

DRAFT – RESTRICTED DISTRIBUTION

Table 4.1 with 60 days AL for Modified Contracts

Fountaingate Gardens Valuation Actuarial Valuation Statement
As of June 30, 2022
Survivorship Probabilities Projection Methodology

	Current Valuation
(1) NET ASSETS:	
Current Assets	\$ 17,122,783
Other Assets	5,139,432
Actuarial Present Value of Net Fixed Assets ..	120,636,159
Current Liabilities	(726,873)
Other Liabilities	0
Actuarial Present Value of Long-Term Debt	(37,350,518)

Subtotal	\$ 104,820,982
(2) ACTUARIAL LIABILITIES:	
PV INDEPENDENT LIVING Operating Expenses	\$ 72,124,230
PV ASSISTED LIVING Operating Expenses	12,734,708
PV NURSING CARE Operating Expenses	29,287,294
PV INDEPENDENT LIVING Capital Expenses	56,442,644
PV ASSISTED LIVING Capital Expenses	0
PV NURSING CARE Capital Expenses	0

Subtotal	\$ 170,588,876
(3) ACTUARIAL ASSETS:	
PV of Monthly Revenues	\$ 115,774,731
PV of Monthly Revenue Deductions	0

Subtotal.....	\$ 115,774,731
(4) EXCESS OF ACTUARIAL LIABILITIES OVER ACTUARIAL ASSETS {(2) - (3)}:.....	\$ 54,814,145
(5) ACTUARIAL REFUND LIABILITY:	\$ 44,167,592
(6) ACTUARIAL SURPLUS (DEFICIT) {(1) - (4) - (5)}:	\$ 5,839,245
(7) FUNDED STATUS {1.0 + [(6) + [(2) + (5)]]}:	102.7%
(8) ACTUARIAL RATIO {(3) + (2)}:	67.9%
(9) LIQUID RESERVE RATIO {Liquid assets + (4)+(5)}:	22.2%

KEY ASSUMPTIONS:	CURRENT YEAR	VARYING OCCUPANCY	CONSTANT OCCUPANCY
	2023	No Years	2024 to 2083
Monthly fee inflation	0%	N.A.	3.5%
Per diem inflation	0%	N.A.	3.5%
Other revenue inflation	7.3%	N.A.	2.4 to 3.5%
Operating expense inflation	4%	N.A.	3.5 to 5%
Capital expenditure inflation	10%	N.A.	3.1 to 75.8%
Cost of capital interest rate	5%	N.A.	5%
Interest discount rate	5%	N.A.	5%
Independent Living Occupancy	93.8%	N.A.	93.8%
Assisted Living Occupancy	0%	N.A.	0%
Nursing Care Occupancy	0%	N.A.	0%

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Table 5.1 with 60 days AL for Modified Contracts

Analysis of New Entrant Fees
for Contract Type 10 (80% REFUNDABLE MODIFIED)
Entrants to Fountaingate Gardens Pricing

