Lane  
Henrico, VA 23223

Notice to the Resident before occupancy:

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## Attachment 7

Notice to the Resident after occupancy:

At the Resident's Village Living Accommodation

17 DURATION OF SERVICES. The services provided by Home to the Resident shall be made available as long as the Resident resides in the Living Accommodation and this Agreement has not been terminated by either party.

18 COMPLETE AGREEMENT. This Agreement, together with the Reservation Agreement, Application, Resident's Financial Statement, Personal Health and Physician's Report of the Resident, any Addenda or Schedules to this Agreement, and Escrow Agreement, copies of each of which are attached hereto, constitute the entire Agreement between the Home and the Resident, and may not be amended or modified except in writing signed by all of the parties hereto. The Resident represents and warrants that all statements made by the Resident in said documents are true and correct and that there is no material omission or misleading statement in such documents with respect to the Resident. Such representation and warranty shall survive the execution and delivery of this Agreement. If said statements in such documents are found to be incorrect or misleading or if they omit significant facts concerning the financial and/or medical condition of the Resident, then the Home shall have the right to terminate this Agreement. The Home is not and shall not be liable for nor bound in any manner by any statements, representations or promises made by any person representing or purporting to represent the Home, unless such statements, representations or promises are set forth in this Agreement. The Resident hereby agrees to observe and comply with the rules adopted by the Home for the convenience, comfort and safety of all Residents of the Village.

19 MEDICAL AND NURSING CARE. The Home does not provide maintenance and care or nursing services for the residents of the Village. No part of the costs of such services are included or contemplated in the Entrance Fee or monthly Service Fee. The Home operates separate facilities on the campus of the Home for the maintenance and care of adults and the provision of nursing services in the Home for Adults and in the Care Center. The Resident, at the Resident's own expense, may use the services available through the Care Center, the Home for Adults, or any other services from the community to obtain maintenance and care or nursing services. In the event that the Resident of the Village requests maintenance and care or nursing services from the Home for Adults or the Care Center, the Resident will be required to meet all then-current admission criteria for the requested facility, and to enter into and adhere to the Resident's Agreement pertinent to the requested facility. Admission to these facilities is determined by the Home based upon application. If the Resident submits to the Board of Governors a properly completed application for admission to the Home, consideration of such application shall receive priority and, if such application is approved, the admission of the Resident to the approved facility shall receive priority. The Home shall charge the Resident the then-prevailing monthly Service Fee for any use of the Home Care Center. The Home reserves the right, in its sole discretion, to waive such Service Fee for up to thirty (30) days' residency in the Home Care Center per calendar year by the Resident.

19.1 EMERGENCY SERVICES - Residents shall handle medical emergencies by using those emergency medical services generally provided to the public in Henrico County, Virginia. Resident(s) shall contact emergency service providers directly, and alert the Home's switchboard, if necessary, to direct emergency services providers to the appropriate Living Accommodation on the campus.

## Attachment 7

19.2 **MEDICAL COSTS** - The Resident is responsible for payment of the costs of all medical and personal services rendered to the Resident and his/her spouse.

19.3 **DRUGS** - The Resident is responsible for payment of the cost of all drugs and medication for the use of the Resident and his/her spouse.

19.4 **BURIAL SERVICES** - The Home will not provide burial expenses or make burial arrangements for the Resident.

20 **TRANSFERABILITY**. The Residents rights and privileges under this Agreement are personal to the Resident and cannot be transferred or assigned by act of the Resident, or by any proceeding of law, or otherwise. If any person, other than the person who is signing this Agreement, commences to live in the Resident's Living Accommodation without following the required procedures established and fees required by the Home, the Home shall have the right to terminate this Agreement.

21 **RULES AND REGULATIONS**. The Resident agrees to comply with the Village general operating rules and regulations. Changes in the rules and regulations will be made from time to time.

22 **POLICY REGARDING SUBSEQUENT MARRIAGE OF RESIDENT TO A NON-RESIDENT**. If the Resident decides to marry a non-resident of the Village and desires that the new spouse share the Resident's Living Accommodation, such spouse must comply with the Admissions Policy then in effect. The Home shall require the new spouse to pay an Entrance Fee, which Entrance Fee shall be set by the Home during the new spouse's application process. The married couple shall thereafter pay the prevailing double occupancy Service Fee for the Living Accommodation occupied. If the spouse cannot comply in any particular, whether financial, medical, insurance, or Masonic, with the Admissions Policy then in effect, and the spouses wish to cohabit, the Resident may terminate the Agreement and the refund formula as set forth in Section Eight (8) will be used in computing the Resident's refund, if any. If the Resident cohabitates with a non-Resident spouse, the Home shall have the right to terminate this Agreement under Section 7.2.2(vi), and any refund of the Resident's Entrance Fee shall be calculated pursuant to Section 8.

22.1 **MARRIAGE TO ANOTHER RESIDENT** - In the event the Resident marries another Resident and either or both of the Residents wishes to give up their Living Accommodation, the refund policy governing voluntary termination as set forth in Section (8) shall apply.

23 **DESCRIPTIVE HEADINGS**. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not limit or define the contents of the paragraph or section.

24 **SEVERABILITY**. If any one or more of the provisions of this Agreement should be finally determined to be contrary to law, then such provision or provisions shall be severable from the remaining provisions and shall in no way affect the validity of the other provisions of this Agreement.

25 **GOVERNING LAW**. This Agreement shall be construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Commonwealth of Virginia.

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26 MISCELLANEOUS. References to the singular shall include the plural where appropriate, and vice-versa. References to the masculine gender shall include the female and neuter genders where appropriate, and vice-versa.

27 ADDENDA, SCHEDULE(S) AND EXHIBITS. The Addenda, Schedule(s) and Exhibits attached hereto are incorporated herein by reference.

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Attachment 7

IN WITNESS WHEREOF, the Home and the Resident(s) have executed and delivered this Agreement as of the date first above written.

I / we, the undersigned Resident(s) has/have read and understand(s) the contents of the foregoing Resident's Agreement for the Masonic Village at the Masonic Home of Virginia, and has/have had the opportunity to consult with my legal and other advisors prior to signing this Agreement, and acknowledge(s) receipt of the Masonic Home of Virginia's disclosure statement.

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident

COMMONWEALTH OF VIRGINIA:  
CITY/COUNTY OF \_\_\_\_\_: to-wit:

The foregoing Resident's Agreement for the Masonic Village at the Masonic Home of Virginia was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, by \_\_\_\_\_ and also by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_.  
Notary ID #: \_\_\_\_\_.

I acknowledge that I was present in the capacity of \_\_\_ family member \_\_\_ legal representative \_\_\_responsible party when the Applicant signed this Resident's Agreement for the Masonic Village at the Masonic Home of Virginia.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

I acknowledge that I was present in the capacity of \_\_\_ family member \_\_\_ legal representative \_\_\_responsible party when the Applicant signed this Resident's Agreement for the Masonic Village at the Masonic Home of Virginia.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

MASONIC HOME OF VIRGINIA

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

COMMONWEALTH OF VIRGINIA:  
CITY/COUNTY OF \_\_\_\_\_: to-wit:

The foregoing Resident's Agreement for the Masonic Village at the Masonic Home of Virginia was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, by \_\_\_\_\_, the duly authorized representative of the Masonic Home of Virginia.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_.  
Notary ID #: \_\_\_\_\_.



**FIRST ADDENDUM**  
**VILLAGE RESIDENT'S AGREEMENT**

The Resident agrees that, at the Resident's request, the Home has incurred the following prior to the Occupancy Date, and further agrees that these costs shall not be subject to refund under Section 8.

ITEM/SERVICE

COSTS

Masonic Home of Virginia

\_\_\_\_\_  
Resident

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

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

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

NOTE: SIGNATURES REQUIRED PURSUANT TO SECTION 38.2-4905(C) OF THE CODE OF VIRGINIA OF 1950, AS AMENDED

Attachment 7

ENTRANCE FEE FOR THE VILLAGE

The Resident will pay to the Masonic Home of Virginia a one-time entrance fee of \$ \_\_\_\_\_ for two-bedroom units and \$ \_\_\_\_\_ for one-bedroom units.

MONTHLY SERVICE FEE FOR VILLAGE

The initial monthly service fee is **\$ 2,510.00** for double occupancy and **\$ 2,210.00** for single occupancy. This fee covers, at the time of the execution of the Agreement, the cost of various services made available. This fee is payable in advance by the 5th of each month. No portion of the fee is refundable. The Home shall adjust the Service Fee from time to time. Services made available as part of the Service Fee include:

- a. Water and sewer service.
- b. Grounds Fee (includes exterior maintenance, grass cutting, snow removal, etc.).
- c. Trash removal.
- d. Housekeeping (as itemized in the Agreement).
- e. One meal each day for each Resident.
- f. Interior maintenance, routine and emergency service repairs.
- g. Hazard insurance on building (not contents).
- h. Access to the Home's buildings and grounds, lounges, library, gardens, etc.
- i. Participation in Home's activities and programs.
- j. Access to regularly scheduled group transportation.
- k. Access to health care services to the extent provided for in paragraph 19 of the Resident's Agreement for the Village.

Attachment 7-a.

**MASONIC HOME OF VIRGINIA  
VILLAGE ENTRANCE FEE APPLICATION  
2022 ENTRANCE FEE OPTIONS**

Name(s) of Applicant(s): \_\_\_\_\_

**Options:** Applicants to the Masonic Home of Virginia (the "Home") have several options for meeting the entrance fee obligation:

\_\_\_\_\_ **PLAN A**      ENTRANCE FEE PAID IN FULL

\_\_\_\_\_ **PLAN B**      REDUCED INITIAL ENTRANCE FEE; INCREASED MONTHLY FEE

\_\_\_\_\_ **PLAN C**      REAL ESTATE SWAP

**PLAN A:** The Entrance Fee is paid by applicant to the published rates (the largest unit is \$249,900).

For 2022 the monthly maintenance fee is \$2,210 per month for a single and \$2,510 for a couple (includes one meal per day/ per person).

**PLAN B:** The Entrance Fee is reduced to correspond with the Home's entrance fee (\$40,000 for a couple and \$30,000 for a single resident and the monthly fee is increased for the duration of the resident's stay in the Village unit.)

For 2022 the monthly maintenance fee is \$5,315 per month for a single and \$5,615 for a double (includes one meal per day/ per person).

**PLAN C:** The resident opts to swap their personal residence to offset the required entrance fee. The amount allowed towards the entrance fee is determined from a third party appraisal and inspections by the Home. The applicant has 90 days to complete the arrangement. **Plan A** monthly rates apply once the total entrance fee has been satisfied.

By signing and dating below, I understand the options available to me as an applicant and choose the above to satisfy my entrance fee. I understand the Plan selected above will remain in force for the duration of my stay in the Village Unit and that once implemented, I cannot change plan selections.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Date

Revised September 2021

**MASONIC HOME OF VIRGINIA**  
**RESIDENT'S AGREEMENT**  
**FOR**  
**THE MASONIC HOME APARTMENTS**

\* \* \*

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**MASONIC HOME OF VIRGINIA**

**RESIDENT'S AGREEMENT FOR THE MASONIC HOME APARTMENTS**

This Agreement, made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
between the Masonic Home of Virginia, ("Masonic Home"), and \_\_\_\_\_  
\_\_\_\_\_ ("Resident").

WHEREAS, the Masonic Home of Virginia is a 501(c)(3) non-profit corporation, chartered by the General Assembly of the Commonwealth of Virginia, Sess. Acts, 1889-90, p.43, an act incorporating the "Masonic Home of Virginia" approved January 7, 1890. This was the result of a resolution passed by the Grand Lodge A.F. & A.M. of Virginia at its grand annual communication in December 1889. The Home was established to carry on at some place within the State of Virginia a home for the widows and orphans of deceased Masons and Master Masons and their wives who may be placed in its charge. The Home operates for the benefit of the members of the Grand Lodge, A.F. & A.M. of Virginia and depends on the members of that organization for its support. There are housed at the Masonic Home members, their wives and widows of deceased members of the 330 Lodges within the Commonwealth having a total membership of 46411 as of November 9, 2000. Those lodges operate under the Grand Lodge, A.F. & A.M. of Virginia; and,

WHEREAS, in addition to these facilities, the Masonic Home furnishes Independent Living Apartments within the Masonic Home at the Masonic Home of Virginia Property located in Henrico County, Virginia (hereinafter referred to as the "Masonic Home Apartments"); and,

WHEREAS, such accommodations in the Masonic Home Apartments are provided by the Masonic Home for Masons and their wives and widows in accordance with the written Admissions Policy attached hereto; and

WHEREAS, the Resident has completed the preliminary application for admission to the Masonic Home Apartments, is ambulatory, mentally alert, able to live independently, and whose application has been approved for admission on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

NOW, THEREFORE, the Masonic Home and the Resident, intending to be legally bound, hereby agree as follows:

1 DEFINITIONS. Except as otherwise defined by this Agreement, the terms set forth below shall have the following meanings:



1.1 "MASONIC HOME CARE CENTER" means the nursing care facility of the Masonic Home;

1.2 "CHIEF EXECUTIVE OFFICER" means the person who is designated by the Board of Governors of the Masonic Home as the Chief Administrative Officer;

1.3 "SINGLE OCCUPANCY" means occupancy of one Living Accommodation by one person who is a Resident;

1.4 "DOUBLE OCCUPANCY" means occupancy of one Living Accommodation by two persons, each of whom is a Resident;

1.5 "LIVING ACCOMMODATION" means the particular independent living apartment provided for exclusive occupancy by the Resident;

1.6 "MEDICAL CARE" means first aid, limited emergency services or health maintenance activities, and includes medical or surgical services and care, hospital care, and general nursing in the Masonic Home Care Center;

1.7 "MASONIC HOME FOR ADULTS" means the separate facility maintained by the Masonic Home which is licensed in accordance with applicable state laws;

1.8 "REMAINING RESIDENT" means the Resident who continues to occupy a Living Accommodation after the other Resident in double occupancy withdraws or terminates such double occupancy;

1.9 "SURRENDER" means to cease to occupy a Living Accommodation, to remove all possessions from it and to turn in to the Masonic Home all keys for the Living Accommodation and for any other building in the Masonic Home Apartment;

1.10 "TERMINATE THIS AGREEMENT" or "TERMINATION OF THIS AGREEMENT" means the termination of the right of occupancy in a Living Accommodation and the termination of the right of a Resident to the services to be provided as described herein;

1.11 "ENTRANCE FEE" means that one-time fee paid to the Masonic Home by the Resident or Residents for the use and occupancy of a Living Accommodation pursuant to this Agreement;

1.12 "RESERVATION FEE" means that one-time fee, per person, paid to the Masonic Home to reserve to that person or those persons a Living Accommodation while the Masonic Home evaluates his, her or their application for the use and occupancy of a Living Accommodation, prior to the signing of this Agreement;

1.13 "SERVICE FEE" means that periodic charge paid to the Masonic Home by the Resident or Residents in return for the services made available to the Resident or Residents by the Masonic Home in conjunction with the use and occupancy of a Living Accommodation.

2 ENTRANCE FEE.

2.1 AGREEMENT TO PAY - Resident, by signing the Resident's Agreement, agrees to pay to the Masonic Home a fee (the "Entrance Fee") in the amount of \$ \_\_\_\_\_ Dollars. The Entrance Fee is subject to the provisions contained hereunder, and must be paid in full prior to occupancy of the Living Accommodation.

2.2 RIGHT TO RESCIND - The Resident shall have the right to rescind this Agreement, without penalty or forfeiture of the Entrance Fee or any portion thereof, within seven (7) days after making an initial deposit or executing this Agreement. No Resident will be permitted to move into a Living Accommodation before the expiration of the seven (7) day period. This right to rescind applies only to the Entrance Fee and does not apply to any other payments, fees, or deposits made by the Resident to the Masonic Home.

2.4 ENTRANCE FEE - The Resident agrees that the Entrance Fee will be due and payable in the amount of \$ \_\_\_\_\_ upon signing this Agreement. The Resident agrees to pay the remaining balance of \$ \_\_\_\_\_ within thirty (30) days after the date on which the Living Accommodation is ready for occupancy or prior to occupancy, whichever is sooner.

2.5 MONTHLY SERVICE FEE - The Resident will pay to the Masonic Home monthly, in advance, a fee (the "Service Fee") of \$ \_\_\_\_\_ per month. The Service Fee may be adjusted from time to time by the Masonic Home as necessary to anticipate increased costs to the Masonic Home in making available the services and accommodations it offers under this Agreement. Such adjustment will be effective thirty (30) days after written notice of such adjustment is given to the Resident. The provision for advance written notice shall not apply to any changes in fees or services which are required by state or federal assistance programs. The Masonic Home will make all reasonable efforts in its judgment to maintain the Service Fee at the lowest figure consistent with operating the Masonic Home Apartments on a sound financial basis. The obligation to pay the Service Fee is to commence on the date on which the Resident takes occupancy of the Living Accommodation. The Service Fee may be pro-rated for the first and last months of occupancy, if applicable. The obligation of the Resident to pay the Service Fee shall continue until this Agreement is terminated and the premises are surrendered to the Masonic Home. If this Agreement has been signed by two Residents, and one Resident vacates the Living Accommodation, the Remaining Resident shall pay a monthly Service Fee for Single Occupancy for the Living Accommodation.

2.6 ENTRANCE PROCEDURE AND REQUIREMENTS - The Resident shall have completed an application form, financial information statement, medical history,

resident services list. Not later than thirty (30) days prior to occupancy, an approved applicant must undergo a physical examination, including, but not limited to, a chest x-ray by the applicant's personal physician, at the Resident(s)' expense, with a report of such examination to the Masonic Home on a form provided by the Masonic Home. It is the policy of the Masonic Home that each Resident must be capable of functioning independently upon admission, must be ambulatory, and must be mentally alert.

Applicant acknowledges that, prior to the execution of this contract, he or she shall be required to view a video regarding residence in a continuing care retirement community and complete an Agreement upon the conclusion of such viewing. Applicant consents to the admission of that Agreement into evidence, along with the video, in the event of arbitration or any other form of legal or administrative proceeding.

This Agreement is to permit the Resident(s) to occupy one of the Living Accommodations in the Masonic Home Apartments. It has been represented by the Resident(s) and established by the Masonic Home that the Resident(s) can live, and desire to live, in a completely independent environment. The Masonic Home will not provide nursing services or maintenance and care for the Resident(s) nor will it provide protection, general supervision or oversight of the physical and/or mental well-being of the Resident(s). Certain services, which are set forth later in this Agreement, are made available to the Resident(s) by the Masonic Home. The Resident(s)' status as described above may be terminated by the Resident(s) at the Resident(s)' request or by the Masonic Home in accordance with the provisions of Section Seven (7) of this Agreement.

**2.7 RESERVATION FEE** - Upon submission of a preliminary application for admission to the Masonic Home Apartments, each Resident shall pay to the Masonic Home a Reservation Fee in the amount of One Thousand and No/100 Dollars (\$1,000.00) per Resident. At the election of the Chief Executive Officer, this Reservation Fee will be refunded within thirty (30) days after occupancy of the Living Accommodation by (i) applying the Reservation Fee to the final payment of the Living Accommodation or (ii) returning the Reservation Fee to the Resident. The Reservation Fee shall be refunded to the Resident, the Resident's personal representative, or the Resident's Estate should the Resident (i) with the approval of the Chief Executive Officer, which approval shall not unreasonably be withheld, terminate the application process prior to occupying the Living Accommodation (ii) die prior to occupying the Living Accommodation or (iii) be precluded through illness, injury or incapacity from becoming a Resident under the terms of this Agreement.

**2.8 ESCROW AGREEMENT** - The Masonic Home agrees to establish an escrow account ("Escrow Account") in compliance with the requirements of Section 38.2-4904.1 of the Code of Virginia of 1950, as amended, with respect to any Entrance Fees that are in excess of One Thousand and No/100 Dollars (\$1,000.00) per person for the Living Accommodation received by the Masonic Home prior to the date the Resident is permitted to occupy the Living Accommodations. Upon occupancy, or the availability of the Living Accommodation for occupancy, the funds held in escrow shall be released to the Masonic

Home and refunds, if any, shall be paid pursuant to the remaining provisions of this Agreement. Notwithstanding any other provision of this section, all funds or assets deposited in escrow pursuant to this section shall be released to the Resident (or the personal representative of Estate of the Resident) from whom they were received under the following conditions: (i) if such funds or assets have not been released within three (3) years after placement in escrow or within three (3) years after construction has started, whichever is later (but, in any event, within six (6) years after placement in escrow unless specifically approved by the State Corporation Commission), or within such longer period as determined appropriate by the State Corporation Commission in writing; (ii) if the Resident dies before occupying a Living Accommodation; (iii) if the construction of a Living Accommodation not yet operating is stopped indefinitely before the Living Accommodation is completed; or (iv) upon rescission of this Agreement within the seven (7) day period provided herein.

2.9 SUMMARY PROVISION - The Resident shall pay to the Masonic Home as provided in the foregoing paragraphs, prior to occupancy, the following amounts of money:

- 1. Reservation Fee (Paragraph 2.7) \$ \_\_\_\_\_
- 2. Entrance Fee (Paragraph 2.1) \$ \_\_\_\_\_
- 3. Monthly Service Fee for the first month of occupancy (Paragraph 2.5) \$ \_\_\_\_\_
- TOTAL AMOUNT of payment \$ \_\_\_\_\_

3 ACCOMMODATIONS PROVIDED BY THE MASONIC HOME.

3.1 ASSIGNMENT OF LIVING ACCOMMODATION - The Living Accommodation to be occupied by the Resident is:

Facility	Masonic Home Apartments
Unit Number	_____
No. of Residents	_____

No person other than the Resident(s) named herein shall have the right of occupancy of the Living Accommodation without complying with the Admissions Policy for the Masonic Home Apartments, unless otherwise permitted pursuant to guest policies established by the Masonic Home.

3.2 FURNISHINGS - The Masonic Home will furnish wall to wall carpeting of its choice in the Living Accommodation. An upgrade of the quality of the carpeting may be made at the expense of the Resident with the consent of the Masonic Home. All carpeting and other fixtures including refrigerator, range, microwave, dishwasher, washing machine, and clothes dryer, shall remain in the Living Accommodation and be considered a part thereof.

3.3 CHANGE OF ACCOMMODATIONS - If a Resident desires to move from the Living Accommodation to another similar accommodation, he shall request such change in writing from the Masonic Home in advance to allow for proper consideration.

3.4 CHANGE TO AN ACCOMMODATION OF A DIFFERENT SIZE - If a Resident wishes to move to a larger or smaller Living Accommodation, the Entrance Fee will be adjusted, if necessary. Any refund is payable only after the receipt of a new Entrance Fee and new Resident's Agreement for the surrendered Living Accommodation. If additional funds are due from the Resident who desires to upgrade his Living Accommodation, such funds are due upon the transfer to the new Living Accommodation. All costs involved with respect to moving shall be borne by the Resident.

3.5 COMMON FACILITIES - The Resident may use, at the election of the Resident, in common with others and in accordance with the rules and regulations from time to time promulgated by the Masonic Home, the dining room, lounges, auditorium, social and recreational rooms, and other facilities provided by the Masonic Home for the use of the Resident(s) of the Masonic Home.

