Disclosure Statement

Brice Pointe

A division of Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore

Landscape Drive, New Bern, NC 28562

Date of Disclosure Statement: 09/30/2025

Last Date for Delivery: 03/09/2027

- **This Disclosure Statement must be delivered to a contracting party before the execution of a binding reservation agreement, continuing care contract, or continuing care at home contract.**
- **This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure the accuracy of the information provided.**
- **This Disclosure Statement has been filed with, and recorded by, the North Carolina Department of Insurance in accordance with Article 64A of Chapter 58 of the North Carolina General Statutes ("Article 64A").**
- **This Disclosure Statement contains all information required by Article 64A and is correct in all material respects. Knowingly delivering a disclosure statement that contains an untrue statement or omits a material fact may subject ThriveMore to penalties under Article 64A.**

Financial Snapshot: Key Ratios for Baptist Retirement Homes of North Carolina dba ThriveMore

Table FS-1. Financial Snapshot – Key Ratios

Consolidated Ratios for Fiscal Year Ended September 30, 2025, with comparative historical and prospective periods

Ratio	FY-2	FY-1	FY2025	*FY+1*	*FY+2*	*FY+3*	NC 25th %[1]	NC 50th%[1]	NC 75th %[1]
DCOH	471.21	509.74	475.24	*525.00*	*535.00*	*550.00*	—	—	—
CUSH	20.20	17.03	18.06	*18.00*	*19.00*	*18.00*	—	—	—
OR	111.87%	112.38%	116.30%	*110.00%*	*108.00%*	*103.00%*	—	—	—
NOM	-15.77%	-10.42%	-15.40%	*2.03%*	*5.00%*	*7.00%*	—	—	—
NOM-A	3.83%	10.49%	1.52%	*41.19%*	*19.75%*	*20.00%*	—	—	—
DSCR	N/A	2.47	1.36	*1.60*	*1.75*	*1.85*	—	—	—
CD	202.05%	108.36%	62.56%	*41.00%*	*62.00%*	*70.00%*	—	—	—
CED	26.89%	478.89%	520.11%	*520.00%*	*450.00%*	*350.00%*	—	—	—

***Taylor Glen IL Expansion and Childcare Center open in FY 2026*

Liquidity Ratios:

- **Days Cash On Hand (DCOH)**. Number of days the provider could pay its normal cash operating expenses using unrestricted cash and investments. More days generally means stronger liquidity.
- **Cushion Ratio (CUSH)**. Number of times the provider's unrestricted cash and investments could cover one year of debt service. Higher values mean more resources to pay debt service.

Profitability Ratios:

- **Operating Ratio (OR)**. Compares current operating expenses (excluding depreciation and amortization) to current operating revenues (excluding entrance fee amortization). Lower percentages mean operating revenues are more easily covering cash operating expenses.
- **Net Operating Margin (NOM)**. Shows the result from core resident services. Higher values mean a stronger operating result from resident services.
- **Adjusted Net Operating Margin (NOM-A)**. Shows the operating result after also counting net entrance fee cash received during the year. Higher values mean the result is improved when net entrance fee cash is included.

Capital Structure Ratios:

- **Debt Service Coverage (DSCR)**. Measures the provider's ability to pay annual debt service from operations and net entrance fee cash. Higher values indicate greater ability to pay debt service.
- **Unrestricted Cash & Investments to Long-Term Debt (CD)**. Compares unrestricted cash and investments to long-term debt. Higher values indicate more unrestricted cash and investments relative to debt.
- **Capital Expenditures to Depreciation (CED)**. Compares what the provider is spending on capital improvements to the amount its assets are wearing out. Values at or above 1.0x usually mean the provider is reinvesting enough to keep up.

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1. Provider Identification

Legal Responsibility for Continuing Care

Brice Pointe is the entity that will enter into continuing care contracts with residents and is legally responsible for providing continuing care and performing all obligations under those contracts. No other person or entity is responsible for providing continuing care to residents except as expressly disclosed in this Disclosure Statement.

Doing Business As (DBA)

Brice Pointe conducts business under the name "Brice Pointe." Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore remains legally responsible for providing continuing care and performing all obligations under continuing care contracts.

Item	Information
Legal Provider Name:	Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore
Doing Business As (DBA):	Brice Pointe
Business Address:	Sales Office: 305 W. Thurman Road, New Bern, NC 28562
Telephone Number:	(252) 497-7070
Legal Entity Type:	Nonprofit corporation organized under the laws of North Carolina
For-Profit/Nonprofit Status:	Nonprofit
Federal Tax Status:	Tax-exempt under Section 501(c)(3) of the Internal Revenue Code
Ownership Type:	Privately owned and controlled nonprofit organization. The provider is not part of any publicly held or publicly traded corporate system.
Tax Filing Status:	Current on all required federal and state tax filings
Ownership / Control:	Baptist Retirement Homes of North Carolina Incorporated dba ThriveMore

2. Organizational Structure

2.1 Multi-Entity Organization Status

Brice Pointe is part of a multi-entity organization and is a location/business unit of Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore ("ThriveMore"), a North Carolina nonprofit corporation that serves as the controlling organization.

2.2 Consolidation of Financial Statements

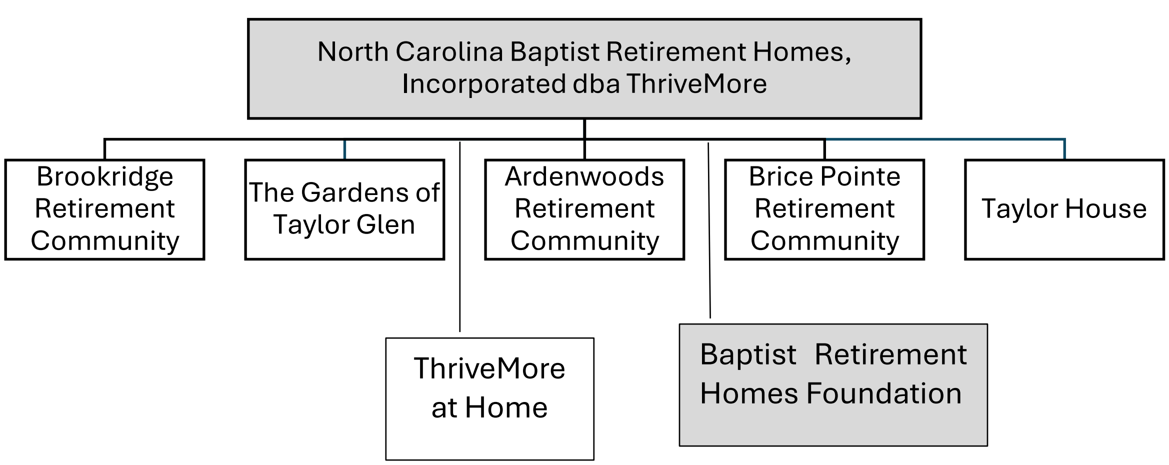
Audited financial statements are prepared on a consolidated basis with Brice Pointe and all entities of the organization. Consolidating schedules within the audit present the financial position and results of operations of each entity individually.

2.3 Controlling Organization

Item	Information
Name:	Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore
Business Address:	PO Box 11024, Winston-Salem, NC 27116
Telephone Number:	(336) 725-0300

2.4 Company Structure Chart

The organizational structure of ThriveMore is as follows – shaded boxes are separate legal entities and white boxes are business units.



Accessible Text Equivalent:

- **Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore** (parent and controlling company; nonprofit corporation)
    - **Brookridge Retirement Community** - provider of continuing care contracts; operator of Continuing Care Retirement Community (Winston-Salem, NC)
    - **The Gardens of Taylor Glen** - provider of continuing care contracts; operator of Continuing Care Retirement Community (Concord, NC)
    - **Ardenwoods Retirement Community** – provider of continuing care contracts; operator of Continuing Care Retirement Community (Arden, NC)
    - **Taylor House** - nonprofit provider of assisted living (Albemarle, NC)
    - **ThriveMore at Home** – provider of continuing care at home contracts; operator of continuing care at home contracts
    - **Baptist Retirement Homes Foundation** – a nonprofit supporting organization managing benevolent and endowment funds
    - **Brice Pointe** – under development (New Bern, NC)

3. Key Persons and Management Personnel

3.1 Senior Officers of ThriveMore

Name / Role	Education	Experience	Length of Service
Reed VanderSlik – President and Chief Executive Officer	CMA from The Institute of Management Accountants; MBA from Grand Valley State University	20 + years in senior-living	6+ years (since 09/16/2019); serves as President and Chief Executive Officer of ThriveMore
Michael Brady – Chief Financial Officer	BA in Administration from St. Bonaventure University; CPA	25+ years in the non-profit, healthcare industry	2+ years (since 02/12/2024); serves as Chief Financial Officer of ThriveMore

Name / Role	Education	Experience	Length of Service
Jessica McCollum – Chief Operating Officer	Master's degree in Healthcare Administration from American Intercontinental University	14+ years experience in the healthcare industry	6+ years (since 06/01/2020); serves as Chief Operations Officer; served as Administrator at Brookridge beginning in August 2019
Jennifer Bartscht – Chief Marketing Officer	Bachelor of Science degree from Michigan State University; Master's degree from University of Toledo	25+ years of sales and marketing experience in the senior living industry	5+ years (since 02/08/2021); serves as Chief Marketing Officer
Allison Vessels – Chief Human Resources Officer	B.S. in Psychology from Presbyterian College; and both a Master's and Doctorate in Human Resources Development from Clemson University	30+ years of progressive HR experience and maintains SHRM-SCP and SPHR certifications	9 months (since 09/22/2025); served as Chief Human Resources Officer
Kevin Cook – Chief Development Officer	Master's of Public Administration from the Maxwell School at Syracuse University, and a Bachelor's of Science degree from Davidson College	Various fundraising roles	1+ year (since 09/03/2024); serves as Chief Development Officer

Business Address: PO Box 11024, Winston-Salem, NC 27116

Disclosure: None of the Officers have reported any Outside Interests or Adverse Disclosures.

3.2 Community Management – Brice Pointe

Name / Role	Education	Experience	Length of Service
There is currently no Executive Director, as the CCRC is not yet operational	N/A	N/A	N/A

Business Address: Sales Office: 305 W. Thurman Road, New Bern, NC 28562

Disclosure: N/A

3.3 Board of Trustees — ThriveMore – Trustees currently serve a 4 year term that begins on January 1st and ends on December 31st

Name / Role	Education	Experience	Length of Service
Michael Taylor – Chair	BS and Ma.ED. from East Carolina University; Ed.D. from UNC-Greensboro	Former College Administrator	2007-2010 2012-2015 2017-2022 2024-2027
Phillip R. Feagan – Vice Chair	B.A. in Political Science from UNC-Chapel Hill; J.D. from Campbell University School of Law	Attorney	1986-1989 1994-1997 1999-2002 2004-2007 2009-2012 2014-2019 2024-2027
Betty Lynne W. Johnson – Immediate Past Chair	MEd, Campbell University; PA, Wake Forest University; B.S. Campbell College	Retired PA and PA Educator	2019-2026

Name / Role	Education	Experience	Length of Service
Bob Watson – Treasurer	BS Accounting from Gardner-Webb University	Semi-Retired CPA	2017-2022 2024-2027
Audrey Johnson - Secretary	Master of Studies in Law from Wake Forest University School of Law; Master's and Bachelor's degrees in Communication and Spanish from Wake Forest University	Business development and philanthropic leader, financial services, wealth management	2025-2028
Amber Apple – Trustee	B.S. in Theology from Liberty University	Digital Marketing	2026-2029
Perry Bailey - Trustee	BA, MSM and MBA from Wake Forest University	Banking & Finance	2019-2021 2023-2026
Tamara Caple – Trustee	UNC-Greensboro	Director of Nursing	2024-2027
Jo Cleveland - Trustee	BS from Alma College in Alma, MI; Medical degree from Michigan State Medical School	Associate Professor in the Department of Geriatrics & Gerontology at Wake Forest School of Medicine	2024-2027
Powell Dew - Trustee	Doctor of Ministry and a Master of Divinity from Campbell University; B.S. in Business Administration from UNC-Chapel Hill	Senior Pastor	2024-2027
Sammy Gianopoulos - Trustee	Johnson and Wales Culinary School	Restaurateur, Chef	2023-2026
Dave Horne – Trustee	BA from Methodist University; JD from Campbell University	Attorney; Partner at Smith Anderson	2021-2024 2026-2029
Mary Beth Johnston - Trustee	A.B. degree in English Education from UNC-Chapel Hill; J.D. degree from Norman Wiggins School of Law at Campbell University	Attorney specializing in health law	2018-2021 2026-2029

Name / Role	Education	Experience	Length of Service
Clarence Lambe - Trustee	B.S. degree from Duke University; JD from Wake Forest University Law School	President & Owner of a corporation that manages commercial real estate; also operated a private law practice	1993-1996 2006-2009 2011-2014 2016-2023 2025-2028
Rhonda Lowe – Trustee	B.S. in Public Health from UNC-Chapel Hill; Master of Business Administration from Meredith College	Leadership development, career mobility programs, succession, talent planning, performance management coaching, teambuilding facilitation	2020-2023 2025-2028
James Otterberg - Trustee	B.S. of Science in Accounting from Wake Forest University	Experienced financial executive with extensive business ownership and CFO experience	2026-2029
Danny Rice - Trustee	Social Work degrees from ECU and UNC-Chapel Hill	Retired	2020-2024 2026-2029
Nidra Ricks – Trustee	MSL from Pfeiffer University; B.S. Nursing from UNC-Greensboro	Healthcare, Healthcare IT	2023-2026
Wanda Rose - Trustee	Accounting degree from Western Piedmont Community College	Retired VP and Agency Manager; insurance license and certifications 35 years	2020-2023 2025-2028
Nathan Scovens – Trustee	Bachelor's degree in Social Science from Elizabeth City State University, NC and Masters and Doctorate degrees in Divinity from Jacksonville Theological Seminary, Jacksonville, FL	Pastor	2023-2026

Business Address: PO Box 11024, Winston-Salem, NC 27116

Disclosure:

- **Outside Interests**: Perry Bailey, Director of Premier Client Solutions at First Citizens Bank is employed by and an owner in a financial institution with which

ThriveMore transacts business by providing commercial banking, lending and investment services to the organization. Perry Bailey is not involved in the provision of those services.

Clarence Lambe, President and Owner of Cameron Commercial Corporation and Twin City Properties Corporation, provides free space in one of his commercial buildings for the Corporate Staff of ThriveMore.

- **Adverse Disclosure**: None of the individuals named as Trustees above have any legal judgements against them.

4. Governing Body and Oversight

4.1 Provider Governing Body

ThriveMore is governed by a Board of Directors consisting of twenty members. The Board is responsible for the overall direction and oversight of Brice Pointe's operations, financial condition, and resident welfare. Its duties include:

- Reviewing and approving budgets and financial reports.
- Ensuring compliance with applicable laws, regulations, and contractual obligations.
- Ensure systems are in place and working that provide a high quality of resident care and services, including safety and satisfaction.
- Monitoring risks to ThriveMore's solvency and operations.
- Protect and advance Mission
- CEO oversight and support
- Partner with leadership on long term strategy
- Ambassadors of organization
- Govern itself

4.1.1 Selection of Members

Directors are recommended by the Executive Committee and approved by the Board of Directors. They serve four-year terms and may be reappointed to another term after a one year hiatus. Officers of the Board (Chair, Vice Chair, Treasurer, and Secretary) are elected annually by the Board from among its members.

4.1.2 Oversight of Management and Operations

The Board will delegate day-to-day operations of Brice Pointe to the Executive Director and senior management. The Board maintains oversight through:

- Regular review of financial and operating reports and approval of annual operating and capital budget.

- Approval of major contracts, capital projects, and debt issuances.
- Quarterly board meetings and periodic committee reports.
- Evaluation of management performance and compliance.

4.1.3 Committees

The ThriveMore Board maintains standing committees for:

- **Executive Committee:** comprised of the Chair, Vice Chair, Immediate Past Chair, Secretary and Treasurer. The Executive Committee is led by the Board Chair and meets with the CEO monthly. The Executive Committee, within the Bylaws, has authority to act for the entire Board between meetings.
- **Finance/Audit**: The Finance/Audit Committee is led by the Treasurer and meets quarterly and more often as/if necessary. This committee reviews internal financials, investment reports and ratios in comparison to goals and/or benchmarks. This committee reviews the budget prior to submission to the full board. This committee also meets annually with the auditor to review the annual audit and is involved in RFPs for investment management as well as annual audit and makes recommendations to the board.
- **Personnel**: The Personnel Committee is led by a board member and meets quarterly. Focus is on competitive wages, benefits and employee retention. The Personnel Committee also makes recommendations regarding annual wage increases in support of annual operating budget. The Personnel Committee together with Executive Committee is responsible for the annual CEO evaluation and a recommendation on CEO compensation.
- **Quality:** The Quality Committee is led by a board members who typically has a clinical background, and does include individuals that are neither board members or employees (e.g. Medical Director, contracted Pharmacy, etc.), and meets quarterly. Focus is on a quality metrics scorecard published by management. The scorecard includes clinical measures, resident and employee satisfaction and financial ratios. The committee sets visionary goals for clinical measures and helps drive management focus on clinical priorities.
- **Church Relations:** The Church Relations Committee is led by a board member whose vocation is a Church Pastor. This committee is focused on preserving the existing relationship with donor churches and cultivating new relationships with churches. This committee provides support and direction on annual fundraising campaign to churches. This committee also receives church donation updates and monitors those donations compared to budget and prior year.

5. Related Parties

5.1 Baptist Retirement Homes Foundation

- **Nature of Relationship**: Nonprofit supporting organization, controlled by ThriveMore.
- **Goods/Leases/Services Provided**: The Foundation is a separate 501(c)(3) and has its own board. Typically, one board member from the ThriveMore board is also a member of the Foundation board, and provides updates to the ThriveMore board as needed. The Foundation Board's focus is on managing the investments of the Foundation and fundraising strategies. The Foundation assets and annual fundraising efforts support the benevolent needs of the operating company. The operating company provides financial assistance to independent living residents who have exhausted their financial resources. It also supports the shortfall between cost of care and Medicaid, as well as providing financial support based on available funds in a special account to offset a portion of entrance fees (sliding scale) for individuals that quality, (e.g., retired pastors and/or public servants). The Foundation also fundraises for and supports programs for employees of ThriveMore (e.g. hardship assistance).
- **Actual/Probable Cost**: The Foundation provides support that varies by year but historically has been between $1 million - $2.5 million per year and the Foundation assets currently exceed $50 million.

6. Relationships with Religious, Charitable, or Other Organizations

ThriveMore has a historical relationship with the Baptist State Convention of North Carolina. ThriveMore is a separate and distinct corporate entity from the Baptist State Convention of North Carolina. The Baptist State Convention of North Carolina is not responsible for the financial or contractual obligations of ThriveMore. ThriveMore is exempt from the payment of federal income tax under Section 501(c)(3) of the Internal Revenue Code.

7. Other Persons Responsible for Obligations

No other person or entity is responsible for the financial or contractual obligations of ThriveMore.

8. Obligated Groups

An Obligated Group is expected but not in current structure.

9. Debt Covenants and Compliance

ThriveMore is subject to covenants contained in bond indentures and related debt agreements, including requirements for minimum debt service coverage, liquidity, and restrictions on additional borrowing.

As of March 31, 2026, ThriveMore was in full compliance with all covenants contained in debt agreements.

10. Third-Party Management Arrangements

The provider does not employ a third-party manager to operate the continuing care retirement community.

11. Real Property Leases

The provider does not lease any part of the real property of the continuing care retirement community.

12. Endowment Funds

ThriveMore as of September 2025 has nearly $45.0 million held within the ThriveMore Foundation. The primary purpose of these Foundation funds are to supplement the cost of care (as needed) for residents who do not have the financial resources to no longer pay for their care. The ThriveMore Foundation Board of Directors oversee these funds as needed.

13. Description and Location of the Community

Brice Pointe is being developed in New Bern, NC at Landscape Drive, New Bern, NC 28562. Nestled on a scenic 70-acre campus overlooking Carolina Lake in the desirable Carolina Colours neighborhood,

The community plans to open in 2030. The first phase plans include 52 villa homes, 152 apartments and 18 healthcare apartments. This first phase will offer a full continuum of care for residents.

Brice Pointe will feature a maintenance-free lifestyle, a thriving social atmosphere, inspiring waterfront views, and dining venue options. Access to some amenities at Carolina Colours Golf Club will be available to residents of Brice Pointe.

14. Living Units by Level of Care

As of June 30, 2026, Brice Pointe plans to include:

- 204 independent living units (152 apartments and 52 villa cottages)
- 18 healthcare apartments

15. Continuing Care at Home Program

N/A at Brice Pointe. Please see the Disclosure Statement for ThriveMore at Home.

16. Resident Population Served

As of the date of this Disclosure Statement, the provider has no residents. At full occupancy, the provider anticipates serving approximately 265 residents. As of June 30, 2026, we have (286) $1,000 deposits for the Brice Pointe Community.

17. Occupancy Rates

The community has not yet commenced operations, therefore, no occupancy history is available.

18. Semiannual Resident Meetings

N/A - there are no residents yet.

19. Resident Property Rights

Residents will not hold ownership or property rights in the real estate of Brice Pointe. Residency and access to services will be governed solely by the continuing care contract.

20. Services Provided Under the Contract

When Brice Pointe opens, it will offer Continuing Care Retirement Contract Type B – 80% refundable. In the future, we plan to offer a 50% refundable option.

20.1 Health Care Services

Residents of Brice Pointe will have access to assisted living, skilled nursing, and memory support care on campus. Health services will include 24-hour nursing, medication management, Part B therapies, and coordination with residents' personal physicians.

20.2 Continuing Care Retirement Community (CCRC) Contracts

Residents living on the Brice Pointe campus will receive the following services as part of their monthly fees, with additional services available at an extra charge.

20.2.1 Services Included in Monthly Fees

- One daily meal in the community dining room for independent living
- Three daily meals in assisted living and skilled nursing
- Bi-weekly housekeeping and linen service
- Scheduled local transportation
- Basic utilities, including electricity, water, heating, air conditioning, and basic cable
- Use of community amenities (wellness center, library, auditorium, gardens, walking trails)
- Social, cultural, and recreational programming
- Care coordination for transitions between levels of care

20.2.2 Services Available at Additional Charge

- Guest meals
- Additional housekeeping or laundry services beyond standard schedule
- Expanded television, internet, and telephone packages
- Salon and barber services
- Special transportation outside scheduled routes
- Concierge services and private duty care

20.3 Delivery of Services

Core residential, assisted living, and skilled nursing services will be provided directly by Brice Pointe. Certain therapies (physical, occupational, and speech) will be furnished under contract with independent third parties.

21. Resident Fees

Nonancillary fees at Brice Pointe will consist of required, ongoing fees such as entrance fees, monthly service fees, and transfer fees. The following tables show Brice Pointe's future fee schedules.

21.1 CCRC Contracts

CCRC contracts represent continuing care contracts for residents who will live at the Brice Pointe campus.

Table 0.1: Current Monthly Fees (CCRC Contracts)

Unit Type	Single Occupant	Double Occupant
Osprey – Apartment	$3,250	$4,620
Western Sandpiper – Apartment	$3,790	$5,160
Spotted Sandpiper I – Apartment	$4,150	$5,520
Spotted Sandpiper II – Apartment	$4,970	$6,340
Sanderling – Apartment	$4,460	$5,830
Willet – Apartment	$4,900	$6,270
Blue Heron – Apartment	$5,140	$6,510
Seagull – Apartment	$5,800	$7,170
Snowy Egret – Apartment	$6,000	$7,370
Great Egret – Apartment	$6,490	$7,860
Sandhill Crane – Apartment	$6,180	$7,550
Royal Tern – Apartment	$7,340	$8,710
Pelican – Apartment	$8,280	$9,650
Coral Reef – Villa	$7,810	$9,180
Dune Haven – Villa	$8,720	$10,090
Coastal Tide - Villa	$9,100	$10,470
Atlantic Breeze - Villa	$9,490	$10,860

Monthly fees will be reviewed annually and may be adjusted to reflect changes in operating costs, staffing, health care expenses, and capital needs. Adjustments are subject to board approval, with no contractual cap on increases.

Table 21.2: Historical Increases in Monthly Fees (CCRC contracts)

The CCRC is not yet operational, so has no historical increases.

Table 21.3: Current Entrance Fees (CCRC Contracts)

Unit Type	Entrance Fee (Single)	Entrance Fee (Double)
Osprey – Apartment	$342,915-$377,207	+ $15,000-20,000
Western Sandpiper – Apartment	$399,440-$439,384	+ $15,000-20,000
Spotted Sandpiper I – Apartment	$437,593-$481,353	+ $15,000-20,000
Spotted Sandpiper II – Apartment	$523,794-$576,173	+ $15,000-20,000
Sanderling – Apartment	$470,567-$517,624	+ $15,000-20,000
Willet – Apartment	$516,257-$567,883	+ $15,000-20,000
Blue Heron – Apartment	$542,635-$596,899	+ $15,000-20,000
Seagull – Apartment	$611,407-$672,548	+ $15,000-20,000
Snowy Egret – Apartment	$632,604-$695,864	+ $15,000-20,000
Great Egret – Apartment	$684,418-$752,859	+ $15,000-20,000
Sandhill Crane – Apartment	$669,784-$736,763	+ $15,000-20,000
Royal Tern – Apartment	$815,686-$897,254	+ $15,000-20,000
Pelican – Apartment	$920,376-$1,012,413	+ $15,000-20,000
Coral Reef – Villa	$878,768-$966,644	+ $15,000-20,000
Dune Haven – Villa	$981,265-$1,079,392	+ $15,000-20,000
Coastal Tide – Villa	$1,023,973-$1,126,370	+ $15,000-20,000
Atlantic Breeze - Villa	$1,067,183-$1,173,901	+ $15,000-20,000

Refundability terms vary by contract and are disclosed in Section 22.

Table 21.4: Historical Increases in Entrance Fees (CCRC contracts)

Community is not yet in operation so has no historical increases.

21.2 Household Composition Changes

If a resident marries or otherwise increases the number of persons residing in a living unit, an additional entrance fee will be required for the new resident, based on the applicable fee schedule at the time of entry. The monthly fee is adjusted to the two-person rate. If the additional resident does not meet admission requirements, they may not be admitted under a continuing care contract.

21.3 Transfer Fees and Resale Fees

If a resident transfers to a different independent living unit, a transfer fee of $1,000 will be charged. No resale fees are charged because residents do not hold ownership rights in their living units. Resident will also be responsible for the refurbishment of their original independent living unit, usually paint and carpet.

