



**PENNYBYRN**  
at M A R Y F I E L D  
A Retirement Living Community

## **DISCLOSURE STATEMENT**

**Dated: February 28, 2024**

**NAME OF COMMUNITY:** Pennybyrn at Maryfield

**LOCATION:** 109 Penny Road  
High Point, North Carolina 27260

**TELEPHONE NUMBER:** (336) 821-4000

In accordance with Chapter 58, Article 64 of the North Carolina General Statutes of the State of North Carolina:

- This Disclosure Statement may be delivered until revised, but not after July 29, 2024;
- Delivery of this Disclosure Statement to a contracting party before execution of a contract for continuing care is required;
- This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.

**MARYFIELD, INC.**  
**DbA “Pennybyrn”**  
**109 Penny Road**  
**HIGH POINT, NORTH CAROLINA 27260**

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**MARYFIELD, INC.**  
**d.b.a. "PENNYBYRN"**  
**109 Penny Road**  
**HIGH POINT, NORTH CAROLINA 27260**

**I. ORGANIZATION**

**General**

Maryfield, Inc. d.b.a. Pennybyrn (the "Corporation") was founded in November 1947 by the Poor Servants of the Mother of God, a Catholic Congregation of Sisters, and incorporated under the laws and regulations of the State of North Carolina as a non-profit organization in 1950 to provide housing and long-term care for the elderly.

The Corporation has been determined to be exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Corporation is also tax-exempt under North Carolina law.

The Corporation currently owns and operates a continuing care retirement community ("CCRC") on a 72-acre campus in High Point, North Carolina consisting of a 131unit independent living apartment building (with attached community center and wellness center), 49 independent living cottages, 24 assisted living apartments, 24 assisted living memory support units and 125 skilled nursing care beds.

**Composition**

AFFILIATION

The Corporation was sponsored by the Poor Servants of the Mother of God, Mother House in Rome, Italy, and Generalate in Roehampton, London, England ("SMG") since it's founding in 1947. During the year ended September 30, 2022, the sponsorship of the corporation was moved from SMG to the Bishop of the Roman Catholic Diocese of Charlotte. The Corporation is not affiliated with or owned by any other religious, charitable, or other non-profit organizations.

The Corporation is solely responsible for all the financial and contractual obligations incurred by the Corporation. The Corporation does not have subsidiaries and holds no ownership position in any other organization in the State of North Carolina.

The Corporation has memberships in the following trade associations: Leading Age, Leading Age North Carolina, Catholic Health Care Association, North Carolina Assisted Living Association, and the North Carolina Health Care Facilities Association.

MEMBER

Participation in the affairs of the Corporation is governed by the Sole Member, the Bishop of the Roman Catholic Diocese of Charlotte.

## **BOARD OF DIRECTORS OF THE CORPORATION**

The Board of Directors of the Corporation establishes policy and goals and serves in an oversight capacity for the management and operation of the Corporation. Notwithstanding the foregoing, however, without the prior approval of the Member of the Corporation, the Board of Directors is not empowered or authorized to establish any policy or goal that is contrary to or in violation of the Ethical and Religious Directives for Catholic Health Care Services as approved by the U.S. Catholic Bishops in 1994.

The Member of the Corporation appoints the members of the Board of Directors. The following are the current members of the Board of Directors:

### **Sister Lucy Hennessy, SMG, Chairperson**

109 Penny Road, High Point, NC 27260

Sr. Lucy is the current Chairman of the Board and Mission Leader of Pennybyrn at Maryfield. She is a member of the Congregation of the Poor Servants of the Mother of God, and holds a Bachelor of Science Degree in Business Administration from High Point University and a Master's Degree in Health Administration from St. Louis University. She was formerly the Treasurer of Maryfield, Inc., and the nursing home administrator for nearly 20 years. Sr. Lucy joined the Board in 1987.

### **Fr. Stephen Hoyt, Vice-Chairperson**

109 Penny Rd., High Point, NC 27260

Fr. Stephen joined Pennybyrn at Maryfield as full time Chaplin in 2023. He was Pastor at St. Francis of Assisi Roman Catholic Church in Lenoir, NC. Fr. Stephen has administered in various ministries since ordination such as parish, hospital, retreat and spiritual direction. He served in New York, New Jersey, North Carolina and overseas in Africa. He has been in the Diocese of Charlotte for five years. Fr. Stephen has served on the Board since in 2014.

### **Mr. Gerard R. Gunzenhauser, Jr.**

712 Aldersgate Dr., Apt. 108, Winston Salem, NC 27104

Mr. Gunzenhauser previously served on the board of Maryfield, Inc. for fifteen years. He remains a member of the Maryfield, Inc. Finance Committee. He is President of GRG Associates, Inc., Financial and Management Consulting and a retired CFO of R.J. Reynolds Tobacco Company. He is a member of the St. Leo Parish Finance Council and the Winston Salem Symphony Board of Directors and Winston Salem Symphony Chorus. Mr. Gunzenhauser rejoined the Board in 2018 after having served an earlier 9-year term with the Board.

### **Mr. Richard W. Newman, President**

109 Penny Road, High Point, NC 27260

Mr. Newman has been the Chief Executive Officer since 2017 and President of the Corporation since 2003. He had previously held the positions of Executive Vice President and Chief Financial Officer since 1997. He joined the Corporation after 12 years as an auditor with Ernst & Young, LLP. Mr. Newman holds a Bachelor of Science Degree in Accounting from the University of South Carolina. Mr. Newman joined the Board in 1997.

### **Mr. William Snow Bencini, Jr., Secretary**

916 Fairway Dr., High Point, NC 27262

Mr. Bencini is a co-founder of Ultra-Mek, Inc. He is a past Mayor of High Point, NC and has served on many governmental committees and boards including High Point City Council, Order of the Long

Leaf Pine, was a Guilford County Commissioner, and past liaison to the Furniture Market Authority. He has held various leadership positions on the Guilford County Board of Commissioners and many other organizations. He is currently a member of the Forward High Point Executive Committee and the PTI Airport Authority Board. Mr. Bencini joined the Board in 2018.

**Mr. Paul Breitbach**

320 Buckingham Road, Winston Salem, NC 27104

Mr. Breitbach began his career with Price Waterhouse in Chicago. He also held partnerships with Price Waterhouse in Indiana, the Carolinas, and Eastern Tennessee. Upon retirement from Price Waterhouse, he became Executive Vice President of Finance and Corporate Development of Krispy Crème Doughnut Corporations. He is currently on the Board of Directors of Old Dominion Freight Line and serves on St. Leo's Finance Committee, Charlotte Diocese Investment Committee and Loras College Board of Regents. Mr. Breitbach rejoined the Board in 2023 after serving an earlier 9-year term with the Board.

**Dr. Dennis Carroll**

1004 Suzanne Lane, Lexington, NC 27295

Dr. Carroll has spent his entire career as an educator. He was an English/French Teacher at Ragsdale High School in Jamestown, Coordinator of Programs for the Gifted with the Guilford County Schools system, Dean of the School of Education/Chair of the Education Department/Professor of Education at High Point University and from 2005 to June 2020 he was Provost with High Point University. He has held several committee positions with Jamestown United Methodist Church. He has been a board member on the Parish Ministry Fund of the Duke Endowment, Camp Mount Shepherd, NC Public School Forum, just to name a few. He was the recipient of the Asbury Award for Outstanding Contributions to United Methodist High Education in August 2020. Dr. Carroll joined the Board in 2022.

**Mr. Earl E. Congdon**

1400 Maryfield Ct., High Point, NC 27260

Mr. Congdon is Executive Chairman of the Board of Old Dominion Freight Line, Inc. Mr. Congdon was past Vice President of the American Trucking Association, Inc. and was Past President of the North Carolina Trucking Association. Community and civic activities include High Point Regional Hospital, United Community Services, High Point Chamber of Commerce and High Point Country Club. Mr. Congdon joined the Board in February 2007 and served for nine years. He rejoined the Board in 2017 after serving an earlier 9-year term with the Board.

**R. Tony Hill**

53 Creswell Court, Greensboro, NC 27407

Mr. Hill was partner and founding attorney for the law firm of Hill & Hovis, PLLC, in High Point, NC until 2020. He has been involved in leadership positions with numerous organizations in the local area including North Carolina and High Point Bar Associations, University of South Carolina Alumni Association, Greensboro College Alumni Board and Colonial Country Club. In addition, he has been involved in coaching sports for several local organizations. Mr. Hill joined the board in 2020.

**G. Michael Hofmann**

7 Dovercrest Ct., Greensboro, NC 27407

Mr. Hofmann is Executive Vice President and Chief Operating Officer for Beaulieu Group, LLC. He has also held executive roles with Serta Simmons Bedding, LLC, Sealy, Inc. and Hill-Rom Company. Mr. Hofmann joined the Board in 2018.

**Ms. Carol Andrews Hughes**

4030 Patsy Drive, Winston Salem, NC 27107

Ms. Hughes currently can be seen as the “Face” of ABC 45 and My 48 (Sinclair Broadcasting Stations WXLV and WMYV) in the Triad region of North Carolina. She is also an author, inspirational speaker and health enthusiast. She is the current president of the Rotary Club of High Point and a former board member of the Ricky Proehl P.O.W.E.R. of Play Foundation in Greensboro. She is also a member of the Immaculate Heart of Mary Catholic Church in High Point. In addition, she was a former member of the Parish Council and also a former Advisory Board Chair at Bishop McGuinness Catholic High School in Kernersville. Ms. Hughes joined the board in February 2023.

**Kenneth Hughes**

1410 Maryfield Court, High Point, NC 27260

Ken is the current owner and President of K&S Tool & Manufacturing Company. He has been involved in numerous community groups and trade organizations. In the past, he has served on many boards including the Shakespeare Festival, IHM Parish Council, National Tool & Machine Association of the Piedmont, Construction of Bishop McGuinness High School and the Building Committee for the construction of Pennybyrn and the Chapel at Maryfield. He has held chair positions with most of these organizations. He has also served on the Charlotte Diocese Foundation Board, High Point Community Foundations Board & Grants Committee, The Guilford County Workforce Board, Guilford Tech Machine Trades Advisory Board, Pennybyrn Development and PR Committee, SCV Ministries Board and the Building Committee for the IHM New Construction Project. He is also a member of many clubs in the area to name a few, High Point Rotary Club, String and Splinter Club, High Point Elks, and Knights of Columbus. He and his wife have been residents of Pennybyrn at Maryfield’s independent living community since 2009. Mr. Hughes rejoined the board in 2022 after serving an earlier 9-year term with the Board.

**Mr. Maurice S. Hull**

P.O. Box 5778, High Point, NC 27262

Mr. Hull is the Chief Executive Officer of MarketPlace Management, Inc. and Evertree Company. Mr. Hull retired from the practice of law with the firm of Keziah, Gates and Samet, LLP, where he was a partner for twenty-five years, concentrating his practice in commercial real estate and finance. Each year, from 2007 to 2014, Mr. Hull was recognized by The Business Journal Serving the Greater Triad Area as “One of the Triad’s Most Influential Men & Women.” He is an active farmer and has a home and operates Waukegan Farms, LLC, in Caswell County, NC. Waukegan’s Farm’s 1200 acres is extensively managed for wildlife habitat and is part of the American Tree Farm System and certified by the Sustainable Forest Initiative. Appointed to the NC Banking Commission by Governor Easley in 2007 and re-appointed by Governor Perdue in 2010, he served two full terms until 2014. Mr. Hull is currently a board member of High Point University Board of Visitors, High Point Economic Development Corporation, Old North State Council Boy Scouts of America (past chairman), High Point Baseball, Inc., High Point First, and the North Carolina Wildlife Habitat Foundation. Mr. Hull joined the Board in 2019.

**Mr. Joseph C. Jackson, Jr.**

9116 Greythorne Court, Colfax, NC 27235

Mr. Jackson has over 35 years of experience in the financial services industry, including consumer lending. Since 2015, he has been Vice President in Consumer, Small Business and Community Banking at Bank of America in High Point. He is the Annual Campaign Chair for the YMCA. He also serves as a board member for LEAP in High Point. He has formerly served as the Board Chair at the Mary Perry Ragsdale YMCA in Jamestown and has served as Chairman on the Advisory Council

at Maryfield. He also shows his commitment to the community through his service as Music Director at Triad Christian Center of Evangel Word Ministries in High Point. Mr. Jackson joined the Board in February 2023.

**Mr. Bill Lawler**

8200 Whitewater Drive, Clemmons, NC 27102

Mr. Lawler retired in 2009 from Ecolab where he was Vice President of Strategy and Business Development. He also held long-term positions at Rubbermaid and Scott Paper Company. He currently serves on several Boards including Member of the Board of Trustees at Belmont Abbey College. He is also active in several committees at Pennybyrn. Mr. Lawler joined the Board in 2016.

**Mr. David S. Miller**

1131 Foust Avenue, High Point, NC 27260

Mr. Miller is president and co-owner of D.S. Miller, Inc. He is currently Chairman of the High Point Community Foundation. He also serves on the Guilford Say Yes to Education board. He currently serves on and is past chair of Guilford Technical Community College, the DePaul Academy, Business High Point, Open Door Ministries and the United Way of Greater High Point. Mr. Miller volunteered extensively with Mother Teresa and the Missionaries of Charity at her various homes around the world. He is currently working with two area colleges developing residential programs for foster children in the 11th and 12th grades and for those continuing post-secondary education. He was selected High Point Citizen of the year in 1998 and High Point Chamber of Commerce Distinguished Citizen in 2016. Mr. Miller joined the Board in 2017.

**MANAGEMENT STAFF**

The persons who manage Pennybyrn at Maryfield on a day-to-day basis are Sr. Lucy Hennessy, and Mr. Richard W. Newman as well as others serving in director level capacity, (collectively referred to herein as “Management”).

**Sr. Lucy Hennessy, SMG, Mission Leader and Chairman of the Board**

Sr. Hennessy has been the Chief Executive Officer/Mission Leader of the Corporation since 2003. Prior to her role as CEO/Mission Leader, she held the position of President and Administrator since 1987. Sr. Hennessy is a Member of SMG and holds a Bachelor of Science Degree in Business Administration from High Point University and a Master’s Degree in Health Administration from St. Louis University. Sr. Hennessy was formally a Licensed Nursing Home Administrator and was Treasurer of the Corporation.

**Fr. Stephen Hoyt, Vice-Chairperson of the Board**

Fr. Stephen joined Pennybyrn at Maryfield as full time Chaplin in 2023. He was Pastor at St. Francis of Assisi Roman Catholic Church in Lenoir, NC. Fr. Stephen has administered in various ministries since ordination such as parish, hospital, retreat and spiritual direction. He served in New York, New Jersey, North Carolina and overseas in Africa. He has been in the Diocese of Charlotte for five years. Fr. Stephen has severed on the Board since in 2014.

**Richard W. Newman, Chief Executive Officer and President**

Mr. Newman has been the President and Community Leader since 2003, having previously held the position of Executive Vice President and Chief Financial Officer since 1997. He was also the Administrator of Record from 2003-2006. Mr. Newman joined the corporation after 12 years as an



auditor with Ernst & Young, LLP. He holds a Bachelor of Science Degree in Accounting from the University of South Carolina and over his career has been a Certified Public Accountant, Certified Retirement Housing Professional, and a Licensed Nursing Home Administrator.

**Vonda Hollingsworth, Vice President**

Ms. Hollingsworth has been Vice President since 2019. She previously held the position of Vice President of Health Services since 2007 and Director of Human Resources since 1997. She is a Licensed Nursing Home Administrator and has a Professional Human Resource Certification.

**Loretta Long, Chief Financial Officer**

Ms. Long has been the Chief Financial Officer since April of 2023. She has a Bachelor of Science Degree in Accounting and a Master of Science Degree in Accountancy from the University of Phoenix. She is also a Certified Healthcare Financial Professional from the Healthcare Financial Management Association. Ms. Long has served on several boards including the Randolph County Habitat for Humanity. She has a background in Healthcare Finance, Revenue Cycle, and Decision Support including Budgeting and Forecasting as well as Physician Practice finance.

**Sarah Barker, Director of Development & Community Relations**

Ms. Barker joined Pennybyrn in January 2022. She has served the last five years with Presbyterian Homes and Friends Homes. Before joining Presbyterian Homes, she was the Community Relations Officer with High Point Bank. Previously, she served as the Director of Major Gifts, Leadership Giving & Donor Relations for the United Way of Greater High Point.

**Mary Anne Carter, Director of Marketing**

Ms. Carter has been the Director of Marketing since 2022. Since joining the Corporation, she has held the positions of Marketing Assistant, Move-In Coordinator, Retirement Counselor and Assistant Director of Sales and Marketing. Her previous background included a career in sales, marketing, finance, and audit in the banking industry. Mary Anne holds an Associates Degree in Business Administration from Montgomery Community College.

**Kristie H. Catlin, Director of Human Resources**

Mrs. Catlin joined the organization in 1999 and has been the Director of Human Resources since 2013. Previously, she held the positions of Human Resources Generalist from 2003 – 2012, and Administrative Assistant from 1999 – 2002. She holds a Professional Human Resources Certification and is a member of the Society for Human Resource Management.

**Robert Creel II, Managing Director of Operations**

Mr. Creel has been the Managing Director of Operations since early 2009, having served as Dining Services Leader since 2005. Mr. Creel graduated Magna Cum Laude from Johnson & Wales University in 1996. Since that time, he has worked as an Executive Chef and Dining Service Director both in a Private Member Club and an upscale retirement community.

**Jamie Forbis, Director of Administrative Services**

Ms. Forbis is the Executive Assistant to Sister Lucy Hennessy and Richard W. Newman. She joined Pennybyrn in 2002. Prior to joining the staff at Maryfield, Inc., Ms. Forbis held Executive Assistant positions in the oil and gas, medical, and airline industries. Ms. Forbis has served as recording secretary for Maryfield, Inc.'s Board of Directors since 2002.

**Lynn Rivers Johnson, Director of Resident and Community Engagement**

Ms. Johnson has been the Director of Resident Services since 2005, having previously served as Retirement Counselor since 2000. Prior to joining the Corporation, Ms. Johnson held positions related to marketing nursing homes and assisted living facilities in the area. Ms. Johnson holds a Bachelor of Arts Degree from Columbia College, Columbia, South Carolina.

**Sandra A. Loy, BSN, RN, Director of Health and Wellness**

Mrs. Loy has been with Pennybyrn since 2014. She began as the Independent Living Clinic Nurse and since 2016 has served as the Director of Health and Wellness. She is a nursing graduate of The University of NC at Greensboro and completed additional education at NC State University and is a certified Health Occupations Instructor.

**James W. Westmoreland, Director of Information Services**

Mr. Westmoreland has been with Pennybyrn since 2007, serving as a consultant until 2014 and then hired as the network administrator. Mr. Westmoreland graduated from ECPI with a BS in Network Management and Security. He currently holds a Microsoft Certified Professional and Sonicwall Certified Security Systems Professional Certification.

The Management Staff listed are not affiliated with any other organization.

## **RELATED SERVICE PROVIDERS**

Pursuant to GS § 58-64-20(a)(3)(b), no owner, officer, or person managing the facility on a day-to-day basis has a 10% or greater interest in any other entity and no other entity has a 10% or greater interest in any owner, officer, or person managing the facility on a day-to-day basis that has or will provide \$500 or more in goods or services to the facility.

## **CRIMINAL VIOLATION STATEMENT**

None of said Officers, Directors, Members or Management personnel (i) have been convicted of a felony or pleaded nolo-contendere to a felony charge or been held liable or enjoined in a civil action involved in fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is subject to a currently effective injunction or restrictive court order, or within the past five years had had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged or facility subject to North Carolina General Statute § 58-64-20 (a)(3)(c) or similar law in another state.

## **II. COMMUNITY INFORMATION**

### **A. Location**

Pennybyrn at Maryfield is located at 109 Penny Road in High Point, North Carolina, 27260. It is located on the Corporation's 72 acres of rolling, tree-filled fields, and country-like atmosphere in a suburban area where High Point and Jamestown, North Carolina both meet Greensboro Road (US Highway 29-70).

Pennybyrn at Maryfield currently includes a 173-unit independent living apartment building (with attached community center and wellness center), 49 independent living cottages, 24 assisted living apartments, 24 assisted living memory support units and 125 skilled nursing care beds.

### **B. Community Expansion**

On November 15, 2018, the Board of Directors approved a continuing Expansion and Development plan (the "Project). Further information is provided in Section V. B. on page 20 and in Section VII. C. page 26.

### C. Layout and Types of Accommodation

The following table summarizes the type, number, and square footage of the independent living units of the Community:

Unit Type	Unit Name	Number of Units	Approximate Square Feet
<b>Independent Living Units:</b>			
<i>Apartments:</i>			
1 Bedroom, 1 Bath	Dogwood	10	769
1 Bedroom, 1 Bath	Elm	3 N	895
1 Bedroom, 1 Bath, Den	Redbud	9	908
1 Bedroom, 1 Bath, Den	Periwinkle	35	937
1 Bedroom, 1.5 Bath, Den	Mulberry	8 N	1,008
1 Bedroom, 2 Bath, Den	Cherry	3 N	1,260
2 Bedroom, 2 Bath	Magnolia	41	1,055
2 Bedroom, 2 Bath	Camellia	3	1,181
2 Bedroom, 2 Bath	Wisteria	2	1,178
2 Bedroom, 2 Bath	Hickory	3 N	1274
2 Bedroom, 2 Bath	Willow	8 N	1,367
2 Bedroom, 2 Bath, Den	Azalea	11	1,333
2 Bedroom, 2 Bath, Den	Birch	4	1,382
2 Bedroom, 2 Bath, Den	Rose	8	1,386
2 Bedroom, 2 Bath, Den	Holly	3	1,580
2 Bedroom, 2.5 Bath, Den	Maple	3 N	1,492
2 Bedroom, 2.5 Bath, Den	Pine	6 N	1,504
2 Bedroom, 2.5 Bath, Den	Cedar	4 N	1,700
2 Bedroom, 2.5 Bath, Den	Jasmine	9	1,600
Total / Weighted Average		173	1,143
2 Bedroom, 2 Bath, Garage	Shamrock – Standard	2	1,458
2 Bedroom, 2 Bath, Den, Garage	Shamrock – Deluxe	18	1,693
1 Bedroom, 1 Bath	D - Heritage	2	584
1 Bedroom, 1 Bath	C - Heritage	5	735
2 Bedroom, 2 Bath	B - Heritage	7	1,162
2 Bedroom, 2 Bath	A2 - Heritage	12	1,619
3 Bedroom, 2 Bath	A1 - Heritage	3	2,595
Total / Weighted Average Cottages		49	1,502
Total Current Independent Living Units		222	1,201

N - Each unit marked with N is a New Expansion Unit that became available for occupancy in November 2022.

### D. Estimated Number of Residents

At September 30, 2023, the approximate number of residents (the “Residents” or “Resident”) receiving services by Pennybyrn at Maryfield is 259 independent living Residents, 23 assisted living Residents, 22 memory support Residents and 107 Health Care Residents for a total of 411 Residents.

## **E. Amenities**

Community Residents have the convenience of the following amenities:

- Central lobby and reception area
- Living room/parlor area
- Library
- Formal, Informal dining rooms and a café located on the first floor
- Arts and crafts room
- Multi-purpose room(s)
- Barber and beauty salon
- Gift shop
- Business and communications center
- Pub
- Wellness Center with heated indoor pool, exercise and aerobics rooms
- Clinic with rehabilitation area
- Lounge areas
- Movie Theatre
- Woodworking shop
- Resident garden for growing vegetables and flowers
- Our “Par Excellence” golf amenity at the Jamestown Park Golf course which currently includes weekday greens fees (at no additional increase to your monthly service fee), personal membership card and other benefits. Please check with our IL Services Leader for details of the current program in place as program changes may be made from time to time.

## **III. SERVICES**

### **A. Standard Services for Independent Living**

Pennybyrn at Maryfield agrees to provide the maintenance and services to Residents as outlined in the Pennybyrn at Maryfield **Residency and Care Agreement** (the “Agreement”) attached to this Disclosure Statement as **Exhibit A**. The Agreement sets forth the terms of the applicant’s relationship with Pennybyrn at Maryfield.

Each Resident is required to pay an upfront entrance fee (“Entrance Fee”) and also a monthly service fee (“Monthly Service Fee”) on an on-going basis as detailed in **Section V** below. These amounts entitle the Resident to occupy and use the Residence, common areas, amenities, programs, and services of Pennybyrn at Maryfield during the term of his/her Agreement.

While the Resident occupies a Residence, the following services will be provided by the Corporation:

1. Living accommodation in a designated residential unit.
2. A credit for approximately thirty (30) meals per month or a “spend-down monthly meal plan for Independent Living Residents.
3. All utilities in the Apartments and Cottages, excluding telephone.
4. Weekly housekeeping and flat linen service.
5. Regularly scheduled maintenance, trash removal, and landscaping.
6. Lighted surface parking for Resident’s vehicle.
7. Twenty-four-hour emergency response system and security services.
8. Fifteen (15) grace days per year, cumulative to a maximum of 45 days, for a Resident’s temporary stay in the Health Care Residences.
9. Access to all of the Community’s common areas such as dining rooms, meeting rooms, indoor swimming pool, lounges, lobbies, library, business center, social and activity rooms, Wellness Center, and other common amenities.
10. Regularly scheduled transportation including, but not limited to, shopping trips to malls, medical appointments, and grocery shopping.
11. Activity programs.

**B. Services Available at an Extra Charge**

Services offered for an additional charge under the Agreement include, but are not limited to, the following:

1. Barber and beauty services.
2. Additional housekeeping.
3. Personal care and assistance services.
4. Personal laundry or dry cleaning.
5. Individualized transportation for appointments based on the Agreement in effect.
6. Guest meals and personalized catering events.
7. Nursing care and Assisted Living services and supplies. Such additional expenses are described in the attached Agreement.
8. Other additional maintenance and housekeeping services performed beyond the normal scope of services offered by Pennybyrn.

### **C. Health Services Available**

#### **1. Three Levels of Care in Health Care Residences**

Pennybyrn at Maryfield has accommodations, equipment, staffing, programs, services, and supervision necessary for licensed assisted living, licensed assisted living for memory support and licensed nursing care (collectively, the “Health Care Residences”). The Health Care Residences and services are available to the Resident on a space available basis, if needed, as determined by Management. Residents of Pennybyrn have priority access to all Health Care Residences and services before non-residents. However, Pennybyrn cannot guarantee access to these areas, other than priority admission.

#### **2. Health Care Benefit (Grace Days)**

Pennybyrn will provide services above those covered by Medicare or other third-party insurance to an independent living Resident in a Health Care Residence for fifteen (15) days annually. These grace days may be carried over into future years with a cumulative annual benefit not to exceed forty-five (45) days at no additional charge for each Resident, provided that the Resident remains an independent living Resident.

### **D. Personal Services Available**

#### **1. Modifications to Residences**

Residents may make interior modifications to their Residence with prior written approval from Management. All costs for modifications are borne by the Resident and all changes become the property of the Corporation. The Corporation reserves the right to return the residence to its original standard configuration at resident’s cost. The value of such improvements will not be considered in computing entrance fee refunds, unless agreed to as an addendum to the Agreement. All Cottages must remain unchanged on the exterior façade in keeping with the present architectural scheme of the Community.

#### **2. Pets**

Residents are permitted to bring pets into Pennybyrn, with the prior written approval of Pennybyrn. It is the responsibility of the Resident for their care, and they must abide by administrative rules regarding pets as outlined in detail in the Resident Handbook.

## **IV. POLICIES**

The following information summarizes the admission and approval for Residency to Pennybyrn. A full description of policies regarding residency are included in the Residency and Care Agreement.

### **A. Age Criteria**

Residents shall be sixty-two (62) years of age or older. If Resident is a couple, at least one member of the couple must be sixty-two (62) years of age at the time of occupancy.

## **B. Health Criteria**

Independent living Residents must be able to live independently with or without assistance for the normal activities of daily living. Appropriate medical history will be required of the applicant. Approval for residency in an independent living unit is conditioned upon review of such information by Pennybyrn.

## **C. Financial Criteria**

Applicants are required to provide a detailed **Confidential Financial Statement**, as well as a completed **Confidential Data Profile**. Using the information provided by the applicant, Pennybyrn will compare the applicant's income and assets against projected expenses over the applicant's life expectancy. The results of this comparison are used to determine the applicant's ability to meet future costs and to identify financial risk, if any, to Pennybyrn.

## **D. Insurance Criteria**

To ensure the Resident's ability to fully cover a Medicare-qualified stay in the Health Center, residents are required to maintain Medicare Part A, and Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to Pennybyrn. Supplemental insurance must cover Medicare co-insurance and deductibles. From time to time, Pennybyrn may require the Resident to furnish evidence of such insurance. Should the Resident's supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Health Center, or should the Resident fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Health Center, the Resident will be financially responsible to pay for deductibles, co-insurance amounts, and any other costs for each Medicare-qualified stay in the Health Center.

## **E. Changes of Condition Prior to Occupancy**

If, after an approval for residency, but prior to occupancy of a Residence, a prospective Resident develops a medical condition that would normally disqualify the prospective Resident from residency to the Community, Pennybyrn will honor the approval for residency, provided the Resident meets all other admission criteria. Pennybyrn will provide the Resident with the Limited Health Care Benefit described in **Section III.C.2.** above and may, if appropriate, choose to move to a higher-level care such as assisted living or Health Care Center.

## **F. Termination by Resident**

1. **30-Day Right of Rescission.** The Resident may rescind the Agreement within 30 days following the later of the execution of the Residency Care Agreement or the receipt of this Disclosure Statement. These all meet the requirements of N.C.G.S. § 58-64-20 and 58-64-25(a)(1). The Resident will not be required to move into the Residence before the expiration of this 30-day rescission period. In the event of rescission, the Resident shall receive a refund of all monies transferred to Pennybyrn less (i) periodic charges specified in the Agreement and applicable only to the period a Residence was actually occupied by the Resident; (ii) any non-standard costs specifically incurred by Pennybyrn at the Resident's request and described in the Agreement or any Amendment signed by the Resident.



2. **Termination After 30-Day Rescission Period.** The Resident may terminate the Agreement for any reason after the 30-day rescission period and prior to Occupancy by giving written notice to Pennybyrn. In the event of such termination, the Resident will receive a refund of his/her ten percent (10%) deposit, less any non-standard costs specifically incurred by the Resident's request.

Any such refund described in **Sections IV.F.1.**, this section **IV.F.2.** and **IV.F.4** shall be paid by the Corporation within sixty (60) days following the receipt of written notification of such termination by Resident or legal representative of the Resident to:

Director of Marketing  
Pennybyrn  
109 Penny Road  
High Point, NC 27260

3. **Voluntary Termination by Resident After Occupancy.** Following expiration of the 30-day rescission period and after the Resident's occupancy of the Residence, the Resident may cancel his/her Agreement by providing at least thirty (30) days written notice to Pennybyrn. At the expiration of the notice period, the Resident must vacate the Residence. Any refund of Entrance Fee balances, which may be due to the Resident, shall be calculated and payable in accordance with **Section V.A.** below, and as more fully described in the attached Agreement.

4. **Termination Upon Death or Illness Prior to Occupancy.** If a Resident dies following the 30-day rescission period but prior to occupying a living unit (Residence) in the Community, or if, on account of illness, injury or incapacity, a Resident would be precluded from occupying a living unit ("Residence") in the Community under the terms of the Agreement, the Agreement is automatically cancelled and the Resident or legal representative of the Resident shall receive a refund of all money or property transferred to Pennybyrn, as described in the second paragraph of **Section IV.F.2.**

5. **Termination Upon Death After Occupancy.** In the event of death of a single Resident, or the survivor of two Residents, at any time after Occupancy, this Agreement shall terminate and the refund of the Entrance Fee shall be determined in the same manner described in **Section V.A.**

**G. Termination by Pennybyrn After Occupancy**

1. Pennybyrn may terminate the Agreement for cause, including but not limited to the following:
  - a. Resident defaults, breaches or otherwise violates any terms of the Agreement or the Rules and Regulations of Pennybyrn;
  - b. Resident makes material misrepresentations or omissions in the Agreement or application in connection with the Agreement;
  - c. A condition or behavior of a Resident creates a significant threat to his/her own life, health, safety or peace, or that of other Residents or Pennybyrn staff, or interferes with the functioning of the Pennybyrn staff; or
  - d. Resident's physical or mental condition becomes such that Resident requires care that Pennybyrn is unable to provide, does not routinely provide, or is prevented by law from providing.

In the event of such termination by Pennybyrn, any refund of Entrance Fee balances, which may be due to the Resident, shall be calculated as described in the Agreement.

## **H. Transfers or Changes in Levels of Care**

1. **Transfer to a Health Care Residence.** Pennybyrn recognizes the right of self-determination of the Resident and will attempt to involve the Resident or the Resident's representative in all decisions related to transfers and changes in level of care. In cases of potential harm to the Resident or others, to assure the health and wellbeing of the Resident and others, or to provide for the highest quality of life possible, Management reserves the right to determine if Resident should be transferred from Residence to a Health Care Residence, or from one level of care to another within Pennybyrn. Such determination shall be based on the opinion of the Pennybyrn administration and/or the Pennybyrn Medical Director and shall be made after consultation with the Resident and the Resident's representative and attending physician. Such decisions shall be made only in the best interest of resident and the larger Community as determined by Pennybyrn.
2. **Temporary Health Care.** If the Resident is in need of temporary care in a Health Care Residence, it will be provided after consultation between the Pennybyrn Medical Director, the Resident's physician, the Resident, and Resident's spouse (if any) or the Resident's immediate family. Pennybyrn shall provide nursing care accommodation in the Health Center or assisted living care in the Assisted Living Facility, as deemed appropriate and only if space is available. The cost of such care would be in addition to the Resident's Monthly Service Fee, including the cost of any additional meals not already included in Resident's Monthly Service Fee, and any other charges described in **Section III.B.** herein.
3. **Transfer to Another Facility.** In the event that the Health Care Residences of Pennybyrn does not have available appropriate accommodations or other services, the Resident may, at their discretion and expense, and after consultation with Resident's physician, spouse (if any) and family, be moved to another facility. If a resident requires services beyond what can be provided by Pennybyrn – or the Community, the Resident, at their expense, may need to be transferred to a facility equipped to provide such services. Such transfer will be made only after consultation with Resident and/or their representative and attending physician.
4. **Surrender of Residence.** If a determination is made by Management that any transfer described above is permanent, Resident agrees to surrender their present Residence. As soon as appropriate accommodations are available, Resident will have priority to move to such Health Care Residences, or another facility determined to best suit their needs.
5. It is understood that, in a single residency situation, once permanently moved into a Health Care Residence, the Resident relinquishes the right to reoccupy that Residence. In the event that the Resident again becomes able to live independently, Resident will be entitled to the first available Residence of the type accommodation last occupied by them.

## **I. Refunds**

All Entrance Fee refunds due after the 30-day rescission period will be paid within sixty (60) days of termination of the Agreement and upon the receipt of a replacement Entrance Fee for the vacated Residence. Any Entrance Fee refunds due will be decreased by the amount of amortization incurred per the schedules listed in **Section V.A.** below, any non-standard costs incurred by the Resident's request. In the case of dual occupancy, refunds will not be paid until both Residents have permanently vacated the Residence and removed their personal belongings.

Should a Resident move to a Health Care Residence on a permanent basis and the Resident selects a refundable entrance fee plan, the refundable portion of the Resident's Entrance Fee due to the Resident as a refund, may be applied to the cost of that care, provided that management agrees with demonstrated financial need and upon receipt of a replacement Entrance Fee for the Independent Living Residence most recently occupied by the resident. Entrance Fee refunds will not be paid directly to any other health care facility besides Pennybyrn.

## **J. Moves**

1. Moves from one Residence on campus to another are permitted with a ninety (90) day advance approval of Pennybyrn. Residents agree to bear the costs of such moves. Charges and credits shall be assessed based upon differences in the Entrance Fees and Monthly Service Fees between the Residences, which are the subject of the move.
2. Pennybyrn may require Residents to move from their Residences to Assisted Living or Health Center units, on either a temporary or permanent basis. Such moves are to be made following consultation with Pennybyrn's medical staff, the Resident, family or legal representative, and Resident's attending physician.

## **K. Marriages/New Second Occupant**

In the event a Resident marries, remarries, or elects to share a Residence with another person, the new spouse or other cohabitant may become a Resident of the Community as long as the new potential Resident meets all of the Corporation's admission criteria. The new spouse/cohabitant must pay the then-prevailing second person Monthly Service Fee. If the Resident's spouse does not meet the requirements of Pennybyrn for residency as a Resident, the Resident may terminate the Agreement in the same manner as provided in **Section IV.F.3.** above with respect to a voluntary termination, or the Resident's spouse may be approved for residency under special circumstances as agreed to in writing by Pennybyrn.

In the event a Resident marries or elects to share a Residence with another person who is also a Resident of Pennybyrn, the two Residents may occupy either Residence and shall surrender the unoccupied Residence. The Residents will pay the Monthly Service Fee for two Residents upon Occupancy by both Residents in the chosen Residence. No Entrance Fee refunds shall be payable with respect to the unoccupied Residence. Refunds are made in accordance with **Section IV.I** above.

## **L. Inability to Pay**

It is the policy of Pennybyrn that a Resident will not be dismissed, nor will the Agreement be terminated solely due to the financial inability of the Resident to pay the Monthly Service Fee, as long as such inability to pay is due to circumstances beyond the control of the Resident. Pennybyrn will make reasonable efforts to maintain the Resident's status within the community even if unexpected financial difficulties make it impossible for Resident to keep up with monthly obligations. As long as a Resident has acted in good faith in his/her dealings with Pennybyrn, and Management determines that the facts justify special consideration, Management will make reasonable efforts to work with the Resident toward a confidential plan that will secure Resident's status in the Community.

Residents agree and understand that Pennybyrn's policy of assisting Residents through times of financial hardship is conditioned upon the Resident's efforts as well. Along these lines, Residents must not voluntarily weaken their ability to pay in any material fashion, Residents agree to cooperate with Management in providing additional financial information upon request and Residents must take action to shift personal assets in order to pay outstanding balances due Pennybyrn. Failure to assist as described herein may result in Pennybyrn's movement of the Resident to an alternative Residence or termination of the Agreement with such Resident. The Board of Directors determines the policies relating to financial assistance. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual.

## **V. FEES**

Prior to move-in, prospective Residents pay an initial, one-time Entrance Fee depending upon Residence type and payment plan selected. In return for the Entrance Fee and Monthly Service Fees, the Resident receives the right to occupy a Residence in the Community and the package of services noted above, including the limited Health Care Benefit.

### **A. Entrance Fees**

The Entrance Fee is a payment that assures the resident of a place in Pennybyrn for life or until such time as the resident may choose to move; the details are identified in the Residency and Care Agreement, Exhibit A, included in this Disclosure Statement. Pennybyrn offers three Entrance Fee plans for occupancy of an independent living Residence. The Resident agrees to pay Pennybyrn an Entrance Fee as a condition of becoming a Resident. The Resident may choose from: a zero percent (0%) refundable entrance fee plan ("Plan A") or the "Traditional Amortizing Entrance Fee Plan"); a fifty percent (50%) refundable entrance fee plan ("Plan B"), and a ninety percent (90%) refundable entrance fee plan ("Plan C"). The Resident shall choose one of the following Entrance Fee options and related amortization schedules:

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**Entrance Fee Option<sup>1</sup>****Amortization Schedule**

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1. Plan A – Traditional Amortizing Entrance Fee	2% per month for 49 months. After 49 months of occupancy, no refund is paid.
2. Plan B – 50% Refundable Entrance Fee	2% per month for 24 months. Refund is never less than 50% to the Resident.
3. Plan C – 90% Refundable Entrance Fee	1% per month for 8 months. Refund is never less than 90% to the Resident.

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<sup>1</sup> Entrance Fee plans are subject to the initial two percent (2%) non-refundable service fee.

Entrance Fees in effect for the independent living unit options are outlined below:

Unit Type		Plan A	Plan B	Plan C
		0% Amortizing	50% Refundable	90% Refundable
<b>Apartments:</b>				
1 Bedroom, 1 Bath	Dogwood	\$158,800	\$218,000	\$262,800
1 Bedroom, 1 Bath, Den	Redbud	196,100	266,800	318,900
1 Bedroom, 1 Bath, Den	Periwinkle	221,000	290,225	346,750
2 Bedroom, 2 Bath	Magnolia	229,650	298,700	371,550
2 Bedroom, 2 Bath	Camellia	262,000	344,300	430,500
2 Bedroom, 2 Bath	Wisteria	262,000	344,300	430,500
2 Bedroom, 2 Bath, Den	Azalea	289,800	370,900	452,300
2 Bedroom, 2 Bath, Den	Rose	277,450	363,950	449,550
2 Bedroom, 2 Bath, Den	Holly	284,200	375,400	475,200
2 Bedroom, 2.5 Bath, Den	Jasmine	335,050	435,750	537,300
<b>Total / Weighted Average Apartments</b>		<b>\$237,321</b>	<b>\$311,044</b>	<b>\$380,560</b>
<b>Cottages:</b>				
2 Bedroom, 2 Bath	Standard	\$254,700	\$391,800	\$487,200
2 Bedroom, 2.5 Bath, Den	Enhanced/Deluxe	281,500	426,900	532,200
<b>Total / Weighted Average Cottages</b>		<b>\$278,820</b>	<b>\$423,390</b>	<b>\$527,700</b>

Average Entrance Fees in effect for the Heritage Cottage independent living unit options are as follows:

Unit Type		Plan A	Plan B	Plan C
		0% Amortizing	50% Refundable	90% Refundable
Independent Living Heritage Cottages Residences: <sup>2</sup>				
3 Bedroom, 2 Bath	A1	\$ 360,464	\$ 381,488	\$ 622,909
2 Bedroom, 2 Bath	A2	248,901	338,496	398,974
2 Bedroom, 2 Bath	B	175,243	238,914	285,343
1 Bedroom, 1 Bath	C	112,300	152,920	215,560
1 Bedroom, 1 Bath	D	116,000	157,900	217,500
<b>Total / Weighted Average Existing</b>		<b>\$ 209,945</b>	<b>\$ 274,456</b>	<b>\$ 350,573</b>

<sup>1</sup> The above Entrance Fees are those in effect as of October 1, 2023 and are subject to change.

<sup>2</sup> The Entrance Fees for the Heritage Residences are a weighted average based upon the grouping of similar-sized floor plans. The above Entrance Fees are those in effect as of October 1, 2023 and are subject to change.