#### 4 UTILITIES, MAINTENANCE, CHANGES AND FOOD.

4.1 UTILITIES AND SERVICES - The Masonic Home will provide all utilities for each Living Accommodation, as well as trash removal, snow removal and lawn maintenance. The Masonic Home will endeavor to remove snow within twenty-four (24) hours after snowfall ceases. Residents hereby agree to refrain from using uncleared areas.

4.2 HOUSEKEEPING - The Masonic Home makes available housekeeping service for each Living Accommodation once every two weeks. This service will include cleaning the bathroom and kitchen floors, vacuuming carpets and cleaning the tub and the lavatory. If the Resident does not maintain the Living Accommodation in a clean, sanitary and orderly condition, the Masonic Home, after notice to the Resident, has the right to maintain the Living Accommodation and to bill the cost of such extra maintenance to the Resident.

4.3 MAINTENANCE AND REPAIR - The Masonic Home will perform and provide necessary repairs and maintenance for the Living Accommodation and grounds, normal wear and tear excepted. Repairs, maintenance and replacement of the property of the Resident will be the responsibility of, and at the expense of, the Resident.

4.4 STRUCTURAL CHANGES - Any structural or other physical change of any kind to the Living Accommodation, grounds or common areas shall be made only with the written approval of the Masonic Home. The cost of any change requested by the Resident will be borne by the Resident, unless otherwise agreed to in writing by the Masonic Home. The approval of any change requested by the Resident may be conditioned upon the agreement of the Resident to bear the expense of the later restoration of the Living Accommodation, grounds or common areas to its original condition.

4.5 REDECORATION - Any redecoration of the Living Accommodation, in addition to or other than that scheduled by the Masonic Home, will be made only upon the written approval of the Masonic Home and will be at the expense of the Resident. Unless otherwise agreed to in writing by the Masonic Home, title to any fixture installed by the Resident in the Living Accommodation shall vest in the Masonic Home.

#### 4.6 FOOD AND MEALS -

4.6.1 DIETARY PLAN - The Masonic Home will make available to each Resident either one meal a day or three meals a day. The meals shall be provided in an attractive, nutritionally well-balanced and properly cooked manner. Reasonable special dietary needs may be provided for at a Resident's request, and the Masonic Home reserves the right to charge an additional fee to the Resident for such special dietary requests.

4.6.2 DINING ROOM GUEST PRIVILEGES - Upon reasonable notice, the Masonic Home allows Residents to have guests present at meals served in the dining room. The Masonic Home will charge a reasonable price for the guest's meals and will bill the Resident for such meals.

4.6.3 DRESS CODE - In order to foster a sense of dignity in the dining room during all meals, Residents are required to wear appropriate conservative attire. Night clothing, housecoats, bathrobes, articles of undergarments or any articles of clothing giving the appearance of being inappropriate shall not be worn in the dining room.

4.6.4 MEAL CREDITS - The Masonic Home's established food costs per meal will be the basis for recording credits to a Resident. The Masonic Home reserves the right to change these rates. The Resident will receive a meal credit only when absent from the Living Accommodation for a period of not less than two (2) consecutive weeks, and two weeks' written notice must be provided to the Masonic Home to receive the meal credit.

4.7 TELEPHONE - Because the Masonic Home, from time to time, will wish to make contact with the Resident through the telephone, the Resident agrees to have a telephone installed upon occupancy. The cost of installation and maintenance of the telephone shall be the Resident's expense.

4.8 CABLE TELEVISION - If a Resident desires cable television, that Resident may subscribe to the service provided through the Masonic Home. The fee for this service may be adjusted from time to time by the Masonic Home as necessary to anticipate increased costs to the Masonic Home in making available the services and accommodations it offers under this Agreement. If a Resident desires an alternative service, that Resident shall make contact with the cable company through the Masonic Home office so that installation may be properly coordinated with other underground services on the campus of the Masonic Home. All costs of an alternative service, installation and maintenance shall be the responsibility of the Resident.

4.9 ACTIVITIES - Residents of the Masonic Home Apartments are, at the Resident's election, permitted to participate in the Activities Program of the Masonic Home.

## 5 OBLIGATIONS OF RESIDENT.

### 5.1 INSURANCE -

5.1.1 RESIDENT TO OBTAIN INSURANCE - The Resident(s) shall each obtain and maintain, at the Resident(s)' expense, a policy of Trigon Medicare Extended Coverage plus Major Medical insurance, or another policy, written by an insurance carrier licensed to do business in Virginia, with similar coverage ("the Policy"). The Resident(s) shall provide the Masonic Home with a copy of the Policy upon request. If the Resident(s) fail to promptly obtain and maintain the Policy, or fail to provide a copy of the Policy to the Masonic Home upon request, the Masonic Home may terminate this Agreement and the Resident(s) agree to surrender the Living Accommodation provided hereunder.

5.1.2 AUTOMOBILE INSURANCE - If a Resident maintains an automobile at the Masonic Home Apartments, the Resident shall obtain and maintain automobile insurance coverage within the limits of liability required by the Commonwealth of Virginia. All expenses of maintaining the automobile, including insurance, shall be the sole responsibility of the Resident.

5.1.3 PERSONALTY AND CONTENTS INSURANCE - The Masonic Home bears no responsibility for the contents and personalty of the Resident. The Resident shall obtain and maintain insurance coverage for the Resident's contents of the Living Accommodation, at the expense of the Resident.

5.2 ACTIONS OF RESIDENT - The Masonic Home Apartments is not designed to accommodate persons who are unable to care for themselves without supervision or assistance, nor is it designed to accommodate, or willing to accommodate, individuals who are a danger to themselves or others. If the Masonic Home determines that the physical or mental illness of the Resident, or the Resident's condition as a result of alcohol, drug or substance abuse, is such that the continued presence of the Resident in the Masonic Home

Apartments is either dangerous or detrimental to the life, health, safety or peace of the Resident or other persons, the Masonic Home may terminate this Agreement and the Resident shall surrender the Living Accommodation. The Resident's entitlement to a refund of the Entrance Fee paid, if any, will be determined pursuant to Section Eight (8) of this Agreement.

6 FINANCIAL POLICY. If the Resident fails to make any of the Service Fee payments at the required time, or to pay any other amounts shown on their monthly statement within thirty (30) days after receiving the statement, the Masonic Home may terminate this Agreement following thirty (30) days written notice to the Resident.

6.1 LIQUIDATION OF ASSETS - Should the Resident find current income insufficient to pay the monthly Service Fee, the Resident agrees to take all necessary steps to liquidate capital assets in order to meet the requirements of keeping the Resident's account on a current basis. Any unpaid monthly Service Fee or parts thereof may be subtracted from the Resident's refundable portion of the Entrance Fee.

6.2 DUTY TO SUBSTITUTE LIVING ACCOMMODATION - If the Resident becomes unable to pay all or part of the monthly Service Fee, the Resident agrees to move to a different Living Accommodation with a lower monthly Service Fee, if such is available, which would enable the Resident to pay the monthly Service Fee.

6.3 FINANCIAL INFORMATION - The Resident agrees that if the Masonic Home requests a current financial statement of the Resident or any other financial data to enable the Masonic Home to ascertain the Resident's ability to pay the monthly Service Fee, the Resident must provide such statement at the Resident's expense. If the Resident does not provide the statement within thirty (30) days of the request, the Masonic Home may terminate this Agreement. The Resident's entitlement to a refund of the Entrance Fee paid, if any, will be determined pursuant to Section 8.3 of this Agreement.

6.4 SPECIAL CONSIDERATION - Without in any way limiting the right of the Masonic Home to terminate this Agreement, the Masonic Home may temporarily defer, in whole or in part, the monthly Service Fee of a Resident or require a Resident to move to a different Living Accommodation, if the sole reason for non-payment of the monthly Service Fee is insufficient liquid funds because of circumstances beyond the control of the Resident. Any deferment or continuance of this special financial consideration shall be at the sole discretion of the Masonic Home Board of Governors and shall be regarded as a confidential transaction between the Masonic Home and the Resident and the Resident's Personal Representative. The Resident understands and agrees that the Masonic Home is under no obligation to extend special consideration, and that the Masonic Home is under no obligation to continue any special consideration granted. Special consideration is given on a case-by-case basis.

6.5 FEES DEFERRED - Should the Masonic Home defer partly or wholly the Resident's monthly Service Fee, the Resident shall not forfeit, disclaim, give, pledge, sell



or otherwise transfer any property, real or personal, without the written consent of the Masonic Home. The Resident acknowledges that, at such time as the Masonic Home may decide to defer the Service Fee, the Masonic Home may, as a condition to agreeing to such deferment, require the Resident to provide the Masonic Home with written assurances acceptable to the Masonic Home and its legal counsel that the Masonic Home will be able to recover the deferred amounts, together with interest at the rate of six percent (6%) per annum, from the Resident's estate or from the proceeds of a policy or policies of life insurance. The Masonic Home may, from time to time, request financial statements and copies of tax returns from the Resident if such deferment is given to the Resident, and the Resident shall provide such information, at the Resident's expense, within 30 days of receiving such request. This section 6.5 shall apply whether or not the Resident resides in the Masonic Home Apartments at the time of the death of the Resident. If the Resident does not provide the information in a timely manner, the Masonic Home may terminate this Agreement. The Resident's entitlement to a refund of the Entrance Fee paid, if any, will be determined pursuant to Section 8.3 of this Agreement.

6.6 CHANGE IN OCCUPANCY - If one Resident in a double occupancy ceases to occupy the Living Accommodation, the Remaining Resident in the Living Accommodation agrees to pay the monthly Service Fee in the amount of single occupancy.

6.7 REPRESENTATIONS OF RESIDENT - The Resident represents and acknowledges that the Financial Statements submitted by the Resident, and the statements of the Resident and the Resident's personal physician contained in the Personal Health History and Physician's Report have been relied upon by the Masonic Home in its determination to accept the Resident's application, and that all information contained therein is true and correct in all material respects. The Resident agrees that any misleading or false information contained in such statements shall constitute grounds for immediate termination of this Agreement by the Masonic Home.

## 7 TERMINATION OF AGREEMENT.

### 7.1 PRIOR TO OCCUPANCY -

7.1.1 DEATH OR INCAPACITY - If the Resident dies prior to occupancy of the Living Accommodation, or through illness, injury or incapacity is unable to live independently and unassisted and take occupancy of the Living Accommodation, this Agreement shall automatically be terminated as it applies to the Resident so dying or becoming incapacitated. However, where one of two co-Residents dies before occupancy, the Remaining Resident shall have the same options which they would have had as if an individual application had been submitted.

7.1.2 BY THE MASONIC HOME - The Masonic Home reserves the right to review the financial, health and medical condition of a Resident up to the time of occupancy by such Resident and to terminate this Agreement at any time prior to occupancy for

reasons deemed sufficient by the Masonic Home, including, but not limited to, the failure of the Resident to complete the application for admission to the satisfaction of the Masonic Home, the failure of the Resident to meet the Masonic Home's qualification for admission, or a change in the Resident's financial, health or medical condition at any time after the Resident has submitted an application for admission which, in the opinion of the Masonic Home, renders the Resident ineligible for the Masonic Home Apartments.

## 7.2 AFTER OCCUPANCY -

7.2.1 BY THE RESIDENT - The Resident may terminate this Agreement after occupancy by giving the Masonic Home at least thirty (30) days written notice thereof, such termination to be effective on the thirty-first (31st) day following such notice. The Resident shall surrender the Living Accommodation by such termination date.

7.2.2 BY THE MASONIC HOME - The Masonic Home may terminate this Agreement after occupancy for good cause shown, including any of the following reasons: (i) proof that the Resident is a danger to himself or others; (ii) nonpayment by the Resident of any portion of the monthly Service Fee; (iii) repeated conduct by the Resident that interferes with any other Residents' quiet enjoyment of their Living Accommodation; (iv) persistent refusal of the Resident to comply with reasonable written rules and regulations of the Masonic Home; (v) a material misrepresentation made intentionally or recklessly by the Resident in his application, or related materials, regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for admission or a material increase in the cost of providing services hereunder to the Resident; (vi) a material breach by the Resident of the terms and conditions of this Agreement. The Masonic Home may terminate this Agreement and require the surrender of the Living Accommodation by the Resident after giving written notice of the grounds for termination and an opportunity to cure the problem within a reasonable period of time. If the Resident does not cure the problem within a reasonable period of time, the Masonic Home may terminate this Agreement at their election, and the Resident shall surrender the Living Accommodation.

## 7.3 BY DEATH OF RESIDENT -

7.3.1 SINGLE OCCUPANCY - Unless otherwise terminated, this Agreement shall be terminated by the death of the Resident who is a single occupant of a Living Accommodation. If not surrendered and vacated within thirty (30) days from the date of death, the estate of the Resident shall continue to be obligated hereunder until the Living Accommodation is surrendered.

7.3.2 DOUBLE OCCUPANCY - Unless otherwise terminated, this Agreement shall be terminated by the death of one of the two Residents who are in double occupancy, but only as to the deceased Resident. The Remaining Resident may elect to move to a smaller Living Accommodation or may elect to remain in the same Living Accommodation. In either case, the Service Fee will be adjusted for single occupancy, but

otherwise this Agreement shall remain in full force and effect as to the Remaining Resident. The Remaining Resident shall be responsible for the full payment of the adjusted Service Fee for Single Occupancy and for carrying out all of the other obligations hereunder.

#### 7.4 RELOCATION TO DIFFERENT LIVING ACCOMMODATION -

The Masonic Home shall require an annual assessment to be conducted by the Medical Director or his designee to determine if the resident is able to continue living in the Masonic Home Apartments, the Resident, after notification by the Masonic Home, shall have three options: (i) the Resident may apply for admission to the Adult Home of the Masonic Home, provided, however, that the Resident complies with and executes the necessary Agreements to enter such separate facility; (ii) the Resident may apply for admission to the Masonic Home Care Center, provided, however, that the Resident complies with and executes the necessary Agreements to enter such separate facility or (iii) the Resident may surrender the Living Accommodation and leave the Masonic Home of Virginia.

#### 7.5 CONFESSION OF JUDGMENT CLAUSE -

If the Resident does not vacate the Living Accommodation occupied by the Resident immediately upon the termination of this Agreement (whether because of the Resident's default or breach or for any other reason), the Resident does hereby appoint Carolyn A. White, Esquire, as his Attorney-in-Fact, and upon default of the Provisions of this Agreement does authorize his aforesaid Attorney-in-Fact to appear before the Clerk of the Circuit Court of Henrico County, Virginia, in the Clerk's Office, and confess judgment in favor of the Masonic Home of Virginia for the total sum of such default, including interest at the judgment rate provided for in § 6.1-330.54 of the Code of Virginia of 1950, as amended, on the amount owing at the time of the default, which interest shall be accrued from the date of default, and to confess judgment further for all of the costs of the collection proceedings, including attorney's fees and other fees provided for in this Agreement, and to waive on his behalf the benefit of his homestead and any other exemption as to the indebtedness. The Resident agrees to pay the cost of collection including costs of court and attorney's fees of twenty-five percent (25%) of the amount due hereby waiving the benefit of his homestead and any other exemption as to the amount due. In the event of legal enforcement of this Agreement, the Resident consents to the venue of the County of Henrico, Virginia. The Resident hereby intends his signature on this Agreement to induce the Maker to extend credit as herein provided. The Resident agrees that a copy of this Agreement, verified by affidavit, shall be sufficient evidence of the authority of such attorney-in-fact to agree to the entry of judgment on behalf of the Masonic Home so that it shall not be necessary to enter the original of this Agreement into court, any law or rule of court to the contrary notwithstanding.

## 8 REFUND POLICIES.

8.1 REFUND OF ENTRANCE FEE FOR TERMINATION PRIOR TO OCCUPANCY - In the event termination of this Agreement due to the death of the Resident or the inability of the Resident to satisfy entrance requirements of the Masonic Home Apartments for any reason occurs before occupancy as set forth in Section 7.1.1, the Resident, the

Resident's personal representative, or the Resident's estate shall receive repayment of the Entrance Fee and the Reservation Fee. The Resident agrees that those costs incurred by the Masonic Home at the request of the Resident and set forth in an addendum attached hereto shall not be included in the refund under this section.

**8.2 REFUND FOR TERMINATION DUE TO DEATH OF A RESIDENT AFTER OCCUPANCY** - If termination of this Agreement occurs due to the death of the Resident after occupancy, the estate of a Resident in a single occupancy Living Accommodation will be entitled to repayment of the pro rated balance of the Entrance Fee. The Entrance Fee paid by the Resident and available for refund under this Agreement shall decrease in value at the rate of ten percent (10%) upon admission, and one and one-half percent (1 1/2%) of the original Entrance Fee paid, each month thereafter up to a maximum of one hundred percent (100%). There will be no refund after the Resident has occupied the Living Accommodation for five (5) years. Occupancy by the Resident or the presence of furnishings in a Living Accommodation shall constitute occupancy of the Living Accommodation, and the Service Fee shall continue to be charged to the Resident's estate until the Living Accommodation is surrendered in accordance with this Agreement. For purposes of applying this provision to co-Resident parties to this Agreement (married or unmarried) in a double occupancy Living Accommodation, the termination date for repayment purposes shall be the earlier of (i) the date of death of the Remaining Resident or (ii) the surrender of the Living Accommodation by the Remaining Resident.

**8.3 REFUND OF ENTRANCE FEE FOR TERMINATION BY ELECTION** - If termination of this Agreement occurs by election of the Resident or of the Masonic Home after signing this Agreement and after the seven (7) day period of rescission expires, the Resident, the Resident's personal representative, or the estate of the Resident shall be entitled to a pro rata refund of the Entrance Fee paid by the Resident. The Entrance Fee paid by the Resident and available for refund under this Agreement shall decrease in value at the rate of ten percent (10%) upon admission and one and one-half percent (1 1/2%) each month thereafter up to a maximum of one hundred percent (100%). There will be no refund after the Resident has occupied the Living Accommodation for five (5) years. Occupancy by the Resident or the presence of furnishings in a Living Accommodation shall constitute occupancy of the Living Accommodation and the Service Fee shall continue to be charged to the Resident or to the Resident's estate until the Living Accommodation is surrendered in accordance with this Agreement.

**8.4 REFUND UPON PERMANENT RELOCATION OF RESIDENT** - Should the relocation of the Resident to the Masonic Home for Adults, or the Masonic Home Care Center, or any other facility, be or become permanent, in the sole opinion of the Masonic Home, pro rata repayment of such Resident's Entrance Fee payment may be made to the Resident as provided under the preceding sections of this Agreement. If the Resident should relocate to other accommodations on a temporary basis, there shall be no refund. In the event of a permanent relocation the Resident shall remove all furnishings and personal

belongings from the Living Accommodation within thirty (30) days after such relocation is determined to be permanent by the Masonic Home.

8.5 DUE DATE FOR REFUNDS - Any refund of any portion of the Entrance Fee shall be made only when all of the following have been completed: (i) the Living Accommodation of the Resident has been surrendered; (ii) keys to the Living Accommodation and to any other buildings have been returned to the Masonic Home; (iii) all personal furniture and belongings of the Resident have been removed from the Living Accommodation; (iv) the Resident has departed from the premises of the Masonic Home Apartments; (v) the Masonic Home has accepted and entered into a Resident's Agreement with a new resident for the Living Accommodation; and (vi) the Entrance Fee of such new resident has been paid in full to the Masonic Home. After conditions (i) through (vi) have been met, the Masonic Home shall refund the pro rata portion of the Entrance Fee.

## 9 RIGHTS AND OBLIGATIONS OF RESIDENT AS TO PROPERTY.

9.1 RIGHTS TO PROPERTY - The rights and privileges granted to the Resident by this Agreement do not include any right, title or interest in or to any part of the personal property, land, buildings or improvements owned or administered by the Masonic Home. The rights of the Resident hereunder are for services with a right of occupancy and not for care or maintenance.

9.2 RESPONSIBILITY FOR DAMAGES - Any loss or damage to real or personal property of the Masonic Home caused by the fault, negligence, or intentional misconduct of the Resident, or of any guest, invitees, licensees or agents of the Resident, shall be charged to and paid for by the Resident, the Resident's personal representative, or the Resident's estate. At the effective date of termination of this Agreement, the Resident shall vacate the Living Accommodation and shall leave it in good condition and repair, reasonable wear and tear excepted. If any fault, negligence, or intentional misconduct of the Resident results in injury, illness or damage to any other Resident, the Masonic Home assumes no responsibility therefore, and the Resident hereby releases and discharges the Masonic Home from any liability for any injury or damage to the Resident or to the Resident's personal property caused by the fault, negligence or intentional misconduct of other Residents. If a Court of competent jurisdiction declares the Masonic Home liable for any injury or damage to the Resident's personal property or to another, attributable to conduct of the Resident or his guests, invitees, licensees, or agents, the Resident hereby agrees to indemnify the Masonic Home and hold it harmless for any liability or damages.

9.3 RIGHT OF ENTRANCE - The Resident recognizes and consents to the right of the Masonic Home to enter the Resident's Living Accommodation in order to carry out the purpose and intent of this Agreement. Such right of entrance includes but is not limited to:

- a. Performance of scheduled cleaning and housekeeping duties.

- b. Entrance by authorized personnel if the Resident is reported missing or has not responded to calls.
- c. Scheduled or emergency maintenance.
- d. Inspection of the Living Accommodation.

10 RESPONSIBILITY FOR PROTECTION OF THE RESIDENT'S PROPERTY. The Masonic Home shall not be responsible for the loss of any property belonging to the Resident, or to the Resident's estate, due to theft, mysterious disappearance, fire, breakage or any other cause, unless the care and control of said property be specifically accepted in writing by the Masonic Home, and then only for lack of ordinary care to safeguard and account for such property. Should the Resident choose to have the Resident's property protected from loss or damage, the Resident, at the Resident's own expense, shall provide insurance sufficient to protect against any such loss. If the Resident has become unable to occupy the Living Accommodation or this Agreement has been terminated for any other reason, the Masonic Home, at the Resident's cost, may immediately remove all property of the Resident from the Living Accommodation and store the same, in which case the Masonic Home shall exercise ordinary care only to protect such property against theft or other loss while stored. If the property is stored in a commercial storage warehouse, the Masonic Home shall not have responsibility for such property thereafter. In the event of termination of this Agreement for any reason, any personal property of the Resident in the Living Accommodation occupied or held in storage shall be removed from the Living Accommodation and from any storage facility by the Resident, the Resident's personal representative, or the Resident's estate, within thirty (30) days after termination. The Masonic Home will hold such property for such thirty (30) day period at the risk of and at the expense of the Resident's estate or persons entitled thereto, subject to ordinary care by the Masonic Home in safeguarding the same until removal can be made. At the end of such thirty (30) days, all remaining property in either the Living Accommodation or any storage facility shall become the sole property of the Masonic Home and shall be removed and handled as determined by the Masonic Home.

11 COHABITATION AFTER OCCUPANCY BY THE RESIDENT. Living Accommodations are for the use of Residents only. If the Resident wishes to share his Living Accommodation with another person, such other person must apply for entrance into the Masonic Home Apartments and must satisfy all the requirements of the Masonic Home for admission to the Masonic Home Apartments, including, without limitation, the requirements for medical, insurance and financial resources. In addition, such proposed new Resident must sign a Resident's Agreement and must pay an Entrance Fee established by the Masonic Home for that Living Accommodation and all other fees under the Resident's Agreement. In return for payment of the Entrance Fee, the new Co-Resident shall have all rights and privileges of a Resident set forth in the new Resident's Agreement. The provisions of this paragraph are specifically applicable to the Masonic Home's approval of marital as well as non-marital cohabitation.