22. Refundable Entrance Fee Obligations

22.1 Conditions for Refunds

Brice Pointe will offer an 80% refundable continuing care contract. Under this contract, a portion of the original entrance fee is refundable when a resident permanently vacates the community, provided that (1) the unit has been resold to a new resident who has paid their entrance fee in full and 2 years have passed since vacated, and (2) all other contractual conditions for a refund have been satisfied. Refunds will be payable within 30 days after these conditions are met. For clarity, a refund is not considered due until the replacement entrance fee has been received and all contractual requirements have been fulfilled.

22.2 Refund Obligations as of December 31, 2025

N/A

23. Financial Hardship Policies

23.1 Policies for Residents Unable to Pay

It will be the policy of Brice Pointe to permit residents to remain in the community if they become unable to pay monthly fees through no fault of their own, provided they have first fully applied their available assets and income. Residents are not discharged or relocated solely due to financial hardship once admitted under a continuing care contract.

23.2 Sources of Financial Support

- **Refundable Entrance Fees**: Residents contractually entitled to a refundable entrance fee will utilize refundable amounts toward unpaid monthly fees. Such applications reduce the remaining refund obligation and do not accelerate contractual payment of refunds.
- **Baptist Retirement Homes Foundation**: A related-party nonprofit supporting organization that administers a benevolent care program funded by donor contributions and endowment earnings. Distributions are applied directly to resident accounts at Brice Pointe.

23.3 Conditions or Limitations

- Eligibility for benevolent care is determined through a confidential financial review conducted by Brice Pointe.
- Assistance is subject to the availability of Foundation funds and is not guaranteed.
- Residents may be asked to annually recertify financial need to continue receiving assistance.

23.4 Narrative

The Baptist Retirement Homes Foundation has not distributed any money in benevolent care support to Brice Pointe since it is not open yet. As of FYE (September 30, 2025), the Foundation maintained net assets of $50,812,389 designated for benevolent care, subject to donor restrictions and the discretion of the Foundation's board.

24. Contract Cancellation and Refund Policies

24.1 Provider-Initiated Cancellation

Brice Pointe may terminate a continuing care contract:

- Before occupancy or commencement of services, if:
  - The applicant fails to meet health or financial eligibility requirements at the time of application;
  - The applicant provided materially false or misleading information during the application process; or
  - Admission would pose a direct threat to the health and safety of others.
- After occupancy or commencement of services, if:
  - Persistent nonpayment of monthly fees occurs;
  - The resident commits a material breach of contract terms; or

- The resident engages in disruptive or harmful conduct that materially impairs the rights of other residents or the orderly operation of the community.

24.2 Resident-Initiated Cancellation

A resident may cancel a contract under the following circumstances**:**

- **Before occupancy or commencement of services**:

  Terms of the binding contract will be enforced until the Residence and Services Agreement is signed. 2% of the 10% deposit will be retained if Resident initiates a cancellation prior to occupancy.

  A resident may cancel at any time. The entrance fee and any prepaid monthly fees are refunded, less a nonrefundable $5,000 application or processing fee retained by Brice Pointe to cover administrative costs.

  Any upgrade fees paid towards future apartment or home will not be refunded.

- **After occupancy or commencement of services**:

  A resident may voluntarily cancel by providing 60 days' written notice. Refundable entrance fees, if any, are returned in accordance with Section 22 once all contractual conditions are satisfied, including resale and re-occupancy of the living unit when applicable.

24.3 Refunds Upon Cancellation

- Refundable entrance fees are returned in accordance with Section 22 – Refundable Entrance Fee Obligations.
- Prepaid monthly fees are prorated to the date the living unit is vacated or services cease, and any remaining balance is refunded.

24.4 Refunds Upon Death

- **Before occupancy or commencement of services**:

  If a resident dies before moving into the community or beginning continuing care at home services, the entrance fee is refunded in full, less the nonrefundable $5,000 application or processing fee.

- **After occupancy or commencement of services**:

  Refunds are made according to the standard refundable entrance fee provisions described in Section 22, including resale and replacement entrance fee conditions. Prepaid monthly fees are prorated to the date of death and refunded.

25. Re-occupancy of Units

A living unit at Brice Pointe may be reassigned to a new resident under the following circumstances:

25.1 Resident-Initiated Vacating

- **Voluntary termination**: When a resident cancels their continuing care contract and permanently vacates the living unit.
- **Transfer to a higher level of care**: When a resident moves from independent living to assisted living or skilled nursing, and the contract permits the original living unit to be reassigned.

25.2 Provider-Initiated Vacating

- **Contract termination by provider**: When a contract is terminated by the provider under the circumstances described in Section 24 – Contract Cancellation and Refund Policies.

25.3 Temporary Absences

Hospitalizations, rehabilitative stays, or other temporary absences do not constitute a vacating of the living unit and do not permit re-occupancy by a new resident.

25.4 Refunds

Refunds associated with the vacating of a living unit are handled in accordance with Section 22 – Refundable Entrance Fee Obligations. Refunds are contingent upon re-occupancy by a new resident, and the timing of repayment may vary depending on market demand and the pace of living unit turnover.

26. Resident Relocation

Residents of Brice Pointe may be required to relocate from their current living unit to another living unit within the community under the following circumstances:

26.1 Resident Needs

- **Health-Related Transfer**: When a resident's medical condition requires a move to a more supportive level of care, such as assisted living, memory care, or skilled nursing.
- **Safety and Accessibility**: When the current living unit no longer meets the resident's safety or accessibility needs (for example, due to mobility limitations or inability to safely navigate stairs).

26.2 Provider Needs

- **Renovation or Construction**: When construction, renovation, or repair work requires temporary or permanent relocation.
- **Operational Necessity**: When the continued occupancy of a living unit materially interferes with the orderly operation of the community and no reasonable alternative exists. This provision is applied only in limited circumstances.
- ThriveMore reserves the right to relocate resident to another accommodation when deemed necessary in order for ThriveMore to fulfill its strategic plans, financial obligations or other obligations. ThriveMore will use reasonable efforts to relocate resident to a similar or better accommodation. Any such decision to relocate resident will be discussed thoroughly with resident in order to enlist resident's understanding of the need for and cooperation with the relocation. ThriveMore will pay all required packing and moving costs, and all reasonable refurbishing costs necessary to achieve substantial comparability between resident accommodation and any new accommodation to which you may be relocated.

26.3 Process

- Relocation decisions are made in consultation with the resident, the resident's family (if applicable), and appropriate health professionals.
- The provider makes reasonable efforts to relocate the resident to a comparable living unit within the community, meaning one of similar size, type, and monthly fee level whenever possible.
- If relocation is required for renovation or construction purposes, the provider will inform the resident in advance and clarify whether the move is temporary or permanent.
- Once unit is relinquished, resident or responsible party is responsible for removing all personal items within 60 days. During this period the Resident will be billed for their monthly fee for the independent living, apartment or home.

26.4 Financial Obligations

All entrance fee and monthly fee obligations continue in accordance with the terms of the resident's contract, regardless of relocation.

27. Admission and Continuation Standards

27.1 Admission Requirements

Admission to Brice Pointe is subject to both health and financial screening at the time of application.

27.1.1 CCRC Contracts (Campus-Based)

- **Financial Standards**: Applicants must demonstrate sufficient resources to reasonably cover the entrance fee and projected monthly fees for the chosen living unit.
- **Health Standards**: Applicants for independent living must be capable of living safely and independently at the time of entry, with or without reasonable accommodations. A current medical history and health assessment completed by the applicant's physician is required.

27.2 Continuation Requirements

- **CCRC Contracts**: Once admitted, residents may remain at the community regardless of changes in health or financial status, subject to the hardship policies described in Section 23 – Financial Hardship Policies. Residents may be required to relocate to a higher level of care (see Section 26 – Resident Relocation) if their needs can no longer be met safely in their current living unit.

27.3 Changes in Condition Before Occupancy or Commencement of Services

- **CCRC Contracts**: If a resident's health materially declines between signing a contract and the date of initial occupancy, the provider may re-evaluate eligibility for independent living. If no suitable accommodation is available or if the applicant no longer meets entry requirements, the contract may be canceled and entrance fees refunded in accordance with Section 24 – Contract Cancellation and Refund Policies. If a material change in financial condition occurs before occupancy (such as loss of income or assets needed to pay monthly fees), the provider will re-evaluate eligibility. If standards are no longer met, the contract may be canceled and entrance fees refunded.

28. Age and Insurance Requirements

28.1 Age Requirements

- The minimum age for admission to Brice Pointe under a continuing care contract is 62 years.
- A younger spouse or partner may also be admitted if the primary applicant meets the minimum age requirement.
- There is no maximum age limit for admission, provided the applicant meets the health and financial eligibility standards described in Section 27 - Admission and Continuation Standards.

28.2 Insurance Requirements

Applicants for CCRC contracts must:

- Be enrolled in Medicare Parts A and B at the time of admission; or
- Maintain a Medicare supplement (Medigap) policy or equivalent health insurance to cover services not provided by Medicare.

Long-term care insurance is not required but may be considered in satisfaction of certain financial eligibility criteria on a case-by-case basis.

28.3 Special Conditions

- Exceptions to the minimum age requirement may be considered on a case-by-case basis if a younger applicant is partnered with an eligible applicant, or if otherwise required to maintain household composition.
- Waivers of the insurance requirement may be granted only if the applicant demonstrates alternative coverage or financial capacity sufficient to meet anticipated health care expenses.

29. Reserve Funding and Refund Security

Brice Pointe is a brand new (greenfield) community being planned for in the New Bern, North Carolina area. With that, the financial data reported in Section 29 is the consolidated financial data applicable to ThriveMore and is sourced from the September 30, 2025 audited financial statements.

29.1 Cash and Investments

As of September 30, 2025, ThriveMore held $58,549,339 in unrestricted cash and investments. Within this balance, $8,867,000 has been designated by the Board to prioritize liquidity for future entrance fee refunds. These funds remain unrestricted for accounting purposes but reflect the Boards' intent to maintain liquidity for resident entrance fee refund obligations.

At year-end, unrestricted cash and investments supported a Days Cash on Hand of 475 days, representing approximately fifteen months of projected operating expenses without new revenues.

29.2 Investment Management and Oversight

- **Oversight Body**: Finance Committee of the Board of Directors of ThriveMore
- **Day-to-Day Management**: Chief Financial Officer (CFO).
- **Experience**: Finance Committee members have extensive financial oversight and investment policy experience.
- **Policy and Controls**: Investments are managed under a Board-approved Investment Policy Statement emphasizing liquidity and capital preservation. Permitted holdings include cash, cash equivalents, U.S. Treasury/agency securities, investment-grade bonds, and broadly diversified public funds/ETFs. The Investment Manager executes within these limits, reports quarterly to the CFO and Finance Committee, and maintains control over custody, counterparty limits, and rebalancing.

29.3 Statutory Operating Reserve Requirement

As of September 30, 2025, ThriveMore's 12-month rolling average independent living unit occupancy was 96.76%. Based on this level of occupancy, the required statutory operating reserve was 25% of projected operating costs for the next 12 months.

Table 29.1: Statutory Operating Reserve Calculation (as of September 30, 2025)

Component	Amount
Total projected operating expenses	$43,048,645
Add: Debt service (principal and interest)	$3,633,374
Less: Principal and interest (covered by Debt Service Reserve Fund)	($0)
Less: Depreciation and amortization	($11,214,019)
Net projected operating costs	**$35,468,000**
Applicable reserve percentage based on occupancy	25%
Required operating reserve	**$8,867,000**

Component	Amount
Unrestricted cash & investments on hand	$58,549,339
Excess above required reserve	**$49,682,339**

Summary: The required statutory operating reserve for 2025 was $8,867,000. ThriveMore held $58,549,339 in unrestricted cash and investments, providing an excess cushion of $49,682,339 above the statutory minimum.

29.4 Refund Security (Entrance Fee Refunds)

Entrance fee refund obligations are supported by unrestricted liquidity, including:

- $3,167,748 internally designated for entrance fee deposits,
- $2,109,385 internally designated for ThriveMore at Home, and
- $8,867,000 internally designated for Statutory Operating Reserve.

The Statutory Operating Reserve cannot be used for any purpose, including refund payments, without prior regulatory approval.

Table 29.2: Unrestricted Cash and Investment Summary as of September 30, 2025

Category	Amount	Notes
Total unrestricted cash & investments	$58,549,339	All liquid balances (cash and investments)
Less: Required operating reserve	($8,867,000)	Must be maintained; release requires regulatory approval
Excess unrestricted cash and investments above operating reserve and board designated refund reserve	**$49,682,339**	Available for operations and refund needs (outside of designated reserves)

30. Expansion and Renovation Plans

N/A – This is a startup community.

31. Audit Opinion and Timeliness

The consolidated financial statements of ThriveMore for the fiscal year ended September 30, 2025, were audited by CLA.

- **Timeliness**: The audit was completed and issued within 150 days of fiscal year-end, meeting statutory requirements.
- **Audit Opinion**: The independent auditor issued an unqualified opinion (a "clean" audit opinion) on the consolidated financial statements.

Brice Pointe does not issue separate stand-alone audited financial statements; its financial information is presented within the consolidated audit of ThriveMore with consolidating schedules.

32. Audited Financial Statements

Brice Pointe is a brand new (greenfield) community being planned for in the New Bern, North Carolina area. With that, the financial data reported in Section 32 is the consolidated financial data applicable to ThriveMore and is sourced from the September 30, 2025 audited financial statements.

The audited consolidated financial statements of ThriveMore for the fiscal year ended September 30, 2025, are attached hereto as Appendix A and form an integral part of this Disclosure Statement. These statements include the balance sheet, statement of operations, statement of cash flows, and accompanying notes, and have been prepared in accordance with generally accepted accounting principles (GAAP).

33. Five-Year Prospective Financial Statements

The five-year prospective financial statements of Brice Pointe for the period 2026-2033 are hereto attached as Appendix B. These statements were prepared and compiled by CLA and include a summary of significant assumptions and accounting policies.

34. Variances from Prospective Financial Statements

N/A

35. Key Financial Metrics

Brice Pointe is a brand new (greenfield) community being planned for in the New Bern, North Carolina area. With that, the financial data reported in Section 35 is the consolidated financial data applicable to ThriveMore and is sourced from the September 30, 2025 audited financial statements.

This section presents the eight statutory financial ratios required under N.C. Gen. Stat. § 58-64A-150(a)(39). Historical values are based on audited financial statements; prospective values are derived from the provider's five-year prospective financial statements. Comparative statewide medians will be published by the North Carolina Department of Insurance beginning in late 2026.

For the tables below, FY = the most recent fiscal year end.

The full Statutory Ratio and Supportive Definitions are provided in Appendix F.

35.1 Liquidity Ratios

Days Cash on Hand (DCOH). Number of days the provider (obligated group) could pay its normal cash operating expenses using unrestricted cash and investments. More days generally means stronger liquidity.

Cushion Ratio (CUSH). Number of times unrestricted cash and investments could cover one year of debt service. Higher values mean more resources to pay debt service.

Table 35.1A: Liquidity Ratios – Consolidated

Ratio	FY-2	FY-1	FY-2025	*FY+1*	*FY+2*	*FY+3*
DCOH	471	509	475	*525*	*535*	*550*
CUSH	20.2	17.03	18.06	*18.00*	*19.00*	*18.00*

Narrative – Consolidated

At the consolidated level, the liquidity of ThriveMore is strong due to the higher levels of unrestricted cash and investment balances generated and developed over a number of years.

The consolidated groups Days Cash on Hand remains above 450 days, providing a buffer against financial fluctuations. This 450+ days remains well above the average industry metric of 291 days of multi-site providers.

35.2 Profitability Ratios

Operating Ratio (OR). Compares current operating expenses (excluding depreciation and amortization) to current operating revenues (excluding entrance fee amortization). Lower percentages mean operating revenues are more easily covering cash operating expenses.

Net Operating Margin (NOM). Shows the result from core resident services. Higher values mean a stronger operating result from resident services.

Adjusted Net Operating Margin (NOM-A). Shows the operating result after also counting net entrance fee cash received during the year. Higher values mean the result is improved when net entrance fee cash is included.

Table 35.2A: Profitability Ratios – Consolidated

Ratio	FY-2	FY-1	FY-2025	*FY+1*	*FY+2*	*FY+3*
OR	111.87%	112.38%	116.30%	*110.00%*	*108.00%*	*103.00%*
NOM	(15.77%)	(10.42%)	(14.40%)	*2.03%*	*5.00%*	*7.00%*
NOM-A	3.83%	10.49%	2.90%	*41.19%*	*19.75%*	*20.00%*

Narrative – Consolidated

At the consolidated level, profitability is stronger than single-site providers because investment income, management-company surpluses and scale efficiencies are combined on a consolidated basis.

NOM Ratios have been negative the last few years due to multiple campus expansions and investments in new product lines over the last few years increasing operating expenses. These investments include construction of a Childcare Center, a Couples Memory Care, refurbishment of Taylor House and the expansion of our Taylor Glen campus (50 additional IL units). Couples Memory Care is the only project that will not be completed by the close of FY 2026.

NOM-A ratios are projected to increase significantly during 2026 (over 40%) due to 50 new independent living units opening on the Taylor Glen campus. The average industry metric NOM-A is currently 19.76% for multi-site providers.

35.3 Capital Structure Ratios

Debt Service Coverage (DSCR). Measures ability to pay annual debt service from operations and net entrance fee cash. Higher values indicate greater ability to pay debt service.

Unrestricted Cash & Investments to Long-Term Debt (CD). Compares unrestricted cash and investments to long-term debt. Higher values indicate more unrestricted cash and investments relative to debt.

Capital Expenditures to Depreciation (CED). Indicates reinvestment relative to depreciation expense. Values at or above 1.0x usually mean the provider is reinvesting enough to keep up.

Table 35.3A: Capital Structure Ratios – Consolidated

Ratio	FY-2	FY-1	FY-2025	*FY+1*	*FY+2*	*FY+3*
DSCR	N/A	2.47	1.36	1.60	1.75	1.85
CD	202.05%	108.36%	62.56%	75.00%	80.00%	85.00%
CED	(26.89%)	478.89%	520.11%	520.00%	450.00%	350.00%

Narrative – Consolidated

At the consolidated level, coverage and liquidity metrics are stronger than at a single-site provider level reflecting the inclusion of system-wide reserves and consolidated debt service obligations. Debt service coverage remains robust and is projected to consistently exceed typical bond covenant thresholds (DSCR > 1.25x).

The CD ratio has worked in tandem with the CED ratio. As the CD ratio has declined over time due to ThriveMore's investment into numerous projects/expansions as well as reinvested back into the physical plant of each of our campuses. As this reinvestment has been made, the CED ratio has increased, reflecting this significant reinvestment.

35.4 Overall Summary

ThriveMore's consolidated liquidity has dipped while depreciation and debt levels increased during recent reinvestment and expansion cycles; but ThriveMore remains comfortably above the required State operating reserve levels. Per the ratios noted above, ThriveMore has made a concentrated effort to reinvest in each ThriveMore community to upgrade resident experiences while being able to provide additional stability and access to capital if needed. Projected performance indicates stable or modestly improving results through 2028 with continued capacity to fund operations, service debt, and support ongoing capital renewal.

36. Actuarial Opinion and Balance

Please see Appendix C – Brice Pointe Population Projection.

37. Most Recent Department Examination Report

The North Carolina Department of Insurance has not conducted an examination of ThriveMore pursuant to Article 64A of the North Carolina General Statutes.

38. Other Material Information

Management has reviewed whether there are any additional facts, circumstances, risks, or events that could reasonably be expected to influence a prospective or current resident's decision to contract with Brice Pointe. Other than the disclosures provided in prior sections of this Disclosure Statement, management has determined that no additional material information requires disclosure at this time.

39. Contract Forms and Attachments

A Binding Reservation Agreement will be signed for all 10% deposits. Brice Pointe will offer a Residence and Services Agreement that is 80% refundable. Please see Appendix D.

39.1 Continuing Care Contracts

Brice Pointe will offer an 80% Refundable Contract – Residents pay a higher entrance fee, and 80% of the fee (less applicable deductions) is refundable after the unit is resold.

All other terms and conditions of the independent living contracts are substantially similar. A representative form of these contracts is included in Appendix D.

Appendix Index

The following Appendices are incorporated into and form an integral part of this Disclosure Statement. Each Appendix begins on a separate page.

Appendix A — Audited Financial Statements

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
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YEARS ENDED SEPTEMBER 30, 2025 AND 2024

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated
dba ThriveMore
Winston-Salem, North Carolina

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore and Affiliate (collectively, the Organization), which comprise the consolidated balance sheets as of September 30, 2025 and 2024, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2025 and 2024, and the results of their operations, and changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 37 to 44 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
January 16, 2026

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,870,914	$ 3,434,031
Accounts Receivable	2,004,148	4,501,618
Allowance for Credit Losses	(228,998)	(1,441,893)
Accounts Receivable, Net	1,775,150	3,059,725
Investments	56,193,225	56,041,825
Contributions Receivable, Net	405,307	157,500
Prepaid Expenses and Other Assets	1,020,176	1,020,641
Deposit	1,971	169
Note Receivable	2,500,000	-
Total Current Assets	63,766,743	63,713,891
ASSETS LIMITED AS TO USE		
Entrance Fee Deposits	3,167,748	2,123,063
Internally Designated for ThriveMore at Home	2,109,385	856,220
Internally Designated for Statutory Operating Reserve	8,867,000	8,119,000
Total Assets Limited as to Use	14,144,133	11,098,283
INVESTMENTS AND OTHER ASSETS		
Assets in Split-Interest Agreements:		
Charitable Remainder Trusts	1,774,662	1,590,144
Beneficial Interest in Perpetual Trusts	7,759,050	7,234,216
Other Assets	15,000	15,000
Goodwill, Net	13,744,215	15,342,454
Note Receivable, Net of Current	-	2,500,000
Contributions Receivable, Net of Current	302,818	-
Total Investments and Other Assets	23,595,745	26,681,814
PROPERTY AND EQUIPMENT, NET	128,489,803	87,826,351
Total Assets	$ 229,996,424	$ 189,320,339

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2025 AND 2024

LIABILITIES AND NET ASSETS	2025	2024
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 1,993,728	$ 1,930,636
Lines of Credit	6,110,900	6,750,000
Accounts Payable	5,588,528	2,641,313
Accrued Expenses	4,008,428	1,061,899
Accrued Employee Compensation	1,504,210	1,059,716
Other Current Liabilities	10,486	11,295
Current Portion of Refundable Advance Fees	736,179	713,207
Total Current Liabilities	19,952,459	14,168,066
LONG-TERM DEBT, LESS CURRENT MATURITIES	82,447,768	46,186,381
DEFERRED REVENUE AND OTHER LIABILITIES		
Entrance Fee and Waitlist Deposits	2,659,451	2,207,051
Deferred Revenue from Advance Fees	22,855,320	21,984,947
Refundable Advance Fees on Occupied Units, Net of Current Portion	26,913,611	24,502,823
Total Deferred Revenue and Other Liabilities	52,428,382	48,694,821
Total Liabilities	154,828,609	109,049,268
NET ASSETS		
Without Donor Restrictions	49,309,991	56,045,943
With Donor Restrictions	25,857,824	24,225,128
Total Net Assets	75,167,815	80,271,071
Total Liabilities and Net Assets	$ 229,996,424	$ 189,320,339

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
REVENUES, GAINS, AND OTHER SUPPORT		
Resident Services:		
On Campus	$ 35,927,427	$ 35,535,382
ThriveMore at Home	163,528	42,444
Amortization of Advance Fees:		
On Campus	3,582,232	3,577,823
ThriveMore at Home	97,680	30,333
Income from Grants and Gifts, Including Gifts from Churches	589,763	731,521
Income from Estates and Trusts	249,122	342,842
Investment Income and Realized Gains	4,007,510	3,157,499
Net Assets Released from Restrictions	830,276	901,201
Other	336,661	262,884
Total Revenues, Gains, and Other Support	45,784,199	44,581,929
OPERATING EXPENSES		
Resident Care	19,924,603	19,751,985
ThriveMore at Home	592,737	473,611
Dietary	6,117,269	5,592,797
Maintenance and Housekeeping	7,268,172	6,950,098
General and Administrative	7,747,154	6,515,488
Depreciation and Amortization	11,221,325	10,192,185
Interest	1,713,049	2,039,679
Total Operating Expenses	54,584,309	51,515,843
OPERATING LOSS	(8,800,110)	(6,933,914)
NONOPERATING INCOME (LOSS)		
Loss on Sale of Property and Equipment	(32,010)	(51,473)
Unrealized Gains on Investments	2,686,963	8,315,929
Accreted Interest	(780,996)	(883,204)
Total Nonoperating Income	1,873,957	7,381,252
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(6,926,153)	447,338
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Net Assets Released from Restrictions for Property and Equipment	190,201	291,781
Total Other Changes in Net Assets Without Donor Restrictions	190,201	291,781
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(6,735,952)	739,119
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	851,657	198,557
Change in Value of Charitable Remainder Trusts	184,519	523,736
Unrealized Gain on Investments	1,092,163	1,753,857
Change in Value of Beneficial Interest in Perpetual Trusts	524,834	347,293
Net Assets Released from Restrictions	(1,020,477)	(1,192,982)
Increase in Net Assets With Donor Restrictions	1,632,696	1,630,461
CHANGE IN NET ASSETS	(5,103,256)	2,369,580
Net Assets - Beginning of Year	80,271,071	77,901,491
NET ASSETS - END OF YEAR	$ 75,167,815	$ 80,271,071

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (5,103,256)	$ 2,369,580
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	9,623,086	8,593,950
Unrealized Gains on Investments	(3,779,126)	(10,069,786)
Change in Value of Charitable Remainder Trusts	(178,740)	(486,983)
Change in Value of Beneficial Interest in Perpetual Trusts	(524,834)	(347,292)
Amortization of Deferred Revenue from Advance Fees	(3,582,232)	(3,577,823)
Amortization of Deferred Revenue from ThriveMore at Home	(97,680)	(30,333)
Accreted Interest	780,996	883,204
Amortization of Deferred Costs	25,693	25,693
Amortization of Goodwill	1,598,239	1,598,235
Credit Loss Expense	618,329	1,184,334
Advance Fees Received	9,739,792	11,996,315
Advance Fees Refunded	(3,536,743)	(3,686,682)
Change in Entrance Fee and Waitlist Deposits	(452,400)	(2,091,591)
Realized Gains on Investments	(2,132,281)	(1,503,939)
Loss on Disposal of Asset	32,010	51,473
(Increase) Decrease in Assets:		
Accounts Receivable	666,246	(1,622,176)
Contributions Receivable	(550,625)	-
Prepaid Expenses and Other Current Assets	(1,337)	(125,373)
Increase (Decrease) in Liabilities:		
Accounts Payable, Accrued Expenses, Accrued Compensation, and Other Current Liabilities	(1,487,606)	(668,044)
Change in Entrance Fee Deposits	452,400	2,089,051
Net Cash Provided by Operating Activities	2,109,931	4,581,813
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Change in Investments	2,366,887	4,742,418
Net Change of Assets Limited as to Use	2,001,165	(368,780)
Purchases of Property and Equipment	(42,493,513)	(18,481,497)
Purchase of ArdenWoods	-	(21,875,000)
Net Change on Escrow Deposit for Acquisition	-	8,258,264
Net Cash Used by Investing Activities	(38,125,461)	(27,724,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	38,219,111	25,003,949
Payments of Long-Term Debt	(1,920,325)	(1,852,777)
Proceeds from Line of Credit	420,142	2,975,000
Payments on Line of Credit	(1,059,242)	-
Payment of Financing Costs	-	(889,731)
Net Cash Provided by Financing Activities	35,659,686	25,236,441
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(355,844)	2,093,659
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	5,672,544	3,578,885
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 5,316,700	$ 5,672,544

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash and Cash Equivalents	$ 1,870,914	$ 3,434,031
Restricted Cash and Cash Equivalents Included in Assets Limited as to Use	3,445,786	2,238,513
Total Cash, Cash Equivalents, and Restricted Cash	$ 5,316,700	$ 5,672,544
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest, Net of Interest Capitalized	$ 3,259,379	$ 2,039,679
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchases of Equipment Included in Accounts Payable and Accrued Expenses	$ 7,825,035	$ 1,666,268

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore (the Homes) is a church-related nonprofit corporation organized under the laws of the state of North Carolina. The trustees of the Homes are nominated and elected by the board. The Homes has a historical relationship with the Baptist State Convention of North Carolina.