SINGLE ENTRANTS *	Single Entry Fee	Single Monthly Fee	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
101 ONE BEDROOM SMALL	648,646	3,825	362,198	654,680	591,329	10.7 %
102 ONE BEDROOM LARGE	654,386	3,825	362,198	657,268	592,829	10.9
103 ONE BR DEN SMALL	743,934	4,302	407,366	742,815	640,087	16.0
104 ONE BR DEN MEDIUM	824,297	4,690	444,106	815,792	672,342	21.3
105 ONE BR DEN LARGE	914,993	5,034	476,681	889,263	721,100	23.3
106 TWO BEDROOM SMALL	811,669	4,690	444,106	810,098	678,718	19.4
107 TWO BEDROOM LARGE	854,146	4,989	472,420	857,565	704,597	21.7
108 TWO BEDROOM DEN SMAL	945,990	5,411	512,380	938,939	762,357	23.2
109 TWO BEDROOM DEN LARG	978,135	5,632	533,307	974,360	788,611	23.6
110 VILLA ONE BR	830,037	4,590	434,637	808,911	651,339	24.2
111 VILLA ONE BR DEN	885,144	4,801	454,618	853,740	681,343	25.3
112 VILLA TWO BR SMALL	965,507	5,455	516,546	951,905	741,728	28.3
113 VILLA TWO BR MEDIUM	1,065,387	5,909	559,536	1,039,932	788,236	31.9
114 VILLA TWO BR LARGE	1,103,272	5,954	563,798	1,061,277	808,489	31.3
115 VILLA TWO BR DEN	1,117,049	6,242	591,069	1,094,761	865,498	26.5
WEIGHTED SINGLE:	800,760	4,564	432,150	793,223	664,419	19.4 %
COUPLED ENTRANTS *	Both Entry Fees	Both Monthly Fees	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
103 ONE BR DEN SMALL	773,783	5,244	561,565	948,145	917,633	3.3 %
104 ONE BR DEN MEDIUM	854,146	5,632	607,328	1,034,057	957,920	7.9
105 ONE BR DEN LARGE	944,842	5,976	647,901	1,119,942	1,018,820	9.9
106 TWO BEDROOM SMALL	841,518	5,632	607,328	1,027,748	965,884	6.4
107 TWO BEDROOM LARGE	883,995	5,931	642,593	1,084,236	998,207	8.6
108 TWO BEDROOM DEN SMAL	975,839	6,353	692,367	1,179,894	1,070,350	10.2
109 TWO BEDROOM DEN LARG	1,007,984	6,574	718,433	1,222,019	1,103,142	10.8
110 VILLA ONE BR	859,886	5,532	595,533	1,025,131	931,687	10.0
111 VILLA ONE BR DEN	914,993	5,743	620,420	1,077,549	969,163	11.2
112 VILLA TWO BR SMALL	995,356	6,397	697,556	1,194,834	1,044,585	14.4
113 VILLA TWO BR MEDIUM	1,095,236	6,851	751,104	1,298,282	1,102,673	17.7
114 VILLA TWO BR LARGE	1,133,121	6,896	756,412	1,322,517	1,127,970	17.2
115 VILLA TWO BR DEN	1,146,538	7,184	790,379	1,363,187	1,199,175	13.7
WEIGHTED COUPLE:	1,012,687	6,454	704,326	1,210,263	1,070,559	13.0 %
TYPICAL ENTRANT:	910,770	5,545	573,210	1,009,480	875,254	15.3 %

KEY ASSUMPTIONS:	CURRENT YEAR 2023	VARYING OCCUPANCY No Years	CONSTANT OCCUPANCY 2024 to 2083
Monthly fee inflation	0%	N.A.	3.5%
Perdiem inflation	0%	N.A.	3.5%
Other revenue inflation	7.3%	N.A.	2.4 to 3.5%
Operating expense inflation	4%	N.A.	3.5 to 5%
Capital expenditure inflation	10%	N.A.	3.1 to 75.8%
Cost of capital interest rate	5%	N.A.	5%
Interest discount rate	5%	N.A.	5%

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Table 5.2 with 60 days AL for Modified Contracts

Analysis of New Entrant Fees
for Contract Type 11 (50% REFUNDABLE MODIFIED)
Entrants to Fountaingate Gardens Pricing