12 GUESTS. A “guest” is defined as any individual who has not entered into a Resident’s Agreement with the Masonic Home for the Masonic Home Apartments, regardless of the individual’s relationship to the Resident. The Resident has the right to have guests visit the Living Accommodations, but such visits shall be limited to eight (8) consecutive days unless special permission is granted by the Masonic Home. The Resident agrees that visiting children shall be carefully supervised so that rights of the other Residents in the Masonic Home Apartments will be respected. The Resident agrees to pay charges for guest meals in the dining room and give reasonable notice to the dining room in accordance with the provisions of Section 4.6.2 of this Agreement.

13 PETS. Pets are not allowed in the Living Accommodation.

14 RESIDENTS' ASSOCIATION. The Masonic Home Masonic Home Apartments may have a Residents' Association of which every Resident will be a voting member.

15 NOTICE OF CHANGES IN FEES, CHARGES OR THE SCOPE OF SERVICES. The Masonic Home agrees to provide at least thirty (30) days advance notice to the Resident before any change in fees, charges or the scope of care or services may be effective, except for changes required by state or federal assistance programs.

16 NOTICE. Any notices to be given under this Agreement shall be deemed to have been properly given when delivered in person or sent by first class mail, postage prepaid, addressed as follows:

Notice to the Masonic Home:

Chief Executive Officer of the  
Masonic Home of Virginia  
P.O. Box 7866  
Henrico, VA 23231

Notice to the Resident before occupancy:

Notice to the Resident after taking occupancy:

At the Living Accommodation of the Resident  
in the Masonic Home Apartments.

17 DURATION OF SERVICES. The services provided by Masonic Home to the Resident shall be made available as long as the Resident resides in the Living Accommodation and this contract has not been terminated by either party.

18 COMPLETE AGREEMENT. This Agreement, together with the Reservation Agreement, Application, Resident's Financial Statement, Personal Health and Physician's Report of the Resident, any Addenda or Schedules to this Agreement, and Escrow Agreement, copies of each of which are attached hereto, constitute the entire Agreement between the Masonic Home and the Resident, and may not be amended or modified except in writing approved by all of the parties hereto. The Resident represents and warrants that all statements made by the Resident in said documents are true and correct and that there is no material omission or misleading statement in such documents with respect to the Resident. Such representation and warranty shall survive the execution and delivery of this Agreement. If said statements in such documents are found to be incorrect or misleading or if they omit significant facts concerning the financial and/or medical condition of the Resident, then the Masonic Home shall have the right to terminate this Agreement. The Masonic Home is not and shall not be liable for nor bound in any manner by any statements, representations or promises made by any person representing or purporting to represent the Masonic Home, unless such statements, representations or promises are set forth in this Agreement. The Resident hereby agrees to observe and comply with the rules adopted by the Masonic Home for the convenience, comfort and safety of all Residents of the Masonic Home Apartments.

19 MEDICAL AND NURSING CARE. The Masonic Home does not provide maintenance and care or nursing services for the residents of the Masonic Home Apartments. The cost of any and all such services are not included or contemplated in the Entrance Fee or monthly Service Fee. The Masonic Home operates separate facilities on the campus of the Masonic Home for the maintenance and care of adults and the provision of nursing services in the Masonic Home for Adults and in the Masonic Home Care Center. A Resident, at the Resident's own expense, may use the services available through the Masonic Home Care Center, the Masonic Home for Adults, or any other services from the community to obtain maintenance and care or nursing services. In the event that a Resident of the Masonic Home Apartments requests maintenance and care or nursing services from the Masonic Home for Adults or Masonic Home Care Center, the Resident will be required to meet all admission criteria for the requested facility and to enter into and adhere to the Masonic Home Resident's Agreement pertinent to the requested facility. Admission to these facilities is determined by the Masonic Home based upon application. If the Resident submits to the Board of Governors a properly completed application for admission to the Masonic Home of Virginia, consideration of such application shall receive priority and, if such application is approved, the admission of the Resident to the approved facility shall receive priority. The Masonic Home shall charge the Resident the then-prevailing monthly Service Fee for any use of the Masonic Home Care Center. The Masonic Home reserves the right, in its sole discretion, to waive such Service Fee for up to thirty (30) days' residency in the Masonic Home Care Center per calendar year by the Resident.



19.1 **EMERGENCY SERVICES** - Residents shall handle medical emergencies by using those emergency medical services generally provided to the community in Henrico County, Virginia. Resident(s) shall contact emergency service providers directly, and alert the Masonic Home's switchboard, if necessary, to direct emergency services providers to the appropriate Living Accommodation on the campus.

19.2 **MEDICAL COSTS** - The Resident is responsible for payment of the costs of all medical and personal services rendered to the Resident and his/her spouse.

19.3 **DRUGS** - The Resident is responsible for payment of the cost of all drugs and medication for the use of the Resident and his/her spouse.

19.4 **BURIAL SERVICES** - The Masonic Home will not provide burial expenses or make burial arrangements for the Resident.

20 **TRANSFERABILITY**. The rights and privileges of a Resident under this Agreement are personal to the Resident and cannot be transferred or assigned by act of the Resident, or by any proceeding of law, or otherwise. If any person, other than the person who is signing this Agreement, commences to live in the Resident's Living Accommodation without following the required procedures established and fees required by the Masonic Home, the Masonic Home shall have the right to terminate this Agreement.

21 **RULES AND REGULATIONS**. The Resident agrees to comply with the Masonic Home's general operating rules and regulations. Changes in the rules and regulations will be made from time to time.

22 **POLICY REGARDING SUBSEQUENT MARRIAGE OF RESIDENT TO A NON-RESIDENT**. If a Resident decides to marry a non-resident of the Masonic Home Apartments and desires that the new spouse share the Resident's Living Accommodation, such spouse must comply with the Admissions Policy then in effect. The Masonic Home shall require the new spouse to pay an Entrance Fee, which Entrance Fee shall be set by the Masonic Home during the new spouse's application process. The married couple will then pay the prevailing double occupancy Service Fee for the Living Accommodation occupied. If the spouse cannot comply in any particular, whether financial, medical, insurance, or Masonic, with the Admissions Policy then in effect and the spouses wish to cohabitate, the Resident may terminate the Agreement and the refund formula as set forth in Section Eight (8) will be used in computing the Resident's refund, if any. If the Resident cohabitates with a non-Resident spouse, the Masonic Home shall have grounds to terminate this Agreement under Section 7.2.2(vi) of this Agreement, and any refund of the Resident's Entrance Fee shall be calculated pursuant to Section 8 of this Agreement.

22.1 **MARRIAGE TO ANOTHER RESIDENT** - In the event the Resident marries another Resident and either or both of the Residents wishes to give up their Living

Accommodation, the refund policy governing voluntary termination as set forth in Section (8) of this Agreement shall apply.

23 DESCRIPTIVE HEADINGS. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not limit or define the contents of the paragraph or section.

24 SEVERABILITY. If any one or more of the provisions of this Agreement should be finally determined to be contrary to law, then such provision or provisions shall be severable from the remaining provisions and shall in no way affect the validity of the other provisions of this Agreement.

25 GOVERNING LAW. This Agreement shall be construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Commonwealth of Virginia.

26 MISCELLANEOUS. References to the singular shall include the plural where appropriate, and vice-versa. References to the masculine gender shall include the female and neuter genders where appropriate, and vice-versa.

27 ADDENDA, SCHEDULE(S) AND EXHIBITS. The Addenda, Schedule(s) and Exhibits attached hereto are incorporated herein by reference.

IN WITNESS WHEREOF, the Masonic Home and the Resident(s) have executed and delivered this Agreement as of the date first above written.

THE UNDERSIGNED RESIDENT(S) HAS/HAVE READ AND UNDERSTAND(S) THE CONTENTS OF THE FOREGOING AGREEMENT AND HAS/HAVE HAD THE OPPORTUNITY TO CONSULT WITH LEGAL AND OTHER ADVISORS PRIOR TO SIGNING THIS AGREEMENT AND ACKNOWLEDGE(S) RECEIPT OF THE MASONIC HOME OF VIRGINIA DISCLOSURE STATEMENT.

Witnesses:

MASONIC HOME OF VIRGINIA

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

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

Resident \_\_\_\_\_

Resident \_\_\_\_\_

COMMONWEALTH OF VIRGINIA:

CITY/COUNTY OF \_\_\_\_\_ : to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of the Masonic Home of Virginia.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_.

COMMONWEALTH OF VIRGINIA:

CITY/COUNTY OF \_\_\_\_\_ : to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_.



FIRST ADDENDUM

MASONIC HOME APARTMENTS RESIDENT'S AGREEMENT

The Resident agrees that the Masonic Home has incurred the following costs at its request prior to the Occupancy Date and agrees that these costs shall not be subject to refund under Section 8.

ITEM/SERVICE

COSTS

Masonic Home of Virginia

\_\_\_\_\_  
Resident

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

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

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

NOTE: SIGNATURES REQUIRED PURSUANT TO SECTION 38.2-4905(C) OF THE CODE OF VIRGINIA OF 1950, AS AMENDED

## ENTRANCE FEE FOR THE MASONIC HOME APARTMENTS

A one time entrance fee of \$ \_\_\_\_\_ for any apartment unit will be paid to the Masonic Home of Virginia.

## MONTHLY SERVICE FEE FOR MASONIC HOME APARTMENTS

A monthly service fee of \$ 2,770.00 for one person for one meal per day; or \$ 3,070.00 for two persons for one meal per day; will initially be charged to cover the cost of various services made available. This fee is payable in advance by the 5th of each month. No portion of the fee is refundable. Service fee is subject to escalation. Services made available as part of the service fee include:

- a. All utilities, except telephone and cable.
- b. Grounds Fee (includes exterior maintenance, grass cutting, snow removal, etc.).
- c. Trash removal.
- d. Housekeeping (as itemized in the Agreement).
- e. One meal or three meals each day for each Resident.
- f. Interior maintenance, routine and emergency service repairs.
- g. Hazard insurance on building (not contents).
- h. Access to the Masonic Home's buildings and grounds, lounges, library, gardens, etc.
- i. Participation in Masonic Home's activities and programs.
- j. Access to regularly scheduled group transportation.
- k. Access to health care services to the extent provided for in paragraph 19 of the Resident's Agreement for the Masonic Home Apartments.

CONTRACT OF PAYING RESIDENT FOR C-WING SUITE

THIS CONTRACT, entered into this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by and between \_\_\_\_\_  
("APPLICANT"), and MASONIC HOME OF VIRGINIA, a Virginia corporation ("HOME").

WITNESSETH:

WHEREAS, APPLICANT, having applied by application in writing for admission as a paying resident of the HOME, which application has been accepted, the parties hereto, by their signatures below, agree on the following terms and conditions of this acceptance:

1. RELIANCE ON APPLICATION INFORMATION - The HOME has accepted APPLICANT for admission as a paying resident based upon the information set forth in APPLICANT'S Statement of Applicant and Financial Information Checklist, all of which is incorporated herein by reference. The HOME has relied on all statements of APPLICANT and of APPLICANT'S physician as to APPLICANT'S physical and mental condition. In deciding to grant APPLICANT admission as a paying resident, the HOME relied on all representations made with respect to APPLICANT'S finances and health. APPLICANT'S intentional or reckless misrepresentation or omission in APPLICANT'S admission documents of a fact which, if provided accurately, would have resulted in failure of APPLICANT to qualify for admission as a paying resident, or a material increase in the cost of providing to APPLICANT the care and services provided, shall render this contract voidable at the option of the HOME.

Attachment 9

2. ENTRANCE FEE – That upon notice of the approval of his application, and at or before the time of admission, APPLICANT will immediately pay the Entrance Fee and the Suite Admission Fee.

a. The Entrance Fee is \$20,000.00. One-half (1/2) of the Entrance Fee is non-refundable upon occupation of the suite. The remaining Entrance Fee available for refund shall abate at the rate of 1/6<sup>th</sup> of one-half of the Entrance Fee each month after the date of admission. There will be no refund of the Entrance Fee once the APPLICANT has occupied the Suite for six (6) months.

b. The Suite Admission Fee is \$60,000.00. The Suite Admission Fee available for refund under this Contract shall decrease in value at the rate of ten percent (10%) upon admission, and one and one-half percent (1 1/2%) of the original Suite Admission Fee paid each month thereafter, up to a maximum reduction of one hundred percent (100%). There will be no refund of the Suite Admission Fee after the APPLICANT has occupied a Suite for five (5) years.

3. MONTHLY FEE - At or before the date of admission, the APPLICANT will pay, in advance, the first month's fee in the amount of \$ \_\_\_\_\_. Monthly fees will be payable thereafter, in advance, by the fifth (5<sup>th</sup>) day of each month.

a. Monthly costs are presently \$4,320.00 for Residential Independent Living; \$5,835.00 for Assisted Living I; \$7,395.00 for Assisted Living II; \$9,235.00 for Richard E. Brown Memory Support Center I; and \$11,105.00.00 for the Richard E. Brown Memory Support Center II and the Care Center. APPLICANT understands that these charges may be changed by the HOME from time to time to reflect operating



costs. The HOME will notify all residents in writing at least thirty (30) days prior to any change in fees, charges, or scope of care.

4. ESCROW OPTION - If the HOME deems it necessary, APPLICANT, at or before admission, will deposit the sum of \$ \_\_\_\_\_ in escrow with the HOME, from which APPLICANT'S monthly charge will be deducted as it is incurred. If the HOME deems the deposit unnecessary, then the remainder of this paragraph shall not apply.

a. This deposit will not exceed an amount equal to the HOME'S total anticipated charges for the APPLICANT for sixty (60) months.

b. Any funds which might remain in escrow at APPLICANT'S death, and after payment of indebtedness to the HOME, will revert to APPLICANT'S estate or to whomever APPLICANT has selected in proper legal form.

c. Should APPLICANT withdraw from residency in the HOME, the net balance in the escrow account, after payment of any indebtedness to the HOME will be refunded to APPLICANT, including accumulated interest.

d. Should the escrow funds become entirely depleted during APPLICANT'S residency, APPLICANT may remain as a paying resident by continuing to pay the monthly rate from other assets, or may apply for reclassification as a Cornerstone resident under the "Rules of Admission" applicable at the time of such application for reclassification.

5. RULES OF ADMISSION - [**initials of applicant** \_\_\_\_\_ ] APPLICANT acknowledges receipt of a copy of the HOME'S "Rules of Admission," agrees that the HOME has fully explained the Rules to the APPLICANT prior to the execution of this

contract, and agrees that the Rules are incorporated herein by reference and made a part hereof.

6. APPLICANT'S RIGHT TO CANCEL – [*initials of applicant* \_\_\_\_\_ ]

APPLICANT understands that he has the right to rescind and cancel this contract without penalty or forfeiture within seven (7) calendar days after making an initial deposit or executing this contract. The HOME shall not require APPLICANT to move into the HOME before the expiration of said seven (7) calendar day period.

7. VIEWING ADMISSIONS VIDEO - [*initials of applicant* \_\_\_\_\_ ]

APPLICANT acknowledges that, prior to the execution of this contract, he is required to view an educational video as determined by the HOME describing realistic expectations for Long Term Care and to complete an Agreement upon the conclusion of such viewing. APPLICANT consents to the admission of that Agreement into evidence, along with the video, in the event of arbitration or any other form of legal or administrative proceeding.

8. TERMINATION OF CONTRACT - [*initials of applicant* \_\_\_\_\_ ] The

HOME will not terminate this contract unless APPLICANT becomes a danger to himself or others; is guilty of repeated conduct that interferes with other residents' quiet enjoyment of the HOME, or is persistent in his refusal to comply with duly promulgated written rules of which he has been furnished a copy. In the event the HOME feels it necessary to terminate APPLICANT'S contract under the aforesaid circumstances, it will give APPLICANT written notice of the termination and a reasonable time to cure the basis for the termination.

9. TRANSFERS DUE TO CARE CONCERNS - **[initials of applicant \_\_\_\_\_]** Subject to the terms of this contract, once APPLICANT is admitted to the HOME, he would normally live there the remainder of his life. After the APPLICANT'S initial admission to the HOME, APPLICANT agrees that changes in the APPLICANT'S condition thereafter may require, in the HOME'S sole discretion, that APPLICANT transfer from time to time into a different level of care within the HOME. APPLICANT acknowledges that, once admitted to the Care Center, APPLICANT must be followed by an attending physician who is available (or who has an associate available) promptly at all times to provide the medical consultations required by Virginia Department of Health regulations. However, should APPLICANT'S level of care change such that APPLICANT is beyond the scope of the care the HOME is able to provide, APPLICANT can be transferred from the HOME to a facility licensed by the Commonwealth of Virginia to provide the appropriate scope of care. APPLICANT acknowledges that, because of the HOME's experience that many Applicants choose to live at the HOME for the remainder of their lives, the HOME requires each Applicant to provide a signed copy of a general durable power of attorney in favor of a designated individual, and further requires each Applicant to execute a springing power of attorney appointing the HOME to act as Agent in the event of the invalidity of the Applicant's own power of attorney or permanent absence of the Applicant's designated agent(s).

10. CHANGE IN MARITAL STATUS - **[initials of applicant \_\_\_\_\_]** APPLICANT may divorce, marry or re-marry; however, the continued stay of APPLICANT at the HOME or the admission of the APPLICANT'S new spouse to the HOME must be in accord with the "Rules of Admission" in effect on the date of

APPLICANT'S marriage. If APPLICANT is not eligible for continued stay at the HOME or APPLICANT'S new spouse is not eligible for admission to the HOME, then this contract shall terminate as of the date of APPLICANT'S remarriage and APPLICANT shall withdraw from the HOME. Upon such withdrawal, if APPLICANT has an escrow account, the HOME will return to APPLICANT the net balance in the escrow account, after payment of any indebtedness to the HOME, including accumulated interest.

11. APPLICANT'S CARE LEVEL CHANGE PRIOR TO ADMISSION - **[initials of applicant \_\_\_\_\_ ]** If, in the HOME'S sole discretion, APPLICANT'S care level changes during the time between acceptance and admission, such that APPLICANT no longer meets the care level requirements for admission, or if APPLICANT dies, then this contract shall be rescinded. In such event, the HOME shall refund to APPLICANT or APPLICANT'S legal representative all property received by the HOME, less costs reasonably incurred by the HOME and specifically related to APPLICANT.

12. TRANSFERABILITY - The rights and privileges of APPLICANT under this contract are personal to the APPLICANT and cannot be transferred or assigned by act of the APPLICANT, or by any proceeding of law, or otherwise.

13. MISCELLANEOUS - If any one or more of the provisions of this contract should be finally determined to be contrary to law, then such provision or provisions shall be severable from the remaining provisions and shall in no way affect the validity of the other provisions of this contract. This contract shall be construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Commonwealth of Virginia. References to the singular shall include the plural where

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appropriate, and vice-versa. References to the masculine gender shall include the female and neuter genders where appropriate, and vice-versa.

In witness whereof, APPLICANT and the HOME have signed and sealed this contract as of the day and date first written above.

\_\_\_\_\_(Seal)  
APPLICANT

\_\_\_\_\_(Seal)  
MASONIC HOME OF VIRGINIA by  
Anne B. Hagen, Chief Executive Officer

We acknowledge that we were present when this contract was reviewed and signed by the Applicant.

_____ Date Family Responsible Party	_____ Signature	_____ Print Name	Personal Representative
_____ Date Family Responsible	_____ Signature	_____ Print Name	Personal Representative

CONTRACT OF RESPITE RESIDENT

THIS CONTRACT, entered into this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by and between \_\_\_\_\_ (“RESPITE  
RESIDENT”), and MASONIC HOME OF VIRGINIA, a Virginia corporation (“HOME”).

WITNESSETH

WHEREAS, RESPITE RESIDENT is a member in good standing of the Residential Independent Living at the HOME, and has demonstrated a temporary need for medical and support services inconsistent with fully independent living; and

WHEREAS, RESPITE RESIDENT (or his next of kin, agent, attorney in fact, or other responsible individual) and the HOME agree on the following terms and conditions of the RESPITE RESIDENT’s temporary use of the medical and support services at the HOME. .

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree:

1. NOT PERMANENT ADMISSION - The HOME and the Resident agree that this Contract contemplates a temporary residency only, to facilitate the RESPITE RESIDENT’s convalescence. The parties further agree that, should the RESPITE RESIDENT’s medical condition fail to regain the level necessary to resume and maintain residency in Residential Independent Living after thirty (30) days’ residency in \_\_\_\_\_, or in any other assisted living or higher level of care, in any calendar year, the RESPITE RESIDENT or his or her legal

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representative shall confer with the HOME's attending physician to effect a permanent admission of the RESPITE RESIDENT into a facility licensed to provide the level of medical and support services then required by the RESPITE RESIDENT. Such facility may, but is not required to be, the Care Center, Assisted Living Level I or II, or the Richard E. Brown Memory Support Center Level I or II. Admission to these facilities is determined by the HOME based upon application.

2. PRIORITY FOR NEW CARE LEVEL - If the RESPITE RESIDENT submits to the HOME a properly completed application for admission to the HOME, consideration of such application shall receive priority and, if such application is approved, the admission of the RESPITE RESIDENT to the approved facility shall receive priority.

3. CHARGES DURING CONTRACT TERM - The HOME shall charge the RESPITE RESIDENT the then-prevailing monthly Service Fee for any use of the HOME's medical and support services. As of the date of this contract, the prevailing monthly Service Fee for \_\_\_\_\_ is \$ \_\_\_\_\_. The HOME reserves the right, in its sole discretion, to waive such Service Fee for up to thirty (30) days' residency by the RESPITE RESIDENT in an assisted level or higher level of care per calendar year.

4. RULES OF ADMISSION - APPLICANT acknowledges receipt of a copy of the HOME'S "Rules of Admission," agrees that the HOME has fully explained the Rules to the APPLICANT prior to the execution of this contract, and agrees that the Rules are incorporated herein by reference and made a part hereof.

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5. TERMINATION OF CONTRACT - The HOME will not terminate this contract unless APPLICANT becomes a danger to himself or others; is guilty of repeated conduct that interferes with other residents' quiet enjoyment of the HOME, or is persistent in his refusal to comply with duly promulgated written rules of

\_\_\_\_\_ of which he has been furnished a copy. In the event the HOME feels it necessary to terminate APPLICANT'S contract under the aforesaid circumstances, it will give APPLICANT written notice of the termination and a reasonable time to cure the basis for the termination.

In witness whereof, RESPITE RESIDENT and the HOME have signed and sealed this contract as of the day and date first written above.

\_\_\_\_\_(Seal)  
RESPITE RESIDENT

\_\_\_\_\_(Seal)  
MASONIC HOME OF VIRGINIA by  
Anne B. Hagen, Chief Executive Officer

We acknowledge that we were present when this contract for respite residency was reviewed and signed by the Interim Resident.

_____ Date Family Responsible Party	_____ Signature	_____ Print Name	Personal Representative
_____ Date Family Responsible Party	_____ Signature	_____ Print Name	Personal Representative



Attachment 11  
Masonic Home of Virginia  
Richmond, VA  
Policy Manual

Department:	Resident Life
Category:	Pets
Policy #	2.0
Original Effective Date:	4/11/18
Last Revision:	N/A
Last Review:	N/A
Number of pages	Page 1 of 3

Policy Title: RESIDENT PET POLICY

## **POLICY**

Due to care management concerns, residents are not allowed to house pets inside any of our facilities except for within individual units of the Masonic Village. Residents within the Village of the Masonic Home of Virginia are permitted to have one dog or cat per unit weighing less than 35 pounds that they are able to care for, control, and clean up after. The pet must not pose a health risk or a safety hazard to the owner or others. Residents of the Village are ultimately responsible for their pets.