The Baptist Retirement Homes Foundation (the Foundation) was established primarily to raise funds for the benevolent ministries of the Homes.

The board of directors of the Foundation is elected by the board of trustees of the Homes.

Homes owns, maintains, and operates facilities throughout North Carolina for the purpose of providing for the care of older adults. The facilities consist of independent living homes and apartments, with freestanding and combination facilities that include assisted living residences, memory-care residences, and skilled nursing care rooms. The Homes receives direct support from North Carolina Baptist churches, special church offerings, grants from foundations, and through gifts and bequests from individuals and businesses to assist with capital projects and the benevolent ministries of the Homes.

Principles of Consolidation

The consolidated financial statements include the accounts of the Homes and the Foundation (collectively, the Organization). All material related party balances and transactions have been eliminated in consolidation.

Basis of Presentation

The Organization classifies its funds for accounting and reporting purposes as either with or without donor restrictions:

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

Net Assets With Donor Restrictions – Resources that carry a donor-imposed restriction that permits the Organization to use or expend the donated assets as specified for which the restrictions are satisfied by the passage of time or by actions of the Organization. These resources may also include amounts restricted by the donor in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets. As restrictions are met, the contributions are released from net assets with donor restrictions and are transferred to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year in which they are received are included in net assets without donor restrictions.

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

Use of Estimates

The preparation of the consolidated 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition, which are not included in investments.

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance, less an allowance for credit losses. The Organization determines past due status based on the billing dates, and charges a late fee on overdue accounts. The Organization provides an allowance for credit losses using management’s judgment. Accounts past due are individually analyzed for collectability. Accounts receivable that management determines will be uncollectible are written off upon such determination. It is the Organization’s policy to seek collection on all overdue accounts. The adequacy of the Organization’s allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary. The Organization estimated the allowance for credit losses at September 30, 2025 and 2024 to be approximately $229,000 and $1,442,000, respectively.

Contributions and Support

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their future cash flows. Contributions receivable was approximately $708,000 and $158,000 at September 30, 2025 and 2024, respectively.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional contributions with conditions met in the same reporting period in which they are received are reported as unconditional contributions.

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

Contributions and Support (Continued)

Grant awards are evaluated by management and determined to either be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated balance sheets. The Organization received no advance payments for the years ended September 30, 2025 and 2024.

Assets Limited as to Use

Assets limited as to use include amounts set aside to meet the operating reserve requirements of NC General Statute Chapter 58, Article 64, entrance fee deposits, and amounts internally designated for future capital development. The board retains control over amounts held for future capital expenditures and may, at its discretion, subsequently use them for other purposes. The statutory operating reserve balance can only be released upon the submittal of a detailed request and approval of the Commissioner of the North Carolina Department of Insurance.

Investments

Investments in debt and equity securities are measured at fair value based on quoted market prices. In determining realized gains and losses, the cost of investments is determined using the first-in, first-out method. Donated investments are recorded at fair value at the date of gift.

The Organization's investments are classified as trading securities. The investments are managed by brokers who actively buy and sell investments within the Organization's Investment Policy Statement. As trading securities, the investments are not subject to other than temporary impairment as the unrealized gains and losses on the investments are shown above the performance indicator of increase in net assets without donor restrictions on the consolidated statements of activities and changes in net assets.

Assets in Split-Interest Agreements

The Organization is a beneficiary to several irrevocable split-interest agreements. These split-interest agreements are categorized as charitable remainder trusts and beneficial interests in perpetual trusts, both of which are included in net assets with donor restrictions. Assets in split-interest agreements are stated at fair value net of discounted future contractual payment obligations.

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

Deferred Financing Costs

Deferred financing costs represent expenses incurred in connection with the permanent financing of the Homes and are deferred and amortized over the life of the related indebtedness using the straight-line method, which approximates the effective interest method. Deferred financing costs are net of accumulated amortization. Amortization expense was approximately $26,000 for the years ended September 30, 2025 and 2024 and is included as a component of interest expense on the consolidated statements of activities and changes in net assets.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at market value at the date of contribution. All items with a cost over $2,000 and an estimated useful life of 2 years or more are capitalized. Depreciation is computed over the estimated useful lives of the related assets, ranging from 3 to 31.5 years, using the straight-line method. All additions are depreciated beginning on the date of acquisition.

The Homes periodically assesses its long-lived assets and evaluates such assets for impairment 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 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 net realizable value is less than the carrying amount.

The Homes reports contributions of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long these assets must be maintained, the Homes reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Deferred Revenue from Advance Fees

Advance fees paid by a resident, net of the estimated portion that is refundable to the resident, are recorded as deferred revenue and are amortized into income using the straight-line method over the estimated remaining life expectancy of the resident. Advance fees are refundable pro-rata over the first 24 or 60 months of residency depending on the contract type.

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

Obligation to Provide Future Services

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded with the corresponding charge to income (obligation to provide future services and use of facilities). There was no liability recognized at September 30, 2025 and 2024. The discount rate used in calculating the present value of the net cost of future services was 4.67% and 8.02% for 2025 and 2024, respectively, and was based on the expected long-term rate of return on governmental obligations.

Resident Service Revenue

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

Excess of Revenues Over Expenses

The consolidated statements of activities and changes in net assets include excess of revenues over expenses. Changes in net assets without donor restrictions, that are included in excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments in trading securities. Changes that are excluded include contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets), transfers of net assets, and net assets released from restrictions for property and equipment.

Income Taxes

The Homes and the Foundation are nonprofit organizations exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3).

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

The Homes and the Foundation follow guidance in the income tax standard regarding recognition and measurement of uncertain tax positions. The application of the standard has had no impact on the Homes' or the Foundation's consolidated financial statements.

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

Functional Expenses

The costs of program, management and general, and fundraising activities have been summarized on a functional basis in Note 12. Expenses not associated with a specific functional classification are allocated to program services, support services, and fundraising based on staff utilization or management's estimates of time spent, square footage, or other various allocation methods appropriate to the type of expense.

Fair Value of Financial Instruments

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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

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

Fair Value of Financial Instruments (Continued)

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

Risks and Uncertainties

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

Allowance for Credit Losses

At the beginning of 2024, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Homes adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Homes' consolidated financial statements but did change how the allowance for credit losses is determined.

Resident receivables are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Homes separates resident receivables into risk pools based on payors and aging. In determining the amount of the allowance as of the consolidated balance sheets date, the Homes develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

Changes in the allowance for credit losses for the years ended September 30, were as follows:

	2025	2024
Balance - Beginning of the Year	$ 1,441,893	$ 2,047,195
Provision	618,329	1,184,334
Write-Offs, Net of Recoveries	(1,831,224)	(1,789,636)
Balance - End of the Year	$ 228,998	$ 1,441,893

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

ThriveMore at home

In 2023 the Organization received approval from the North Carolina Department of Insurance to offer a “continuing care without lodging” contract for persons to become members of the Homes while not taking residence at the Homes initially. Management has named this program the ThriveMore at Home program. Under the ThriveMore at Home contract, members who are living off-campus receive the same access to the Homes’ campus amenities and the same health care services and future benefits afforded residents who are living on campus. North Carolina General Assembly Statute §58-64-7(c) stipulates that the Homes must account for the revenue and expenses related to the ThriveMore at Home program separate from revenue and expenses for on-campus services on financial statements. The ThriveMore at Home Program began operations in 2024, and had 35 and 10 members under contract in the ThriveMore at Home program as of September 30, 2025 and 2024, respectively.

Reclassifications

Certain amounts in the 2024 consolidated financial statements have been reclassified to conform to the 2025 presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

Goodwill

The Organization accounts for business acquisitions using the acquisition method of accounting. Goodwill is recognized as a result of a business combination when the purchase price paid for the acquired business exceeds the fair value of its intended net assets. Identified intangible assets are recognized at their fair value when acquired. The Organization has elected the alternative accounting for goodwill as its accounting policy. The Organization has elected to amortize goodwill on a straight-line basis over 10 years and test for impairment at the entity level. Goodwill is amortized on a straight-line basis. At September 30, 2025 and 2024 goodwill was approximately $16,941,000 and amortization expense was approximately $1,598,000 for the fiscal years ending September 30, 2025 and 2024. At September 30, 2025 and 2024, accumulated amortization was approximately $3,196,000 and $1,598,000, respectively. Organizations making the election test goodwill for impairment only when a triggering event occurs and perform the goodwill impairment evaluation as of the end of each reporting period, instead of annually. When impairment is likely, the Organization calculates goodwill impairment as the Organization’s carrying value including goodwill that exceeds its fair value. There was no impairment of goodwill during 2025 and 2024.

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

Subsequent Events

The Organization has evaluated its subsequent events through January 16, 2026, the date the consolidated financial statements were available to be issued.

NOTE 2 ASSETS LIMITED AS TO USE AND INVESTMENTS

Assets limited as to use at September 30, are summarized in the following table. Assets limited as to use are stated at fair value.

	2025	2024
Internally Designated for Entrance Fee Deposits:		
Cash and Cash Equivalents	$ 3,167,748	$ 2,123,063
Internally Designated for Thrivemore at Home:		
Cash and Cash Equivalents	183,783	9,926
Mutual Funds and Equities	1,186,090	519,680
Mutual Funds, Corporate Obligations, and Fixed Income Securities	739,512	326,614
Total	2,109,385	856,220
Internally Designated for Statutory Operating Reserve:		
Cash and Cash Equivalents	94,255	105,524
Mutual Funds and Equities	5,983,666	5,308,445
Mutual Funds, Corporate Obligations, and Fixed Income Securities	2,789,079	2,705,031
Total	8,867,000	8,119,000
Total Assets Limited as to Use	$ 14,144,133	$ 11,098,283

Three of Homes' facilities are required by NC General Statute Chapter 58, Article 64 to fund an operating reserve account. The operating reserve must be an amount at least equal to 25% or 50% (depending on occupancy) of the forecasted operating expenses (net of depreciation and amortization) of the forecasted year, plus annual debt service. The operating reserve requirement for Brookridge Retirement Community was approximately $4,489,000 and $3,844,000 as of September 30, 2025 and 2024, respectively. The operating reserve requirement for The Gardens of Taylor Glen was approximately $2,862,000 and $2,518,000 as of September 30, 2025 and 2024, respectively. The operating reserve requirement for Ardenwoods was approximately $1,516,000 and $1,757,000 as of September 30, 2025 and 2024, respectively.

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

Other investments, stated at fair value, at September 30, include:

	2025	2024
Other Investments:		
Cash and Cash Equivalents	$ 992,145	$ 728,394
Mutual Funds and Equities	37,651,249	33,936,597
Mutual Funds, Corporate Obligations, and Fixed Income Securities	17,549,831	21,376,834
Total	$ 56,193,225	$ 56,041,825

Investment income and unrealized and realized gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended September 30:

	2025	2024
Investment Income and Realized and Unrealized Gains:		
Interest and Dividend Income	$ 1,875,229	$ 1,653,560
Net Realized Gains on Sales of Securities	2,132,281	1,503,939
Total	$ 4,007,510	$ 3,157,499
Unrealized Gains on Investments	$ 3,779,126	$ 10,069,786

The Organization has assessed the classification of its investments and determined the investments should be classified as trading securities. The investments are managed by two different investment brokers who have the ability to buy and sell investments within the parameters set forth by the Organization's investment policies. The brokers are not expressly limited to any number of transactions they can execute to achieve investment goals. Due to this, the investments are classified as trading securities. As trading securities, the investments are not subject to other-than-temporary impairment.

NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS

The irrevocable split-interest agreements in which the Organization has a beneficial interest are categorized as follows:

Charitable Remainder Trusts

A charitable remainder trust provides for payments to the grantor or other designated beneficiaries over the trust's term. The terms of most of the charitable remainder trusts which name the Organization as a remainder beneficiary are the lifetimes of the respective distribution recipients. At the end of the respective trust's terms, the remaining assets in which Homes has an interest will be distributed to the Organization.

NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS (CONTINUED)

Charitable Remainder Trusts (Continued)

Upon receipt of a beneficial interest in a charitable remainder trust, the present value of such interest is recorded as contribution revenue. The annual change in the present value of the beneficial interest is recorded as a change in value of charitable remainder trusts on the consolidated statements of activities and changes in net assets. Such valuations are based on estimated mortality rates and other assumptions that could change in the near-term. The discount rates used in the calculations were 4.16% and 3.81% for the fiscal years 2025 and 2024, respectively.

Beneficial Interest in Perpetual Trust

Beneficial interest in perpetual trusts represents assets held in trust and administered by a third party, from which the Organization has the irrevocable right to receive a share of income from the trust's assets in perpetuity. These assets are stated at the fair value of the Organization's share of trust assets, which is an approximation of the present value of the estimated future distributions from this trust.

Upon receipt of an irrevocable interest in the income of a perpetual trust administered by a third party, the Organization records the fair value of estimated future distributions from the trust as permanently restricted contribution revenue. Over the term of the perpetual trust, income distributions to the Organization are included in investment income. Annual changes in the fair value of trust assets are recorded as permanently restricted gains or losses on the consolidated statements of activities and changes in net assets. Such valuations are based on estimated mortality rates and other assumptions that could change in the near-term.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	2025	2024
Land and Land Improvements	$ 12,697,238	$ 12,736,238
Buildings and Improvements	134,806,185	129,296,375
Furniture, Fixtures, and Equipment	5,454,810	5,170,532
Vehicles	1,124,590	978,129
Total	154,082,823	148,181,274
Less: Accumulated Depreciation	82,054,536	72,667,533
Total	72,028,287	75,513,741
Construction in Progress	56,461,516	12,312,610
Property and Equipment, Net	$ 128,489,803	$ 87,826,351

Construction in progress as of September 30, 2025 and 2024, related mainly to renovations at the Taylor Glen and Brookridge locations. The remaining cost associated with the Taylor Glen project is approximately $14,448,000 and is expected to be completed in fiscal year 2026.

NOTE 4 PROPERTY AND EQUIPMENT (CONTINUED)

In fiscal year 2023, the Organization closed on the sale of the Western North Carolina Home resulting in cash proceeds and a note receivable (the Note Receivable) from the buyer for approximately $2,500,000.

The terms of the Note Receivable note the Organization shall receive monthly interest payments based upon an interest rate of 6.2%. The maturity date of the Note Receivable shall be the earlier of the third anniversary of the Note Receivable, the date on which the outstanding principal balance of the Note Receivable becomes due and payable, whether by declaration or acceleration upon the occurrence and continuance of an event of default, as defined in the agreement, the refinancing of the existing senior mortgage encumbering the real property or a sale, or any other disposition of all or substantially all of the assets of the entity. The note is set to mature on September 8, 2026.

NOTE 5 LONG-TERM DEBT

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

Description	2025	2024
Term Loan at 3.22%, Maturing in 2035	$ 14,241,818	$ 15,466,273
Term Loan at 3.22%, Maturing in 2035	8,106,653	8,802,526
Series 2024A Bonds	60,043,845	21,833,482
Series 2024B Bonds	181,337	172,587
Series 2024C Bonds	3,000,000	3,000,000
Total	85,573,653	49,274,868
Less: Current Maturities	1,993,728	1,930,636
Less: Unamortized Deferred Financing Costs	1,132,157	1,157,851
Long-Term Debt, Net	$ 82,447,768	$ 46,186,381

In 2013, the Organization entered into a Term Loan Agreement for $34,650,000 to refinance the remaining balances on the Organization's North Carolina Medical Care Commission term bonds. During the year ended September 30, 2020 the Organization refinanced this loan. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of $142,416. The refinanced term loan carries an interest rate of 3.22%.

NOTE 5 LONG-TERM DEBT (CONTINUED)

In 2012, the Organization entered into a Construction and Permanent Loan Agreement to finance construction and renovations at Brookridge Retirement Community with a maximum borrowing of $16,500,000. Interest only was due and payable for the first 12 months under the agreement and then principal and interest based on the bank's amortization schedule. On October 25, 2014, the Loan Agreement was finalized upon the completion of the construction project to adjust the principal and interest payments based on the actual borrowings. During the year ended September 30, 2020, the Organization refinanced this loan. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of $81,065. The refinanced term loan carries an interest rate of 3.22%.

Security for the debt agreements consist of a pledge and assignment to the lender of all rights, title, interest in, and first priority deeds of trust on all property of Brookridge and The Gardens of Taylor Glen.

In 2024, the Organization entered into a Master Credit Agreement to finance construction and renovations for the "Taylor Glen Project", Ardenwoods' loan payoff, and New Bern loan payoff and reimbursement for capital expenditures. Total proceeds from the Series 2024 Bonds are expected to total approximately $86,000,000 and will be generated utilizing the following structure and terms.

The Series 2024 Bonds are being financed through the issuance of direct bank placed fixed rate draw down structure.

The "Series 2024A Bonds" are expected to be fully drawn down to an amount totaling approximately $67,685,000, bearing interest at bank-bought fixed rate of 5.28%, subject to monthly principal and interest payments, with interest only payments beginning July 2024 and monthly principal and interest payments beginning July 2028 through June 2053. The balance on the 2024A Bonds is approximately $60,044,000 and $21,833,000 as of September 30, 2025 and 2024, respectively.

The "Series 2024B Bonds" are expected to be fully drawn down to an amount totaling approximately $15,315,000. This debt is anticipated to be repaid from the availability of "Initial Entrance Fees" received from the Taylor Glen Project. The debt has a five-year maturity, with monthly interest payments due beginning July 2024, and the principal amount due in full on June 2029. The Series 2024B Bonds will qualify as qualified intermediate term indebtedness for purposes of covenant consideration. Annual interest on the Series 2024B Bonds is at bank-bought fixed rate of 4.95%. The balance on the Series 2024B Bonds is approximately $181,000 and $173,000 as of September 30, 2025 and 2024, respectively.

NOTE 5 LONG-TERM DEBT (CONTINUED)

The “Series 2024C Bonds” are fully drawn down to an amount totaling approximately $3,000,000. The debt has a four-year maturity, with monthly interest payments due beginning July 2024, and the principal amount due in full on June 2028. Annual interest on the Series 2024C Bonds is at bank-bought fixed rate of 5.28%. The balance on the Series 2024C Bonds is approximately $3,000,000 as of September 30, 2025 and 2024, respectively. The responsibility for the payment of the debt service on the Series 2024 Bonds is expected to be solely that of the Homes.

The debt agreements contain certain payments and covenants, which include the maintenance of a long-term debt service coverage ratio, cash-to-debt ratio and restricts, among other things, incurrence of indebtedness, existence of liens on property, consolidations and mergers, disposition of assets, and changes in members of the obligated group. At September 30, 2025 and 2024, management is not aware of any noncompliance with these requirements.

Aggregate maturities required on long-term debt as of September 30, 2025, are due in future years as follows:

Year Ending September 30,	Amount
2026	$ 1,993,728
2027	2,058,882
2028	5,454,563
2029	3,725,946
2030	3,707,309
Thereafter	68,633,225
Total	$ 85,573,653

NOTE 6 DEFERRED REVENUE FROM ADVANCE FEES AND REFUNDABLE ADVANCES

The Gardens of Taylor Glen and Brookridge Retirement Community offers contract options to new residents on a 90%, 50%, and 0% refundable basis. Ardenwoods offers contract options to new residents on a 90% refundable basis.

At September 30, 2025 and 2024, the portion of advance fees subject to refund provisions was approximately $27,650,000 and $25,216,000, respectively. The amount expected to be refunded to current residents within the next year, based on the Organization’s experience, is approximately $736,000.

NOTE 7 RESIDENT SERVICE REVENUE

Resident service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others, and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the residents and third-party payors several days after the services are performed. Service fees paid by residents for maintenance, meals, and other services are assessed monthly and are recognized as revenue in the period services are rendered. Revenue is recognized as performance obligations are satisfied.

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

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

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization' policy, and/or implicit price concessions provided to residents. The Organization determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience.

NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

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

Medicare

The Organization's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facilities were paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and met the coverage guidelines for skilled nursing facility services. The PPS was a per diem price-based system. CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient is used as a basis for reimbursement.

In addition, PDPM introduces variance adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

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

Medicaid

The Organization's licensed nursing facilities participate in the Medicaid program which is administered by the North Carolina Division of Health Benefits. Services rendered to Medicaid program beneficiaries are reimbursed using predetermined per diem rates as defined for each Medicaid provider in North Carolina. Annual cost report filings are required for Medicaid providers, which include the completion of the North Carolina Division of Health Benefit's supplemental schedules. For Continuing Care Retirement Facilities, the Supplemental Schedules do not contain a cost settlement.

Other

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

NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

Approximately 7% and 9% of the Homes' resident service revenue for the years ended September 30, 2025 and 2024, respectively, was derived from Medicare. Approximately 8% and 6% of Homes' resident service revenue for the years ended September 30, 2025 and 2024, respectively, was derived from Medicaid.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2025 or 2024.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are recorded as adjustments to resident services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2025 and 2024. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

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

The Organization maintains records, and the board has oversight, to identify and monitor the amount of charges foregone for services and supplies furnished under its benevolent assistance policy and to identify and monitor the level of benevolent assistance it provides. The total amount of charges forgone and direct benevolence assistance provided amounted to approximately, $1,734,000 and $3,419,00 during the years ended September 30, 2025 and 2024, respectively.

The Medicare, Medicaid, and other governmental programs' charges foregone, based on established rates, were approximately $1,108,000 and $2,726,000 during the years ended September 30, 2025 and 2024, respectively.

NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

The Organization has estimated the costs of providing assistance under its benevolent assistance policy. In order to estimate the cost of providing such assistance, management calculated a ratio by comparing the charges foregone to total operating revenue and applying this ratio to expenses to estimate the costs of providing benevolent assistance. Using this methodology, the Organization has estimated the costs for services under the Organization's benevolent assistance policy to be approximately $392,000 and $515,000 for the years ended September 30, 2025 and 2024, respectively. The amount of direct benevolent assistance provided by Homes was approximately $626,000 and $693,000 during the years ended September 30, 2025 and 2024, respectively.

Contract Costs

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

The opening and closing contract balances were as follows:

	Accounts Receivable	Deferred Revenue from Advanced Fees
Balance as of October 1, 2023	$ 2,621,883	$ 18,289,457
Balance as of September 30, 2024	4,501,618	21,984,947
Balance as of September 30, 2025	2,004,148	22,855,320

NOTE 8 RETIREMENT PLAN

The Organization has a defined contribution annuity plan (the Plan) with Guidestone Financial Resources. The Plan has a contributory feature and participation in the Plan is optional at the election of the employees. To qualify for the employer matching contribution, employees must have been employed with the Organization for two years and must contribute 3% of their compensation to the Plan. Employer contributions to the Plan are made after each pay period at an amount equal to 100% match of the first 3% of employees' contributions and a 50% match of the next 2% contributed by employees. Employer contributions to the Plan were approximately $196,000 and $185,000 for the years ended September 30, 2025 and 2024, respectively.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisting of contributions restricted as to purpose, the passage of time, or in perpetuity consist of the following at September 30:

	2025	2024
Restricted for Purpose:		
Charitable Remainder Trusts	$ 1,774,662	$ 1,590,144
Geneva Stroupe Support	229,432	219,503
Employee Benefit Account	-	7,010
New Residential Development	2,311,447	2,501,648
Taylor House Benevolence and Operating Support	6,232,244	5,767,738
Medicine from the Heart	52,903	33,772
Life at Home	177,740	177,740
Immeasurable More	626,989	-
Total Restricted for Purpose	11,405,417	10,297,555
Restricted in Perpetuity:		
Beneficial Interest in Perpetual Trusts	7,759,050	7,234,216
Endowments	6,693,357	6,693,357
Total Restricted in Perpetuity	14,452,407	13,927,573
Total Net Assets With Donor Restrictions	$ 25,857,824	$ 24,225,128

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and/or by occurrence of other events specified by donors.

	2025	2024
New Residential Development	$ 190,200	$ 291,782
Taylor House Benevolence and Operating Support	809,277	880,200
Medicine from the Heart	21,000	21,000
Total	$ 1,020,477	$ 1,192,982

NOTE 10 ENDOWMENT FUNDS

Interpretation of Relevant Law

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

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policy of the Organization

Funds with Deficiencies

It is the Organization’s policy to maintain the corpus amounts of each individual donor-restricted endowment fund received. If the fair value of assets associated with individual donor-restricted endowment funds were to fall below the level that the donor or the Act requires the Organization to retain as a fund of perpetual duration, in accordance with GAAP, then such deficiencies would be reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

At September 30, 2025 and 2024, the Organization had approximately $14,452,000 and $13,928,000 in net assets with donor restrictions-restricted in perpetuity, respectively. Of these respective totals, approximately $7,759,000 and $7,234,000 relates to split-interest agreements that are administered and managed by third parties as trustees at September 30, 2025 and 2024, respectively. The remaining $6,693,000 of net assets restricted in perpetuity at September 30, 2025 and 2024, are managed by two different investment brokers within the Organization's Investment Policy Statement. The Organization had no board-designated endowment funds as of September 30, 2025 or 2024.