**B. Monthly Service Fees**

Monthly Service Fees for the project independent living unit options are as follows:

<b>Unit Type</b>		<b>Number Of Units</b>	<b>Approximate Square Feet</b>	<b>Monthly Service Fees</b>
<b><i>Apartments:</i></b>				
1 Bedroom, 1 Bath	Dogwood	10	770	\$3,541
1 Bedroom, 1 Bath, Den	Redbud	9	908	\$3,914
1 Bedroom, 1 Bath, Den	Periwinkle	35	937	\$4,114
2 Bedroom, 2 Bath	Magnolia	41	1,055	\$4,502
2 Bedroom, 2 Bath	Camellia	3	1,181	\$5,036
2 Bedroom, 2 Bath	Wisteria	2	1,178	\$5,036
2 Bedroom, 2 Bath, Den	Azalea	11	1,333	\$5,278
2 Bedroom, 2 Bath, Den	Rose	8	1,386	\$5,535
2 Bedroom, 2 Bath, Den	Holly	3	1,580	\$5,556
2 Bedroom, 2.5 Bath, Den	Jasmine	9	1,600	\$6,017
<b>Total / Weighted Average Apartments</b>		<b>131</b>	<b>1,089</b>	<b>\$4,561</b>
<b><i>Cottages:</i></b>				
2 Bedroom, 2 Bath	Standard	2	1,458	\$4,854
2 Bedroom, 2.5 Bath, Den	Enhanced/Deluxe	18	1,693	\$5,648
<b>Total / Weighted Average Cottages</b>		<b>20</b>	<b>1,670</b>	<b>\$5,569</b>
<b><i>Heritage:</i></b>				
1 Bedroom, 1 Bath	Heritage D	2	778	\$3,100
1 Bedroom, 1 Bath	Heritage C	5	735	\$3,020
2 Bedroom, 2 Bath	Heritage B	7	1,162	\$4,481
2 Bedroom, 2 Bath	Heritage A2	12	1,649	\$5,280
3 Bedroom, 2 Bath	Heritage A1	3	2,595	\$6,266
<b>Total / Weighted Average Cottages</b>		<b>49</b>	<b>1,412</b>	<b>4,649</b>

<sup>1</sup> FY 2022/23 is from (10/01/23 to 9/30/24). Monthly service fees for a second person are \$1,421 for all project independent living cottages and apartments. All fees are subject to periodic increases.

**Below is a table that reflects Entrance Fees and Monthly Service Fees for the 42 New Expansion Residences:**

<i>Expansion Apartments:</i>		<b>Units</b>	<b>Square Footage</b>	<b>Average Entrance Fees(1)(2)</b>	<b>Monthly Fees (1)</b>
1 Bedroom, 1 Bath	Elm	3	895	\$201,100	\$4,079
1 Bedroom, Den	Mulberry	8	1,008	\$231,600	\$4,478
1 Bedroom, Den	Cherry	3	1,260	\$272,000	\$5,394
2 Bedroom	Hickory	3	1,274	\$282,600	\$5,462
2 Bedroom	Willow	8	1,367	\$295,000	\$5,683
2 Bedroom, Den	Birch	4	1,382	\$298,200	\$5,741
2 Bedroom, Den	Maple	3	1,492	\$313,000	\$5,846
2 Bedroom, Den	Pine	6	1,504	\$315,600	\$5,879
2 Bedroom, Den	Cedar	4	1,700	\$361,100	\$6,287
<b>Total / Weighted Average Apartments</b>		<b>42</b>	<b>1,312</b>	<b>284,517</b>	<b>5,405</b>
Second person fee – IL					\$1,421

Source Management

- (1) Entrance Fees and Monthly Fees shown are effective as of October 1, 2023.
- (2) The Corporation will offer several refundable Entrance Fee plans. Fee shown are based on the Traditional Amortizing Entrance Fee Plan.

**C. Health Center Fees**

Licensed Nursing

The Health Center provides services to private-pay, Medicaid and Medicare Residents. The per diem charges currently in effect for the respective payor are presented in the following table.

**Payor Type**

Private pay	Rate per Day
Private Room	\$394
Semi-private room	351
Medicare	566
Medicaid	265
Daily rates 10/1/2023 to 9/30/2024	

Assisted Living

Assisted living Residents will be charged a base monthly fee for services provided. For Residents who require additional services, there are additional levels of care provided. Services not included in the base monthly fee will be an additional charge. Additional levels of care include such services as: verbal instruction on activities of daily living; physical assistance with bathing or showering; periodic use of a hydro-tub; dressing, clothes selection and orientation; grooming, including but not limited to hair and teeth brushing, etc.; eating; walking, wheelchair propelling, and prescribed exercises; laundry services that are needed more often than one time a week (both personal and/or linen); and assistance with bladder and/or bowel incontinence. The cost of incontinence supplies will be billed separately to the Resident.



For Assisted Living, Pennybyrn agrees to provide services to Residents as outlined in either the **Multi-Unit Assisted Housing with Services Agreement** attached to this Disclosure Statement as **Exhibit B** or the **Licensed Assisted Living Agreement** attached to this Disclosure Statement as **Exhibit C** (depending on choice and availability of program).

Residents directly admitted from outside the community must pay, prior to move-in, an initial one-time Entrance Fee of \$16,380 or \$25,225 for a one or two-bedroom accommodation, respectively. This fee amortizes straight-line over one year (365 days) so that after one year of occupancy, no refund is paid.

Base level monthly fees for assisted living Residents are presented in the following table:

<b>Assisted Living Units and Monthly Fee Rates</b>		
<b>Unit Type</b>	<b>Number of Units</b>	<b>Monthly Fee</b>
1 Bedroom – Multi-Unit with Services	12	\$6,797
1 Bedroom, 1 Bath	10	7,152
2 Bedroom	2	8,572
Total / Weighted Average	24	\$7,093

Monthly fees for memory support Residents are presented in the following table:

<b>Memory Support Units and Monthly Fee Rates</b>		
<b>Unit Type</b>	<b>Number of Units</b>	<b>Monthly Fee</b>
1 Bedroom Dementia Care	24	\$8,471

<sup>1</sup> FY 2023/24 is from (10/01/23 to 9/30/24). All fees are subject to periodic increases. For a complete fee schedule for Multi-Unit Assisted Housing with Services and Licensed Assisted Living see the last pages of Exhibits B and C, respectively.

## D. Application / Registration Fees

Pennybyrn does not discriminate with regard to an applicant's gender, race, religion, national origin, or marital status. Each Resident will complete the following process:

- Complete an application
- Personal financial statement (self-reported)
- Personal health statement (self-assessed)
- Sign a receipt of Disclosure Statement
- Ten percent (10%) Entrance Fee deposit for chosen residence submitted
- Sign the Residency and Care Agreement
- Resident Review Committee reviews Application
- Notification of acceptance within thirty (30) days of submitting an application
- Apartment or Cottage selected and reserved
- Confirm intention to occupy unit and desired move-in date
- Update personal financial statement with attachments as required
- Update medical and physician's exam as required
- Move in scheduled
- Fifteen days (15) prior to date of occupancy, resident is required to pay remainder of Entrance Fee, unless otherwise agreed to in writing by Pennybyrn.

In order to better evaluate the Resident's application, it may be necessary to provide additional information. The Residency Review Committee reviews the Application Forms when all requested Application Forms are completed.

1. **Deposit for Residences.** To select and reserve a Residence for occupancy, the Resident will complete the application process and it will be submitted to the Resident Review Committee for approval, pay a deposit equal to ten percent (10%) of the total Entrance Fee or a maximum of \$20,000 (for existing Independent Living Units) and the full ten (10%) for new Units, for their chosen Residence (less any previous deposits paid), and this Agreement will be signed by both parties. The Resident will receive notice of approval for residency within thirty (30) days of submitting the completed application.
2. **Balance of the Entrance Fee.** The remaining balance of the total Entrance Fee for the Residence will be due and payable fifteen (15) days prior to the Date of Occupancy, unless otherwise agreed to in writing by Pennybyrn.

Pennybyrn agrees to maintain the confidentiality of all information submitted and to disclose such information only to its Admissions Committee, or, where appropriate, its nursing or medical personnel.

**E. Notification of Fee Increases**

Pennybyrn may adjust periodic charges and fees as determined to be necessary by the Management in order to maintain the quality of service desired and to operate the Community on a fiscally sound basis. Proposed adjustments in charges and fees are normally developed as found necessary in the course of preparing the annual budget. The Agreement, however, does state that fees may be adjusted at any time with at least a thirty (30) day advanced notice to the Resident of any fee increases.

**F. Changes in Fees for the Previous Five Years**

For each of the five years ended September 30, 2024, 2023, 2022, 2021, 2020, 2019 the rate increase was 4.5% for 2023 and 3.0% each other year.

	Dollar amount of Change		Dollar amount of change		Dollar amount of change		Dollar amount of change
	Cottages		Apartment Homes		Assisted Living		Skilled nursing
	MSF	Person 2	MSF	Person 2	MS F	Person 2	Daily Fee
2018 - 2019	115	34	107	34	165	43	10
2019 - 2020	118	34	110	36	170	45	9
2020 - 2021	119	37	128	37	175	46	11
2021 - 2022	171	38	168	38	175	48	11
2022 - 2023	130	59	188	59	291	73	16
2023 - 2024	203	62	196	62	306	76	17

## **VI. FINANCIAL INFORMATION**

Management has assembled information for Residents to examine Pennybyrn's current and projected financial status. Provision of this information is also required by the North Carolina Department of Insurance, so that the financial stability of the Corporation may be appropriately monitored.

### **A. Audited Financial Statements**

Audited financial statements for Maryfield, Inc. are included as Exhibit D. The financial statements include a statement of financial position, statement of activities and changes in net assets and a statement of cash flows.

### **B. Projected Financial Statements**

A projection of Maryfield, Inc.'s financial statements over the next five years, including the related summaries of significant projection assumptions and accounting policies, is included as Exhibit E.

### **C. Comparison of Actual Results to Forecast**

A comparison of actual results for FY 2023 and the forecast for FY 2023 is included as Exhibit F. Comparisons are made for the Balance Sheet and Statement of Operations with brief explanations for variances over 10% and \$100,000.

### **D. Interim Financial Statements**

Interim financial statements (un-audited) have been provided for the three-month ended December 31, 2023, as Exhibit G.

### **E. Reserves**

**Operating Reserve Requirement.** North Carolina General Statute Chapter 58, Article 64 sets forth minimum operating reserve requirements. Under this legislation, the Organization is required to maintain unrestricted cash and investments equal to 25% of forecasted total annual operating costs (less certain expenses; plus, certain principle payments). At September 30, 2023 management estimates that approximately \$7,586,000 would be required to meet the operating reserve requirement and the Organization has sufficient resources to meet this requirement.

### **F. Investment of Operating Reserve**

The Corporation recognizes a fiduciary responsibility in maintaining this operating reserve requirement. The funds will be invested with local banks and investment institutions, with the objective of long-term growth (equities for enhanced total return potential and fixed income bonds and money market funds).

The Maryfield, Inc. Investment Committee reviews the Corporation's investment decisions and the performance of investment mediums. Members of the Investment Committee are listed below:

**Sr. Lucy Hennessy, SMG**, Chairperson of the Board of Directors

**Mr. Richard W. Newman**, President, Community Leader  
(see persons who manage Pennybyrn at Maryfield).

**Ms. Loretta M. Long**, Chief Financial Officer, Finance Leader  
(see persons who manage Pennybyrn at Maryfield).

**Mr. Paul Breitbach**, retired Executive VP of Finance, Krispy Crème Doughnut Corporations.  
(see persons who are Members of the Board of Directors).

**Mr. Gerard R. Gunzenhauser, Jr.**, President of GRHG Associates, Inc. (see persons who are Member of the Board of Directors).

**Mr. Wes Frye**, retired Senior VP and CFO of Old Dominion Freight Line, Inc.

**Mr. Joseph C. Jackson, Jr.**, Vice President in Consumer, Small Business and Community Banking at Bank of America in High Point. (see persons who are Members of the Board of Directors).

## **VII. OTHER MATERIAL INFORMATION**

### **A. Litigation and Other Legal Matters**

The Corporation has no past or current litigation, bankruptcy filings, receivership, liquidation, anticipated actions or perils of any manner significant to be reported herein.

### **B. Long Term Debt**

On April 29, 2015, through the North Carolina Medical Care Commission (the Commission), the Maryfield, Inc. issued \$66,135,000 Series 2015 First Mortgage Revenue Bonds to refinance the then current outstanding bonds maturing in October 2020 through October 2035, with interest rates ranging from 4% to 5%. The Series 2015 bonds are collateralized by a security interest in all gross receipts, accounts, equipment, general intangibles, inventory, documents, instruments and chattel paper currently owned or hereafter acquired, and all proceeds thereof, excluding contract rights consisting of charitable pledges. The trust indentures and loan agreements underlying the bonds contain certain covenants and restrictions.

The Bonds were secured by a deed of trust on substantially all land, buildings, equipment and furnishings and fixtures owned by the Corporation.  
For additional information please reference the audited financial statements in **Exhibit D**.

### **C. Expansion Project**

The expansion project (the "Project") consists of the construction of 42 additional independent living units ("New Independent Living Units"), and the construction of a new Transitional Rehabilitation Center that includes 24 private rooms and state of the art therapy facility. The Transitional Rehabilitation Rooms are located in a new facility that will follow the existing rate structure. The project also includes additions and improvements in the independent living, assisted living, healthcare areas as well as upgrades and refurbishment to the exteriors of the buildings on the campus. Management is marketing the New Independent Living Units and collecting priority deposits and Entrance Fees.

The 42 New Independent Living Units include one and two-bedroom units with square footage ranging from 895 to 1,700 square feet. The monthly service fees for each unit will range from \$4,079 to \$6,287. Additional details are presented on page 21, Section V. B., of this document.

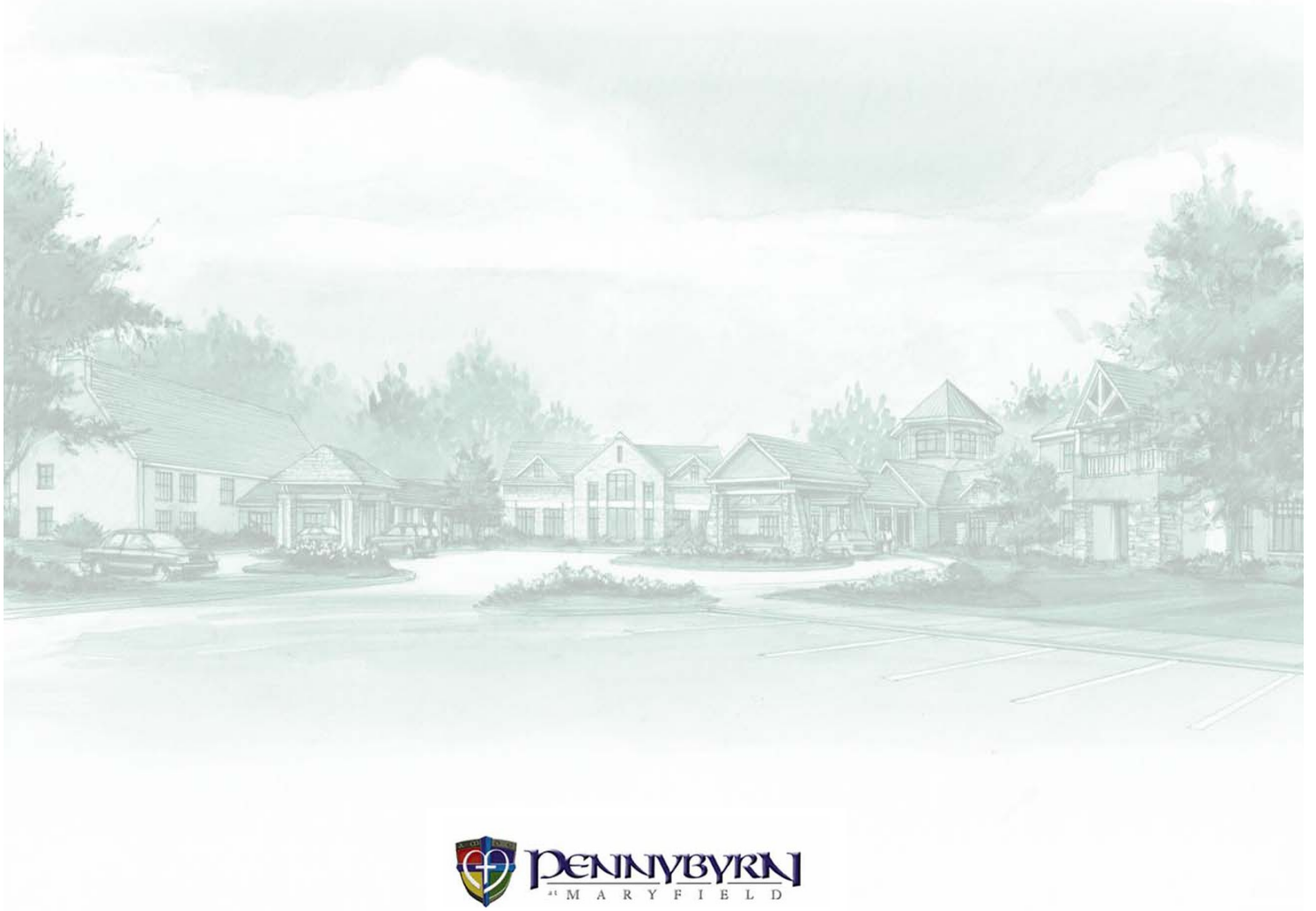
The 24-private room, Lillian Congdon Transitional Rehabilitation Center is primarily complete and opened March 2023. The Transitional Rehabilitation Center is constructed on land previously acquired by Pennybyrn and the Per Diem Rates are the same as those presented on page 21, Section V. B., of this document,

The construction of the new buildings began in October 2020, the refurbishment to the exteriors of the buildings began in October 2019 with completion in November 2020. The construction of the new independent living buildings was completed in October of 2022. Completion of the entire project including our Health Care refurbishment is expected to be completed by late Spring 2024.

The cost of the entire project is estimated to be \$57,000,000 to be financed by issuance of \$47,840,000 of tax-exempt bonds, and Capital Campaign fund raising.

# Exhibit “A”

## Residency and Care Agreement



**PENNYBYRN AT MARYFIELD**  
**A Continuing Care Retirement Community**  
**High Point, North Carolina**

**RESIDENCY AND CARE AGREEMENT**

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**PENNYBYRN AT MARYFIELD**  
**A Continuing Care Retirement Community**  
**High Point, North Carolina**

**RESIDENCY AND CARE AGREEMENT**

This Residency and Care Agreement (hereinafter called “the Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, by and between Maryfield, Inc., a North Carolina non-profit corporation d.b.a. Pennybyrn at Maryfield (hereinafter called “Pennybyrn at Maryfield”), and \_\_\_\_\_ (hereinafter called “Resident”, “You”, or “Your”).

Residences in Pennybyrn at Maryfield consist of 131 Apartments (“Apartment”) and 49 cottages (“Cottages”). The residences and common areas and amenities described below are collectively referred to as the “Community”.

You and Pennybyrn at Maryfield agree as follows:

**I. RESIDENCE, COMMON AREAS AND AMENITIES, PROGRAMS AND SERVICES**

**A. Your Residence.** You shall have the exclusive non-transferable right to occupy, use, and enjoy unit number \_\_\_\_\_, a (an)

(Apartment or Cottage), located within Pennybyrn at Maryfield (hereinafter called the “Residence”). You are not given exclusive possession of the Residence as against Pennybyrn at Maryfield, and it is understood that this Agreement is not a lease or easement and does not transfer or grant to you any interest in real property owned by Pennybyrn at Maryfield. Your rights under this Agreement are not assignable, and no rights or benefits hereunder shall inure to the use or benefit of your heirs, legatees, assignees or representatives. The Residence is for independent living only and shall not be used for business or profession, nor in any manner in violation of zoning restrictions.

**B. Furnishings in Your Residence.** Pennybyrn at Maryfield will provide wall-to-wall carpeting, vinyl flooring in entries, kitchens and bathrooms, blinds, refrigerator, stove, microwave, oven, hood vent, washer and dryer and other features and fixtures as described in current Pennybyrn at Maryfield literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by You.

**C. Options and Custom Features in Your Residence.** If You choose to add any custom features to Your Residence, they must first be approved in writing and then a charge would be determined. The cost of options and custom features selected will be paid by You at the time of selection and will become part of the

Residence and the property of Pennybyrn at Maryfield. The value of such improvements will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to this Agreement. Pennybyrn at Maryfield must approve all custom features in advance of the changes made.

**D. Common Areas and Amenities.** Pennybyrn at Maryfield common areas and amenities are for the use and benefit of all Residents, in common with others and in accordance with the rules and regulations set forth by Pennybyrn at Maryfield. Such areas include a central dining room, private dining room, casual dining area, chapels, library, mailboxes, multi-purpose rooms, lounges, activity areas, hobby room, Residents' business center, beauty/barber shop, an indoor pool, exercise room and equipment, locker rooms, a massage room, a wellness clinic, walking areas, an assisted living center, a dedicated memory support assisted living center, and the Health Center for nursing care with a dedicated area for licensed nursing memory support care.

**E. Parking.** Pennybyrn at Maryfield will provide lighted surface parking areas for Your personal vehicle.

**F. Services and Programs.**

**1. Utilities.**

- The Monthly Service Fee for a residence shall include the cost of heating, air conditioning, electricity, water, sewer, trash removal, cable and Internet and standard municipal services.
- All Residents will be responsible for the costs related to telephone service.

**2. Meals.**

Pennybyrn provides a meal allowance to each residence in independent living which is subject to change. The meal allowance is included in the Monthly Service Fee. If resident exceeds the meal allowance in any given month, the additional cost incurred above the meal allowance will be added to the Residents next monthly statement. An amount equivalent to one half the monthly meal allowance may be rolled over to the following month. At the end of the month any amount greater than the two week rollover will be forfeited.

**3. Housekeeping Services.** The Monthly Service Fee includes housekeeping services weekly, including vacuuming, dusting, change and laundering of linens, and cleaning of baths and kitchens.

4. **Transportation.** The Monthly Service Fee will include scheduled transportation for Residents on a regular, scheduled basis for doctor and medical appointments, shopping and activities as outlined in the Resident Handbook.
5. **Activities.** Pennybyrn at Maryfield will provide scheduled programs of recreational, spiritual, educational and cultural activities; arts and crafts; exercise, health and wellness programs; and other activities designed to meet Residents' interests.
6. **Grounds Keeping.** Pennybyrn at Maryfield will furnish basic grounds keeping service; including lawn, tree, and shrubbery care as part of the Monthly Service Fee. Subject to written approval by Pennybyrn at Maryfield, You may plant and maintain certain garden areas as outlined in the Resident Handbook.
7. **Maintenance and Repairs.** Pennybyrn at Maryfield will maintain and repair each Residence including improvements, furnishings, appliances, and equipment owned by Pennybyrn at Maryfield as part of the Monthly Service Fee. You will be responsible for the cost of repairing damage to property of Pennybyrn at Maryfield caused by You or any of Your guests, excluding normal wear and tear.
8. **Security.** Pennybyrn at Maryfield will provide:
  - Twenty-four (24) hour security service
  - An emergency call system throughout the Community
  - Smoke detectors in each Residence
  - Fire alarm system.
9. **Other Services and Programs at Additional Charge.** Other services and programs will be available to You at Your expense, including, but not limited to those previously mentioned:
  - Beauty and barber services
  - Personal care and assistance services
  - Personal laundry or dry cleaning
  - Private transportation for personal or special group trips.
  - Additional housekeeping
  - Catering
  - Guest meals
  - Repairs of personal property
  - Other special services performed for You beyond the normal scope of services offered by Pennybyrn at Maryfield.

10. **Health Care Accommodations and Services.** Pennybyrn at Maryfield will provide health care accommodations and services as follows:
- a. **Three Levels of Care in Health Care Residences.** Pennybyrn at Maryfield will have accommodations, equipment, staffing, programs, services, and supervision necessary for licensed Assisted Living, licensed Assisted Living for Memory Support and licensed nursing care (collectively, the “Health Care Residences”). The Health Care Residences and services are available to You on a space available basis, if needed, as determined by Pennybyrn at Maryfield. Residents of Pennybyrn at Maryfield have priority access to all Health Care Residences and services before non-residents. However, Pennybyrn at Maryfield cannot guarantee access to these areas, other than priority admission.
  - b. **Health Care Benefit. (Grace days)** Pennybyrn at Maryfield will provide services above those covered by Medicare or other third party insurance to an independent living Resident in a Health Care Residence for fifteen (15) days annually. These grace days may be carried over into future years with a cumulative annual benefit not to exceed forty-five (45) days at no additional charge for each Resident, provided that the Resident remains an independent living Resident. The Resident will pay for additional meals not covered in the Monthly Service Fee at the then current rate for additional meals and any additional charges for additional services.
  - c. **Clinic.** A clinic for health consultations will be available for rehabilitation services, screenings, and appointments as well as to certain members of the community at large. You will incur all costs associated with these visits or You may instruct that they be billed directly to Your insurance provider.
  - d. **Staffing.** Twenty-four (24) hour licensed nursing staff will be maintained in the Health Care Residences.
  - e. **Medical Director.** The overall coordination and supervision of health care services within Pennybyrn at Maryfield will be provided by a Medical Director, who will be a licensed physician selected by Pennybyrn at Maryfield.
  - f. **Health Care Services for an Additional Fee.** Other health services may be available to You at Your expense, including, but not limited to, pharmacy services, personal care and assistance services, laboratory tests, physical, occupational, and speech therapy, therapeutic activities, rehabilitative treatments, and other

medical equipment and supplies. The costs of such services are in addition to the charges described in **Section III.F.1.**

- g.** **Personal Physician.** In the event that You need to be hospitalized, Residents will choose a personal physician who has admission privileges at a local hospital. You are responsible for the cost of physician services.

## II. DATE OF OCCUPANCY AND OCCUPANCY

- A. **Date of Occupancy.** You will choose a Date of Occupancy that will be within ninety (90) days after the Date of Deposit. You will be expected to take Occupancy of the Residence and begin paying the Monthly Service Fee as of the Date of Occupancy.
  
- B. **Occupancy.** As used in this Agreement, “Occupancy” will have occurred when You have signed the Agreement, completed the application process and been approved for residency, paid the Entrance Fee in full, and begin paying the Monthly Service Fee

**III. FINANCIAL ARRANGEMENTS**

**A. Entrance Fee Options.** You agree to pay to Pennybyrn at Maryfield an Entrance Fee as a condition of becoming a Resident. You shall choose one of the following entrance fee options and related amortization schedules.

<u>Entrance Fee Option</u>	<u>Amount of Entrance Fee</u>	<u>Amortization Schedule</u>
Plan A – Traditional Amortizing Entrance Fee	\$ _____	2% earned upon occupancy and an additional 2% per month for 49 months, after 49 months of occupancy, no refund is paid.
Plan B – 50% Refundable Entrance Fee	\$ _____	2% earned upon occupancy and an additional 2% per month for 24 months, Refund is never less than 50% to the resident.
Plan C – 90% Refundable Entrance Fee	\$ _____	2% earned upon occupancy and an additional 1% per month for 8 months, Refund is never less than 90% to the resident.

You agree to pay to Pennybyrn at Maryfield an amount equal to ten percent (10%) of Entrance Fee Option Plan\_\_\_\_ for Your chosen Residence # \_\_\_\_\_ in the amount of \$ \_\_\_\_\_. You may notify Pennybyrn at Maryfield in writing of Your selection of the above chosen Entrance Fee Option on or before the date that the balance of the Entrance Fee is due as provided in **Section III.B.2** below. Without the prior written approval of Pennybyrn at Maryfield, You may not change the option selected after the date the balance of the Entrance Fee is due.

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

- Deposit for Residence.** To select and reserve Your Residence for occupancy, You will complete the application and submit it to the Resident Review Committee, pay a deposit equal to the lesser of ten percent (10%) of the total Entrance Fee Option Plan for Your chosen Residence or a maximum of \$20,000 (less any previous deposits paid), and this Agreement will be signed by both parties. You will receive notice of approval for residency within thirty (30) days of submitting Your completed application.

2. **Balance of the Entrance Fee.** The remaining balance of the total Entrance Fee for the Residence will be due and payable prior to occupying the residence. The remaining balance must be paid prior to the commencement of any modifications to the residence.
  
- C. **Monthly Service Fee.** In addition to the Entrance Fee, You agree to pay the current Monthly Service Fee of \_\_\_\_\_ and the second person monthly service fee of \_\_\_\_\_ upon Occupancy and until such time as You have vacated the Residence, and the Residence is available to be occupied. The Monthly Service Fee shall be payable in advance by the fifth (5<sup>th</sup>) day of each month. You are responsible for the payment of the Monthly Service Fee regardless of whether you are voluntarily absent from the Residence for any length of time.
  
- D. **Adjustments in the Monthly Service Fee.** The Monthly Service Fees are paid to provide the facilities, programs, and services described in this Agreement and are intended to cover costs of the expenses associated with the operation and management of Pennybyrn at Maryfield. Pennybyrn at Maryfield, with the approval of its Board of Directors, may increase the Monthly Service Fee during the term of this Agreement as required, consistent with operating on a sound financial basis and maintaining quality service all as determined in the discretion of Pennybyrn at Maryfield. You will receive notice of any such increases in the Monthly Service Fee, or other charges, at least thirty (30) days before such increase. Pennybyrn at Maryfield will endeavor to make such increases not more than once a year.
  
- E. **Monthly Statements.** Pennybyrn at Maryfield will furnish to You a monthly statement showing the Monthly Service Fee payable for the month in advance, and any additional charges from the previous month, payable by the fifth (5<sup>th</sup>) day of the current month. Pennybyrn at Maryfield may charge interest at a rate of one and one-half percent (1-1/2%) per month on any unpaid balance owed by You thirty (30) days after the monthly statement is furnished.
  
- F. **Health Care Charges.**
  1. **Fee for Services.** Upon permanently occupying a Health Care Residence, You will surrender the Residence and will no longer pay the Monthly Service Fee for that Residence. Instead You will pay the published, current, per diem fees for such Health Care Residence. Such per diem fees shall cover the cost of services described in **Section I.F.10**. In addition, You may pay other charges for ancillary services as more fully described below.



- 2. Use of Refundable Portion of the Entrance Fee.** Should You move to a Health Care Residence on a permanent basis and you selected a refundable entrance fee plan, the refundable portion of your Entrance Fee due to You as a refund, may be applied to the cost of that care, provided that management agrees with demonstrated financial need and upon receipt of a replacement Entrance Fee for the Independent Living Residence most recently occupied by the resident. Entrance Fee refunds will not be paid directly to any other health care facility besides Pennybyrn at Maryfield.
- 3. Additional Charges for Ancillary Health Care Services.** You will be responsible for additional charges for ancillary health care services provided at Pennybyrn at Maryfield. Ancillary services will include all services not provided by the staff of Pennybyrn at Maryfield and are therefore not included in the per diem fees. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, home health care, occupational therapy, rehabilitative treatments, wheelchairs, or other medical equipment or supplies.
- 4. Care in Another Facility.** In the event that the Health Care Residences of Pennybyrn at Maryfield do not have available appropriate accommodations or other services, You may, at Your discretion, and after consultation with Your physician, spouse (if any) and family, need to be moved to another facility. You shall pay the costs of services provided at such facility. Policies regarding transfers to another facility are further described in **Section VI.C.** of this Agreement.

#### IV. **RESIDENCY REQUIREMENTS AND PROCEDURES**

- A. **Age.** Residents shall be sixty-two (62) years of age or older. If Resident is a couple, at least one member of the couple must be sixty-two (62) years of age at the time of Occupancy.
- B. **Application Forms.** You will submit an **Application for Residency**, a **Personal Health History**, and a **Confidential Financial Statement**, all on forms (the “Application Forms”) furnished by Pennybyrn at Maryfield for approval by the Community Leader / Executive Director.
- C. **Residency Review.** Upon receipt of the completed Application Forms, the Residency Committee will review the information You submitted as a basis for initial approval for residency. The Resident Review Committee will approve or deny the application for initial residency within thirty (30) days after receiving the completed forms, and will provide you with a written decision within ten (10) additional days.
- D. **Financial Requirements.** You must have assets and income sufficient to pay Your financial obligations under this Agreement and to meet Your ordinary living expenses. Pennybyrn at Maryfield may require You to furnish additional or updated financial information prior to Occupancy. Supplemental financial assistance may be available after Occupancy to Residents who qualify, as determined by Pennybyrn at Maryfield. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual.
- E. **Representations.** You affirm that the representations made in the Application for Residency, Confidential Data Profile, Personal Health History, Confidential Financial Statement and are true and correct and may be relied upon by Pennybyrn at Maryfield as a basis for entering into this Agreement.
- F. **Statement as to Non-Discrimination.** Pennybyrn at Maryfield shall not limit residency to persons on the basis of gender, race, religion, national origin, or marital status.

V. **TERMS OF RESIDENCY**

- A. **Rights of Resident.** Subject to the terms and provisions of this Agreement, You have the right to occupy, use, and enjoy the Residence, common areas, amenities, programs and services of Pennybyrn at Maryfield during the term of this Agreement. It is understood that this Agreement does not transfer or grant any interest in the real or personal property owned by Pennybyrn at Maryfield other than the rights and privileges as described in this Agreement.
- B. **Policies and Procedures.** All residents shall abide by Pennybyrn at Maryfield policies and procedures, including such amendments, modifications and changes of the Resident Handbook as may be adopted by Pennybyrn at Maryfield. Such Resident Handbook shall be published and made readily available to You at the time of Occupancy.
- C. **Changes in the Residence.** Pennybyrn at Maryfield has the right to change the Residence to meet requirements of any applicable statutes, laws, or regulations. The Residence may not be used in any matter in violation of any zoning ordinances or other governmental law or regulation.
- D. **Move to Another Residence.** You have the option to move from the Residence identified in this Agreement to another Residence within Pennybyrn at Maryfield, if available and approved by Pennybyrn at Maryfield. Your request for the change must be submitted in writing at least ninety (90) days prior to Your anticipated move in order to allow time for proper arrangements.

A moving charge to cover refurbishment costs for the vacated Residence, lost Monthly Service Fees, and other related costs will be agreed to in writing prior to the move. You will be responsible to pay such charges and for making the arrangements for and paying the expenses of the move, including the hiring and costs of a licensed, professional mover.

If You should want to move to another Residence with a higher or lower Entrance Fee than the current Entrance Fee for the Residential Unit identified in this Agreement, any additional charge or refund will be determined by written agreement between You and Pennybyrn at Maryfield at that time. You agree to sign a new Agreement for the new Residence.

- E. **Loss of Property.** Pennybyrn at Maryfield shall not be responsible for the loss of any property belonging to You due to theft, mysterious disappearance, fire or any other cause. You will be responsible for securing personal property insurance.

- F. Medical Insurance.** You are required to maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Health Center. Such supplemental insurance should cover Medicare co-insurance and deductibles. You will furnish to us such evidence of coverage as we may from time to time request. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Health Center, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Health Center, you will be financially responsible to pay for deductibles, co-insurance amounts, and any other costs for each Medicare-qualified stay in the Health Center.
- G. Right of Entry.** You authorize employees or agents of Pennybyrn at Maryfield to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Pennybyrn at Maryfield will always endeavor to maintain Your privacy and the privacy of the Residence.
- H. Residents' Organizations.** Residents of Pennybyrn at Maryfield are members of a Residents' Association that is open to all Residents. Such organization elects representatives, officers, and other positions to engage in activities of interest to all residents.
- I. Occupancy by Two Residents.** When two (2) Residents occupy a Residence, upon the permanent transfer or the death of one Resident, or in the event of the termination of this Agreement with respect to one of the Residents, the Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Monthly Service Fee for one Resident associated with the Residence. No Entrance Fee refunds shall be paid to the remaining Resident until the Residence is vacated and a replacement Entrance Fee for the Residence is received by Pennybyrn at Maryfield.
- J. Marriage During Occupancy.**
- 1. Marriage to Another Resident** - Should You marry a person who is also a Resident of Pennybyrn at Maryfield, the two of You may occupy either Residence and shall surrender the unoccupied Residence. You will pay the Monthly Service Fee for two residents upon Occupancy by both of You in the chosen Residence. No Entrance Fee refunds shall be payable with respect to the unoccupied Residence. Refunds are made in accordance with **Sections III.A. and VII.G** of this Agreement.
  - 2. Marriage to Non-Resident** - If You should marry a person who is not a Resident of Pennybyrn at Maryfield, Your spouse may become a Resident if your spouse meets all the requirements for admission and enters into an Agreement with Pennybyrn at Maryfield. You and Your spouse shall pay the Monthly Service Fee for two Residents. If Your spouse does not meet

the requirements of Pennybyrn at Maryfield for admission as a Resident, You may terminate this Agreement in the same manner as provided in **Section VII.B.** of this Agreement with respect to a voluntary termination, or Your spouse may be approved for admission under special circumstances as agreed to in writing by Pennybyrn at Maryfield and You. Refunds are made in accordance with **Sections III.A. and VII.G.** of this Agreement.

- 3. Other Shared Occupancy Arrangements** - In the event that a Resident wishes to share occupancy with another person and the shared occupancy is approved in writing by Pennybyrn at Maryfield, the provisions of **Section V.J.1.** of this Agreement for **Marriage to Another Resident** above shall apply.

In the event that you wish to share occupancy with a Non-Resident and the shared occupancy is approved in writing by Pennybyrn at Maryfield, the new Resident will be required to meet all normal admission requirements and enter into an Agreement with Pennybyrn at Maryfield for the dwelling unit to be occupied.

**VI. TRANSFERS OR CHANGES IN LEVELS OF CARE**

- A. **Transfer to a Health Care Residence.** Pennybyrn at Maryfield recognizes the right of self-determination of the Resident and will attempt to involve the Resident or the Resident's representative in all decisions related to transfers and changes in level of care. In cases of potential harm to Yourself or others, to assure the health and well being of You and others, or to provide for the highest quality of life possible, management reserves the right to determine if You should be transferred from Residence to a Health Care Residence, or from one level of care to another within Pennybyrn at Maryfield. Such determination shall be based on the opinion of the Pennybyrn at Maryfield administration and/or the Pennybyrn at Maryfield Medical Director and shall be made after consultation with You and Your representative and attending physician. Such decisions shall be made only in Your best interest and in the best interest of the larger Community as determined by Pennybyrn at Maryfield.
- B. **Temporary Health Care.** If You are in need of temporary care in a Health Care Residence, it will be provided after consultation between the Pennybyrn at Maryfield Medical Director, Your physician, You, and Your spouse (if any) or Your immediate family. Pennybyrn at Maryfield shall provide nursing care accommodation in the Health Care Center or assisted living care in the Assisted Living Facility, as deemed appropriate and only if space is available. The cost of such care would be in addition to Your Monthly Service Fee, including the cost of any additional meals not already included in Your Monthly Service Fee, and any other charges described in **Section I.F.10.** herein.
- C. **Transfer to Another Facility.** In the event that the Health Care Residences of Pennybyrn at Maryfield do not have available appropriate accommodations or other services, You may, at Your discretion, and after consultation with Your physician, spouse (if any) and family, be moved to another facility either on a temporary basis until such time as an appropriate Health Care Residence becomes available or a permanent basis. The costs of services provided at such facility shall be paid by You.

If it is determined by Pennybyrn at Maryfield that You need care beyond that which can be provided by Pennybyrn at Maryfield, You may be transferred to a hospital or facility equipped to provide such care at Your expense. Such transfer will be made only after consultation with You and/or Your representative, and Your attending physician.

**D. Psychiatric Illness, Dangerous Communicable Disease, Drug or Alcohol Abuse.** Pennybyrn At Maryfield is not designed to care for persons who have an active psychiatric illness, a dangerous communicable disease or who require treatment for drug or alcohol abuse. Should Pennybyrn At Maryfield, in consultation with the Medical Director, determine that your physical or psychiatric illness or that your condition as a result of drug or alcohol abuse, is such that your continued presence is either dangerous or detrimental to your life, health, safety or peace, or the life, health, safety or peace of others in the community, then Pennybyrn At Maryfield may transfer you to another facility of your choosing or require you to terminate your residency at Pennybyrn At Maryfield.

**E. Surrender of Residence.** If a determination is made by Pennybyrn at Maryfield that any transfer described in **Section VI.A.** is permanent, You agree to surrender Your present Residence. You will have priority to move to such Health Care Residences, or another facility determined to best suit Your needs, as soon as the appropriate accommodations are available.

It is understood that, if You are the only Resident in Your Residence, once You permanently move into a Health Care Residence, You relinquish the right to reoccupy that Residence. In the event that You again become able to live independently, You will be entitled to the first available Residence of the type accommodation last occupied by You.

## **VII. TERMINATION AND REFUND PROVISIONS**

### **A. 30-Day Right of Rescission.**

This Agreement may be rescinded by You within 30 days following the later of the execution of this Agreement or the receipt of a disclosure statement that meets the requirements of N.C.G.S. § 58-64-20. You will not be required to move into Your Residence before the expiration of this 30-day rescission period. In the event of rescission, You shall receive a refund of all monies transferred to Pennybyrn at Maryfield less (i) periodic charges specified in this Agreement and applicable only to the period a Residence was actually occupied by You; (ii) any non-standard costs specifically incurred by Pennybyrn at Maryfield at Your request and described in this Agreement or any Amendment signed by You.

### **B. Termination After 30-Day Rescission Period.**

This Agreement may be terminated by You for any reason after the thirty-day rescission period and prior to Occupancy by giving written notice to Pennybyrn at Maryfield. In the event of such termination, You will receive a refund of Your ten percent (10%) deposit , less any non-standard costs specifically incurred by Your request.

Any such refund described in **Sections VII.A.** and **VII.B.** above shall be paid by Pennybyrn at Maryfield within sixty (60) days following receipt of written notification of such termination by You to:

Director of Marketing  
Pennybyrn at Maryfield  
109 Penny Road  
High Point, NC 27260

### **C. Voluntary Termination by Resident After Occupancy.** At any time after Occupancy and the 30-day rescission period, You may terminate this Agreement by giving Pennybyrn at Maryfield written notice of Your intention to cancel Residency by hand-delivery or certified mail at least thirty (30) days prior to the date of termination. The amount of refund due to You shall be determined according to the Entrance Fee amortization schedule described in **Section III.A.** and **VII.G.**

**D. Termination Upon Death or Illness Prior to Occupancy.** If a Resident dies following the 30-day rescission period but prior to occupying a living unit (Residence) in the Community, or if, on account of illness, injury or incapacity, a Resident would be precluded from occupying a living unit (Residence) in the Community under the terms of this Agreement, this Agreement is automatically cancelled and the Resident or legal representative of the Resident shall receive a refund of all money or property transferred to Pennybyrn at Maryfield, within sixty (60) days following receipt of written notification of such termination by Resident or legal representative of the



Resident to:

Director of Marketing  
Pennybyrn at Maryfield, Inc.  
109 Penny Road  
High Point, NC 27260

- E. Termination Upon Death After Occupancy.** In the event of death of a single Resident, or the survivor of two Residents, at any time after Occupancy, this Agreement shall terminate and the refund of the Entrance Fee shall be determined in the same manner described in **Section III.A. and VII.G.** above.
- F. Termination by Pennybyrn at Maryfield After Occupancy.** Pennybyrn at Maryfield may terminate this Agreement at any time if there has been a material misrepresentation or omission made by You in Your Application for Residency, Personal Health History, Confidential Financial Statement, or ; if You fail to make payment to Pennybyrn at Maryfield of any fees or charges due within sixty (60) days of the date when due; or if You do not abide by the rules and regulations adopted by Pennybyrn at Maryfield, or breach any of the terms and conditions of this Agreement. In the event of termination due to any of such causes, the refund of the Entrance Fee paid by You shall be determined in the same manner described in **Section III.A. and VII.G.**
- G. Payment of Refunds.** All Entrance Fee refunds due after the 30-day rescission period will be paid within sixty (60) days from the termination of Your Agreement so long as Pennybyrn at Maryfield has received a replacement Entrance Fee, paid in full, for the Independent Living Residence most recently occupied by the Resident. Any applicable refund is subject to the following deductions: 1) any financial assistance subsidy provided to Resident by Pennybyrn at Maryfield, 2) and/or any amounts necessary to cover costs incurred by Pennybyrn at Maryfield to refurbish, restore or repair the Residence in the event of unreasonable wear, and tear. In the case of dual occupancy, refunds will not be paid until both Residents have permanently vacated the Residence and removed their personal belongings. Resident acknowledges and agrees that any transfer from one level of care to another within Pennybyrn At Maryfield (including without limitation a transfer from Resident's current Living Accommodation to assisted or skilled nursing) shall not be deemed a termination of this Agreement nor entitle Resident to a refund or partial refund of their Entrance Fee.
- H. Condition of Residence.** Upon vacating the Residence, You shall leave it in good condition except for normal wear and tear. You, or Your estate shall be liable to Pennybyrn at Maryfield for costs required to restore the Residence to good condition or standard condition, except for normal wear and tear. Pennybyrn at Maryfield reserves the right to charge You or Your estate for any expenses incurred in returning the Residence to its original condition, normal wear and tear excepted. Such costs may be deducted from the refundable portion of the Entrance Fee due to You, if any.