No pets are permitted in public spaces of any building, except by prior arrangement through the Home's Administration.

## **PROCEDURES:**

- 1) Generally, only one pet will be allowed per residence. Requests for additional pets will be considered on a case-by-case basis and may be approved at the sole discretion of Administration. No exotic pets will be permitted at the Masonic Home.
- 2) The resident pet owner must complete a pet registration form prior to admission, and Administration will review and in their sole discretion approve or disallow the pet in accordance with the guidelines set forth herein. Any approval outside these guidelines, such as for pets other than a cat or dog, will be at the sole discretion of Administration.
- 3) The pet must have a current rabies vaccination, and the pet must be revaccinated every three years. Documentation of this certification is to be presented to the Admission Coordinator prior to admission and must be updated in a timely manner following admission.
- 4) The pet owner is required to have pre-existing arrangements for the animal's care should the resident be away from the Home or transition to a higher level of care outside of the Village. Masonic Home staff will not perform this service.
- 5) The pet must be on a leash or under the physical control of the resident at all times when outside the resident's Village unit, and kept at a controllable distance from the owner. Pets should not be left alone outside or tied to any object of any kind. Pet owners are responsible for their pet's litter and for picking up waste. Dogs must be housebroken and cats must be litter box-trained.

- 6) In order to be allowed inside any building other than a Village unit, pets must be a registered "Service Animal", have scheduled visits on the resident activity calendar, and wear their working coats.
- 7) A pet owner's Village unit must be kept free of odors and maintained in a clean and sanitary manner. Upon admission to the Home, the resident agrees to pay a refundable \$500 pet deposit to protect against damages to the unit. Severe damage may require a cost to the resident over and above the deposit. Damage includes, but is not limited to, cleaning/shampooing carpets, flea treatments, treating or repairing scratches to wood floors, and replacement of any fixtures or portions of the structure of the residence due to pet damage, both during the pet owner's residence or following the pet owner's vacancy.
- 8) Residents may not acquire pets or replace a deceased pet after admission except with the prior approval of Administration. Requests to acquire additional pets will be considered on a case-by-case basis.
- 9) Should a pet owner no longer be able to care for their pet, the owner will be responsible for determining the placement of the pet.
- 10) If a pet bites a person or other animal, the Henrico County Ordinance requires notification of the Henrico County Animal Control office and compliance with the County's established protocol. Should the pet be determined to pose a threat to others, the Masonic Home may evict a resident's pet to protect the safety and health of others.
- 11) By signing the Pet Registration form, pet owners agree to comply with both the Policy and Procedures. The pet registration form must be updated on an annual basis.
- 12) Annually, the Home will establish an additional monthly fee for Village units which include a pet. This fee is intended to offset any additional cleaning and maintenance costs.
- 13) The monthly fee and the security deposit will be in effect for any person admitted to the Village after the date of the approval of this policy by the Board of governors. All Village residents admitted prior to that date and who had pets consistent with this policy will not pay the security deposit or the fee. However, any existing residents who later obtain a pet will be required to pay the security deposit and the monthly fee.

Attachment 11  
Masonic Home of Virginia  
Richmond, VA  
Policy Manual

Department:	Resident Life
Category:	Pets
Policy #	2.0
Original Effective Date:	4/11/18
Last Revision:	N/A
Last Review:	N/A
Number of pages	Page 3 of 3

**APPROVED BY:**

\_\_\_\_\_ Date \_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_ Date \_\_\_\_\_  
Senior Administrator

\_\_\_\_\_ Date \_\_\_\_\_  
Chief Executive Officer



## PET APPLICATION/REGISTRATION FORM

### OWNER'S INFORMATION

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

### PET INFORMATION

Name \_\_\_\_\_ Breed \_\_\_\_\_

Color \_\_\_\_\_ Weight \_\_\_\_\_ Long Hair/Short Hair Male/Female

If dog, Henrico County License# \_\_\_\_\_

**\*\*Copy of Vaccination Certification must be attached\*\***

### VETERINARIAN

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

### EMERGENCY CARETAKER

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

By signing below, I acknowledge and agree:

1. I have received a copy of Masonic Home of Virginia Pet Policy and agree to abide by the requirements set forth therein.
2. I am liable for any damage caused by my pet and any expense incurred by Masonic Home of Virginia as a result of my pet.
3. I will indemnify and hold Masonic Home of Virginia harmless from any and all liability and/or property damage arising either directly or indirectly from the keeping of a pet.
4. I will submit to Masonic Home's Admissions and Resident Relations Coordinator documentation of current vaccinations on an annual basis.

Resident Signature \_\_\_\_\_

Resident Signature \_\_\_\_\_

Date \_\_\_\_\_

MAHOVA Signature \_\_\_\_\_

Date \_\_\_\_\_

<b><i>Office Use Only</i></b>	
Pet Security Deposit Amount	
Date	



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

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

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

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032-05-0021-6-eng (7/07)

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



17. Is accorded respect for ordinary privacy in every aspect of daily living, including but not limited to the following:
    - a. In the care of his personal needs except as assistance may be needed;
    - b. In any medical examination or health-related consultations the resident may have at the facility;
    - c. In communications, in writing or by telephone;
    - d. During visitations with other persons;
    - e. In the resident's room or portion thereof; residents shall be permitted to have guests or other residents in their rooms unless to do so would infringe upon the rights of other residents; staff may not enter a resident's room without making their presence known except in an emergency or in accordance with safety oversight requirements included in regulations of the Board;
    - f. In visits with his spouse; if both are residents of the facility they are permitted but not required to share a room unless otherwise provided in the residents' agreements;
  18. Is permitted to meet with and participate in activities of social, religious, and community groups at his discretion unless medically contraindicated as documented by his physician, physician assistant, or nurse practitioner in his medical record; and
  19. Is fully informed, as evidenced by the written acknowledgment of the resident or his legal representative, prior to or at the time of admission and during his stay, that he should exercise whatever due diligence he deems necessary with respect to information on any sex offenders registered pursuant to Chapter 9 (§ 9.1-900 et. seq.) of Title 9.1, including how to obtain such information. Upon request, the assisted living facility shall assist the resident, prospective resident, or the legal representative of the resident or prospective resident in accessing this information and provide the resident, prospective resident, or the legal representative of the resident or prospective resident with printed copies of the requested information.
- B. If the resident is unable to fully understand and exercise the rights and responsibilities contained in this section, the facility shall require that a responsible individual, of the resident's choice when possible, designated in writing in the resident's record, be made aware of each item in this section and the decisions that affect the resident or relate to specific items in this section; a resident shall be assumed capable of understanding and exercising these rights unless a physician determines otherwise and documents the reasons for such determination in the resident's record.

- C. The rights and responsibilities of residents shall be printed in at least 12-point type and posted conspicuously in a public place in all assisted living facilities. The facility shall also post the name and telephone number of the regional licensing supervisor of the Department, the Adult Protective Services' toll-free telephone number, as well as the toll-free telephone number for the Virginia Long-Term Care Ombudsman Program, any sub-state ombudsman program serving the area, and the toll-free number of the Virginia Office for Protection and Advocacy.
- D. The facility shall make its policies and procedures for implementing this section available and accessible to residents, relatives, agencies, and the general public.
- E. The provisions of this section shall not be construed to restrict or abridge any right that any resident has under law.
- F. Each facility shall provide appropriate staff training to implement each resident's rights included in this section.
- G. The Board shall adopt regulations as necessary to carry out the full intent of this section.
- H. It shall be the responsibility of the Commissioner to ensure that the provisions of this section are observed and implemented by assisted living facilities as a condition to the issuance, renewal, or continuation of the license required by this article.

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

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

**Regional Licensing Administrator,  
Virginia Department of Social Services: DENYCE BONAPARTE**

**Telephone Number: 804.662.9764**

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

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

**Local/Sub-State Ombudsman Program: \_\_\_\_\_**

**Telephone Number: 804.343.3000**

**Toll-Free Telephone Number for the Virginia Office for Protection and Advocacy:  
1-800-552-3962**

PROCEDURE FOR TEMPORARY OR PERMANENT TRANSFER  
OF ILU RESIDENT TO MASONIC HOME CARE CENTER

1. If the ILU Resident requires temporary use of Care Center for convalescence, the Resident shall complete the Interim Resident's Contract. The Masonic Home may waive the right to collect Service Fees for use of the Care Center for the first thirty (30) calendar days each calendar year that a Resident resides in the Care Center.
2. If the ILU Resident requires permanent relocation into the Masonic Home
  - a. The Resident shall complete an application for admission.
  - b. If the Resident requests paying status:
    - (i) The Resident shall complete a Contract of Paying Resident Upon Transfer from the Masonic Village and a springing power of attorney
    - (ii) If the Resident is accepted, the Board of Governors shall waive the Entrance Fee for the Care Center.
    - (iii) Provided that the Resident is accepted, if there are funds remaining in the Resident's ILU escrow fund, and if there is no Remaining Resident in the ILU living accommodation, these monies shall become the corpus of the Resident's Care Center escrow fund. The Care Center's monthly service charge shall be charged against the Resident's Care Center escrow fund in the normal manner.
    - (iv) Provided that the Resident is accepted, if there are no funds remaining in the Resident's ILU escrow fund, or if there is a Remaining Resident in the ILU living accommodation, the Resident shall pay the Care Center's monthly service charge in the normal manner after exhaustion of Care Center escrow funds.
  - c. If the Resident elects regular status:
    - (i) The Resident shall complete a Regular Resident's Contract, a power of attorney and a property transfer form
    - (ii) Provided that the Resident is accepted, the Resident shall transfer his remaining property to the Masonic Home of Virginia as set forth in the Regular Resident's Contract.
  - d. The Admissions Committee shall review and either grant or deny the Resident's application. If the Admissions Committee recommends denying the Resident's application, the Board of Governors shall review this recommendation in an expedient manner

CONTRACT OF PAYING RESIDENT  
UPON TRANSFER FROM THE MASONIC VILLAGE

THIS CONTRACT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
by and between \_\_\_\_\_ (“APPLICANT”), and MASONIC HOME OF VIRGINIA, a  
Virginia corporation (“HOME”).

WITNESSETH:

WHEREAS, APPLICANT has been approved by the HOME for transfer from the  
Masonic Village to the Masonic Home of Virginia as a Paying Resident of another  
residential unit, the parties hereto, by their signatures below, agree on the following terms  
and conditions of this acceptance:

1. RELIANCE ON APPLICATION INFORMATION - The HOME has accepted  
APPLICANT for admission as a paying resident based upon the information set forth in  
APPLICANT’S Statement of Applicant and Financial Information Checklist for the Masonic  
Village, all of which is incorporated herein by reference. The HOME has relied on all  
statements of APPLICANT and of APPLICANT’S physician as to APPLICANT’S physical  
and mental condition. In deciding to grant APPLICANT admission as a paying resident to  
Residential Independent Living, the HOME relied on all representations made with respect  
to APPLICANT’S finances and health. APPLICANT’S intentional or reckless  
misrepresentation or omission in APPLICANT’S admission documents of a fact which, if  
provided accurately, would have resulted in failure of APPLICANT to qualify for admission  
as a paying resident, or a material increase in the cost of providing to APPLICANT the care  
and services provided, shall render this contract voidable at the option of the HOME.

2. ESCROW OPTION - APPLICANT, at or before admission, has the sum of \$ \_\_\_\_\_ remaining in escrow with the HOME, from which APPLICANT'S monthly charge will be deducted as it is incurred.

a. This deposit will not exceed an amount equal to the HOME'S total anticipated charges for the APPLICANT for sixty (60) months.

b. Monthly costs are presently \$4,155.00 for Residential Independent Living; \$5,610.00 for Assisted Living I; \$7,110.00 for Assisted Living II; \$8,880.00 for Richard E. Brown Memory Support Center I; and \$10,680.00 for the Richard E. Brown Memory Support Center II and the Care Center. For B Wing Apartments monthly rates are \$2,665.00 for a single resident or \$2,953.00 for a couple. These rates include one meal. Additional fees may apply for additional meals. APPLICANT understands that these charges may be changed by the HOME from time to time to reflect operating costs. The HOME will notify all residents in writing at least thirty (30) days prior to any change in fees, charges, or scope of care.

c. Any funds which might remain in escrow at APPLICANT'S death, and after payment of indebtedness to the HOME, will revert to APPLICANT'S estate or to whomever APPLICANT has selected in proper legal form.

d. Should APPLICANT withdraw from residency in the HOME, the net balance in the escrow account, after payment of any indebtedness to the HOME will be refunded to APPLICANT, including accumulated interest.

e. Should the escrow funds become entirely depleted during APPLICANT'S residency, APPLICANT may remain as a paying resident by continuing to pay the monthly rate from other assets, or may apply for reclassification as a Cornerstone

resident under the "Rules of Admission" applicable at the time of such application for reclassification.

3. ANNUAL FINANCIAL DISCLOSURE – APPLICANT agrees to provide to the HOME, no less frequently than annually, APPLICANT'S financial information, including, but not limited to, tax returns, investment records, bank statements, and all other information reasonably required by the HOME for the purpose of verifying that the APPLICANT is in compliance with all financial requirements for residency.

4. RULES OF ADMISSION - [*initials of applicant* \_\_\_\_\_ ] APPLICANT acknowledges receipt of a copy of the HOME'S "Rules of Admission," agrees that the HOME has fully explained the Rules to the APPLICANT prior to the execution of this contract, and agrees that the Rules are incorporated herein by reference and made a part hereof.

5. APPLICANT'S RIGHT TO CANCEL – [*initials of applicant* \_\_\_\_\_ ] APPLICANT understands that he has the right to rescind and cancel this contract without penalty or forfeiture within seven (7) calendar days after making an initial deposit or executing this contract. The HOME shall not require APPLICANT to move into the HOME before the expiration of said seven (7) calendar day period.

6. VIEWING ADMISSIONS VIDEO - [*initials of applicant* \_\_\_\_\_ ] APPLICANT acknowledges that, prior to the execution of this contract, he is required to view an educational video as determined by the HOME describing realistic expectations for Long Term Care and to complete an Agreement upon the conclusion of such viewing. APPLICANT consents to the admission of that Agreement into evidence, along with the video, in the event of arbitration or any other form of legal or administrative proceeding.

7. TERMINATION OF CONTRACT - **[initials of applicant \_\_\_\_\_]** The HOME will not terminate this contract unless APPLICANT becomes a danger to himself or others; is guilty of repeated conduct that interferes with other residents' quiet enjoyment of the HOME, or is persistent in his refusal to comply with duly promulgated written rules of which he has been furnished a copy. In the event the HOME feels it necessary to terminate APPLICANT'S contract under the aforesaid circumstances, it will give APPLICANT written notice of the termination and a reasonable time to cure the basis for the termination.

8. TRANSFERS DUE TO CARE CONCERNS - **[initials of applicant \_\_\_\_\_]** Subject to the terms of this contract, APPLICANT agrees that further changes in the APPLICANT'S condition hereafter may require, in the HOME'S sole discretion, that APPLICANT transfer from time to time into a different level of care within the HOME. APPLICANT acknowledges that, once admitted to the Care Center, APPLICANT must be followed by an attending physician who is available (or who has an associate available) promptly at all times to provide the medical consultations required by Virginia Department of Health regulations. However, should APPLICANT'S level of care change such that APPLICANT is beyond the scope of the care the HOME is able to provide, APPLICANT can be transferred from the HOME to a facility licensed by the Commonwealth of Virginia to provide the appropriate scope of care. APPLICANT acknowledges that, because of the HOME's experience that many Applicants choose to live at the HOME for the remainder of their lives, the HOME requires each Applicant to provide a signed copy of a general durable power of attorney in favor of a designated individual, and further requires each Applicant to execute a springing power of attorney appointing the

HOME to act as Agent in the event of the invalidity of the Applicant's own power of attorney or permanent absence of the Applicant's designated agent(s).

9. CHANGE IN MARITAL STATUS - **[initials of applicant \_\_\_\_\_ ]** APPLICANT may divorce, marry or re-marry; however, the continued stay of APPLICANT at the HOME or the admission of the APPLICANT'S new spouse to the HOME must be in accord with the "Rules of Admission" in effect on the date of APPLICANT'S marriage. If APPLICANT is not eligible for continued stay at the HOME or APPLICANT'S new spouse is not eligible for admission to the HOME, then this contract shall terminate as of the date of APPLICANT'S remarriage and APPLICANT shall withdraw from the HOME. Upon such withdrawal, if APPLICANT has an escrow account, the HOME will return to APPLICANT the net balance in the escrow account, after payment of any indebtedness to the HOME, including accumulated interest.

10. TRANSFERABILITY - The rights and privileges of APPLICANT under this contract are personal to the APPLICANT and cannot be transferred or assigned by act of the APPLICANT, or by any proceeding of law, or otherwise.

11. MISCELLANEOUS - If any one or more of the provisions of this contract should be finally determined to be contrary to law, then such provision or provisions shall be severable from the remaining provisions and shall in no way affect the validity of the other provisions of this contract. This contract shall be construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Commonwealth of Virginia. References to the singular shall include the plural where appropriate, and vice-versa. References to the masculine gender shall include the female and neuter genders where appropriate, and vice-versa.



Attachment 14

In witness whereof, APPLICANT and the HOME have signed and sealed this contract as of the day and date first written above.

\_\_\_\_\_(Seal)  
APPLICANT

\_\_\_\_\_(Seal)  
MASONIC HOME OF VIRGINIA by  
Anne B. Hagen, Chief Executive Officer

We acknowledge that we were present when this contract was reviewed and signed by the Applicant.

\_\_\_\_\_  
Date                      Signature

\_\_\_\_\_  
Print Name                      Personal  
Representative  
Family  
Responsible  
Party

\_\_\_\_\_  
Date                      Signature

\_\_\_\_\_  
Print Name                      Personal  
Representative  
Family  
Responsible  
Party

# Masonic Home of Virginia

## Financial Statements

December 31, 2021 and 2020



4401 Dominion Boulevard  
Glen Allen, Virginia 23060  
Tel: 804.747.0000  
[www.keitercpa.com](http://www.keitercpa.com)

## MASONIC HOME OF VIRGINIA

### *Board of Governors*

**2022**  
Lambros G. Deligan  
Gino W. Williams  
Sheldon B. Richman

**2023**  
James F. Dickerson  
Steven W. McGowan  
Harris T. Luscomb, III

**2024**  
Thomas F. Hannifan  
Frank L. Wright, Jr.  
Samuel M. Jones

### *Ex-Officio Members*

Grand Master	James W. Golladay, Jr.
Deputy Grand Master	Donald E. Strehle
Grand Senior Warden	Jack K. Lewis
Grand Junior Warden	Gary D. Huffman
Deputy Scottish Rite	Alan W. Adkins
Grand High Priest	Mark T. Pennypacker
Grand Commander	Peter R. Spring

### *Officers*

President	Samuel M. Jones
Vice President	Frank L. Wright, Jr.
Secretary	Sheldon B. Richman
Treasurer	Gino W. Williams

### *Chief Executive Officer*

Anne B. Hagen

# MASONIC HOME OF VIRGINIA

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Governors  
Masonic Home of Virginia  
Richmond, Virginia

### Opinion

We have audited the accompanying financial statements of the Masonic Home of Virginia (the "Home"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Home as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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



April 21, 2022  
Glen Allen, Virginia

**MASONIC HOME OF VIRGINIA**

Statements of Financial Position  
December 31, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 3,171,536	\$ 731,100
Accounts receivable, current	635,413	342,611
Prepaid expenses	<u>266,620</u>	<u>229,497</u>
Total current assets	4,073,569	1,303,208
Investments:		
Marketable securities	61,042,385	59,651,568
Assets held in trust	2,018,013	1,856,358
Beneficial interest in perpetual trusts	7,455,767	6,923,690
Property and equipment, net	15,515,897	16,196,693
Accounts receivable, less current portion	152,459	446,683
Notes receivable, net	227,238	227,238
Real estate held for sale	-	215,488
Other assets	<u>349,508</u>	<u>349,508</u>
Total assets	<u>\$ 90,834,836</u>	<u>\$ 87,170,434</u>

See accompanying notes to financial statements.

**MASONIC HOME OF VIRGINIA**

Statements of Financial Position, Continued  
December 31, 2021 and 2020

<u>Liabilities and Net Assets</u>	<u>2021</u>	<u>2020</u>
<b>Current liabilities:</b>		
Accounts payable	\$ 626,526	\$ 628,418
Accrued payroll	284,748	254,888
Accrued compensated absences	388,020	402,175
Escrow deposits	45,000	45,000
Accrued pension expense	<u>121,227</u>	<u>128,337</u>
Total current liabilities	1,465,521	1,458,818
<b>Contract liabilities:</b>		
Advance fees - cornerstone residents	1,878,152	2,318,230
Advance fees - paying residents	2,610,424	2,716,627
Liability under split interest agreements	986,974	1,080,203
Deferred compensation liability	<u>579,900</u>	<u>494,292</u>
Total liabilities	<u>7,520,971</u>	<u>8,068,170</u>
<b>Net assets:</b>		
Without donor restrictions:		
Undesignated	10,987,637	11,214,137
Designated by the Board for endowment	<u>61,088,480</u>	<u>57,409,769</u>
Total without donor restrictions	<u>72,076,117</u>	<u>68,623,906</u>
With donor restrictions:		
Time-restricted for future periods	1,011,719	863,985
Perpetual in nature	<u>10,226,029</u>	<u>9,614,373</u>
Total with donor restrictions	<u>11,237,748</u>	<u>10,478,358</u>
Total net assets	<u>83,313,865</u>	<u>79,102,264</u>
Total liabilities and net assets	<u>\$ 90,834,836</u>	<u>\$ 87,170,434</u>

See accompanying notes to financial statements.



## MASONIC HOME OF VIRGINIA

### Statement of Activities Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Masonic Home residents	\$ 6,056,563	\$ -	\$ 6,056,563
Grand Lodge assessments	226,753	-	226,753
Contributions	823,414	171,159	994,573
Families First Coronavirus Response Act grant	12,565	-	12,565
Other resident services	<u>140,022</u>	<u>-</u>	<u>140,022</u>
Total support and revenue	<u>7,259,317</u>	<u>171,159</u>	<u>7,430,476</u>
Net assets released from restrictions	<u>7,257</u>	<u>(7,257)</u>	<u>-</u>
Expenses:			
Program services	11,190,768	-	11,190,768
Supporting services:			
Management and general	1,473,413	-	1,473,413
Fundraising	<u>263,882</u>	<u>-</u>	<u>263,882</u>
Total expenses	<u>12,928,063</u>	<u>-</u>	<u>12,928,063</u>
Change in net assets before other income	(5,661,489)	163,902	(5,497,587)
Other income (loss):			
Investment return, net	8,812,028	-	8,812,028
Income from trusts	305,540	-	305,540
Change in split interest agreements	(14,015)	595,488	581,473
Loss on disposal of property and equipment	(26,655)	-	(26,655)
Gain on real estate held for sale	<u>36,802</u>	<u>-</u>	<u>36,802</u>
Total other income	<u>9,113,700</u>	<u>595,488</u>	<u>9,709,188</u>
Change in net assets	3,452,211	759,390	4,211,601
Net assets at beginning of year	<u>68,623,906</u>	<u>10,478,358</u>	<u>79,102,264</u>
Net assets at end of year	<u>\$ 72,076,117</u>	<u>\$ 11,237,748</u>	<u>\$ 83,313,865</u>

See accompanying notes to financial statements.