The following is the change in endowment net assets for the years ended September 30, 2025 and 2024:

	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets, September 30, 2023	$ -	$ 1,303,053	$ 6,693,357	$ 7,996,410
Unrealized Losses on Investments	-	1,721,917	-	1,721,917
Net Assets Released from Restrictions	-	(291,781)	-	(291,781)
Endowment Net Assets, September 30, 2024	-	2,733,189	6,693,357	9,426,546
Unrealized Gain on Investments	-	1,076,998	-	1,076,998
Net Assets Released from Restrictions	-	(291,781)	-	(291,781)
Endowment Net Assets, September 30, 2025	$ -	$ 3,518,406	$ 6,693,357	$ 10,211,763

NOTE 11 CONCENTRATIONS OF CREDIT RISK

The Organization maintains demand deposits with financial institutions, the balances of which exceed the federally insured amount. Included in demand deposits are Advance Fee Escrow Accounts, which are mandated by State Statute. The Organization has not experienced any loss as a result of these holdings.

The Organization accepts residents based on strict financial verifications of assets, which become part of their residency contracts. No Medicare or Medicaid residents are accepted without approval from federal, state, and/or county agencies.

NOTE 11 CONCENTRATIONS OF CREDIT RISK (CONTINUED)

The mix of accounts receivable from residents and third-party payors at September 30, was as follows:

	2025	2024
Medicare	14 %	24 %
Medicaid	9	4
Other Third-Party Payers	25	55
Self-Pay	52	17
Total	100 %	100 %

NOTE 12 FUNCTIONAL EXPENSES

The functional classification of expenses for the years ended September 30, consist of the following:

	2025			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and Wages	$ 16,090,004	$ 5,191,358	$ 224,088	$ 21,505,450
Benefits	2,593,293	734,708	49,731	3,377,732
Advertising	762,773	279,637	-	1,042,410
Insurance	-	494,936	-	494,936
Professional Services	3,721,130	966,894	-	4,688,024
Dues and Subscriptions	17,456	112,439	-	129,895
Occupancy	1,425,289	141,272	-	1,566,561
Meals and Entertainment	1,947,585	76,430	-	2,024,015
Interest	1,713,049	-	-	1,713,049
IT	18,255	776,178	-	794,433
Travel	26,232	85,850	-	112,082
Medical Supplies	350,756	-	-	350,756
Supplies	1,048,958	329,154	-	1,378,112
Pharmaceuticals	31,495	-	-	31,495
Equipment	61,165	3,361	-	64,526
Maintenance and Repair	1,654,636	159,010	-	1,813,646
Depreciation and Amortization	9,609,781	1,611,544	-	11,221,325
Development	240,203	152,732	51,022	443,957
Other	769,947	378,736	64,893	1,213,576
Credit Loss	593,729	24,600	-	618,329
Total	$ 42,675,736	$ 11,518,839	$ 389,734	$ 54,584,309

NOTE 12 FUNCTIONAL EXPENSES (CONTINUED)

	2024			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and Wages	$14,903,895	$4,158,869	$168,278	$ 19,231,042
Benefits	2,402,923	604,736	19,060	3,026,719
Advertising	657,108	369,362	-	1,026,470
Insurance	-	533,459	-	533,459
Professional Services	3,533,286	1,396,722	-	4,930,008
Dues and Subscriptions	18,531	90,530	-	109,061
Occupancy	1,426,372	155,871	-	1,582,243
Meals and Entertainment	1,858,294	57,524	-	1,915,818
Interest	2,039,679	-	-	2,039,679
IT	12,987	552,561	-	565,548
Travel	15,649	86,494	-	102,143
Medical Supplies	324,532	-	-	324,532
Supplies	1,200,573	298,002	-	1,498,575
Pharmaceuticals	29,174	-	-	29,174
Equipment	68,216	8,028	-	76,244
Maintenance and Repair	1,617,881	195,856	-	1,813,737
Depreciation and Amortization	8,583,116	1,609,069	-	10,192,185
Development	143,393	130,310	35,670	309,373
Other	697,325	309,300	18,874	1,025,499
Credit Loss	1,184,334	-	-	1,184,334
Total	$ 40,717,268	$ 10,556,693	$ 241,882	$ 51,515,843

NOTE 13 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Nature of Organization and Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the consolidated balances of the assets and liabilities of the Organization measured at fair value on a recurring basis as of September 30:

	Assets at Fair Value as of September 30, 2025			
	Level 1	Level 2	Level 3	Total
ASSETS				
Investments and Assets Limited as to Use:				
Mutual Funds:				
Equities	$ 44,821,005	$ -	$ -	$ 44,821,005
Bonds	21,078,422	-	-	21,078,422
Total Investments	65,899,427	-	-	65,899,427
Charitable Remainder Trusts	-	-	1,724,788	1,724,788
Charitable Gift Annuities Fund	-	49,874	-	49,874
Beneficial Interest in Perpetual Trusts	-	-	7,759,050	7,759,050
Total	$ 65,899,427	$ 49,874	$ 9,483,838	$ 75,433,139

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

	Assets at Fair Value as of September 30, 2023			
ASSETS	Level 1	Level 2	Level 3	Total
Investments and Assets Limited as to Use:				
Mutual Funds:				
Equities	$ 39,764,722	$ -	$ -	$ 39,764,722
Bonds	24,408,479	-	-	24,408,479
Total Investments	64,173,201	-	-	64,173,201
Charitable Remainder Trusts	-	-	1,553,102	1,553,102
Charitable Gift Annuities Fund	-	37,042	-	37,042
Beneficial Interest in Perpetual Trusts	-	-	7,234,216	7,234,216
Total	$ 64,173,201	$ 37,042	$ 8,787,318	$ 72,997,561

The Organization had approximately $4,438,000 and $2,967,000 of cash and cash equivalents included with investments as of September 30, 2025 and 2024, respectively, which is not included in the fair value hierarchy.

Following is a description of the valuation methodologies used for assets measured at fair value subsequent to initial recognition. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Mutual Funds and Equity Securities – Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Other Various Investments – Bond securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the date of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. The remainder of investments included in this classification is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, or market price quotations (where observable) and are, therefore, categorized in Level 2 of the fair value hierarchy.

Beneficial Interest in Perpetual Trusts – The value of Beneficial Interest in Perpetual Trusts represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third-party. The Organization does not have variance power over the trust's portfolio. The value of Beneficial Interest in Perpetual Trusts uses a market approach and is estimated based on the fair value of the underlying investments held by the trust.

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

Beneficial Interest in Charitable Remainder Trusts – Valued using the income approach based on estimated mortality and discount rates. The discount rates used in the valuation calculations were 4.16% and 3.81% for fiscal years 2025 and 2024, respectively.

NOTE 14 COMMITMENTS AND CONTINGENCIES

The health care industry is subject to numerous laws and regulations by federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Self-Insured Health Insurance

The Organization was previously self-insured for its employees' health plan. The Organization contracted with an administrative service company to supervise and administer the program and act as its representative. Provisions for expected future payments were accrued based on the Organization's experience and included amounts for claims filed and claims incurred but not reported. The Organization held stop loss insurance for excessive and unexpected health claims with an individual deductible of $75,000 and an aggregate deductible of approximately $1,255,000. The Organization reserved approximately $321,000 related to its self-insured health insurance at September 30, 2024. The Organization now has a fully insured employees' health plan and is no longer self-insured.

NOTE 15 LINES OF CREDIT

The Organization obtained a revolving line of credit (LOC) with a maximum borrowing limit of $800,000. In 2024, the line was extended to expire April 4, 2026. Interest on the LOC is based upon the 30-Day Average Secured Overnight Financing Rate (SOFR) plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of September 30, 2025, the interest rate on the LOC was 7.21%. As of September 30, 2025 and 2024, there were no outstanding balances.

NOTE 15 LINES OF CREDIT (CONTINUED)

The Organization obtained an additional LOC with a maximum borrowing limit of $2,000,000. In 2024, the line was extended to April 5, 2025 and the limit increased to $7,500,000. In 2025, the line was extended to April 5, 2026. Interest on the LOC is based upon SOFR plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of September 30, 2025, the interest rate on the LOC was 6.254%. As of September 30, 2025 and 2024, the balance on the LOC was approximately, $6,111,000 and $6,750,000, respectively.

NOTE 16 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating, capital, and benevolence needs. With a focus on maintaining adequate liquid funds to meet these needs, the Organization strives to maximize the return on the investment of its available funds, while adhering to the Investment Committee and Board Investment Policy Statement. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing care of its residents, campuses, and community outreach. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Organization currently has a policy that allows for the transfer up to 5% of the investment portfolio to support operations and ongoing projects. The statement of cash flows, which identifies the sources and uses of the Organization's cash, reflects positive cash generated by operations.

The following table reflects the Organization's liquid financial assets as of September 30:

	2025	2024
Cash and Cash Equivalents	$ 1,870,914	$ 3,434,031
Accounts Receivable	1,775,150	3,059,725
Investments	56,193,225	56,041,825
Contributions Receivable	405,307	157,500
Assets Limited as to Use:		
Internally Designated for ThriveMore at Home	2,109,385	856,220
Internally Designated for Statutory Operating Reserve	8,867,000	8,119,000
Total	71,220,981	71,668,301
Less: Net Assets with Donor Restrictions (Not Included in Charitable Remainder Trusts or Beneficial Interest in Perpetual Trusts)	(16,324,112)	(15,400,768)
Total Financial Assets Available to Meet Liquidity Needs	$ 54,896,869	$ 56,267,533

NOTE 17 ACQUISITION

On October 2, 2023, the Organization completed an acquisition transaction to acquire the Ardenwoods Retirement Community (Ardenwoods) with the purpose being to acquire their operations and further the overall mission of the organization of providing health care services. All activity of the consolidated subsidiary since the date of acquisition is included in the operating results presented for the year ended September 30, 2024, on the accompanying consolidated statement of operations and changes in net assets. The acquisition was funded through consideration transferred in the form of a cash payment with an acquisition date fair value of $21,875,000.

The Organization accounted for the acquisition using the purchase method of accounting. The purchase price was allocated to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the underlying net assets acquired over the consideration transferred was reported on the accompanying consolidated statement of operations and changes in net assets as goodwill. The goodwill received from this acquisition totaled approximately $16,941,000 and reported on the consolidated balance sheet.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at their estimated fair values as of October 3, 2024:

Inventory	$ 25,605
Property and Equipment	21,100,000
Total Assets Acquired	$ 21,125,605
Accrued Liabilities	$ (183,300)
Deferred Revenue	(1,530,575)
Current Portion of Refundable Entrance Fees	(961,200)
Refundable Entrance Fees, Net Present Value	(13,516,218)
Total Liabilities Assumed	$ (16,191,293)
Consideration Exchanged	$ (21,875,000)
Goodwill - Acquisition	$ (16,940,689)

The allocation of purchase price for the acquisition is preliminary determined by management based on various market and income analyses and recent asset appraisals. The tangible assets and liabilities were valued by management. The fair value of the assumed debt was determined using an option-adjusted discounted cash flows analysis. Transaction costs related to the acquisition amounted to approximately $137,000 and were expensed as incurred in the Company’s statement of operations. There was no contingent consideration included in this transaction. There were no contingent assets acquired, or liabilities assumed in this transaction.

NOTE 18 CONTRIBUTIONS RECEIVABLE

The following is a summary of contributions receivable as of September 30:

	2025	2024
Due in Less than One Year	$ 405,307	$ 157,500
Due in One to Five Years	307,193	-
Subtotal	712,500	157,500
Less: Allowance for Uncollectible Accounts	(4,375)	-
Contributions Receivable, Net	$ 708,125	$ 157,500

NOTE 19 SUBSEQUENT EVENTS

Subsequent to September 30, 2025, the Organization completed the financing for a childcare center located adjacent to the Brookridge campus with a total construction project budget of approximately $5,100,000. The childcare center is anticipated to the paid for with a promissory note with a financial institution in the amount of approximately $3,891,000 and equity from the Organization. Construction began March 2025 and is anticipated to be completed by April 2026. Interest on the note is fixed at 6.39 percent and monthly principal and interest payments of approximately $29,000 will begin December 2026 with all unpaid principal due November 2036.

Subsequent to September 30, 2025, the Organization began construction on a 12-unit couples memory care project with each unit consisting of both independent living and assisted living space attached to a clubhouse for clinical services. The total construction project budget is estimated to be approximately $18,780,000. The couples memory care project is anticipated to the paid for with two promissory notes with a financial institution in the amount of approximately $18,889,000 and equity from the Organization. Construction began October 2025 and is anticipated to be completed by January 2027. The short-term note of $3,200,000 is anticipated to be repaid using first-generation entrance fees from the couples memory care project. Interest on the short-term note is fixed at 5.00 percent. Interest payments will begin February 2026 and consecutively each month thereafter. All outstanding principal and interest shall be due December 2027. The long-term note is for approximately $15,689,000. Interest on the long-term note is fixed at 5.98 percent with monthly principal and interest payments of approximately $101,800 will begin February 2028 with all unpaid principal due January 2038.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2025

ASSETS	Homes	Foundation	Eliminations	Consolidated
CURRENT ASSETS				
Cash and Cash Equivalents	$ 1,870,914	$ -	$ -	$ 1,870,914
Accounts Receivable	2,004,148	-	-	2,004,148
Allowance for Credit Losses	(228,998)	-	-	(228,998)
Accounts Receivable, Net	1,775,150	-	-	1,775,150
Investments	11,503,025	44,690,200	-	56,193,225
Contributions Receivable, Net	-	405,307	-	405,307
Prepaid Expenses and Other Assets	1,014,795	5,381	-	1,020,176
Deposit	1,971	-	-	1,971
Note Receivable	2,500,000	-	-	2,500,000
Due from Foundation	-	2,123,491	(2,123,491)	-
Total Current Assets	18,665,855	47,224,379	(2,123,491)	63,766,743
ASSETS LIMITED AS TO USE				
Entrance Fee Deposits	3,167,748	-	-	3,167,748
Internally Designated for ThriveMore at Home	2,109,385	-	-	2,109,385
Internally Designated for Statutory Operating Reserve	8,867,000	-	-	8,867,000
Total Assets Limited as to Use	14,144,133	-	-	14,144,133
INVESTMENTS AND OTHER ASSETS				
Assets in Split-Interest Agreements:				
Charitable Remainder Trusts	1,704,991	69,671	-	1,774,662
Beneficial Interest in Perpetual Trust	5,497,837	2,261,213	-	7,759,050
Other Assets	15,000	-	-	15,000
Goodwill, Net	13,744,215	-	-	13,744,215
Contribution Receivable, Net of Current	-	302,818	-	302,818
Total Investments and Other Assets	20,962,043	2,633,702	-	23,595,745
PROPERTY AND EQUIPMENT, NET	127,521,615	968,188	-	128,489,803
INVESTMENT IN AFFILIATE	50,812,389	-	(50,812,389)	-
Total Assets	$ 232,106,035	$ 50,826,269	$ (52,935,880)	$ 229,996,424

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2025

	Homes	Foundation	Eliminations	Consolidated
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current Maturities of Long-Term Debt	$ 1,993,728	$ -	$ -	$ 1,993,728
Line of Credit	6,110,900	-	-	6,110,900
Accounts Payable	$5,586,244	2,284	-	5,588,528
Accrued Expenses	4,002,037	6,391	-	4,008,428
Accrued Employee Compensation	1,499,005	5,205	-	1,504,210
Due to Related Party	2,123,491	-	(2,123,491)	-
Other Current Liabilities	10,486	-	-	10,486
Current Portion of Refundable Advance Fees	736,179	-	-	736,179
Total Current Liabilities	22,062,070	13,880	(2,123,491)	19,952,459
LONG-TERM DEBT, LESS CURRENT MATURITIES	82,447,768	-	-	82,447,768
DEFERRED REVENUE AND OTHER LIABILITIES				
Entrance Fee and Waitlist Deposits	2,659,451	-	-	2,659,451
Deferred Revenue from Advance Fees	22,855,320	-	-	22,855,320
Refundable Advance Fees on Occupied Units, Net of Current Portion	26,913,611	-	-	26,913,611
Total Deferred Revenue and Other Liabilities	52,428,382	-	-	52,428,382
Total Liabilities	156,938,220	13,880	(2,123,491)	154,828,609
NET ASSETS				
Without Donor Restrictions	49,309,991	35,770,737	(35,770,737)	49,309,991
With Donor Restrictions	25,857,824	15,041,652	(15,041,652)	25,857,824
Total Net Assets	75,167,815	50,812,389	(50,812,389)	75,167,815
Total Liabilities and Net Assets	$ 232,106,035	$ 50,826,269	$ (52,935,880)	$ 229,996,424

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2025

	Homes	Foundation	Eliminations	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT				
Resident Services:				
On Campus	$ 35,927,427	$ -	$ -	$ 35,927,427
ThriveMore at Home	163,528	-	-	163,528
Amortization of Advance Fees:				
On Campus	3,582,232	-	-	3,582,232
ThriveMore at Home	97,680	-	-	97,680
Income from Grants and Gifts, Including Gifts from Churches	-	2,134,763	(1,545,000)	589,763
Income from Estates and Trusts	-	249,122	-	249,122
Investment Income and Realized Gains	3,671,031	336,479	-	4,007,510
Net Assets Released from Restrictions	-	830,276	-	830,276
Other	311,661	25,000	-	336,661
Total Revenues, Gains, and Other Support	43,753,559	3,575,640	(1,545,000)	45,784,199
OPERATING EXPENSES				
Resident Care	19,924,603	-	-	19,924,603
ThriveMore at Home	592,737	-	-	592,737
Dietary	6,117,269	-	-	6,117,269
Maintenance and Housekeeping	7,268,172	-	-	7,268,172
General and Administrative	8,054,076	1,238,078	(1,545,000)	7,747,154
Depreciation and Amortization	11,214,019	7,306	-	11,221,325
Interest	1,713,049	-	-	1,713,049
Total Operating Expenses	54,883,925	1,245,384	(1,545,000)	54,584,309
OPERATING INCOME (LOSS)	(11,130,366)	2,330,256	-	(8,800,110)
NONOPERATING INCOME (LOSS)				
Loss on Sale of Property and Equipment	(13,962)	(18,048)	-	(32,010)
Unrealized Gain on Investments	400,156	2,286,807	-	2,686,963
Accreted Interest	(780,996)	-	-	(780,996)
Total Nonoperating Income (Loss)	(394,802)	2,268,759	-	1,873,957
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	(11,525,168)	4,599,015	-	(6,926,153)
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Net Assets Released from Restrictions for Property and Equipment	-	190,201	-	190,201
Change in Investment in Affiliate	4,789,216	-	(4,789,216)	-
Total Other Changes in Net Assets Without Donor Restrictions	4,789,216	190,201	(4,789,216)	190,201
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(6,735,952)	4,789,216	(4,789,216)	(6,735,952)

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Homes	Foundation	Eliminations	Consolidated
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	$ -	$ 851,657	$ -	$ 851,657
Change in Value of Charitable Remainder Trusts	178,740	5,779	-	184,519
Change in Unrealized Gains on Investments	164,515	927,648	-	1,092,163
Change in Value of Beneficial Interest in Perpetual Trusts	430,456	94,378	-	524,834
Net Assets Released from Restrictions	-	(1,020,477)	-	(1,020,477)
Decrease in Investment in Affiliate	858,985	-	(858,985)	-
Increase (Decrease) in Net Assets With Donor Restrictions	1,632,696	858,985	(858,985)	1,632,696
CHANGE IN NET ASSETS	(5,103,256)	5,648,201	(5,648,201)	(5,103,256)
Net Assets - Beginning of Year	80,271,071	45,164,188	(45,164,188)	80,271,071
NET ASSETS - END OF YEAR	$ 75,167,815	$ 50,812,389	$ (50,812,389)	$ 75,167,815

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING BALANCE SHEET OF HOMES
SEPTEMBER 30, 2025

ASSETS	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Point	Corporate	Eliminations	Total Homes
CURRENT ASSETS									
Cash and Cash Equivalents	$ (155,981)	$ 3,159	$ 5,687	$ -	$ 5,232	$ 4	$ 2,012,813	$ -	$ 1,870,914
Accounts Receivable	1,545,512	29,993	367,232	234	61,177	-	-	-	2,004,148
Allowance for Credit Losses	(150,672)	(17,464)	(36,262)	-	(24,600)	-	-	-	(228,998)
Accounts Receivable, Net	1,394,840	12,529	330,970	234	36,577	-	-	-	1,775,150
Investments	-	-	-	-	-	-	11,503,025	-	11,503,025
Prepaid Expenses and Other Assets	132,737	5,652	448,671	1,326	53,506	3,377	369,526	-	1,014,795
Deposit	-	-	-	-	-	-	1,971	-	1,971
Note Receivable							2,500,000		2,500,000
Total Current Assets	1,371,596	21,340	785,328	1,560	95,315	3,381	16,387,335	-	18,665,855
ASSETS LIMITED AS TO USE									
Entrance Fee Deposits	-	-	3,009,977	-	-	157,771	-	-	3,167,748
Internally Designated for ThriveMore at Home	-	-	-	-	-	-	2,109,385	-	2,109,385
Internally Designated for Statutory Operating Reserve	-	-	-	-	-	-	8,867,000	-	8,867,000
Total Assets Limited as to Use	-	-	3,009,977	-	-	157,771	10,976,385	-	14,144,133
INVESTMENTS AND OTHER ASSETS									
Assets in Split-Interest Agreements:									
Charitable Remainder Trusts	-	-	-	-	-	-	1,704,991	-	1,704,991
Beneficial Interest in Perpetual Trust	-	-	-	-	-	-	5,497,837	-	5,497,837
Other Assets	-	-	-	-	-	-	15,000	-	15,000
Goodwill, Net	-	-	-	-	-	-	13,744,215	-	13,744,215
Note Receivable	-	-	-	-	-	-	-	-	-
Total Investments and Other Assets	-	-	-	-	-	-	20,962,043	-	20,962,043
PROPERTY AND EQUIPMENT, NET	29,958,376	1,428,171	61,345,764	-	19,492,318	32,679	15,264,307	-	127,521,615
INVESTMENT IN AFFILIATE	-	-	-	-	-	-	50,812,389	-	50,812,389
Total Assets	$ 31,329,972	$ 1,449,511	$ 65,141,069	$ 1,560	$ 19,587,633	$ 193,831	$ 114,402,459	$ -	$ 232,106,035

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING BALANCE SHEET OF HOMES (CONTINUED)
SEPTEMBER 30, 2025

LIABILITIES AND NET ASSETS	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Point	Corporate	Eliminations	Total Homes
CURRENT LIABILITIES									
Current Maturities of Long-Term Debt	$ 723,202	$ -	$ -	$ -	$ -	$ -	$ 1,270,526	$ -	$ 1,993,728
Line of Credit	-	-	-	-	-	-	6,110,900	-	6,110,900
Accounts Payable	908,713	904,759	3,408,007	2,695	155,034	82,287	124,749	-	5,586,244
Accrued Expenses	3,886	2,609	3,681,457	215	12,883	13,907	287,080	-	4,002,037
Accrued Employee Compensation	266,786	18,350	132,629	11,664	83,036	5,890	980,650	-	1,499,005
Due to Related Party	18,575,405	6,962,073	66,761,428	(746,741)	6,719,259	542,305	(96,690,238)	-	2,123,491
Other Current Liabilities	1,062	2,159	6,692	-	-	-	573	-	10,486
Current Portion of Refundable Advance Fees	109,667	-	99,512	-	527,000	-	-	-	736,179
Total Current Liabilities	20,588,721	7,889,950	74,089,725	(732,167)	7,497,212	644,389	(87,915,760)	-	22,062,070
LONG-TERM DEBT, LESS CURRENT MATURITIES	7,303,969	-	-	-	-	-	75,143,799	-	82,447,768
DEFERRED REVENUE AND OTHER LIABILITIES									
Entrance Fee and Waitlist Deposits	94,000	-	2,410,451	-	-	155,000	-	-	2,659,451
Deferred Revenue from Advance Fees	8,632,682	-	10,775,809	1,749,167	1,697,662	-	-	-	22,855,320
Refundable Advance Fees on Occupied Units, Net of Current Portion	5,218,298	-	5,231,611	-	16,463,702	-	-	-	26,913,611
Total Deferred Revenue and Other Liabilities	13,944,980	-	18,417,871	1,749,167	18,161,364	155,000	-	-	52,428,382
Total Liabilities	41,837,670	7,889,950	92,507,596	1,017,000	25,658,576	799,389	(12,771,961)	-	156,938,220
NET ASSETS									
Without Donor Restrictions	(10,507,698)	(6,440,439)	(27,366,527)	(1,015,440)	(6,070,943)	(605,558)	101,316,596	-	49,309,991
With Donor Restrictions	-	-	-	-	-	-	25,857,824	-	25,857,824
Total Net Assets	(10,507,698)	(6,440,439)	(27,366,527)	(1,015,440)	(6,070,943)	(605,558)	127,174,420	-	75,167,815
Total Liabilities and Net Assets	$ 31,329,972	$ 1,449,511	$ 65,141,069	$ 1,560	$ 19,587,633	$ 193,831	$ 114,402,459	$ -	$ 232,106,035

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS OF HOMES
YEAR ENDED SEPTEMBER 30, 2025

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Point	Corporate	Eliminations	Homes
REVENUES, GAINS, AND OTHER SUPPORT									
Resident Services:									
On Campus	$ 17,555,567	$ 680,463	$ 10,235,186	$ (9,195)	$ 7,465,406	$ -	$ -	$ -	$ 35,927,427
ThriveMore at Home	-	-	-	163,528	-	-	-	-	163,528
Amortization of Advance Fees:									
On Campus	1,794,156	-	1,442,724	-	345,352	-	-	-	3,582,232
ThriveMore at Home	-	-	-	97,680	-	-	-	-	97,680
Investment Income and Realized Gains	-	-	-	-	-	-	3,671,031	-	3,671,031
Other	128,912	-	138,043	-	43,683	-	1,023	-	311,661
Total Revenues, Gains, and Other Support	19,478,635	680,463	11,815,953	252,013	7,854,441	-	3,672,054	-	43,753,559
OPERATING EXPENSES									
Resident Care	11,068,842	973,220	4,923,034	-	2,957,938	-	1,569	-	19,924,603
ThriveMore at Home	-	-	-	592,737	-	-	-	-	592,737
Dietary	2,492,446	75,993	1,718,002	-	1,830,841	-	(13)	-	6,117,269
Maintenance and Housekeeping	3,035,966	114,086	2,715,773	-	1,402,347	-	-	-	7,268,172
General and Administrative	3,722,751	144,806	2,395,530	-	1,272,654	599,559	(81,224)	-	8,054,076
Depreciation and Amortization	4,020,468	87,790	3,019,854	-	2,322,546	5,999	1,757,362	-	11,214,019
Interest	354,435	-	407,049	-	388,699	-	562,866	-	1,713,049
Total Operating Expenses	24,694,908	1,395,895	15,179,242	592,737	10,175,025	605,558	2,240,560	-	54,883,925
OPERATING INCOME (LOSS)	(5,216,273)	(715,432)	(3,363,289)	(340,724)	(2,320,584)	(605,558)	1,431,494	-	(11,130,366)
NONOPERATING INCOME (LOSS)									
Loss on Sale of Property and Equipment	-	-	2,000	-	-	-	(15,962)	-	(13,962)
Unrealized Gain on Investments	-	-	-	-	-	-	400,156	-	400,156
Accreted Interest	-	-	-	-	(780,996)	-	-	-	(780,996)
Total Nonoperating Income	-	-	2,000	-	(780,996)	-	384,194	-	(394,802)
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	(5,216,273)	(715,432)	(3,361,289)	(340,724)	(3,101,580)	(605,558)	1,815,688	-	(11,525,168)
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS									
Change in Investment in Affiliate	-	-	-	-	-	-	4,789,216	-	4,789,216
Total Other Changes in Net Assets Without Donor Restrictions	-	-	-	-	-	-	4,789,216	-	4,789,216
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(5,216,273)	(715,432)	(3,361,289)	(340,724)	(3,101,580)	(605,558)	6,604,904	-	(6,735,952)

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS OF HOMES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Point	Corporate	Eliminations	Homes
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS									
Change in Value of Charitable Remainder Trusts	$ -	$ -	$ -	$ -	$ -	$ -	$ 178,740	$ -	$ 178,740
Change in Unrealized Gains on Investments	-	-	-	-	-	-	164,515	-	164,515
Change in Value of Beneficial Interest in Perpetual Trusts	-	-	-	-	-	-	430,456	-	430,456
Increase in Investment in Affiliate	-	-	-	-	-	-	858,985	-	858,985
Increase (Decrease) in Net Assets With Donor Restrictions	-	-	-	-	-	-	1,632,696	-	1,632,696
CHANGE IN NET ASSETS	(5,216,273)	(715,432)	(3,361,289)	(340,724)	(3,101,580)	(605,558)	8,237,600	-	(5,103,256)
Net Assets - Beginning of Year	(5,291,425)	(5,725,007)	(24,005,238)	(674,716)	(2,969,363)	-	118,936,820	-	80,271,071
NET ASSETS - END OF YEAR	$ (10,507,698)	$ (6,440,439)	$ (27,366,527)	$ (1,015,440)	$ (6,070,943)	$ (605,558)	$ 127,174,420	$ -	$ 75,167,815

Appendix B — Five-Year Prospective Financial Statements

BRICE POINTE

PROJECTED FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

FOR THE YEARS ENDING SEPTEMBER 30, 2026 THROUGH SEPTEMBER 30, 2033

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Trustees
Brice Pointe
Winston-Salem, North Carolina

Management is responsible for the accompanying projected financial statements of Brice Pointe (the "Organization"), which comprise the projected balance sheets as of September 30, 2026, 2027, 2028, 2029, 2030, 2031, 2032, and 2033 and the related projected statements of operations and changes in net assets, and cash flows for the years then ending, and the related summaries of significant projection assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA"). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected consolidated financial statements 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, nor provide any form of assurance on these projected financial statements or the assumptions.