## **VIII. FINANCIAL ASSISTANCE**

It is the policy of Pennybyrn at Maryfield that a Resident will not be dismissed nor will the Agreement be terminated solely due to the financial inability of the Resident to pay the Monthly Service Fee, as long as such inability to pay is due to circumstances beyond the control of the Resident. Pennybyrn at Maryfield will make reasonable efforts to maintain the Resident's status at Pennybyrn at Maryfield, even if unexpected financial difficulties make it impossible for Resident to keep up with monthly obligations. As long as a Resident has acted in good faith in his/her dealings with Pennybyrn at Maryfield, and management determines that the facts justify special consideration, management will make reasonable efforts to work with the Resident toward a confidential plan that will secure Resident's status in the Community.

Residents agree and understand that Pennybyrn at Maryfield's policy of assisting Residents through times of financial hardship is conditioned upon the Resident's efforts as well. Along these lines, Residents must not voluntarily weaken their ability to pay in any material fashion, Residents agree to cooperate with management in providing additional financial information upon request and Residents must take action to shift personal assets in order to pay outstanding balances due Pennybyrn at Maryfield. Failure to assist as described herein may result in Pennybyrn at Maryfield's movement of the Resident to an alternative Residence or termination of the Agreement with such Resident. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual.

## IX. GENERAL

- A. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of Pennybyrn at Maryfield are personal to You and may not be transferred or assigned by You.
- B. **Pet Policy.** You may bring such pets into Pennybyrn at Maryfield as you now own, with the prior written approval of Pennybyrn at Maryfield and pay the current Pet Deposit. "Pets" shall be defined as household dogs, cats, tropical fish, and caged birds or other acceptable pet as determined by Pennybyrn at Maryfield. No other animals shall be permitted. Each pet must be viewed and approved by Pennybyrn at Maryfield before the pet can be brought into the Community. Pets may not be a nuisance or pose a health or safety threat to other Residents or Pennybyrn at Maryfield and must be properly cared for at all times. Failure to comply with any rules and regulations regarding pets may necessitate the removal of such pet from the Community. If a pet is not removed from the Community after Pennybyrn at Maryfield requests such removal, Pennybyrn at Maryfield reserves the right to terminate this Agreement. You shall be responsible for all damages caused by your pet. Pets will be leashed or carried and in the control of the owner at all times when outside of your Residence and are not allowed in the Community Center. Further rules and regulations regarding pets will be found in the Resident Handbook.
- C. **Guest Privileges.** Guests may stay with you in the Residence at no additional charge other than for meals, etc., but such stays shall be limited to fourteen (14) consecutive days. The maximum number of guests allowed will be at the discretion of Pennybyrn at Maryfield.
- D. **Management of Pennybyrn at Maryfield.** The absolute rights of management are reserved by Pennybyrn at Maryfield, its Board of Directors, and its administrators as delegated by the Board of Directors. Pennybyrn at Maryfield reserves the right to accept or reject any person for residency. Residents do not have the right to determine admission or terms of admission for any other Resident.
- E. **Entire Agreement.** This Agreement and addenda, if any, constitutes the entire contract between Pennybyrn at Maryfield and You. Pennybyrn at Maryfield shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent Pennybyrn at Maryfield, unless such statements, representations, or promises are set forth in this Agreement or its Addenda.
- F. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Pennybyrn at Maryfield and Your heirs, executors, administrators, and assigns.

- G. Transfer of Property.** You agree not to make any gift or other transfer of property for the purpose of evading Your obligations under this Agreement or if such gift or transfer would render You unable to meet such obligations.
- H. Affiliation with Religious Organization.** Pennybyrn at Maryfield is affiliated with the Poor Servants of the Mother of God. This organization has no financial responsibility for any of the contractual obligations of Pennybyrn at Maryfield under this Agreement.
- I. Tax Disclosure Statement.** A portion of your Entrance Fee and Monthly Fee *may* be deductible on your personal income tax return as an itemized deduction for medical expenses and/or real estate taxes. Pennybyrn at Maryfield will inform you of the amount of your Entrance Fee and Monthly Service Fee that *may* be deductible. If You need assistance in preparing or filing your taxes, it is Your responsibility to engage a qualified tax professional. Pennybyrn At Maryfield cannot provide tax advice or guidance.
- J. Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina.
- K. Ad Valorem Taxes.** Pennybyrn at Maryfield shall be responsible for payment of any ad valorem property taxes against the Residence that may be assessed in the future. The amount of such taxes shall be added to the Monthly Service Fee for the Residence.
- L. Guardianship.** If the Resident becomes legally incompetent, or is unable to properly care for himself or herself or his or her property, and if the Resident has made no other designation of a person or legal entity to serve as his or her guardian, then the Resident hereby agrees that Pennybyrn at Maryfield or its designee may initiate legal proceedings relating to Resident's competence and may act as Resident's legal guardian when qualified according to law. Resident agrees to pay to Pennybyrn at Maryfield and its designee any attorneys' fees and other expenses incurred in connection with any such guardianship upon demand.

**IN WITNESS WHEREOF**, Pennybyrn at Maryfield and the Resident have executed this Agreement, the Resident has received a copy of the current Pennybyrn at Maryfield Disclosure Statement, and the ten percent (10%) deposit has been paid as of the day and year first above written.

Addenda Attached:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident Date

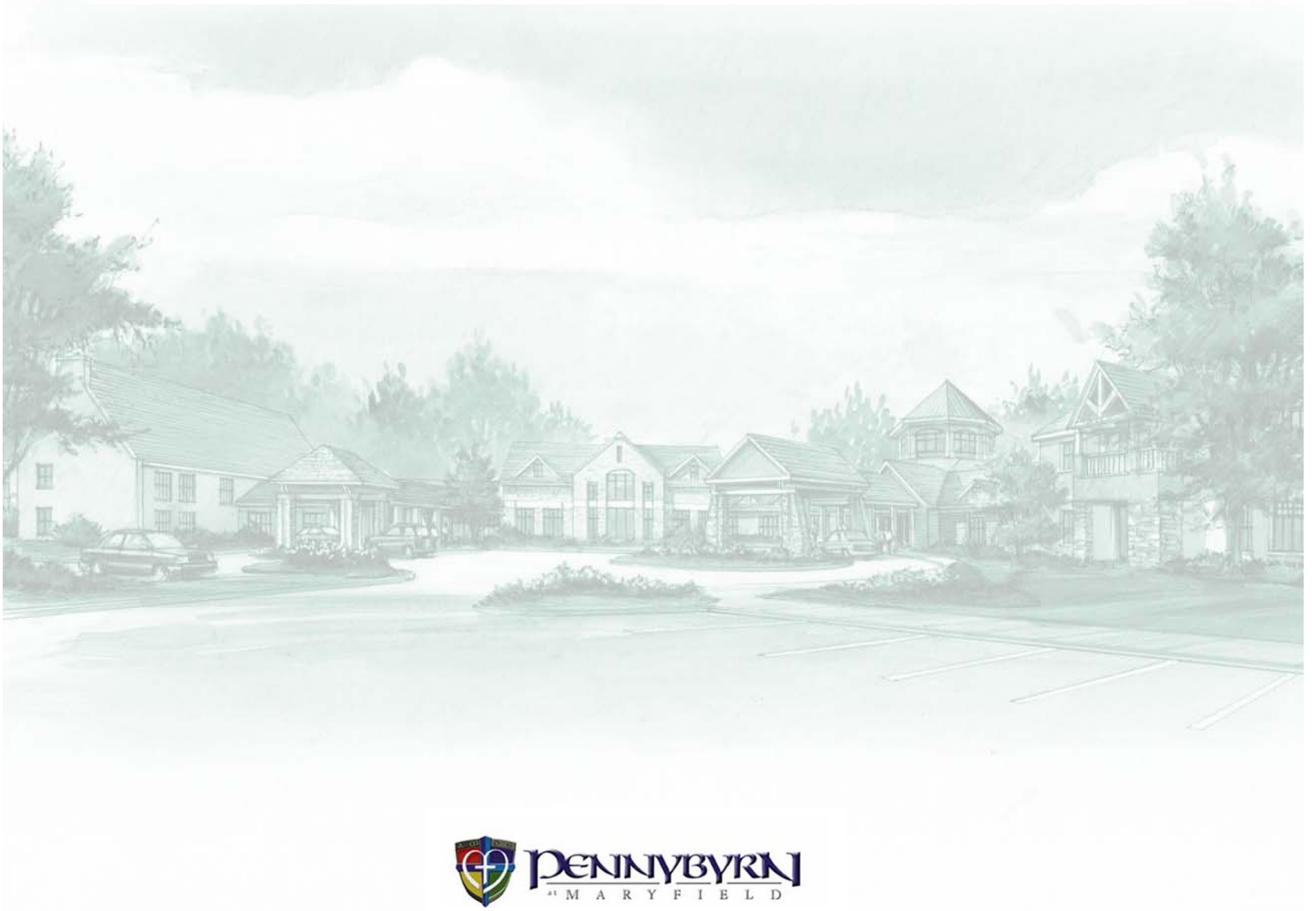
MARYFIELD, INC.

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

\_\_\_\_\_  
Title

# Exhibit “B”

## Multi-Unit Assisted Housing with Services Agreement





**PENNINGTON**  
at M A R Y F I E L D  
A Retirement Living Community

**TAYLOR VILLAGE**

**CATERED LIVING**

**(MULTI-UNIT ASSISTED  
LIVING WITH SERVICES)**

**AGREEMENT TO RESIDE**

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**Pennybyrn at Maryfield Taylor Village  
Multi-Unit Assisted Housing with Services Residency and Care Agreement**

THIS ADMISSION AGREEMENT ("Agreement"), dated as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, specifies the terms and conditions governing the admission of \_\_\_\_\_ ("Resident") as a resident of Taylor Village, Pennybyrn at Maryfield's multi-unit assisted housing with services. The parties to this Agreement are Maryfield, Inc. d/b/a Pennybyrn at Maryfield, a North Carolina Not-For-Profit Corporation, with its principal place of business at 1315 Greensboro Road, High Point, NC 27260, the Resident, and the Resident's Responsible Party, if applicable. The parties hereby agree as follows:

**1. COMMENCEMENT AND ADMISSIONS CRITERIA**

The term of this Agreement shall begin on the date of admission of Resident to TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES ("Admission Date"). Resident's Admission Date to the TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES is \_\_\_\_\_. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES can refuse to admit or retain as a resident any person who (a) poses a threat to his or her own health or safety, or the health and safety of others at TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES including associates, (b) who requires greater care than TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES is safely able to provide or (c) if TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES is unable to meet Resident's needs.

Resident and/or Responsible Party are solely responsible for obtaining Resident's own personal physician, prior to admission. Although TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will exercise reasonable care regarding Resident's known condition, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES cannot and does not guarantee or assume responsibility or liability for Resident's medical care.

**2. MULTI-UNIT ASSISTED HOUSING SERVICES AND OBLIGATIONS**

(a) TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall provide:

1. A one (1) or two (2) bedroom apartment. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall endeavor to honor reasonable requests of Resident with respect to apartment assignment when practicable. Resident's initial apartment assignment is \_\_\_\_\_. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES has the right to move Resident immediately to a different apartment whenever a change is in the best interest of the health and safety of Resident or another Resident of TAYLOR VILLAGE MULTI-

UNIT ASSISTED HOUSING WITH SERVICES, and with a thirty day notice for reasons related to other Resident or TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES issues.

2. Three prepared meals each day served in the dining room, with the availability of no salt added, low fat, vegetarian, and no concentrated sweets as menu selections, when requested. The management of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall determine the food menu and service time, and shall use a licensed dietitian or qualified nutritionist to develop the culinary plan. Specialty diets other than those listed above will require a physician's order and be directed as treatment for a medical condition.
3. The availability of an on site laundry service.
4. Weekly routine housekeeping services:
  - a. general dusting of horizontal surfaces (bric-a-brac feather dusted, not removed);
  - b. vacuuming of carpets in traffic areas;
  - c. mirrors cleaned;
  - d. bathroom cleaning (tub, shower, sink, tiles, countertop, commode, floor); and kitchenette (countertop, floor, sink and exterior appliances)
  - e. small trash removal and linen (bed and bath) changed and laundered.
5. Participation in TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES activity program including providing or arranging transportation to and from planned activities and social functions. Taylor Village associates shall assist Resident with finding transportation for social, leisure, and spiritual activities, other than planned activities and social functions of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. The cost of such transportation, if any, shall be borne by Resident.
6. Apartment maintenance (basic repairs). Maintenance required as a result of damage caused by Resident, as opposed to normal wear and tear, is not included in the rent and will be billed to Resident.
7. All utilities excluding cable service and telephone service.

8. Assistance with securing personal care services through a licensed home care agency. Taylor Village offers personal care services through its Catered Comfort Program. Charges for personal care services are in addition to the basic monthly fee and are the responsibility of the Resident.
9. Assistance with obtaining appropriate medical, dental, nursing or mental health services (the cost of such services is borne by Resident). The MULTI-UNIT ASSISTED HOUSING WITH SERVICES associates shall assist Resident with finding transportation for medical and other health related appointments. The cost of such transportation, other than scheduled group transportation, shall be borne by Resident.
10. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will assist in arranging for physical, speech, and occupational therapy when ordered by a physician and approved for reimbursement by Medicare Part B, or other third party payer, or the resident or responsible party. It is the Resident's and or the Resident's Responsible Party to pay costs for such care directly to the provider. TAYLOR VILLAGE may assist the Resident in submitting documents for his or her reimbursement documents to third party payers.
11. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES associates will be trained in evacuation and emergency response procedures. A call system in each room is available for Resident to indicate the need for assistance. A TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES associate is available at all times and can request assistance from emergency services. The evacuation procedure is available for Resident or Responsible Party to review.
12. In an emergency situation, and/or when ordered by the attending physician, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall arrange for Resident's transfer to a hospital, at the Resident's expense. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall promptly notify the Responsible Party as soon as practicable after the transfer. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall maintain transfer arrangements with one or more hospitals to facilitate such transfers.
13. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall be organized, staffed, and equipped as necessary to meet TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES obligations and services.

3. **RESIDENT AND RESPONSIBLE PARTY OBLIGATIONS**

Resident and Responsible Party agree as follows:

- (a) Resident and Responsible Party shall provide any and all information (health and financial) regarding Resident as requested by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. Said information may include, but shall not be limited to:
  - (i) Medical history.
  - (ii) Report of current physical examination, current physician's orders, including diet, treatment, and current medications.
  - (iii) A physician's statement that Resident is free from a communicable disease within 30 days prior to admission of Resident. If Resident is suffering from a communicable disease, Resident will provide a physician's certificate that the disease is not in a transferable stage.
- (b) The Resident may elect to obtain the services of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES Medical Director as resident's private/attending physician. If so, the agreement will be private between the physician and Resident and does not imply any legal responsibility by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. Resident and Responsible Party shall pay for the services of any physician that are billed by the physician to Resident or Responsible Party and for medications ordered by the physician and billed by the dispensing pharmacy.
- (c) Resident and Responsible Party shall pay all applicable fees and charges described in this Agreement in accordance with the terms provided herein. Resident and Responsible Party shall reimburse TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES for any and all damages (replacement costs) to furnishings, contents, and the property of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES or other residents or employees of TAYLOR VILLAGE caused by Resident or Resident's guest, other than normal wear and tear.
- (d) Resident and Responsible Party shall provide or be responsible for Resident's personal items of clothing, toiletries, and incidental expenses.
- (e) Resident and Responsible Party agree to sign out of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES upon leaving the Assisted Living Building for any reason. Resident and Responsible Party acknowledge that TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES does not have any responsibility for Resident while Resident is out of, and away from TAYLOR VILLAGE. The resident shall sign in upon

returning from an outside visit. Guests of the Resident visiting TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will sign-in and out of the building and will wear a “Family and Friend” name tag for the safety of all Residents.

- (f) Resident and Responsible Party shall abide by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES policies, rules and regulations. These policies are attached hereto as Exhibit E and incorporated by this reference.
- (g) PENNYBYRN AT MARYFIELD and its employees are not responsible for the loss, destruction, or theft of personal belongings, valuables, or money left with Resident, and Resident and Responsible Party hereby agree to indemnify PENNYBYRN AT MARYFIELD and its employees against, and to hold PENNYBYRN AT MARYFIELD and its employees harmless from, any and all claims regarding such loss, destruction or theft. Resident and Responsible Party shall work with TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES to clearly mark all personal items of Resident with Resident’s identification and acknowledge Resident and Responsible Party have been advised that any valuable possessions in Resident’s possession should be retained in the lockable space provided to resident. PENNYBYRN AT MARYFIELD will not reimburse the Resident or the Resident’s Responsible party for lost or misplaced items.

4. **FINANCIAL ARRANGEMENTS**

Resident and Responsible Party agree to pay fees and charges as specified below:

- (a) Monthly Fee. The rate set forth below is referred to as the Monthly Fee.
  - One bedroom apartment A: \$\_\_\_\_\_
  - One bedroom apartment B: \$\_\_\_\_\_
  - Two-bedroom apartment: \$\_\_\_\_\_
  - Second Person fee: \$\_\_\_\_\_
- (b) Additional Charges. Resident and Responsible Party agree to pay additional charges for all items and services not covered by the monthly fee. Charges for such additional items and services are due within ten (10) days of the billing. **Exhibit A** to this Agreement contains a list of some of the services and supplies available at TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES but not covered by the Monthly Fee and a list of the current charges for those services and supplies. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall provide written notification to Resident or

Responsible Party of any changes in **Exhibit A** not less than thirty (30) days in advance of the effective date of the change.

- (c) **Cost.** Resident and Responsible Party shall pay, or shall reimburse PENNYBYRN AT MARYFIELD for all costs and expenses incurred by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES on Resident's behalf, and shall be directly responsible to any providers of ancillary services that are utilized by Resident, including expenses for discharge, transfer, and ambulance transportation.
- (d) **Refund Policy.** Resident or Responsible Party is entitled to a prorated refund of the monthly fee based on a daily rate after all charges, including the cost of documented damages to the room caused by Resident and resulting from circumstances other than normal use, have been paid to TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES for any unused portion of payment beyond the latter of the termination date or the date the room is actually vacated, and cleared of all of Resident's personal possessions. All documented damages shall be identified and a list provided to Resident or Resident's Responsible Party. The refund shall occur within sixty (60) days of receipt of a written notice of termination; however, in no case shall it be required that a refund be made before the room is vacated.
  - (i) Except in the case of death or discharge due to medical reasons, including mental health, the refund shall be computed in accordance with the Termination of Agreement, Discharge and Transfer requirements specified in Section 5 of this Agreement.
  - (ii) In case of death or discharge due to medical reasons, including mental health, the notice of termination requirement in this Agreement is waived, and all refunds shall be computed in accordance with the Termination of Agreement, Discharge and Transfer requirements specified in Section 5 of this Agreement. Notwithstanding the foregoing provisions, refunds may be withheld until all outstanding bills have been paid.
- (e) **Physician Fees and Medications.** Resident and Responsible Party shall pay for the services of any physician that are billed by the physician directly to Resident or Responsible Party and for medications ordered by the physician and billed by the dispensing pharmacy.
- (f) **Pet fees.** Residents that agree to abide by the TAYLOR VILLAGE Pet Policy may bring a pet with them to live at TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES provided that there is only one dog, cat, or bird that is house broken, and does not disturb other residents. Resident must be capable of properly caring for the animal and keep all vaccinations current, up to date and on file with the Assisted Living Leader. A *Pet Owner Agreement Form* must be signed by owner.

5. **TERMINATION OF AGREEMENT, DISCHARGE AND TRANSFER**

- (a) By Resident. Resident may terminate this Agreement by giving TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES written notice of his or her desire to withdraw from TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES at least thirty (30) days in advance of Resident's departure from TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. Resident shall be responsible for all fees and charges for all services performed by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES up to the latter of the date of termination specified in such notice or the date on which Resident's room is actually vacated and cleared of all of Resident's personal possessions.
- (b) By TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES may terminate this Agreement and transfer, discharge or refuse to readmit Resident if: (i) TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES cannot properly provide for Resident's health or safety, (ii) for the health and or safety of other residents of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES, (iii) for the health and safety of the associates of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES, (iv) for nonpayment of fees, charges or costs, or (v) if Resident's continued residence at TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES would cause a violation of any applicable law or regulation or any order or requirement of any governmental agency having jurisdiction over TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES for nonpayment of a bill for care received, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall give Resident thirty (30) days advance written notice prior to Resident's transfer or discharge. In the event Resident has no person to represent Resident, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall be responsible for making referral to an appropriate social service agency for placement.
- (c) Non-emergency Transfer Provision. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will transfer a resident who, upon recommendation of his/her physician needs additional health care. The transfer will take place within five (5) working days, and progress of the transfer will be recorded or noted on Resident's chart. If, based upon a functional assessment, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES finds that Resident is no longer appropriate for MULTI-UNIT ASSISTED HOUSING WITH SERVICES, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall inform Resident and/or Responsible Party, if applicable. If a voluntary discharge or transfer of Resident is not arranged by



Resident, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall provide written notice to Resident and to Resident's Responsible Party, giving Resident thirty (30) days' notice of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES intent to discharge and transfer the Resident to an appropriate care level or provider. This procedure will precede all other notice requirements.

- (d) Emergency Management Services will be summoned by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES when:
  - (i) Emergency transfer or discharge is mandated by Resident's immediate health needs; or
  - (ii) The transfer or discharge of Resident is necessary for the physical safety of Resident or other residents.
- (e) Upon Death or Change in Mental or Physical Health. If a resident dies or is compelled to leave TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES by a change in mental or physical health, this Agreement and all obligations under it shall terminate immediately. If Resident has previously signed a Residency and Care Agreement, termination of this Agreement will be pursuant to the terms of the Residency and Care Agreement signed by Resident.

6. **RESPONSIBLE PARTY**

If Resident has a Responsible Party, Resident or Responsible Party shall provide TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES written documentation of Responsible Party's appointment by a court or Resident. Responsible Party may be any person legally responsible for Resident, including a guardian, a person holding a durable power of attorney, or a health care proxy. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will not recognize a Responsible Party for health or financial decisions of Resident unless TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES has a copy of the legal documentation appointing Responsible Party, and such legal documentation gives Responsible Party, the right to make appropriate decisions for Resident. If a court or Resident has designated a Responsible Party, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES is authorized and entitled to rely upon and follow the directions of the Responsible Party, and will be held harmless for doing so. Resident and Responsible Party shall execute **Exhibit B**, if applicable.

When family notification is required for any reason, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will communicate with the Responsible Party as listed on the Resident's record. All other personal contacts will be the responsibility of the Responsible Party acting for Resident.

7. **SAFEKEEPING OF CASH**

TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES shall not provide safekeeping of cash.

8. **RELEASE OF INFORMATION**

TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will comply with statutes, rules and regulations regarding Resident's privacy and release of Resident's medical information.

- (a) TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES is a "covered entity" under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and does not need Resident's consent for routine use and disclosure of health records, which will allow TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES to use or disclose Resident's health information for treatment, payment, and health care operations. TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES Notice of Privacy Practices is attached hereto as **Exhibit D** and is incorporated herein by this reference.
- (b) TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will not release, disclose, or use Resident's protected individual health information for purposes other than treatment, payment or operations, without a specific authorization signed by Resident or Resident's representative. Each authorization will provide a specific description of the information to be used or disclosed, an expiration date, and a description of Resident's right to revoke the authorization.
- (c) TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES may be obligated by law to report communicable diseases to the Department of Health, deaths by unusual occurrences, resident abuse, neglect or misappropriation of Resident's property, and unusual incidents. In order to comply with North Carolina law, TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will release the minimum necessary protected individual health information in order to make any such required report.

9. **APARTMENT HOLD**

If Resident is transferred to an acute facility, skilled long term care facility, returns to his/her previous residence, or temporarily leaves TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES, Resident must continue to pay for his/her apartment in TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES in order to hold the apartment. In the event Resident elects not to pay for

his/her rent in TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES, the apartment will be reassigned and Resident will be assigned a different one on the basis of availability if he/she is required to return to MULTI-UNIT ASSISTED HOUSING WITH SERVICES.

10. **CONSENT TO OPEN AND READ MAIL**

TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will send and receive mail promptly for Resident and will not open Resident's mail unless otherwise requested by Resident or Responsible Party. Resident or Responsible Party shall initial below to indicate their desires with respect to mail received by Resident:

\_\_\_\_\_ (a) Resident requests that an employee of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES open Resident's personal mail and read Resident's mail to Resident.

\_\_\_\_\_ (b) Resident does not consent to the opening of Resident's mail.

11. **OUTSIDE ACTIVITY PARTICIPATION**

TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES provides activities for its residents, which include participation in some activities outside TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. Resident or Responsible Party shall initial below to indicate Resident's desires with respect to community activities outside the TAYLOR VILLAGE properties:

\_\_\_\_\_ (a) Resident desires to participate in community activity programs outside TAYLOR VILLAGE, sponsored and organized by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. Resident acknowledges and agrees that TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES is not responsible or liable for, and shall be held harmless from, any loss, injury or damage resulting from or relating to Resident's participation in activities and programs conducted by persons and entities other than TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES.

\_\_\_\_\_ (b) Resident does not desire to participate in community activity programs outside TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. However, Resident and Responsible Party acknowledge that TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES may notify Resident of outside activities that are compatible with Resident's Service Plan and which Resident may desire to attend.

12. **SELF-ADMINISTRATION OF DRUGS**

MULTI-UNIT ASSISTED HOUSING WITH SERVICES Residents must be capable of self-administering their own medications, or they must contract with a separate home care or health agency to assist with self-administration or administration of medications.

For the safety of all Residents, all medications must be stored out of sight or secured to prevent harm to other Residents.

13. **SUBORDINATION**

Resident and Responsible Party, if applicable, agree that their rights under this Agreement shall at all times be subordinate and junior to the lien of all mortgages that have been or may be executed in the future by TAYLOR VILLAGE. Upon request by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES, Resident and Responsible Party, if applicable, agree to execute and deliver to any lender supplying financing to TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES written acknowledgment of such subordination.

14. **COMPLIANCE WITH LAW**

The parties to this Agreement agree to comply with the applicable laws of North Carolina and the United States of America that are presently in effect and that may be enacted during the term of this Agreement. Resident and Responsible Party, if applicable, further agree to execute, when requested by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES, any and all amendments or modifications to this Agreement if required by law.

15. **NON-DISCRIMINATION**

TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES promotes equal housing opportunities and shall not discriminate against applicants or residents based on race, color, religion, sex, handicap, familial status, or national origin.

16. **INDEMNIFICATION**

Resident shall defend, indemnify and hold TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES harmless from any and all claims, demands, suits and actions made against TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES by any person resulting from any damage or injury caused by Resident to any person or the property of any person or entity (including TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES).

17. **TOBACCO POLICY**

TAYLOR VILLAGE ASSISTED HOUSING WITH SERVICES is a non-smoking building and smoking is prohibited. For safety reasons, matches, lighters or lighter fluid are prohibited. The Resident hereby agrees to follow the tobacco policy of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES.

18. **PERSONAL LAUNDRY**

TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES offers three options for personal laundry. Resident may either request TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES to do Resident's laundry at a charge of \$45.00 per month; may use the personal laundry facilities; make his or her own arrangements. If Resident elects to make his or her own arrangements for laundry services, Resident shall furnish TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES with an airtight container in which to store the soiled laundry. Resident shall also have his or her laundry picked up no less than twice a week. Resident shall initial below to indicate which option he or she desires to have:

- \_\_\_\_\_ (a) Resident desires to have his or her clothing laundered by TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES at a charge of \$45.00 per month.
- \_\_\_\_\_ (b) Resident desires to personally use the washer and dryer on the unit.
- \_\_\_\_\_ (c) Resident desires to make his or her arrangements for laundry services.

19. **RESIDENT'S REPRESENTATION AND COMMUNICATION PROCEDURE**

TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES has developed a Resident's Representation and Communication Procedure and encourages residents to exercise their rights as residents and citizens. Resident Communication Policy is attached hereto as **Exhibit F** and incorporated herein by this reference.

20. **SPONSOR**

TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES is owned by Maryfield, Inc., a North Carolina not-for-profit corporation.

21. **ACKNOWLEDGMENT**

Resident and Responsible Party acknowledge that they have read and understand this Agreement, and that TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES has answered any questions relative to this Agreement. Each party acknowledges receipt of a duplicate original of the Agreement. Resident and/or Responsible Party acknowledge receipt of the following Exhibits, which have been read to Resident and/or Responsible Party: **Exhibit A**, Listing of Billable Items Not Covered in Basic Fee; **Exhibit B**, Resident's Responsible Party Appointment and Agreement; **Exhibit C**, Consent to Photograph Agreement; **Exhibit D**, Notice of Privacy Practices; **Exhibit E**, Resident Responsibility; **Exhibit F**, Resident Representation and Communication Policy; **Exhibit G**, North Carolina Bill of Rights for Adult Care Home; **Exhibit H**, Change of Accommodation; **Exhibit I**, Direct Entry into Assisted Living Agreement, if applicable.

22. **TERMINATION FROM THE MULT-ASSISTED HOUSING WITH SERVICES APARTMENT**

If Resident dies or is compelled to leave TAYLOR VILLSAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES as a result of a change in his or her mental or physical condition, this Agreement and all obligations under it shall terminate immediately. All charges shall be prorated as of the date on which the Agreement terminates, and if any payments have been made in advance, the excess shall be refunded to Resident. This provision does not apply to the separate Continuing Care Residency and Care Agreement and any provisions regarding financial support set forth in either agreement shall supersede this paragraph

23. **ENTIRE AGREEMENT**

Unless otherwise specifically provided in any document executed by Resident in connection with this Agreement, not excluding the marketing materials for PENNYBYRN AT MARYFIELD and the requirements of the Continuing Care Provider registration and Disclosure Act (40 p.s. 3201 et, seq), constitutes the full and entire understanding and agreement among the parties, and no party shall be liable or bound to the other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein or in a separate written document signed by both parties. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement. A modification or amendment of this Agreement is effective only if it is in writing and executed by both parties. In the event of any litigation between parties to this Agreement seeking to enforce any provision of this Agreement, the non-prevailing party shall pay all court costs and attorneys' fees incurred by the prevailing party as a result of the litigation, including court costs and attorneys' fees prior to trial, at trial, and on appeal.

This Agreement shall be governed and construed in accordance with the laws of North Carolina without giving effect to its conflict of laws provisions. Guilford County, North Carolina shall be the sole and exclusive venue for any litigation, special proceeding, or other proceeding as between the parties that may be brought under, or arise out of this Agreement.

If any provisions of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Agreement shall be construed as if such invalid or unenforceable provisions had never been contained herein.

24. **INTERPRETATION**

This Agreement shall inure to the benefit of, and be binding upon, the heirs, successors, permitted assigns, and legal and personal representatives of the parties. Resident and Responsible Party shall not assign any of their rights or delegate any of their obligations under this Agreement without PENNYBYRN AT MARYFIELD'S prior, written consent.

25. **MEDIATION / LITIGATION**

Both parties agree to enter into mediation in an effort to approach reconciliation prior to entering into litigation.

IN WITNESS WHEREOF, PENNYBYRN AT MARYFIELD TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES has caused this Agreement to be executed through its duly authorized representative, and Resident and Responsible Party have executed this Agreement, as of the day and year first written above.

Pennybyrn at Maryfield, Inc., a North Carolina Not-for-Profit Corporation

By:	_____	_____	_____
	Pennybyrn at Maryfield Representative	Date	Witness
	_____	_____	_____
	Resident	Date	Witness
	_____	_____	_____
	Responsible Party, If applicable and relationship to Resident	Date	Witness



**Exhibit A**  
**Listing of Billable Items Not Covered in Basic Fee**

Copier black/white (more than ten copies) .....	\$.10/page
Long-distance faxes.....	\$1.00/page
International faxes.....	\$4.00/page
Returned check fee.....	\$25.00
Catering Services (Private Dining Room) .....	Published Prices
Guest meals.....	\$7.35 Lunch/Dinner
Holiday meals.....	\$10.50
Guest room.....	\$90 per night (subject to a seven (7) day limit (\$50.00 cancellation fee for less than 48 hours in advance)
Beauty/barber shop .....	Published Prices
Personal Laundry.....	\$42.00 per month
Transportation Escort Service.....	\$78.75
Medical Transportation (Facility Provided – Scheduled Days) .....	No Charge
Medical Transportation (Facility Provided - Non-scheduled Days/No escort) .....	\$15.00/hr and \$1.00 per mile

Telephone Service Contact North State Communications at: .....336-886-3720

Cable Television Service Contact Time-Warner Cable at: .....\$33.00/per month

**Exhibit B**

**RESIDENT'S RESPONSIBLE PARTY APPOINTMENT AND AGREEMENT**

**PART I**

I have applied for admission to PENNYBYRN AT MARYFIELD TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES and I am the Resident named in the PENNYBYRN AT MARYFIELD TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES Agreement dated \_\_\_\_\_ ("Admission Agreement"). I hereby appoint \_\_\_\_\_ as my agent ("Responsible Party") for all purposes of the Admission Agreement. I hereby authorize Responsible Party to inspect and receive copies of my record, to handle my finances, to pay my expenses, to receive my personal funds, and to execute the Admission Agreement on my behalf. PENNYBYRN AT MARYFIELD is authorized and entitled to rely upon and follow the directions, consents, etc., given by Responsibility Party and will be held harmless for doing so.

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

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Witness #1 - Signature

\_\_\_\_\_  
Witness #2 - Signature

**PART II**

The undersigned Responsible Party hereby agrees as follows:

1. To utilize the funds of Resident to pay all costs and expenses incurred by or on behalf of Resident at PENNYBYRN AT MARYFIELD and to arrange for the provision of personal clothing and care supplies as needed or desired by Resident and as required by PENNYBYRN AT MARYFIELD.
2. To utilize the funds of Resident to reimburse PENNYBYRN AT MARYFIELD for the replacement costs of any property of PENNYBYRN AT MARYFIELD or other residents or employees of PENNYBYRN AT MARYFIELD that is damaged by Resident or Resident's guests.
3. The undersigned acknowledges that he or she is aware of the complaint procedure to be used if there is a concern with the service of PENNYBYRN AT MARYFIELD TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. The undersigned shall direct any complaints to the Community Leader.
4. If Resident is a Medicare Resident, to utilize the funds of the resident to pay extra charges not covered by the Medicare program in a timely manner, and to notify the Assistant Living Leader of any problem anticipated in paying such charges.

5. To sign Resident out of PENNYBYRN AT MARYFIELD TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES when Resident leaves TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES. The undersigned Responsible Party acknowledges that TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES does not assume any responsibility for Resident while Resident is on leave and agrees to indemnify and hold TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES harmless from any claims, liability, or expense resulting from any illness, injury, or damage that Resident may incur or cause while away from TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES.

**Resident's Responsible Party Appointment and Agreement continued.**

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

\_\_\_\_\_  
PENNYBYRN AT MARYFIELD

\_\_\_\_\_  
Representative Responsible Party

Address: \_\_\_\_\_

\_\_\_\_\_

Home Phone No. \_\_\_\_\_

Business Phone No. \_\_\_\_\_

**Exhibit C**

**CONSENT TO PHOTOGRAPH AGREEMENT**

Resident acknowledges that photographs (including video photography) may be taken in or around PENNYBYRN AT MARYFIELD from time to time by other residents or their family members, representatives of the news media, representatives of governmental agencies, or others. PENNYBYRN AT MARYFIELD does not assure Resident's privacy from any such undesired photographs.

The undersigned hereby agrees as indicated below:

- \_\_\_\_\_ (a) I hereby give my consent to be photographed by PENNYBYRN AT MARYFIELD for advertising or public display.
  
- \_\_\_\_\_ (b) I do not give my consent to be photographed by PENNYBYRN AT MARYFIELD for advertising or public display.
  
- \_\_\_\_\_ (c) I hereby give my consent to be photographed by PENNYBYRN AT MARYFIELD for the sole purpose of proper identification for drug administration and associates orientation.
  
- \_\_\_\_\_ (d) I hereby give my consent to be photographed by PENNYBYRN AT MARYFIELD for any purposes other than advertising or public display (internal newspapers, photos to be displayed in PENNYBYRN AT MARYFIELD, etc.)

**The resident has the right to revoke their permission for photo release at any time.**

Expiration Date of Consent to Photograph: \_\_\_\_\_ (1 year from the date signed)

\_\_\_\_\_  
Resident or Responsible Party

\_\_\_\_\_  
Date

## Exhibit D

### **NOTICE OF PRIVACY INFORMATION PRACTICES**

*Effective date:* January 1, 2006

**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.**

Please contact the Assisted Living Leader if you have any questions regarding this notice.

#### **General description and purpose of notice.**

This notice describes our information privacy practices and that of:

1. Any health care professional authorized to enter information into your medical record created and/or maintained at our facility;
2. Any member of a volunteer group which we allow to help you while receiving services at our clinic;
3. All facility employees, associates, and other personnel; and
4. Any independent contractor of PENNYBYRN AT MARYFIELD that provides health services for residents of PENNYBYRN AT MARYFIELD as a component of its organized health care arrangement, as necessary to carry out treatment, payment, and health care operations related to the organized health care arrangement.

All of the individuals or entities identified above will follow the terms of this notice. These individuals or entities may share your health information with each other for purposes of treatment, payment, or health care operations, as further described in this notice.

#### **Our facility's policy regarding your health information.**

We are committed to preserving the privacy and confidentiality of your health information created and/or maintained at our facility. Certain state and federal laws and regulations require us to implement policies and procedures to safeguard the privacy of your health information.

This notice will provide you with information regarding our privacy practices and applies to all of your health information created and/or maintained at our facility, including any information

that we receive from other health care providers or facilities. The notice describes the ways in which we may use or disclose your health information and also describes your rights and our obligations regarding any such uses or disclosures. We will abide by the terms of this notice, including any future revisions that we may make to the notice as required or authorized by law.

We reserve the right to change this notice and to make the revised or changed notice effective for health information we already have about you as well as any information we receive in the future.

We will post a copy of the current notice in our facility. The first page of the notice contains the effective date and any dates of revision.

### **Uses or disclosures of your health information.**

We may use or disclose your health information in one of following ways:

1. Pursuant to your written consent (for purposes of treatment, payment or health care operations)
2. Pursuant to your written authorization (for purposes other than treatment, payment or health care operations)
3. Pursuant to your verbal agreement (for use in our facility directory or to discuss your health condition with family or friends who are involved in your care);
4. As permitted by law
5. As required by law

The following describes each of the different ways that we may use or disclose your health information. Where appropriate, we have included examples of the different types of uses or disclosures. While not every use or disclosure is listed, we have included all of the ways in which we may make such uses or disclosures.

#### **I. Uses or disclosures made pursuant to your written consent.**

We may use or disclose your health information for purposes of treatment, payment, or health care operations upon obtaining your written consent. We may condition our delivery of services to you upon receiving your consent.

1. **Treatment.** We may use your health information to provide you with health care treatment and services. We may disclose your health information to doctors, nurses, nursing assistants, medication aides, technicians, medical and nursing students, rehabilitation therapy specialists, or other personnel who are involved in your direct health care. For example, your physician may order physical therapy services to improve your strength and walking abilities. Our nursing associates

will need to talk with the physical therapist so that we can coordinate services and develop a plan of care. We also may disclose your health information to people outside of our facility who may be involved in your direct health care, such as family members, social services, or home health agencies.

2. **Appointment reminders.** We may use or disclose your health information for purposes of contacting you to remind you of a health care appointment.
3. **Treatment alternatives, Health-related benefits and services.** We may use or disclose your health information for purposes of contacting you to inform you of treatment alternatives or health-related benefits and services that may be of interest to you.
4. **Payment.** You are responsible for payment to third party health care providers. We may use or disclose your health information so that we may bill and collect payment from you, an insurance company, or another third party for the health care services you receive at our facility. For example, we may need to give information to your health plan regarding the services you received from our facility so that your health plan will pay us or reimburse you for the services. We also may tell your health plan about a treatment you are going to receive in order to obtain prior approval for the services or to determine whether your health plan will cover the treatment.
5. **Health care operations.** We may use or disclose your health information to perform certain functions within our facility. These uses or disclosures are necessary to operate our clinic and to make sure that our residents receive quality care. For example, we may use your health information to review our treatment and services and to evaluate the performance of our associates in caring for you. We may combine health information about many of our residents to determine whether certain services are effective or whether additional services should be provided. We may disclose your health information to physicians, nurses, nursing assistants, medication aides, rehabilitation therapy specialists, technicians, medical and nursing students, and other personnel for review and learning purposes. We also may combine health information with information from other health care providers or facilities to compare how we are doing and see where we can make improvements in the care and services offered to our residents. We may remove information that identifies you from this set of health information so that others may use the information to study health care and health care delivery without learning the specific identities of our residents.
  - **Fundraising activities.** We may use a limited amount of your health information for purposes of contacting you to raise money for our facility and its operations. We may disclose this health information to a foundation related to the facility so that the foundation may contact you to raise money for our facility. The information which we may use or disclose will be limited to your name, address, phone number, and dates

for which you received treatment or services at our facility. *If you do not want our facility or affiliated foundation to contact you for these fundraising purposes, you must notify PENNYBYRN AT MARYFIELD in writing.*

II. **Uses or disclosures made pursuant to your written authorization.**

We may use or disclose your health information pursuant to your written authorization for purposes other than treatment, payment or health care operations and for purposes which are not permitted or required law. You have the right to revoke a written authorization at any time as long as your revocation is provided to us in writing. If you revoke your written authorization, we will no longer use or disclose your health information for the purposes identified in the authorization. You understand that we are unable to retrieve any disclosures which we may have made pursuant to your authorization prior to its revocation. Examples of uses or disclosures that may require your written authorization include the following:

- (i) A request to provide certain health information to a pharmaceutical company for purposes of marketing
- (ii) A request to provide your health information to an attorney for use in a civil litigation claim
- (iii) A request to provide your health information for purposes of including you on a mailing list

III. **Uses or disclosures made pursuant to your verbal agreement.**

We may use or disclose your health information, pursuant to your verbal agreement, for purposes of including you in our facility directory or for purposes of releasing information to persons involved in your care as described below.