## MASONIC HOME OF VIRGINIA

### Statement of Activities Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Masonic Home residents	\$ 7,059,243	\$ -	\$ 7,059,243
Grand Lodge assessments	232,113	-	232,113
Contributions	2,328,465	184,790	2,513,255
Families First Coronavirus Response Act grant	62,002	-	62,002
Other resident services	<u>140,839</u>	<u>-</u>	<u>140,839</u>
Total support and revenue	<u>9,822,662</u>	<u>184,790</u>	<u>10,007,452</u>
Net assets released from restrictions	<u>65,630</u>	<u>(65,630)</u>	<u>-</u>
Expenses:			
Program services	11,649,378	-	11,649,378
Supporting services:			
Management and general	1,458,931	-	1,458,931
Fundraising	<u>223,420</u>	<u>-</u>	<u>223,420</u>
Total expenses	<u>13,331,729</u>	<u>-</u>	<u>13,331,729</u>
Change in net assets before other income	(3,443,437)	119,160	(3,324,277)
Other income (loss):			
Investment return, net	5,296,258	-	5,296,258
Income from trusts	412,321	-	412,321
Change in split interest agreements	(79,453)	616,624	537,171
Loss on disposal of property and equipment	(159,119)	-	(159,119)
Loss on real estate held for sale	<u>(33,613)</u>	<u>-</u>	<u>(33,613)</u>
Total other income	<u>5,436,394</u>	<u>616,624</u>	<u>6,053,018</u>
Change in net assets	1,992,957	735,784	2,728,741
Net assets at beginning of year	<u>66,630,949</u>	<u>9,742,574</u>	<u>76,373,523</u>
Net assets at end of year	<u>\$ 68,623,906</u>	<u>\$ 10,478,358</u>	<u>\$ 79,102,264</u>

See accompanying notes to financial statements.

## MASONIC HOME OF VIRGINIA

### Statement of Functional Expenses Year Ended December 31, 2021

	Program	Supporting Services		Total Expenses
		Management and General	Fundraising	
Salaries and wages	\$ 5,545,566	\$ 932,657	\$ 146,636	\$ 6,624,859
Employee pension	199,975	37,649	6,313	243,937
Employee insurance	870,424	117,276	8,642	996,342
Payroll taxes	427,500	64,917	11,228	503,645
Legal fees	19,986	3,371	722	24,079
Accounting fees	29,548	4,984	1,068	35,600
Bank fees	9,957	1,679	360	11,996
Contract fees	235,260	20,502	3,592	259,354
Advertising and promotion	110,115	-	9,625	119,740
Office expenses	24,822	102,095	41,382	168,299
Utilities	396,801	-	-	396,801
Travel	1,029	12,245	25,398	38,672
Depreciation	1,220,702	-	-	1,220,702
Insurance	243,212	41,024	8,791	293,027
Resident medical	556,395	-	-	556,395
Food	824,137	1,743	-	825,880
Equipment lease and maintenance	218,469	12,179	-	230,648
Buildings and grounds	111,958	-	-	111,958
Resident activities	43,539	-	-	43,539
Other	101,373	121,092	125	222,590
	<u>\$ 11,190,768</u>	<u>\$ 1,473,413</u>	<u>\$ 263,882</u>	<u>\$ 12,928,063</u>

See accompanying notes to financial statements.

## MASONIC HOME OF VIRGINIA

### Statement of Functional Expenses Year Ended December 31, 2020

	Program	Supporting Services		Total Expenses
		Management and General	Fundraising	
Salaries and wages	\$ 5,975,115	\$ 904,838	\$ 142,310	\$ 7,022,263
Employee pension	220,884	38,204	6,441	265,529
Employee insurance	890,308	106,753	9,296	1,006,357
Payroll taxes	505,716	63,350	11,004	580,070
Legal fees	46,987	7,926	1,698	56,611
Accounting fees	33,398	5,633	1,207	40,238
Bank fees	7,334	1,237	265	8,836
Contract fees	201,935	20,955	3,810	226,700
Advertising and promotion	100,602	-	5,079	105,681
Office expenses	24,729	82,887	32,632	140,248
Utilities	369,393	-	-	369,393
Travel	1,201	9,679	937	11,817
Depreciation	1,066,981	-	-	1,066,981
Insurance	223,922	37,770	8,094	269,786
Resident medical	623,063	-	-	623,063
Food	790,488	1,101	-	791,589
Equipment lease and maintenance	209,594	11,661	-	221,255
Buildings and grounds	123,919	-	-	123,919
Resident activities	93,471	-	-	93,471
Other	140,338	166,937	647	307,922
	<u>\$ 11,649,378</u>	<u>\$ 1,458,931</u>	<u>\$ 223,420</u>	<u>\$ 13,331,729</u>

See accompanying notes to financial statements.

## MASONIC HOME OF VIRGINIA

### Statements of Cash Flows Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 4,211,601	\$ 2,728,741
Adjustments to reconcile change in net assets to net cash from operating activities:		
Interest and dividends reinvested	(654,373)	(549,797)
Net realized and unrealized investment gain	(8,184,972)	(4,815,209)
Real estate held for sale from incoming residents	(1,040,579)	(388,276)
(Gain) loss on sale of real estate held for sale	(36,802)	33,613
Depreciation	1,220,702	1,066,981
Loss on disposal of property and equipment	26,655	159,119
Change in split-interest agreements	(886,174)	(955,230)
Contributions restricted for long-term purposes	(79,579)	(154,553)
Changes in assets and liabilities:		
Accounts receivable	1,422	238,663
Prepaid expenses	(37,123)	(107,323)
Accounts payable	(1,892)	(325,432)
Accrued payroll	29,860	30,252
Accrued compensated absences	(14,155)	51,922
Accrued pension expense	(7,110)	(324)
Escrow deposits	-	4,000
Advance fees - cornerstone	(440,078)	(225,603)
Advance fees - paying	(106,203)	(868,713)
Deferred compensation liability	19,500	19,500
Net cash used in operating activities	(5,979,300)	(4,057,669)
Cash flows from investing activities:		
Purchases of property and equipment	(566,561)	(597,546)
Purchases of investments	(52,047,786)	(3,160,475)
Proceeds from sales of investments	59,553,349	6,644,216
Distributions received from perpetual trusts	305,540	418,059
Proceeds from sale of real estate held for sale	1,292,869	738,174
Net cash provided by investing activities	8,537,411	4,042,428
Cash flows from financing activities:		
Gifts to permanent endowment	79,579	154,553
Payments of annuity liabilities	(197,254)	(200,310)
Net cash used in financing activities	(117,675)	(45,757)
Net change in cash and cash equivalents	2,440,436	(60,998)
Cash and cash equivalents, beginning of year	731,100	792,098
Cash and cash equivalents, end of year	\$ 3,171,536	\$ 731,100

See accompanying notes to financial statements.

# MASONIC HOME OF VIRGINIA

## Notes to Financial Statements

### 1. Nature of Organization:

The Masonic Home of Virginia (the "Home") was founded in 1890 as a nonprofit organization supported by the Masons of Virginia. The primary mission of the Home is to enhance the retirement lives of Virginia Masons and their families by providing a quality continuing care retirement community for their residents or necessary in-home assistance and care.

### 2. Summary of Significant Accounting Policies:

**Basis of Accounting:** The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

**Basis of Presentation:** The financial statements are presented in accordance with FASB guidance, which establishes standards for financial statements issued by nonprofit organizations. It requires that net assets and related revenue and expenses be classified in two classes of net assets – net assets without donor restrictions and net assets with donor restrictions based upon the existence or absence of donor-imposed restrictions. A definition and description of each net asset class follows:

**Net Assets Without Donor Restrictions:** Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions include the revenues and expenses of the primary operations of the Home. If the Board specifies a purpose where none has been stated by the original donor, such assets are classified as Board designated within net assets without donor restrictions. Board designated assets totaled \$61,088,480 at December 31, 2021 and \$57,409,769 at December 31, 2020 to be used for general operations in support of the Home's mission.

**Net Assets with Donor Restrictions:** Net assets that are subject to donor-imposed stipulations that may or will be met either by actions of the Home and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as without donor restrictions. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that they must be maintained permanently by the Home to use all or part of the income earned on any related investments for general or specific purposes, in accordance with the conditions of each specific donation.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

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

**Cash and Cash Equivalents:** The Home considers all highly liquid securities purchased with a maturity of three months or less to be cash equivalents.

**Accounts Receivable:** Accounts receivable represents the cash surrender value of life insurance policies to which the Home is named as the beneficiary, wills and bequests that were due to the Home as of December 31, 2021 and 2020 and other miscellaneous receivables. At December 31, 2021 and 2020, management determined that no allowance for uncollectible accounts was considered necessary. Management determined the discount on future expected cash flows for accounts receivable at December 31, 2021 and 2020 was immaterial; therefore, no discount was considered necessary.

**Property and Equipment:** Property and equipment are stated at cost or, if donated, appraised value at date of gift. Major repairs and betterments are capitalized and normal maintenance and repairs are charged to expense as incurred. Depreciation of the buildings and equipment is computed by the straight-line method over the estimated useful lives of the related assets, which range from 3 to 40 years.

**Investments:** The Home's investments are reported at fair value in the statements of financial position. Certain less marketable investments are generally carried at values determined by the investment manager as described in Note 6.

Unrealized gains and losses are reported in the statements of activities net of investment fees. Investment fees of \$39,313 for 2021 and \$76,970 for 2020 have been netted against investment return in the statements of activities.

Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that the value of investment securities reported on the financial statements could change in the near term.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Contributions:** The Home recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the nature of the contribution. When a restriction expires, net assets with donor restrictions are classified as net assets without donor restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as without donor restrictions. Unconditional promises to give are recorded when the promise is made. Unconditional promises to give due in the next year are reflected as current contributions receivable and long term unconditional promises to give are recorded at their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. There were no material conditional promises to give during 2021 and 2020.

Contributions of assets other than cash are recorded at their estimated fair market value at the time of donation.

**Revenue Recognition:** Resident service revenues are reported at the amount that reflects the consideration the Home expects to receive in exchange for the services provided. These amounts are due from residents on a monthly basis. Performance obligations are determined based on the nature of the services provided and revenue is recognized as the performance obligations are satisfied.

Resident service revenues are primarily comprised of the following revenue streams:

*Residential living:* Residential living revenues are primarily derived from providing housing and services to residents. The Home determined the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, residential living monthly fees are recognized on a month-to-month basis.

*Assisted living:* Assisted living revenues are primarily derived from providing housing and personal care services to residents at a stated monthly fee. The Home determined the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, assisted living monthly fees are recognized on a month-to-month basis.

*Skilled nursing:* Skilled nursing revenues are primarily derived from providing housing and nursing services to residents. The Home determined the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, skilled nursing services monthly fees are recognized on a month-to-month basis.



## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Revenue Recognition, Continued:** *Other resident services:* Other resident services include services such as phone bills, personal items, guest meal tickets, dry cleaning, postage, and other incidental charges to residents. The Home has determined that other resident services are considered one performance obligation which is satisfied over time as services are provided. Therefore, other resident services revenues are recognized on a daily basis as the services are rendered.

Certain residents are approved by the Board of Governors under the Cornerstone payment program, which has similar characteristics to a life-care agreement. Upon admission, residents transfer 100% of any real estate holdings and 100% of all life insurance policies on their life. Additionally, these residents transfer a percentage of their remaining assets and pledge the same percentage of all of their future income. The percentage of other asset transfer and future income pledge is dependent on the level of care. In 2021 and 2020, the percentages ranged from 75% for Residential Care to 90% for the Care Center. The asset and income transfers cover services provided to Cornerstone residents and no other service fees are billed except television, telephone services, newspaper and miscellaneous hygiene items.

The Home disaggregates revenue from contracts with customers by type of service and the nature and payment source as this depicts the nature, amount, and timing and uncertainty of its revenues and cash flows as affected by economic factors. Resident revenues consist of the following for the years ended December 31, 2021 and 2020:

	2021	2020
<b>Paying:</b>		
Residential living	\$ 2,536,335	\$ 2,566,953
Assisted living	424,590	440,282
Skilled nursing	412,614	730,182
	\$ 3,373,539	\$ 3,737,417
	2021	2020
<b>Cornerstone:</b>		
Residential living	\$ 1,083,277	\$ 1,235,807
Assisted living	796,724	1,274,148
Skilled nursing	635,547	606,880
Other	167,476	204,991
	\$ 2,683,024	\$ 3,321,826

Contract assets include real estate held for sale. Contract liabilities include advance fees from Cornerstone and paying residents.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Advance Fees:** Certain independent living and apartment units require a one-time entrance fee that becomes nonrefundable after the first six months of occupancy. Revenue from nonrefundable advance fees for residents outside of the Cornerstone program are recognized through amortization of the nonrefundable advance fee using a straight-line method over the estimated tenure that the resident is expected to remain in their unit or level of care. For 2021 and 2020, nonrefundable advance fees were amortized over a six-year period. The unamortized portion is classified as advance fees – paying resident on the statements of financial position. Amortization of nonrefundable advance fees from residents outside of the Cornerstone program included in resident service revenues was \$1,044,903 in 2021 and \$1,001,292 in 2020. Refundable amounts under these contracts are not amortized to revenue and amounted to \$438,405 at December 31, 2021 and \$106,285 at December 31, 2020.

Upon admission, Cornerstone residents transfer 100% of any real estate holdings and 100% of all life insurance policies on their life. Revenue from nonrefundable advance fees received from Cornerstone residents are recognized through amortization of the nonrefundable advance fee using the straight-line method over annually adjusted estimated life expectancies of the residents which during the contractual term of the contract approximates the period of time the goods or services under the agreements are expected to be transferred to residents. The unamortized portion is classified as advance fees – Cornerstone residents on the statements of financial position. Amortization of nonrefundable advance fees from Cornerstone residents included in resident service revenues was \$960,556 in 2021 and \$1,301,230 in 2020.

**Real Estate Swap:** During 2012, the Home began offering applicants the opportunity to swap their primary residence to pay all or part of their entrance fees for certain independent living units. During each of 2021 and 2020, the Home accepted three and one properties, respectively, in swap transactions. The properties have all been sold as of December 31, 2021. The properties that have not been sold are included in real estate held for sale as of December 31, 2020.

**Obligation to Provide Future Services:** The Home annually calculates the present value of the net cost of future services and the use of facilities to be provided to current Cornerstone 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 deferred advance fees from Cornerstone residents, a liability is recorded (obligation to provide future services and use of facilities) with a corresponding charge to income. This calculation did not result in any liability as of December 31, 2021 or 2020.

**Advertising:** The Home expenses advertising costs as they are incurred. Advertising costs amounted to \$119,740 in 2021 and \$105,681 in 2020.

**Functional Expenses:** The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, the majority of the expenses have been applied to the programs and supporting services on a direct cost basis. General insurance, legal fees, accounting fees, and financial institution fees are allocated on a benefited cost basis. Payroll processing and support expense is allocated based on headcount.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Income Taxes:** The Home is exempt from income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code per a determination letter dated February 27, 2007.

**Income Tax Uncertainties:** The Home follows the FASB guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Home's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. Management has evaluated the Home's tax position and concluded that the Home had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provision of this guidance. The Home is not currently under audit by any tax jurisdiction.

**Concentration of Credit Risk:** At times the Home had cash and cash equivalents in excess of federally insured limits. The Home's cash and investments are invested with several institutions, and management monitors their credit ratings in order to mitigate this concentration of credit risk. Investments consist of marketable securities that are not heavily concentrated in any one company or industry.

**Subsequent Events:** Management has evaluated subsequent events through April 21, 2022, the date the financial statements were available to be issued, and has determined that there are no subsequent events to be reported in the accompanying financial statements.

#### 3. Real Estate Held for Sale and Other Assets:

There was no real estate held for sale at December 31, 2021. Real estate held for sale was \$215,488 at December 31, 2020. Real estate is recorded at its estimated fair market value on the date of gift or the date of transfer from an incoming resident. Real estate held for sale is reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by an amount by which the carrying amount of the assets exceeds the fair value of the assets. There were no impairment losses in 2021 or 2020. Impairment losses are included in loss on real estate held for sale on the statements of activities.

Other assets primarily consist of cemetery plots. These items are recorded at their estimated fair market value at the date of gift.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 4. Property and Equipment:

Property and equipment at December 31, 2021 and 2020, consist of the following:

	2021	2020
Land and land improvements	\$ 1,688,609	\$ 1,688,609
Buildings and improvements	34,230,866	34,012,104
Furnishings and equipment	4,954,412	4,502,437
Vehicles	359,743	359,743
Construction in progress	96,123	243,267
	41,329,753	40,806,160
Less accumulated depreciation	(25,813,856)	(24,609,467)
Property and equipment, net	\$ 15,515,897	\$ 16,196,693

#### 5. Investments:

Investments in marketable securities at December 31, 2021 and 2020, consist of the following:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Hedge funds	\$ 8,750,000	\$ 8,536,697	\$ -	\$ -
Fixed income	6,028,765	5,953,951	-	-
Mutual funds	-	-	22,188,872	25,627,819
Corporate stocks	33,197,181	35,507,586	4,017,043	3,711,523
Investment partnerships	5,121,765	11,044,151	25,523,103	30,312,226
	\$ 53,097,711	\$ 61,042,385	\$ 51,729,018	\$ 59,651,568

The Home is trustee of three charitable remainder trusts under which the Home is named as the remainder beneficiary. The trust assets are held by a third-party custodian in separate trust accounts. The total market value of these trust assets was \$1,438,113 and \$1,362,066 at December 31, 2021 and 2020, respectively. Assets held in trust also include deferred compensation trust assets of \$579,900 and \$494,292 at December 31, 2021 and 2020, respectively.

#### 6. Fair Value Measurements:

The Home follows FASB guidance with respect to fair value measurements. This guidance provides a framework for measuring fair value under GAAP, for all financial assets and liabilities measured at fair value on a recurring basis.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 6. Fair Value Measurements, Continued:

The guidance establishes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level that is significant to the fair value measurement of the asset or liability.

Classification of assets and liabilities within the hierarchy considers the market in which the assets or liabilities are traded and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy are defined as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Home has the ability to access.

Level 2 - Inputs to the valuation methodology are quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value:

**Mutual funds, hedge funds, and corporate stocks:** Valued at the closing price reported on the active market on which the individual securities are traded.

**Fixed income securities:** Valued at original cost adjusted for any premium or coupon.

**Investment partnerships:** Valued at the net asset value (NAV) of units held by the Home at year-end.

**Beneficial interests in perpetual trusts:** Valued by estimating future cash flows from the trusts (which hold diversified portfolios) and discounting them to perpetuity using a market participant's expected return on endowments and investments. This has typically been measured by the fair value of the underlying assets in the trust.

**Liability under split interest agreements:** Valued at the present value of future payments expected under the agreements.

**Deferred compensation liability:** Valued at the current value of investments held in trust to fund deferred compensation plans.

**Trust assets held:** Valued at closing price reported on the active market on which individual securities are traded.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 6. Fair Value Measurements, Continued:

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Home believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets and liabilities measured at fair value at December 31, 2021, include the following:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Hedge funds	\$ 8,536,697	\$ -	\$ -	\$ 8,536,697
Corporate stocks	35,507,586	-	-	35,507,586
Fixed income securities	-	5,953,951	-	5,953,951
Investments in partnerships measured at net asset value*	-	-	-	11,044,151
Total investments at fair value	44,044,283	5,953,951	-	61,042,385
Beneficial interest in perpetual trust	-	-	7,455,767	7,455,767
Trust assets held	2,018,013	-	-	2,018,013
<b>Total assets at fair value</b>	<b>\$ 46,062,296</b>	<b>\$ 11,907,902</b>	<b>\$ 7,455,767</b>	<b>\$ 70,516,165</b>
<b>Liabilities:</b>				
Deferred compensation liability	\$ 579,900	\$ -	\$ -	\$ 579,900
Liability under split interest agreements	-	-	986,974	986,974
<b>Total liabilities at fair value</b>	<b>\$ 579,900</b>	<b>\$ -</b>	<b>\$ 986,974</b>	<b>\$ 1,566,874</b>

Assets and liabilities measured at fair value at December 31, 2020, include the following:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Mutual funds	\$ 25,627,819	\$ -	\$ -	\$ 25,627,819
Corporate stocks	3,711,523	-	-	3,711,523
Investments in partnerships measured at net asset value*	-	-	-	30,312,226
Total investments at fair value	29,339,342	-	-	59,651,568
Beneficial interest in perpetual trust	-	-	6,923,690	6,923,690
Trust assets held	1,856,358	-	-	1,856,358
<b>Total assets at fair value</b>	<b>\$ 31,195,700</b>	<b>\$ -</b>	<b>\$ 6,923,690</b>	<b>\$ 68,431,616</b>
<b>Liabilities:</b>				
Deferred compensation liability	\$ 494,292	\$ -	\$ -	\$ 494,292
Liability under split interest agreements	-	-	1,080,203	1,080,203
<b>Total liabilities at fair value</b>	<b>\$ 494,292</b>	<b>\$ -</b>	<b>\$ 1,080,203</b>	<b>\$ 1,574,495</b>

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 6. Fair Value Measurements, Continued:

\*As per FASB ASU 2015-07, which eliminated the requirement to categorize investments in the fair value hierarchy if their fair value is measured using NAV per share as a practical expedient, certain investments that are measured at NAV have not been classified in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

During 2021 and 2020, the Home collected distributions of \$305,540 and \$418,059, respectively, which were classified as beneficial interest in perpetual trust, and paid annuitants \$197,254 and \$200,310, respectively, which were classified as liability under split interest agreements.

The Home's investments in fixed income securities are subject to restrictions on frequency of redemptions without penalty. At December 31, 2021, the redemption periods begin during 2023 and continue through 2050 for the following amounts:

Year Ending December 31:	Fixed Income Securities
2023	\$ 85,230
2024	601,420
2025	937,836
2026	634,901
2027	95,009
Thereafter	3,599,555
	\$ 5,953,951

The following table summarizes investments measured at fair value based on NAV per share and not registered with the Securities and Exchange Commission ("SEC") as of December 31, 2021:

As of December 31, 2021				
Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Kayne Anderson Mezzanine Partners, L.P.	\$ 15,461	\$ 23,750	N/A	None
Aether Real Assets I, L.P.	856,416	68,999	N/A	None
WCP Real Estate Fund IV, L.P.	3,070,935	98,000	N/A	None
Greenspring Global Partners VII-B, L.P.	4,541,747	40,000	N/A	None
RCP Fund XII, L.P.	2,559,592	834,864	N/A	None

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 6. Fair Value Measurements, Continued:

The following table summarizes investments measured at fair value based on NAV per share and not registered with the Securities and Exchange Commission ("SEC") as of December 31, 2020:

As of December 31, 2020				
Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Kayne Anderson Mezzanine Partners, L.P.	\$ 13,104	\$ 64,812	N/A	None
Aether Real Assets I, L.P.	742,487	N/A	N/A	None
Magnitude International Class A	9,522,996	N/A	Quarterly	65 days
WCP Real Estate Fund IV, L.P.	4,484,276	N/A	N/A	None
Greenspring Global Partners VII-B, L.P.	2,803,750	80,000	N/A	None
Harvest MLP Income Fund LLC	1,891,276	N/A	Monthly	30 days
RCP Fund XII, L.P.	1,651,695	1,315,251	N/A	None
Ryder Court International Select Fund	6,481,151	N/A	Monthly	30 days
RWC Emerging Markets Equity Fund, L.P.	2,721,491	N/A	Monthly	30 days

#### 7. Notes Receivable:

As of December 31, 2021 and 2020, the Home held two note receivables totaling \$227,238 which are shown net of allowance for doubtful accounts of \$71,813. Payments are due upon demand.