Furthermore, even if the Organization is able to achieve the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 5 (the "Hypothetical Assumptions"), the projected results may not be achieved as there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Management has prepared its financial projection with the following hypothetical assumptions:

- Construction of the Project (as defined herein) consists of 152 independent living apartments, 16 independent living duplexes, and 36 independent living villas (collectively, the "Independent Living Units"), and 18 universal healthcare beds (the "Healthcare Beds")";
- Construction, development, marketing and other related costs of the proposed Project approximates $211,136,000;
- Construction of the proposed Project is completed on the timeline assumed by Management and at the costs as presented by the projected Project budget;
- Pre-permanent financing of the Project-related costs are funded primarily through the proposed issuance of the 2026 Note at terms and rates as reflected subsequently herein;
- Permanent financing to fund the Project-related costs and repay the 2026 Note are primarily funded through the issuance of $250,394,000 of municipal bonds (the "Series 2028 Bonds" or the "Permanent Financing") at the terms and rates, as well as Initial Entrance Fees as reflected subsequently herein;
- The Project's Independent Living Units, along with the Project's Healthcare Beds, are successfully marketed and occupied during the Projection Period;
- Underlying assumptions regarding unit turnover as well as entrance fee receipts and refunds occur as presented in the Projection;
- The healthcare benefit planned to be offered to residents is as presented in the Projection;
- All regulatory approvals are planned to be received in accordance with the timeline detailed herein;
- The Organization will be exempt from paying property taxes, as Projected;

- The Organization applies for and receives a license to operate the Healthcare Beds;
- The timing to achieve an appropriate level of presales of the Project's Independent Living Units and obtain Permanent Financing occur as projected.

The accompanying projection information and this report are intended solely for the information and use of management, the Board of Trustees, and the North Carolina Department of Insurance (pursuant to the requirement of North Carolina General Statutes, Chapter 58, Article 64A and is included in the Organization's disclosure statement filing) and is not intended to be and should not be used, by anyone other than these specified parties.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
June 25, 2026

BRICE POINTE
PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEARS ENDING SEPTEMBER 30,
(In Thousands of Dollars)

	2026	2027	2028	2029	2030	2031	2032	2033
REVENUES, GAINS, AND OTHER SUPPORT								
Resident Service Revenue	$ -	$ -	$ -	$ -	$ 4,400	$ 15,743	$ 22,300	$ 25,811
Amortization of Deferred Revenue from Nonrefundable Advance Fees	-	-	-	-	1,154	1,387	1,855	2,340
Investment Income and Realized Gains	21	110	251	327	812	1,491	1,714	1,914
Other	-	-	-	-	65	234	332	384
Total Revenues, Gains, and Other Support	21	110	251	327	6,431	18,855	26,201	30,449
OPERATING EXPENSES								
Resident Care	-	-	-	-	965	1,674	2,121	4,572
Dietary	-	-	-	-	1,499	3,136	4,105	4,337
Maintenance and Housekeeping	-	-	-	-	1,341	2,859	3,722	3,948
General and Administrative	1,605	1,700	1,740	1,681	3,948	5,188	5,728	6,122
Depreciation	-	-	-	-	5,150	5,574	5,704	5,820
Interest Expense	33	33	284	383	9,343	11,043	9,121	8,602
Total Expenses	1,638	1,733	2,024	2,064	22,246	29,474	30,501	33,401
DEFICIT OF REVENUES OVER EXPENSES AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(1,617)	(1,623)	(1,773)	(1,737)	(15,815)	(10,619)	(4,300)	(2,952)
OTHER CHANGES IN NET ASSES WITHOUT DONOR RESTRICTIONS								
Transfer from Affiliate	9,432							
Total Other Changes in Net Assets Without Donor Restrictions	9,432	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	7,815	(1,623)	(1,773)	(1,737)	(15,815)	(10,619)	(4,300)	(2,952)
Net Assets - Beginning of Year	(606)	7,209	5,586	3,813	2,076	(13,739)	(24,358)	(28,658)
Net Assets - End of Year	$ 7,209	$ 5,586	$ 3,813	$ 2,076	$ (13,739)	$ (24,358)	$ (28,658)	$ (31,610)

BRICE POINTE
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEARS ENDING SEPTEMBER 30,
(In Thousands of Dollars)

	2026	2027	2028	2029	2030	2031	2032	2033
CASH FLOWS FROM OPERATING ACTIVITIES								
Increase (Decrease) in Net Assets	$ 7,815	$ (1,623)	$ (1,773)	$ (1,737)	$ (15,815)	$ (10,619)	$ (4,300)	$ (2,952)
Adjustments to Reconcile Increase (Decrease) in Net Assets								
to Net Cash Provided (Used) by Operating Activities:								
Depreciation	-	-	-	-	5,150	5,574	5,704	5,820
Amortization of Deferred Revenue from Advance Fees	-	-	-	-	(1,154)	(1,387)	(1,855)	(2,340)
Amortization of Deferred Issuance Costs	33	33	198	252	234	188	155	146
Amortization of Original Issuance Discount	-	-	86	131	122	98	81	76
Advance Fees Received	-	-	-	-	754	3,814	7,480	10,028
Advance Fees Received - At Home Program								
Advance Fees Refunded - At Home Program								
Marketing Expenses funded by Note / Bond Proceeds	(1,605)	(1,700)	(1,740)	(1,614)	(1,022)	(234)	-	-
Transfer from Affiliate	(9,432)	-	-	-	-	-	-	-
(Increase) Decrease in Current Assets								
Accounts Receivable	-	-	-	-	(122)	(316)	(182)	(98)
Prepaid Expenses and Other Current Assets	(1)	(1)	(9)	1	(18)	(21)	(12)	(20)
Increase (Decrease) in Current Liabilities								
Accounts Payable	5	5	2	(7)	119	142	78	133
Accrued Expenses	-	-	-	-	165	117	65	41
Accrued Interest	-	-	9,452	(2,098)	(1,292)	(1,365)	(507)	-
Net Cash Provided (Used) by Operating Activities	(3,185)	(3,286)	6,216	(5,072)	(12,879)	(4,009)	6,707	10,834
CASH FLOWS FROM INVESTING ACTIVITIES								
(Increase) Decrease in Investments	(3)	(111)	(245)	(204)	(7,553)	(3,615)	(15,604)	(4,613)
(Increase) Decrease in Operating Reserve Fund	-	-	-	-	(3,877)	(2,552)	1,522	162
(Increase) Decrease in Project Fund	-	-	(151,552)	124,662	26,890	-	-	-
(Increase) Decrease in Funded Interest Fund	-	-	(31,138)	11,627	13,270	6,241	-	-
(Increase) Decrease in Debt Service Reserve Fund	-	-	(15,688)	-	-	2,830	2,964	-
(Increase) Decrease in Entrance Fee Fund	-	-	-	-	(25,333)	15,815	9,518	-
(Increase) Decrease in Working Capital Fund	-	-	(4,037)	65	(5,904)	8,801	1,075	-
(Increase) Decrease in Bond Fund	-	-	-	-	-	(4,697)	507	-
Acquisition of Property and Equipment - Project	(10,192)	(3,059)	(37,558)	(123,049)	(27,478)	(282)	(137)	(201)
Acquisition of Property and Equipment - Routine	-	-	-	-	(270)	(496)	(595)	(1,407)
Capitalization of Interest	(35)	(336)	(6,466)	(9,529)	(2,991)	-	-	-
Net Cash Provided (Used) by Investing Activities	(10,230)	(3,506)	(246,684)	3,572	(33,246)	22,045	(750)	(6,059)
CASH FLOWS FROM FINANCING ACTIVITIES								
Principal Payments on Long-Term Debt	-	-	-	-	(36,342)	(61,725)	(24,348)	-
Proceeds from Issuance of Long-Term Debt	-	-	252,515	-	-	-	-	-
Payment of Financing Costs	(100)	-	(4,072)	-	-	-	-	-
Original Issue Discount			(2,121)					
Draws on Note Payable	2,500	5,093	1,154	-	-	-	-	-
Payment of Note Payable	-	-	(8,747)	-	-	-	-	-
Change in Due To Affiliate	-	-	-	-	-	-	-	-
Initial Entrance Fees and Deposits	1,899	6,646	2,769	-	76,034	42,408	20,463	-
Change in Entrance Fee Deposits	(1,899)	(6,646)	(2,769)	-	6,279	3,502	1,694	-
Marketing Expenses funded by Note / Bond Proceeds	1,605	1,700	1,740	1,614	1,022	234	-	-
Advance Fees Refunded	-	-	-	-	(369)	(2,035)	(3,535)	(4,503)
Payments to the Line of Credit	9,432	-	-	-	-	-	-	-
Net Cash Provided (Used) by Financing Activities	13,437	6,793	240,469	1,614	46,624	(17,616)	(5,726)	(4,503)
NET CHANGE IN CASH AND CASH EQUIVALENTS	22	1	1	114	499	420	231	272
Cash and Cash Equivalents - Beginning of Year	-	22	23	24	138	637	1,057	1,288
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 22	$ 23	$ 24	$ 138	$ 637	$ 1,057	$ 1,288	$ 1,560

BRICE POINTE
PROJECTED STATEMENTS OF BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
AT SEPTEMBER 30,
(In Thousands of Dollars)

	2026	2027	2028	2029	2030	2031	2032	2033
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents	$ 22	$ 23	$ 24	$ 138	$ 637	$ 1,057	$ 1,288	$ 1,560
Accounts Receivable, Net	-	-	-	-	122	438	620	718
Investments	3	114	359	563	8,116	11,731	27,335	31,948
Prepaid Expenses and Other Assets	4	5	14	13	31	52	64	84
Assets Limited as to Use, Current Portion	2,054	8,700	11,469	28,007	19,896	12,917	4,190	4,190
Total Current Assets	2,083	8,842	11,866	28,721	28,802	26,195	33,497	38,500
ASSETS LIMITED AS TO USE								
Statutory Operating Reserve	-	-	-	-	3,877	6,429	4,907	4,745
Project Fund	-	-	151,552	26,890	-	-	-	-
Funded Interest Fund	-	-	31,138	19,511	6,241	-	-	-
Debt Service Reserve Funds	-	-	15,688	15,688	15,688	12,858	9,894	9,894
Entrance Fee Fund	-	-	-	-	25,333	9,518	-	-
Working Capital Fund	-	-	4,037	3,972	9,876	1,075	-	-
Bond Fund	-	-	-	-	-	4,697	4,190	4,190
Entrance Fee Deposits	2,057	8,703	11,472	11,472	5,193	1,691	-	-
Total Assets Limited as to Use	2,057	8,703	213,887	77,533	66,208	36,268	18,991	18,829
Less: Current Portion	(2,054)	(8,700)	(11,469)	(28,007)	(19,896)	(12,917)	(4,190)	(4,190)
Total Assets Limited as to Use, Less Current Portion	3	3	202,418	49,526	46,312	23,351	14,801	14,639
Property and Equipment	39	39	39	39	221,002	221,780	222,512	224,120
Construction in Progress	10,227	13,622	57,646	190,224	-	-	-	-
Less: Accumulated Depreciation	(6)	(6)	(6)	(6)	(5,156)	(10,730)	(16,434)	(22,254)
PROPERTY AND EQUIPMENT, NET	10,260	13,655	57,679	190,257	215,846	211,050	206,078	201,866
Total Assets	$ 12,346	$ 22,500	$ 271,963	$ 268,504	$ 290,960	$ 260,596	$ 254,376	$ 255,005
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Current Maturities of Long-Term Debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,510
Accounts Payable	88	93	94	87	206	347	425	557
Accrued Expenses	20	20	20	20	185	302	367	408
Accrued Interest	-	-	9,452	7,354	6,062	4,697	4,190	4,190
Entrance Fee Deposits	2,054	8,700	11,469	11,469	5,190	1,688	-	-
Total Current Liabilities	2,162	8,813	21,035	18,930	11,643	7,034	4,982	6,665
LONG-TERM DEBT, LESS CURRENT MATURITIES, NET	2,500	7,593	252,515	252,515	216,173	154,448	130,100	128,590
DEBT ISSUANCE COSTS	(67)	(34)	(3,907)	(3,655)	(3,421)	(3,233)	(3,078)	(2,932)
ORIGINAL ISSUANCE DISCOUNT	-	-	(2,035)	(1,904)	(1,782)	(1,684)	(1,603)	(1,527)
DEFERRED REVENUE AND OTHER LIABILITIES								
Deferred Revenue from Advance Fees	-	-	-	-	16,166	23,339	24,266	19,552
Refundable Advance Fees On Occupied Unit	-	-	-	-	65,378	104,508	127,825	135,725
Total Deferred Revenue and Other Liabilities	-	-	-	-	81,544	127,847	152,091	155,277
Due To Thrivemore	542	542	542	542	542	542	542	542
Total Liabilities	5,137	16,914	268,150	266,428	304,699	284,954	283,034	286,615
NET ASSETS								
Net Assets Without Donor Restrictions	7,209	5,586	3,813	2,076	(13,739)	(24,358)	(28,658)	(31,610)
Net Assets With Donor Restrictions	-	-	-	-	-	-	-	-
Total Net Assets	7,209	5,586	3,813	2,076	(13,739)	(24,358)	(28,658)	(31,610)
Total Liabilities and Net Assets	$ 12,346	$ 22,500	$ 271,963	$ 268,504	$ 290,960	$ 260,596	$ 254,376	$ 255,005

BACKGROUND AND INFORMATION

Basis of Presentation

Brice Pointe (the “Organization”) is a North Carolina nonprofit corporation, the sole member of which is Baptist Retirement Homes of North Carolina dba ThriveMore, a North Carolina nonprofit corporation. The Project (or the “Community”) (defined herein) is planned to be a start-up retirement community located in New Bern, North Carolina to be known as Brice Pointe. The accompanying financial projection presents, to the best knowledge and belief of Management (as defined herein) the expected results of operations and changes in net deficits, cash flows, and financial position of the Organization as of and for each of the eight years ending September 30, 2026, 2027, 2028, 2029 2030, 2031, 2032, and 2033 (the “Projection Period” or the “Projection”) assuming that the hypothetical assumptions stated below occur.

Management of the Organization is referred to herein as “Management”.

Accordingly, the projection reflects Management’s judgment as of June 25, 2026, the date of this projection, of the expected conditions and its expected course of action during the Projection Period. The financial projection is based on Management’s assumptions concerning future events and circumstances. The assumptions disclosed herein are those that Management believes are significant to the projection or are key factors upon which the financial results of the Organization depend.

The projected results may not be achieved as there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected and those differences may be material. Management does not intend to revise this projection to reflect changes in present circumstances or the occurrence of unanticipated events.

A projection is a presentation of prospective financial information that is subject to one or more hypothetical assumptions. Management has included assumptions that are considered to be a “Hypothetical Assumption” as defined by the American Institute of Certified Public Accountants’ *Guide for Prospective Financial Information*. A Hypothetical Assumption is defined as follows: “An assumption used in a financial projection or in a partial presentation of projected information to present a condition or course of action that is not necessarily expected to occur, but is consistent with the purpose of the presentation.”

Management has prepared its financial projection with the following Hypothetical Assumptions:

- Construction of the Project (as defined herein) consists of 152 independent living apartments, 16 independent living duplexes, and 36 independent living villas (collectively, the “Independent Living Units”), and 18 universal healthcare beds (the “Healthcare Beds”)”;
- Construction, development, marketing and other related costs of the proposed Project approximates $211,136,000;
- Construction of the proposed Project is completed on the timeline assumed by Management and at the costs as presented by the projected Project budget;
- Pre-permanent financing of the Project-related costs are funded primarily through the proposed issuance of the 2026 Note at terms and rates as reflected subsequently herein;
- Permanent financing to fund the Project-related costs and repay the 2026 Note are primarily funded through the issuance of $250,394,000 of municipal bonds (the “Series 2028 Bonds” or the “Permanent Financing”) at the terms and rates, as well as Initial Entrance Fees, as reflected subsequently herein;
- The Project’s Independent Living Units, along with the Project’s Healthcare Beds, are successfully marketed and occupied during the Projection Period;

- Underlying assumptions regarding unit turnover as well as entrance fee receipts and refunds occur as presented in the Projection;
- The healthcare benefit planned to be offered to residents is as presented in the Projection;
- All regulatory approvals are planned to be received in accordance with the timeline detailed herein;
- The Organization will be exempt from paying property taxes, as projected;
- The Organization applies for and receives a license to operate the Healthcare Beds;
- The timing to achieve an appropriate level of presales of the Project's Independent Living Units and obtain Permanent Financing occur as projected.

Organization

The Organization is part of Baptist Retirement Homes of North Carlina Inc. dba as ThriveMore (the "Homes" or "ThriveMore"). ThriveMore is a North Carolina nonprofit corporation operated exclusively for charitable purposes as set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), as amended.

Affiliated Entities

Baptist Retirement Homes of North Carolina dba ThriveMore is a church-related, not-for-profit corporation organized under the laws of the state of North Carolina. Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore is governed by a Board of Trustees (the "Board"). The Board of Trustees nominates and elects its own members, each serving a four-year term.

Baptist Retirement Homes Foundation (the "Foundation") was established primarily to raise funds for the benevolent ministries of the Homes.

Brice Pointe, the Homes, and the Foundation are separate corporate entities. No guarantees or other conditions of support exist between Brice Pointe, the Homes, and the Foundation at this time. Neither the Homes, Foundation, nor any of the following Affiliate Entities (as defined subsequently herein) are anticipated to be obligated for the payment of debt service on the 2026 Note and the Series 2028 Bonds.

The board of directors of the Foundation are elected by the board of trustees of the Homes.

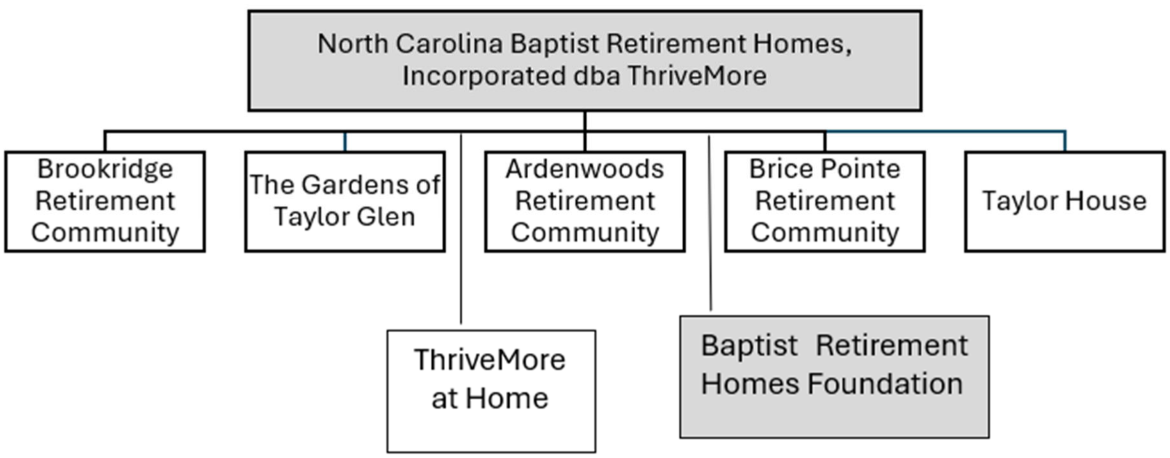
Homes owns, maintains, and operates facilities throughout North Carolina for the purpose of providing for the care of older adults. The facilities consist of independent living homes and apartments, and freestanding and combination facilities that include assisted living residences and skilled and intermediate nursing care rooms. Homes receives direct support from North Carolina Baptist churches, special church offerings, grants from foundations and through gifts and bequests from individuals and businesses to assist with capital projects and the benevolent ministries of the Homes.

The Gardens of Taylor Glen Retirement Community: The Gardens of Taylor Glen Retirement Community ("Gardens") is a continuing care retirement community that opened in November 2002. It is located on a 134-plus-acre tract of land located in Concord, North Carolina. As of October 1, 2025, the community currently consists of 130 independent living apartments, 12 adult care home residences, 12 memory-enhanced residences, and 24 nursing care beds. The Taylor Glen Project, as described herein, is projected to open in phases during fiscal year 2026. With the opening of the Taylor Glen Project, Management is projecting renovations to the existing memory-enhanced assisted living residences to convert them to traditional assisted living residences. Gardens also incorporates the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, a swimming pool, an exercise area, arts and crafts rooms, a wood-working shop, a library, a guest cottage, physical therapy rooms, recreation/social areas to include a pond and walking paths, dining areas, beauty/barber shops, a convenience store, a mail area, parlors, a cafe, a kitchen, a training area for health care employees, and several areas for environmental services, maintenance and laundry. A renovation of the entrance was completed in January 2024. In addition, over the last five years, a significant amount of capital reinvestment has occurred with the apartments being upgraded to current market standards which has lead to significant growth in occupancy, creating essentially a full independent living setting with a growing waitlist.

Taylor House: The Taylor House ("Taylor") is a licensed 30-bed adult care home residence located on a 3-acre tract of land on Palmer Street in Albemarle, North Carolina. It was opened for service to its first resident in 1953. As of the date of this report, Taylor is operating 28 adult care home residences.

Ardenwoods: The Ardenwoods community is located on approximately 48 acres in Arden, North Carolina and provides a continuum of resident accommodations that currently include 95 independent living apartments and 47 assisted living units. The community includes two campuses that separately house the independent living units (the "Upper Campus") and the assisted living units (the "Lower Campus"), and a main common area (the "Clubhouse"). Ardenwoods was acquired by the Homes effective October 2, 2023.

The following is an organizational chart for ThriveMore and Affiliates:



ThriveMore, the Foundation, or any of its Affiliates are not responsible for the debts or other obligations of Brice Pointe. Brice Pointe is projected to be the sole entity obligated to pay debt service on the 2026 Notes and the Series 2028 Bonds and to pay its other financial obligations. Accordingly, the projected financial statements only include the projected financial results of Brice Pointe, and do not include the financial results of ThriveMore or any of its Affiliated Entities.

The Project

In December 2023, ThriveMore closed on the purchase of a 70-acre site in the Carolina Colours development of New Bern. Upon this site, ThriveMore has developed a long-range master plan for a multiple phase development of a start-up life plan community. Phase one of the long-range master plan will consist of 152 independent living apartments (the "Independent Living Apartments", 16 independent living duplexes "the Independent Living Duplexes"), and 36 independent living villas (the "Independent Living Villas", and collectively with the Independent Living Apartments and the Independent Living

Duplexes, the “Independent Living Units”), and 18 universal healthcare beds the “Healthcare Beds”) The Community’s facilities are expected to consist of one and two-story wood construction cottages and two-story wood construction cottages and a two-story commons building consisting of non-load bearing light gage metal framed walls with a steel framed support system, with a combination of masonry, manufactured stone and fiber dement siding exteriors. Common areas of the Community are expected to include, but not limited to, a central gathering space, multipurpose room, main dining room, café/bistro, private dining room, wellness / fitness center, beauty salon, and residential storage and mail alcove.

Independent Living Units

The following table summarizes the anticipated unit mix, square footage and fees of the Independent Living Units.