1. **Facility directory.** We may use or disclose certain limited health information about you in our facility directory while you are a resident at our facility. This information may include your name, your assigned unit and room number, your religious affiliation, and a general description of your condition. Your religious affiliation may be given to a member of the clergy. The directory information, except for religious affiliation, may be given to people who ask for you by name.
2. **Individuals involved in your care.** We may disclose your health information to individuals, such as family and friends, who are involved in your care or who help pay for your care. We also may disclose your health information to a person or organization assisting in disaster relief efforts for the purpose of notifying your family or friends involved in your direct care about your condition, status and location.



#### IV. Uses or disclosures permitted by law

Certain state and federal laws and regulations either require or permit us to make certain uses or disclosures of your health information without your permission. These uses or disclosures are generally made to meet public health reporting obligations or to ensure the health and safety of the public at large. The uses or disclosures which we may make pursuant to these laws and regulations include the following:

1. **Public health activities.** We may use or disclose your health information to public health authorities that are authorized by law to receive and collect health information for the purpose of preventing or controlling disease, injury or disability. We may use or disclose your health information for the following purposes:
  - a. To report births and deaths
  - b. To report suspected or actual abuse, neglect, or domestic violence involving a child or an adult
  - c. To report adverse reactions to medications or problems with health care products
  - d. To notify individuals of product recalls
  - e. To notify an individual who may have been exposed to a disease or may be at risk for spreading or contracting a disease or condition
2. **Health oversight activities.** We may use or disclose your health information to a health oversight agency that is authorized by law to conduct health oversight activities. These oversight activities may include audits, investigations, inspections, or licensure and certification surveys. These activities are necessary for the government to monitor the persons or organizations that provide health care to individuals and to ensure compliance with applicable state and federal laws and regulations.
3. **Judicial or administrative proceedings.** We may use or disclose your health information to courts or administrative agencies charged with the authority to hear and resolve lawsuits or disputes. We may disclose your health information pursuant to a court order, a subpoena, a discovery request, or other lawful process issued by a judge or other person involved in the dispute, but only if efforts have been made to (i) notify you of the request for disclosure or (ii) obtain an order protecting your health information.
4. **Worker's compensation.** We may use or disclose your health information to worker's compensation programs when your health condition arises out of a work-related illness or injury.
5. **Law Enforcement official.** We may use or disclose your health information in response to a request received from a law enforcement official for the following purposes:

- a. In response to a court order, subpoena, warrant, summons or similar lawful process
  - b. To identify or locate a suspect, fugitive, material witness, or missing person
  - c. Regarding a victim of a crime if, under certain limited circumstances, we are unable to obtain the person's agreement
  - d. To report a death that we believe may be the result of criminal conduct
  - e. To report criminal conduct at our facility
  - f. In emergency situations, to report a crime—the location of the crime and possible victims; or the identity, description, or location of the individual who committed the crime
6. **Coroners, medical examiners, or funeral directors.** We may use or disclose your health information to a coroner or medical examiner for the purpose of identifying a deceased individual or to determine the cause of death. We also may use or disclose your health information to a funeral director for the purpose of carrying out his/her necessary activities.
  7. **Organ procurement organizations or tissue banks.** If you are an organ donor, we may use or disclose your health information to organizations that handle organ procurement, transplantation, or tissue banking for the purpose of facilitating organ or tissue donation or transplantation.
  8. **Research.** We may use or disclose your health information for research purposes under certain limited circumstances. Because all research projects are subject to a special approval process, we will not use or disclose your health information for research purposes until the particular research project for which your health information may be used or disclosed has been approved through this special approval process. However, we may use or disclose your health information to individuals preparing to conduct the research project in order to assist them in identifying residents with specific health care needs who may qualify to participate in the research project. Any use or disclosure of your health information which may be done for the purpose of identifying qualified participants will be conducted onsite at our facility. In most instances, we will ask for your specific permission to use or disclose your health information if the researcher will have access to your name, address or other identifying information.
  9. **To avert a serious threat to health or safety.** We may use or disclose your health information when necessary to prevent a serious threat to the health or safety of you or other individuals. Any such use or disclosure would be made solely to the individual(s) or organization(s) that have the ability and/or authority to assist in preventing the threat.
  10. **Military and veterans.** If you are a member of the armed forces, we may use or

disclose your health information as required by military command authorities.

11. **National security and intelligence activities.** We may use or disclose your health information to authorized federal officials for purposes of intelligence, counterintelligence, and other national security activities, as authorized by law.
12. **Inmates.** If you are an inmate of a correctional institution or under the custody of a law enforcement official, we may use or disclose your health information to the correctional institution or to the law enforcement official as may be necessary (i) for the institution to provide you with health care; (ii) to protect the health or safety of you or another person; or (iii) for the safety and security of the correctional institution.

#### V. **Uses or disclosures required by law**

We may use or disclose your information where such uses or disclosures are required by federal, state or local law.

### Your rights regarding your health information

You have the following rights regarding your health information which we create and/or maintain:

1. **Right to inspect and copy.** You have the right to inspect and copy health information that may be used to make decisions about your care. Generally, this includes medical and billing records, but does not include psychotherapy notes.

To inspect and copy your health information, you must submit your request in writing to Pennybyrn at Maryfield. If you request a copy of the information, we may charge a fee for the costs of copying, mailing, or other supplies associated with your request.

We may deny your request to inspect and copy your health information in certain limited circumstances. If you are denied access to your health information, you may request that the denial be reviewed. Another licensed health care professional selected by our facility will review your request and the denial. The person conducting the review will not be the person who initially denied your request. We will comply with the outcome of this review.

2. **Right to request an amendment.** If you feel that the health information we have about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for our facility.

To request an amendment, your request must be made in writing and submitted to PENNYBYRN AT MARYFIELD. In addition, you must provide us with a reason that supports your request.

We may deny your request for an amendment if it is not in writing or does not include a reason to support the request. In addition, we may deny your request if you ask us to amend information that

- a. was not created by us, unless the person or entity that created the information is no longer available to make the amendment
- b. is not part of the health information kept by or for our facility
- c. is not part of the information which you would be permitted to inspect and copy
- d. is accurate and complete

3. **Right to an accounting of disclosures.** You have the right to request an accounting of the disclosures which we have made of your health information. This accounting will not include disclosures of health information that we made for purposes of treatment, payment, or health care operations.

To request an accounting of disclosures, you must submit your request in writing to PENNYBYRN AT MARYFIELD. Your request must state a time period which may not be longer than six (6) years prior to the date of your request and may not include dates before April 14, 2003. Your request should indicate in what form you want to receive the accounting (for example, on paper or via electronic means). The first accounting that you request within a twelve (12)-month period will be free. For additional accountings, we may charge you for the costs of providing the accounting. We will notify you of the cost involved, and you may choose to withdraw or modify your request at that time before any costs are incurred.

**Right to request restrictions.** You have the right to request a restriction or limitation on the health information we use or disclose about you for treatment, payment, or health care operations. You also have the right to request a limit on the health information we disclose about you to someone, such as a family member or friend, who is involved in your care or in the payment of your care. For example, you could ask that we not use or disclose information regarding a particular treatment that you received.

*We are not required to agree to your request.* If we do agree, we will comply with your request unless the information is needed to provide emergency treatment to you.

To request restrictions, you must make your request in writing to Pennybyrn at Maryfield. In your request, you must tell us (a) what information you want to limit; (b) whether you want to limit our use, disclosure or both; and (c) to whom you want the limits to apply (for example, disclosures to a family member).

4. **Right to request confidential communications.** You have the right to request that we communicate with you about your health care in a certain way or at a certain location.

For example, you can ask that we only contact you at work or by mail.

To request confidential communications, you must make your request in writing to PENNYBYRN AT MARYFIELD. We will not ask you the reason for your request. We will accommodate all reasonable requests. Your request must specify how or where you wish to be contacted.

5. **Right to a paper copy of this notice.** You have the right to receive a paper copy of this notice. You may ask us to give you a copy of this Notice at any time. Even if you have agreed to receive this notice electronically, you are still entitled to a paper copy notice.

To obtain a paper copy of this notice, contact PENNYBYRN AT MARYFIELD.

### Complaints

If you believe your privacy rights have been violated, you may file a complaint with our facility or with the secretary of the NC Department of Health and Human Services. To file a complaint with our facility, contact PENNYBYRN AT MARYFIELD. All complaints must be submitted in writing. You will NOT be penalized for filing a complaint.

### ACKNOWLEDGMENT

I have received the Notice of Privacy Practices from PENNYBYRN AT MARYFIELD

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

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

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

## Exhibit E

### RESIDENT RESPONSIBILITY

As a Resident I agree to be responsible for:

1. Observing the policies and regulations of TAYLOR VILLAGE MULTI UNIT ASSISTED HOUSING WITH SERVICES.
2. Consideration of other residents by:
  - a. Being respectful of other's privacy;
  - b. Reminding visitors to observe smoking regulations;
  - c. Using television, telephones, radio and lights in a manner that is not disturbing to others;
  - d. Complying with TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES rules, regulations and the terms of this agreement;
  - e. Cooperating in the use of heating and air conditioning equipment; and
  - f. Being appropriately dressed while using public areas and facilities;
3. Keeping appointments or notifying the appropriate party of a cancellation.
4. Inquiring of the associates whenever unsure of or in doubt regarding procedure.
5. Bringing concerns and problems to proper sources.
6. Being respectful of individual religious practices and political views.
7. Being aware that gratuities (tips) are strictly against the policy of TAYLOR VILLAGE.
8. Fulfilling the financial obligation of care as in accordance with agreed upon and signed agreement.
9. Using the facility and services appropriately and economically to assure availability to other residents.
10. Being courteous and considerate of associates.
11. Treating PENNYBYRN AT MARYFIELD property with respect.
12. There will be a separate charge for room service meals other than sick day trays.
13. Resident and Responsible Party shall reimburse PENNYBYRN AT MARYFIELD for any and all damages (replacement costs) to furnishings, contents and the property of PENNYBYRN AT MARYFIELD or other residents or associates of PENNYBYRN AT MARYFIELD caused by Resident or Resident's guest, other than normal wear and tear.

14. Resident and Responsible Party shall agree to sign out upon leaving the PENNYBYRN AT MARYFIELD TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES for any reason. The resident shall sign in upon returning from an outside visit.

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

\_\_\_\_\_  
Resident or Responsible Party

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

**Exhibit F**

**RESIDENT REPRESENTATION AND COMMUNICATION POLICY**

Residents are encouraged to exercise their rights as a resident and as a citizen, to voice concerns and to recommend changes in policies and services, free of coercion, discrimination, threats or reprisal. Good faith complaints made against TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES will not result in reprisal against the individual making the complaint.

A resident may register a grievance or a recommended change with a member of:

- 1) Resident's Council. The Resident's Council will bring the issue to the attention of TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES management, or
- 2) TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES leader; or Community Leader or
- 3) Resident or Resident's Representative may submit a complaint to the North Carolina Division of Facility Services at 1-800-624-3004 without prior notice to TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES.

The appropriate authority will respond to the issue within seven (7) calendar days of receiving the complaint or recommendation in writing, giving an explanation of his/her investigation and assessment of the validity of the concerns or recommendation.

If Resident is not satisfied with the response, Resident may, within fifteen (15) calendar days, present the issue to the Community Leader of PENNYBYRN AT MARYFIELD for his/her response. The Community Leader must provide a written response within ten (10) calendar days, which shall be considered PENNYBYRN AT MARYFIELD'S final decision.

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

Date: \_\_\_\_\_  
Responsible Party

Date: \_\_\_\_\_  
PENNYBYRN AT MARYFIELD Representative



## Exhibit G

### **Declaration of Residents' Rights**

Each facility shall treat its residents in accordance with the provisions of this Article. Every resident shall have the following rights:

1. To be treated with respect, consideration, dignity, and full recognition of his or her individuality and right to privacy.
2. To receive care and services which are adequate, appropriate, and in compliance with relevant federal and State laws and rules and regulations.
3. To receive upon admission and during his or her stay a written statement of the services provided by the facility and the charges for these services.
4. To be free of mental and physical abuse, neglect, and exploitation.
5. Except in emergencies, to be free from chemical and physical restraint unless authorized for a specified period of time by a physician according to clear and indicated medical need.
6. To have his or her personal and medical records kept confidential and not disclosed without the written consent of the individual or guardian, which consent shall specify to whom the disclosure may be made, except as required by applicable State or federal statute or regulation or by third party contract. It is not the intent of this section to prohibit access to medical records by the treating physician except when the individual objects in writing. Records may also be disclosed without the written consent of the individual to agencies, institutions or individuals which are providing emergency medical services to the individual. Disclosure of information shall be limited to that which is necessary to meet the emergency.
7. To receive a reasonable response to his or her requests from the facility administrator and associates.
8. To associate and communicate privately and without restriction with people and groups of his or her own choice on his or her own or their initiative at any reasonable hour.
9. To have access at any reasonable hour to a telephone where he or she may speak privately.
10. To send and receive mail promptly and unopened, unless the resident requests that someone open and read mail, and to have access at his or her expense to writing instruments, stationery, and postage.

11. To be encouraged to exercise his or her rights as a resident and citizen, and to be permitted to make complaints and suggestions without fear of coercion or retaliation.
12. To have and use his or her possessions where reasonable and have an accessible, lockable space provided for security of personal valuables. This space shall be accessible only to the resident, the administrator, or supervisor-in-charge.
13. To manage his or her personal needs funds unless such authority has been delegated to another. If authority to manage personal needs funds has been delegated to the facility, the resident has the right to examine the account at any time.
14. To have freedom to participate by choice in accessible community activities and in social, political, medical, and religious resources and to have freedom to refuse such participation.
15. To receive upon admission to the facility a copy of this section.
16. To not be transferred or discharged from a facility except for medical reasons, the residents' own or other residents' welfare, nonpayment for the stay, or when the transfer is mandated under State or federal law. The resident shall be given at least 30 days' advance notice to ensure orderly transfer or discharge, except in the case of jeopardy to the health or safety of the resident or others in the home.

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

Date: \_\_\_\_\_  
 \_\_\_\_\_  
 Responsible Party

Date: \_\_\_\_\_  
 \_\_\_\_\_  
 PENNYBYRN AT MARYFIELD Representative

**Exhibit H**

**PENNYBYRN AT MARYFIELD INC.**  
Change in Accommodation for Contracted Resident

Current Residence \_\_\_\_\_

\_\_\_\_ **IL** \_\_\_\_ **AL** \_\_\_\_ **Memory Support AL** \_\_\_\_ **Healthcare Household** \_\_\_\_\_

Current address:

\_\_\_\_\_

New Residence:

\_\_\_\_ **IL** \_\_\_\_ **AL** \_\_\_\_ **Memory Support AL** \_\_\_\_ **Healthcare Household**

New address:

\_\_\_\_\_

Previous Monthly or Daily Fee Rate:

\$\_\_\_\_\_ Monthly

\$\_\_\_\_\_ Daily

New Monthly or Daily Fee Rate:

\$\_\_\_\_\_ Monthly

\$\_\_\_\_\_ Daily

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

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Responsible Party

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
PBM Representative

\_\_\_\_\_  
Date

**Exhibit I**

**Direct Admission  
TAYLOR VILLAGE  
Assisted Living Residency Agreement**

THIS agreement is entered into on \_\_\_\_\_, as an agreement to the PENNYBYRN AT MARYFIELD TAYLOR VILLAGE MULTI-UNIT ASSISTED HOUSING WITH SERVICES Residency and Care Agreement and between MARYFIELD, INC. OF HIGH POINT, NORTH CAROLINA, a non-profit corporation, d/b/a/ PENNYBYRN AT MARYFIELD, hereinafter referred to as the “Retirement Community” and \_\_\_\_\_, hereinafter referred to as “Resident.”

**DEFINED TERMS AND AMOUNTS**

For the purposes of this Agreement, the following definitions shall apply:

- I. Initial Occupancy Date is defined as the day upon which full access to the Assisted Living Apartment is received, all Agreements have been signed, and keys are delivered to the resident.
- II. The “Entrance Fee” shall be paid in the amount of \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_).
- III. The “Payment Schedule” for the payment of the Entrance Fee shall be as follows:
  - a. \_\_\_\_\_ deposit paid on \_\_\_\_\_,
  - b. \_\_\_\_\_ balance due paid on or before \_\_\_\_\_.
- IV. The monthly initial “Occupancy Charge” shall be paid in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) per month, in advance, for one person, plus \_\_\_\_\_ Dollars (\$\_\_\_\_\_) for each additional person.
- V. The “Assisted Living Apartment” to be occupied by the Resident under this Agreement is identified as \_\_\_\_\_.

**BACKGROUND**

Maryfield Inc. is affiliated with the Poor Servants of the Mother of God. This organization has no financial responsibility for any of the financial obligations of Pennybyrn at Maryfield under this Agreement

The Retirement Community does not discriminate because of race, color, creed, national origin, sex, or handicap in its admission, retention and care of Residents.

Resident (or one of the residents) has attained the age of 62 years and has made application to become a Resident in the Assisted Living Facility so as to live in the unit described in Subsection 3.1. Resident's application has been accepted subject to the execution of this Residency Agreement and the conditions of residency provided for herein.

NOW THEREFORE, for valuable consideration and the promises contained herein, the parties agree as follows:

1. ENTRANCE FEE

- 1.1 Amount and Payment. Resident hereby agrees to pay to the Retirement Community the Entrance Fee in accordance with the above-described Payment Schedule. In the event Resident does not exercise his right to rescind under Section 1.3 but at his/her discretion chooses not to take up occupancy in the Apartment specified in this Agreement, Resident continues to have the responsibility and obligation to make payments in accordance with the Payment Schedule.

In the event Resident fails to make payments in accordance with the Payment Schedule, Resident shall lose all right to be a Resident at the Retirement Community. Resident expressly agrees that immediately upon his default in payment in strict accordance with the above Payment Schedule, the Retirement Community shall have the right, but not the obligation, to Agreement with another party for the Assisted Living Apartment which is the subject of this Agreement. Resident's right to a refund of Entrance Fee is controlled exclusively by the provisions of Section 1.2 of this Agreement.

- 1.2 Refund Policy. The Entrance Fee shall be refundable if the Resident has made full payment in accordance with the Payment Schedule upon the happening of one of the following conditions:

- a. If, on the Initial Occupancy Date, the Resident, for whatever reasons, does not take up occupancy in the Assisted Living Apartment, and has complied with the Payment Schedule, then the Entrance Fee paid shall be refunded in full less such fees and charges, if any, as are then owed the Retirement Community.
- b. If Resident transfers to another level of care at the Retirement Community, or if Resident ceases occupancy after the expiration of a period of one (1) year or 365 days, then, in such events, no refund shall be payable. Otherwise, if, after the Initial Occupancy Date, Resident's occupancy at the Retirement Community is permanently terminated because he or she transfers to a facility not operated by the Retirement Community, or by reason of his death, within one year or 365 days, after the Initial Occupancy Date, then Resident shall be entitled to a refund of

the Entrance Fee less such fees and charges, if any, as are then owed the Retirement Community.

For purposes of calculating the refund due Resident under this Subsection 1.2, the first day of the 365 day period shall be deemed to be the Initial Occupancy Date; the last day of occupancy shall be deemed to be the day on which Resident has removed all his personal property from the Assisted Living Apartment and has delivered to Pennybyrn at Maryfield the original and all other keys to the Assisted Living Apartment, Resident hereby relinquishing his/her free access to the Assisted Living Apartment.

A refund is calculated as follows: the amount of the refund is equal to the Entrance Fee divided by 365 days and multiplied by the 365 minus the number of days of full or partial residency.

The refundable amount shall be due and payable to the Resident by the Retirement Community sixty (60) days after the Retirement Community has re-leased the Assisted Living Apartment. No interest shall be payable on the refundable amount.

1.3 Right to Rescind. Resident may rescind this Agreement within thirty (30) days following the later of the execution of this Agreement or the receipt of a disclosure statement meeting the requirements of Article 64 of Chapter 58 of the North Carolina General Statutes. Said thirty (30) day period shall be referred to herein after as the “Thirty (30) Day Period.”

In order to rescind the Agreement, Resident must within the Thirty (30) Day Period: (i) deliver written notice to the Retirement Community; (ii) remove all of the Resident’s personal property from the Assisted Living Apartment; and (iii) deliver to the Retirement Community his keys to the Assisted Living Apartment.

Notwithstanding any other provisions of this Agreement, if Resident rescinds the Agreement in accordance with this Subsection 1.3, the Retirement Community shall refund in full any money or property transferred to the Retirement Community less (i) the costs specifically incurred by the Retirement Community at the request of Resident or otherwise herein or in any amendment hereto, (ii) monthly Occupancy Charge or other periodic charges applicable to the period the Assisted Living Apartment was actually occupied by the Resident, and (iii) any other charges actually incurred by Resident during the period the Assisted Living Apartment was actually occupied by Resident, (iv) any non-refundable fees described herein; and (v) a service charge equal to two percent (2%) or \$1000, whichever is greater, of the Resident’s Entrance Fee provided for herein.

If Resident has taken occupancy of the Assisted Living Apartment, the refundable amount shall be due and payable to the Resident by the Retirement Community sixty (60) days after the Retirement Community has re-released the Assisted Living Apartment and another resident has taken occupancy of the Assisted Living Apartment. No interest shall be payable on the refundable amount.

If Resident has not taken occupancy of the Assisted Living Apartment, the refundable amount shall be due and payable within a reasonable time after the date on which Resident provides notice of intent to rescind to the Retirement Community.

2. DISCLOSURE STATEMENT.

Resident acknowledges that he has received a copy of the current Pennybyrn at Maryfield, Disclosure Statement, prior to or simultaneous with his execution of this Agreement. In the event of any discrepancy between the language contained in this Agreement and the language contained in the Disclosure Statement, the language of this Agreement shall control. Resident further acknowledges that prior to the execution of this Agreement no money or other property has been transferred to the Retirement Community by or on behalf of Resident in consideration for the facilities and services to be provided by the Retirement Community under this Agreement.

3. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon, inure to the benefit of, and be enforceable by Maryfield, Inc. North Carolina d/b/a Pennybyrn at Maryfield, its successors and assigns.

4. TRANSFER TO ANOTHER LEVEL OF CARE

Provided, however, absent a breach of this Agreement, all parties agree to enter into an agreement upon a transfer of the Resident to another level of care which Agreement will contain terms and occupancy rates consistent with the terms and rates then offered by the Retirement Community to other Residents at such level of care.

MARYFIELD, INC. D/B/A  
PENNYBYRN AT MARYFIELD, HIGH POINT, NC

**IN WITNESS WHEREOF**, Pennybyrn at Maryfield and the Resident have executed this addendum to the Assisted Living Addendum and the Resident has received a copy of the current Pennybyrn at Maryfield Disclosure Statement.

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Witness	Resident	Date
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Witness	Resident	Date
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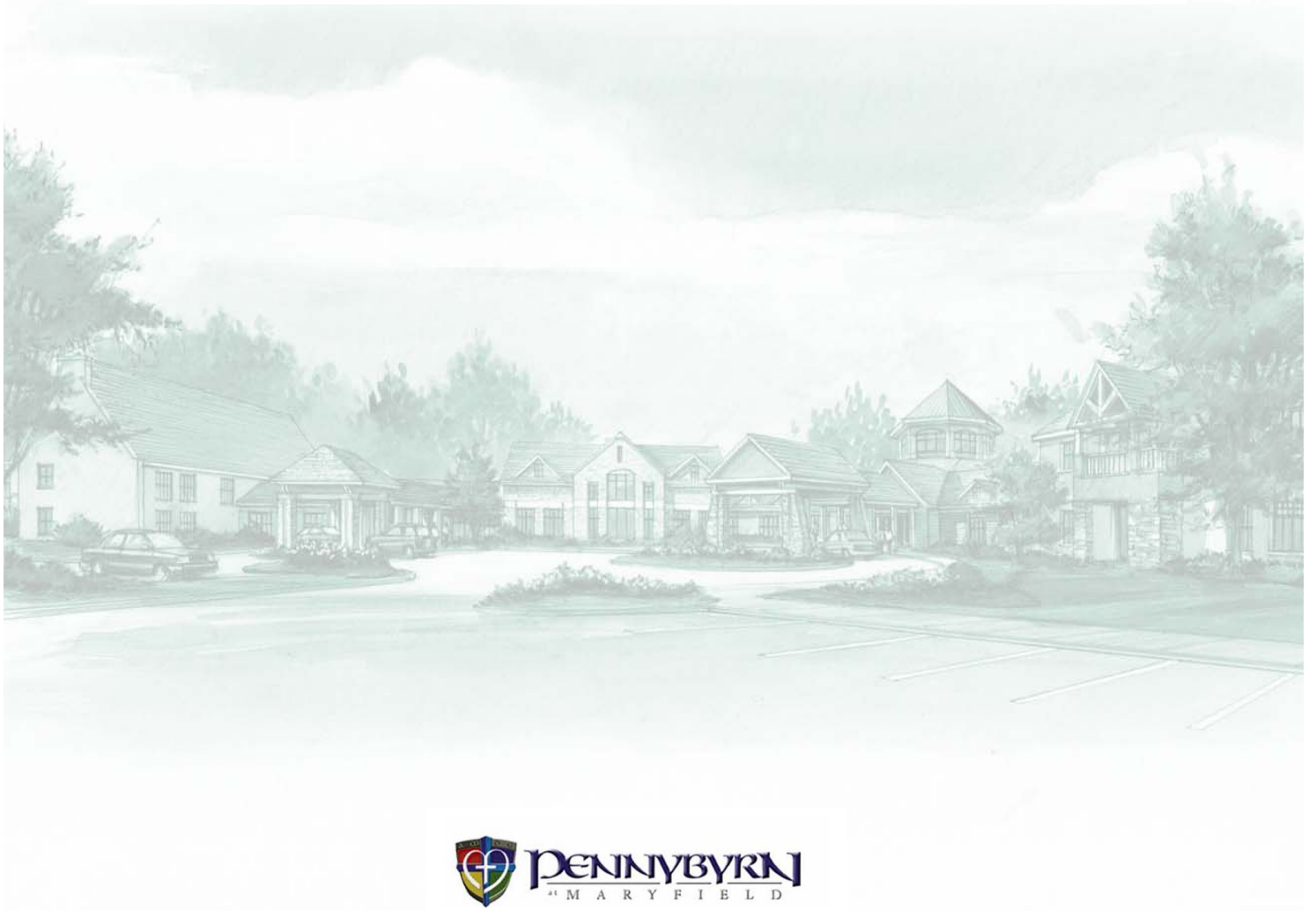
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Witness	Pennybyrn at Maryfield Representative	Date
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# Exhibit “C”

## Licensed Assisted Living Agreement



Licensed Assisted Living



# **TAYLOR VILLAGE**

# **LICENSED ASSISTED LIVING AGREEMENT TO RESIDE**

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**Pennybyrn at Maryfield Taylor Village  
Assisted Living Residency and Care Agreement**

THIS ADMISSION AGREEMENT ("Agreement"), dated as of this \_\_\_\_day of \_\_\_\_\_, 20\_\_\_\_, specifies the terms and conditions governing the admission of \_\_\_\_\_("Resident") as a resident of Pennybyrn at Maryfield for assisted living level of care. The parties to this Agreement are Maryfield, Inc. d/b/a Pennybyrn at Maryfield, a North Carolina Not-For-Profit Corporation, with its principal place of business at 1315 Greensboro Road, High Point, NC 27260, the Resident, and the Resident's Responsible Party, if applicable. The parties hereby agree as follows:

1. **COMMENCEMENT AND ADMISSIONS CRITERIA**

The term of this Agreement shall begin on the date of admission of Resident to TAYLOR VILLAGE ASSISTED LIVING ("Admission Date"). Resident's Admission Date to the TAYLOR VILLAGE ASSISTED LIVING is \_\_\_\_\_. TAYLOR VILLAGE ASSISTED LIVING can refuse to admit or retain as a resident any person who (a) poses a threat to his or her own health or safety, or the health and safety of others at TAYLOR VILLAGE ASSISTED LIVING including associates, (b) who requires greater care than TAYLOR VILLAGE ASSISTED LIVING is safely able to provide or is licensed to provide, or (c) if TAYLOR VILLAGE ASSISTED LIVING is unable to meet Resident's needs.

Resident and/or Responsible Party are solely responsible for obtaining Resident's own personal physician, prior to admission. Although TAYLOR VILLAGE ASSISTED LIVING will exercise reasonable care regarding Resident's known condition, TAYLOR VILLAGE ASSISTED LIVING cannot and does not guarantee or assume responsibility or liability for Resident's medical care.

2. **ASSISTED LIVING SERVICES AND OBLIGATIONS**

(a) The Licensed Assisted Living program is designed to meet the personal care needs of the Resident in need of 24-hour supervision. Limited services are delivered on an unscheduled and incidental basis, and are determined by a Level of Care Assessment. Level of Care fees are billed in addition to the basic monthly fees. Services include: bathing, grooming, dressing and toileting. Limited assistance refers to occasional assistance, reminders, cueing or guidance (with assistive devices if needed); Limited assistance with transfer or ambulation; Assistance with cueing and monitoring meal intake; Supervision and monitoring by a licensed nurse; Incidental or unscheduled nursing care; Medication administration or supervision of self-administration; Assistance with cognitive orientation and care for Alzheimer's disease and related dementias.

- (b) TAYLOR VILLAGE ASSISTED LIVING shall provide:
- a. A one (1) or two (2) bedroom apartment. TAYLOR VILLAGE ASSISTED LIVING shall endeavor to honor reasonable requests of Resident with respect to apartment assignment when practicable. Resident's initial apartment assignment is \_\_\_\_\_. TAYLOR VILLAGE ASSISTED LIVING has the right to move Resident immediately to a different apartment whenever a change is in the best interest of the health and safety of Resident or another Resident of TAYLOR VILLAGE ASSISTED LIVING, and with a thirty day notice for reasons related to other Resident or TAYLOR VILLAGE ASSISTED LIVING issues.
  - b. Three prepared meals each day served in the dining room, with the availability of no salt added, low fat, vegetarian, and no concentrated sweets as menu selections, when requested. The management of TAYLOR VILLAGE ASSISTED LIVING shall determine the food menu and service time, and shall use a licensed dietitian or qualified nutritionist to develop the culinary plan. Specialty diets other than those listed above will require a physician's order and be directed as treatment for a medical condition.
  - c. The availability of an on site laundry service.
  - d. Weekly routine housekeeping services:
  - e. General dusting of horizontal surfaces (bric-a-brac feather dusted, not removed);
  - f. Vacuuming of carpets in traffic areas;
  - g. Mirrors cleaned;
  - h. Bathroom cleaning (tub, shower, sink, tiles, countertop, commode, floor); and kitchenette (countertop, floor, sink and exterior appliances)
  - i. Small trash removal and linen (bed and bath) changed and laundered.
  - j. Intermittent housekeeping, as needed.
  - k. Participation in TAYLOR VILLAGE ASSISTED LIVING activity program including providing or arranging transportation to and from planned activities and social functions. TAYLOR VILLAGE associates shall assist Resident with finding transportation for social, leisure, and spiritual activities, other than planned activities and social functions of TAYLOR VILLAGE ASSISTED LIVING. The cost of such transportation, if any, shall be borne by Resident.

- l. Apartment maintenance (basic repairs). Maintenance required as a result of damage caused by Resident, as opposed to normal wear and tear, is not included in the rent and will be billed to Resident.
- m. All utilities excluding cable service and telephone service.
- n. Personal care and incidental nurse services. These services are rendered as defined in the individual Resident's Level of Care Agreement. They services are separate and are in addition to the basic monthly fees.
- o. Assistance with obtaining appropriate medical, dental, nursing or mental health services (the cost of such services is borne by Resident). The Assisted Living associates shall assist Resident with finding transportation for medical and other health related appointments. The cost of such transportation, other than scheduled group transportation, shall be borne by Resident.
- p. TAYLOR VILLAGE ASSISTED LIVING will assist in arranging for physical, speech, and occupational therapy when ordered by a physician and approved for reimbursement by Medicare Part B, or other third party payer, or the resident or responsible party. It is the Resident's responsibility to pay costs for such care directly to the provider. TAYLOR VILLAGE may assist the Resident in submitting documents for his or her reimbursement documents to third party payers.
- q. TAYLOR VILLAGE ASSISTED LIVING associates will be trained in evacuation and emergency response procedures. A call system in each room is available for Resident to indicate the need for assistance. A TAYLOR VILLAGE ASSISTED LIVING associate is available at all times and can request assistance from emergency services. The evacuation procedure is available for Resident or Responsible Party to review.
- r. In an emergency situation, and/or when ordered by the attending physician, TAYLOR VILLAGE ASSISTED LIVING shall arrange for Resident's transfer to a hospital, at the Resident's expense. TAYLOR VILLAGE ASSISTED LIVING shall promptly notify the Responsible Party as soon as practicable after the transfer. TAYLOR VILLAGE ASSISTED LIVING shall maintain transfer arrangements with one or more hospitals to facilitate such transfers.
- s. TAYLOR VILLAGE ASSISTED LIVING shall be organized, staffed, and equipped as necessary to meet TAYLOR VILLAGE ASSISTED LIVING obligations and services.

- t. A member of TAYLOR VILLAGE ASSISTED LIVING staff shall perform the functions as described in the attached **Exhibit E** and incorporated herein.

3. **RESIDENT AND RESPONSIBLE PARTY OBLIGATIONS**

Resident and Responsible Party agree as follows:

- (a) Resident and Responsible Party shall provide any and all information (health and financial) regarding Resident as requested by PENNYBYRN AT MARYFIELD. Said information may include, but shall not be limited to:
  - (i) Medical history.
  - (ii) Report of current physical examination, current physician's orders, including diet, treatment, and current medications.
  - (iii) A physician's statement that Resident is free from a communicable disease within 30 days prior to admission of Resident. If Resident is suffering from a communicable disease, Resident will provide a physician's certificate that the disease is not in a transferable stage.
- (b) The Resident may elect to obtain the services of PENNYBYRN AT MARYFIELD Medical Director as resident's private/attending physician. If so, the agreement will be private between the physician and Resident and does not imply any legal responsibility by PENNYBYRN AT MARYFIELD. Resident and Responsible Party shall pay for the services of any physician that are billed by the physician to Resident or Responsible Party and for medications ordered by the physician and billed by the dispensing pharmacy.
- (c) Resident and Responsible Party shall permit authorized associates of PENNYBYRN AT MARYFIELD to perform such functions as are necessary to maintain the well-being of Resident, including but not limited to assistance with bathing and hygiene, dressing, toileting, and activities of daily living; administration of medication and treatments as prescribed by a physician; performance of therapies as determined necessary by a physician; bowel and bladder training, if applicable; and maintenance of apartment.
- (d) Resident and Responsible Party shall pay all applicable fees and charges described in this Agreement in accordance with the terms provided herein. Resident and Responsible Party shall reimburse PENNYBYRN AT MARYFIELD for any and all damages (replacement costs) to furnishings, contents, and the property of PENNYBYRN AT MARYFIELD or other residents or employees of PENNYBYRN AT MARYFIELD caused by Resident or Resident's guest, other than normal wear and tear.



(e) Resident and Responsible Party shall provide or be responsible for Resident's personal items of clothing, toiletries, and incidental expenses.

(f) Resident and Responsible Party agree to sign out of TAYLOR VILLAGE ASSISTED LIVING upon leaving the Assisted Living Building for any reason. Resident and Responsible Party acknowledge that TAYLOR VILLAGE ASSISTED LIVING does not have any responsibility for Resident while Resident is out of, and away from PENNYBYRN A MARYFIELD. The resident shall sign in upon returning from an outside visit.

Guests of the Resident visiting TAYLOR VILLAGE ASSISTED LIVING will sign-in and out of the building and will wear a "Family and Friend" name tag for the safety of all Residents.

(g) Resident and Responsible Party shall abide by TAYLOR VILLAGE ASSISTED LIVING policies, rules and regulations. These policies are attached hereto as **Exhibit G** and incorporated herein by this reference.

(h) PENNYBYRN AT MARYFIELD and its employees are not responsible for the loss, destruction, or theft of personal belongings, valuables, or money left with Resident, and Resident and Responsible Party hereby agree to indemnify PENNYBYRN AT MARYFIELD and its employees against, and to hold PENNYBYRN AT MARYFIELD and its employees harmless from, any and all claims regarding such loss, destruction or theft. Resident and Responsible Party shall work with PENNYBYRN AT MARYFIELD to clearly mark all personal items of Resident with Resident's identification and acknowledge Resident and Responsible Party have been advised that any valuable possessions in Resident's possession should be retained in the lockable space provided to resident. PENNYBYRN AT MARYFIELD will not reimburse the Resident or the Resident's Responsible party for lost or misplaced items.

4. **FINANCIAL ARRANGEMENTS**

Resident and Responsible Party agree to pay fees and charges as specified below:

(a) Monthly Fee. The rate set forth below is referred to as the Monthly Fee.

One bedroom apartment A: \$\_\_\_\_\_

One bedroom apartment B: \$\_\_\_\_\_

Two-bedroom apartment: \$\_\_\_\_\_

Second Person fee: \$\_\_\_\_\_

(b) Additional Charges. Resident and Responsible Party agree to pay additional charges for all items and services not covered by the monthly fee. Charges for such additional items and services are due within ten (10) days of the billing. **Exhibit A** to this Agreement contains a list of some of the services and supplies available at TAYLOR VILLAGE ASSISTED LIVING but not covered by the Monthly Fee and a list of the current charges for those services and supplies. TAYLOR VILLAGE ASSISTED LIVING shall provide written notification to Resident or Responsible Party of any changes in **Exhibit A** not less than thirty (30) days in advance of the effective date of the change.

(c) Cost. Resident and Responsible Party shall pay, or shall reimburse TAYLOR VILLAGE ASSISTED LIVING for all costs and expenses incurred by TAYLOR VILLAGE ASSISTED LIVING on Resident's behalf, and shall be directly responsible to any providers of ancillary services that are utilized by Resident, including expenses for discharge, transfer, and ambulance transportation.

(d) Refund Policy. Resident or Responsible Party is entitled to a prorated refund of the monthly fee based on a daily rate after all charges, including the cost of documented damages to the room caused by Resident and resulting from circumstances other than normal use, have been paid to PENNYBYRN AT MARYFIELD for any unused portion of payment beyond the latter of the termination date or the date the room is actually vacated, and cleared of all of Resident's personal possessions. All documented damages shall be identified and a list provided to Resident or Resident's Responsible Party. The refund shall occur within sixty (60) days of receipt of a written notice of termination; however, in no case shall it be required that a refund be made before the room is vacated.

(i) Except in the case of death or discharge due to medical reasons, including mental health, the refund shall be computed in accordance with the Termination of Agreement, Discharge and Transfer requirements specified in Section 5 of this Agreement.

(ii) In case of death or discharge due to medical reasons, including mental health, the notice of termination requirement in this Agreement is waived, and all refunds shall be computed in accordance with the Termination of Agreement, Discharge and Transfer requirements specified in Section 5 of this Agreement. Notwithstanding the foregoing provisions, refunds may be withheld until all outstanding bills have been paid.

(e) Physician Fees and Medications. Resident and Responsible Party shall pay for the services of any physician that are billed by the physician directly to Resident or Responsible Party and for medications ordered by the physician and billed by the dispensing pharmacy.

- (f) Pet fees. Residents that agree to abide by the TAYLOR VILLAGE ASSISTED LIVING Pet Policy may bring a pet with them to live at Assisted Living provided that there is only one dog, cat, or bird that is house broken, and does not disturb other residents. Resident must be capable of properly caring for the animal and keep all vaccinations current, up to date and on file with the Assisted Living Leader. A *Pet Owner Agreement Form* must be signed by owner.

5. **TERMINATION OF AGREEMENT, DISCHARGE AND TRANSFER**

- (a) By Resident. Resident may terminate this Agreement by giving PENNYBYRN AT MARYFIELD written notice of his or her desire to withdraw from TAYLOR VILLAGE ASSISTED LIVING at least thirty (30) days in advance of Resident's departure from TAYLOR VILLAGE ASSISTED LIVING. Resident shall be responsible for all fees and charges for all services performed by TAYLOR VILLAGE ASSISTED LIVING up to the latter of the date of termination specified in such notice or the date on which Resident's room is actually vacated and cleared of all of Resident's personal possessions.
- (b) By TAYLOR VILLAGE ASSISTED LIVING. PENNYBYRN AT MARYFIELD may terminate this Agreement and transfer, discharge or refuse to readmit Resident if: (i) TAYLOR VILLAGE ASSISTED LIVING cannot properly provide for Resident's health or safety, (ii) for the health and or safety of other residents of TAYLOR VILLAGE ASSISTED LIVING, (iii) for the health and safety of the associates of TAYLOR VILLAGE ASSISTED LIVING, (iv) for nonpayment of fees, charges or costs, or (v) if Resident's continued residence at TAYLOR VILLAGE ASSISTED LIVING would cause a violation of any applicable law or regulation or any order or requirement of any governmental agency having jurisdiction over TAYLOR VILLAGE ASSISTED LIVING for nonpayment of a bill for care received, TAYLOR VILLAGE ASSISTED LIVING shall give Resident thirty (30) days advance written notice prior to Resident's transfer or discharge. In the event Resident has no person to represent Resident, TAYLOR VILLAGE ASSISTED LIVING shall be responsible for making referral to an appropriate social service agency for placement.
- (c) Non-emergency Transfer Provision. TAYLOR VILLAGE ASSISTED LIVING will transfer a resident who, upon recommendation of his/her physician needs additional health care. The transfer will take place within five (5) working days, and progress of the transfer will be recorded or noted on Resident's chart. If TAYLOR VILLAGE ASSISTED LIVING finds that Resident is inappropriately placed in the Assisted Living unit, based upon a Functional Assessment, the TAYLOR VILLAGE ASSISTED LIVING shall inform Resident and/or Responsible Party, if applicable. If a voluntary discharge or transfer of Resident is not arranged by Resident, TAYLOR VILLAGE ASSISTED LIVING shall provide written notice to Resident and to Resident's Responsible Party, giving Resident thirty (30) days' notice of TAYLOR VILLAGE ASSISTED LIVING

intent to discharge or transfer Resident to an appropriate care provider. This procedure will precede all other notice requirements.

(d) Emergency Management Services will be summoned by TAYLOR VILLAGE ASSISTED LIVING when:

(i) Emergency transfer or discharge is mandated by Resident's immediate health needs; or

(ii) The transfer or discharge of Resident is necessary for the physical safety of Resident or other residents.

(e) Upon Death or Change in Mental or Physical Health. If a resident dies or is compelled to leave TAYLOR VILLAGE ASSISTED LIVING by a change in mental or physical health, this Agreement and all obligations under it shall terminate immediately. If Resident has previously signed a Residency and Care Agreement, termination of this Agreement will be pursuant to the terms of the Residency and Care Agreement signed by Resident.

6. **RESPONSIBLE PARTY**

If Resident has a Responsible Party, Resident or Responsible Party shall provide TAYLOR VILLAGE ASSISTED LIVING written documentation of Responsible Party's appointment by a court or Resident. Responsible Party may be any person legally responsible for Resident, including a guardian, a person holding a durable power of attorney, or a health care proxy. TAYLOR VILLAGE ASSISTED LIVING will not recognize a Responsible Party for health or financial decisions of Resident unless TAYLOR VILLAGE ASSISTED LIVING has a copy of the legal documentation appointing Responsible Party, and such legal documentation gives Responsible Party, the right to make appropriate decisions for Resident. If a court or Resident has designated a Responsible Party, TAYLOR VILLAGE ASSISTED LIVING is authorized and entitled to rely upon and follow the directions of the Responsible Party, and will be held harmless for doing so. Resident and Responsible Party shall execute **Exhibit B**, if applicable.