#### 8. Deferred Compensation:

The Home has established a supplemental executive retirement plan which allows certain employees to defer compensation until their normal retirement age. The Board of Governors signed a Letter of Appointment agreeing to annually fund an amount equal to 10% of the Chief Executive Officer's salary. During years 2021 and 2020, \$19,500 was deposited each year in a trust to fund this plan. The President of the Board of Governors, the Vice President of the Board of Governors and the Chief Financial Officer of the Home are each authorized to act as the trustee for this trust which was established during 2006.

#### 9. Split-Interest Agreements:

The Home has beneficial interests in various split-interest agreements. The contribution portion of an agreement is recognized as revenue when the Home has the unconditional right to receive benefits under the agreement and is measured at the expected future payments to be received. Any assets received under a trust agreement are recorded at fair value. Any liabilities to third party beneficiaries are recorded at the present value of the expected payments. All present value calculations are made using federal discount rates and life expectancy tables. During the term of the agreement, any changes in actuarial assumptions are recognized as "change in split interest agreements" in the statements of activities.



## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### **9. Split-Interest Agreements, Continued:**

The following is a summary of the terms of these agreements:

The Home is an income beneficiary of several perpetual trusts. These trusts make annual distributions to the Home based on the Home's percentage as stated in the trust document. The fair value of the Home's interest in these trusts has been recorded as an asset of the Home when the information is available. The Home is the remainder beneficiary of several charitable gift annuities and remainder trusts, dated 1999 through 2015. The discount rates for these agreements range from 5.80% to 9.00% over one life or two lives-last to die. The payout rates range from 5.00% to 9.50% and are paid monthly or quarterly. The total annuity payments for 2021 and 2020 were \$197,254 and \$200,310, respectively. Total liability recorded for these agreements were \$986,974 and \$1,080,203, as of December 31, 2021 and 2020, respectively.

The Home has also been named a remainder beneficiary or contingent beneficiary in various wills and split-interest agreements. No financial information is currently available for these interests.

#### **10. Endowment Funds:**

The Endowment includes net assets with donor restrictions and certain net assets without donor restrictions that have been designated for endowment by the Board of Governors. The Home's Board of Governors has interpreted the Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Home retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Home considers the following factors in deciding whether to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 10. Endowment Funds, Continued:

Beneficial interests in perpetual trusts and charitable remainder trusts are not included in the endowment funds.

Certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Home has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2021 and 2020, there were no underwater endowment funds.

The Home has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is the Consumer Price Index plus 5 percent on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

Changes in endowment net assets for fiscal year ended December 31, 2021 and 2020, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, January 1, 2020	\$ 55,154,930	\$ 2,536,130	\$ 57,691,060
Contributions	-	154,553	154,553
Investment return:			
Investment income	549,797	-	549,797
Net realized and unrealized gain	4,814,595	-	4,814,595
Investment fees	(76,970)	-	(76,970)
Amounts appropriated for expenditure	(3,032,583)	-	(3,032,583)
Balance, December 31, 2020	57,409,769	2,690,683	60,100,452
Contributions	-	79,579	79,579
Investment return:			
Investment income	654,373	-	654,373
Net realized and unrealized gain	8,184,972	-	8,184,972
Investment fees	(39,313)	-	(39,313)
Amounts appropriated for expenditure	(5,121,321)	-	(5,121,321)
Balance, December 31, 2021	\$ 61,088,480	\$ 2,770,262	\$ 63,858,742

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 11. Net Assets With Donor Restrictions:

The net assets of the Home are restricted as follows at December 31:

	2021	2020
Charitable remainder trusts	\$ 1,011,719	\$ 863,985
Endowment	2,770,262	2,690,683
Beneficial interest in perpetual trusts	7,455,767	6,923,690
	<u>\$ 11,237,748</u>	<u>\$ 10,478,358</u>

There were releases of restricted net assets of \$7,257 for 2021. There were releases of restricted net assets of \$65,630 for 2020.

#### 12. Commitments:

The Home has various operating lease agreements for office equipment that expire through 2023. Rental expense for these leases was \$38,302 and \$36,383 for the years ended December 31, 2021 and 2020, respectively. The future minimum payments for the leases at December 31, 2021, were as follows: \$34,633 for 2022 and \$23,546 for 2023.

#### 13. Retirement Plan:

The Home has a qualified defined contribution annuity plan covering all employees who have attained the age of 21. Contributions under the plan, both matching and nonmatching, are at the discretion of the Board of Governors. Matching contributions are equal to a percentage of the amount of an employee's elected salary deferral. Nonmatching contributions are allocated based on the ratio of the participant's compensation for the year to the compensation of all eligible participants for the year. The plan provides for graduated vesting in three years. Retirement plan expense for 2021 and 2020 was \$243,937 and \$265,529, respectively, and is included in the various categories of expenses in the statements of activities.

#### 14. Related Parties:

The Home receives support from the Grand Lodge A.F. & A.M. of Virginia (Grand Lodge) through a portion of members' dues. The dues are collected by Grand Lodge and submitted to the Home annually. The amounts received for the years 2021 and 2020 were \$226,753 and \$232,113, respectively. In addition, the Home receives rental income from the Grand Chapter Royal Arch Masons in Virginia, Grand Chapter Order of the Eastern Star, Eastern Star Home and Grand Commandery of Knights Templar in Virginia totaling \$30,997 and \$30,494 in 2021 and 2020, respectively.

#### 15. Liquidity and Availability of Financial Assets:

The Home has \$5,438,949 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure. The Home has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 15. Liquidity and Availability of Financial Assets, Continued:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2021 and 2020:

	2021	2020
Financial assets available within one year:		
Cash and cash equivalents	\$ 3,171,536	\$ 731,100
Accounts receivable	787,872	789,294
Notes receivable, net	227,238	227,238
Beneficial interest in perpetual trusts	7,455,767	6,923,690
Marketable securities	61,042,385	59,651,568
Assets held in trust	2,018,013	1,856,358
Total financial assets available within one year	74,702,811	70,179,248
Less those unavailable for general expenditure within		
Cash restricted for specific purpose	2,986,300	654,060
Accounts receivable not due within one year	152,459	446,683
Notes receivable not due within one year	227,238	227,238
Beneficial interest in perpetual trusts less		
amount of expected distribution within one year	7,127,307	6,614,611
Endowment less amount available for general		
expenditure within one year	56,752,545	53,064,502
Assets held in trust less amount of expected		
distribution within one year	2,018,013	1,856,358
Total amounts unavailable for general		
expenditures	69,263,862	62,863,452
Financial assets available within one year for		
general expenditure	\$ 5,438,949	\$ 7,315,796

The Home's endowment fund consists of donor-restricted endowments and funds designated by the Board of Governors as endowments. Donor-restricted endowment funds are not available for general expenditure.

The Home's board-designated endowment of \$61,088,480 and \$57,409,769 as of December 31, 2021 and 2020 is subject to annual spending. Although the Home does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 16. **Litigation:**

During July 2019, the Home was notified that it was named beneficiary to its share of an estate valued at \$1,870,000. Subsequently, family members of the deceased contested the will. The Home engaged legal counsel and resolved the matter during 2020. Proceeds from the estate are included in contributions in the accompanying statements of activities for the year ended December 31, 2020.

#### 17. **Families First Coronavirus Response Act Grant:**

The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, enacted on March 27, 2020, provides for Families First Coronavirus Response Act (“FFRCA”) which offers eligible employers refundable tax credits that reimburse them, up to \$10,000 per employee, for the cost of providing paid sick, family, and medical leave wages to their employees for leave related to COVID-19. The Company has presented the FFCRA credits in the amount of \$12,565 and \$62,002 as support in the accompanying statements of activities at December 31, 2021 and 2020, respectively.

#### 18. **Accounting Standards Update:**

**Leases:** In February 2016, the FASB issued ASU 2016-02 “Leases”, which requires that all leasing activity with initial terms in excess of twelve months be recognized on the statement of financial position with a right of use asset and a lease liability. The standard will require entities to classify leases as either a finance, or operating lease based upon the contractual terms. The standard is effective for non-profit entities for fiscal years beginning after December 15, 2021, with early adoption permitted. The Home is currently evaluating the implications of this new standard.

**In-Kind Disclosure Requirements:** In September 2020, the FASB issued new guidance related to contributions of non-financial assets received (ASU 2020-07) which amends previous guidance concerning presentation and disclosure of non-financial assets received. Specifically, the amendments require (1) presentation as a separate line item of contributed non-financial assets and (2) disclosure of information about each category of non-financial assets. The new standard will be effective for periods beginning after June 15, 2021 and will require entities to use a retrospective approach to the earliest period presented. The Home is currently evaluating the reporting and economic implications of the new standard.

# Masonic Home of Virginia

## Financial Statements

December 31, 2020 and 2019



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Glen Allen, Virginia 23060  
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## MASONIC HOME OF VIRGINIA

### *Board of Governors*

**2021**  
Frank L. Wright, Jr.  
Roy B. Henderson, Jr.  
Samuel M. Jones

**2022**  
Lambros G. Deligan  
Gino W. Williams  
Sheldon B. Richman

**2023**  
James F. Dickerson  
Steven W. McGowan  
Harris T. Luscomb, III

### *Ex-Officio Members*

Grand Master  
Deputy Grand Master  
Grand Senior Warden  
Grand Junior Warden  
Deputy Scottish Rite  
Grand High Priest  
Grand Commander

Doug V. Jones  
James W. Golladay, Jr.  
Donald E. Strehle  
Jack K. Lewis  
Alan W. Adkins  
Edmund Cohen  
J. Jeffrey McClellan

### *Officers*

President  
Vice President  
Secretary  
Treasurer

Samuel M. Jones  
Frank L. Wright, Jr.  
Sheldon B. Richman  
Gino W. Williams

### *Chief Executive Officer*

Anne B. Hagen

# MASONIC HOME OF VIRGINIA

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## REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Governors  
Masonic Home of Virginia  
Richmond, Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Masonic Home of Virginia (the "Home"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Home as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

A handwritten signature in black ink, appearing to read "Keita", with a stylized, cursive script.

April 28, 2021  
Glen Allen, Virginia

## MASONIC HOME OF VIRGINIA

### Statements of Financial Position December 31, 2020 and 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 731,100	\$ 792,098
Accounts receivable, current	342,611	637,098
Prepaid expenses	<u>229,497</u>	<u>122,174</u>
Total current assets	1,303,208	1,551,370
Investments:		
Marketable securities	59,651,568	57,713,268
Assets held in trust	1,856,358	1,702,629
Beneficial interest in perpetual trusts	6,923,690	6,371,674
Property and equipment, net	16,196,693	16,825,247
Accounts receivable, less current portion	446,683	390,859
Notes receivable, net	227,238	227,238
Real estate held for sale	215,488	598,999
Other assets	<u>349,508</u>	<u>349,508</u>
Total assets	<u>\$ 87,170,434</u>	<u>\$ 85,730,792</u>

See accompanying notes to financial statements.

**MASONIC HOME OF VIRGINIA**

Statements of Financial Position, Continued  
December 31, 2020 and 2019

<u>Liabilities and Net Assets</u>	<u>2020</u>	<u>2019</u>
Current liabilities:		
Accounts payable	\$ 628,418	\$ 953,850
Accrued payroll	254,888	224,636
Accrued compensated absences	402,175	350,253
Escrow deposits	45,000	41,000
Accrued pension expense	<u>128,337</u>	<u>128,661</u>
Total current liabilities	1,458,818	1,698,400
Contract liabilities:		
Advance fees - Cornerstone residents	2,318,230	2,543,833
Advance fees - paying residents	2,716,627	3,585,340
Liability under split interest agreements	1,080,203	1,128,442
Deferred compensation liability	<u>494,292</u>	<u>401,254</u>
Total liabilities	<u>8,068,170</u>	<u>9,357,269</u>
Net assets:		
Without donor restrictions:		
Undesignated	11,214,137	11,476,019
Designated by the Board for endowment	<u>57,409,769</u>	<u>55,154,930</u>
Total without donor restrictions	<u>68,623,906</u>	<u>66,630,949</u>
With donor restrictions:		
Time-restricted for future periods	863,985	834,770
Perpetual in nature	<u>9,614,373</u>	<u>8,907,804</u>
Total with donor restrictions	<u>10,478,358</u>	<u>9,742,574</u>
Total net assets	<u>79,102,264</u>	<u>76,373,523</u>
	<u>\$ 87,170,434</u>	<u>\$ 85,730,792</u>

See accompanying notes to financial statements.

## MASONIC HOME OF VIRGINIA

### Statement of Activities Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenue:</b>			
Masonic Home residents	\$ 7,059,243	\$ -	\$ 7,059,243
Grand Lodge assessments	232,113	-	232,113
Contributions	2,328,465	184,790	2,513,255
Families First Coronavirus Response Act grant	62,002	-	62,002
Other resident services	140,839	-	140,839
	<u>9,822,662</u>	<u>184,790</u>	<u>10,007,452</u>
Total support and revenue			
Net assets released from restrictions	<u>65,630</u>	<u>(65,630)</u>	<u>-</u>
<b>Expenses:</b>			
Program services	11,649,378	-	11,649,378
Supporting services:			
Management and general	1,458,931	-	1,458,931
Fundraising	223,420	-	223,420
	<u>13,331,729</u>	<u>-</u>	<u>13,331,729</u>
Total expenses			
Change in net assets before other income	(3,443,437)	119,160	(3,324,277)
<b>Other income (loss):</b>			
Investment return, net	5,296,258	-	5,296,258
Income from trusts	412,321	-	412,321
Change in split interest agreements	(79,453)	616,624	537,171
Loss on disposal of property and equipment	(159,119)	-	(159,119)
Loss on real estate held for sale	(33,613)	-	(33,613)
	<u>5,436,394</u>	<u>616,624</u>	<u>6,053,018</u>
Total other income			
Change in net assets	1,992,957	735,784	2,728,741
Net assets at beginning of year	<u>66,630,949</u>	<u>9,742,574</u>	<u>76,373,523</u>
Net assets at end of year	<u>\$ 68,623,906</u>	<u>\$ 10,478,358</u>	<u>\$ 79,102,264</u>

See accompanying notes to financial statements.

## MASONIC HOME OF VIRGINIA

### Statement of Activities Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Masonic Home residents	\$ 7,009,261	\$ -	\$ 7,009,261
Grand Lodge assessments	240,473	-	240,473
Contributions	1,314,808	438,778	1,753,586
Other resident services	168,732	-	168,732
Total support and revenue	8,733,274	438,778	9,172,052
<b>Expenses:</b>			
Program services	12,124,137	-	12,124,137
Supporting services:			
Management and general	1,516,145	-	1,516,145
Fundraising	241,677	-	241,677
Total expenses	13,881,959	-	13,881,959
Change in net assets before other losses	(5,148,685)	438,778	(4,709,907)
<b>Other income (loss):</b>			
Investment return, net	7,540,188	-	7,540,188
Income from trusts	186,615	-	186,615
Change in split interest agreements	(263,303)	1,040,562	777,259
Loss on disposal of property and equipment	(129,145)	-	(129,145)
Loss on real estate held for sale	(276,777)	-	(276,777)
Total other losses	7,057,578	1,040,562	8,098,140
Change in net assets	1,908,893	1,479,340	3,388,233
Net assets at beginning of year	64,722,056	8,263,234	72,985,290
Net assets at end of year	\$ 66,630,949	\$ 9,742,574	\$ 76,373,523

See accompanying notes to financial statements.

**MASONIC HOME OF VIRGINIA**

Statement of Functional Expenses  
Year Ended December 31, 2020

	Program	Supporting Services		Total Expenses
		Management and General	Fundraising	
Salaries and wages	\$ 5,975,115	\$ 904,838	\$ 142,310	\$ 7,022,263
Employee pension	220,884	38,204	6,441	265,529
Employee insurance	890,308	106,753	9,296	1,006,357
Payroll taxes	505,716	63,350	11,004	580,070
Legal fees	46,987	7,926	1,698	56,611
Accounting fees	33,398	5,633	1,207	40,238
Bank fees	7,334	1,237	265	8,836
Contract fees	201,935	20,955	3,810	226,700
Advertising and promotion	100,602	-	5,079	105,681
Office expenses	24,729	82,887	32,632	140,248
Utilities	369,393	-	-	369,393
Travel	1,201	9,679	937	11,817
Depreciation	1,066,981	-	-	1,066,981
Insurance	223,922	37,770	8,094	269,786
Resident medical	623,063	-	-	623,063
Food	790,488	1,101	-	791,589
Equipment lease and maintenance	209,594	11,661	-	221,255
Buildings and grounds	123,919	-	-	123,919
Resident activities	93,471	-	-	93,471
Other	140,338	166,937	647	307,922
	<u>\$ 11,649,378</u>	<u>\$ 1,458,931</u>	<u>\$ 223,420</u>	<u>\$ 13,331,729</u>

See accompanying notes to financial statements.

**MASONIC HOME OF VIRGINIA**

Statement of Functional Expenses  
Year Ended December 31, 2019

	Program	Supporting Services		Total Expenses
		Management and General	Fundraising	
Salaries and wages	\$ 5,947,433	\$ 936,597	\$ 139,220	\$ 7,023,250
Employee pension	200,067	60,077	5,858	266,002
Employee insurance	969,390	110,824	10,608	1,090,822
Payroll taxes	453,665	64,834	10,685	529,184
Legal fees	24,677	4,162	892	29,731
Accounting fees	44,352	7,481	1,603	53,436
Bank fees	6,935	1,170	251	8,356
Contract fees	253,250	6,333	1,041	260,624
Advertising and promotion	116,917	-	5,714	122,631
Office expenses	25,149	81,318	43,208	149,675
Utilities	467,764	-	-	467,764
Travel	6,070	22,329	12,881	41,280
Depreciation	1,059,014	-	-	1,059,014
Insurance	215,136	36,288	7,776	259,200
Resident medical	738,289	-	-	738,289
Food	1,045,947	4,436	-	1,050,383
Equipment lease and maintenance	203,220	11,682	-	214,902
Buildings and grounds	116,102	-	-	116,102
Resident activities	97,830	-	-	97,830
Other	132,930	168,614	1,940	303,484
	<u>\$ 12,124,137</u>	<u>\$ 1,516,145</u>	<u>\$ 241,677</u>	<u>\$ 13,881,959</u>

See accompanying notes to financial statements.



**MASONIC HOME OF VIRGINIA**

Statements of Cash Flows  
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 2,728,741	\$ 3,388,233
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized and unrealized investment gain	(5,365,006)	(6,870,283)
Real estate held for sale from incoming residents	(388,276)	(1,618,041)
Loss on sale of real estate held for sale	33,613	276,777
Depreciation	1,066,981	1,059,014
Loss on disposal of property and equipment	159,119	129,145
Change in split-interest agreements	(955,230)	(963,874)
Contributions restricted for long-term purposes	(154,553)	(353,148)
Changes in assets and liabilities:		
Accounts receivable	238,663	(166,499)
Prepaid expenses	(107,323)	(4,061)
Accounts payable	(325,432)	77,480
Accrued payroll	30,252	22,223
Accrued compensated absences	51,922	(4,782)
Accrued pension expense	(324)	(770)
Escrow deposits	4,000	4,000
Advance fees - cornerstone	(225,603)	(256,458)
Advance fees - paying	(868,713)	90,015
Deferred compensation liability	19,500	18,941
Net cash used in operating activities	(4,057,669)	(5,172,088)
Cash flows from investing activities:		
Purchases of property and equipment	(597,546)	(1,224,457)
Purchases of investments	(3,160,475)	(779,999)
Proceeds from sales of investments	6,644,216	4,663,685
Distributions received from perpetual trusts	418,059	186,615
Proceeds from sale of real estate held for sale	738,174	1,898,613
Net cash provided by investing activities	4,042,428	4,744,457
Cash flows from financing activities:		
Gifts to permanent endowment	154,553	353,148
Payments of annuity liabilities	(200,310)	(193,146)
Net cash (used in) provided by financing activities	(45,757)	160,002
Net change in cash and cash equivalents	(60,998)	(267,629)
Cash and cash equivalents, beginning of year	792,098	1,059,727
Cash and cash equivalents, end of year	\$ 731,100	\$ 792,098

See accompanying notes to financial statements.

# MASONIC HOME OF VIRGINIA

## Notes to Financial Statements

### 1. Nature of Organization:

The Masonic Home of Virginia (the "Home") was founded in 1890 as a nonprofit organization supported by the Masons of Virginia. The primary mission of the Home is to enhance the retirement lives of Virginia Masons and their families by providing a quality continuing care retirement community for their residents or necessary in-home assistance and care.

In March 2020, COVID-19 was declared a worldwide health pandemic and has had a significant impact on the national and global economy. In late February and early March 2020, global financial markets reacted sharply to the news that the virus has spread to many countries as well as concerns regarding the economic impact this may have on a global scale. There are direct and indirect economic effects developing for various industries and individual companies throughout the world. Management will continue to monitor the impact COVID-19 has on the Home and reflect the consequences as appropriate in the Home's accounting and financial reporting. The ultimate impact of COVID-19 on the Home's financial statements is unknown at this time.

### 2. Summary of Significant Accounting Policies:

**Basis of Accounting:** The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

**Basis of Presentation:** The financial statements are presented in accordance with FASB guidance, which establishes standards for financial statements issued by nonprofit organizations. It requires that net assets and related revenue and expenses be classified in two classes of net assets – net assets without donor restrictions and net assets with donor restrictions based upon the existence or absence of donor-imposed restrictions. A definition and description of each net asset class follows:

**Net Assets Without Donor Restrictions:** Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions include the revenues and expenses of the primary operations of the Home. If the Board specifies a purpose where none has been stated by the original donor, such assets are classified as Board designated within net assets without donor restrictions. Board designated assets totaled \$57,409,769 at December 31, 2020 and \$55,154,930 at December 31, 2019 to be used for general operations in support of the Home's mission.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Net Assets with Donor Restrictions:** Net assets that are subject to donor-imposed stipulations that may or will be met either by actions of the Home and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as without donor restrictions. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that they must be maintained permanently by the Home to use all or part of the income earned on any related investments for general or specific purposes, in accordance with the conditions of each specific donation.

**Adoption of New Accounting Standard:** In August 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"), which modifies the disclosure requirements for fair value measurements and is effective for years beginning after December 15, 2019, with early adoption permitted. The major change is that a rollforward for Level 3 fair value measurements is not required for nonpublic entities, instead required disclosure is limited to transfers into and out of Level 3 of the fair value hierarchy and purchase and issues of Level 3 assets and liabilities. The Home has adopted this ASU as of and for the year ended December 31, 2020, with the presentation shown retrospectively.

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

**Cash and Cash Equivalents:** The Home considers all highly liquid securities purchased with a maturity of three months or less to be cash equivalents.