Table 1
Independent Living Units
Unit Mix, Square Footage and Fees in 2026 Dollars (1)

					Entrance Fee	
Unit Name	**Unit Type**	**Number of Units / Beds**	**Square Footage**	**Monthly Service Fees**	**80% Refund Plan**	**50% Refund Plan**
Independent Living Apartments						
Osprey	One-Bedroom	3	728	$3,266	$356,632	$313,836
Western Sandpiper	One-Bedroom	10	848	$3,805	$415,417	$365,567
Spotted Sandpiper I	Two-Bedroom (knuckle unit - 1st floor)	2	927	$4,159	$454,118	$399,624
Spotted Sandpiper II	Two-Bedroom (knuckle unit - 2nd & 3rd floor	4	1,111	$4,985	$544,256	$478,945
Sanderling	Two-Bedroom	12	999	$4,482	$489,389	$430,662
Willet	Two-Bedroom	20	1,096	$4,917	$536,907	$472,478
Blue Heron	Two-Bedroom	24	1,152	$5,169	$564,341	$496,620
Seagull	Two-Bedroom (inside corner)	12	1,309	$5,873	$641,252	$564,301
Snowy Egret	Two-Bedroom	9	1,343	$6,026	$657,907	$578,959
Great Egret I	Two-Bedroom (long unit)	12	1,435	$6,439	$702,976	$618,619
Great Egret II	Two-Bedroom (long unit)	15	1,464	$6,569	$717,183	$631,121
Sandhill Crane	Two-Bedroom	16	1,385	$6,214	$696,575	$612,986
Royal Tern	Two-Bedroom	9	1,644	$7,376	$848,314	$746,516
Pelican	Two-Bedroom (3rd floor only)	4	1,855	$8,323	$957,191	$842,328
Total / Weighted Average - Independent Living Apartments		152				
Independent Living Duplexes						
Coral Reef	Two-Bedroom w/ Den Duplex	8	1,743	$7,820	$910,783	$801,489
Dune Haven	Two-Bedroom w/ Den Duplex	8	1,927	$8,646	$1,006,930	$886,098
Total / Weighted Average - Independent Living Duplexes		16				
Independent Living Villas						
Coral Reef	Two-Bedroom w/ Den Villa	8	1,743	$7,820	$910,783	$801,489
Dune Haven	Two-Bedroom w/ Den Villa	10	1,927	$8,646	$1,006,930	$886,098
Costal Tide	Two-Bedroom w/ Den Villa	11	2,047	$9,184	$1,069,634	$941,278
Atlantic Breeze	Two-Bedroom w/ Den Villa	7	2,134	$9,575	$1,115,095	$981,284
Total / Weighted Average - Independent Living Villas		36				
Total / Weighted Average - New Independent Living Units		204	1,421	$ 6,376	$ 716,430	$ 630,458
Second Person Fees				*$1,568*	*$19,595*	*$19,595*

Source: Management
Notes:
(1) Management has projected the opening of the Independent Living Units to occur in February 2030.
(2) See the Residence and Services Agreements section of this report subsequently herein for a detailed description of the Residence and Services Agreements.

Each of the Independent Living Units is anticipated to be furnished with a full kitchen, full bathroom, washer and dryer, emergency call system, fire sprinkler system and air conditioning. Telephone and cable television jacks also are assumed to be installed.

Upon payment in full of the entrance fee and ongoing payment of the monthly service fee, each resident will be provided an Independent Living Unit and receive certain basic services. Management anticipates it will provide a declining meal balance per month; all utilities, except telephone, internet services and cable television services; two-times per month housekeeping and laundry service; courtesy transportation to select destinations; wireless, 24-hour emergency call system in each residence; professional year-round maintenance and landscaping; full time chaplain and weekly worship services; and a wide range of social events. Independent living residents may choose to receive supportive living services in the Independent Living Units through either home health or a home care provider.

Other services that may be available to residents for an additional fee include, guest meals, additional resident meals, catering for special occasions, tray service, barber and beauty services, additional parking, subject to availability, additional housekeeping services, laundry services for personal items, physical therapy, cleaning services, and guest suites.

Universal Healthcare Beds

The Healthcare Beds are expected to be private one-bedroom apartments with full baths that will be designed to care for individuals in assisted living or skilled nursing. Design of the healthcare building is anticipated to be built to code for skilled nursing but Management has projected providing services within the Healthcare Beds to address the needs of a resident needing assisted living, memory care, or skilled nursing services. The total anticipated square footage of the healthcare building is projected to be 17,873.

The following table presents a summary of the anticipated number of Healthcare Beds, square footage as well as the daily per diems.

Table 2
Healthcare Beds
Unit Mix, Square Footage and Per Diem in 2026 Dollars (1)

Unit Type	Number of Units / Beds	Square Footage	Per Diem
1 Bed / 1 Bath	18	529	
Assisted Living			$270
Memory Care			$248
Skilled Nursing			$429
Total Healthcare Beds	18	529	

Source: Management
Notes:
(1) The Healthcare Beds are projected to be available for occupancy in February 2030.

Services and Amenities for the Healthcare Beds

Upon the ongoing payment of the all-inclusive per diem, each resident will be provided a Healthcare Bed and receive healthcare services as needed. The space will be built and staffed to skilled nursing facility standards. Services anticipated to be provided include: three meals per day; daily housekeeping and laundry service; courtesy transportation to select destinations; wireless, 24-hour emergency call system in each residence; medication monitoring; full time chaplain and weekly worship services; and a wide range of social events.

Reservation Agreements

A prospective independent living resident may reserve an Independent Living Unit by submitting a confidential data profile, including financial disclosures, executing a reservation agreement (the

"Reservation Agreement") and paying a deposit equivalent to 10% of the entrance fee (the "Reservation Deposit") for the selected Independent Living Unit, which Management has recorded as the Resident Deposit on the Projected Balance Sheet. The execution of a Reservation Agreement does not constitute a binding commitment to establish occupancy at the Community on the part of any prospective independent living resident. Prospective independent living residents may terminate their Reservation Agreements from time to time and receive refunds of all amounts paid to the Organization.

The data submitted by prospective independent living residents will be evaluated and reviewed by the Organization to determine the suitability of accepting applicants for residency at the Community. Prospective independent living residents will be subsequently notified of the decision to accept or reject their applications. In the case of prospective independent living residents accepted for residency, Reservation Agreements will be executed by the prospective independent living residents and the Organization. In the case of applicants rejected for residency, their Reservation Deposits is assumed to be refunded within 30 days.

The Organization and prospective independent living residents may terminate the Reservation Agreement for a variety of reasons under the assumed terms of the Reservation Agreement. If the Reservation Agreement is terminated within 7 days of execution, the Reservation Deposit will be refunded in-full within 30 days of notice of termination from the Resident. If the Reservation Agreement is terminated by the independent living resident after 7 days from the date of execution, the Reservation Deposit is assumed to be refunded in-full with interest as such rate as is earned on the escrow account within 30 days of notice of termination from the independent living resident. If the Organization terminates the Reservation Agreement, the Reservation Deposit is assumed to be refunded in-full with interest within 30 days of the Organization's written notice of termination.

Residence and Services Agreements

The following is a summary of the anticipated Residence and Services Agreements that the Organization assumes it will offer and is not intended to be all-inclusive or a substitute for the actual Residence and Services Agreement.

Admissions

The Community will be open to individuals, regardless of race, color, sex, religion, creed, disability or national origin who are at least 62 years of age. To apply for residency at the Community, a prospective independent living resident will be required to complete an application for residency. To qualify for residency, a prospective independent living resident must demonstrate she or he has assets and income sufficient to pay his or her ordinary living expenses and financial obligations. The Organization will consider applications for residence at the Community based upon the guidelines for the acceptance of independent living residents described below and maintains sole discretion on the decision to accept an independent living resident. An application for residence at the Community will be accepted only if the applicant demonstrates the ability to live independently and to meet the financial obligations as an independent living resident of the selected Independent Living Unit. Each independent living resident must be 62 years of age or older at the time of establishing occupancy. Direct Admit Residents may be admitted to the Healthcare Beds if beds are available in excess of those needed to satisfy the needs of existing independent living residents. Residents requiring care in the Healthcare Beds will have priority utilization of the Healthcare Beds over Direct Admit Residents.

Residence and Services Agreements

The "Residence and Services Agreement" is a contract under which the Organization is obligated, if a prospective resident of the Independent Living Units establishes occupancy, to provide certain services to that prospective resident. All residents executing Residence and Services Agreements are required to pay monthly service fees and an entrance fee. The monthly service fees are based on the type of Independent Living Unit selected by the resident. In addition to the first resident monthly service fee, an additional monthly service fee is payable for a second resident living in an Independent Living Unit. The entrance fee is a lump-sum, one-time payment based on the Independent Living Unit to be occupied by the resident and the type of Residence and Services Agreement selected. Generally, the resident must pay the balance of the entrance fee and the first month's monthly service fee in full before the resident assumes occupancy, unless the Organization agrees to defer such payments. In the event of such deferral, the Organization may charge interest on the unpaid balance due.

Entrance Fee Plan

Management has projected offering two types of entrance fee plans. The entrance fee is paid upon occupancy. In the event of a cancellation after occupancy, management has assumed the entrance fee refund shall be paid within 30 days upon receipt of a new entrance fee for the same Independent Living Unit vacated by the resident, or within 24 months, whichever is sooner. The Organization is anticipating offering the following two entrance fee plans.

Refund Option	Amortization Schedule
50% Refundable Plan	The entrance fee less an initial 4 percent administrative charge will be amortized by two percent per month for 23 months.
80% Refundable Plan	The entrance fee less an initial 4 percent administrative charge will be amortized by two percent per month for 8 months

Source: Management

Healthcare Benefit

At the date of occupancy, each resident whose residence is an independent living unit at the Organization is granted 14 Healthcare Center Free Days (Free Days). Free Days are non-transferable, must be used only as defined in the Resident Agreements and in the Organization's policy, and have no value if not used. No new Free Days are granted after the resident moves to either assisted living, memory support or nursing. Free Days will not be applied if the resident is receiving Medicare benefits.

For each day a resident occupies or holds an accommodation in a Healthcare Bed, whether or not that accommodation is the primary residence, Free Days will be credited until all such accumulated days are used. When Free Days are exhausted, the resident will be charged the private pay rate for their Healthcare Bed. While the resident uses Free Days, service fees continue based on the independent living residence from which the resident moved or transferred, and the resident will be charged for medicines, physician's services, and for supplies not normally included in the base fee for Health Center services.

Terminations and Refunds

The resident may terminate the Residence and Services Agreement within thirty (30) days of execution of the Residence and Services Agreement or the receipt of a Disclosure Statement that meets the requirement of N.C.G.S. 58-64-20 (the "30-Day Rescission Period"). The resident will not be required to move into an Independent Living Unit 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 Residence and Services Agreement and applicable only to the period a Independent Living Unit was actually occupied by the resident; and (ii) any non-standard costs specifically incurred by the Organization at the resident's request and described in the Residence and Services Agreement or any amendment signed by the resident.

The resident may also voluntarily terminate the Residence and Services 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 refunds as described above will be paid by the Organization within sixty (60) days following the receipt of written notification of such termination, less a nonrefundable $5,000 application or processing fee retained by Brice Pointe.

Following expiration of the 30-Day Rescission Period and after the resident's occupancy of the Independent Living Unit, the Residence and Services Agreement may be terminated at any time by the resident by providing written notice. The amount of refund due would be the entrance fee paid, less four percent of the entrance fee for the entrance fee refundable plan selected and less two percent (2%) per month of occupancy until the refund amount is reached.

Any such refund due would be made within thirty (30) days of termination if a new entrance fee for the same Independent Living Unit vacated by the resident is paid, or within 24 months, whichever is sooner.

Development of the Project

The Organization retained Life Care Services ("LCSD" or the "Development Services Consultant") to provide development consulting services during the planning and development of the Community pursuant to the project services addendum to the master development consulting services agreement, dated April 21, 2023 and effective as of October 20, 2022 (the "Development Consulting Services Agreement"). The Development Consulting Services Agreement provides that LCSD's role is to provide certain professional and consulting services related to the planning, marketing, and development of the Project.

Development Timeline

A proposed timeline for development, financing, construction, and fill-up of the Project, as provided by Management, is presented below:

Table 3
Development Timeline

Date	Milestone
Jan 2028	Organization Achieves 70% Deposits on the New Independent Living Units
Feb 2028	Financing of the Series 2028 Bonds
Feb 2028	Construction of the Independent Living Units and Healthcare Beds Begins
Feb 2030	Construction of the Independent Living Units is Complete and Fill-Up Begins
Feb 2030	Construction of the Healthcare Beds is Complete and Fill-Up Begins
June 2032	Healthcare Beds Achieves Stabilized Occupancy
July 2032	Independent Living Units Achieves Stabilized Occupancy

Source: Management

PLAN OF FINANCE

Pre-Permanent Finance Capital

It is anticipated that the pre-permanent finance capital development costs for the Project, including the costs associated with obtaining regulatory approvals, design costs, and marketing activities, would be funded from the proceeds of the 2026 Notes. Management has assumed the following pre-permanent finance capital sources and uses of funds in preparing the financial projection.

Table 4
Pre-Permanent Finance Capital
Projected Sources and Uses of Funds
(Dollars in Thousands)

Source of Funds			
2026 Notes	$	8,747	(1)
Total Sources of Funds	$	8,747	
Uses of Funds			
Project Costs:			
Land and Land Related	$	32	(2)
Design and Engineering		2,371	(3)
Construction Costs		721	(4)
Development Consulting Fees		1,233	(5)
Marketing		3,240	(6)
Other Costs		334	(7)
Owner's Contingency		120	(8)
Total Project Costs		8,051	
Funded Interest		596	(9)
Cost of Issuance		100	(10)
Total Uses of Funds	$	8,747	

Source: Management

Notes to Table 4:

1) The Organization's has projected obtaining the following for the 2026 Notes:
   - $8,747,000 in a draw-down structure, accruing interest at 7 percent. Management has projected the pay-off of the 2026 Notes, with all accrued interest, with the financing of the Series 2028 Bonds (as defined hereinafter).
2) Management has projected land and other land related costs of approximately $32,000.
3) Management has projected design and engineering costs of approximately $2,371,000.
4) Management has projected direct and indirect construction costs of approximately $721,000.
5) Management has projected Development Consulting Fee of approximately $1,233,000.
6) Management has assumed marketing costs of $3,240,000 including marketing consulting fees, direct marketing costs, salaries and other promotional materials.
7) Management has projected costs related to zoning, legal, and other consulting to be approximately $334,000.

8) Management has projected costs a contingency of approximately $120,000.

9) Management has projected borrowing for interest of approximately $596,000.

10) Management has projected costs of issuance of approximately $100,000.

Permanent Finance Capital

The total financial requirements of the Project are projected to be approximately $281,032,000 including repayment of principal and accrued interest on the 2026 Notes. The Organization expects to fund this requirement primarily through the issuance of the Series 2028 Bonds, an equity contribution, and the anticipated entrance fee receipts from the initial occupancy of the Independent Living Units ("Initial Entrance Fees"). A summary of the projected sources and uses of funds for the Organization's Series 2028 Bonds is provided in the following table based upon data provided by Management and the Underwriter.

Table 5
Permanent Finance Capital
Sources and Uses of Funds
(Dollars in Thousands)

Source of Funds		
Series 2028A Bonds	$ 130,100	(1)
Series 2028B Bonds (85% Entrance Fee Bonds)	17,045	(1)
Series 2028C Bonds (75% Entrance Fee Bonds)	42,450	(1)
Series 2028D Bonds (50% Entrance Fee Bonds)	62,920	(1)
Original Issue Discount	(2,121)	(1)
Total Series 2028 Bonds	250,394	
Initial Entrance Fees	20,638	(2)
Equity	10,000	(3)
Total Sources of Funds	$ 281,032	
Uses of Funds		
Project Costs:		
Land and Land Related	$ 5,200	(4)
Design and Engineering	9,796	(5)
Construction Costs	163,029	(6)
Furniture and Equipment	3,050	(7)
Development Consulting Fees	9,925	(8)
Marketing	8,483	(9)
Other Costs	1,719	(10)
Project Contingency	9,934	(11)
Total Project Costs	$ 211,136	(12)
Debt Service Reserve Fund	15,689	(13)
Funded Inerest Fund	27,927	(14)
Operating Reserve Fund	8,000	(15)
Working Capital Fund	14,208	(16)
Cost of Issuance	4,072	(17)
Total Uses of Funds	$ 281,032	

Source: Management and the Underwriter

Notes to Table 5:

1) The Organization's Underwriter has indicated that proceeds from the Series 2028 Bonds in the amount of approximately $250,394,000 are planned to be generated utilizing the following structure and terms. The responsibility for payment of the debt service on the Series 2028 Bonds is expected to be solely that of the Organization.

   - $130,100,000 of tax-exempt fixed rate bonds assumed to be issued with an average coupon of 6.540% and a maturity date of October 1, 2063 (the "Series 2028A Bonds"). The Series 2028A Bonds are expected to be subject to annual sinking fund redemptions beginning on October 1, 2033. Interest on the Series 2025A Bonds is projected to be payable semi-annually beginning in October 1, 2028.
   - Series 2028B Bonds: $17,045,000 of tax-exempt fixed rate entrance fee principal redemption bonds (85-percent EFPRBs) (the "Series 2028B Bonds"), with a maturity date of October 1, 2035 with semi-annual interest payments assumed to begin on October 1, 2028, assumed interest of 5.25 percent per year, and expected to be repaid with initial entrance fees from first generation residents of the Independent Living Units by June 2032.
   - Series 2028C Bonds: $42,450,000 of tax-exempt fixed rate entrance fee principal redemption bonds (75-percent EFPRBs) (the "Series 2028C Bonds"), with a maturity date of October 1, 2034 with semi-annual interest payments assumed to begin on October 1, 2028, assumed interest of 4.875 percent per year, and expected to be repaid with initial entrance fees from first generation residents of the Independent Living Units by December 2031.
   - Series 2028D Bonds: $62,920,000 of tax-exempt fixed rate entrance fee principal redemption bonds (50-percent EFPRBs) (the "Series 2028D Bonds"), with a maturity date of October 1, 2033 with semi-annual interest payments assumed to begin on October 1, 2028, assumed interest of 4.50 percent per year, and expected to be repaid with initial entrance fees from first generation residents of the Independent Living Units by January 2031.
   - The Series 2028A Bonds are projected to be issued with an original issued discount of approximately $2,120,700.

2) Management has projected that approximately $20,638,000 of Initial Entrance Fees will be used to pay a portion of the Development Consulting Fee, pay a portion of marketing costs, fund an operating reserve fund and a working capital fund.

3) Management has projected using $10,000,000 in equity.

4) Management has projected that total costs of land and other land related costs will approximate $5,200,000.

5) Management has projected design and engineering costs of approximately $9,796,000.

6) Management has projected direct construction costs of approximately $163,029,000.

7) Management has projected furniture and fixture costs of approximately $3,050,000.

8) Management has projected Development Consulting Fees of approximately $9,925,000 will be funded with the 2025 Notes and the Series 2028 Bonds. Included in this total are Development Consulting Fees of approximately $1,728,000 projected to be paid with Initial Entrance Fee proceeds.

9) Management has projected marketing costs of approximately $8,483,000.

10) Management has projected other costs of approximately $1,719,000.

11) Management has projected a project contingency of approximately $9,934,000.

12) Included in expansion costs are costs already projected to be paid for from the 2026 Notes and the proceeds of the Series 2028 Bonds will be used to repay the 2026 Notes.

13) Represents the estimated amounts planned to be deposited into the debt service reserve fund related to the Series 2028 Bonds as provided by Management and the Underwriter.

14) Represents the amount Management and the Underwriter project to be utilized to pay project related debt service for 32 months from the assumed issuance date of the Series 2028 Bonds.

15) Represents the amount of Initial Entrance Fees expected to be deposited into an operating reserve fund.

16) Represents the amount of Bonds and Initial Entrance Fees expected to be deposited into a working capital fund.

17) Represents the amount Management and the Underwriter estimate related to the Underwriter's discount, legal fees, accounting fees and other costs associated with the proposed issuance of the Series 2028 Bonds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization's projected financial statements are prepared on the accrual basis of accounting pursuant to accounting principles generally accepted in the United States of America.

Net Assets (Deficit)

The Organization classifies its funds for accounting and reporting purposes as either without donor restrictions or with donor restrictions:

Net Assets without Donor Restrictions
Resources of the Organization that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and the investment in property and equipment.

Net Assets with Donor Restrictions
Resources that carry a donor-imposed restriction that permits the Organization to use or expend the donated assets as specified for which the restrictions are satisfied by the passage of time or by actions of the Organization. These resources may also include amounts restricted by the donor in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets. As restrictions are met, the contributions are released from net assets with donor restrictions and are transferred to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year in which they are received are included in net assets without donor restrictions.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition which are not included in assets limited as to use or investments.

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance. The Organization determines past due status based on the billing dates, and charges a late fee on overdue accounts. Accounts past due are individually analyzed for collectability. Accounts receivable that management determines will be expected credit losses are written off upon such determination. It is the Organization's policy to seek collection on all overdue accounts. Accounts receivable are reported net of an allowance for credit losses to represent the Organization's estimate of expected losses at the projected state of financial position date. The adequacy of the Organization's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Assets Limited as to Use

Assets limited as to use include amounts set aside to meet the operating reserve requirements of North Carolina General Statute Chapter 58, Article 64A, those items required as part of anticipated Trustee agreements, inclusive of a project fund, funded interest fund, debt service reserve funs, entrance fee fund, working capital fund, bond fund, and entrance fee deposits. The statutory operating reserve balance can only be released upon the submittal of a detailed request and approval of the Commissioner of the North Carolina Department of Insurance. Amounts required to meet current liabilities have been reclassified as current assets.

Investments

Investments in debt and equity securities are measured at fair value based on quoted market prices. In determining realized gains and losses, the cost of investments is determined using the first-in, first-out method. Donated investments are reported at fair value at the date of gift.

The Organization's investments are classified as trading securities. The investments are managed by brokers who actively buy and sell investments within the Organization's Investment Policy Statement. Investment income (including realized gains and losses on investments, interest, and dividends) is included in excess of revenues over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments, if any, are included in excess of revenues over expenses on the projected consolidated statement of operations and changes in net assets. Management has not projected any unrealized gains or losses on investments during the Projection Period.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at market value at date of contribution. Property and equipment are capitalized if it has a cost over $2,000 and an estimated useful life of at least 2 years. Depreciation is computed over the estimated useful lives of the related assets, ranging from 3 to 31.5 years, using the straight-line method. All additions are depreciated beginning on the date of acquisition.

The Organization periodically assesses the realizability of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held, impairment is determined to exist if 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 net realizable value is less than the carrying amount.

The Organization reports contributions of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long these assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Interest Capitalization

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets and depreciated over the estimated useful lives by the straight-line method of depreciation.

Original Issuance Discount

Bond discount incurred in connection with the issuance of long-term debt is assumed to be recorded as a direct deduction to the carrying amount of the debt and over the term of the related indebtedness, which approximates the effective interest method. Amortization expense is included with interest expense on the projected statements of operations and changes in net assets (deficit).

Deferred Financing Costs

Deferred financing costs represent expenses incurred in connection with the permanent financing of the Organization and are deferred and amortized over the life of the related indebtedness using the straight-line method, which approximates the effective interest method. Deferred financing costs are net of accumulated amortization. Deferred financing costs are presented as a reduction of the related borrowings and the amortization is presented as a component of interest expense.

Deferred Revenue from Advance Fees / Refundable Advance Fees

Under the terms of the various Residence and Services Agreements for the Independent Living Units at the Community, residents agree to pay an entrance fee and monthly service fees which entitles the residents the use of a residential unit, limited memory care services, as well as certain other services described in the Residence and Services Agreement. In accordance with certain Residence and Services Agreements, a portion of the entrance fee amount is not refundable to the residents. The non-refundable portion is projected to be deferred and amortized into operating revenue over the estimated remaining life expectancy of the resident. Upon termination of those Residence and Services Agreements, any remaining unamortized portion of the deferred revenue is recognized as income. The portion of the entrance fee deposit that is refundable to the resident is reflected as a liability on the projected balance sheet. The refundable portion of the entrance fee deposit is not amortized to income during the Projection Period.

Obligated to Provide Future Services and Use of Facilities

The Organization will annually review the present value of the net costs of future services and the use of facilities to be provided to current residents and compare that amount with the balance of deferred revenue from entrance fees. If the present value of the estimated net costs of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability will be recorded with the corresponding charge to income. Management has not projected that the present value of the estimated costs of future services and use of facilities will be less than the deferred revenue from entrance fees and as such, Management has projected no liability during the Projection Period.

Deficit of Revenue Over Expenses

The projected statements of operations and changes in net assets include deficit of revenues over expenses. Changes in net assets without donor restrictions, that are included in excess (deficit) of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments in trading securities. Changes that are excluded include contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purpose of acquiring such assets), transfers of net assets, and net assets released from restrictions for property and equipment.

Net Resident and Health Care Service Revenue

Resident service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. The Organization bills the residents and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations will be determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving healthcare services or housing residents receiving services in the facility.

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

The Organization will determine the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy and/or implicit price concessions provided to residents. The Organization will determine its estimates of contractual adjustments based on contractual agreements, its policies, and its historical experience after the opening of the Project. The Organization will determine its estimate of implicit price concessions based on its historical collection experience after the opening of the Project.

The Organization has projected it will apply the practical expedient provided by FASB ASC340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Organization otherwise would have recognized is one year or less in duration.

Agreements with third-party payors typically provide for payments at amounts less than established charges.

Contract Costs

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

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization will file as tax-exempt organizations. Management is not aware of any activities that would jeopardize the tax-exempt status of the Organization. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for the Organization.

The Organization will follow guidance in the income tax standard regarding recognition and measurement of uncertain tax positions. The application of the standard is not anticipated to have any impact on the Organization's projected consolidated financial statements.

Use of Estimates

The preparation of the projected 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the projected financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

BASIS FOR PROJECTION OF REVENUES AND ENTRANCE FEES

Resident Service Revenue

Resident service revenue for the Organization is primarily based on the monthly service fees projected to be charged to residents and the projection utilization of the Independent Living Units and Healthcare Beds.

Independent Living Units

Management has projected resident services revenue based upon its projected move-in schedule, as noted in Table 7and its plans for operating the Independent Living Units during the Projection Period.

The following table presents the projected occupancy and projected monthly service fees for the Independent Living Units during the Projection Period.