When family notification is required for any reason, TAYLOR VILLAGE ASSISTED LIVING will communicate with the Responsible Party as listed on the Resident's record. All other personal contacts will be the responsibility of the Responsible Party acting for Resident.

7. **SAFEKEEPING OF CASH**

TAYLOR VILLAGE ASSISTED LIVING shall not provide safekeeping of cash. However, residents may establish a Resident Trust Fund through the PBM Business office.

8. **ASSESSMENT AND SERVICE PLAN**

Prior to admission, an assessment of Resident's health status shall be conducted and/or coordinated with the participation of appropriate health professionals. The assessment shall include the elements required by law. TAYLOR VILLAGE ASSISTED LIVING associates shall prepare a Service Plan that identifies the challenges, needs, and wishes/requests of Resident. TAYLOR VILLAGE ASSISTED LIVING associates shall meet regularly, no less than once every six (6) months or, in the case of a significant event altering Resident's medical status, to review and, where appropriate, to revise the Service Plan. Resident is encouraged to attend his or her Service Plan meeting. Resident's Responsible Party and/or immediate family member may attend the Service Plan meeting on behalf of or with Resident.

9. **RELEASE OF INFORMATION**

TAYLOR VILLAGE ASSISTED LIVING will comply with statutes, rules and regulations regarding Resident's privacy and release of Resident's medical information.

- (a) TAYLOR VILLAGE ASSISTED LIVING is a "covered entity" under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and does not need Resident's consent for routine use and disclosure of health records, which will allow TAYLOR VILLAGE ASSISTED LIVING to use or disclose Resident's health information for treatment, payment, and health care operations. TAYLOR VILLAGE ASSISTED LIVING Notice of Privacy Practices is attached hereto as **Exhibit F** and is incorporated herein by this reference.
- (b) TAYLOR VILLAGE ASSISTED LIVING will not release, disclose, or use Resident's protected individual health information for purposes other than treatment, payment or operations, without a specific authorization signed by Resident or Resident's representative. Each authorization will provide a specific description of the information to be used or disclosed, an expiration date, and a description of Resident's right to revoke the authorization.
- (c) TAYLOR VILLAGE ASSISTED LIVING may be obligated by law to report communicable diseases to the Department of Health, deaths by unusual occurrences, resident abuse, neglect or misappropriation of Resident's property, and unusual incidents. In order to comply with North Carolina law, TAYLOR VILLAGE ASSISTED LIVING will release the minimum necessary protected individual health information in order to make any such required report.

10. **APARTMENT HOLD**

If Resident is transferred to an acute facility, skilled long term care facility, returns to his/her previous residence, or temporarily leaves TAYLOR VILLAGE ASSISTED LIVING, Resident must continue to pay for his/her apartment in TAYLOR VILLAGE ASSISTED LIVING in order to hold the apartment. In the event Resident elects not to pay for his/her rent in TAYLOR VILLAGE ASSISTED LIVING, the apartment will be

reassigned and Resident will be assigned a different one on the basis of availability if he/she is required to return to Assisted Living.

11. **CONSENT TO OPEN AND READ MAIL**

TAYLOR VILLAGE ASSISTED LIVING will send and receive mail promptly for Resident and will not open Resident's mail unless otherwise requested by Resident or Responsible Party. Resident or Responsible Party shall initial below to indicate their desires with respect to mail received by Resident:

\_\_\_\_\_ (a) Resident requests that an employee of TAYLOR VILLAGE ASSISTED LIVING open Resident's personal mail and read Resident's mail to Resident.

\_\_\_\_\_ (b) Resident does not consent to the opening of Resident's mail.

12. **OUTSIDE ACTIVITY PARTICIPATION**

TAYLOR VILLAGE ASSISTED LIVING provides activities for its residents, which include participation in some activities outside TAYLOR VILLAGE ASSISTED LIVING. Resident or Responsible Party shall initial below to indicate Resident's desires with respect to community activities outside the TAYLOR VILLAGE properties:

\_\_\_\_\_ (a) Resident desires to participate in community activity programs outside TAYLOR VILLAGE, sponsored and organized by TAYLOR VILLAGE ASSISTED LIVING. Resident acknowledges and agrees that TAYLOR VILLAGE ASSISTED LIVING is not responsible or liable for, and shall be held harmless from, any loss, injury or damage resulting from or relating to Resident's participation in activities and programs conducted by persons and entities other than TAYLOR VILLAGE ASSISTED LIVING.

\_\_\_\_\_ (b) Resident does not desire to participate in community activity programs outside TAYLOR VILLAGE ASSISTED LIVING. However, Resident and Responsible Party acknowledge that TAYLOR VILLAGE ASSISTED LIVING may notify Resident of outside activities that are compatible with Resident's Service Plan and which Resident may desire to attend.

13. **PHARMACY**

TAYLOR VILLAGE ASSISTED LIVING has developed written policies and procedures for drug therapy, distribution and control of medication in accordance with current North Carolina and federal law. TAYLOR VILLAGE ASSISTED LIVING has selected a pharmacy to provide medication prescribed for its residents under the distribution system.

To insure uniform administration of TAYLOR VILLAGE ASSISTED LIVING drug program, TAYLOR VILLAGE ASSISTED LIVING recommends that all residents purchase all of their medication from the selected pharmacy during their stay at TAYLOR VILLAGE ASSISTED LIVING. However, TAYLOR VILLAGE ASSISTED LIVING does not require Resident to use the selected pharmacy, and Resident has the right to use another supplier of drugs so long as that supplier will furnish the unit dose system identical to the one being used at TAYLOR VILLAGE ASSISTED LIVING and will provide twenty-four (24) hour delivery service to TAYLOR VILLAGE ASSISTED LIVING. If Resident elects to use the selected pharmacy, Resident or Responsible Party shall execute the Pharmacy Agreement, which is attached hereto as **Exhibit C** and incorporated herein by this reference.

If a resident or Responsible Party selects another pharmacy, the resident or responsible party shall assure that medications are delivered in approved containers and within acceptable time periods to meet the physician's orders.

14. **SELF-ADMINISTRATION OF DRUGS**

Provided that Resident's medical assessment is consistent with Resident self-administering medications, and that Resident elects to self-administer medication, TAYLOR VILLAGE ASSISTED LIVING shall permit Resident to self-administer medications. In the event it is potentially harmful for the health or safety of Resident for Resident to self-administer medications, TAYLOR VILLAGE ASSISTED LIVING may require that Resident have associates administer his/her medications. For the safety of all Residents, all medications must be stored out of sight or secured to prevent harm to other Residents.

15. **SUBORDINATION**

Resident and Responsible Party, if applicable, agree that their rights under this Agreement shall at all times be subordinate and junior to the lien of all mortgages that have been or may be executed in the future by TAYLOR VILLAGE. Upon request by TAYLOR VILLAGE ASSISTED LIVING, Resident and Responsible Party, if applicable, agree to execute and deliver to any lender supplying financing to TAYLOR VILLAGE ASSISTED LIVING written acknowledgment of such subordination.

16. **COMPLIANCE WITH LAW**

The parties to this Agreement agree to comply with the applicable laws of North Carolina and the United States of America that are presently in effect and that may be enacted during the term of this Agreement. Resident and Responsible Party, if applicable, further agree to execute, when requested by TAYLOR VILLAGE ASSISTED LIVING, any and all amendments or modifications to this Agreement if required by law.

17. **NON-DISCRIMINATION**

TAYLOR VILLAGE ASSISTED LIVING promotes equal housing opportunities and shall not discriminate against applicants or residents based on race, color, religion, sex, handicap, familial status, or national origin.

18. **INDEMNIFICATION**

Resident shall defend, indemnify and hold TAYLOR VILLAGE ASSISTED LIVING harmless from any and all claims, demands, suits and actions made against TAYLOR VILLAGE ASSISTED LIVING by any person resulting from any damage or injury caused by Resident to any person or the property of any person or entity (including TAYLOR VILLAGE ASSISTED LIVING).

19. **TOBACCO POLICY**

The PENNYBYRN ASSISTED LIVING BUILDING is a non-smoking building and smoking is prohibited. For safety reasons, matches, lighters or lighter fluid are prohibited. The Resident hereby agrees to follow the tobacco policy of TAYLOR VILLAGE ASSISTED LIVING.

20. **PERSONAL LAUNDRY**

TAYLOR VILLAGE ASSISTED LIVING offers three options for personal laundry. Resident may either request TAYLOR VILLAGE ASSISTED LIVING to do Resident's laundry at a charge of \$45.00 per month; may use the personal laundry facilities; make his or her own arrangements. If Resident elects to make his or her own arrangements for laundry services, Resident shall furnish TAYLOR VILLAGE ASSISTED LIVING with an airtight container in which to store the soiled laundry. Resident shall also have his or her laundry picked up no less than twice a week. Resident shall initial below to indicate which option he or she desires to have:

\_\_\_\_\_ (a) Resident desires to have his or her clothing laundered by TAYLOR VILLAGE ASSISTED LIVING at a charge of \$45.00 per month.

\_\_\_\_\_ (b) Resident desires to personally use the washer and dryer on the unit.

\_\_\_\_\_ (c) Resident desires to make his or her arrangements for laundry services.

21. **RESIDENT'S REPRESENTATION AND COMMUNICATION PROCEDURE**

TAYLOR VILLAGE ASSISTED LIVING has developed a Resident's Representation and Communication Procedure and encourages residents to exercise their rights as



residents and citizens. Resident Communication Policy is attached hereto as **Exhibit H** and incorporated herein by this reference.

22. **SPONSOR**

TAYLOR VILLAGE ASSISTED LIVING is owned by Maryfield, Inc., a North Carolina not-for-profit corporation.

23. **ACKNOWLEDGMENT**

Resident and Responsible Party acknowledge that they have read and understand this Agreement, and that PENNYBYRN AT MARYFIELD has answered any questions relative to this Agreement. Each party acknowledges receipt of a duplicate original of the Agreement. Resident and/or Responsible Party acknowledge receipt of the following Exhibits, which have been read to Resident and/or Responsible Party: **Exhibit A**, Listing of Billable Items Not Covered in Basic Fee; **Exhibit B**, Resident's Responsible Party Appointment and Agreement; **Exhibit C** Pharmacy Agreement; **Exhibit D**, Consent to Photograph Agreement; **Exhibit E**, Nursing Services Policy; **Exhibit F**, Notice of Privacy Practices; **Exhibit G**, Resident Responsibility; **Exhibit H**, Resident Representation and Communication Policy; **Exhibit I**, North Carolina Bill of Rights for Adult Care Home; **Exhibit J**, Level of Care Agreement; **Exhibit K**, Direct Entry into Assisted Living Agreement.

24. **TERMINATION FROM THE ASSISTED LIVING UNIT**

If Resident dies or is compelled to leave Assisted Living as a result of a change in his or her mental or physical condition, this Agreement and all obligations under it shall terminate immediately. All charges shall be prorated as of the date on which the Agreement terminates, and if any payments have been made in advance, the excess shall be refunded to Resident. This provision does not apply to the separate Continuing Care Residency and Care Agreement and any provisions regarding financial support set forth in either agreement shall supersede this paragraph

25. **ENTIRE AGREEMENT**

Unless otherwise specifically provided in any document executed by Resident in connection with this Agreement, not excluding the marketing materials for PENNYBRYN AT MARYFIELD and the requirements of the Continuing Care Provider registration and Disclosure Act (40 p.s. 3201 et, seq), constitutes the full and entire understanding and agreement among the parties, and no party shall be liable or bound to the other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein or in a separate written document signed by both parties. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement. A modification or amendment of this Agreement is effective only if it is in writing and executed by both parties. In the event of any litigation between parties to this Agreement



**Exhibit A**

This list is not all-inclusive. Additional medical supplies may be used that are specific to your medical condition. Please note that the above prices are subject to change with a 30 day notice.

Copier black/white (more than ten copies) .....	\$.10/page
Long-distance faxes.....	\$1.00/page
International faxes.....	\$4.00/page
Returned check fee.....	\$25.00
Catering Services (Private Dining Room) .....	Published Prices
Guest meals.....	\$7.35
Holiday Meals.....	\$10.50
Guest room.....	\$90 per night (subject to a seven (7) day limit (\$50.00 cancellation fee for less than 48 hours in advance)
Beauty/barber shop .....	Published Prices
Personal Laundry.....	\$42.00 per month
Transportation Escort Service.....	\$78.75
Medical Transportation (Facility Provided – Scheduled Days).....	No Charge
Transportation (Facility Provided - Non-scheduled Days/No escort) .....	\$15.00/hr and \$1.00 per mile

\*\*\*\*\*

Telephone Service Contact North State Communications at: .....336-886-3720  
Cable Television Service Contact Time-Warner Cable at: .....\$33.00 per month

**Exhibit B**

**RESIDENT'S RESPONSIBLE PARTY APPOINTMENT AND AGREEMENT**

**PART I**

I have applied for admission to PENNYBYRN AT MARYFIELD TAYLOR VILLAGE LICENSED ASSISTED and I am the Resident named in the PENNYBYRN AT MARYFIELD TAYLOR VILLAGE ASSISTED LIVING Agreement dated \_\_\_\_\_ ("Admission Agreement"). I hereby appoint \_\_\_\_\_ as my agent ("Responsible Party") for all purposes of the Admission Agreement. I hereby authorize Responsible Party to inspect and receive copies of my record, to handle my finances, to pay my expenses, to receive my personal funds, and to execute the Admission Agreement on my behalf. PENNYBYRN AT MARYFIELD is authorized and entitled to rely upon and follow the directions, consents, etc., given by Responsibility Party and will be held harmless for doing so.

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

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Witness #1 - Signature

\_\_\_\_\_  
Witness #2 - Signature

**PART II**

The undersigned Responsible Party hereby agrees as follows:

1. To utilize the funds of Resident to pay all costs and expenses incurred by or on behalf of Resident at PENNYBYRN AT MARYFIELD and to arrange for the provision of personal clothing and care supplies as needed or desired by Resident and as required by PENNYBYRN AT MARYFIELD.
2. To utilize the funds of Resident to reimburse PENNYBYRN AT MARYFIELD for the replacement costs of any property of PENNYBYRN AT MARYFIELD or other residents or employees of PENNYBYRN AT MARYFIELD that is damaged by Resident or Resident's guests.
3. The undersigned acknowledges that he or she is aware of the complaint procedure to be used if there is a concern with the service of PENNYBYRN AT MARYFIELD TAYLOR VILLAGE ASSISTED LIVING. The undersigned shall direct any complaints to the Community Leader.
4. If Resident is a Medicare Resident, to utilize the funds of the resident to pay extra charges not covered by the Medicare program in a timely manner, and to notify the Assistant Living Leader of any problem anticipated in paying such charges.

5. To sign Resident out of PENNYBYRN AT MARYFIELD TAYLOR VILLAGE ASSISTED LIVING when Resident leaves TAYLOR VILLAGE. The undersigned Responsible Party acknowledges that PENNYBYRN AT MARYFIELD does not assume any responsibility for Resident while Resident is on leave and agrees to indemnify and hold PENNYBYRN AT MARYFIELD harmless from any claims, liability, or expense resulting from any illness, injury, or damage that Resident may incur or cause while away from PENNYBYRN AT MARYFIELD.

**Resident's Responsible Party Appointment and Agreement continued.**

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

\_\_\_\_\_  
PENNYBYRN AT MARYFIELD

\_\_\_\_\_  
Representative Responsible Party

Address: \_\_\_\_\_

\_\_\_\_\_

Home Phone No. \_\_\_\_\_

Business Phone No. \_\_\_\_\_

**EXHIBIT C**

**PHARMACY AGREEMENT**

The undersigned hereby selects  Neil Medical Pharmacy or  Other Pharmacy:  
\_\_\_\_\_ Pharmacy Services as the supplier of all medications  
prescribed for the undersigned while a resident at TAYLOR VILLAGE ASSISTED LIVING.  
The undersigned understands that he or she can change this selection at any time by written  
notice to TAYLOR VILLAGE ASSISTED LIVING.

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

\_\_\_\_\_  
Resident or Responsible Party

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

**Exhibit D**

**CONSENT TO PHOTOGRAPH AGREEMENT**

Resident acknowledges that photographs (including video photography) may be taken in or around PENNYBYRN AT MARYFIELD from time to time by other residents or their family members, representatives of the news media, representatives of governmental agencies, or others. PENNYBYRN AT MARYFIELD does not assure Resident's privacy from any such undesired photographs.

The undersigned hereby agrees as indicated below:

- \_\_\_\_\_ (a) I hereby give my consent to be photographed by PENNYBYRN AT MARYFIELD for advertising or public display.
- \_\_\_\_\_ (b) I do not give my consent to be photographed by PENNYBYRN AT MARYFIELD for advertising or public display.
- \_\_\_\_\_ (c) I hereby give my consent to be photographed by PENNYBYRN AT MARYFIELD for the sole purpose of proper identification for drug administration and associates orientation.
- \_\_\_\_\_ (d) I hereby give my consent to be photographed by PENNYBYRN AT MARYFIELD for any purposes other than advertising or public display (internal newspapers, photos to be displayed in PENNYBYRN AT MARYFIELD, etc.)

**The resident has the right to revoke their permission for photo release at any time.**

Expiration Date of Consent to Photograph: \_\_\_\_\_ ( one year from date signed)

\_\_\_\_\_  
Resident or Responsible Party

\_\_\_\_\_  
Date

## Exhibit E

### NURSING SERVICES POLICY

TAYLOR VILLAGE ASSISTED LIVING will provide (FOR LICENSED ASSISTED LIVING RESIDENTS ONLY) nursing care by persons licensed as registered nurse, licensed practical nurses or certified as nursing assistants for the following:

#### Registered Nurse:

1. Assessing the resident's physical and mental health including the resident's reaction to illnesses and treatment regimens;
2. Recording and reporting the results of the nursing assessment;
3. Planning, initiating, delivering, and evaluating appropriate nursing acts;
4. Teaching, assigning, delegating to or supervising other personnel in implementing the treatment regimen;
5. Providing teaching and counseling about the resident's health;
6. Reporting and recording the plan for care, nursing care given, and the resident's response to that care;
7. Supervising, teaching, and evaluating those who perform or are preparing to perform nursing functions and administering nursing programs and nursing services.

#### Licensed Practice Nurse:

1. Participating in the assessment of the resident's physical and mental health, including the patient's reaction to illnesses and treatment regimens;
2. Recording and reporting the results of the nursing assessment;
3. Participating in implementing the health care plan developed by the registered nurse;
4. Assigning or delegating nursing interventions to other qualified personnel under the supervision of the registered nurse;
5. Participating in the teaching and counseling of residents as assigned by a registered nurse, physician, or other qualified professional;
6. Reporting and recording the nursing care rendered and the resident's response to that care;
7. Maintaining safe and effective nursing care, whether rendered directly or indirectly.

#### Certified Nursing Assistants:

Personal care tasks which are needed for daily living such as bathing, feeding, and ambulation. In addition, other tasks may be taught such as enema administration or emptying of drainage bags

***TAYLOR VILLAGE ASSISTED LIVING shall provide or arrange qualified associates to administer medication based on the needs of the residents. Unlicensed personnel administering medication shall have completed a training program and be certified by the State of North Carolina to administer medication(s).***



**Exhibit F**

**NOTICE OF PRIVACY INFORMATION PRACTICES**

*Effective date: January 1, 2006*

**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.**

Please contact the Assisted Living Leader if you have any questions regarding this notice.

**General description and purpose of notice.**

This notice describes our information privacy practices and that of:

1. Any health care professional authorized to enter information into your medical record created and/or maintained at our facility;
2. Any member of a volunteer group which we allow to help you while receiving services at our clinic;
3. All facility employees, associates, and other personnel; and
4. Any independent contractor of PENNYBYRN AT MARYFIELD that provides health services for residents of TAYLOR VILLAGE as a component of its organized health care arrangement, as necessary to carry out treatment, payment, and health care operations related to the organized health care arrangement.

All of the individuals or entities identified above will follow the terms of this notice. These individuals or entities may share your health information with each other for purposes of treatment, payment, or health care operations, as further described in this notice.

**Our facility's policy regarding your health information.**

We are committed to preserving the privacy and confidentiality of your health information created and/or maintained at our facility. Certain state and federal laws and regulations require us to implement policies and procedures to safeguard the privacy of your health information.

This notice will provide you with information regarding our privacy practices and applies to all of your health information created and/or maintained at our facility, including any information that we receive from other health care providers or facilities. The notice describes the ways in which we may use or disclose your health information and also describes your rights and our

obligations regarding any such uses or disclosures. We will abide by the terms of this notice, including any future revisions that we may make to the notice as required or authorized by law.

We reserve the right to change this notice and to make the revised or changed notice effective for health information we already have about you as well as any information we receive in the future. We will post a copy of the current notice in our facility. The first page of the notice contains the effective date and any dates of revision.

### **Uses or disclosures of your health information.**

We may use or disclose your health information in one of following ways:

1. Pursuant to your written consent (for purposes of treatment, payment or health care operations)
2. Pursuant to your written authorization (for purposes other than treatment, payment or health care operations)
3. Pursuant to your verbal agreement (for use in our facility directory or to discuss your health condition with family or friends who are involved in your care);
4. As permitted by law
5. As required by law

The following describes each of the different ways that we may use or disclose your health information. Where appropriate, we have included examples of the different types of uses or disclosures. While not every use or disclosure is listed, we have included all of the ways in which we may make such uses or disclosures.

#### **I. Uses or disclosures made pursuant to your written consent.**

We may use or disclose your health information for purposes of treatment, payment, or health care operations upon obtaining your written consent. We may condition our delivery of services to you upon receiving your consent.

1. **Treatment.** We may use your health information to provide you with health care treatment and services. We may disclose your health information to doctors, nurses, nursing assistants, medication aides, technicians, medical and nursing students, rehabilitation therapy specialists, or other personnel who are involved in your direct health care. For example, your physician may order physical therapy services to improve your strength and walking abilities. Our nursing associates will need to talk with the physical therapist so that we can coordinate services and develop a plan of care. We also may disclose your health information to people outside of our facility who may be involved in your direct health care, such as family members, social services, or home health agencies.
2. **Appointment reminders.** We may use or disclose your health information for purposes of contacting you to remind you of a health care appointment.

3. **Treatment alternatives, Health-related benefits and services.** We may use or disclose your health information for purposes of contacting you to inform you of treatment alternatives or health-related benefits and services that may be of interest to you.
4. **Payment.** You are responsible for payment to third party health care providers. We may use or disclose your health information so that we may bill and collect payment from you, an insurance company, or another third party for the health care services you receive at our facility. For example, we may need to give information to your health plan regarding the services you received from our facility so that your health plan will pay us or reimburse you for the **services**. We also may tell your health plan about a treatment you are going to receive in order to obtain prior approval for the services or to determine whether your health plan will cover the treatment.
5. **Health care operations.** We may use or disclose your health information to perform certain functions within our facility. These uses or disclosures are necessary to operate our clinic and to **make** sure that our residents receive quality care. For example, we may use your health information to review our treatment and services and to evaluate the performance of our associates in caring for you. We may combine health information about many of our residents to determine whether certain services are effective or whether additional services should be provided. We may disclose your health information to physicians, nurses, nursing assistants, medication aides, rehabilitation therapy specialists, technicians, medical and nursing students, and other personnel for review and learning purposes. We also may combine health information with information from other health care providers or facilities to compare how we are doing and see where we can make improvements in the care and services offered to our residents. We may remove information that identifies you from this set of health information so that others may use the information to study health care and health care delivery without learning the specific identities of our residents.
  - **Fundraising activities.** We may use a limited amount of your health information for purposes of contacting you to raise money for our facility and its operations. We may disclose this health information to a foundation related to the facility so that the foundation may contact you to raise money for our facility. The information which we may use or disclose will be limited to your name, address, phone number, and dates for which you received treatment or services at our facility. ***If you do not want our facility or affiliated foundation to contact you for these fundraising purposes, you must notify PENNYBYRN AT MARYFIELD in writing.***

## II. Uses or disclosures made pursuant to your written authorization.

We may use or disclose your health information pursuant to your written authorization for purposes other than treatment, payment or health care operations and for purposes which are not permitted or required law. You have the right to revoke a written authorization at any time as long as your revocation is provided to us in writing. If you revoke your written authorization, we will no longer use or disclose your health information for the purposes identified in the authorization. You understand that we are unable to retrieve any disclosures which we may have made pursuant to your authorization prior to its revocation. Examples of uses or disclosures that may require your written authorization include the following:

- (i) A request to provide certain health information to a pharmaceutical company for purposes of marketing
- (ii) A request to provide your health information to an attorney for use in a civil litigation claim
- (iii) A request to provide your health information for purposes of including you on a mailing list

## III. Uses or disclosures made pursuant to your verbal agreement.

We may use or disclose your health information, pursuant to your verbal agreement, for purposes of including you in our facility directory or for purposes of releasing information to persons involved in your care as described below.

1. **Facility directory.** We may use or disclose certain limited health information about you in our facility directory while you are a resident at our facility. This information may include your name, your assigned unit and room number, your religious affiliation, and a general description of your condition. Your religious affiliation may be given to a member of the clergy. The directory information, except for religious affiliation, may be given to people who ask for you by name.
2. **Individuals involved in your care.** We may disclose your health information to **individuals**, such as family and friends, who are involved in your care or who help pay for your care. We also may disclose your health information to a person or organization assisting in disaster relief efforts for the purpose of notifying your family or friends involved in your direct care about your condition, status and location.

## IV. Uses or disclosures permitted by law

Certain state and federal laws and regulations either require or permit us to make certain uses or disclosures of your health information without your permission. These uses or disclosures are generally made to meet public health reporting obligations or to ensure

the health and safety of the public at large. The uses or disclosures which we may make pursuant to these laws and regulations include the following:

1. **Public health activities.** We may use or disclose your health information to public health authorities that are authorized by law to receive and collect health information for the purpose of preventing or controlling disease, injury or disability. We may use or disclose your health information for the following purposes:
  - a. To report births and deaths
  - b. To report suspected or actual abuse, neglect, or domestic violence involving a child or an adult
  - c. To report adverse reactions to medications or problems with health care products
  - d. To notify individuals of product recalls
  - e. To notify an individual who may have been exposed to a disease or may be at risk for spreading or contracting a disease or condition
2. **Health oversight activities.** We may use or disclose your health information to a health oversight agency that is authorized by law to conduct health oversight activities. These oversight activities may include audits, investigations, inspections, or licensure and certification surveys. These activities are necessary for the government to monitor the persons or organizations that provide health care to individuals and to ensure compliance with applicable state and federal laws and regulations.
3. **Judicial or administrative proceedings.** We may use or disclose your health information to courts or administrative agencies charged with the authority to hear and resolve lawsuits or disputes. We may disclose your health information pursuant to a court order, a subpoena, a discovery request, or other lawful process issued by a judge or other person involved in the dispute, but only if efforts have been made to (i) notify you of the request for disclosure or (ii) obtain an order protecting your health information.
4. **Worker's compensation.** We may use or disclose your health information to worker's compensation programs when your health condition arises out of a work-related illness or injury.
5. **Law Enforcement official.** We may use or disclose your health information in response to a request received from a law enforcement official for the following purposes:
  - a. In response to a court order, subpoena, warrant, summons or similar lawful process
  - b. To identify or locate a suspect, fugitive, material witness, or missing person
  - c. Regarding a victim of a crime if, under certain limited circumstances, we are

- unable to obtain the person's agreement
- d. To report a death that we believe may be the result of criminal conduct
  - e. To report criminal conduct at our facility
  - f. In emergency situations, to report a crime—the location of the crime and possible victims; or the identity, description, or location of the individual who committed the crime
6. **Coroners, medical examiners, or funeral directors.** We may use or disclose your health information to a coroner or medical examiner for the purpose of identifying a deceased individual or to determine the cause of death. We also may use or disclose your health information to a funeral director for the purpose of carrying out his/her necessary activities.
  7. **Organ procurement organizations or tissue banks.** If you are an organ donor, we may use or **disclose** your health information to organizations that handle organ procurement, transplantation, or tissue banking for the purpose of facilitating organ or tissue donation or transplantation.
  8. **Research.** We may use or disclose your health information for research purposes under certain limited circumstances. Because all research projects are subject to a special **approval** process, we will not use or disclose your health information for research purposes until the particular research project for which your health information may be used or disclosed has been approved through this special approval process. However, we may use or disclose your health information to individuals preparing to conduct the research project in order to assist them in identifying residents with specific health care needs who may qualify to participate in the research project. Any use or disclosure of your health information which may be done for the purpose of identifying qualified participants will be conducted onsite at our facility. In most instances, we will ask for your specific permission to use or disclose your health information if the researcher will have access to your name, address or other identifying information.
  9. **To avert a serious threat to health or safety.** We may use or disclose your health information when necessary to prevent a serious threat to the health or safety of you or other **individuals**. Any such use or disclosure would be made solely to the individual(s) or organization(s) that have the ability and/or authority to assist in preventing the threat.
  10. **Military and veterans.** If you are a member of the armed forces, we may use or disclose your health **information** as required by military command authorities.
  11. **National security and intelligence activities.** We may use or disclose your health information to authorized federal officials for purposes of intelligence, counterintelligence, and other national security activities, as authorized by law.

12. **Inmates.** If you are an inmate of a correctional institution or under the custody of a law **enforcement** official, we may use or disclose your health information to the correctional institution or to the law enforcement official as may be necessary (i) for the institution to provide you with health care; (ii) to protect the health or safety of you or another person; or (iii) for the safety and security of the correctional institution.

V. **Uses or disclosures required by law**

We may use or disclose your information where such uses or disclosures are required by federal, state or local law.

Your rights regarding your health information

You have the following rights regarding your health information which we create and/or maintain:

1. **Right to inspect and copy.** You have the right to inspect and copy health information that may be used to make decisions about your care. Generally, this includes medical and billing records, but does not include psychotherapy notes.

To inspect and copy your health information, you must submit your request in writing to Taylor Village. If you request a copy of the information, we may charge a fee for the costs of copying, mailing, or other supplies associated with your request.

We may deny your request to inspect and copy your health information in certain limited circumstances. If you are denied access to your health information, you may request that the denial be reviewed. Another licensed health care professional selected by our facility will review your request and the denial. The person conducting the review will not be the person who initially denied your request. We will comply with the outcome of this review.

2. **Right to request an amendment.** If you feel that the health information we have about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for our facility.

To request an amendment, your request must be made in writing and submitted to PENNYBYRN AT MARYFIEDL. In addition, you must provide us with a reason that supports your request.

We may deny your request for an amendment if it is not in writing or does not include a reason to support the request. In addition, we may deny your request if you ask us to amend information that

- a. was not created by us, unless the person or entity that created the information is no longer available to make the amendment

- b. is not part of the health information kept by or for our facility
  - c. is not part of the information which you would be permitted to inspect and copy
  - d. is accurate and complete
3. **Right to an accounting of disclosures.** You have the right to request an accounting of the disclosures which we have made of your health information. This accounting will not include disclosures of health information that we made for purposes of treatment, payment, or health care operations.

To request an accounting of disclosures, you must submit your request in writing to PENNYBRYN AT MARYFIELD. Your request must state a time period which may not be longer than six (6) years prior to the date of your request and may not include dates before April 14, 2003. Your request should indicate in what form you want to receive the accounting (for example, on paper or via electronic means). The first accounting that you request within a twelve (12)-month period will be free. For additional accountings, we may charge you for the costs of providing the accounting. We will notify you of the cost involved, and you may choose to withdraw or modify your request at that time before any costs are incurred.

**Right to request restrictions.** You have the right to request a restriction or limitation on the health information we use or disclose about you for treatment, payment, or health care operations. You also have the right to request a limit on the health information we disclose about you to someone, such as a family member or friend, who is involved in your care or in the payment of your care. For example, you could ask that we not use or disclose information regarding a particular treatment that you received.

*We are not required to agree to your request.* If we do agree, we will comply with your request unless the information is needed to provide emergency treatment to you.

To request restrictions, you must make your request in writing to Taylor Village. In your request, you must tell us (a) what information you want to limit; (b) whether you want to limit our use, disclosure or both; and (c) to whom you want the limits to apply (for example, disclosures to a family member).

4. **Right to request confidential communications.** You have the right to request that we communicate with you about your health care in a certain way or at a certain location. For example, you can ask that we only contact you at work or by mail.

To request confidential communications, you must make your request in writing to PENNYBYRN AT MARYFIELD. We will not ask you the reason for your request. We will accommodate all reasonable requests. Your request must specify how or where you wish to be contacted.



5. **Right to a paper copy of this notice.** You have the right to receive a paper copy of this notice. You may ask us to give you a copy of this Notice at any time. Even if you have agreed to receive this notice electronically, you are still entitled to a paper copy notice.

To obtain a paper copy of this notice, contact PENNYBYRN AT MARYFIELD.

### Complaints

If you believe your privacy rights have been violated, you may file a complaint with our facility or with the secretary of the NC Department of Health and Human Services. To file a complaint with our facility, contact PENNYBYRN AT MARYFIELD. All complaints must be submitted in writing. You will NOT be penalized for filing a complaint.

### ACKNOWLEDGMENT

I have received the Notice of Privacy Practices from PENNYBYRN AT MARYFIELD

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

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

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

**Exhibit G**

**RESIDENT RESPONSIBILITY**

As a Resident I agree to be responsible for:

1. Observing the policies and regulations of TAYLOR VILLAGE ASSISTED LIVING.
2. Consideration of other residents by:
  - a. Being respectful of other's privacy;
  - b. Reminding visitors to observe smoking regulations;
  - c. Using television, telephones, radio and lights in a manner that is not disturbing to others;
  - d. Complying with TAYLOR VILLAGE ASSISTED LIVING rules, regulations and the terms of this agreement;
  - e. Cooperating in the use of heating and air conditioning equipment; and
  - f. Being appropriately dressed while using public areas and facilities;
3. Keeping appointments or notifying the appropriate party of a cancellation.
4. Inquiring of the associates whenever unsure of or in doubt regarding procedure.
5. Bringing concerns and problems to proper sources.
6. Being respectful of individual religious practices and political views.
7. Being aware that gratuities (tips) are strictly against the policy of TAYLOR VILLAGE.
8. Fulfilling the financial obligation of care as in accordance with agreed upon and signed agreement.
9. Using the facility and services appropriately and economically to assure availability to other residents.
10. Being courteous and considerate of associates.
11. Treating PENNYBYRN AT MARYFIELD property with respect.
12. There will be a separate charge for room service meals other than sick day trays.
13. Resident and Responsible Party shall reimburse PENNYBYRN AT MARYFIELD for any and all damages (replacement costs) to furnishings, contents and the property of PENNYBYRN AT MARYFIELD ASSISTED LIVING or other residents or associates of PENNYBYRN AT MARYFIELD caused by Resident or Resident's guest, other than normal wear and tear.

14. Resident and Responsible Party shall agree to sign out upon leaving the TAYLOR VILLAGE ASSISTED LIVING for any reason. The resident shall sign in upon returning from an outside visit.

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

\_\_\_\_\_  
Resident or Responsible Party

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

**Exhibit H**

**RESIDENT REPRESENTATION AND COMMUNICATION POLICY**

Residents are encouraged to exercise their rights as a resident and as a citizen, to voice concerns and to recommend changes in policies and services, free of coercion, discrimination, threats or reprisal. Good faith complaints made against PENNYBYRN AT MARYFIELD TAYLOR VILLAGE ASSISTED LIVING will not result in reprisal against the individual making the complaint.

A resident may register a grievance or a recommended change with a member of:

- 1) Resident’s Council. The Resident’s Council will bring the issue to the attention of TAYLOR VILLAGE ASSISTED LIVING management, or
- 2) PENNYBYRN AT MARYFIELD ASSISTED LIVING leader; or Community Leader or
- 3) The Local Ombudsman Office at (336) 294-4950

The appropriate authority will respond to the issue within seven (7) calendar days of receiving the complaint or recommendation in writing, giving an explanation of his/her investigation and assessment of the validity of the concerns or recommendation.

If Resident is not satisfied with the response, Resident may, within fifteen (15) calendar days, present the issue to the Community Leader of PENNYBYRN AT MARYFIELD for his/her response. The Community Leader must provide a written response within ten (10) calendar days, which shall be considered PENNYBYRN AT MARYFIELD’S final decision.

Resident or Resident’s Representative may submit a complaint to the North Carolina Division of Facility Services at **1-800-624-3004** without prior notice to PENNYBYRN AT MARYFIELD ASSISTED LIVING.

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

Date: \_\_\_\_\_  
Responsible Party

Date: \_\_\_\_\_  
PENNYBRYN AT MARYFIELD Representative

## Exhibit I

### **Declaration of Residents' Rights**

Each facility shall treat its residents in accordance with the provisions of this Article. Every resident shall have the following rights:

1. To be treated with respect, consideration, dignity, and full recognition of his or her individuality and right to privacy.
2. To receive care and services which are adequate, appropriate, and in compliance with relevant federal and State laws and rules and regulations.
3. To receive upon admission and during his or her stay a written statement of the services provided by the facility and the charges for these services.
4. To be free of mental and physical abuse, neglect, and exploitation.
5. Except in emergencies, to be free from chemical and physical restraint unless authorized for a specified period of time by a physician according to clear and indicated medical need.
6. To have his or her personal and medical records kept confidential and not disclosed without the written consent of the individual or guardian, which consent shall specify to whom the disclosure may be made, except as required by applicable State or federal statute or regulation or by third party contract. It is not the intent of this section to prohibit access to medical records by the treating physician except when the individual objects in writing. Records may also be disclosed without the written consent of the individual to agencies, institutions or individuals which are providing emergency medical services to the individual. Disclosure of information shall be limited to that which is necessary to meet the emergency.
7. To receive a reasonable response to his or her requests from the facility administrator and associates.
8. To associate and communicate privately and without restriction with people and groups of his or her own choice on his or her own or their initiative at any reasonable hour.
9. To have access at any reasonable hour to a telephone where he or she may speak privately.
10. To send and receive mail promptly and unopened, unless the resident requests that someone open and read mail, and to have access at his or her expense to writing instruments, stationery, and postage.

11. To be encouraged to exercise his or her rights as a resident and citizen, and to be permitted to make complaints and suggestions without fear of coercion or retaliation.
12. To have and use his or her possessions where reasonable and have an accessible, lockable space provided for security of personal valuables. This space shall be accessible only to the resident, the administrator, or supervisor-in-charge.
13. To manage his or her personal needs funds unless such authority has been delegated to another. If authority to manage personal needs funds has been delegated to the facility, the resident has the right to examine the account at any time.
14. To be notified when the facility is issued a provisional license or notice of revocation of license by the North Carolina Department of Health and Human Services and the basis on which the provisional license or notice of revocation of license was issued. The resident's responsible family member or guardian shall also be notified.
15. To have freedom to participate by choice in accessible community activities and in social, political, medical, and religious resources and to have freedom to refuse such participation.
16. To receive upon admission to the facility a copy of this section.
17. To not be transferred or discharged from a facility except for medical reasons, the residents' own or other residents' welfare, nonpayment for the stay, or when the transfer is mandated under State or federal law. The resident shall be given at least 30 days' advance notice to ensure orderly transfer or discharge, except in the case of jeopardy to the health or safety of the resident or others in the home. The resident has the right to appeal a facility's attempt to transfer or discharge the resident pursuant to rules adopted by the Medical Care Commission, and the resident shall be allowed to remain in the facility until resolution of the appeal unless otherwise provided by law. The Medical Care Commission shall adopt rules pertaining to the transfer and discharge of residents that offer at least the same protections to residents as State and federal rules and regulations governing the transfer or discharge of residents from nursing homes.

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

\_\_\_\_\_  
Resident

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

\_\_\_\_\_  
Responsible Party

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

\_\_\_\_\_  
PENNYBYRN AT MARYFIELD Representative

**Exhibit J**  
**Licensed Assisted Living Level of Care Charge Form**

**Resident Name:**  
**Room Number:**  
**Current Assessment Date:**  
**Previous Assessment Date:**  
**Moving in Date:**

Direction: circle or darkened the number in each column as appropriate.  
 Note: Assistance includes performance under direct supervision.

**A= Always      S= Sometimes      N= Never**  
**SECTION 1**

No.	ADL ASSESSMENT	A	S	N
1.	Cares for own apartment (does not include weekly housekeeping)	.0	1.5	3.0
2.	Cares for personal items	.0	.2	.5
3.	Makes own bed	.0	.3	.5
4.	Dines without assistance	.0	1.0	2.0
5.	Ambulates without physical assistance	.0	1.0	2.0
6.	Transfer self	.0	.5	1.0
7.	Bathes self (2shower/week are included)	.0	.5	1.0
8.	Does own personal hygiene	.0	.5	1.0
9.	Independent in management of bladder	.0	3.0	6.0
10.	Independent in management of bowel	.0	2.0	4.0
11.	Dresses self	.0	.5	1.0
12.	Independent in management of laundry (more than one load per week)	.0	2.0	3.0
	<b>SUBTOTAL OF SECTION 1</b>			

**SECTION 2**

<b>No.</b>	<b>ORIENTATION ASSESSMENT</b>	<b>A</b>	<b>S</b>	<b>N</b>
1.	Oriented to person-Recognizes family/friends	.0	.3	.5
2.	Oriented to place knows location	.0	.5	1.0
3.	Orientation to time: Knows day	.0	.2	.5
4.	Knows month	.0	.2	.5
5.	Knows time of day	.0	.1	.5
	Subtotals			
	<b>SUBTOTAL OF SECTION 2</b>			

**SECTION 3**

<b>No.</b>	<b>RESIDENT MANAGEMENT</b>	<b>A</b>	<b>S</b>	<b>N</b>
1.	Requires verbal cueing to maintain schedules or to complete ADL functions.	2.0	1.5	0.0
2.	Wanders and needs redirection.	2.5	1.9	0.0
3.	Leaves floor or community and requires intervention to return to a safe environment.	3.5	2.0	0.0
4.	Shows feelings of hopelessness, depression and anxiety requiring intervention.	1.5	0.6	0.0
5.	Requires staff intervention to manage resisting, or combative or disruptive behavior.	3.5	2.0	0.0
6.	Looses personal items frequently requiring staff intervention.	3.0	2.0	0
7.	Requires nurse case management for medical appointments	3.0	2.0	0
8.	Requires physician order changes of 1 per week	3.0	2.0	0
9.	Requires treatments to be completed by the nurse--finger sticks, wound care, skin tears, etc.	6.0	3.0	0



10.	Falls frequently requiring staff intervention to manage fall risk	3.0	1.5	0
<b>SUBTOTAL OF SECTION 3</b>				

.....SECTION 4

No.	MEDICATION SECTION	TOTAL
A	Self-Administration: Multiply each prescription and/or over the counter medication _____ times 3 minutes. <b>OR</b>	
B	Supervised Self-Administration: Requires nurse to assist resident by reminders of time, amount or medication storage/security. Multiply each dose of medication _____ times 5 minutes <b>OR</b>	
C	Medication Administration: Nurse stores and processes all medications. Multiply each dose of medication administered _____ times 10minutes.	
	<b>TOTAL MEDICATION TIME</b>	
	<b>SUBTOTAL SECTION 4</b>	
	Divide Subtotal by 15 and enter the number of units	

**TOTALS**

Section 1 \_\_\_\_\_  
Section 2 \_\_\_\_\_  
Section 3 \_\_\_\_\_  
Section 4 \_\_\_\_\_  
Grand Total \_\_\_\_\_



**Exhibit K**

**TAYLOR VILLAGE INC.**

**Change in Accommodation for Contracted Resident**

Current Residence \_\_\_\_\_

\_\_\_\_ **IL** \_\_\_\_ **AL** \_\_\_\_ **Memory Support AL** \_\_\_\_ **Healthcare Household** \_\_\_\_\_

Current address:

\_\_\_\_\_

New Residence:

\_\_\_\_ **IL** \_\_\_\_ **AL** \_\_\_\_ \_\_\_\_ **Memory Support AL** \_\_\_\_ **Healthcare Household**

New address:

\_\_\_\_\_

Previous Monthly or Daily Fee Rate:

\$\_\_\_\_\_ Monthly

\$\_\_\_\_\_ Daily

New Monthly or Daily Fee Rate:

\$\_\_\_\_\_ Monthly

\$\_\_\_\_\_ Daily

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

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Responsible Party Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
PBM Representative Date

**Exhibit L**

**Direct Admission  
TAYLOR VILLAGE Assisted Living  
Residency Agreement**

THIS agreement is entered into on \_\_\_\_\_, as an agreement to the Taylor Village Assisted Living Residency and Care Agreement and between MARYFIELD, INC. OF HIGH POINT, NORTH CAROLINA, a non-profit corporation, d/b/a/ PENNYBYRN AT MARYFIELD, hereinafter referred to as the “Retirement Community” and \_\_\_\_\_, hereinafter referred to as “Resident.”