**Accounts Receivable:** Accounts receivable represents the cash surrender value of life insurance policies to which the Home is named as the beneficiary, wills and bequests that were due to the Home as of December 31, 2020 and 2019 and other miscellaneous receivables. At December 31, 2020 and 2019, management determined that no allowance for uncollectible accounts was considered necessary. Management determined the discount on future expected cash flows for accounts receivable at December 31, 2020 and 2019 was immaterial; therefore, no discount was considered necessary.

**Property and Equipment:** Property and equipment are stated at cost or, if donated, appraised value at date of gift. Major repairs and betterments are capitalized and normal maintenance and repairs are charged to expense as incurred. Depreciation of the buildings and equipment is computed by the straight-line method over the estimated useful lives of the related assets, which range from 3 to 40 years.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Investments:** The Home's investments are reported at fair value in the statements of financial position. Certain less marketable investments are generally carried at values determined by the investment manager as described in Note 6.

Unrealized gains and losses are reported in the statements of activities net of investment fees. Investment fees of \$76,970 for 2020 and \$84,493 for 2019 have been netted against investment return in the statements of activities.

Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that the value of investment securities reported on the financial statements could change in the near term.

**Contributions:** The Home recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the nature of the contribution. When a restriction expires, net assets with donor restrictions are classified as net assets without donor restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as without donor restrictions. Unconditional promises to give are recorded when the promise is made. Unconditional promises to give due in the next year are reflected as current contributions receivable and long term unconditional promises to give are recorded at their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. There were no material conditional promises to give during 2020 and 2019.

Contributions of assets other than cash are recorded at their estimated fair market value at the time of donation.

**Revenue Recognition:** Resident service revenues are reported at the amount that reflects the consideration the Home expects to receive in exchange for the services provided. These amounts are due from residents on a monthly basis. Performance obligations are determined based on the nature of the services provided and revenue is recognized as the performance obligations are satisfied.

Resident service revenues are primarily comprised of the following revenue streams:

*Residential living:* Residential living revenues are primarily derived from providing housing and services to residents. The Home determined the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, residential living monthly fees are recognized on a month-to-month basis.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Revenue Recognition, Continued: Assisted living:** Assisted living revenues are primarily derived from providing housing and personal care services to residents at a stated monthly fee. The Home determined the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, assisted living monthly fees are recognized on a month-to-month basis.

**Skilled nursing:** Skilled nursing revenues are primarily derived from providing housing and nursing services to residents. The Home determined the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, skilled nursing services monthly fees are recognized on a month-to-month basis.

**Other resident services:** Other resident services include services such as phone bills, personal items, guest meal tickets, dry cleaning, postage, and other incidental charges to residents. The Home has determined that other resident services are considered one performance obligation which is satisfied over time as services are provided. Therefore, other resident services revenues are recognized on a daily basis as the services are rendered.

Certain residents are approved by the Board of Governors under the Cornerstone payment program, which has similar characteristics to a life-care agreement. Upon admission, residents transfer 100% of any real estate holdings and 100% of all life insurance policies on their life. Additionally, these residents transfer a percentage of their remaining assets and pledge the same percentage of all of their future income. The percentage of other asset transfer and future income pledge is dependent on the level of care. In 2020 and 2019, the percentages ranged from 75% for Residential Care to 90% for the Care Center. The asset and income transfers cover services provided to Cornerstone residents and no other service fees are billed except television, telephone services, newspaper and miscellaneous hygiene items.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Revenue Recognition, Continued:** The Home disaggregates revenue from contracts with customers by type of service and the nature and payment source as this depicts the nature, amount, and timing and uncertainty of its revenues and cash flows as affected by economic factors. Resident revenues consist of the following for the years ended December 31, 2020 and 2019:

	2020	2019
<b>Paying:</b>		
Residential living	\$ 2,566,953	\$ 2,617,633
Assisted living	440,282	476,312
Skilled nursing	730,182	854,081
	\$ 3,737,417	\$ 3,948,026
	2020	2019
<b>Cornerstone:</b>		
Residential living	\$ 1,235,807	\$ 1,228,435
Assisted living	1,274,148	812,863
Skilled nursing	606,880	889,218
Other	204,991	130,719
	\$ 3,321,826	\$ 3,061,235

Contract assets include real estate held for sale. Contract liabilities include advance fees from Cornerstone and paying residents.

**Advance Fees:** Certain independent living and apartment units require a one-time entrance fee that becomes nonrefundable after the first six months of occupancy. Revenue from nonrefundable advance fees for residents outside of the Cornerstone program are recognized through amortization of the nonrefundable advance fee using a straight-line method over the estimated tenure that the resident is expected to remain in their unit or level of care. For 2020 and 2019, nonrefundable advance fees were amortized over a six-year period. The unamortized portion is classified as advance fees – paying resident on the statements of financial position. Amortization of nonrefundable advance fees from residents outside of the Cornerstone program included in resident service revenues was \$1,001,292 in 2020 and \$1,052,485 in 2019. Refundable amounts under these contracts are not amortized to revenue and amounted to \$106,285 at December 31, 2020 and \$354,393 at December 31, 2019.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Advance Fees, Continued:** Upon admission, Cornerstone residents transfer 100% of any real estate holdings and 100% of all life insurance policies on their life. Revenue from nonrefundable advance fees received from Cornerstone residents are recognized through amortization of the nonrefundable advance fee using the straight-line method over annually adjusted estimated life expectancies of the residents which during the contractual term of the contract approximates the period of time the goods or services under the agreements are expected to be transferred to residents. The unamortized portion is classified as advance fees – Cornerstone residents on the statements of financial position. Amortization of nonrefundable advance fees from Cornerstone residents included in resident service revenues was \$1,301,230 in 2020 and \$1,062,644 in 2019.

**Real Estate Swap:** During 2012, the Home began offering applicants the opportunity to swap their primary residence to pay all or part of their entrance fees for certain independent living units. During each of 2020 and 2019, the Home accepted one and nine properties, respectively, in swap transactions. The properties that have not been sold are included in real estate held for sale, net as of December 31, 2020 and 2019.

**Obligation to Provide Future Services:** The Home annually calculates the present value of the net cost of future services and the use of facilities to be provided to current Cornerstone 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 deferred advance fees from Cornerstone residents, a liability is recorded (obligation to provide future services and use of facilities) with a corresponding charge to income. This calculation did not result in any liability as of December 31, 2020 or 2019.

**Advertising:** The Home expenses advertising costs as they are incurred. Advertising costs amounted to \$105,681 in 2020 and \$122,631 in 2019.

**Functional Expenses:** The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, the majority of the expenses have been applied to the programs and supporting services on a direct cost basis. General insurance, legal fees, accounting fees, and financial institution fees are allocated on a benefited cost basis. Payroll processing and support expense is allocated based on headcount.

**Income Taxes:** The Home is exempt from income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code per a determination letter dated February 27, 2007.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Income Tax Uncertainties:** The Home follows the FASB guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Home's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. Management has evaluated the Home's tax position and concluded that the Home had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provision of this guidance. The Home is not currently under audit by any tax jurisdiction.

**Concentration of Credit Risk:** At times the Home had cash and cash equivalents in excess of federally insured limits. The Home's cash and investments are invested with several institutions, and management monitors their credit ratings in order to mitigate this concentration of credit risk. Investments consist of marketable securities that are not heavily concentrated in any one company or industry.

**Subsequent Events:** Management has evaluated subsequent events through April 28, 2021, the date the financial statements were available to be issued, and has determined that there are no subsequent events to be reported in the accompanying financial statements.

#### 3. Real Estate Held for Sale and Other Assets:

Real estate held for sale was \$215,488 and \$598,999 at December 31, 2020 and 2019, respectively. Real estate is recorded at its estimated fair market value on the date of gift or the date of transfer from an incoming resident. Real estate held for sale is reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by an amount by which the carrying amount of the assets exceeds the fair value of the assets. There were no impairment losses in 2020. Impairment losses amounted \$80,000 in 2019. Impairment losses are included in loss on real estate held for sale on the statements of activities.

Other assets primarily consist of cemetery plots. These items are recorded at their estimated fair market value at the date of gift.



## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 4. Property and Equipment:

Property and equipment at December 31, 2020 and 2019, consist of the following:

	2020	2019
Land and land improvements	\$ 1,688,609	\$ 1,708,037
Buildings and improvements	34,012,104	33,827,723
Furnishings and equipment	4,502,437	4,355,974
Vehicles	359,743	359,743
Construction in progress	243,267	749,781
	40,806,160	41,001,258
Less accumulated depreciation	(24,609,467)	(24,176,011)
Property and equipment, net	\$ 16,196,693	\$ 16,825,247

#### 5. Investments:

Investments in marketable securities at December 31, 2020 and 2019, consist of the following:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	\$ 22,188,872	\$ 25,627,819	\$ 23,110,944	\$ 26,463,136
Investment partnerships	25,523,103	30,312,226	24,496,682	26,544,014
Corporate stocks	4,017,043	3,711,523	5,783,549	4,706,118
	\$ 51,729,018	\$ 59,651,568	\$ 53,391,175	\$ 57,713,268

The Home is trustee of three charitable remainder trusts under which the Home is named as the remainder beneficiary. The trust assets are held by a third-party custodian in separate trust accounts. The total market value of these trust assets was \$1,362,066 and \$1,301,375 at December 31, 2020 and 2019, respectively. Assets held in trust also include deferred compensation trust assets of \$494,292 and \$401,254 at December 31, 2020 and 2019, respectively.

#### 6. Fair Value Measurements:

The Home follows FASB guidance with respect to fair value measurements. This guidance provides a framework for measuring fair value under GAAP, for all financial assets and liabilities measured at fair value on a recurring basis.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 6. Fair Value Measurements, Continued:

The guidance establishes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level that is significant to the fair value measurement of the asset or liability.

Classification of assets and liabilities within the hierarchy considers the market in which the assets or liabilities are traded and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy are defined as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Home has the ability to access.

Level 2 - Inputs to the valuation methodology are quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets. There were no assets or liabilities classified as Level 2 at December 31, 2020 and 2019.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value:

**Mutual funds and corporate stocks:** Valued at the closing price reported on the active market on which the individual securities are traded.

**Investment partnerships:** Valued at the net asset value (NAV) of units held by the Home at year-end.

**Beneficial interests in perpetual trusts:** Valued by estimating future cash flows from the trusts (which hold diversified portfolios) and discounting them to perpetuity using a market participant's expected return on endowments and investments. This has typically been measured by the fair value of the underlying assets in the trust.

**Liability under split interest agreements:** Valued at the present value of future payments expected under the agreements.

**Deferred compensation liability:** Valued at the current value of investments held in trust to fund deferred compensation plans.

**Trust assets held:** Valued at closing price reported on the active market on which individual securities are traded.

**MASONIC HOME OF VIRGINIA**

Notes to Financial Statements, Continued

**6. Fair Value Measurements, Continued:**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Home believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets and liabilities measured at fair value at December 31, 2020, include the following:

	Level 1	Level 3	Total
<b>Assets:</b>			
Investments:			
Mutual funds	\$ 25,627,819	\$ -	\$ 25,627,819
Corporate stocks	3,711,523	-	3,711,523
Investments in partnerships measured at net asset value*	-	-	30,312,226
Total investments at fair value	29,339,342	-	59,651,568
Beneficial interest in perpetual trust	-	6,923,690	6,923,690
Trust assets held	1,856,358	-	1,856,358
<b>Total assets at fair value</b>	<b>\$ 31,195,700</b>	<b>\$ 6,923,690</b>	<b>\$ 68,431,616</b>
<b>Liabilities:</b>			
Deferred compensation liability	\$ 494,292	\$ -	\$ 494,292
Liability under split interest agreements	-	1,080,203	1,080,203
<b>Total liabilities at fair value</b>	<b>\$ 494,292</b>	<b>\$ 1,080,203</b>	<b>\$ 1,574,495</b>

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 6. Fair Value Measurements, Continued:

Assets and liabilities measured at fair value at December 31, 2019, include the following:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>			
Investments:			
Mutual funds	\$ 26,463,136	\$ -	\$ 26,463,136
Corporate stocks	4,706,118	-	4,706,118
Investments in partnerships measured at net asset value*	-	-	26,544,014
Total investments at fair value	<u>31,169,254</u>	<u>-</u>	<u>57,713,268</u>
Beneficial interest in perpetual trust	-	6,371,674	6,371,674
Trust assets held	<u>1,702,629</u>	<u>-</u>	<u>1,702,629</u>
<b>Total assets at fair value</b>	<b><u>\$ 32,871,883</u></b>	<b><u>\$ 6,371,674</u></b>	<b><u>\$ 65,787,571</u></b>
<b>Liabilities:</b>			
Deferred compensation liability	\$ 401,254	\$ -	\$ 401,254
Liability under split interest agreements	<u>-</u>	<u>1,128,442</u>	<u>1,128,442</u>
<b>Total liabilities at fair value</b>	<b><u>\$ 401,254</u></b>	<b><u>\$ 1,128,442</u></b>	<b><u>\$ 1,529,696</u></b>

\*As per FASB ASU 2015-07, which eliminated the requirement to categorize investments in the fair value hierarchy if their fair value is measured using NAV per share as a practical expedient, certain investments that are measured at NAV have not been classified in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

During 2020 and 2019, the Home collected distributions of \$418,059 and \$186,615, respectively, which were classified as beneficial interest in perpetual trust, and paid annuitants \$200,310 and \$193,146, respectively, which were classified as liability under split interest agreements.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 6. Fair Value Measurements, Continued:

The following table summarizes investments measured at fair value based on NAV per share and not registered with the Securities and Exchange Commission ("SEC") as of December 31, 2020 and 2019, respectively:

As of December 31, 2020

Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Kayne Anderson Mezzanine Partners, L.P.	\$ 13,104	\$ 64,812	N/A	None
Aether Real Assets I, L.P.	742,487	N/A	N/A	None
Magnitude International Class A	9,522,996	N/A	Quarterly	65 days
WCP Real Estate Fund IV, L.P.	4,484,276	N/A	N/A	None
Greenspring Global Partners VII-B, L.P.	2,803,750	80,000	N/A	None
Harvest MLP Income Fund LLC	1,891,276	N/A	Monthly	30 days
RCP Fund XII, L.P.	1,651,695	1,315,251	N/A	None
Ryder Court International Select Fund	6,481,151	N/A	Monthly	30 days
RWC Emerging Markets Equity Fund, L.P.	2,721,491	N/A	Monthly	30 days

As of December 31, 2019

Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Kayne Anderson Mezzanine Partners, L.P.	\$ 15,426	\$ 64,812	N/A	None
Aether Real Assets I, L.P.	990,934	N/A	N/A	None
Magnitude International Class A	8,716,654	N/A	Quarterly	65 days
WCP Real Estate Fund IV, L.P.	4,597,237	N/A	N/A	None
Greenspring Global Partners VII-B, L.P.	2,338,920	180,000	N/A	None
Harvest MLP Income Fund LLC	2,531,423	N/A	Monthly	30 days
RCP Fund XII, L.P.	906,321	2,010,000	N/A	None
Ryder Court International Select Fund	4,560,106	N/A	Monthly	30 days
RWC Emerging Markets Equity Fund, L.P.	1,886,993	N/A	Monthly	30 days

#### 7. Notes Receivable:

As of December 31, 2020 and 2019, the Home held two note receivables totaling \$227,238 which is shown net of allowance for doubtful accounts of \$71,813. Payments are due upon demand.

#### 8. Deferred Compensation:

The Home has established a supplemental executive retirement plan which allows certain employees to defer compensation until their normal retirement age. The Board of Governors signed a Letter of Appointment agreeing to annually fund an amount equal to 10% of the Chief Executive Officer's salary. During years 2020 and 2019, \$19,500 and \$18,941, respectively, was deposited in a trust to fund this plan. The President of the Board of Governors, the Vice President of the Board of Governors and the Chief Financial Officer of the Home are each authorized to act as the trustee for this trust which was established during 2006.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 9. Split-Interest Agreements:

The Home has beneficial interests in various split-interest agreements. The contribution portion of an agreement is recognized as revenue when the Home has the unconditional right to receive benefits under the agreement and is measured at the expected future payments to be received. Any assets received under a trust agreement are recorded at fair value. Any liabilities to third party beneficiaries are recorded at the present value of the expected payments. All present value calculations are made using federal discount rates and life expectancy tables. During the term of the agreement, any changes in actuarial assumptions are recognized as "change in split interest agreements" in the statements of activities.

The following is a summary of the terms of these agreements:

The Home is an income beneficiary of several perpetual trusts. These trusts make annual distributions to the Home based on the Home's percentage as stated in the trust document. The fair value of the Home's interest in these trusts has been recorded as an asset of the Home when the information is available. The Home is the remainder beneficiary of several charitable gift annuities and remainder trusts, dated 1999 through 2015. The discount rates for these agreements range from 5.80% to 9.00% over one life or two lives-last to die. The payout rates range from 5.00% to 9.50% and are paid monthly or quarterly. The total annuity payments for 2020 and 2019 were \$200,310 and \$193,146, respectively. Total liability recorded for these agreements were \$1,080,203 and \$1,128,442, as of December 31, 2020 and 2019, respectively.

The Home has also been named a remainder beneficiary or contingent beneficiary in various wills and split-interest agreements. No financial information is currently available for these interests.

#### 10. Endowment Funds:

The Endowment includes net assets with donor restrictions and certain net assets without donor restrictions that have been designated for endowment by the Board of Governors. The Home's Board of Governors has interpreted the Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Home retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 10. Endowment Funds, Continued:

The Home considers the following factors in deciding whether to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Beneficial interests in perpetual trusts and charitable remainder trusts are not included in the endowment funds.

Certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Home has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2020 and 2019, there were no underwater endowment funds.

The Home has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is the Consumer Price Index plus 5 percent on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

**MASONIC HOME OF VIRGINIA**

Notes to Financial Statements, Continued

**10. Endowment Funds, Continued:**

Changes in endowment net assets for fiscal year ended December 31, 2020 and 2019, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, January 1, 2019	\$ 52,817,453	\$ 2,182,982	\$ 55,000,435
Contributions	-	353,148	353,148
Investment return:			
Investment income	745,948	-	745,948
Net realized and unrealized gain	6,870,377	-	6,870,377
Investment fees	(84,493)	-	(84,493)
Amounts appropriated for expenditure	<u>(5,194,355)</u>	<u>-</u>	<u>(5,194,355)</u>
Balance, December 31, 2019	55,154,930	2,536,130	57,691,060
Contributions	-	154,553	154,553
Investment return:			
Investment income	549,797	-	549,797
Net realized and unrealized gain	4,814,595	-	4,814,595
Investment fees	(76,970)	-	(76,970)
Amounts appropriated for expenditure	<u>(3,032,583)</u>	<u>-</u>	<u>(3,032,583)</u>
Balance, December 31, 2020	<u>\$ 57,409,769</u>	<u>\$ 2,690,683</u>	<u>\$ 60,100,452</u>

**11. Net Assets With Donor Restrictions:**

The net assets of the Home are restricted as follows at December 31:

	<u>2020</u>	<u>2019</u>
Charitable remainder trusts	\$ 863,985	\$ 834,770
Endowment	2,690,683	2,536,130
Beneficial interest in perpetual trusts	<u>6,923,690</u>	<u>6,371,674</u>
	<u>\$ 10,478,358</u>	<u>\$ 9,742,574</u>

There were releases of restricted net assets of \$65,630 for the year ending 2020. There were no releases of restricted net assets for the year ending 2019



## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 12. Commitments:

The Home has various operating lease agreements for office equipment that expire through 2023. Rental expense for these leases was \$36,383 and \$37,270 for the years ended December 31, 2020 and 2019, respectively. The future minimum payments for the leases at December 31, 2020, were as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 33,815
2022	34,830
2023	<u>24,102</u>
	<u>\$ 92,747</u>

At December 31, 2020, the Home had no amounts due to contractors for construction projects that were not yet complete. At December 31, 2019, the Home had \$115,881 due to contractors for construction projects that were not yet complete.

#### 13. Retirement Plan:

The Home has a qualified defined contribution annuity plan covering all employees who have attained the age of 21. Contributions under the plan, both matching and nonmatching, are at the discretion of the Board of Governors. Matching contributions are equal to a percentage of the amount of an employee's elected salary deferral. Nonmatching contributions are allocated based on the ratio of the participant's compensation for the year to the compensation of all eligible participants for the year. The plan provides for graduated vesting in three years. Retirement plan expense for 2020 and 2019 was \$265,529 and \$266,002, respectively, and is included in the various categories of expenses in the statements of activities.

#### 14. Related Parties:

The Home receives support from the Grand Lodge A.F. & A.M. of Virginia (Grand Lodge) through a portion of members' dues. The dues are collected by Grand Lodge and submitted to the Home annually. The amounts received for the years 2020 and 2019 were \$232,113 and \$240,473, respectively. In addition, the Home receives rental income from the Grand Chapter Royal Arch Masons in Virginia, Grand Chapter Order of the Eastern Star, Eastern Star Home and Grand Commandery of Knights Templar in Virginia totaling \$30,494 and \$30,640 in 2020 and 2019, respectively.

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### 15. Liquidity and Availability of Financial Assets:

The Home has \$3,974,246 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure. The Home has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2020 and 2019:

	2020	2019
Financial assets available within one year:		
Cash and cash equivalents	\$ 731,100	\$ 792,098
Accounts receivable	789,294	1,027,957
Notes receivable, net	227,238	227,238
Beneficial interest in perpetual trusts	6,923,690	6,371,674
Marketable securities	59,651,568	57,713,268
Assets held in trust	1,856,358	1,702,629
Total financial assets available within one year	70,179,248	67,834,864
Less those unavailable for general expenditure within		
Cash restricted for specific purpose	654,060	180,236
Cash not available related to refundable advance fees	2,716,627	3,585,340
Accounts receivable not due within one year	446,683	390,859
Notes receivable not due within one year	227,238	227,238
Beneficial interest in perpetual trusts less amount of expected distribution within one year	6,614,611	6,155,884
Endowment less amount available for general expenditure within one year	53,689,425	51,434,586
Assets held in trust less amount of expected distribution within one year	1,856,358	1,702,629
Total amounts unavailable for general expenditures	66,205,002	63,676,772
Financial assets available within one year for general expenditure	\$ 3,974,246	\$ 4,158,092

## MASONIC HOME OF VIRGINIA

### Notes to Financial Statements, Continued

#### **15. Liquidity and Availability of Financial Assets, Continued:**

The Home's endowment fund consists of donor-restricted endowments and funds designated by the Board of Governors as endowments. Donor-restricted endowment funds are not available for general expenditure.

The Home's board-designated endowment of \$57,409,769 and \$55,154,930 as of December 31, 2020 and 2019 is subject to annual spending. Although the Home does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

#### **16. Litigation:**

During July 2019, the Home was notified that it was named beneficiary to its share of an estate valued at \$1,870,000. Subsequently, family members of the deceased contested the will. The Home engaged legal counsel and resolved the matter during 2020. Proceeds from the estate are included in contributions in the accompanying statements of activities at December 31, 2020.

#### **17. Families First Coronavirus Response Act Grant:**

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act, enacted on March 27, 2020, provides for Families First Coronavirus Response Act ("FFRCA") which offers eligible employers refundable tax credits that reimburse them, up to \$10,000 per employee, for the cost of providing paid sick, family, and medical leave wages to their employees for leave related to COVID-19. The Company has presented the FFRCA credits in the amount of \$62,002 as support in the accompanying statements of activities at December 31, 2020.