Table 6
Independent Living Units
Average Occupancy and Monthly Service Fee
For the Years Ending September 30,

	2026	2027	2028	2029	2030	2031	2032	2033
Total Average Independent Living Units Occupied					41.3	138.9	180.8	190
Total Available Independent Living Units (1)	N/A	N/A	N/A	N/A	136	204	204	204
Average Occupancy Percentage					30.4%	68.1%	88.6%	93.1%
Average Monthly Service Fee - First Person (2)					$ 7,459	$ 8,806	$ 9,059	$ 9,319
Total Average 2nd Person Occupancy					24	76.41	90.38	85.5
Average 2nd Person Occupancy					58.1%	55.0%	50.0%	45.0%
Average Monthly Service Fee - Second Person (2)					$ 1,834	$ 1,908	$ 1,984	$ 2,063

Source: Management
Note:
1) Management has projected that the Independent Living Units would be available for occupancy in February 2030.
2) The projected average monthly service fee represent the weighted average of the units available and occupied during each year and any projected premiums, discounts, additional revenue, etc.

The weighted average monthly service fees for residents of the Independent Living Units are projected to inflate by 4.0% during 2031 and each year thereafter during the remainder of the Projection Period.

Projected occupancy for the Project is based upon Management's assumed move-in schedule for the Independent Living Units as depicted in the following table.

Table 7
The Project Move-In Schedule
Independent Living Units

			Cumulative Occupancy	
Month	Total Units	Net Move-Ins	Number of Units	Percentage
Fiscal Year 2030				
February	204.0	12.0	12.0	6%
March	204.0	16.0	28.0	14%
April	204.0	15.0	43.0	21%
May	204.0	15.0	58.0	28%
June	204.0	14.0	72.0	35%
July	204.0	12.0	84.0	41%
August	204.0	10.0	94.0	46%
September	204.0	10.0	104.0	51%
Fiscal Year 2031				
October	204.0	8.0	112.0	55%
November	204.0	6.0	118.0	58%
December	204.0	6.0	124.0	61%
January	204.0	5.0	129.0	63%
February	204.0	5.0	134.0	66%
March	204.0	4.0	138.0	68%
April	204.0	4.0	142.0	70%
May	204.0	4.0	146.0	72%
June	204.0	4.0	150.0	74%
July	204.0	4.0	154.0	75%
August	204.0	4.0	158.0	77%
September	204.0	4.0	162.0	79%
Fiscal Year 2032				
October	204.0	4.0	166.0	81%
November	204.0	3.0	169.0	83%
December	204.0	3.0	172.0	84%
January	204.0	3.0	175.0	86%
February	204.0	3.0	178.0	87%
March	204.0	3.0	181.0	89%
April	204.0	3.0	184.0	90%
May	204.0	2.0	186.0	91%
June	204.0	2.0	188.0	92%
July	204.0	2.0	190.0	93%
Thereafter	204.0		190.0	93%

Source: Management

Healthcare Beds

Projected revenue from the Healthcare Beds consists of revenue from operating the Healthcare Beds during the Projection Period. Management has projected resident services revenue based upon its projected move-in schedule, as noted in Table 8, and its plans for operating the Healthcare Beds during the Projection Period.

Projected occupancy for the Project is based upon Management's assumed move-in schedule for the Healthcare Beds as depicted in the following table. The move-in schedule and utilization of the Healthcare Beds is based upon actuarially determine population projections. To the extent that projected occupants of healthcare services projected are in excess of available Healthcare Beds at the Community, Management has projected the placement of these individuals in a third-party setting. See additional disclosure on third-party healthcare services expense hereinafter.

Table 8
The Project Move-In Schedule
Healthcare Beds

			Cumulative Occupancy		Outplacement	Cumulative Occupancy
Month	Total Units	Net Move-Ins	Number of Beds	Percentage	Net Move-Ins	Number of Beds - Outplacement
Fiscal Year 2030						
February	18.0	0.4	0.4	2%	0.0	0.0
March	18.0	0.4	0.8	4%	0.0	0.0
April	18.0	0.4	1.2	7%	0.0	0.0
May	18.0	0.4	1.6	9%	0.0	0.0
June	18.0	0.4	2.0	11%	0.0	0.0
July	18.0	0.4	2.4	13%	0.0	0.0
August	18.0	0.4	2.8	16%	0.0	0.0
September	18.0	0.4	3.2	18%	0.0	0.0
Fiscal Year 2031						
October	18.0	0.5	3.7	21%	0.0	0.0
November	18.0	0.5	4.2	23%	0.0	0.0
December	18.0	0.5	4.7	26%	0.0	0.0
January	18.0	0.5	5.2	29%	0.0	0.0
February	18.0	0.5	5.7	32%	0.0	0.0
March	18.0	0.5	6.2	34%	0.0	0.0
April	18.0	0.5	6.7	37%	0.0	0.0
May	18.0	0.5	7.2	40%	0.0	0.0
June	18.0	0.5	7.7	43%	0.0	0.0
July	18.0	0.5	8.2	46%	0.0	0.0
August	18.0	0.5	8.7	48%	0.0	0.0
September	18.0	0.5	9.2	51%	0.0	0.0
Fiscal Year 2032						
October	18.0	1.0	10.2	57%	0.0	0.0
November	18.0	1.0	11.2	62%	0.0	0.0
December	18.0	1.0	12.2	68%	0.0	0.0
January	18.0	1.0	13.2	73%	0.0	0.0
February	18.0	1.0	14.2	79%	0.0	0.0
March	18.0	1.0	15.2	84%	0.0	0.0
April	18.0	1.0	16.2	90%	0.0	0.0
May	18.0	1.0	17.2	96%	0.0	0.0
June	18.0	0.7	17.9	99%	0.0	0.0
July	18.0	0.0	17.9	99%	1.0	1.0
August	18.0	0.0	17.9	99%	1.0	2.0
September	18.0	0.0	17.9	99%	1.0	3.0
Fiscal Year 2033						
October	18.0	0.0	17.9	99%	0.9	3.9
November	18.0	0.0	17.9	99%	0.9	4.8
December	18.0	0.0	17.9	99%	0.9	5.7
January	18.0	0.0	17.9	99%	0.9	6.6
February	18.0	0.0	17.9	99%	0.9	7.5
March	18.0	0.0	17.9	99%	0.9	8.4
April	18.0	0.0	17.9	99%	0.9	9.3
May	18.0	0.0	17.9	99%	0.9	10.2
June	18.0	0.0	17.9	99%	0.9	11.1
July	18.0	0.0	17.9	99%	0.9	12.0
August	18.0	0.0	17.9	99%	0.9	12.9
September	18.0	0.0	17.9	99%	0.9	13.8
Thereafter	18.0		17.9	99%		

Source: Management

The following table presents the projected occupancy and projected per diem for the Healthcare Units during the Projection Period, as well as the projected level of care provided.

Table 9
Healthcare Beds
Average Occupancy and Average Monthly Service Fee
For the Years Ending September 30,

For the Year Ending September 30,	2026	2027	2028	2029	2030	2031	2032	2033
Average Occupied Units								
Assisted Living					0.2	1.3	3.8	4.7
Memory Care					0.1	0.8	2.4	3.1
Skilled Nursing					0.8	4.3	9.6	10.3
Total Average Universal Beds Occupied					1.1	6.4	15.8	18.1
Average Available Units	N/A	N/A	N/A	N/A	18.0	18.0	18.0	18.0
Average Occupancy					6.1%	35.6%	87.8%	100.6%
Average Healthcare Residents - Third Party Placement								
Assisted Living								2.2
Memory Care								1.4
Skilled Nursing								4.9
Total Healthcare Residents - Third Party Placement								8.5
Average Per-Diem - Assisted Living Serivces					$ 315	$ 328	$ 341	$ 355
Average Per-Diem - Memory Care Services					$ 290	$ 302	$ 314	$ 327
Average Per-Diem - Skilled Nursing Services					$ 502	$ 522	$ 543	$ 565

Source: Management
N/A – not applicable
Note:
1) Management has projected that the Healthcare Beds will be available for occupancy in February 2030.

The weighted average per diem for residents of the Healthcare Beds are projected to inflate by 4.0% annually beginning in 2031 and for each year thereafter during the remainder of the Projection Period.

Amortization of Deferred Tenant Revenue

As noted previously herein, the non-refundable portion of entrance fees is deferred and amortized into operating revenue over the estimated remaining life expectancy of the resident.

Assumed Independent Living Unit Turnover

Turnover of the Independent Living Units has been projected by Management based upon its experience operating other comparable communities. Refunds of the entrance fees are generated upon death or termination of the Residence and Services Agreement and withdrawal from Independent Living Unit, subject to the refund terms and timing previously disclosed. The following table presents a summary of projected Entrance Fees received and refunds paid during the Projection Period for the Organization's Independent Living Units.

Table 10
Initial and Turnover Entrance Fee Receipts and Deposits and Total Entrance Fee Refunds
For the Years Ending September 30,
(In Thousands)

For the Years Ending September 30,	2026	2027	2028	2029	2030	2031	2032	2033
Entrance Fees / Deposits Received from Initial Residents	$ 1,899	$ 6,646	$ 2,769	$ -	$ 76,034	$ 42,408	$ 20,463	$ -
Entrance Fees Received from Unit Turnover	-	-	-	-	754	3,814	7,480	10,028
Entrance Fees Refunded from Unit Turnover	-	-	-	-	(369)	(2,035)	(3,535)	(4,503)
Total Entrance Fees Received, Net of Refunds	$ 1,899	$ 6,646	$ 2,769	$ -	$ 76,419	$ 44,187	$ 24,408	$ 5,525

Source: Management

The following table presents a summary of the type of entrance fee plan selected for initial residents and turnover residents of the Independent Living Units during the Projection Period.

Table 11
Entrance Fee Plan Type Selection

		First Generation Residents of the New Independent Living Units	Future Residents
Resident Entrance Fee Plan Type	Number	Percent of Total	Percent of Total
80% Refund Plan	181	95%	95%
50% Refund Plan	9	5%	5%
Total / Percentage	190	100%	100%

Source: Management

Investment Income

Investment income consists of interest earned on available cash and cash equivalents, investments, and assets limited as to use. The following table reflects Management's assumed realized interest earnings rates during the Projection Period based upon historical earnings rates and current economic conditions:

Table 12
Projected Investment Earnings Rates
For the Years Ending September 30,

	2026	2027	2028	2029	2030	2031	2032	2033
Cash and Cash Equivalents	NA	NA	NA	NA	0.50%	0.50%	0.50%	0.50%
Investments	NA	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Statutory Operating Reserve	NA	NA	NA	NA	4.00%	4.00%	4.00%	4.00%
Project Fund (1)	NA	NA	NA	NA	NA	NA	NA	NA
Funded Interest Fund (1)	NA	NA	NA	NA	NA	NA	NA	NA
Debt Service Reserve Fund (1)	NA	NA	NA	NA	NA	3.75%	3.75%	3.75%
Entrance Fee Fund	NA	NA	NA	NA	2.00%	2.00%	2.00%	NA
Working Capital Fund	NA	NA	2.00%	2.00%	2.00%	2.00%	2.00%	NA
Bond Fund	NA	NA	NA	NA	NA	3.75%	3.75%	3.75%
Entrance Fee Deposits	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	NA	NA

Source: Management
N/A – not applicable
Note:

1) During the funded interest period, all investment earnings on the Project Fund, Funded Interest Fund, and the Debt Service Reserve Fund have been projected to be used for debt service and as such, no unrestricted investment earnings have been projected on these funds during the funded interest period.

Management has not projected any unrealized gains or losses on investments during the Projection Period.

Other Operating Revenue

Management has projected other operating revenue to include additional service revenue, meal revenue, beauty and barber services, supplies, guest rental revenue, and other miscellaneous revenues. Management has projected other operating revenue based upon its plans for operating the Organization and from its experience operating other comparable communities. Management has projected other operating revenue to approximate 1.5% of annual resident services revenue during the Projection Period.

Transfer from Affiliate

During 2026, Management has projected a transfer from affiliate in the amount of $9,432,000 which includes the transfer of land and other Project costs previously incurred related to the development of the Project.

BASIS FOR PROJECTION OF EXPENSES

Operating Expenses

Operating expenses have been projected to be recognized during the month incurred. Management has projected operating expenses based upon its plans for operating the Organization and from its experience operating other comparable communities. In general, operating expenses are projected to increase at approximately 4.0% annually throughout the Projection Period for inflation. The specific basis for major expense items were formulated by Management and are discussed below.

Salaries, Employee Benefits and Payroll Taxes

A full-time equivalent employee ("FTE") is assumed to represent 2,080 hours of time paid annually. The table that follows presents a summary of projected incremental FTEs and average hourly wage rates, by department for the Project.

Table 13
Project Full Time Equivalents

	2029		2030		2031		2032		2033	
Department	FTEs	Avg Hourly Wage	FTEs	Avg Hourly Wage	FTEs	Avg Hourly Wage	FTEs	Avg Hourly Wage	FTEs	Avg Hourly Wage
General and Administrative	0.17	$48.06	7.18	$41.01	9.07	$41.84	10.66	$42.92	10.70	$44.63
Plant Operations	-	N/A	7.40	$31.92	10.26	$32.37	12.26	$32.90	12.30	$34.21
Environmental Services	-	N/A	6.70	$25.03	15.99	$24.38	20.20	$24.99	20.30	$25.98
Dietary	-	N/A	16.51	$27.68	30.76	$26.41	38.12	$26.98	38.30	$28.05
Healthcare	-	N/A	6.50	$40.51	11.10	$35.87	11.40	$37.29	16.00	$41.31
Resident Services	-	N/A	2.75	$33.52	5.79	$31.69	6.97	$32.20	7.00	$33.47
Total / Weighted Average	0.17	$48.06	47.04	$32.12	82.97	$30.08	99.61	$30.56	104.60	$32.46

Source: Management
N/A – not applicable

Employee benefits and payroll taxes are assumed to include FICA, unemployment taxes, workers' compensation, health insurance, and other miscellaneous benefits. These employee benefits and payroll taxes are projected by Management to approximate 22% of salaries and wages during the Projection Period.

The following table presents the inflationary expense assumptions utilized for expenses during the Projection Period.

Table 14
Expense Inflation Assumptions
For the Years Ending September 30,

	2026	2027	2028	2029	2030	2031	2032	2033
Salaries and Wages	**	**	**	**	**	4.00%	4.00%	4.00%
Insurance	**	**	**	**	**	4.50%	4.50%	4.50%
Utilities	**	**	**	**	**	3.00%	3.00%	3.00%
Food	**	**	**	**	**	4.00%	4.00%	4.00%
Other	**	**	**	**	**	3.00%	3.00%	3.00%

Source: Management

Resident Care

Non-salary related costs of resident care include costs for care and support of residents. These costs are anticipated to vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience. These costs include activities and other similar costs.

As noted in Table 8, beginning in 2032, Management has projected residents in need of healthcare services to exceed the available Healthcare Beds at the Community. As such, Management has projected a third-party healthcare services outplacement expense. For purposes of the Projection, Management has assumed the expense would approximate 125 percent of the daily per-diem received. Management has projected approximately $109,000 in 2032 and $1,911,000 in 2033 of third-party healthcare services outplacement expense. This expense is within Resident Care on the Projected Statement of Operations and Changes in Net Assets.

Dietary

Non-salary related costs of the dietary department include costs for raw food and dietary supplies and other such costs and are based on the historical operating experience of Management. Management projects that these costs would vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

Maintenance and Housekeeping

Non-salary related costs in these departments include housekeeping and all activities of maintenance for the campuses. Management assumes that these costs would vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

General and Administrative

Non-salary related costs of general and administrative include costs for supplies, professional fees, insurance, and other miscellaneous costs. Management projects that these costs would vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience. Also included in General and Administrative expenses is a Management Fee projected to be charged to the Organization. The Management Fee is projected to be based upon 5% of resident revenue and other operating revenues for each year during the Projection Period.

Marketing Costs (included in General and Administrative Expenses)

The following table presents Management's estimates related to Project marketing costs funded with proceeds of the 2026 Notes and Series 2028 Bonds during the Projection Period.

Table 15
Estimated Project Marketing Costs Funded with Bonds and Notes Proceeds
For the Years Ending September 30,
(Dollars in Thousands)

Year	Project Marketing Costs (1)
2026	$1,605
2027	$1,700
2028	$1,740
2029	$1,614
2030	$1,022
2031	$234

Source: Management

Note:

(1) The difference between the total projected marketing cost in Table 15 and total marketing costs on Table 5 is the amount of marketing costs that were spent prior to fiscal year 2026.

Depreciation

Property and equipment are projected to be depreciated over the estimated useful lives by the straight-line method.

Interest Expense

Interest expense is projected related to the anticipated debt service requirements, amortization of the original issuance discount, and amortization of the deferred financing costs associated with the Series 2028 Bonds, as provided by the Underwriter. Management has capitalized interest expense during the development and construction period of the Project, net of interest income on the related trustee held-funds.

Property Tax Disclosure

The Organization has assumed it will meet this exemption by providing five-percent, or more, of charitable care to residents residing within the Community or through charitable contributions, whether from the Organization or the Parent, thus meeting the social accountability requirements for providing charitable care and community benefits under North Carolina statue 105-278.6A *Qualified Retirement Facility*. The Organization and its Parent, have planned meeting its social accountability requirement each year during the Projection Period and therefore, has not projected the payment of any property taxes during the Projection Period.

BASIS FOR PROJECTION OF OTHER ITEMS

Current Assets and Current Liabilities

Cash and Cash Equivalents
Cash and cash equivalents is projected based upon Management's estimate, which is approximately 30 days of operating expenses excluding salaries, employee benefits and payroll taxes, depreciation, and interest expense throughout the Projection Period.

Accounts Receivable, Net
Accounts receivable, net of an allowance for estimated credit losses, is projected based upon Management's estimate, which is approximately 10 days of resident service revenue in accounts receivable, net throughout the Projection Period.

Prepaid Expenses and Other Assets
Prepaid Expenses and other current assets are projected based upon Management's estimate, which is approximately 10 days of operating expenses excluding salaries, employee benefits and payroll taxes, depreciation, and interest expense throughout the Projection Period.

Accounts Payable
Accounts payable is projected based upon Management's estimate, which is approximately 20 days of operating expenses excluding salaries, employee benefits and payroll taxes, depreciation, and interest expense throughout the Projection Period.

Accrued Expenses
Accrued expenses, except for accrued interest, are projected based upon Management's estimate, which is approximately 17 days of salaries, employee benefits and payroll taxes expense throughout the Projection Period.

Accrued Interest
Accrued interest has been calculated based on projected interest rates and repayment terms of the long-term debt during the Projection Period.

Assets Limited as to Use

A narrative description of the assets limited as to use follows:

Internally Designated for Statutory Operating Reserve
North Carolina Statutory Operating Reserve – Section 58-64A-245 of the General Statutes of North Carolina, as amended, requires that all continuing care facilities maintain operating reserves equal to 50 percent of the total operating costs (as defined in Section 58-64A-245) for the 12-month period related to the calculation. Once a continuing care facility achieves a 12-month daily average independent living unit occupancy rate of ninety percent (90% or higher) a provider shall only be required to maintain an operating reserve in an amount calculated using the table below, unless otherwise instructed by the Commission.

Independent Living Unit Occupancy Rate:	Operating Reserve Percentage Requirement
90% or above	25.00%
86% to 89.9%	31.25%
83% to 85.9%	37.50%
80% to 82.9%	43.75%
Below 80%	50.00%

A provider who has a 12-month daily average independent living unit occupancy rate equal to or in excess of ninety-three percent (93%) and has no long-term debt or a debt service coverage ratio in excess of 2.00 as of the provider's most recent fiscal year-end shall only be required to maintain an operating reserve equal to twelve and one-half percent (12.5%) of total operating costs of the continuing care retirement community, unless otherwise instructed by the NCDOI.

Such operating reserves may only be released upon approval of the North Carolina Commissioner of Insurance. Management has projected, based on its projected occupancies, meeting the 25 percent operating reserve requirement for all years of the Projection Period

The following reflects the operating reserve requirements, as projected by Management:

Table 16
Projected Operating Reserve Requirements
For The Years Ending September 30,

	2026	2027	2028	2029	2030	2031	2032	2033
Statutory Operating Reserve Calculation: (1)								
Total Operating Expenses					22,246	29,474	30,501	33,401
Include:								
Bond Principal Payments					36,342	61,725	24,348	-
Exclude:								
Depreciation					(5,150)	(5,574)	(5,704)	(5,820)
Amortization of Bond Issuance Costs					(234)	(188)	(155)	(146)
Amortization of Bond Discount (Premium)					(122)	(98)	(81)	(76)
Principal Paid from Initial Entrance Fee Receipts					(36,342)	(61,725)	(24,348)	-
Interest Set Aside in Debt Service Reserve Fund					(8,987)	(10,757)	(8,885)	(8,380)
Principal Set Aside in Debt Service Reserve Fund					-	-	-	-
Total Operating Costs					7,753	12,857	15,676	18,979
Required Reserve Percentage					50.0%	50.0%	31.3%	25.0%
Required Operating Reserve	0	0	0	0	$ 3,877	$ 6,429	$ 4,907	$ 4,745
Average Available Units for the year ending September 30:								
Independent Living Units					136	204	204	204
Average Occupied Units for the year ending September 30:								
Independent Living Units					41.3	138.9	180.8	190.0
Average Occupancy as of September 30:	N/A	N/A	N/A	N/A	30.4%	68.1%	88.6%	93.1%

Source: Management
Notes:
(1) Total operating expenses include all line items as presented on the statements of operations and changes in net assets for the respective community. As the Independent Living Units and Healthcare Beds are not projected to be placed into service until February 2030, fiscal year 2030 is the first year Management has projected an Operating Reserve during the Projection Period.

Held by Trustee

In general, the following funds are anticipated to be required to be maintained by the trustee of the Series 2028 Bonds:

Project Fund – A portion of the proceeds of the Series 2028 Bonds are projected to be deposited into a project fund for construction and related costs of the Project.

Funded Interest Fund – Upon the assumed issuance of the Series 2028 Bonds, the funded interest fund is projected to be funded from proceeds of the Series 2028 Bonds to pay interest expense on the Series 2028 Bonds for the first 32 months after issuance

Debt Service Reserve Funds - The debt service reserve funds are intended to be utilized should the Organization not be able to meet its scheduled interest and principal payments. Management assumes no draw against the debt service reserve funds will be made during the Projection Period. Management has projected release of a debt service reserve fund upon payment of the respective series of the Series 2028 Bonds.

Entrance Fee Fund – Initial Entrance Fees related to the Independent Living Units are planned to be deposited into the entrance fee fund. Amounts on deposit in the entrance fee fund are projected to be used first to fund the working capital fund, second, to fund the operating reserve fund; third, to pay a portion of the Development Consulting Fee; fourth, to redeem the Series 2028D Bonds, fifth, to redeem the Series 2028C Bonds, and sixth, to redeem the Series 2028B Bonds. Subsequent to the repayment of the Series 2025B Bonds in full, and assuming no events of default have occurred, amounts remaining on deposit in the entrance fee fund are projected to be released by the trustee to the Organization.

Working Capital Fund – The working capital fund is projected to be funded with the entrance fee receipts from the initial occupancy of the Independent Living Units. The working capital fund is projected to be used to fund the pre-opening costs and ongoing working capital needs of the Organization. Any funds remaining in the working capital fund upon repayment of the Series 2025B Bonds may be released into operations.

Bond Funds - The bond funds represent monthly advance payments of bond principal and interest to be made by the Organization to the trustee relating to the Series 2028 Bonds. The amounts held in the bond funds will be used by the trustee to make the principal payments and the interest payments to the owners of the Series 2028 Bonds when due.

Not Held by Trustee

Entrance Fee Deposits – these funds represent those 10% Reservation Deposits received by the Organization for the Independent Living Units.

Property and Equipment

Property and equipment balances, net of accumulated depreciation, are based on assumed costs of constructing the Project, and other routine property and equipment additions during the Projection Period, reduced by estimated annual depreciation. The following table reflects the project related costs, capitalized interest, net of interest earnings, and other routine capital additions during the Projection Period.

Table 17
Projected Property and Equipment Additions
For The Years Ending September 30,
(In Thousands of Dollars)

	2026	2027	2028	2029	2030	2031	2032	2033
Property and Equipment - Beginning	$ 39	$ 10,266	$ 13,661	$ 57,685	$ 190,263	$ 221,002	$ 221,780	$ 222,512
Project Costs (1)	10,192	3,059	37,558	123,049	27,478	282	137	201
Capitalized Interest, Net of Investment Earnings (1)	35	336	6,466	9,529	2,991	-	-	-
Routine Capital Additions	-	-	-	-	270	496	595	1,407
Property and Equipment - Ending	10,266	13,661	57,685	190,263	221,002	221,780	222,512	224,120
Accumulated Depreication	(6)	(6)	(6)	(6)	(5,156)	(10,730)	(16,434)	(22,254)
Projected Property and Equipment, Net	$ 10,260	$ 13,655	$ 57,679	$ 190,257	$ 215,846	$ 211,050	$ 206,078	$ 201,866

Source: Management
Notes:
(1) Construction costs, development costs, capitalized deferred financing costs, and capitalized interest, net of investment earnings are expected to be deferred until the Project has been completed. When the Project is completed, these costs will be capitalized and depreciated over the estimated useful life of the Project.

Other Liabilities

Long-Term Debt and Interest Expense

During the Projection Period, the Organization's long-term debt is planned to be comprised of the 2026 Notes and the Series 2028 Bonds. The terms of the 2026 Notes and Series 2028 Bonds are more fully described in the notes to Table 4 and Table 5. The 2026 Notes are assumed to be redeemed with the proceeds of the Series 2028 Bonds.

Table 18
Projected Principal Payments on the Organization's Debt
(In Thousands of Dollars)

Fiscal Year Ending September 30,	2026 Notes	Series 2028A Bonds	Series 2028B Bonds	Series 2028C Bonds	Series 2028D Bonds	Total Principal Payments
2026	$ -	$ -	$ -	$ -	$ -	$ -
2027	-	-	-	-	-	-
2028	8,747	-	-	-	-	8,747
2029	-	-	-	-	-	-
2030	-	-	-	-	36,342	36,342
2031	-	-	-	35,147	26,578	61,725
2032	-	-	17,045	7,303	-	24,348
2033	-	-	-	-	-	-
2034	-	1,510	-	-	-	1,510
2035	-	1,595	-	-	-	1,595
Thereafter	-	126,995	-	-	-	126,995
Total	$ 8,747	$ 130,100	$ 17,045	$ 42,450	$ 62,920	$ 261,262

Source: Management and the Underwriter
Notes:
(1) Principal on the 2026 Notes is assumed to be repaid from proceeds of the Series 2028 Bonds. The amount shown in the table excludes projected accrued interest on the 2026 Notes of approximately $596,000 which is also projected to be paid from proceeds of the Series 2028 Bonds.
(2) Principal payments on the Series 2028B Bonds, Series 2028C Bonds and Series 2028D Bonds are projected to be repaid based upon the projected availability of the Initial Entrance Fees

Due to Affiliate

Due to Affiliate represents an advance from an affiliate prior to the Projection Period. Management has not projected any repayment during the Projection Period.