**DEFINED TERMS AND AMOUNTS**

For the purposes of this Agreement, the following definitions shall apply:

- I. Initial Occupancy Date is defined as the day upon which full access to the Assisted Living Apartment is received, all Agreements have been signed, and keys are delivered to the resident.
- II. The “Entrance Fee” shall be paid in the amount of \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_).
- III. The “Payment Schedule” for the payment of the Entrance Fee shall be as follows:  
\_\_\_\_\_ deposit paid on \_\_\_\_\_,  
\_\_\_\_\_ balance due paid on or before \_\_\_\_\_.
- IV. The monthly initial “Occupancy Charge” shall be paid in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) per month, in advance, for one person, plus \_\_\_\_\_ Dollars (\$\_\_\_\_\_) for each additional person.
- V. The “Assisted Living Apartment” to be occupied by the Resident under this Agreement is identified as \_\_\_\_\_.

**BACKGROUND**

Maryfield Inc. is affiliated with the Poor Servants of the Mother of God. This organization has no financial responsibility for any of the financial obligations of PENNYBYRN AT MARYFIELD under this Agreement

The Retirement Community does not discriminate because of race, color, creed, national origin, sex, or handicap in its admission, retention and care of Residents.

Resident (or one of the residents) has attained the age of 62 years and has made application to become a Resident in the Assisted Living Facility so as to live in the unit described in Subsection 3.1. Resident's application has been accepted subject to the execution of this Residency Agreement and the conditions of residency provided for herein.

NOW THEREFORE, for valuable consideration and the promises contained herein, the parties agree as follows:

1. ENTRANCE FEE.

1.1 Amount and Payment. Resident hereby agrees to pay to the Retirement Community the Entrance Fee in accordance with the above-described Payment Schedule. In the event Resident does not exercise his right to rescind under Section 1.3 but at his/her discretion chooses not to take up occupancy in the Apartment specified in this Agreement, Resident continues to have the responsibility and obligation to make payments in accordance with the Payment Schedule.

In the event Resident fails to make payments in accordance with the Payment Schedule, Resident shall lose all right to be a Resident at the Retirement Community. Resident expressly agrees that immediately upon his default in payment in strict accordance with the above Payment Schedule, the Retirement Community shall have the right, but not the obligation, to Agreement with another party for the Assisted Living Apartment which is the subject of this Agreement. Resident's right to a refund of Entrance Fee is controlled exclusively by the provisions of Section 1.2 of this Agreement.

1.2 Refund Policy. The Entrance Fee shall be refundable if the Resident has made full payment in accordance with the Payment Schedule upon the happening of one of the following conditions:

a. If, on the Initial Occupancy Date, the Resident, for whatever reasons, does not take up occupancy in the Assisted Living Apartment, and has complied with the Payment Schedule, then the Entrance Fee paid shall be refunded in full less such fees and charges, if any, as are then owed the Retirement Community.

b. If Resident transfers to another level of care at the Retirement Community, or if Resident ceases occupancy after the expiration of a period of one (1) year or 365 days, then, in such events, no refund shall be payable. Otherwise, if, after the Initial Occupancy Date, Resident's occupancy at the Retirement Community is permanently terminated because he or she transfers to a facility not operated by the Retirement Community, or by reason of his death, within one year or 365 days, after the Initial Occupancy Date, then Resident shall be entitled to a refund of the

Entrance Fee less such fees and charges, if any, as are then owed the Retirement Community.

For purposes of calculating the refund due Resident under this Subsection 1.2, the first day of the 365 day period shall be deemed to be the Initial Occupancy Date; the last day of occupancy shall be deemed to be the day on which Resident has removed all his personal property from the Assisted Living Apartment and has delivered to PENNYBYRN AT MARYFIELD the original and all other keys to the Assisted Living Apartment, Resident hereby relinquishing his/her free access to the Assisted Living Apartment,

A refund is calculated as follows:

The amount of the refund is equal to the Entrance Fee divided by 365 days and multiplied by the 365 minus the number of days of full or partial residency.

The refundable amount shall be due and payable to the Resident by the Retirement Community sixty (60) days after the Retirement Community has re-leased the Assisted Living Apartment. No interest shall be payable on the refundable amount.

- 1.3 Right to Rescind. Resident may rescind this Agreement within thirty (30) days following the later of the execution of this Agreement or the receipt of a disclosure statement meeting the requirements of Article 64 of Chapter 58 of the North Carolina General Statutes. Said thirty (30) day period shall be referred to herein after as the “Thirty (30) Day Period.”

In order to rescind the Agreement, Resident must within the Thirty (30) Day Period: (i) deliver written notice to the Retirement Community; (ii) remove all of the Resident’s personal property from the Assisted Living Apartment; and (iii) deliver to the Retirement Community his keys to the Assisted Living Apartment.

Notwithstanding any other provisions of this Agreement, if Resident rescinds the Agreement in accordance with this Subsection 1.3, the Retirement Community shall refund in full any money or property transferred to the Retirement Community less (i) the costs specifically incurred by the Retirement Community at the request of Resident or otherwise herein or in any amendment hereto, (ii) monthly Occupancy Charge or other periodic charges applicable to the period the Assisted Living Apartment was actually occupied by the Resident, and (iii) any other charges actually incurred by Resident during the period the Assisted Living Apartment was actually occupied by Resident, (iv) any non-refundable fees described herein; and (v) a service charge equal to two percent (2%) or \$1000, whichever is greater, of the Resident’s Entrance Fee provided for herein.

If Resident has taken occupancy of the Assisted Living Apartment, the refundable

amount shall be due and payable to the Resident by the Retirement Community sixty (60) days after the Retirement Community has re-released the Assisted Living Apartment and another resident has taken occupancy of the Assisted Living Apartment. No interest shall be payable on the refundable amount. If Resident has not taken occupancy of the Assisted Living Apartment, the refundable amount shall be due and payable within a reasonable time after the date on which Resident provides notice of intent to rescind to the Retirement Community.

2. DISCLOSURE STATEMENT.

Resident acknowledges that he has received a copy of the current PENNYBYRN AT MARYFIELD, Disclosure Statement, prior to or simultaneous with his execution of this Agreement. In the event of any discrepancy between the language contained in this Agreement and the language control contained in the Disclosure Statement, the language of this Agreement shall. Resident further acknowledges that prior to the execution of this Agreement no money or other property has been transferred to the Retirement Community by or on behalf of Resident in consideration for the facilities and services to be provided by the Retirement Community under this Agreement.

3. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon, inure to the benefit of, and be enforceable by Maryfield, Inc. North Carolina d/b/a PENNYBYRN AT MARYFIELD, its successors and assigns.

4. TRANSFER TO ANOTHER LEVEL OF CARE

Provided, however, absent a breach of this Agreement, all parties agree to enter into an agreement upon a transfer of the Resident to another level of care which Agreement will contain terms and occupancy rates consistent with the terms and rates then offered by the Retirement Community to other Residents at such level of care.

MARYFIELD, INC. D/B/A  
PENNYBYRN AT MARYFIELD, HIGH POINT, NC

**IN WITNESS WHEREOF**, PENNYBYRN AT MARYFIELD and the Resident have executed this addendum to the Assisted Living Addendum and the Resident has received a copy of the current PENNYBYRN AT MARYFIELD Disclosure Statement.

Witness	Resident	Date

Witness	Resident	Date

Witness	PENNYBYRN AT MARYFIELD Representative	Date

# Exhibit “D”

## Financial Statements








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# **Maryfield, Inc.**

## **Independent Auditor's Report, and Financial Statements**

September 30, 2023 and 2022

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## Independent Auditor's Report

Board of Directors  
Maryfield, Inc.  
High Point, NC

### ***Opinion***

We have audited the financial statements of Maryfield, Inc. which comprise the balance sheets as of September 30, 2023 and 2022, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Maryfield, Inc. as of September 30, 2023 and 2022, 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 of America.

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

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt Maryfield, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

# FORVIS

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Maryfield, Inc.'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 Maryfield, Inc.'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.

**FORVIS, LLP**

Charlotte, NC  
January 26, 2024

**Maryfield, Inc.**  
**Balance Sheets**  
**September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,842,878	\$ 4,907,383
Investments	4,814,020	5,212,764
Assets limited as to use, current	4,269,109	4,152,217
Net accounts receivable, residents	2,703,039	2,459,995
Accounts receivable, other	489,771	405,049
Promises to give	637,990	440,600
Prepaid expenses	268,351	454,404
	<u>16,025,158</u>	<u>18,032,412</u>
Property and equipment		
Land	1,417,666	1,417,666
Buildings and land improvements	158,185,540	120,458,556
Furniture and equipment	21,596,675	15,564,843
Construction in progress	12,628,807	47,838,116
	<u>193,828,688</u>	<u>185,279,181</u>
Total	193,828,688	185,279,181
Accumulated depreciation	<u>(65,964,548)</u>	<u>(60,525,246)</u>
	<u>127,864,140</u>	<u>124,753,935</u>
Total property and equipment, net	<u>127,864,140</u>	<u>124,753,935</u>
Promises to give, net	<u>547,188</u>	<u>731,188</u>
Financing lease right-of-use asset	<u>356,342</u>	<u>450,010</u>
Assets limited as to use		
Trustee-held investments	12,633,621	11,265,695
Statutory operating reserves	6,369,000	6,394,000
	<u>19,002,621</u>	<u>17,659,695</u>
Assets held in perpetuity		
Beneficial interest in perpetual trust	2,002,539	1,931,709
Investments	2,530,279	2,247,330
	<u>4,532,818</u>	<u>4,179,039</u>
Total assets	<u>\$ 168,328,267</u>	<u>\$ 165,806,279</u>

See accompanying notes.

Maryfield, Inc.  
Balance Sheets  
September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 1,946,435	\$ 3,538,796
Accrued expenses	1,198,301	1,284,216
Estimated current portion of refundable fees	2,071,000	2,024,000
Current portion of long-term debt	6,500,000	12,535,000
Bond interest payable	1,704,109	1,712,217
Current portion of financing lease liability	<u>89,392</u>	<u>85,630</u>
Total current liabilities	13,509,237	21,179,859
Long-term debt, net of current portion	91,532,206	92,534,278
Unamortized debt issuance costs, net	<u>(1,634,948)</u>	<u>(1,752,648)</u>
Long-term debt, net	89,897,258	90,781,630
Refundable deposits	684,106	1,553,064
Refundable advance fees, net of current portion	14,098,664	9,520,848
Deferred revenue from advance fees	24,856,108	18,542,551
Financing lease liability, net	275,401	366,451
Other liability	<u>44,625</u>	<u>57,375</u>
Total liabilities	<u>143,365,399</u>	<u>142,001,778</u>
Net assets		
Without donor restrictions	19,564,810	17,339,991
With donor restrictions	<u>5,398,058</u>	<u>6,464,510</u>
Total net assets	<u>24,962,868</u>	<u>23,804,501</u>
Total liabilities and net assets	<u>\$ 168,328,267</u>	<u>\$ 165,806,279</u>

See accompanying notes.

**Maryfield, Inc.**  
**Statements of Operations and Changes in Net Assets**  
**Years Ended September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenue, gains and other support		
Net patient service revenue	\$ 13,509,341	\$ 13,600,052
Independent living revenue (including amortization of advance fees of \$2,537,943 in 2023 and \$2,647,831 in 2022)	14,063,052	11,919,666
Assisted living revenue (including amortization of advance fees of \$34,222 in 2023 and \$102,890 in 2022)	3,636,409	3,484,635
Contributions	936,412	1,466,179
Investment income	401,158	1,187,340
Other operating income	620,548	624,638
	<u>33,166,920</u>	<u>32,282,510</u>
Expenses		
Healthcare households	13,026,689	11,995,696
Dietary	4,074,881	3,374,071
Laundry and housekeeping	985,470	819,601
Plant operation	3,532,283	3,209,550
Administrative	3,580,873	3,357,086
Development and marketing	1,005,925	804,492
Depreciation and amortization	5,532,969	4,402,214
Interest	3,770,245	2,493,902
	<u>35,509,335</u>	<u>30,456,612</u>
Operating income (loss)	<u>(2,342,415)</u>	<u>1,825,898</u>
Non-operating activity:		
Net unrealized gain (loss) on investments	<u>1,371,677</u>	<u>(4,301,548)</u>
Deficit of revenue over expenses	<u>(970,738)</u>	<u>(2,475,650)</u>

See accompanying notes.

**Maryfield, Inc.****Statements of Operations and Changes in Net Assets  
Years Ended September 30, 2023 and 2022****(Continued)**

	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions:		
Deficit of revenue over expenses	\$ (970,738)	\$ (2,475,650)
Assets released from restriction - capital	<u>3,195,557</u>	<u>2,837,438</u>
Change in net assets without donor restrictions	<u>2,224,819</u>	<u>361,788</u>
Net assets with donor restrictions:		
Assets released from restriction	(3,195,557)	(2,837,438)
Contributions in the current year	2,058,275	3,036,353
Net change in beneficial interest assets in perpetual trust	<u>70,830</u>	<u>(523,528)</u>
Change in net assets with donor restrictions	<u>(1,066,452)</u>	<u>(324,613)</u>
Change in net assets	1,158,367	37,175
Net assets, beginning of year	<u>23,804,501</u>	<u>23,767,326</u>
Net assets, end of year	<u>\$ 24,962,868</u>	<u>\$ 23,804,501</u>



Maryfield, Inc.  
**Statements of Cash Flows**  
**Years Ended September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 1,158,367	\$ 37,175
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	5,532,969	4,402,214
Amortization of debt issuance costs	117,700	98,994
Net amortization of bond premium/discount	(322,172)	(328,660)
Change in allowance for accounts receivable, residents	(4,632)	-
Restricted contributions for long-term purposes	(2,058,275)	(3,036,353)
Realized and unrealized (gain) loss on investments, net	(1,150,211)	4,019,893
Net change in beneficial interest in perpetual trust	(70,830)	523,528
Amortization of advance fees	(2,572,165)	(2,667,222)
Entrance fee receipts from turnover units	4,601,909	4,548,126
Net change in assets and liabilities:		
Accounts receivable, residents	(238,412)	(52,229)
Accounts receivable, other	(84,722)	59,507
Promises to give without donor restrictions	(1,250)	(1,525)
Prepaid expenses	186,053	(295,697)
Accounts payable	(1,981,951)	(3,350,683)
Accrued expenses	(85,915)	295,920
Bond interest payable	(8,108)	(175,325)
Other liabilities	(12,750)	(12,750)
Provider relief funds liability	-	(102,662)
Refundable deposits held in escrow	(868,958)	(167,585)
Net cash provided by operating activities	<u>2,136,647</u>	<u>3,794,666</u>
Cash flow from investing activities		
Purchase of property and equipment	(8,159,916)	(16,837,973)
Purchase of investments	(728,868)	(14,619,121)
Sales of investments	<u>2,741,700</u>	<u>13,463,903</u>
Net cash used by investing activities	<u>(6,147,084)</u>	<u>(17,993,191)</u>

Maryfield, Inc.  
**Statements of Cash Flows**  
**Years Ended September 30, 2023 and 2022**

(Continued)

	<u>2023</u>	<u>2022</u>
Cash flows from financing activities		
Refunds of advance fees	\$ (572,434)	\$ (2,419,840)
Restricted cash contributions for long-term purposes	2,046,135	2,769,138
Proceeds from loan	1,915,100	-
Lease payments	(87,288)	(16,253)
Entrance fees from initial units	9,481,063	1,193,656
Bond retirements and debt payments	<u>(8,630,000)</u>	<u>(2,330,000)</u>
Net cash provided (used) by financing activities	<u>4,152,576</u>	<u>(803,299)</u>
Net change	142,139	(15,001,824)
Cash, cash equivalents and restricted cash, beginning	<u>11,114,548</u>	<u>26,116,372</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 11,256,687</u>	<u>\$ 11,114,548</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 4,146,708</u>	<u>\$ 4,407,545</u>
Supplemental disclosure of non-cash investing activities:		
Purchase of property and equipment included in accounts payable	<u>\$ 389,590</u>	<u>\$ 2,721,126</u>
Reconciliation of amounts included in the statements of cash flows as cash, cash equivalents, and restricted cash to the balance sheets:		
Cash and cash equivalents	\$ 2,842,878	\$ 4,907,383
Cash in Trustee-held investments	<u>8,413,809</u>	<u>6,207,165</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 11,256,687</u>	<u>\$ 11,114,548</u>

## Notes to Financial Statements

### 1. Nature of Business and Summary of Significant Accounting Policies

#### ***Nature of business***

Maryfield, Inc. (the “Organization”) is a non-profit organization that provides housing, health care, and other related services to residents through the operation of a continuing-care retirement community (Pennybyrn at Maryfield) in High Point, North Carolina. The facilities include 49 cottages, 131 apartments plus an additional 42 units completed in November 2022 (Independent Living), a community and wellness center with extensive amenities, a Transitional Rehabilitation Center with 24 private rooms completed in March 2023, 48 assisted-living apartments, and a 101-bed health care facility (Maryfield Health Care Households).

Management is currently working with the contractor to complete the expansion project consisting of the 42 additional independent living units (discussed above) and the new Transitional Rehabilitation Center that includes 24 private rooms and state of the art therapy facility. The Transitional Rehabilitation Rooms are located in a new facility that follows the existing rate structure. The project also includes additions and improvements in the independent living, assisted living, healthcare areas as well as upgrades and refurbishment to the exteriors of the buildings on the campus.

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

The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The Organization classifies its net assets as net assets with or without donor restrictions:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowments.
- *Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### ***Cash and cash equivalents***

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when purchased. Cash and cash equivalents are carried at cost, which approximates fair value.

#### ***Investments***

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value.

Investment income (including realized and unrealized gains and losses on investments, interest income and dividends) is included in deficit of revenues over expenses unless restricted by donor or law.

***Accounts receivable, residents***

The Organization uses the allowance method to determine uncollectible resident receivables. This allowance is equal to the estimated losses to be incurred in collection of the receivables and is based on historical collection experience and management’s analysis of the current status of existing receivables.

***Unconditional promises to give***

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

***Property, equipment and depreciation***

Property and equipment purchased are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Major renewals and betterments are capitalized. Capitalized development and construction costs represent the planning, development and construction costs incurred to date related to the Organization’s expansion and renovation project.

The Organization reviews its long-lived assets for impairment annually or whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held and used, impairment is determined to exist if the estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated realizable value is less than the carrying amount. At September 30, 2023, the Organization has determined that no impairment indicators exist.

Depreciation is provided principally on the straight-line method over the following estimated useful lives:

Buildings	10 to 50 years
Land improvements	10 years
Furniture and equipment	3 to 10 years

***Assets limited as to use***

Assets limited as to use include trustee-held assets and statutory operating reserves. Trustee-held investments represent funds required by the Organization’s bond documents to be held by a Trustee and include various bond interest accounts, debt service reserve accounts, and accounts to be used for expansion project. North Carolina General Statute Chapter 58, Article 64 sets forth minimum operating reserve requirements. The operating reserves are not required to be maintained in a separate escrow account and are comingled with unrestricted investments and cash. The Organization was required to maintain a 25% operating reserve at September 30, 2023 and 2022. Assets limited as to use that are required to meet current liabilities of the Organization have been classified as current in the balance sheets at September 30, 2023 and 2022.

### **Leases**

At lease inception, the Organization determines whether an arrangement is or contains a lease. Finance leases are included in right-of-use (ROU) assets in the accompanying financial statements. ROU assets represent the Organization's right to use leased assets over the term of the lease. Lease liabilities represent the Organization's contractual obligation to make lease payments over the lease term.

For finance leases, after lease commencement, the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization on the ROU asset is recognized over the period from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term. The discount rate used by the Organization for finance leases is generally the incremental borrowing rate, as most such leases do not provide a readily determinable implicit interest rate. To the extent a lease arrangement includes both lease and non-lease components, the components are not accounted for separately.

### **Capitalized bond issuance costs**

Capitalized bond issuance costs at September 30, 2023 and 2022 include costs paid to issue the Series 2015 and Series 2020 bonds and are being amortized over the life of the bonds on a straight-line basis, which approximates amortization calculated using the effective interest method.

### **Refundable deposits**

Refundable deposits represent deposits paid by future residents.

### **Deferred revenue from advance fees**

Advance fees paid by a resident upon entering Independent Living or Assisted Living are recorded as either refundable deposits, or deferred revenue from advance fees. Deferred revenue is amortized to income using the straight-line method over the estimated remaining life expectancy of the resident. Periodic fees are charged for services and use of facilities which approximate the cost of delivering those services. Upon termination (moving or death), residents may be entitled to a refund of a portion of their advance fee. The refund amount depends on the type of contract and the length of residency.

Three alternative entrance fee plans provide for refunds to residents from re-occupancy proceeds. The traditional entrance fee option, prior to 49 months of occupancy, offers residents a refund equal to the entrance fee, less 2% per month of occupancy and a 2% administrative fee. The 50% refundable plan offers the resident a refund equal to 50% of the entrance fee after 24 months of occupancy. Prior to 24 months of occupancy, the resident is entitled to a refund of the entrance fee, less 2% per month of occupancy and a 2% administrative fee. The 90% refundable plan offers the resident a refund equal to 90% of the entrance fee after 8 months of occupancy. Prior to 8 months of occupancy, the resident is entitled to a refund of the entrance fee less 1% per month of occupancy and a 2% administrative fee.

Total contractual refund obligations in the event of move-out, death, or termination at September 30, 2023 and 2022 were \$21,016,575 and \$16,970,652, respectively.

### **Contributions support and donor-imposed restrictions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restriction and reported in the statement of operations as net assets released from restrictions.

### ***Net patient service revenue***

Net patient service revenue is reported at the estimated net realizable amounts due from residents, third-party payors, and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued, and interim and final settlements are reported in operations in the year of settlement.

Revenue from Medicare and Medicaid accounted for approximately 28% and 33%, respectively, of the Organization's net patient service revenue for the year ended September 30, 2023, and 23% and 32%, respectively, of the Organization's net patient service revenue for the year ended September 30, 2022.

### ***Income taxes***

The Organization has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes pursuant to Section 501(a) of the IRC. The Organization has no material uncertain tax positions requiring disclosure.

### ***Deficit of revenues over expenses***

The statements of operations include deficit of revenues over expenses. Changes in net assets without donor restrictions which are excluded from deficit of revenues over expenses, consistent with industry practice, include restricted contributions and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

### ***Fair value of financial instruments***

Except for fixed-rate, long-term debt, the carrying amounts of the Organization's significant financial instruments, none of which are held for trading purposes, approximate fair value at September 30, 2023 and 2022. Cash and cash equivalents, restricted cash, resident and other receivables, accounts payable, and accrued expenses approximate fair value because of the short maturities of these instruments. Unconditional promises to give approximate fair value because these instruments are recorded at net present value. Investments are reported at fair value. The line of credit (when used) approximates fair value because of their floating interest rate terms.

### ***Estimates***

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

***Obligation to provide future services***

The Organization enters into continuing-care contracts with various residents. A continuing-care contract is an agreement between a resident and the Organization specifying the services and facilities to be provided to a resident over his or her remaining life. Under the contracts, based upon the level of service provided, the Organization has the ability to increase fees as deemed necessary.

Management has evaluated the need to record an obligation to provide future services. No liability was determined to be necessary, therefore no liability has been recorded.

***Methods used for allocation of expenses among programs and supporting services***

The Organization has presented a schedule of expenses by both function and nature in Note 17. The Organization allocates expenses on a functional basis among its various programs and supporting services. The schedule of expenses in Note 17 reports certain categories of expenses that are attributable to one or more program or supporting services of the retirement community. These expenses include salaries and benefits. Salaries and benefits are allocated based on an estimate of time spent on each activity.

***Subsequent events evaluation***

The Organization evaluated the effect subsequent events would have on the financial statements through January 26, 2024, which is the date the financial statements were issued.

**2. Revenue Recognition**

The Organization generates revenues, primarily by providing housing and health services to its residents. The following streams of revenue are recognized as follows:

Monthly service fees:

The contracts that residents select require an advanced fee and monthly fees based upon the type of independent living unit they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with assisted living and nursing care and these performance obligations are earned each month. Under ASC Topic 606, management has determined that the performance obligation for the standing obligation to provide the appropriate level of care is the predominate component and does not contain a lease component under ASC Topic 842. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

Entrance fees:

The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the balance sheet until the performance obligations are satisfied. Management has determined the contracts do not contain a significant financing component as the advanced payment assures residents the access to health care in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the estimated life of the resident as the performance obligation is the material right associated with access to future services as described in FASB ASC 606-10-55 paragraph 42 and 51.

**Maryfield, Inc.**  
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Health care services:

The Organization provides assisted and nursing care to residents who are covered by government and commercial payers. The Organization is paid fixed daily rates from government and commercial payers. The fixed daily rates and other fees are billed in arrears monthly. The monthly fees represent the most likely amount to be received from the 3rd party payors. Most rates are predetermined from Medicare and Medicaid. Under ASC Topic 606, management has elected to utilize the portfolio approach in aggregating the revenues under these revenue streams.

The Organization disaggregates its revenue from contracts with customers by payor source, as the Organization believes it best depicts how the nature, timing and uncertainty of its revenues and cash flows are affected by economic factors. See details on a reportable segment basis in the table below:

	<b>September 30, 2023</b>			
	<u>Independent Living</u>	<u>Assisted Living</u>	<u>Medical Center</u>	<u>Total</u>
Private pay and commercial	\$ 14,063,052	\$ 3,636,409	\$ 4,559,072	\$ 22,258,533
Government reimbursement	-	-	<u>8,950,269</u>	<u>8,950,269</u>
Total	<u>\$ 14,063,052</u>	<u>\$ 3,636,409</u>	<u>\$ 13,509,341</u>	<u>\$ 31,208,802</u>

	<b>September 30, 2022</b>			
	<u>Independent Living</u>	<u>Assisted Living</u>	<u>Medical Center</u>	<u>Total</u>
Private pay and commercial	\$ 12,003,165	\$ 3,484,635	\$ 4,803,030	\$ 20,290,830
Government reimbursement	-	-	<u>8,797,022</u>	<u>8,797,022</u>
Total	<u>\$ 12,003,165</u>	<u>\$ 3,484,635</u>	<u>\$ 13,600,052</u>	<u>\$ 29,087,852</u>

**3. Investment Securities**

The Organization's investments consist of a broad range of securities. The Organization employs investment managers with expertise in specific asset classes in an effort to achieve a diversified portfolio of investments that maximizes return relative to risk.

The following schedules summarize the investment income and its classification in the statements of operations and changes in net assets for the years ended September 30, 2023 and 2022.

	<u>2023</u>			<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 622,624	\$ -	\$ 622,624	\$ 905,685	\$ -	\$ 905,685
Net realized (losses) gains	<u>(221,466)</u>	-	<u>(221,466)</u>	<u>281,655</u>	-	<u>281,655</u>
Operating investment income	401,158	-	401,158	1,187,340	-	1,187,340
Net unrealized gains (losses)	<u>1,371,677</u>	<u>70,830</u>	<u>1,442,507</u>	<u>(4,301,548)</u>	<u>(523,528)</u>	<u>(4,825,076)</u>
Total investment income (loss)	<u>\$ 1,772,835</u>	<u>\$ 70,830</u>	<u>\$ 1,843,665</u>	<u>\$ (3,114,208)</u>	<u>\$ (523,528)</u>	<u>\$ (3,637,736)</u>



**Maryfield, Inc.**  
**Notes to Financial Statements**

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Investment income without donor restrictions is reported in the statements of operations and changes in net assets net of investment advisory fees of approximately \$136,000 and \$119,000 for the years ended September 30, 2023 and 2022, respectively.

**4. Promises To Give**

Unconditional promises to give at September 30 are as follows, net of allowances:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 637,990	\$ 440,600
Receivable in one to five years	<u>550,000</u>	<u>734,000</u>
Total unconditional promises to give	1,187,990	1,174,600
Less discount to net present value	<u>(2,812)</u>	<u>(2,812)</u>
Net unconditional promises to give	<u>\$ 1,185,178</u>	<u>\$ 1,171,788</u>

A discount rate of 4.77% was used to calculate present value as of September 30, 2023 and 2022. At September 30, 2023, 84% of unconditional promises to give were from two donors.

**5. Beneficial Interest in Perpetual Trust**

The Organization is the sole beneficiary of an irrevocable trust established for the purpose of providing assistance to those residents whose level of income is not sufficient to pay for nursing care. The fair value of the assets of the trust, which are under the control of an outside fiscal agent, are reported in the accompanying balance sheets as a beneficial interest in perpetual trust. Investment income disbursed from this trust is restricted for providing care to residents and amounted to \$97,500 and \$90,000 for the years ended September 30, 2023 and 2022, respectively.

**6. Long-Term Debt**

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

	<u>2023</u>	<u>2022</u>
Series 2015 First Mortgage Revenue Refunding Bonds	\$ 50,345,000	\$ 52,785,000
Series 2020 First Mortgage Revenue Bonds	41,650,000	47,840,000
Promissory Note	<u>1,915,100</u>	<u>-</u>
	93,910,100	100,625,000
Plus: unamortized issuance premium, net	4,122,106	4,444,278
Less: current portion	<u>(6,500,000)</u>	<u>(12,535,000)</u>
Long-term debt, net of current portion	91,532,206	92,534,278
Less: unamortized debt issuance costs, net	<u>(1,634,948)</u>	<u>(1,752,648)</u>
	<u>\$ 89,897,258</u>	<u>\$ 90,781,630</u>

**Maryfield, Inc.**  
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On April 29, 2015, through the North Carolina Medical Care Commission (the Commission), the Organization issued \$66,135,000 Series 2015 First Mortgage Revenue Bonds to refinance current outstanding bonds at that time. The Series 2015 bonds mature in October 2015 through October 2035, with interest rates ranging from 1.25% to 5.00%. The Series 2015 bonds are collateralized by a security interest in all gross receipts, accounts, equipment, general intangibles, inventory, real estate, buildings, improvements, documents, instruments and chattel paper currently owned or hereafter acquired, and all proceeds thereof, excluding contract rights consisting of charitable pledges. The trust indentures and loan agreements underlying the bonds contain certain covenants and restrictions.

The Organization has an secured line of credit with a financial institution with a credit limit of \$1,000,000. The Organization had no outstanding balance as of September 30, 2022. Any outstanding principal balance and accrued interest was due when the agreement matured in September 2023.

On September 1, 2020, through the Commission, the Organization issued \$47,840,000 Series 2020 First Mortgage Revenue Bonds to finance an expansion project. Approximately \$10,000,000 of the outstanding balance will be repaid using proceeds from entrance fees on the new units. The remaining Series 2020 bonds mature through October 2050, with interest rates ranging from 2.50% to 5.00%. The Series 2020 bonds are collateralized by a security interest in all gross receipts, accounts, equipment, general intangibles, inventory, real estate, buildings, improvements, documents, instruments and chattel paper currently owned or hereafter acquired, and all proceeds thereof, excluding contract rights consisting of charitable pledges. The trust indentures and loan agreements underlying the bonds contain certain covenants and restrictions.

On June 1, 2023, the Organization obtained a promissory note for an amount not to exceed \$3,200,000 with interest at 6.5% per annum. Interest only payments commenced in July 2023. Principal and interest payments commence in July 2025 at \$62,750 per month for 5 years with all interest and principal due in June 2030. The note is collateralized by a security interest in all gross receipts, accounts, equipment, general intangibles, inventory, real estate, buildings, improvements, documents, instruments and chattel paper currently owned or hereafter acquired, and all proceeds thereof, excluding contract rights consisting of charitable pledges. As of September 30, 2023, the Organization has drawn \$1,915,100 of the available balance and intends to refinance the balance in 2025. As such, management has included the balance as due in 2025 in the table below.

The schedule below represents the future schedule of the estimated principal payments and maturities of long-term debt at September 30, 2023:

	<b>Series 2015 Scheduled Payments</b>	<b>Series 2020 Scheduled Payments</b>	<b>Promissory Note Scheduled Payments</b>	<b>Total</b>
<b><u>Year ending September 30,</u></b>				
2024	\$ 2,565,000	\$ 3,935,000	\$ -	\$ 6,500,000
2025	2,695,000	-	211,215	4,610,100
2026	2,815,000	-	661,731	2,815,000
2027	2,960,000	-	706,048	2,960,000
2028	3,105,000	-	336,106	3,105,000
Thereafter	<u>36,205,000</u>	<u>37,715,000</u>	<u>-</u>	<u>73,920,000</u>
	\$ 50,345,000	\$ 41,650,000	\$ 1,915,100	\$ 93,910,100
Unamortized net premium				4,122,106
Unamortized net debt issuance costs				<u>(1,634,948)</u>
				<u>\$ 96,397,258</u>

For the years ended September 30, 2023 and 2022, interest of \$566,234 and \$1,939,780, respectively, that pertains to the expansion project construction was capitalized.

## **7. Net Assets With Donor Restrictions**

As disclosed in Note 1, contributions are accounted for based on donor-imposed restrictions. The following is a summary of net assets with donor restrictions at September 30:

	<u>2023</u>	<u>2022</u>
Employee education	\$ 74,750	\$ 74,750
Various capital items	105,344	94,487
Capital campaign and gift account	2,205,425	3,353,564
Endowment funds	1,010,000	1,010,000
Beneficial interest in perpetual trust	<u>2,002,539</u>	<u>1,931,709</u>
	<u>\$ 5,398,058</u>	<u>\$ 6,464,510</u>

Net assets with permanent donor restrictions are restricted to investments in perpetuity, the income from which is expendable for providing care to residents. Releases from restriction during the years ended September 30, 2023 and 2022 were for capital purposes and primarily relate to amount received and used to fund the expansion as described in Note 1.

## **8. Professional Liability Insurance**

The Organization's malpractice insurance coverage is on a claims made basis with limits of coverage of \$1,000,000 for any one claim and \$3,000,000 in annual aggregate, with an excess liability policy of \$3,000,000 for any one claim and \$3,000,000 in annual aggregate. In the opinion of Management, the extent of adverse claim settlements of asserted and unasserted claims, if any, will not have a material adverse effect on the Organization's financial position.

## **9. Profit-Sharing Plan**

The Organization sponsors a profit-sharing retirement plan with a 401(k) benefit (the "Plan") that covers substantially all employees. The Organization matches 100% of the employee's contributions up to 3% of their annual salary and matches 50% of the next 2% of the employee's contributions. Total contribution to the profit-sharing plan for the years ended September 30, 2023 and 2022 was \$211,088 and \$191,374, respectively.

## **10. Self-Insurance Plan**

The Organization is partially self-insured for employees' health insurance through a medical self-insurance plan (the Plan). Under the Plan, for the years ended September 30, 2023 and 2022, the Organization is responsible for the first \$90,000 of covered medical expenses per individual annually with an aggregate group claims limitation of \$2,440,452. Any claims in excess of these limitations are covered by an insurance policy. Claims are expensed as incurred, including an estimate for claims incurred, but not yet reported, of approximately \$100,000 as of September 30, 2023 and 2022.

Expenses incurred under the Plan for the years ended September 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Medical insurance premiums and administrative cost	\$ 717,380	\$ 820,131
Claims incurred	<u>1,296,102</u>	<u>1,398,516</u>
	<u>\$ 2,013,482</u>	<u>\$ 2,218,647</u>

## 11. Concentrations of Credit Risk

The Organization's operating funds, comprised of cash and cash equivalents, are held by a certain financial institution. At various times throughout the year, the Organization had deposits at the bank in excess of the amounts covered by federal depository insurance. Management believes the credit risk related to these deposits is minimal.

The Organization grants credit without collateral to its residents. The mix of receivables from residents and third-party payors at September 30, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Medicare	49%	32%
Medicaid	17%	20%
VA	10%	15%
Residents	<u>24%</u>	<u>33%</u>
	<u>100%</u>	<u>100%</u>

## 12. Related Party Transactions

From its inception in 1947, the Organization has been sponsored by the Poor Servants of the Mother of God (SMG), a congregation of sisters associated with the Roman Catholic Church. The sisters provide a variety of services to the Organization, including executive management and a variety of religious duties. Payments to SMG for these services were \$219,688 and \$213,289 for the years ended September 30, 2023 and 2022, respectively.

The Organization has a contract for grounds maintenance with a company related to one of the Organization's key management employees. Payments to this company amounted to \$332,349 and \$262,177 for the years ended September 30, 2023 and 2022, respectively.

## 13. Benevolent Assistance

The Organization has a benevolent assistance policy for residents who have demonstrated an inability to fully pay charges and provides discounted charges to these residents. The discounts provided to residents were approximately \$289,000 and \$401,000 for the years ended September 30, 2023 and 2022, respectively. In addition to this benevolent assistance, the Organization has unreimbursed costs related to participation in the Medicaid program of approximately \$1,638,959 and \$1,478,000 for years ended September 30, 2023 and 2022, respectively. The amount identified for the year ended September 30, 2023 and 2022 is calculated using a cost to charge ratio based on information obtained from the prior year cost report and its relationship to gross revenue for the year.

#### 14. Endowment Funds

The Organization's endowment fund was established to help support residents who have exhausted their financial resources. The Organization has interpreted the North Carolina Uniform Prudent Management of Institutional Funds Act (NC UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Organization has adopted investment and spending policies approved by the Board of Directors, that strive to generate spendable income and grow the market value of the assets without undue exposure to risk. The endowment is invested in a well-diversified asset mix of approximately 70% equities and 30% fixed-income assets and is managed by a group of professional fund managers overseen by an investment advisor and the Investment Committee of the Board of Directors.

The performance objective is to achieve a total return (net of fees and expenses) of the Consumer Price Index plus 4%. The Organization has a spending policy of appropriating for distribution up to 5% of the endowment fund's average fair value of the prior three years' fiscal year ends preceding the fiscal year in which the distribution is planned.

Endowment composition by type of fund as of September 30, 2023 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Assets</u>
Donor-restricted endowment funds	\$ -	\$ 1,010,000	\$ 1,010,000
Board-designated endowment funds	<u>1,520,279</u>	<u>-</u>	<u>1,520,279</u>
Total funds, end of year	<u>\$ 1,520,279</u>	<u>\$ 1,010,000</u>	<u>\$ 2,530,279</u>

Endowment activity for the year ended September 30, 2023 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning	\$ 1,237,330	\$ 1,010,000	\$ 2,247,330
Investment income (net)	94,272	-	94,272
Realized gains (net)	108,403	-	108,403
Unrealized gains (net)	<u>80,274</u>	<u>-</u>	<u>80,274</u>
Endowment net assets, ending	<u>\$ 1,520,279</u>	<u>\$ 1,010,000</u>	<u>\$ 2,530,279</u>

**Maryfield, Inc.**  
**Notes to Financial Statements**

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Endowment composition by type of fund as of September 30, 2022 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Assets</u>
Donor-restricted endowment funds	\$ -	\$ 1,010,000	\$ 1,010,000
Board-designated endowment funds	<u>1,237,330</u>	<u>-</u>	<u>1,237,330</u>
Total funds, end of year	<u>\$ 1,237,330</u>	<u>\$ 1,010,000</u>	<u>\$ 2,247,330</u>

Endowment activity for the year ended September 30, 2022 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning	\$ 1,774,837	\$ 1,010,000	\$ 2,784,837
Investment income (net)	149,904	-	149,904
Realized losses (net)	(30,634)	-	(30,634)
Unrealized losses (net)	<u>(656,777)</u>	<u>-</u>	<u>(656,777)</u>
Endowment net assets, ending	<u>\$ 1,237,330</u>	<u>\$ 1,010,000</u>	<u>\$ 2,247,330</u>

## 15. Fair Value Measurements

Fair value, as defined under accounting principles generally accepted in the United States (GAAP), is an exit price representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1:** Observable inputs such as quoted prices in active markets.
- Level 2:** Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3:** Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities, and their placement within the fair value hierarchy levels.

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include mutual funds and US government and federal agencies.

Level 3 investments include beneficial interests in perpetual trusts valued at the market price of the underlying investments in the trusts.

**Maryfield, Inc.**  
**Notes to Financial Statements**

The tables below set forth the valuation of securities and investments by the above fair value hierarchy levels as of September 30:

	<b>2023</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Assets:				
Beneficial interest in perpetual trusts*	\$ -	\$ -	\$ 2,002,539	\$ 2,002,539
Fixed Income Obligation	8,488,921	-	-	8,488,921
Mutual Funds:				
Equity	9,674,351	-	-	9,674,351
Fixed Income	3,970,746	-	-	3,970,746
<b>Total</b>	<b>\$ 22,134,018</b>	<b>\$ -</b>	<b>\$ 2,002,539</b>	<b>\$ 24,136,557</b>

	<b>2022</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Assets:				
Beneficial interest in perpetual trusts*	\$ -	\$ -	\$ 1,931,709	\$ 1,931,709
Fixed Income Obligation	9,210,747	-	-	9,210,747
Mutual Funds:				
Equity	8,402,179	-	-	8,402,179
Fixed Income	3,773,849	-	-	3,773,849
<b>Total</b>	<b>\$ 21,386,775</b>	<b>\$ -</b>	<b>\$ 1,931,709</b>	<b>\$ 23,318,484</b>

The Organization had \$8,482,011 and \$7,885,231 of cash and cash equivalents as of September 30, 2023 and 2022, respectively, which were not classified as a Level.

\*As further explained in Note 5, the Organization has a beneficial interest in a perpetual trust. The value of this trust is disclosed in level 3 in the fair value table above in accordance with GAAP and are valued at the market price of the investments. The underlying investments of the trust are substantially made up of publicly traded mutual funds in addition to some amounts considered cash and cash equivalents.

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis classified as Level 3 during the years ended September 30, 2023 and 2022.

	<b>2023</b>	<b>2022</b>
Balance, beginning of year	\$ 1,931,709	\$ 2,455,237
Withdrawals	(97,500)	(112,500)
Income, net of fees	220,675	71,898
Realized gains (losses)	(16,338)	33,601
Unrealized gains (losses)	(36,007)	(516,527)
	<b>\$ 2,002,539</b>	<b>\$ 1,931,709</b>

## 16. Liquidity and Availability

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due.