#### **18. Accounting Standards Update:**

**Leases:** In February 2016, the FASB issued ASU 2016-02 "Leases", which requires that all leasing activity with initial terms in excess of twelve months be recognized on the statement of financial position with a right of use asset and a lease liability. The standard will require entities to classify leases as either a finance, or operating lease based upon the contractual terms. The standard is effective for non-profit entities for fiscal years beginning after December 15, 2021, with early adoption permitted. The Home is currently evaluating the implications of this new standard.

## Attachment 17

**Masonic Home of Virginia**  
**Summary of Financial Information**  
**as of December 31, 2021**

Category	2021	2020
Total Assets	90,834,836	87,170,434
Total Liabilities (1)	7,520,971	8,068,170
Total Net Assets	83,313,865	79,102,264
Total Revenues	7,430,476	10,007,452
Total Expenses	12,928,063	13,331,729
Operating Income (Loss)	(5,497,587)	(3,324,277)
Net Income (Loss)*	4,211,601	2,728,741

**Narrative on financial condition:**

Since 1890 the Masonic Lodges across the state have supported the Masonic Home of Virginia. Solicitation of public support is broad based, with direct appeals made to over 25,000 people during 2021. A full time staff person is assigned to solicit public support. A total of 4,181 individual gifts were received from 2,991 donors during 2021. The donors are geographically dispersed throughout more than 90 counties and municipalities in Virginia and other states.

\* In addition to the monthly fees collected from our residents and included in net income, The Masonic Home has a \$61.0 million investment portfolio of marketable securities which provides the organization solid financial footing with little debt. An independent advisory firm recommends an asset allocation of investments designed to endure into perpetuity. The investments are diversified to provide lower short-term volatility and provide stability especially during periods of deflation and negative equity markets. Cash is withdrawn periodically from the portfolio to meet short term liquidity needs. Consistent with overall market conditions, 2021 investment returns increased, producing a favorable impact on overall net income.

Occupancy Information	Capacity of Units	Average Occupancy	Percentage Occupancy
Independent Living	108	76	70%
Assisted Living & Residential	168	81	48%
Nursing	67	9	14%
Totals	343	167	49%

**Masonic Home of Virginia**  
**Pro Forma Income Statement & Assumptions**  
**FYE December 31, 2022**

	<b>2022</b>
<b>Revenues:</b>	
Income from Residents	\$5,077,787
Assets from Residents	\$720,000
Grand Lodge Assessments	\$218,093
Other Income	\$151,420
Transfers from Investments	\$5,341,735
Donations and Gifts	\$1,500,000
<b>Total Revenues</b>	<u>\$13,009,035</u>
<b>Expenses:</b>	
Salaries and Related Expenses	\$9,306,474
Purchased Services	\$1,360,376
Insurance	\$314,000
Supplies	\$340,472
Utilities	\$507,795
Resident Related Expenses	\$677,068
<b>Total Expenses</b>	<u>\$12,506,185</u>
Capital Equipment	<u>\$ 813,700</u>
<b>Total Expenses and Capital Outlay</b>	<u>\$13,319,885</u>
<b>Excess Expenses vs. Revenues</b>	<b>(310,850)</b>

<b>Assumptions for 2022 (Pro Forma)</b>
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Major assumptions used to prepare the pro forma income statements are based on prior actual performance. Resident income includes a 4.0% increase on all paying fees effective January 1, 2022, along with an increase in assets expected from residents entering the Home under the Cornerstone program or Life Care Contract. Transfers from investments reflect a decreased commitment to capital. Expenses are anticipated to increase by 2.2% due to a CPI inflation factor being applied for all expense categories. The Home's projected capital expenditures are based on anticipated needed improvements, along with several significant capital projects, not uncommon for a facility of its size and age.



MASONIC HOME OF VIRGINIA

Resident Grievance Procedure

1. Contact the Director of the Department to which your concern relates. (If your concern is with the Nursing Department, first contact the nurse supervisor from the shift, which your concern arose. If you are not satisfied, then contact the Director of Nursing.)
2. If your concern was not resolved with the Director, you may contact the Administrator.
3. If your concern is not resolved with the Administrator, you may contact the Chief Executive Officer.
4. If you continue to feel that your concern is not resolved, you may go to the Board of Governors' Resident Life Committee Chairman.
5. Once you have been through steps one through four and there is still no resolution, the next step would be to contact outside resources such as the Ombudsman with the Capital Area Agency on Aging, the State Health Department for Care Center Residents, or the Virginia Department of Social Services for Residential/Assisted Living Residents.

We encourage you to voice concerns so we are able to identify potential problems and implement a plan for preventing future problems.

The local Ombudsman: 343-3057

Virginia Department of Social Services: 1-800-543-7545 or 726-7154

Virginia Department of Health: 1-800-955-1819 or 367-2100

Approved:  Date: November 01, 2021  
Anne B. Hagen, CEO

## **Levels of Care**

### **Independent Living:**

Independent Living at the Masonic Home of Virginia is defined in accordance with the Virginia Department of Social Services as follows:

"Independent living status" means that the resident is assessed as capable of performing all activities of daily living and instrumental activities of daily living for himself without requiring the assistance of another person and is assessed as capable of taking medications without the assistance of another person.

### **Residential Care:**

Residential care at the Masonic Home of Virginia is defined in accordance with the Virginia Department of Social Services as follows:

"Residential living care" means a level of service provided by an assisted living facility for adults who may have physical or mental impairments and require only minimal assistance with the activities of daily living. Included in this level of service are individuals who are dependent in medication administration as documented on the uniform assessment instrument. This definition includes the services provided by the facility to individuals who are assessed as capable of maintaining themselves in an independent living status.

The services provided require less than 150 minutes of staff time

### **Assisted Living:**

Assisted Living at the Masonic Home of Virginia is defined as in accordance with the Virginia Department of Social Services as follows:

"Assisted living care" means a level of service provided by an assisted living facility for adults who may have physical or mental impairments and require at least moderate assistance with the activities of daily living. Included in this level of service are individuals who are dependent in behavior pattern (i.e., abusive, aggressive, disruptive) as documented on the uniform assessment instrument.

The Masonic Home of Virginia further delineates two levels of assistance for residents. These levels are determined by the average level of time, amount of tasks and number in which the person needs either for physical or cognitive assistance.

## Attachment 19

### **Assisted Living Level I:**

Level I residents are those that requires between 150 to 250 minutes of care per week.

### **Assisted Living Level II:**

Level II residents are those that requires between greater than 250 minutes of care per week, yet not in need of nursing care placement.

### **Dementia Care:**

The Masonic Home of Virginia provides a safe, secure environment self-contained special care unit referred to as the Richard E. Brown Memory Support Center, for individuals with serious cognitive impairments due to a primary psychiatric diagnosis of dementia who cannot recognize danger or protect their own safety and welfare. The Memory Support Center provides two levels of care. The levels are based upon the Global Deterioration Scale.

#### **Dementia Care Level I:**

Residents with dementia who are determined to be in stages up to and including 6C, requiring assistance with the mechanics of toileting.

#### **Dementia Care Level II:**

Residents who are determined to be in stage 6D as evidenced by urinary incontinency attributed to the dementia or greater.



## Masonic Home of Virginia

### C -WING SUITE RESERVATION AGREEMENT

This is an Agreement to reserve a C-Wing Suite in the Adult Home on the campus of the Masonic Home of Virginia, made in duplicate originals, by and between the Masonic Home of Virginia, Inc. ("Home") and

\_\_\_\_\_ AND \_\_\_\_\_  
collectively, ("Applicant").

The parties agree to the following:

1. The Home has established a Waiting List for this type of accommodation. Applicants are assigned a position on the Waiting List based upon the date of a completed Suite Reservation Agreement and also based upon the requested type of accommodation.
2. Applicant hereby requests an accommodation described as follows: \_\_\_\_\_
3. As accommodations become available, the Home will offer the accommodation to the next applicable Applicant on the Waiting List. However, the Home reserves the right to communicate the availability of such accommodation to all Applicants on the Waiting List simultaneously, requesting response within a stated time period of no less than ten days. In such event, the Applicant responding and who is ranked on the Waiting List at the highest priority shall receive the accommodation.
4. All decisions concerning the offering of particular accommodations and decisions concerning the priority of Applicants on the Waiting List shall be in the sole discretion of the Home.
5. Upon acceptance of an offered accommodation, Applicants must, in a timely manner, provide the necessary deposit and complete all necessary documentation, including, but not limited to, a Resident's Agreement.
6. This Agreement shall not be in force until Applicant shall pay a deposit fee of the sum of One Thousand and No/100 Dollars (\$1,000.00) PER APPLICANT hereinafter, the "Reservation Fee." If Applicant is at the time of the signing of this Agreement already a resident of the Masonic Home, including the Masonic Village, such deposit is hereby waived and is not required for this Agreement to become effective.
7. This Reservation Agreement can be terminated at the option of any party upon written notice to the other party(ies) at the addresses listed herein. The death of an Applicant shall terminate this Agreement as it applies to that individual. A surviving Applicant may elect either to terminate or to reaffirm this Agreement. At the election and sole discretion of the Home, this Reservation Fee will be refunded within thirty (30) days after occupancy of the Living Accommodation by (i) applying the Reservation Fee to the final payment of the Living Accommodation or (ii) returning the Reservation Fee to the Applicant. The Reservation Fee shall be refunded to the Applicant or the Applicant's Estate should the Applicant (i) with the approval of the Home, which approval shall not unreasonably be withheld, terminate the application process prior

to occupying the Living Accommodation (ii) die prior to occupying the Living Accommodation or (iii) be precluded through illness, injury or incapacity from becoming a Resident under the terms of the Resident's Agreement. The Reservation Fee is otherwise nonrefundable.

- 8. All references to the singular shall include the plural where appropriate. All references to the male gender shall include the female gender where appropriate. This is the entire understanding and agreement between the parties, and no additional understandings, agreements or representations which are not a part of this Agreement exist.
- 9. All notices given under any provision of this Agreement shall be deemed to have been duly given if mailed first-class, postage prepaid, to the following addresses:

Masonic Home of Virginia  
 ATTN: Anne B. Hagen  
 Chief Executive Officer  
 P. O. Box 7866  
 Henrico, VA 23231

Applicant:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Any party to this Agreement may direct that notice pursuant to this Agreement be delivered to a different address, if such request is made in writing and delivered to the other parties.

WITNESS the following signatures of the parties set forth on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ on each of two counterparts of this document, each of which shall be deemed an original.

\_\_\_\_\_  
Date

\_\_\_\_\_  
APPLICANT

\_\_\_\_\_  
Date

\_\_\_\_\_  
APPLICANT

MASONIC HOME OF VIRGINIA, INC.

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Chief Executive Officer

CONTRACT OF PAYING RESIDENT FOR D-WING SUITE

THIS CONTRACT, entered into this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by and between \_\_\_\_\_  
("APPLICANT"), and MASONIC HOME OF VIRGINIA, a Virginia corporation ("HOME").

WITNESSETH:

WHEREAS, APPLICANT, having applied by application in writing for admission as a paying resident of the HOME, which application has been accepted, the parties hereto, by their signatures below, agree on the following terms and conditions of this acceptance:

1. RELIANCE ON APPLICATION INFORMATION - The HOME has accepted APPLICANT for admission as a paying resident based upon the information set forth in APPLICANT'S Statement of Applicant and Financial Information Checklist, all of which is incorporated herein by reference. The HOME has relied on all statements of APPLICANT and of APPLICANT'S physician as to APPLICANT'S physical and mental condition. In deciding to grant APPLICANT admission as a paying resident, the HOME relied on all representations made with respect to APPLICANT'S finances and health. APPLICANT'S intentional or reckless misrepresentation or omission in APPLICANT'S admission documents of a fact which, if provided accurately, would have resulted in failure of APPLICANT to qualify for admission as a paying resident, or a material increase in the cost of providing to APPLICANT the care and services provided, shall render this contract voidable at the option of the HOME.

2. ENTRANCE FEE – That upon notice of the approval of his application, and at or before the time of admission, APPLICANT will immediately pay the Entrance Fee and the Suite Admission Fee.

a. The Entrance Fee is \$20,000.00. One-half (1/2) of the Entrance Fee is non-refundable upon occupation of the suite. The remaining Entrance Fee available for refund shall abate at the rate of 1/6<sup>th</sup> of one-half of the Entrance Fee each month after the date of admission. There will be no refund of the Entrance Fee once the APPLICANT has occupied the Suite for six (6) months.

b. The Suite Admission Fee is \$60,000.00. The Suite Admission Fee available for refund under this Contract shall decrease in value at the rate of ten percent (10%) upon admission, and one and one-half percent (1 1/2%) of the original Suite Admission Fee paid each month thereafter, up to a maximum reduction of one hundred percent (100%). There will be no refund of the Suite Admission Fee after the APPLICANT has occupied a Suite for five (5) years.

3. MONTHLY FEE - At or before the date of admission, the APPLICANT will pay, in advance, the first month's fee in the amount of \$ \_\_\_\_\_. Monthly fees will be payable thereafter, in advance, by the fifth (5<sup>th</sup>) day of each month.

a. Monthly costs are presently \$4,320.00 for Residential Independent Living; \$5,835.00 for Assisted Living I; \$7,395.00 for Assisted Living II; \$9,235.00 for Richard E. Brown Memory Support Center I; and \$11,105.00.00 for the Richard E. Brown Memory Support Center II and the Care Center. APPLICANT understands that these charges may be changed by the HOME from time to time to reflect operating

costs. The HOME will notify all residents in writing at least thirty (30) days prior to any change in fees, charges, or scope of care.

4. ESCROW OPTION - If the HOME deems it necessary, APPLICANT, at or before admission, will deposit the sum of \$ \_\_\_\_\_ in escrow with the HOME, from which APPLICANT'S monthly charge will be deducted as it is incurred. If the HOME deems the deposit unnecessary, then the remainder of this paragraph shall not apply.

a. This deposit will not exceed an amount equal to the HOME'S total anticipated charges for the APPLICANT for sixty (60) months.

b. Any funds which might remain in escrow at APPLICANT'S death, and after payment of indebtedness to the HOME, will revert to APPLICANT'S estate or to whomever APPLICANT has selected in proper legal form.

c. Should APPLICANT withdraw from residency in the HOME, the net balance in the escrow account, after payment of any indebtedness to the HOME will be refunded to APPLICANT, including accumulated interest.

d. Should the escrow funds become entirely depleted during APPLICANT'S residency, APPLICANT may remain as a paying resident by continuing to pay the monthly rate from other assets, or may apply for reclassification as a Cornerstone resident under the "Rules of Admission" applicable at the time of such application for reclassification.

5. RULES OF ADMISSION - [*initials of applicant* \_\_\_\_\_ ] APPLICANT acknowledges receipt of a copy of the HOME'S "Rules of Admission," agrees that the HOME has fully explained the Rules to the APPLICANT prior to the execution of this

contract, and agrees that the Rules are incorporated herein by reference and made a part hereof.

6. APPLICANT'S RIGHT TO CANCEL – **[initials of applicant \_\_\_\_\_ ]**

APPLICANT understands that he has the right to rescind and cancel this contract without penalty or forfeiture within seven (7) calendar days after making an initial deposit or executing this contract. The HOME shall not require APPLICANT to move into the HOME before the expiration of said seven (7) calendar day period.

7. VIEWING ADMISSIONS VIDEO - **[initials of applicant \_\_\_\_\_ ]**

APPLICANT acknowledges that, prior to the execution of this contract, he is required to view an educational video as determined by the HOME describing realistic expectations for Long Term Care and to complete an Agreement upon the conclusion of such viewing. APPLICANT consents to the admission of that Agreement into evidence, along with the video, in the event of arbitration or any other form of legal or administrative proceeding.

8. TERMINATION OF CONTRACT - **[initials of applicant \_\_\_\_\_ ]** The

HOME will not terminate this contract unless APPLICANT becomes a danger to himself or others; is guilty of repeated conduct that interferes with other residents' quiet enjoyment of the HOME, or is persistent in his refusal to comply with duly promulgated written rules of which he has been furnished a copy. In the event the HOME feels it necessary to terminate APPLICANT'S contract under the aforesaid circumstances, it will give APPLICANT written notice of the termination and a reasonable time to cure the basis for the termination.

9. TRANSFERS DUE TO CARE CONCERNS - [*initials of applicant* \_\_\_\_\_ ] Subject to the terms of this contract, once APPLICANT is admitted to the HOME, he would normally live there the remainder of his life. After the APPLICANT'S initial admission to the HOME, APPLICANT agrees that changes in the APPLICANT'S condition thereafter may require, in the HOME'S sole discretion, that APPLICANT transfer from time to time into a different level of care within the HOME. APPLICANT acknowledges that, once admitted to the Care Center, APPLICANT must be followed by an attending physician who is available (or who has an associate available) promptly at all times to provide the medical consultations required by Virginia Department of Health regulations. However, should APPLICANT'S level of care change such that APPLICANT is beyond the scope of the care the HOME is able to provide, APPLICANT can be transferred from the HOME to a facility licensed by the Commonwealth of Virginia to provide the appropriate scope of care. APPLICANT acknowledges that, because of the HOME's experience that many Applicants choose to live at the HOME for the remainder of their lives, the HOME requires each Applicant to provide a signed copy of a general durable power of attorney in favor of a designated individual, and further requires each Applicant to execute a springing power of attorney appointing the HOME to act as Agent in the event of the invalidity of the Applicant's own power of attorney or permanent absence of the Applicant's designated agent(s).

10. CHANGE IN MARITAL STATUS - [*initials of applicant* \_\_\_\_\_ ] APPLICANT may divorce, marry or re-marry; however, the continued stay of APPLICANT at the HOME or the admission of the APPLICANT'S new spouse to the HOME must be in accord with the "Rules of Admission" in effect on the date of

APPLICANT'S marriage. If APPLICANT is not eligible for continued stay at the HOME or APPLICANT'S new spouse is not eligible for admission to the HOME, then this contract shall terminate as of the date of APPLICANT'S remarriage and APPLICANT shall withdraw from the HOME. Upon such withdrawal, if APPLICANT has an escrow account, the HOME will return to APPLICANT the net balance in the escrow account, after payment of any indebtedness to the HOME, including accumulated interest.

11. APPLICANT'S CARE LEVEL CHANGE PRIOR TO ADMISSION - [***initials of applicant*** \_\_\_\_\_ ] If, in the HOME'S sole discretion, APPLICANT'S care level changes during the time between acceptance and admission, such that APPLICANT no longer meets the care level requirements for admission, or if APPLICANT dies, then this contract shall be rescinded. In such event, the HOME shall refund to APPLICANT or APPLICANT'S legal representative all property received by the HOME, less costs reasonably incurred by the HOME and specifically related to APPLICANT.

12. TRANSFERABILITY - The rights and privileges of APPLICANT under this contract are personal to the APPLICANT and cannot be transferred or assigned by act of the APPLICANT, or by any proceeding of law, or otherwise.

13. MISCELLANEOUS - If any one or more of the provisions of this contract should be finally determined to be contrary to law, then such provision or provisions shall be severable from the remaining provisions and shall in no way affect the validity of the other provisions of this contract. This contract shall be construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Commonwealth of Virginia. References to the singular shall include the plural where



appropriate, and vice-versa. References to the masculine gender shall include the female and neuter genders where appropriate, and vice-versa.

In witness whereof, APPLICANT and the HOME have signed and sealed this contract as of the day and date first written above.

\_\_\_\_\_(Seal)  
APPLICANT

\_\_\_\_\_(Seal)  
MASONIC HOME OF VIRGINIA by  
Anne B. Hagen, Chief Executive Officer

We acknowledge that we were present when this contract was reviewed and signed by the Applicant.

_____ Date Family Responsible Party	_____ Signature	_____ Print Name	Personal Representative
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_____ Date Family Responsible	_____ Signature	_____ Print Name	Personal Representative
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## Masonic Home of Virginia

### D-WING SUITE RESERVATION AGREEMENT

This is an Agreement to reserve a D-Wing Suites in the Adult Home on the campus of the Masonic Home of Virginia, made in duplicate originals, by and between the Masonic Home of Virginia, Inc. ("Home") and \_\_\_\_\_ collectively, ("Applicant").

The parties agree to the following:

1. The Home has established a Waiting List for this type of accommodation. Applicants are assigned a position on the Waiting List based upon the date of a completed Apartment Reservation Agreement and also based upon the requested type of accommodation.
2. Applicant hereby requests an accommodation described as follows: D-Wing Suites
3. As accommodations become available, the Home will offer the accommodation to the next applicable Applicant on the Waiting List. However, the Home reserves the right to communicate the availability of such accommodation to all Applicants on the Waiting List simultaneously, requesting response within a stated time period of no less than ten days. In such event, the Applicant responding and who is ranked on the Waiting List at the highest priority shall receive the accommodation.
4. All decisions concerning the offering of particular accommodations and decisions concerning the priority of Applicants on the Waiting List shall be in the sole discretion of the Home.
5. Upon acceptance of an offered accommodation, Applicants must, in a timely manner, provide the necessary deposit and complete all necessary documentation, including, but not limited to, a Resident's Agreement.
6. This Agreement shall not be in force until Applicant shall pay a deposit fee of the sum of One Thousand and No/100 Dollars (\$1,000.00) PER APPLICANT hereinafter, the "Reservation Fee." If Applicant is at the time of the signing of this Agreement already a resident of the Masonic Home, including the Masonic Village, such deposit is hereby waived and is not required for this Agreement to become effective.
7. This Reservation Agreement can be terminated at the option of any party upon written notice to the other party(ies) at the addresses listed herein. The death of a Applicant shall terminate this Agreement as it applies to that individual. A surviving Applicant may elect either to terminate or to reaffirm this Agreement. At the election and sole discretion of the Home, this Reservation Fee will be refunded within thirty (30) days after occupancy of the Living Accommodation by (i) applying the Reservation Fee to the final payment of the Living Accommodation or (ii) returning the Reservation Fee to the Applicant. The Reservation Fee shall be refunded to the Applicant or the Applicant's Estate should the Applicant (i) with the approval of the Home, which approval shall not unreasonably be withheld, terminate the application process prior to occupying the Living Accommodation (ii) die prior to occupying the Living Accommodation or (iii) be precluded through illness, injury or incapacity from

becoming a Resident under the terms of the Resident's Agreement. The Reservation Fee is otherwise nonrefundable.

- 8. All references to the singular shall include the plural where appropriate. All references to the male gender shall include the female gender where appropriate. This is the entire understanding and agreement between the parties, and no additional understandings, agreements or representations which are not a part of this Agreement exist.
- 9. All notices given under any provision of this Agreement shall be deemed to have been duly given if mailed first-class, postage prepaid, to the following addresses:

Masonic Home of Virginia  
 ATTN: Anne B. Hagen  
 Chief Executive Officer  
 P.O. Box 7866  
 Richmond, VA 23231

Applicant:

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

Any party to this Agreement may direct that notice pursuant to this Agreement be delivered to a different address, if such request is made in writing and delivered to the other parties.

WITNESS the following signatures of the parties set forth on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ on each of two counterparts of this document, each of which shall be deemed an original.

\_\_\_\_\_  
Date

\_\_\_\_\_  
APPLICANT

\_\_\_\_\_  
Date

\_\_\_\_\_  
APPLICANT  
MASONIC HOME OF VIRGINIA, INC.

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Chief Executive Officer