SINGLE ENTRANTS *	Single Entry Fee	Single Monthly Fee	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
101 ONE BEDROOM SMALL	486,485	3,825	362,198	674,015	591,329	14.0 %
102 ONE BEDROOM LARGE	490,790	3,825	362,198	676,774	592,829	14.2
103 ONE BR DEN SMALL	557,951	4,302	407,366	764,990	640,087	19.5
104 ONE BR DEN MEDIUM	618,223	4,690	444,106	840,363	672,342	25.0
105 ONE BR DEN LARGE	686,245	5,034	476,681	916,536	721,100	27.1
106 TWO BEDROOM SMALL	608,752	4,690	444,106	834,292	678,718	22.9
107 TWO BEDROOM LARGE	640,610	4,989	472,420	883,025	704,597	25.3
108 TWO BEDROOM DEN SMAL	709,493	5,411	512,380	967,137	762,357	26.9
109 TWO BEDROOM DEN LARG	733,602	5,632	533,307	1,003,517	788,611	27.3
110 VILLA ONE BR	622,528	4,590	434,637	833,653	651,339	28.0
111 VILLA ONE BR DEN	663,858	4,801	454,618	880,124	681,343	29.2
112 VILLA TWO BR SMALL	724,130	5,455	516,546	980,684	741,728	32.2
113 VILLA TWO BR MEDIUM	799,040	5,909	559,536	1,071,689	788,236	36.0
114 VILLA TWO BR LARGE	827,454	5,954	563,798	1,094,163	808,489	35.3
115 VILLA TWO BR DEN	837,787	6,242	591,069	1,128,057	865,498	30.3
WEIGHTED SINGLE:	600,571	4,564	432,150	817,092	664,419	23.0 %
COUPLED ENTRANTS *	Both Entry Fees	Both Monthly Fees	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
103 ONE BR DEN SMALL	580,912	5,244	561,565	958,680	917,633	4.5 %
104 ONE BR DEN MEDIUM	641,184	5,632	607,328	1,045,645	957,920	9.2
105 ONE BR DEN LARGE	709,206	5,976	647,901	1,132,719	1,018,820	11.2
106 TWO BEDROOM SMALL	631,713	5,632	607,328	1,039,171	965,884	7.6
107 TWO BEDROOM LARGE	663,571	5,931	642,593	1,096,215	998,207	9.8
108 TWO BEDROOM DEN SMAL	732,454	6,353	692,367	1,193,077	1,070,350	11.5
109 TWO BEDROOM DEN LARG	756,563	6,574	718,433	1,235,624	1,103,142	12.0
110 VILLA ONE BR	645,489	5,532	595,533	1,036,794	931,687	11.3
111 VILLA ONE BR DEN	686,819	5,743	620,420	1,089,934	969,163	12.5
112 VILLA TWO BR SMALL	747,091	6,397	697,556	1,208,273	1,044,585	15.7
113 VILLA TWO BR MEDIUM	822,001	6,851	751,104	1,313,029	1,102,673	19.1
114 VILLA TWO BR LARGE	850,415	6,896	756,412	1,337,761	1,127,970	18.6
115 VILLA TWO BR DEN	860,748	7,184	790,379	1,378,792	1,199,175	15.0
WEIGHTED COUPLE:	760,118	6,454	704,326	1,223,948	1,070,559	14.3 %
TYPICAL ENTRANT:	683,390	5,545	573,210	1,028,063	875,254	17.5 %

KEY ASSUMPTIONS:	CURRENT YEAR 2023	VARYING OCCUPANCY No Years	CONSTANT OCCUPANCY 2024 to 2083
Monthly fee inflation	0%	N.A.	3.5%
Perdiem inflation	0%	N.A.	3.5%
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Table 7.2 with 60 days AL for Modified Contracts

Prospective Reserve for Fountaingate Gardens (Dollars in Thousands)

	As of June 30	2022
PRESENT VALUE OF BENEFITS		
PV Independent Living Operating Expenses		72,124
PV Enriched Housing Operating Expenses		12,735
PV Nursing Care Operating Expenses		29,287
PV Depreciation		20,874
PV Mortgage Interest		11,998
PV Imputed Interest		28,632
TOTAL PRESENT VALUE OF BENEFITS		175,650
PRESENT VALUE OF EF REFUNDS		44,168
PRESENT VALUE OF MONTHLY FEES		
PV Independent Living Monthly Fees		97,205
PV Enriched Housing Monthly Fees		10,227
PV Nursing Care Monthly Fees		8,343
TOTAL PRESENT VALUE OF MONTHLY FEES		115,775
PROSPECTIVE RESERVE LIABILITY		104,042
(PV Benefits + PV Refunds - PV Monthly Fees)		

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**Balance Sheet Projection for Fountaingate Gardens
(Dollars in Thousands)**

	Fiscal Year Ending in:	2022
ASSETS:		
Short term investments		6,908
Long term investments		15,063
Accounts receivable		149
Prepaid expenses and other		142
Total current assets		22,262
Land		0
Building		109,722
Long term debt		(32,400)
Furniture and equipment		3,007
Less: accumulated depreciation		(4,336)
Total fixed assets-lt debt		75,994
Deferred marketing		5,195
Deferred financing costs ST		192
Deferred financing costs LT		2,803
Total other assets		8,190
TOTAL ASSETS:		106,446
RESERVE LIABILITIES:		
Retrospective Reserve		
End of Year Retrospective Reserve		103,733
Prepayment of expenses		142
Total Retrospective Reserve		103,875
Prospective Reserve		
End of Year Prospective Reserve		104,042
Accounts payable and accrued expense		727
Due to affiliated entity		0
Refundable entry fees		0
Total Prospective Reserve		104,769
Minimum Liquid Reserve		6,908
TOTAL RESERVE LIABILITIES:		104,769
		(greater of Prospective and Retrospective)
NET SURPLUS (Assets minus Liabilities)		1,677