**Maryfield, Inc.**  
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The following schedule reflects the Organization's financial assets to meet cash needs for general expenses within one year. The financial assets were derived from the total assets on the balance sheets by excluding the assets that are unavailable for general expenses in the next 12 months.

The Organization seeks to maintain sufficient liquid assets to cover three months' operating and capital expenses.

<u>Asset Categories</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,842,878	\$ 4,907,383
Less: restricted cash and cash equivalents	(1,204,191)	(2,353,613)
Investments	4,814,020	5,212,764
Accounts receivable – residents, net	2,703,039	2,459,995
Accounts receivable – other	489,771	405,049
	<u>\$ 9,645,517</u>	<u>\$ 10,631,578</u>

**17. Schedule of Expenses by Nature and Function**

The following is a schedule of expenses by both nature and function for the year ended September 30, 2023:

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Development</u>	<u>Total</u>
Salaries and benefits	\$ 14,500,585	\$ 1,710,681	\$ 460,471	\$ 16,671,737
Pharmacy, therapy, and supplies	1,762,832	-	-	1,762,832
Professional fees and services	206,700	907,497	73,666	1,187,863
Occupancy	4,968,224	311,473	-	5,279,697
Insurance	-	591,468	-	591,648
Education	117,640	82,361	19,258	219,259
Marketing	1,171	-	492,094	493,265
Depreciation	5,532,969	-	-	5,532,969
Interest	-	3,770,245	-	3,770,245
Total expenses	<u>\$ 27,090,121</u>	<u>\$ 7,373,725</u>	<u>\$ 1,045,489</u>	<u>\$ 35,509,335</u>

The following is a schedule of expenses by both nature and function for the year ended September 30, 2022:

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Development</u>	<u>Total</u>
Salaries and benefits	\$ 12,836,107	\$ 1,572,850	\$ 458,020	\$ 14,866,977
Pharmacy, therapy, and supplies	1,551,420	-	-	1,551,420
Professional fees and services	885,542	394,461	-	1,280,003
Occupancy	4,774,198	-	-	4,774,198
Insurance	-	555,628	-	555,628
Education	213,844	-	-	213,844
Marketing	-	-	318,426	318,426
Depreciation	4,402,214	-	-	4,402,214
Interest	2,493,902	-	-	2,493,902
Total expenses	<u>\$ 27,157,227</u>	<u>\$ 2,522,939</u>	<u>\$ 776,446</u>	<u>\$ 30,456,612</u>



## 18. Commitments

The Organization entered into a contract in September 2020 with a construction company for the campus expansion and renovation. As of September 30, 2023, approximately \$1,800,000 remains under the contract.

## 19. Provider Relief Funds

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. One provision of the CARES Act was the establishment of the Provider Relief Fund, administered by the U.S. Department of Health and Human Services (HHS). The Provider Relief Fund (PRF) is being distributed to healthcare providers throughout the country to support the battle against the COVID-19 outbreak. These funds are intended to reimburse qualifying expenses and lost revenues attributable to COVID-19 and are subject to the terms, conditions, and regulatory requirements set forth by HHS. If the total distributions received by the Organization exceed the cumulative amount of qualifying expenses and lost revenues attributable to COVID-19 through the period of availability, any excess funding may be subject to recoupment. The Provider Relief Funds are accounted for as voluntary nonexchange transactions and related revenues will be recognized as other operating revenue as eligibility criteria are met. The Organization has not recognized revenue in relation to the PRF for the year ended September 30, 2023. The Organization has recognized approximately \$148,000 as other operating income on the accompanying statement of operations for the year ended September 30, 2022. The Provider Relief Funds are subject to audit by HHS which may result in disallowed expenditures which may be subject to recoupment. Such amounts, if any, cannot be determined at this time.

## 20. Leases

In 2022, the Organization entered into two lease agreements for equipment under non-cancellable financing leases. For leases with terms greater than 12 months, the related right-of-use assets and right-of-use obligations are recorded at the present value of lease payments over the term.

The components of lease expense (and related classification in the accompanying statements of operations) for the years ended September 30 were as follows:

	<u>2023</u>	<u>2022</u>
Finance lease cost:		
Amortization of right-of use assets (depreciation and amortization)	\$ 93,668	\$ 18,324
Interest on lease liabilities (interest expense)	<u>19,221</u>	<u>4,298</u>
Total lease cost	<u>\$ 112,889</u>	<u>\$ 22,622</u>

Rental expense for all leases was \$106,509 and \$20,551 in 2023 and 2022, respectively.

Cash paid for amounts included in the measurement of lease liabilities for the years ended September 30 is as follows:

	<u>2023</u>	<u>2022</u>
Financing cash flows from finance leases	<u>\$ 87,288</u>	<u>\$ 16,253</u>

**Maryfield, Inc.**  
**Notes to Financial Statements**

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The following table presents lease-related assets and liabilities at September 30:

	<u>2023</u>	<u>2022</u>
Finance leases:		
Financing lease right-of-use asset	\$ 356,342	\$ 450,010
Current portion of financing lease liability	89,392	85,630
Financing lease liability, net	<u>275,401</u>	<u>366,451</u>
Total finance lease liabilities	<u>\$ 364,793</u>	<u>\$ 452,081</u>
	<u>2023</u>	<u>2022</u>
Other information:		
Weighted-average remaining lease term – finance leases	3.8 years	4.8 years
Weighted-average discount rate – finance leases	4.77%	4.77%

The following is a schedule of lease liability maturities related to leases classified as financing for the years ending:

2024	\$ 105,048
2025	105,048
2026	105,048
2027	<u>84,497</u>
Total	399,641
Less: interest	<u>(34,848)</u>
Lease liability	<u>\$ 364,793</u>

# Exhibit “E”

## Compilation of a Financial Forecast





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# Maryfield, Inc.

## Independent Accountant’s Compilation Report and Compilation of a Financial Forecast

Five Years Ending September 30, 2028

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## Independent Accountant's Compilation Report

Board of Directors  
Maryfield, Inc. (d.b.a. Pennybyrn at Maryfield)  
High Point, North Carolina

Management of Maryfield, Inc. (d.b.a. Pennybyrn at Maryfield) (the "Corporation") is responsible for the accompanying financial forecast of the Corporation, which comprises the forecasted balance sheets as of and for each of the five years ending September 30, 2028 and the related projected statements of operations and changes in net assets and cash flows for each of the years then ending, and the related summaries of significant forecast assumptions and rationale in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants ("AICPA").

The accompanying projection and this report were prepared for inclusion with the disclosure statement filing requirements of North Carolina General Statutes, Chapter 58, Article 64 and should not be used for any other purpose.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services ("SSARS") promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on this financial forecast. The forecast results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**FORVIS,LLP**

**Charlotte, North Carolina**  
**February 28, 2024**

**Maryfield, Inc.**

## Forecasted Statements of Operations and Changes in Net Assets

For the Fiscal Years Ending September 30th

(in thousands of dollars)

	2024	2025	2026	2027	2028
<b>Revenue and support:</b>					
Independent living services	\$ 12,703	\$ 13,086	\$ 13,479	\$ 13,885	\$ 14,304
Assisted living services	2,057	2,204	2,270	2,338	2,409
Memory support services	2,163	2,142	2,206	2,273	2,341
Nursing care services	14,519	15,070	15,370	15,677	16,036
Additional resident services	796	829	850	871	895
Amortization of entrance fees	2,941	3,252	3,342	3,441	3,547
Contributions	1,120	576	576	576	576
Investment income	955	1,155	1,263	1,384	1,209
<b>Total revenue and support</b>	<b>37,254</b>	<b>38,314</b>	<b>39,356</b>	<b>40,445</b>	<b>41,317</b>
<b>Expenses:</b>					
Healthcare households	10,613	10,884	11,161	11,446	11,737
Administrative	6,681	6,735	6,893	7,055	7,221
Development and marketing	871	892	914	936	959
Laundry and housekeeping	804	822	841	860	879
Dietary	3,634	3,721	3,810	3,902	3,996
Plant operation	3,610	3,699	3,790	3,884	3,980
Interest expense	4,130	3,839	3,708	3,569	3,423
Depreciation and amortization	6,118	6,471	6,643	6,800	6,905
Amortization of debt issuance costs	100	100	100	100	100
<b>Total expenses</b>	<b>36,561</b>	<b>37,163</b>	<b>37,860</b>	<b>38,552</b>	<b>39,200</b>
<b>Excess of revenue and support over expenses</b>	<b>693</b>	<b>1,151</b>	<b>1,496</b>	<b>1,893</b>	<b>2,117</b>
Net assets released from restriction - capital	2,235	-	-	-	-
<b>Change in net assets without donor restrictions</b>	<b>2,928</b>	<b>1,151</b>	<b>1,496</b>	<b>1,893</b>	<b>2,117</b>
Net assets released from restriction - capital	(2,235)	-	-	-	-
Contributions in the current year	67	67	67	67	69
<b>Change in net assets with donor restrictions</b>	<b>(2,168)</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>69</b>
<b>Change in net assets</b>	<b>760</b>	<b>1,218</b>	<b>1,563</b>	<b>1,960</b>	<b>2,186</b>
<b>Net assets, beginning of year</b>	<b>24,963</b>	<b>25,723</b>	<b>26,941</b>	<b>28,504</b>	<b>30,464</b>
<b>Net assets, ending of year</b>	<b>\$ 25,723</b>	<b>\$ 26,941</b>	<b>\$ 28,504</b>	<b>\$ 30,464</b>	<b>\$ 32,650</b>

**Maryfield, Inc.**

Forecasted Statements of Cash Flows  
For the Fiscal Years Ending September 30th  
(in thousands of dollars)

	2024	2025	2026	2027	2028
<b>Cash flows from operating activities:</b>					
Change in net assets	\$ 760	\$ 1,218	\$ 1,563	\$ 1,960	\$ 2,186
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation and amortization	6,118	6,471	6,643	6,800	6,905
Amortization of original issue premium and debt issuance costs	(210)	(200)	(190)	(179)	(167)
Amortization of entrance fees	(2,941)	(3,252)	(3,342)	(3,441)	(3,547)
(Decrease) increase in interest payable	(83)	(67)	(69)	(73)	(77)
Net change in current assets and liabilities	(1,590)	(34)	(15)	(13)	(17)
Entrance fees received - attrition (non-refundable)	2,666	2,982	3,072	3,164	3,259
<b>Net cash provided by operating activities</b>	<b>4,720</b>	<b>7,118</b>	<b>7,662</b>	<b>8,218</b>	<b>8,542</b>
<b>Cash flows from investing activities:</b>					
Purchase of property and equipment - Project	(1,826)	-	-	-	-
Purchase of property and equipment - routine expenditures	(1,605)	(1,696)	(1,737)	(1,779)	(1,822)
(Increase) decrease in assets limited as to use, unrestricted	(184)	(135)	(164)	(169)	(172)
(Increase) decrease in investments, unrestricted	895	(2,456)	(2,217)	(2,597)	(2,803)
Receipt of insurance proceeds	2,000	-	-	-	-
Decrease in promises to give	635	550	-	-	-
<b>Net cash used in investing activities</b>	<b>(85)</b>	<b>(3,737)</b>	<b>(4,118)</b>	<b>(4,545)</b>	<b>(4,797)</b>
<b>Cash flows from financing activities:</b>					
Initial entrance fees received	1,931	-	-	-	-
Entrance fees received - attrition (refundable)	1,619	1,668	1,718	1,769	1,823
Entrance fees refunded	(1,683)	(2,122)	(2,173)	(2,225)	(2,280)
Principal payments Series 2015 Bonds	(2,565)	(2,695)	(2,815)	(2,960)	(3,105)
Lease payments	(90)	(95)	(99)	(81)	-
Principal payments promissory note	(1,915)	-	-	-	-
Principal payments Series 2020B Bonds	(3,935)	-	-	-	-
<b>Net cash used in financing activities</b>	<b>(6,638)</b>	<b>(3,244)</b>	<b>(3,369)</b>	<b>(3,497)</b>	<b>(3,562)</b>
<b>Net change</b>	<b>\$ (2,003)</b>	<b>\$ 137</b>	<b>\$ 175</b>	<b>\$ 176</b>	<b>\$ 183</b>
<b>Cash, cash equivalents and restricted cash, beginning</b>	<b>11,257</b>	<b>9,254</b>	<b>9,391</b>	<b>9,566</b>	<b>9,742</b>
<b>Cash, cash equivalents and restricted cash, ending</b>	<b>\$ 9,254</b>	<b>\$ 9,391</b>	<b>\$ 9,566</b>	<b>\$ 9,742</b>	<b>\$ 9,925</b>
<b>Reconciliation of amounts included in the statements of cash flows as cash, cash equivalents, and restricted cash to the balance sheets:</b>					
Cash and cash equivalents	\$ 4,094	\$ 4,178	\$ 4,280	\$ 4,386	\$ 4,493
Cash in Trustee-held investments	5,160	5,213	5,286	5,356	5,432
<b>Cash, cash equivalents and restricted cash, end of year</b>	<b>\$ 9,254</b>	<b>\$ 9,391</b>	<b>\$ 9,566</b>	<b>\$ 9,742</b>	<b>\$ 9,925</b>



**Maryfield, Inc.**

Forecasted Balance Sheets

September 30

(in thousands of dollars)

	2024	2025	2026	2027	2028
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 4,094	\$ 4,178	\$ 4,280	\$ 4,386	\$ 4,493
Assets limited as to use, current - Series 2015 Bonds	3,850	3,903	3,976	4,046	4,122
Assets limited as to use, current - Series 2020A Bonds	943	943	943	943	943
Accounts receivable, residents	1,590	1,644	1,685	1,728	1,775
Accounts receivable, other	353	365	375	384	394
Prepaid expenses	503	513	526	539	552
Promises to give	550	-	-	-	-
<b>Total current assets</b>	<b>11,883</b>	<b>11,546</b>	<b>11,785</b>	<b>12,026</b>	<b>12,279</b>
Investments, unrestricted	6,449	8,905	11,122	13,719	16,522
Assets limited as to use:					
Debt Service Reserve Fund - Series 2015 Bonds	5,407	5,407	5,407	5,407	5,407
Debt Service Reserve Fund - Series 2020A Bonds	3,449	3,449	3,449	3,449	3,449
Statutory operating reserve	6,553	6,688	6,852	7,021	7,193
Beneficial interest in perpetual trust, restricted	2,003	2,003	2,003	2,003	2,003
<b>Total assets limited as to use</b>	<b>17,412</b>	<b>17,547</b>	<b>17,711</b>	<b>17,880</b>	<b>18,052</b>
Property and equipment	195,260	196,956	198,693	200,472	202,294
less accumulated depreciation	(71,988)	(78,365)	(84,914)	(91,639)	(98,544)
<b>Total property and equipment, net</b>	<b>123,272</b>	<b>118,591</b>	<b>113,779</b>	<b>108,833</b>	<b>103,750</b>
Financing lease right-of-use asset	262	169	75	-	-
<b>Total assets</b>	<b>\$ 159,278</b>	<b>\$ 156,758</b>	<b>\$ 154,472</b>	<b>\$ 152,458</b>	<b>\$ 150,603</b>

**Maryfield, Inc.**  
Forecasted Balance Sheets  
September 30  
(in thousands of dollars)

	2024	2025	2026	2027	2028
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable	\$ 1,149	\$ 1,174	\$ 1,202	\$ 1,232	\$ 1,262
Accrued expenses	862	880	901	923	946
Interest payable	1,621	1,554	1,485	1,412	1,335
Current portion of long term debt - Series 2015 Bonds	2,695	2,815	2,960	3,105	3,260
Refundable deposits	600	600	600	600	600
Current portion of financing lease liability	95	99	81	-	-
<b>Total current liabilities</b>	<b>7,022</b>	<b>7,122</b>	<b>7,229</b>	<b>7,272</b>	<b>7,403</b>
Long-term debt					
Long-term debt, net of current portion - Series 2015 Bonds	45,085	42,270	39,310	36,205	32,945
Long-term debt, net of current portion - Series 2020A Bonds	37,715	37,715	37,715	37,715	37,715
Unamortized debt issuance costs	(1,535)	(1,435)	(1,335)	(1,235)	(1,135)
Original issue premium	3,812	3,512	3,222	2,943	2,676
<b>Long-term debt, net</b>	<b>85,077</b>	<b>82,062</b>	<b>78,912</b>	<b>75,628</b>	<b>72,201</b>
Deferred revenue from entrance fees, net	26,363	26,260	26,162	26,062	25,956
Refundable entrance fees	14,913	14,292	13,665	13,032	12,393
Financing lease liability, net	180	81	-	-	-
<b>Total liabilities</b>	<b>133,555</b>	<b>129,817</b>	<b>125,968</b>	<b>121,994</b>	<b>117,953</b>
Net assets:					
With donor restrictions	3,230	3,297	3,364	3,431	3,500
Without donor restrictions	22,493	23,644	25,140	27,033	29,150
<b>Total net assets</b>	<b>25,723</b>	<b>26,941</b>	<b>28,504</b>	<b>30,464</b>	<b>32,650</b>
<b>Total liabilities and net assets</b>	<b>\$ 159,278</b>	<b>\$ 156,758</b>	<b>\$ 154,472</b>	<b>\$ 152,458</b>	<b>\$ 150,603</b>

## Summary of Significant Forecast Assumptions and Rationale

### 1. General

The accompanying financial forecast presents, to the best of the knowledge and belief of the management of Maryfield, Inc. (d.b.a. Pennybyrn at Maryfield) (the “Corporation” or “Management”), the Corporation’s expected financial position, results of operations, and cash flows as of and for each of the five years ending September 30, 2028. Accordingly, the accompanying forecast reflects Management’s judgment as of February 28, 2024, the date of this report, of the expected conditions and its expected course of action during the forecast period. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast includes the financial information related to the recent expansion project consisting of 42 additional independent living units and the new transitional rehabilitation center (“Transitional Rehabilitation Center”).

Management’s purpose in releasing this financial forecast is for inclusion in the Corporation’s annual disclosure statement in accordance with Chapter 58, Article 64, of the North Carolina General Statutes. Accordingly, this report should not be used for any other purpose. The assumptions disclosed herein are those that Management believes are significant to the forecast. The Corporation recognizes that there will usually be differences between prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The prospective financial statements included in the forecast have been prepared in accordance with the accounting principles generally accepted in the United States of America (“GAAP”). Significant accounting policies are described in the appropriate assumptions and notes to the prospective financial statements. The assumptions described are not all-inclusive.

#### ***Background of the Corporation***

The Corporation was founded in November 1947 and incorporated under the laws and regulations of the state of North Carolina as a non-profit organization in 1950 to provide housing and long-term care for the elderly. The Corporation currently owns and operates a continuing care retirement community (“CCRC” or “Community”) on an approximate 72-acre campus in High Point, North Carolina. The facilities include 49 cottages and 173 apartments, including 42 new Independent Living Units (“Independent Living”), a community and wellness center with extensive amenities, 48 assisted-living apartments and a 125-bed health care facility (“Maryfield Health Care Households” or “Health Center”).

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

The following table summarizes the type and number of units and beds of the Community.

**Table 1**  
**Community Configuration**

<u>Type of Unit</u>	<u>Number of units</u>
Cottages	49
One Bedroom Apartments <sup>(1)</sup>	68
Two Bedroom Apartments <sup>(1)</sup>	105
Total Independent Living Units	222
Assisted-living units:	
One Bedroom Multi-Unit Assisted Housing <sup>(2)</sup>	12
One Bedroom, One Bath	10
Two Bedroom, One Bath	2
Memory Support Units	24
Total Assisted Living Units	48
Total Health Center Beds	125
<b>Total Community Units and Beds</b>	<b>395</b>

Source: Management

Notes: (1) The 42 New Independent Living Units were available for occupancy starting November 2022 and include 14 one-bedroom apartments and 28 two-bedroom apartments.

(2) Multi-unit assisted housing with services

## **2. Description of the Residency and Care Agreements**

Under the terms of the Residency and Care Agreement (the "Agreement"), the Corporation generally accepts as residents ("Resident" or "Residents") those persons at least 62 years of age at the time of occupancy (only one member of a couple must meet this requirement) who are able to care for themselves with or without assistance and are able to demonstrate the necessary financial resources to meet the Corporation's minimum fee requirements. As defined in the Agreement, a Resident is required to pay an initial entrance fee ("Entrance Fee") and also a monthly service fee ("Monthly Service Fee") on an on-going basis. Payment of these amounts entitles Residents to occupy and use the residence ("Residence"), common areas, amenities, programs, and services of the Corporation during the term of the Agreement.

While the Resident occupies a Residence, services provided by the Corporation include: the right to occupy the selected Residence; all standard utilities for apartments and cottages (all Residents will be responsible for their own telephone); Residents in Independent Living will receive a meal a day, housekeeping and flat linen services; general maintenance; trash removal and landscaping for Residences; common areas and grounds; lighted surface parking; scheduled transportation; twenty-four hour emergency response system and security services; planned social, recreational, spiritual, educational and cultural activities; wellness and case management; and use of Community common areas, including private dining and meeting rooms, lounges, lobbies, library, business center, social and recreational rooms, wellness center and other common activities.

In addition to the items included in the Monthly Service Fee, certain services are available to Residents for an additional charge. These services include, but are not limited to: covered parking spaces (depending on availability); barber and beauty services; personal care and assistance services; personal laundry or dry cleaning; private transportation; guest meals and personalized catering events; additional meals while utilizing the Community's Health Center residence ("Health Center Residence"); nursing care and assisted living services and supplies; and

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

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other additional maintenance and housekeeping services performed beyond the normal scope of services offered by the Corporation.

To reserve a Residence, prospective Residents make a ten percent (10%) deposit of the applicable Entrance Fee as described in the Agreement.

***Health care benefit***

Under the Agreement, the Corporation will provide services above those covered by Medicare or other third-party insurance to the Independent Living Resident in a Health Center Residence for fifteen (15) days annually (the "Health Care Benefit"). This Health Care Benefit may be carried over into future years with a cumulative annual benefit not to exceed forty-five (45) days at no additional charge for each Resident, provided that the Resident remains an Independent Living Resident.

***Terminations and refunds***

The Resident may terminate the Agreement within thirty (30) days of execution of the Agreement or the receipt of a Disclosure Statement that meets the requirements of N. C. G. S. § 58-64-20 (the "30-Day Rescission Period"). The Resident will not be required to move into a Residence before the expiration of this 30-Day Rescission Period. In the event of rescission, the Resident shall receive a refund of all monies transferred less (i) periodic charges specified in the Agreement and applicable only to the period a Residence was actually occupied by the Resident; and (ii) any non-standard costs specifically incurred by the Corporation at the Resident's request and described in the Agreement or any amendment signed by the Resident.

The Resident may also voluntarily terminate the Agreement after the 30-Day Rescission Period, and prior to the date of occupancy, provided that the Resident gives written notice of such termination. Any such refund paid will equal the ten percent (10%) deposit, less (i) a service charge of one thousand (\$1,000) dollars; and (ii) any non-standard costs specifically incurred by the Resident's request. Any such refunds as described above shall be paid by the Corporation within sixty (60) days following the receipt of written notification of such termination.

Following expiration of the 30-Day Rescission Period and after the Resident's occupancy of the Residence, the Agreement may be terminated at any time by the Resident by providing at least thirty (30) days written notice. The amount of refund due shall be determined according to the applicable Entrance Fee amortization schedule described in the Agreement. If a Resident dies following the 30-Day Rescission Period, but prior to occupying a Residence, or if, on account of illness, injury or incapacity, a Resident would be precluded from occupying a Residence under the terms of the Agreement, the Agreement is automatically cancelled and the Resident or the legal representative of the Resident shall receive a refund of all money or property transferred, except for any monies already spent or committed to a contractor in connection with any upgrade of such Residence as described the Agreement. Any such refund due is contingent upon payment in full of a new Entrance Fee and re-occupancy of the Residence by a new Resident.

***Entrance fee options***

The Corporation offers three Entrance Fee plans for occupancy of a Residence. The Resident agrees to pay an Entrance Fee as a condition of becoming a Resident. The Resident may choose from: a zero percent (0%) refundable entrance fee plan ("Plan A" or the "Traditional Amortizing Entrance Fee Plan"); a 50 percent (50%) refundable entrance fee plan ("Plan B"); or a 90 percent (90%) refundable entrance fee plan ("Plan C"). Management has assumed that approximately 75 percent (75%) of the Residents will be enrolled under Plan A, and 25 percent (25%) will be enrolled under Plan C, during the forecast period.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

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The Entrance Fee options and related amortization schedules are as follows:

<b>Entrance Fee Option</b>	<b>Amortization Schedule</b>
1. Plan A - Traditional Amortizing Entrance Fee	An initial 2% non-refundable service fee, plus 2% per month for 49 months. After 49 months of occupancy, no refund is paid.
2. Plan B - 50% Refundable Entrance Fee	An initial 2% non-refundable service fee, plus 2% per month for 24 months. Refund is never less than 50% to the Resident.
3. Plan C - 90% Refundable Entrance Fee	An initial 2% non-refundable service fee, plus 1% per month for 8 months. Refund is never less than 90% to the Resident.

The Resident may notify the Corporation in writing of a change in selection of the above chosen Entrance Fee option on or before the date that the balance of the Entrance Fee is due, as provided in the Agreement. Without written approval of Management, the Resident may not change the option selected after the date the balance of the Entrance Fee is due.

### **3. Significant Accounting Policies**

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

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

#### ***Basis of accounting and presentation***

The accompanying prospective financial statements included in the forecast have been prepared on the accrual basis of accounting and in accordance with GAAP. Significant rationales are described in the appropriate assumptions and notes to the prospective financial statements. The assumptions described are not all-inclusive.

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

The Corporation has been recognized by the Internal Revenue Service as a non-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code ("IRC") and is exempt from federal income taxes pursuant to Section 501(a) of the IRC. No material uncertain tax positions are expected to exist throughout the forecast period.

#### ***Cash and cash equivalents***

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when purchased. Cash and cash equivalents are carried at cost, which approximates fair value.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

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***Accounts receivable, patients***

The Corporation uses the allowance method to determine uncollectible patient receivables. This allowance is equal to the estimated losses to be incurred in collection of the receivables. This allowance is based on historical collection experience and management's analysis of the current status of existing receivables.

***Unconditional promises to give***

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. The Corporation uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

***Restricted and unrestricted revenue and support***

Contributions received are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restriction are reclassified to net assets without restriction and reported in the forecasted statements of operations and changes in net assets as net assets released from donor restrictions.

***Investments***

Investments in equity securities with readily determinable fair values, and all investments in debt securities, are measured at fair value. Investment income (including realized and unrealized gains and losses on investments, interest income, and dividends) is included in excess of revenues and support over (under) expenses unless restricted by donor or law. Management has not assumed any unrealized gains or losses on investments during the forecast period.

***Assets limited as to use***

Assets limited as to use represent funds required by the Corporation's bond documents to be held by a trustee and include various bond interest accounts, and debt service reserve accounts, along with operating reserves required by state statute, and certain net assets with donor restriction.

***Property, equipment, and depreciation***

Property and equipment purchased are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies net assets with donor restriction to net assets without donor restriction at that time.

Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Major renewals and betterments are capitalized.

The Corporation reviews its long-lived assets for impairment annually or whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held, impairment

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

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is determined to exist if the estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated realizable value is less than the carrying amount.

Depreciation is provided principally on the straight-line method over the following estimated useful lives:

Buildings	10 to 50 years
Land improvements	10 years
Furniture and equipment	3 to 10 years

***Issuance costs***

Capitalized bond issuance costs include costs paid to issue the Series 2015 Bonds and the Series 2020 Bonds. The costs incurred related to the issuance of the debt will be amortized over the life of the bonds on a straight-line basis, which approximates amortization calculated using the effective interest method.

***Leases***

At lease inception, the Corporation determines whether an arrangement is or contains a lease. Finance leases are included in right-of-use (ROU) assets in the accompanying financial statements. ROU assets represent the Corporation's right to use leased assets over the term of the lease. Lease liabilities represent the Corporation's contractual obligation to make lease payments over the lease term.

For finance leases, after lease commencement, the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization on the ROU asset is recognized over the period from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term. The discount rate used by the Corporation for finance leases is generally the incremental borrowing rate, as most such leases do not provide a readily determinable implicit interest rate. To the extent a lease arrangement includes both lease and non-lease components, the components are not accounted for separately.

***Refundable deposits***

Refundable deposits represent deposits paid by future residents.

***Refundable fees and deferred revenue from advance fees***

Initial fees paid by a Resident upon entering Independent Living or Assisted Living are recorded as refundable fees or deferred revenue from entrance fees. Deferred revenue is amortized to income using the straight-line method over the estimated remaining life expectancy of the Resident. Periodic fees are charged for services and use of facilities which approximate the cost of delivering those services. Upon termination (move out or death), Residents may be entitled to a refund of a portion of their advance fee. The refund amount depends on the type of contract and the length of residency. The timing of the refund is dependent upon resale of the unit.

***Health center revenue***

Health Center revenue is reported at the estimated net realizable amounts due from residents, third-party payors, and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.



**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

***Excess of revenue and support over expenses***

The forecasted statements of operations include excess of revenue and support over expenses. Changes in net assets without restriction, which are excluded from excess of revenue and support over expenses consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets).

**4. Significant Forecast Assumptions**

***Occupancy***

The following table summarizes the forecasted occupancy of the existing Independent Living units.

<b>Year Ending September 30,</b>	<b>Average Number of Existing Units Occupied</b>	<b>Average Number of Existing Units Available</b>	<b>Average Occupancy</b>
2024	171	180	95.0%
2025	171	180	95.0%
2026	171	180	95.0%
2027	171	180	95.0%
2028	171	180	95.0%

Source: Management

The assumed turnover of Independent Living units due to death, withdrawal, or transfer to Assisted Living, Memory Support, or Skilled Nursing, and double occupancy of the Independent Living units is presented in the following table for the years ending September 30.

2024	20
2025	20
2026	20
2027	20
2028	20

Source: Management

***Assumed health care accommodations and services***

The Health Center and services are available to Residents on a priority basis. However, the Corporation cannot guarantee access to these areas, other than priority admission.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

The following table summarizes the assumed occupancy of the Assisted Living units during the forecast period.

**Table 4**  
**Assisted Living Occupancy**

<b>Year Ending September 30,</b>	<b>Average Number of Units Occupied</b>	<b>Average Number of Units Available</b>	<b>Average Occupancy</b>
2024	22	24	91.7%
2025	22	24	91.7%
2026	22	24	91.7%
2027	22	24	91.7%
2028	22	24	91.7%

Source: Management

The following table summarizes the assumed utilization of the assisted living Memory Support units during the forecast period.

**Table 5**  
**Memory Support Occupancy**

<b>Year Ending September 30,</b>	<b>Average Number of Units Occupied</b>	<b>Average Number of Units Available</b>	<b>Average Occupancy</b>
2024	22	24	91.7%
2025	22	24	91.7%
2026	22	24	91.7%
2027	22	24	91.7%
2028	22	24	91.7%

Source: Management

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

The following table summarizes the assumed utilization by payer of the Health Center licensed skilled nursing beds during the forecast period.

**Table 6**  
**Skilled Nursing Occupancy**

<b>Year Ending September 30,</b>	<b>Private Payers</b>	<b>Medicaid</b>	<b>Medicare/ Other</b>	<b>Total Residents</b>	<b>Total Nursing Beds</b>	<b>Average Occupancy</b>
2024	50%	32%	18%	115	125	92.0%
2025	50%	32%	18%	115	125	92.0%
2026	50%	32%	18%	115	125	92.0%
2027	50%	32%	18%	115	125	92.0%
2028	50%	32%	18%	115	125	92.0%

Source: Management

**Revenue**

Resident Service Revenue

Resident service revenue is based upon charges for services provided to Residents of the Independent Living units and the Health Center. Resident service revenue for independent-living Residents is based upon the assumed occupancy and the Monthly Service Fees of the respective units.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

The Entrance Fees and associated Monthly Service Fees assumed to be charged to Residents of the Independent Living units are summarized in the following tables.

**Table 7**  
**Entrance and Monthly Service Fees**  
**Existing Independent Living Apartments and Shamrock Cottages**

Unit Type	Unit Name	Monthly Service Fees <sup>(1)(2)</sup>	Plan A 0% Refundable Entrance Fees <sup>(3)</sup>	Plan C 90% Refundable Entrance Fees
<b>Apartments:</b>				
1 Bedroom, 1 Bath	Dogwood	\$ 3,541	\$ 158,800	\$ 262,800
1 Bedroom, 1 Bath, Den	Redbud	3,914	196,100	318,900
1 Bedroom, 1 Bath, Den	Periwinkle	4,114	221,000	346,750
2 Bedroom, 2 Bath	Magnolia	4,502	229,650	371,550
2 Bedroom, 2 Bath	Camellia	5,036	262,000	430,500
2 Bedroom, 2 Bath	Wisteria	5,036	262,000	430,500
2 Bedroom, 2 Bath, Den	Azalea	5,278	270,550	436,100
2 Bedroom, 2 Bath, Den	Rose	5,535	277,450	449,550
2 Bedroom, 2 Bath, Den	Holly	5,556	284,200	475,200
2 Bedroom, 2.5 Bath, Den	Jasmine	6,017	335,050	537,300
Total/Weighted Average		\$ 4,561	\$ 235,704	\$ 379,200
<b>Shamrock Cottages:</b>				
2 Bedroom, 2 Bath, Garage	Enhanced	\$ 4,854	\$ 254,700	\$ 487,200
2 Bedroom, 2 Bath, Den	Deluxe	5,648	281,500	532,200
Total/Weighted Average		\$ 5,569	\$ 278,820	\$ 527,700

Source: Management

- Notes: (1) Monthly Service Fees and second person fees were effective October 1, 2023 and are assumed to increase annually each October 1 by 3.0%.  
(2) Second person Monthly Service Fees for all Independent Living units are assumed to approximate \$1,421.  
(3) Entrance Fees shown are assumed to be in effect from October 1, 2023 through September 30, 2024. Subsequent years are assumed to increase at 3.0% annually thereafter. Entrance fees for 50% refund plan are not shown due to low level of resident utilization.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

**Table 8**  
**Entrance and Monthly Service Fees**  
**Existing Heritage Cottages**

Unit Type	Unit Name	Monthly Service Fees <sup>(1)(2)</sup>	Plan A 0% Refundable Entrance Fees <sup>(3)</sup>	Plan C 90% Refundable Entrance Fees <sup>(3)</sup>
1 Bedroom, 1 Bath	D	\$ 3,100	\$ 116,000	\$ 217,500
1 Bedroom, 1 Bath	C	3,020	112,300	215,560
2 Bedroom, 2 Bath	B	4,481	175,243	285,343
2 Bedroom, 2 Bath	A2	5,280	248,901	398,974
3 Bedroom, 2 Bath	A1	6,266	360,464	622,909
<b>Total/Weighted Average</b>		<b>\$ 4,649</b>	<b>\$ 209,945</b>	<b>\$ 350,573</b>

Source: Management

- Notes:
- (1) The Monthly Service Fees for the Existing Heritage Cottages are a weighted average based upon the grouping of similar-sized floor plans. Monthly Service Fees and second-person fees were effective October 1, 2023 and are assumed to increase annually each October 1 by 3.0%.
  - (2) Second person monthly fees are assumed to approximate \$1,360.
  - (3) The Entrance Fees for the Existing Heritage Cottages are a weighted average based upon the grouping of similar-sized floor plans. Entrance Fees were effective October 1, 2023 and are assumed to remain constant through September 30, 2024. Subsequent years are assumed to increase at 3.0% annually thereafter. Entrance Fees for 50% refund plan are not shown due to low level of Resident utilization.

**Description of the Project**

The expansion project (the "Project") began in October 2020. The Project consists of 42 additional independent living units ("New Independent Living Units"), and the construction of a new Transitional Rehabilitation Center that includes 24 private rooms and state of the art therapy facility. The Transitional Rehabilitation Rooms are located in a new facility that follows the existing rate structure. The Project also includes completed improvements in the independent living building, assisted living, healthcare areas, as well as upgrades and refurbishment to the exteriors of the buildings on the campus. The New Independent Living Units were available for occupancy in November 2022. As of January 31, 2024, 38 of the New Independent Living Units (90 percent) were sold and occupied. The Transitional Rehabilitation Center was substantially completed in September 2022 and opened in March 2023. Improvements in the independent living building are completed and in service. Improvements in the healthcare areas continue and are expected to be completed in Spring 2024.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

The following table shows the unit configuration, Entrance Fees, and Monthly Service Fees of the New Independent Living Units.

**Table 9**  
**New Independent Living Units**  
**Configuration and Fees**

New Independent Living Units	Unit Name	Units	Square Footage	Average Entrance Fees (1)(2)(3)	Monthly Service Fees (1)(3)
1 Bedroom, 1 Bath	Elm	3	895	\$201,100	\$4,079
1 Bedroom, 1.5 Bath, Den	Mulberry	8	1,008	\$231,600	\$4,478
1 Bedroom, 2 Bath, Den	Cherry	3	1,260	\$272,000	\$5,394
2 Bedroom, 2 Bath	Hickory	3	1,274	\$282,600	\$5,462
2 Bedroom, 2 Bath	Willow	8	1,367	\$295,000	\$5,683
2 Bedroom, 2 Bath, Den	Birch	4	1,382	\$298,200	\$5,741
2 Bedroom, 2.5 Bath, Den	Maple	3	1,492	\$313,000	\$5,846
2 Bedroom, 2.5 Bath, Den	Pine	6	1,504	\$315,600	\$5,879
2 Bedroom, 2.5 Bath, Den	Cedar	4	1,700	\$361,100	\$6,287
Total Project ILUs		42	1,312	\$284,517	\$5,405
Second person fee – IL					\$1,421

Source: Management

- Notes:
- (1) Entrance Fees and Monthly Service Fees shown were effective October 1, 2023 and are assumed to increase annually each October 1 by 3.0%.
  - (2) Three Entrance Fee plans are available for the New Independent Living Units: the Traditional Amortizing Plan (shown in the table), the 50% Refundable Plan, and the 90% Refundable Plan.
  - (3) Entrance Fees for the 50% Refundable Plan and the 90% Refundable Plan are offered at approximately 1.35x and 1.65x higher, respectively, than the Traditional Amortizing Plan pricing. Monthly Service Fees for the 50% Refundable Plan and the 90% Refundable Plan are equal to the Monthly Fees for the Traditional Amortizing Plan.

The existing Independent Living Units and the New Independent Living Units are collectively defined as the "Independent Living Units".

***Description of the Residency Agreement for the Project***

Reservation process

Prospective residents of the Community complete the following process to reserve an Independent Living Unit.

In order to reserve an Existing Independent Living Unit, a prospective resident must execute a residency agreement ("Residency Agreement"), provide recent medical history, provide a self-disclosure of his or her finances and place a deposit equal to 10 percent of the Entrance Fee (the "10 Percent Deposit") on the selected Existing Independent Living Unit. The balance of the Entrance Fee is due on or before the occupancy date (the "Occupancy Date") of the Independent Living Unit.

To collect reservation deposits for the New Independent Living Units, prospective residents sign a reservation agreement (the "Reservation Agreement") and pay the applicable deposit amount ("Depositors") which is held in

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

an escrow account on behalf of Residents in accordance with North Carolina General Statute §58-64-35 and earn market rate interest and is fully refundable, including the interest earned. Depositors would execute a Residency Agreement upon payment of the Entrance Fee at or prior to move-in.

Residency agreement

The terms of the residency agreement are identified in Footnote 2 Description of the Residency and Care Agreements.

Summary of financing

Total financial requirements to complete the Project were funded primarily through the issuance of \$47,840,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (Pennybyrn at Maryfield Project, Series 2020 (the “Series 2020 Bonds”), consisting of the Series 2020A Bonds and the Series 2020B Bonds.

**Summary of revenue and entrance fee assumptions**

Independent Living Unit Revenue

Service fee revenue for Residents living in the Independent Living units is based upon the assumed occupancy and the Monthly Service Fee of the respective units. The Independent Living unit Monthly Service Fees are assumed to increase 3.0 percent annually during the forecast period.

The existing Independent Living Units are assumed to maintain a 95.0 percent occupancy level throughout the forecast period and the New Independent Living units are assumed to achieve a 95.0 percent occupancy level in March 2024 and remain at that level throughout the forecast period.

The following table summarizes the assumed utilization of the New Independent Living Units during the forecast period:

**Table 12**  
**Utilization of the New Independent Living Units**

<b>Years Ended September 30</b>	<b>Average Number of Units Occupied</b>	<b>Average Number of Units Available</b>	<b>Average Occupancy</b>
<i>Forecasted:</i>			
2024 <sup>(1)</sup>	37.9	42.0	90.2%
2025	39.9	42.0	95.0%
2026	39.9	42.0	95.0%
2027	39.9	42.0	95.0%
2028	39.9	42.0	95.0%

Source: Management

Notes: (1) The 42 New Independent Living Units were available for occupancy as of November 2022 and are assumed to achieve a 95 percent occupancy level in March 2024.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

**Entrance fees**

The assumed number of Existing Independent Living Units and New Independent Living Units becoming available due to Resident turnover, the double occupancy rate, the number of annual Resident Entrance Fee refunds, and the movement of Existing and New Independent Living Unit Residents into the Assisted Living Units or Skilled Nursing Beds due to death, withdrawal or transfer are provided by Management.

Inflation on the New Independent Living Units Initial Entrance Fees are assumed to remain constant during the forecast period, while Independent Living Units Entrance Fees from attrition are assumed to increase 3.0 percent annually throughout the forecast period.

The following table presents the assumed initial and attrition Entrance Fees received and the total Entrance Fees refunded.

**Table 14**  
**Entrance Fees Receipts and Entrance Fees Refunds**  
**(dollars in thousands)**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Number of Entrances Fees Received</b>					
New Independent Living Units -- Initial	7	-	-	-	-
Existing Independent Living Units -- Attrition	19	18	18	18	18
New Independent Living Units -- Attrition	1	2	2	2	2
<b>Total Number of Entrance Fees Received</b>	<b>27</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Entrance Fees Received, Net of Refunds</b>					
New Independent Living Units -- Initial	\$1,931	\$ -	\$ -	\$ -	\$ -
Existing Independent Living Units -- Attrition	3,942	4,068	4,190	4,315	4,446
New Independent Living Units -- Attrition	223	459	473	487	501
Assisted Living Units -- Attrition	120	123	127	131	135
<b>Total Entrance Fees Received</b>	<b>6,216</b>	<b>4,650</b>	<b>4,790</b>	<b>4,933</b>	<b>5,082</b>
Total Entrance Fees Refunded	(1,683)	(2,122)	(2,173)	(2,225)	(2,280)
<b>Entrance Fees Received, Net of Refunds</b>	<b>\$4,533</b>	<b>\$2,528</b>	<b>\$2,617</b>	<b>\$2,708</b>	<b>\$2,802</b>

Source: Management

**Health Center revenue**

Health Center fees are generated from services provided to Residents transferring from the independent living units as well as direct admissions from the local surrounding area. All Residents are assumed to pay the current charges at the prevailing market rate established by the Corporation except for any Healthcare Benefit that may be available.

**Licensed nursing**

The Health Center provides services to private-pay, Medicaid, and Medicare Residents.



**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

The assumed per-diem charges for the respective payor are presented in the following table.

**Table 15**  
**Health Center Per Diem Rates**

<b>Payor Type</b>	<b>Per Diem Charges <sup>(1)</sup></b>
Private Pay	
Private room	\$394
Semi-private room	361
Medicare	585
Medicaid	271
Hospice and other	359

Source: Management

Note: (1) Daily per diem rates were effective October 1, 2023 and are assumed to remain substantially constant through the fiscal year ending September 30, 2024. Subsequent years are assumed to increase approximately 3.0% annually, thereafter, with the exception of the Medicare and Medicaid rates, which are assumed to increase approximately 1.0% annually.

***Assisted Living***

Assisted Living Residents are charged a base monthly fee for services provided. In addition to the base Monthly Service Fee, there are additional levels of care provided for an extra charge, which will be designed for Residents who require additional assistance with activities of daily living (“ADLs”). The levels of care assistance include such services as: verbal instruction on activities of daily living; physical assistance with bathing or showering; periodic use of a hydro-tub; dressing, clothes selection and orientation; grooming, including but not limited to hair and teeth brushing, etc.; eating; walking, wheelchair propelling, and prescribed exercises; laundry services that are needed more often than one time a week (both personal and/or linen); and assistance with bladder and/or bowel incontinence, but not including the cost of incontinence supplies, which will be billed separately to the Resident.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

Monthly Service Fees for Assisted Living Units are presented in the following table.

**Table 16**  
**Assisted Living Unit Mix and Monthly Service Fees**

Unit Type	Number of Units	Monthly Service Fees <sup>(1)</sup>
1 Bedroom - Multi-unit assisted living with services	12	\$ 6,797
1 Bedroom, 1 Bath	10	7,152
2 Bedroom, 1 Bath	2	8,572
<b>Total / Weighted Average</b>	<b>24</b>	<b>\$ 7,093</b>

Source: Management

Note: (1) Monthly Service Fees were effective October 1, 2023 and future rates are assumed to increase at 3.0% annually. Rates shown do not include monthly average level of care fees of approximately \$1,353 or any fees from a home care agency in the case of Multi-Assisted Living with Services. In addition, residents admitted directly into an assisted living unit from outside the Community are required to pay a non-refundable entrance fee of approximately \$16,380.

**Memory support**

Monthly Service Fees for Memory Support Units are presented in the following table.

**Table 17**  
**Memory Support Monthly Service Fees**

Unit Type	Number of Units	Monthly Service Fees <sup>(1)</sup>
1 Bedroom - Dementia care	24	\$ 8,421

Source: Management

Note: (1) Monthly Service Fees were effective October 1, 2023 and future rates are assumed to increase at 3.0% annually. In addition, Residents admitted directly into a Memory Support unit from outside the Community are required to pay a non-refundable entrance fee of approximately \$16,380.

**Amortization of entrance fees**

Management has assumed that approximately seventy five percent (75%) of the Residents will be enrolled under Plan A, and twenty five percent (25%) will be enrolled under Plan C of the Independent Living Units, during the forecast period. Entrance fees under Plan A and the nonrefundable portion of entrance fees under Plan C are recorded as deferred revenue and amortized to income using the straight-line method over the estimated remaining life expectancy of the resident.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

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**Contributions and bequests**

Contributions and bequests include endowment income and gifts without restriction. Management assumes that total contributions without restriction and bequests would approximate \$1,120,000 in 2024 and \$576,000 annually throughout the remainder of the forecast period.

**Other income**

Forecasted other income consists of revenues from additional Resident meals and snacks, guest meals, guest apartment rentals, barber and beauty fees, and other miscellaneous sources. Other income also includes revenue for ancillary services for nursing and home care services provided to Independent Living Residents.

**Investment income**

Management assumes an average annual rate of return of 3.5 percent (3.5%) on unrestricted cash, unrestricted investments, and restricted investments, and an average annual rate of return of 0.5 percent (0.5%) on all Debt Service Reserve Funds.

**Fundraising campaign**

The Corporation initiated a fundraising campaign to support the proposed Transitional Rehabilitation Center project. Balances of unconditional promises to give and related cash receipts are assumed to be as follows:

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**Table 18**  
**Schedule of Unconditional Promises to Give and Cash Receipts**  
**(in thousands)**

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Years Ending September 30,	2024	2025	2026	2027	2028
Beginning balance	\$1,185	\$ 550	\$ -	\$ -	\$ -
New pledges	-	-	-	-	-
Cash receipts	(635)	(550)	-	-	-
		\$			
Ending balance	\$ 550	-	\$ -	\$ -	\$ -

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Source: Management

**Operating expenses**

Operating expenses are estimated by Management based upon the historical experience of the Corporation. Staff salaries and wages are forecasted to comprise approximately 48 percent (48%) of departmental operating expenses and are based on prevailing local salary and wage rates of the Corporation and are assumed to increase approximately 2.5 percent (2.5%) annually throughout the forecast period.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

The following table summarizes the forecasted staffing levels and average salary for all departments.

**Table 19**  
**Forecasted Staffing Levels and Average Salaries**

	Full-Time Equivalent (FTEs) <sup>(1)</sup>				
	2024	2025	2026	2027	2028
Administrative	29	29	29	29	29
Plant operation	16	16	16	16	16
Dining	47	47	47	47	47
Housekeeping & laundry	20	20	20	20	20
Activities/wellness	12	13	13	13	13
Assisted living	9	9	9	9	9
Memory support	15	15	15	15	15
Health center	125	127	127	127	127
<b>Total FTEs</b>	<b>273</b>	<b>276</b>	<b>276</b>	<b>276</b>	<b>276</b>
<b>Average salary</b>	<b>\$ 40,486</b>	<b>\$ 41,295</b>	<b>\$ 42,327</b>	<b>\$ 43,386</b>	<b>\$ 44,470</b>

Source: Management

Note: (1) FTEs are shown for each fiscal year as of September 30<sup>th</sup> of that year.

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, building and general liability insurance, legal and accounting fees, and other miscellaneous expenses. The cost of these non-salary operating expenses is assumed by Management to increase approximately 2.5 percent (2.5%) annually throughout the forecast period.

**Assets limited as to use**

The following funds and accounts are required to be held in association with the Series 2015 Bonds (herein after defined) and the Series 2020 Bonds:

- Assets Limited as to Use, current – Series 2015 Bonds, which contains the bond principal and interest payments to be used for payment of debt service on the Series 2015 Bonds.
- Assets Limited as to Use, current – Series 2020A Bonds, which contains the bond principal and interest payments to be used for payment of debt service on the Series 2020A Bonds.
- Debt Service Reserve Fund – Series 2015 Bonds has been funded with proceeds received from the issuance of the Series 2015 Bonds.
- Debt Service Reserve Fund – Series 2020A Bonds has been funded with proceeds received from the issuance of the Series 2020A Bonds.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

In addition, the Corporation maintains the following funds and accounts based on restrictions of the board of directors, outside donors, or other legal or regulatory requirements and include the following:

- Beneficial Interest in Perpetual Trust, Restricted – The Board has designated certain amounts to be held for future financial assistance to residents.
- Designated for Statutory Operating Reserve - North Carolina General Statute Chapter 58, Article 64 requires CCRC’s to maintain an operating reserve (the “Statutory Operating Reserve”) equal to 50 percent of the total operating costs in a given year, or 25 percent of such total operating costs if occupancy as of a certain date exceeds 90 percent of the independent living unit capacity.

**Property and equipment and depreciation expense**

Management estimates that the Corporation will incur Project costs and routine capital additions during the period that will be capitalized as property and equipment. In addition, Management estimates that the construction in progress account will be reduced for the receipt of insurance proceeds during fiscal year 2024. Project-related costs as well as routine capital additions during the forecast period are summarized in the table below.

**Table 20**  
**Schedule of Property and Equipment**  
**(In Thousands)**

<b>Years Ending September 30,</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Beginning balance	\$ 193,829	\$ 195,260	\$ 196,956	\$ 198,693	\$ 200,472
Receipt of insurance proceeds	(2,000)	-	-	-	-
Capital additions – Project	1,826	-	-	-	-
Capital additions - routine	1,605	1,696	1,737	1,779	1,822
Total property and equipment	195,260	196,956	198,693	200,472	202,294
Accumulated depreciation	(71,988)	(78,365)	(84,914)	(91,639)	(98,544)
Property and equipment, net	\$ 123,272	\$ 118,591	\$ 113,779	\$ 108,833	\$ 103,750

Source: Management

**Lease**

In 2022, the Corporation entered into two lease agreements for equipment under non-cancellable financing leases. For leases with terms greater than 12 months, the related right-of-use assets and right-of-use obligations are recorded at the present value of lease payments over the term.

**Bonds payable and other debt**

*Series 2015 Bonds*

During the fiscal year ended September 30, 2015, the Corporation completed a refinancing, the proceeds of which were used, in part, to refund all of the previously outstanding bonds (the “Series 2015 Bonds”). Interest on the Series 2015 Bonds is payable on April 1 and October 1 of each year. Principal on the Series 2015 Bonds is paid annually on October 1, with a final maturity on October 1, 2035. The Series 2015 Bonds consist of the following:

<b><u>Series 2015 Bonds</u></b> <b><u>Components</u></b>	<b><u>Par Value</u></b>	<b><u>Price</u></b>	<b><u>Average</u></b> <b><u>Coupon</u></b>	<b><u>Average</u></b> <b><u>Life</u></b>
Serial Bond	\$ 11,020,000	100.000	3.125%	2.92

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

2035 Term Bond	<u>55,115,000</u>	100.000	4.708%	<u>15.00</u>
	\$ 66,135,000			14.10

The Series 2015 Bonds are secured by a deed of trust on substantially all land, buildings, equipment and furnishings and fixtures owned by the Corporation.

The following table presents the annual debt service of the Series 2015 Bonds outstanding during the forecast period.

**Table 21**  
**Forecasted Annual Debt Service for Series 2015 Bonds**  
**(In Thousands)**

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Annual Debt Service</b>
2024	\$ 2,565	\$ 2,439	\$ 5,004
2025	2,695	2,310	5,005
2026	2,815	2,175	4,990
2027	2,960	2,032	4,992
2028	3,105	1,881	4,986
Thereafter	36,205	8,502	44,707
<b>Total</b>	<b>\$ 50,345</b>	<b>\$ 19,339</b>	<b>\$ 69,684</b>

Source: Management

*Line of credit*

The Corporation also has available a \$1,000,000 unsecured line of credit with First Bank with interest payable monthly on outstanding balances at a variable rate of prime plus 1% subject to a floor of 4.75%. On September 30, 2023, no amounts were outstanding on the line of credit. The forecast does not include any borrowing on the line of credit for the five years presented.

*Series 2020 Bonds*

The Series 2020 Bonds consist of the Series 2020A Bonds and Series 2020B Bonds of approximately \$37,715,000 and \$10,125,000, respectively, of non-rated, tax-exempt fixed rate bonds, with an average interest rate of ranging from 2.50 to 4.09 percent per annum. The Series 2020A Bonds were issued at an original issue premium. Proceeds from the Series 2020 Bonds funded the construction of the Project. Interest on the Series 2020 Bonds is payable semi-annually on April 1 and October 1 of each year. Principal on the Series 2020A Bonds is payable annually commencing October 1, 2036 with a final maturity on October 1, 2050. Principal on the Series 2020B Bonds were originally scheduled to be repaid quarterly commencing July 1, 2022. Due to the pandemic, supply-chain issues and construction delays, principal payments on the Series 2020B Bonds were not sent to the trustee until December 2022. The total Series 2020B Bonds are to be repaid with initial Project Entrance Fees in fiscal years 2023 and 2024.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

The following table presents the forecasted debt service for the Series 2020 Bonds.

**Table 22**  
**Forecasted Annual Debt Service for Series 2020 Bonds**  
**(In Thousands)**

Year Ending September 30,	Series 2020A Bonds		Series 2020B Bonds		Total Annual Debt Service
	Principal	Interest	Principal	Interest	
2024	\$ -	\$ 1,886	\$ 3,935	\$ 20	\$ 5,841
2025	-	1,886	-	-	1,886
2026	-	1,886	-	-	1,886
2027	-	1,886	-	-	1,886
2028	-	1,886	-	-	1,886
Thereafter	37,715	30,975	-	-	68,690
Total	\$ 37,715	\$ 40,405	\$ 3,935	\$ 20	\$ 82,075

Source: Management

**Promissory Note Payable**

On June 1, 2023, the Corporation obtained a promissory note for an amount not to exceed \$3,200,000 with interest at 6.5 percent per annum. Interest only payments commenced in July 2023. Principal and interest payments are to commence in July 2025 at \$62,750 per month for five years with all interest and principal due in June 2030. As of September 30, 2023, the Corporation has drawn \$1,915,100 of the available balance. No additional draws are planned during the forecast period. Management's forecast includes the promissory note payable being satisfied in fiscal year 2024.

**Current assets and current liabilities**

Working capital components of cash, non-patient accounts receivable, other assets, and prepaid expenses have been estimated based Management's historical experience.

Management approximates other working capital components as indicated in the table below.

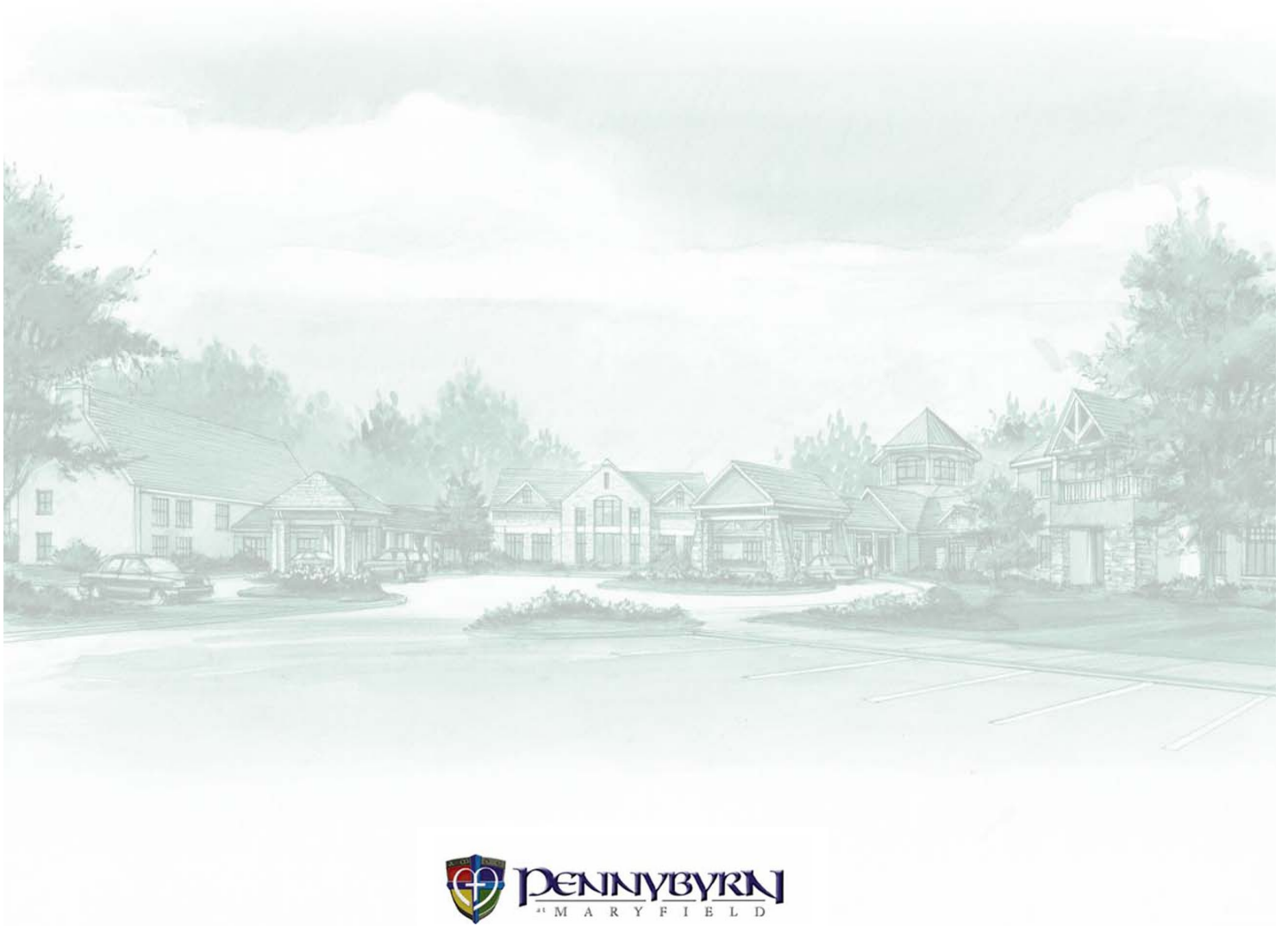
**Table 23**  
**Working Capital Assumptions**

Accounts receivable, residents	18 days (operating revenues)
Accounts receivable, other	4 days (operating revenues)
Prepaid expenses	7 days (operating expenses)
Accounts payable	16 days (operating expenses)
Accrued expenses	12 days (operating expenses)

Source: Management

# Exhibit "F"

## Comparison of Actual Results with Forecasted Projections





**Maryfield, Inc. d.b.a. Pennybyrn at Maryfield**  
Comparison of Forecasted and Audited Statement of Operations  
For the Fiscal Year Ending September 30, 2023  
(in thousands of dollars)

	Forecast	Actual		
	2023	2023	Variance	Notes
<b>Revenue and support:</b>				
Independent living services	\$ 12,231	\$ 11,525	\$ (706)	A
Assisted living services	2,078	1,939	(139)	B
Memory support services	2,019	1,663	(356)	B
Nursing care services	14,495	13,509	(986)	B
Additional resident services	786	621	(165)	B
Amortization of entrance fees	2,856	2,572	(284)	C
Contributions	576	936	360	D
Investment income	971	401	(570)	E
<b>Total revenue and support</b>	<b>36,012</b>	<b>33,166</b>	<b>(2,846)</b>	
<b>Expenses:</b>				
Healthcare households	10,566	13,027	2,461	F
Administrative	6,013	3,581	(2,432)	F
Development and marketing	830	1,006	176	
Pandemic related supply expenses	-	-	-	
Laundry and housekeeping	706	985	279	F
Dietary	3,399	4,075	676	F
Plant operation	3,473	3,532	59	
Interest expense	3,870	3,690	(180)	G
Depreciation	5,725	5,533	(192)	H
Amortization of debt issuance costs	105	80	(25)	H
<b>Total expenses</b>	<b>34,687</b>	<b>35,509</b>	<b>822</b>	
<b>Excess of revenue and support over expenses</b>	<b>1,325</b>	<b>(2,343)</b>	<b>(3,668)</b>	
Net assets released from restriction - capital	96	3,196	3,100	I
Net unrealized gains (losses) on investment	0	1,372	1,372	J
<b>Change in net assets without donor restrictions</b>	<b>1,421</b>	<b>2,225</b>	<b>804</b>	
Net assets released from restriction - capital	(96)	(3,196)	(3,100)	I
Contributions in the current year	69	2,058	1,989	D
Net change in beneficial interest assets in perpetual trust	0	71	71	I
<b>Change in net assets with donor restrictions</b>	<b>(27)</b>	<b>(1,067)</b>	<b>(1,040)</b>	
<b>Change in net assets</b>	<b>1,394</b>	<b>1,158</b>	<b>(236)</b>	
<b>Net assets, beginning of year</b>	<b>18,891</b>	<b>23,805</b>	<b>4,914.00</b>	
<b>Net assets, ending of year</b>	<b>\$20,285</b>	<b>\$24,963</b>	<b>\$4,678</b>	

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**2023 Statement of Operations**

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**Tickmarks on the Comparison of Forecasted and Audited Statement of Operations**  
**The Forecast used for this comparison is from the 2020 Bond offering documents**  
**These notes provide explanation of variances over 10% and \$100,000.**

- A. Due to delays in construction it took longer to ramp up the Independent Living than forecasted.**
- B. Healthcare including, Assisted Living and Memory Support had lower occupancy than forecasted due to construction.**
- C. Due to construction delays, the receipt of entrance fees for the new 42 unit apartment building were postponed and therefore entrance fee amortization is reduced.**
- D. Pennybyrn increased the amount of campaign funds to complete the project.**
- E. Investment earnings were less than forecasted.**
- F. The presentation and classification of Healthcare Household expenses, Administrative, Laundry & housekeeping, and Dietary expenses were treated differently in the forecast and the audited financial statements. The forecast included the entire amount of health insurance, while the audited financial statements allocated the costs at the departmental level.**
- G. Interest expense was decreased due to the capitalization of interest as the construction delays caused the project to continue.**
- H. Depreciation and amortization costs were below forecast due to differences in the actual placement of assets in service due to construction scheduling.**
- I. Restricted funds were released in order to continue the construction project.**
- J. Pennybyrn investments sustained unrealized gains during the fiscal year.**

**Maryfield, Inc. d.b.a. Pennybyrn at Maryfield**  
Comparison of Forecasted and Audited Statement of Cash Flows  
For the Fiscal Year Ending September 30, 2023  
(in thousands of dollars)

	Forecast	Actual		
	2023	2023	Variance	Notes
<b>Cash flows from operating activities:</b>				
Change in net assets	\$ 1,394	\$ 1,158	(236)	
Adjustments to reconcile change in net assets				
to net cash provided by (used in) operating activities:				
Depreciation	5,725	5,533 v	(192)	A
Amortization of original issue premium and debt issuance costs	(430)	(209) v	221	
Amortization of entrance fees	(2,856)	(2,572) v	284	
Increase restricted contributions long-term purposes	0	(2,058) v		
Realized and unrealized (gain) losses on investments (net)	0	(1,150) v		
Net change in beneficial interest in perpetual trust	0	(71) v		
(Decrease) increase in interest payable	(135)	(8) v	127	
Net change in current assets and liabilities	(122)	(3,088)	(2,966)	B
Entrance fees received - attrition	2,559	4,602 v	2,043	C
<b>Net cash provided by operating activities</b>	<b>6,135</b>	<b>2,137</b>	<b>(3,998)</b>	
<b>Cash flows from investing activities:</b>				
Purchase of property and equipment - Project	0	(5,807) v	(5,807)	D
Purchase of property and equipment - routine expenditures	(1,126)	(593) v	533	E
Interest cost capitalized during construction period	0	(1,760) v	(1,760)	F
(Increase) decrease in assets limited as to use	4,601		(4,601)	G
(Increase) decrease in assets limited as to use, current	(512)		512	G
(Increase) decrease in investments	(2,749)	2,013 v	4,762	H
(Increase) decrease in promises to give	96		(96)	I
<b>Net cash provided by (used in) investing activities</b>	<b>310</b>	<b>(6,147)</b>	<b>(6,457)</b>	
<b>Cash flows from financing activities:</b>				
Initial entrance fees received	1,790	8,624 v	6,834	J
Entrance fees received - attrition (refundable)	2,012	857	(1,155)	K
Entrance fees refunded	(2,024)	(573) v	1,451	L
Restricted cash contributions for long-term purposes	0	2,046 v	2,046	M
Lease payments	0	(87) v	(87)	
Principal payments Series 2015 Bonds	(2,440)	(2,565) v	(125)	N
Proceeds from loan	0	1,915	1,915	O
Principal payments Series 2020B Bonds	(5,435)	(6,065)	(630)	N
Original issue premium	0	-	-	
(Decrease) increase in resident deposits	(179)	-	179	P
<b>Net cash provided by (used in) financing activities</b>	<b>(6,276)</b>	<b>4,152 v</b>	<b>10,428</b>	
<b>Net increase in cash and cash equivalents</b>	<b>\$ 169</b>	<b>\$ 142</b>	<b>\$ (27)</b>	
<b>Beginning balance of cash and cash equivalents</b>	<b>3,733</b>	<b>20,325</b>	<b>16,592</b>	
<b>Ending balance of cash and cash equivalents</b>	<b>3,902</b>	<b>20,467 v</b>	<b>16,565</b>	

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**2023 Statement of Cash Flows**

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**Tickmarks on the Comparison of Forecasted and Audited Statement of Operations**

The Forecast used for this comparison is from the 2020 Bond offering documents

These notes provide explanation of variances over 10% and \$100,000.

- A. Depreciation and amortization costs were below forecast due to differences in the actual placement of assets in service due to construction scheduling.
- B. Primary reason for the significant change in current assets and liabilities is the increase in current liabilities at year end for the construction retainage due on the project.
- C. Due to construction delays, the receipt of entrance fees for the new 42 unit apartment
- D. Property and equipment for project capitalized.
- E. Routine expenditures for the year were done as per budgeted.
- F. Interest expense capitalization was increased due to the construction delays caused the project to continue.
- G. Additional restricted contributions were received and Pennybyrn designated additional funds for construction.
- H. Investments increased more than forecast due market fluctuation
- I. Contributions received are allocated to restricted funds for construction.
- J. Due to construction delays, the receipt of entrance fees for the new 42 unit apartment
- K. During the fiscal year the majority of entrance fees received were non-refundable.
- L. Due to the rate of attrition during the fiscal year less refunds were required.
- M. Pennybyrn increased the amount of campaign funds to complete the project.
- N. The Principal payment in the forecast is the amount paid in FY2022.
- O. Loan Proceeds to provide funds to pay the costs of certain improvements.
- P. Changes in resident deposits are reflected in entrance fees received and paid above.

**Maryfield, Inc. d.b.a. Pennybyrn at Maryfield**  
Comparison of Forecasted and Audited Statement of Financial Position  
For the Fiscal Year Ending September 30, 2023  
(in thousands of dollars)

	Forecast	Actual		
	2023	2023	Variance	Notes
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 3,902	\$ 2,843 v	\$ (1,059)	A
Assets limited as to use, current - Series 2015 Bonds	3,785	3,774 v	(11)	
Assets limited as to use, current - Series 2020A Bonds	943	495 v	(448)	
Accounts receivable, residents	1,559	2,703 v	1,144	B
Accounts receivables, other	346	490 v	144	
Prepaid expenses	479	268 v	(211)	
Promises to give	-	638 v	638	C
<b>Total current assets</b>	<b>11,014</b>	<b>\$ 11,211</b>	<b>\$ 197</b>	
Investments	14,860	7,344 v	(7,516)	D
Rinancing lease right of use asset	-	356	356	
Assets limited as to use:				
Trustee-held investments	8,856	12,634 v	3,778	D
Entrance Fee Fund	-	-	0	
Fundraising capital campaign - Transitional Rehabilitation Cent	-	-	0	
Statutory operating reserve	6,247	6,369 v	122	
Beneficial interest in perpetual trust, restricted	2,100	2,003 v	(97)	
Resident deposits	-	0	0	
<b>Total assets limited as to use</b>	<b>17,203</b>	<b>21,006</b>	<b>3,803</b>	
Property and equipment	181,445	193,829 v	12,384	E
less accumulated depreciation	(67,315)	(65,965) v	1,350	
<b>Total property and equipment, net</b>	<b>114,130</b>	<b>127,864</b>	<b>13,734</b>	
Promises to give, net		547 v	547	C
<b>Total assets</b>	<b>\$ 157,207</b>	<b>\$ 168,328</b>	<b>\$ 11,121</b>	

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**2023 Statement of Financial Position - Assets**

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**Tickmarks on the Comparison of Forecasted and Audited Statement of Operations  
The Forecast used for this comparison is from the 2020 Bond offering documents  
These notes provide explanation of variances over 10% and \$100,000.**

- A. Less cash received from operations due to construction.**
- B. Residents in Skilled Nursing increased payment time and improved collections.**
- C. Additional contributions were pledged during the fiscal year.**
- D. Funds continue to be allocated to completion of the construction project.**
- E. Property and equipment are higher than forecast due to completion of Phase 1, 2, and 3.  
of construction.**

**Maryfield, Inc. d.b.a. Pennybyrn at Maryfield**  
Comparison of Forecasted and Audited Statement of Financial Position  
For the Fiscal Year Ending September 30, 2023  
(in thousands of dollars)

	Forecast	Actual		
	2023	2023	Variance	Notes
<b>Liabilities and Net Assets</b>				
Current liabilities:				
Accounts payable	\$ 1,095	1,946 v	851	
Accrued expenses	821	1,287 v	466	
Interest payable	2,173	1,704 v	(469)	A
Current portion of long term debt - Series 2015 Bonds	2,565	2,565 v	0	
Current portion of long term debt - Series 2020 Bonds	0	3,935 v	3,935	
Refundable deposits	743	2,071 v	1,328	
<b>Total current liabilities</b>	<b>7,397</b>	<b>13,508</b>	<b>6,111</b>	
Long-term debt				
Long-term debt, net of current portion	85,495	87,148 v	1,653	
Unamortized debt issuance costs	(1,465)	(1,635) v	(170)	B
Original issue premium	3,849	4,384 v	535	
<b>Long-term debt, net</b>	<b>87,879</b>	<b>89,897</b>	<b>2,018</b>	
Deferred revenue from entrance fees, net	28,833	14,784 v	(14,049)	C
Refundable entrance fees	12,813	24,856 v	12,043	
Other liability		320 v	320	
<b>Total liabilities</b>	<b>136,922</b>	<b>143,365</b>	<b>6,443</b>	
Net assets:				
With donor restrictions	3,172	19,565 v	16,393	
Without donor restrictions	17,113	5,398 v	(11,715)	D
<b>Total net assets</b>	<b>20,285</b>	<b>24,963</b>	<b>4,678</b>	
<b>Total liabilities and net assets</b>	<b>\$ 157,207</b>	<b>168,328</b>	<b>11,121</b>	

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**2023 Statement of Financial Position - Liabilities and Net Assets**

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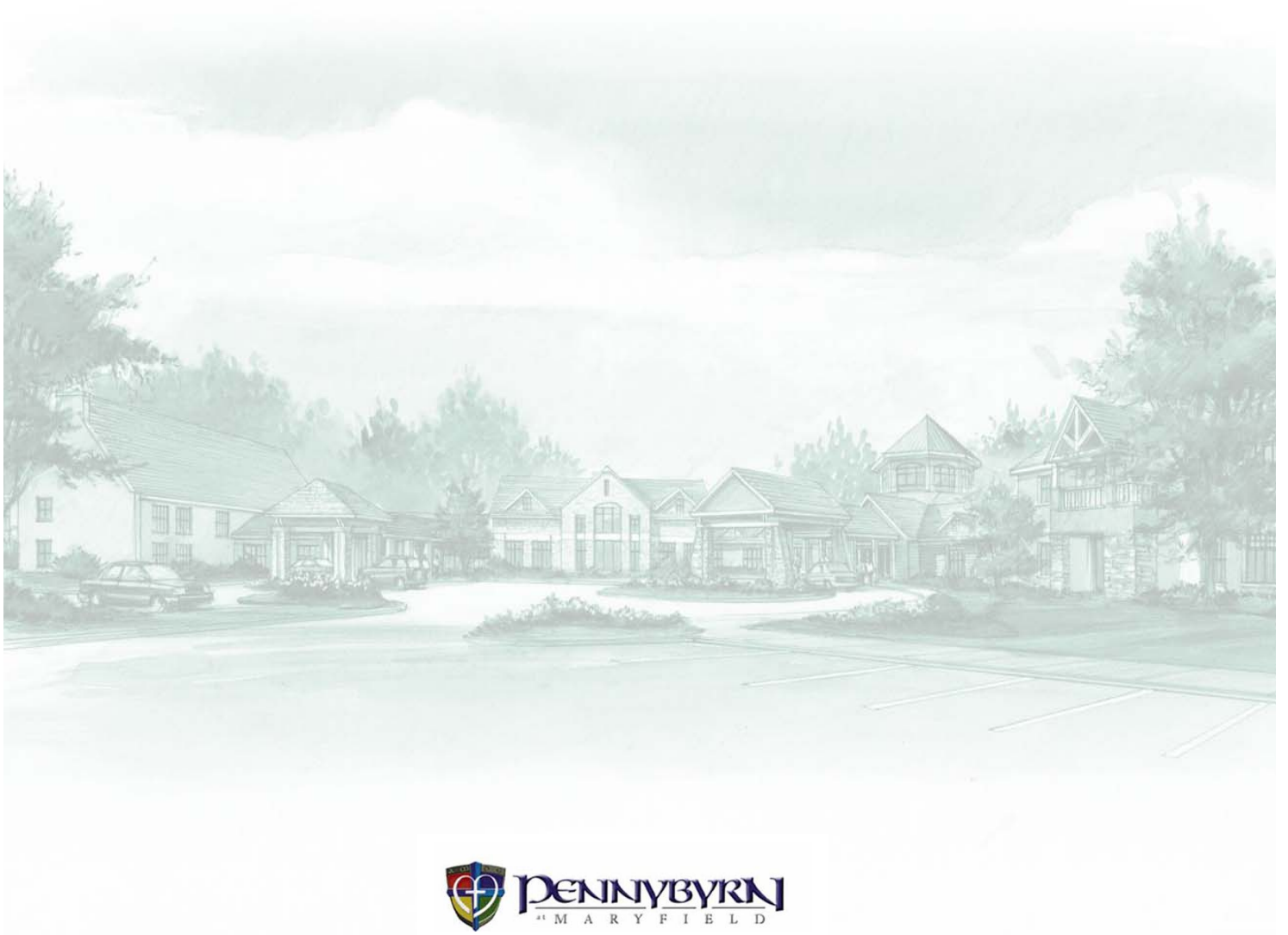
**Tickmarks on the Comparison of Forecasted and Audited Statement of Operations**  
**The Forecast used for this comparison is from the 2020 Bond offering documents**  
**These notes provide explanation of variances over 10% and \$100,000.**

- A. Forecast included higher interest costs & accruals due to earlier construction**
- B. Total debt issuance costs were amortized less than forecasted.**
- C. Due to construction delays, the receipt of entrance fees for the new 42 unit apartment building were postponed and therefore the amounts of entrance fees varied from forecast.**
- D. The forecast over estimated the net assets with restrictions and under estimated the without donor restriction - the overall total of net assets are above the forecast.**



# Exhibit "G"

## Interim Financial Statement



**MARYFIELD, INC.**  
**CONSOLIDATED BALANCE SHEET (unaudited)**  
**As of December 31, 2023**

<b>ASSETS</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 2,130,692	688,553	\$ 2,819,245
Investments	4,994,601	-	4,994,601
Assets Limited as to Use, Current	579,696	-	579,696
Accounts receivable, patients (net)	2,914,591	-	2,914,591
Accounts receivable, other	54,677	-	54,677
Unconditional promises to give, net	-	951,988	951,988
Prepaid expenses	224,742.00	-	224,742.00
TOTAL CURRENT ASSETS	<u>10,898,999</u>	<u>1,640,541</u>	<u>12,539,540</u>
<b>PROPERTY AND EQUIPMENT, at cost</b>			
Land	6,550,720	-	6,550,720
Buildings and land improvements	153,359,268	-	153,359,268
Furniture and equipment	22,063,505	-	22,063,505
	<u>181,973,493</u>	<u>-</u>	<u>181,973,493</u>
Accumulated depreciation	(67,501,502)	-	(67,501,502)
	<u>114,471,991</u>	<u>-</u>	<u>114,471,991</u>
<b>ASSETS LIMITED AS TO USE</b>			
Trustee held funds	11,056,013	-	11,056,013
Statutory Operating Reserves - Investments	6,394,000	-	6,394,000
Less: Assets Limited as to Use, Current	(579,696)	-	(579,696)
	<u>16,870,317</u>	<u>-</u>	<u>16,870,317</u>
Construction in Progress	13,925,389	-	13,925,389
	<u>-</u>	<u>-</u>	<u>-</u>
<b>ASSETS HELD IN PERPETUITY</b>			
Beneficial interest in perpetual trust	-	2,773,383	2,773,383
Investments	-	2,144,585	2,144,585
Accrued interest	-	-	-
	<u>-</u>	<u>4,917,968</u>	<u>4,917,968</u>
	<u>\$ 156,166,696</u>	<u>\$ 6,558,509</u>	<u>\$ 162,725,205</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Line of Credit	-	-	-
Accounts payable	1,350,900	-	1,350,900
Accrued expenses	1,760,196	-	1,760,196
Current portion of bonds payable	2,565,000	-	2,565,000
Bond interest payable	4,387,150	-	4,387,150
TOTAL CURRENT LIABILITIES	<u>10,063,246</u>	<u>-</u>	<u>10,063,246</u>
<b>OTHER LIABILITIES</b>			
Series 2005 and 20200 Bonds	81,519,862	-	81,519,862
Note/Equipment Payable	2,511,865	-	2,511,865
Deferred revenue from advance fees and Deposits	41,882,807	-	41,882,807
TOTAL LIABILITIES	<u>135,977,780</u>	<u>-</u>	<u>135,977,780</u>
<b>NET ASSETS</b>	<u>20,188,916</u>	<u>6,558,509</u>	<u>26,747,425</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 156,166,696</u>	<u>\$ 6,558,509</u>	<u>\$ 162,725,205</u>

**MARYFIELD, INC.**  
**CONSOLIDATED BALANCE SHEET (unaudited)**  
As of December 31,

<b>ASSETS</b>	<b>2024</b>	<b>2023</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,819,245	\$ 4,657,236
Investments	4,994,601	\$ 5,882,576
Assets Limited as to Use, Current	579,696	581,087
Accounts receivable, residents	2,914,591	\$ 2,292,557
Accounts receivable, other	54,677	\$ 31,236
Unconditional promises to give, net	951,988	1,110,288
Prepaid expenses	224,742	248,115
TOTAL CURRENT ASSETS	<u>12,539,540</u>	<u>14,803,095</u>
<b>PROPERTY AND EQUIPMENT, at cost</b>		
Land	6,550,720	5,547,498
Buildings and land improvements	153,359,268	116,570,820
Furniture and equipment	22,063,505	16,145,030
	<u>181,973,493</u>	<u>138,263,348</u>
Accumulated depreciation	(67,501,502)	(61,641,703)
	<u>114,471,991</u>	<u>76,621,645</u>
<b>ASSETS LIMITED AS TO USE</b>		
Trustee held funds	11,056,013	16,882,572
Statutory Operating Reserves - Investments	6,394,000	6,394,000
Less: Assets Limited as to Use, Current	(579,696)	(581,087)
	<u>16,870,317</u>	<u>22,695,485</u>
Construction in Progress	13,925,389	48,555,941
<b>ASSETS HELD IN PERPETUITY</b>		
Beneficial interest in perpetual trust	2,773,383	2,405,773
Investments	2,144,585	1,990,722
	<u>4,917,968</u>	<u>4,396,495</u>
Total Assets	<u>\$ 162,725,205</u>	<u>\$ 167,072,661</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of Credit	-	-
Accounts payable	1,350,900	705,052
Accrued expenses	1,760,196	2,489,514
Current portion of bonds payable	2,565,000	2,440,000
Bond interest payable	4,387,150	4,147,792
TOTAL CURRENT LIABILITIES	<u>10,063,246</u>	<u>9,782,358</u>
<b>OTHER LIABILITIES</b>		
Series 2005 and 2020 Bonds	81,519,862	94,231,421
Equipment Note Payable	2,511,865	452,081
Deferred revenue from advance fees and Deposits	41,882,807	37,832,075
TOTAL LIABILITIES	<u>135,977,780</u>	<u>142,297,935</u>
<b>NET ASSETS</b>	<u>26,747,425</u>	<u>24,774,726</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 162,725,205</u>	<u>\$ 167,072,661</u>

**MARYFIELD, INC.**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (unaudited)**  
**For the the three Month Period Ending December 31, 2023 and 2022**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>UNRESTRICTED NET ASSETS</b>		
Revenue, gains and other support		
Net patient service revenue	\$ 3,515,375	\$ 3,396,702
Independent living revenue, including amortization of advance fees \$847,728 & \$674,443, respectively	3,993,139	3,353,066
Assisted living revenue, including amortization of advance fees of \$20,575 & \$11,961, respectively	1,094,036	936,125
Contributions	819,856	549,691
Investment income	265,323	360,632
Miscellaneous income	<u>86,377</u>	<u>68,423</u>
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>9,774,106</u>	<u>8,664,639</u>
Expenses		
Healthcare Services	2,800,616	2,579,864
Dietary	929,254	871,957
Laundry and housekeeping	214,425	196,757
Plant Operation	918,986	893,033
Administrative	1,801,871	1,508,356
Development and marketing	191,719	304,553
Depreciation	1,560,978	1,116,456
Interest	1,022,231	592,126
TOTAL EXPENSES	<u>9,440,080</u>	<u>8,063,102</u>
OPERATING (LOSS) INCOME	<u>\$ 334,026</u>	<u>\$ 601,537</u>
Change in Unrealized Gains	<u>1,130,404</u>	<u>501,548</u>
	<u>\$ 1,464,430</u>	<u>\$ 1,103,085</u>

**MARYFIELD, INC.**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (unaudited) (Continued)**  
**For the the three Month Period Ending December 30, 2023 and 2022**

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	<b>December 31, 2023</b>
<b>UNRESTRICTED NET ASSETS</b>	
Revenue in excess of expenses	\$ 334,026
Adjustment for new accounting standard implementation	-
Assets released from restriction-endowment income	-
Assets released from restriction-capital items	890,711
Contribution of long lived asset	-
New Pledges promised	-
Net unrealized gains (losses) on investments	753,847
	1,978,584
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<b>1,978,584</b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	
Adjustment for new accounting standard implementation	-
Contributions	75,154
New Pledges promised	103,060
Net unrealized and realized gains (losses) on investments	376,557
Assets released from restriction-capital items	(890,711)
	(335,940)
<b>INCREASE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<b>(335,940)</b>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>	
Adjustment for new accounting standard implementation	-
Net unrealized and realized gains (losses) on investments	-
Net appreciation (depreciation) in beneficial interest in perpetual trust	142,042
	142,042
<b>INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS</b>	<b>142,042</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>1,784,686</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>24,962,739</b>
<b>NET ASSETS, END OF PERIOD</b>	<b>\$ 26,747,425</b>

**MARYFIELD, INC.**  
**STATEMENT OF CASH FLOWS (unaudited)**  
**For the the three Month Period Ending December 31, 2023**

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Increase (Decrease) in net assets	\$ 1,784,686
Adjustments to reconcile increase ( decrease) in net assets to net cash provided by operating activities:	
Depreciation	1,560,978
Realized and unrealized gains on investments	1,130,404
Cash collected (Pledged) on unrestricted pledges	233,190
Turnover advance fees received	787,925
Initial advance Entrance fees received	597,100
Assisted Living advanced fees received	0
Amortization of advance fees	868,303
Change in assets and liabilities	
(Increase)/Decrease in accounts receivable, patients	107,361
(Increase)/Decrease in accounts receivable, other	73,223
(Increase)/Decrease in prepaid expenses	86,569
Increase/(Decrease) in accounts payable	(205,837)
Increase/(Decrease) in refundable deposits	
Increase/(Decrease) in accrued interest payable	(2,683,041)
Increase/(Decrease) in accrued expenses	(483,210)
Net depreciation in beneficial interest in perpetual trust	0
Net Cash Provided by Operating Activities	<u>3,857,651</u>
<b>Cash Flows From Investing Activities</b>	
Purchase of property and equipment	(2,793,220)
Sale (Purchase) of investments, net	590,866
Capitalized construction	804,802
Trustee held funds	5,846,718
Net Cash Used by Investing Activities	<u>4,449,166</u>
<b>Cash Flows From Financing Activities</b>	
Bond Issuance net of repayment	(8,250,555)
Net amortization of bond premium/discount	(79,895)
Net Cash Used by Financing Activities	<u>(8,330,450)</u>
Net Increase in Cash and Cash Equivalents	(23,633)
Cash and Cash Equivalents , Beginning	<u>2,842,878</u>
Cash and Cash Equivalents , Ending	<u><u>\$ 2,819,245</u></u>