Entrance Fee Deposits

Entrance Fee Deposits represents the Reservation Deposits projected by Management to be received prior to the Independent Living Units opening.

Net Deficits

Net Deficits Without Donor Restrictions

Management has projected net deficits without donor restrictions based upon the results of the Projected Statements of Operations and Changes in Net Deficits.

Appendix C — Brice Pointe Population Projection

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BRICE POINTE

A THRIVEMORE COMMUNITY

BRICE POINTE
POPULATION PROJECTION

As of September 30, 2029

Prepared by Continuing Care Actuaries, LLC
Report Date: April 29, 2026

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Contents

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METHODOLOGY

Continuing Care Actuaries, LLC (Continuing Care Actuaries) was retained by LCS on behalf of the management of Brice Pointe, a non-profit continuing care retirement community under development in New Bern, North Carolina, to develop a population projection as of September 30, 2029.

The projection tracks future residents through various levels of care until move-out or death, using actual depositor data to establish assumptions about their demographic characteristics. Rates of population movement were derived from the Continuing Care Actuaries demographic database for continuing care retirement community (CCRC) residents.

The Continuing Care Actuaries database includes demographic transfer and mortality data from over 800,000 CCRC resident life-years, which was aggregated to develop assumptions consistent with Brice Pointe's operational and administrative practices.

Brice Pointe's management provided depositor data and future occupancy projections. Continuing Care Actuaries developed assumptions about units, age, gender, and couples' ratios for new residents based on data provided by management. Assumptions regarding expected mortality and morbidity were based on the Continuing Care Actuaries database. Continuing Care Actuaries did not perform secondary due diligence to verify the accuracy of these assumptions. Continuing Care Actuaries is not responsible for the use of this projection as the basis for financial projections or operating decisions.

Key Assumptions

- The Fiscal Year end is September 30.
- This study is evaluated as of September 30, 2029.
- The projection assumes Brice Pointe will have the following unit counts by level of care throughout the projection:

Fiscal Year	*Independent Living*	*Healthcare*
2023 and thereafter	204	18

- Healthcare units may be Assisted Living, Memory Care, or Skilled Nursing.
- Average new entrant age assumptions are as follows:

Single Male	*Single Female*	*Couple Male*	*Couple Female*
80.0	80.0	81.0	79.0

- Average new entrant distribution assumptions are as follows:

Single Male	*Single Female*	*Couple*
8%	32%	60%

- Projected Independent Living occupancy is as follows:

Fiscal Year	*Units Occupied*	*Occupancy (%)*
2030	110.0	53.9%
2031	172.0	84.3%
2032 and thereafter	193.8	95.0%

- The following initial monthly fill schedule is assumed:

Month	*Fill*	*Occupancy (%)*	*Month*	*Fill*	*Occupancy (%)*
Feb-30	12.0	5.9%	Apr-31	4.0	74.5%
Mar-30	16.0	13.7%	May-31	4.0	76.5%
Apr-30	15.0	21.1%	Jun-31	4.0	78.4%
May-30	16.0	28.9%	Jul-31	4.0	80.4%
Jun-30	15.0	36.3%	Aug-31	4.0	82.4%
Jul-30	16.0	44.1%	Sep-31	4.0	84.3%
Aug-30	10.0	49.0%	Oct-31	3.0	85.8%
Sep-30	10.0	53.9%	Nov-31	3.0	87.3%
Oct-30	10.0	58.8%	Dec-31	3.0	88.7%
Nov-30	6.0	61.8%	Jan-31	3.0	90.2%
Dec-30	6.0	64.7%	Feb-32	3.0	91.7%
Jan-30	6.0	67.6%	Mar-32	2.0	92.6%
Feb-31	6.0	70.6%	Apr-32	3.0	94.1%
Mar-31	4.0	72.5%	May-32	1.8	95.0%

- Occupancy projections were supplied by management based on their best assessment of market conditions available at this time. Should actual conditions change in the future, additional resources may be necessary to achieve projected results.
- **Note that any changes in these assumptions would alter our projections.**

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APPENDIX A: POPULATION PROJECTION

Appendix A summarizes the projections for the existing Independent Living Units and subsequent population flows to assisted living, memory care, and skilled nursing. The population projections on pages A-1 to A-9 summarize the location and expected demographic phenomena in each level of care. Direct Admit residents are not included in these projections.

Under the assumptions, The Independent Living Units are projected to achieve the ultimate occupancy of 95.0%.

Pages A-1 through A-2 provide the average occupancy at each level of care. Page A-3 gives the number of days in each level of care. A-4 gives the average ages of residents at each level of care. Pages A-5 to A-8 provide a breakdown of residential movements at each level of care. Page A-9 shows independent living unit vacancies by cause.

Actual experience may vary, and management should track actual versus expected nursing utilization, since higher utilization by Lifecare residents will result in lower nursing revenue. The results of our study are based on estimates of demographic and economic assumptions of the most likely outcome.

Considerable uncertainty and variability are inherent in such estimates. Accordingly, the subsequent emergence of actual residential movements and actual revenues and expenses may not conform to the assumptions used in our analysis. Consequently, the subsequent development of these items may vary considerably from expected results.

Management should scrutinize future developments, which may cause significant variances in the projections. These developments include higher apartment vacancy rates, higher inflation, higher nursing care utilization and/or longer life expectancies than those assumed in the current projection.

Sincerely,

Dave Bond

Dave Bond, F. S. A., M.A. A. A.
Managing Partner
Continuing Care Actuaries
415 Main Street
Reisterstown, MD 21136

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Thrivemore - Brice Pointe
Open Group Projection

Fiscal Year Ending 9/30	Community Occupancy Summary								
	Independent Living Unit						Assisted Living Unit		
	Number of Residents	Number of Units	Occupancy Rate	Density Ratio	Units Released	New Units Occupied	Number of Permanent Residents	2nd Person Subset Permanent	Number of Temporary Residents
		0.0							
2030	174.3	110.0	53.9%	1.58	0.9	110.9	0.4	0.3	0.0
2031	267.2	172.0	84.3%	1.55	4.3	66.3	2.2	1.6	0.0
2032	291.3	193.8	95.0%	1.50	8.5	30.3	5.3	3.7	0.0
2033	280.2	193.8	95.0%	1.45	11.1	11.1	8.3	5.2	0.0
2034	270.5	193.8	95.0%	1.40	13.1	13.1	10.5	6.0	0.0
2035	262.7	193.8	95.0%	1.36	14.9	14.9	12.1	6.2	0.0
2036	256.6	193.8	95.0%	1.32	16.7	16.7	13.3	6.1	0.0
2037	252.2	193.8	95.0%	1.30	18.3	18.3	14.1	5.8	0.0
2038	249.5	193.8	95.0%	1.29	19.7	19.7	14.7	5.5	0.0
2039	248.0	193.8	95.0%	1.28	20.7	20.7	15.1	5.2	0.0
2040	247.4	193.8	95.0%	1.28	21.5	21.5	15.3	5.0	0.0
2041	247.3	193.8	95.0%	1.28	22.1	22.1	15.4	4.8	0.0
2042	247.6	193.8	95.0%	1.28	22.5	22.5	15.4	4.7	0.0
2043	248.1	193.8	95.0%	1.28	22.7	22.7	15.5	4.6	0.0
2044	248.5	193.8	95.0%	1.28	22.7	22.7	15.4	4.5	0.0
2045	248.9	193.8	95.0%	1.28	22.8	22.8	15.4	4.5	0.0
2046	249.3	193.8	95.0%	1.29	22.8	22.8	15.3	4.5	0.0
2047	249.6	193.8	95.0%	1.29	22.8	22.8	15.3	4.5	0.0
2048	249.7	193.8	95.0%	1.29	22.8	22.8	15.3	4.5	0.0
2049	249.8	193.8	95.0%	1.29	22.7	22.7	15.3	4.5	0.0
2050	249.9	193.8	95.0%	1.29	22.7	22.7	15.3	4.5	0.0
2051	249.8	193.8	95.0%	1.29	22.6	22.6	15.3	4.5	0.0
2052	249.8	193.8	95.0%	1.29	22.6	22.6	15.3	4.5	0.0
2053	249.7	193.8	95.0%	1.29	22.6	22.6	15.3	4.5	0.0
2054	249.7	193.8	95.0%	1.29	22.7	22.7	15.3	4.5	0.0
2055	249.6	193.8	95.0%	1.29	22.7	22.7	15.3	4.4	0.0
2056	249.6	193.8	95.0%	1.29	22.7	22.7	15.4	4.4	0.0
2057	249.6	193.8	95.0%	1.29	22.7	22.7	15.4	4.4	0.0
2058	249.5	193.8	95.0%	1.29	22.7	22.7	15.4	4.4	0.0
2059	249.5	193.8	95.0%	1.29	22.8	22.8	15.4	4.3	0.0

Fiscal Year Ending 9/30	Community Occupancy Summary					
	Memory Support Unit			Skilled Nursing Facility		
	Number of Permanent Residents	2nd Person Subset Permanent	Number of Temporary Residents	Number of Permanent Residents	2nd Person Subset Permanent	Number of Temporary Residents
2030	0.2	0.2	0.0	0.5	0.4	1.0
2031	1.3	1.0	0.0	2.9	2.3	3.9
2032	3.4	2.4	0.0	7.2	5.4	5.3
2033	5.8	3.7	0.0	11.7	8.3	5.8
2034	8.0	4.7	0.0	15.6	10.3	6.1
2035	9.9	5.2	0.0	18.9	11.4	6.4
2036	11.6	5.4	0.0	21.7	11.9	6.6
2037	12.9	5.4	0.0	23.8	11.9	6.7
2038	14.0	5.3	0.0	25.3	11.5	6.8
2039	14.8	5.1	0.0	26.3	11.0	6.9
2040	15.4	4.9	0.0	27.0	10.4	6.9
2041	15.8	4.7	0.0	27.5	10.0	6.9
2042	16.0	4.5	0.0	27.8	9.6	7.0
2043	16.1	4.4	0.0	28.1	9.4	7.0
2044	16.2	4.3	0.0	28.2	9.2	7.1
2045	16.2	4.2	0.0	28.3	9.1	7.1
2046	16.1	4.2	0.0	28.3	9.1	7.1
2047	16.1	4.2	0.0	28.3	9.1	7.0
2048	16.0	4.2	0.0	28.3	9.1	7.0
2049	16.0	4.2	0.0	28.2	9.1	7.0
2050	16.0	4.2	0.0	28.2	9.1	7.0
2051	16.0	4.2	0.0	28.2	9.1	7.0
2052	16.0	4.2	0.0	28.1	9.1	7.0
2053	16.0	4.2	0.0	28.1	9.0	7.0
2054	16.0	4.2	0.0	28.1	9.0	7.0
2055	16.0	4.1	0.0	28.1	9.0	7.0
2056	16.0	4.1	0.0	28.1	8.9	7.0
2057	16.1	4.1	0.0	28.2	8.9	7.1
2058	16.1	4.1	0.0	28.2	8.8	7.1
2059	16.1	4.1	0.0	28.2	8.8	7.1

Thrivemore - Brice Pointe
Open Group Projection

Fiscal Year Ending 9/30	Number of Days In Each Level of Care									
		Assisted Living Unit			Memory Support Unit			Skilled Nursing Facility		
	Independent Living Unit Days	Permanent Days		Temporary	Permanent Days		Temporary Days	Permanent Days		Temporary Days
		Contract Residents	2nd Person Subset	Contract Days	Contract Residents	2nd Person Subset	Contract Days	Contract Residents	2nd Person Subset	Contract Days
2030	10,967	68	53	0	40	31	0	89	72	361
2031	52,116	466	348	0	281	208	0	612	483	1,415
2032	92,375	1,370	968	0	866	611	0	1,830	1,395	1,941
2033	102,395	2,487	1,630	0	1,682	1,109	0	3,435	2,492	2,114
2034	100,573	3,440	2,055	0	2,515	1,526	0	4,978	3,384	2,210
2035	97,375	4,141	2,230	0	3,270	1,800	0	6,308	3,966	2,320
2036	94,823	4,642	2,244	0	3,921	1,944	0	7,415	4,272	2,402
2037	92,916	5,001	2,175	0	4,465	1,986	0	8,296	4,356	2,451
2038	91,625	5,258	2,072	0	4,903	1,961	0	8,953	4,279	2,486
2039	90,850	5,435	1,966	0	5,247	1,900	0	9,417	4,110	2,511
2040	90,463	5,545	1,868	0	5,504	1,822	0	9,736	3,911	2,522
2041	90,344	5,604	1,787	0	5,684	1,744	0	9,951	3,724	2,536
2042	90,391	5,632	1,727	0	5,801	1,676	0	10,099	3,574	2,552
2043	90,525	5,645	1,688	0	5,870	1,622	0	10,203	3,466	2,567
2044	90,690	5,644	1,664	0	5,901	1,584	0	10,278	3,396	2,577
2045	90,851	5,632	1,650	0	5,907	1,558	0	10,326	3,354	2,582
2046	90,990	5,611	1,642	0	5,895	1,542	0	10,346	3,330	2,579
2047	91,101	5,593	1,641	0	5,876	1,533	0	10,345	3,317	2,574
2048	91,182	5,585	1,644	0	5,860	1,530	0	10,329	3,312	2,570
2049	91,235	5,583	1,646	0	5,849	1,531	0	10,311	3,312	2,568
2050	91,259	5,582	1,648	0	5,843	1,532	0	10,298	3,313	2,566
2051	91,261	5,581	1,647	0	5,839	1,533	0	10,291	3,313	2,566
2052	91,248	5,581	1,644	0	5,837	1,532	0	10,285	3,310	2,567
2053	91,227	5,584	1,638	0	5,838	1,529	0	10,279	3,302	2,568
2054	91,205	5,588	1,631	0	5,841	1,524	0	10,276	3,291	2,570
2055	91,187	5,594	1,624	0	5,847	1,518	0	10,273	3,278	2,572
2056	91,172	5,603	1,615	0	5,855	1,511	0	10,273	3,262	2,574
2057	91,160	5,610	1,607	0	5,865	1,503	0	10,279	3,246	2,576
2058	91,150	5,617	1,598	0	5,876	1,496	0	10,289	3,229	2,577
2059	91,142	5,623	1,590	0	5,888	1,488	0	10,302	3,212	2,579

Thrivemore - Brice Pointe
Open Group Projection

Fiscal Year Ending 9/30	Average Age of Residents at the End of the Year							
	Independent Living Unit		Assisted Living Unit Contract Residents		Memory Support Unit Contract Residents		Skilled Nursing Facility Contract Residents	
	Males	Females	Males	Females	Males	Females	Males	Females
2030	84.02	80.65	85.11	82.42	85.08	82.44	85.25	81.99
2031	84.24	80.89	85.61	82.98	85.61	83.02	85.75	82.49
2032	84.84	81.51	86.27	83.70	86.30	83.78	86.42	83.19
2033	85.56	82.26	87.01	84.46	87.07	84.59	87.13	84.00
2034	86.26	82.99	87.76	85.23	87.87	85.40	87.82	84.85
2035	86.83	83.62	88.49	85.95	88.65	86.16	88.49	85.70
2036	87.26	84.15	89.15	86.58	89.38	86.86	89.12	86.51
2037	87.55	84.58	89.71	87.14	90.04	87.49	89.71	87.26
2038	87.72	84.93	90.17	87.63	90.62	88.06	90.25	87.94
2039	87.77	85.19	90.50	88.07	91.11	88.58	90.71	88.55
2040	87.76	85.38	90.71	88.47	91.49	89.05	91.06	89.07
2041	87.70	85.52	90.83	88.81	91.76	89.48	91.29	89.53
2042	87.63	85.61	90.89	89.09	91.94	89.85	91.41	89.91
2043	87.55	85.68	90.91	89.32	92.04	90.17	91.44	90.23
2044	87.49	85.72	90.87	89.50	92.09	90.42	91.41	90.49
2045	87.44	85.74	90.79	89.64	92.08	90.61	91.36	90.69
2046	87.41	85.75	90.69	89.73	92.04	90.76	91.29	90.84
2047	87.40	85.75	90.61	89.79	91.98	90.85	91.21	90.95
2048	87.40	85.75	90.55	89.83	91.92	90.92	91.14	91.02
2049	87.40	85.74	90.53	89.85	91.88	90.96	91.08	91.06
2050	87.42	85.74	90.52	89.83	91.86	90.97	91.05	91.08
2051	87.43	85.73	90.52	89.81	91.87	90.96	91.04	91.08
2052	87.45	85.74	90.53	89.78	91.90	90.93	91.04	91.07
2053	87.47	85.74	90.55	89.75	91.94	90.90	91.05	91.04
2054	87.48	85.75	90.57	89.73	91.98	90.87	91.07	91.01
2055	87.49	85.76	90.59	89.72	92.03	90.85	91.09	90.98
2056	87.50	85.77	90.60	89.72	92.09	90.83	91.11	90.96
2057	87.51	85.78	90.61	89.73	92.14	90.82	91.12	90.94
2058	87.52	85.80	90.62	89.73	92.19	90.82	91.14	90.94
2059	87.53	85.81	90.63	89.74	92.24	90.83	91.14	90.95

Thrivemore - Brice Pointe
Open Group Projection

Fiscal Year Ending 9/30	Summary of the Independent Living Unit Population Movements								Community Refunds		
	Beginning Number of Residents	New Entrants	Deaths	With-drawals	Permanent Transfers to Assisted Living	Permanent Transfers to Memory Support	Permanent Transfers to Skilled Nursing	Ending Number of Permanent Residents	Existing Resident Refund Counts	New Resident Refund Counts	Total Refund Counts
2030	0.0	176.9	0.8	0.7	0.4	0.2	0.5	174.3	0.0	0.6	0.6
2031	174.3	105.8	3.9	3.3	2.0	1.2	2.5	267.2	0.0	3.1	3.1
2032	267.2	48.2	7.3	5.1	4.1	2.4	5.0	291.3	0.0	5.6	5.6
2033	291.3	17.6	8.7	5.3	5.3	3.1	6.3	280.2	0.0	7.1	7.1
2034	280.2	20.8	9.1	4.9	6.1	3.5	6.9	270.5	0.0	8.5	8.5
2035	270.5	23.7	9.3	4.2	6.7	3.9	7.4	262.7	0.0	10.0	10.0
2036	262.7	26.5	9.5	3.6	7.4	4.2	7.9	256.6	0.0	11.8	11.8
2037	256.6	29.1	9.6	3.4	7.8	4.5	8.2	252.2	0.0	13.8	13.8
2038	252.2	31.3	9.5	3.4	8.2	4.7	8.3	249.5	0.0	15.8	15.8
2039	249.5	33.0	9.5	3.4	8.4	4.8	8.4	248.0	0.0	17.5	17.5
2040	248.0	34.3	9.5	3.5	8.6	4.9	8.4	247.4	0.0	19.1	19.1
2041	247.4	35.2	9.5	3.5	8.7	5.0	8.5	247.3	0.0	20.4	20.4
2042	247.3	35.8	9.5	3.6	8.8	5.0	8.5	247.6	0.0	21.3	21.3
2043	247.6	36.1	9.6	3.6	8.8	5.0	8.6	248.1	0.0	21.9	21.9
2044	248.1	36.2	9.6	3.6	8.9	5.1	8.6	248.5	0.0	22.4	22.4
2045	248.5	36.2	9.6	3.6	8.9	5.1	8.6	248.9	0.0	22.7	22.7
2046	248.9	36.3	9.7	3.6	8.8	5.0	8.7	249.3	0.0	22.9	22.9
2047	249.3	36.2	9.7	3.6	8.8	5.0	8.7	249.6	0.0	23.0	23.0
2048	249.6	36.2	9.8	3.6	8.8	5.0	8.8	249.7	0.0	23.0	23.0
2049	249.7	36.2	9.8	3.6	8.8	5.0	8.8	249.8	0.0	22.9	22.9
2050	249.8	36.1	9.8	3.6	8.8	5.0	8.8	249.9	0.0	22.8	22.8
2051	249.9	36.1	9.8	3.6	8.8	5.0	8.8	249.8	0.0	22.8	22.8
2052	249.8	36.0	9.8	3.6	8.8	5.0	8.8	249.8	0.0	22.7	22.7
2053	249.8	36.0	9.8	3.6	8.9	5.1	8.8	249.7	0.0	22.7	22.7
2054	249.7	36.1	9.8	3.6	8.9	5.1	8.8	249.7	0.0	22.7	22.7
2055	249.7	36.1	9.8	3.6	8.9	5.1	8.8	249.6	0.0	22.7	22.7
2056	249.6	36.1	9.8	3.6	8.9	5.1	8.8	249.6	0.0	22.7	22.7
2057	249.6	36.2	9.8	3.6	8.9	5.1	8.8	249.6	0.0	22.7	22.7
2058	249.6	36.2	9.8	3.6	8.9	5.1	8.8	249.5	0.0	22.7	22.7
2059	249.5	36.2	9.8	3.6	8.9	5.1	8.8	249.5	0.0	22.7	22.7

Thrivemore - Brice Pointe
Open Group Projection

Fiscal Year Ending 9/30	Summary of the Contract Assisted Living Unit Population Movements						
	Beginning Number of Residents	Permanent Transfers from Independent Living	Deaths	With-drawals	Permanent Transfers to Memory Support	Permanent Transfers to Skilled Nursing	Ending Number of Permanent Residents
2030	0.0	0.4	0.0	0.0	0.0	0.0	0.4
2031	0.4	2.0	0.1	0.0	0.0	0.1	2.2
2032	2.2	4.1	0.5	0.0	0.1	0.4	5.3
2033	5.3	5.3	1.1	0.0	0.2	1.0	8.3
2034	8.3	6.1	1.8	0.0	0.4	1.6	10.5
2035	10.5	6.7	2.4	0.0	0.5	2.2	12.1
2036	12.1	7.4	3.0	0.0	0.6	2.6	13.3
2037	13.3	7.8	3.4	0.0	0.7	2.9	14.1
2038	14.1	8.2	3.7	0.0	0.8	3.1	14.7
2039	14.7	8.4	4.0	0.0	0.8	3.3	15.1
2040	15.1	8.6	4.2	0.0	0.8	3.4	15.3
2041	15.3	8.7	4.3	0.0	0.8	3.4	15.4
2042	15.4	8.8	4.4	0.0	0.8	3.5	15.4
2043	15.4	8.8	4.5	0.0	0.8	3.5	15.5
2044	15.5	8.9	4.5	0.0	0.9	3.5	15.4
2045	15.4	8.9	4.5	0.0	0.9	3.5	15.4
2046	15.4	8.8	4.5	0.0	0.8	3.5	15.3
2047	15.3	8.8	4.5	0.0	0.8	3.5	15.3
2048	15.3	8.8	4.6	0.0	0.8	3.4	15.3
2049	15.3	8.8	4.6	0.0	0.8	3.4	15.3
2050	15.3	8.8	4.6	0.0	0.8	3.4	15.3
2051	15.3	8.8	4.6	0.0	0.8	3.4	15.3
2052	15.3	8.8	4.5	0.0	0.8	3.4	15.3
2053	15.3	8.9	4.5	0.0	0.8	3.5	15.3
2054	15.3	8.9	4.5	0.0	0.8	3.5	15.3
2055	15.3	8.9	4.6	0.0	0.8	3.5	15.3
2056	15.3	8.9	4.6	0.0	0.8	3.4	15.4
2057	15.4	8.9	4.6	0.0	0.8	3.5	15.4
2058	15.4	8.9	4.6	0.0	0.8	3.5	15.4
2059	15.4	8.9	4.6	0.0	0.8	3.5	15.4

Thrivemore - Brice Pointe
Open Group Projection

Fiscal Year Ending 9/30	Summary of the Contract Memory Support Unit Population Movements						
	Beginning Number of Residents	Permanent Transfers from Independent Living	Permanent Transfers from Assisted Living	Deaths	With-drawals	Permanent Transfers to Skilled Nursing	Ending Number of Permanent Residents
2030	0.0	0.2	0.0	0.0	0.0	0.0	0.2
2031	0.2	1.2	0.0	0.0	0.0	0.1	1.3
2032	1.3	2.4	0.1	0.1	0.0	0.3	3.4
2033	3.4	3.1	0.2	0.2	0.0	0.8	5.8
2034	5.8	3.5	0.4	0.3	0.0	1.4	8.0
2035	8.0	3.9	0.5	0.4	0.0	2.1	9.9
2036	9.9	4.2	0.6	0.5	0.0	2.7	11.6
2037	11.6	4.5	0.7	0.6	0.0	3.2	12.9
2038	12.9	4.7	0.8	0.7	0.0	3.6	14.0
2039	14.0	4.8	0.8	0.8	0.0	4.0	14.8
2040	14.8	4.9	0.8	0.9	0.0	4.2	15.4
2041	15.4	5.0	0.8	1.0	0.0	4.5	15.8
2042	15.8	5.0	0.8	1.0	0.0	4.6	16.0
2043	16.0	5.0	0.8	1.0	0.0	4.7	16.1
2044	16.1	5.1	0.9	1.0	0.0	4.8	16.2
2045	16.2	5.1	0.9	1.1	0.0	4.9	16.2
2046	16.2	5.0	0.8	1.1	0.0	4.9	16.1
2047	16.1	5.0	0.8	1.1	0.0	4.9	16.1
2048	16.1	5.0	0.8	1.1	0.0	4.9	16.0
2049	16.0	5.0	0.8	1.1	0.0	4.8	16.0
2050	16.0	5.0	0.8	1.1	0.0	4.8	16.0
2051	16.0	5.0	0.8	1.1	0.0	4.8	16.0
2052	16.0	5.0	0.8	1.1	0.0	4.8	16.0
2053	16.0	5.1	0.8	1.1	0.0	4.8	16.0
2054	16.0	5.1	0.8	1.1	0.0	4.8	16.0
2055	16.0	5.1	0.8	1.1	0.0	4.8	16.0
2056	16.0	5.1	0.8	1.1	0.0	4.8	16.0
2057	16.0	5.1	0.8	1.1	0.0	4.8	16.1
2058	16.1	5.1	0.8	1.1	0.0	4.8	16.1
2059	16.1	5.1	0.8	1.1	0.0	4.8	16.1

Thrivemore - Brice Pointe
Open Group Projection

Fiscal Year Ending 9/30	Summary of the Contract Skilled Nursing Facility Population Movements						
	Beginning Number of Residents	Permanent Transfers from Independent Living	Permanent Transfers from Assisted Living	Permanent Transfers from Memory Support	Deaths	With-drawals	Ending Number of Permanent Residents
2030	0.0	0.5	0.0	0.0	0.0	0.0	0.5
2031	0.5	2.5	0.1	0.1	0.3	0.0	2.9
2032	2.9	5.0	0.4	0.3	1.5	0.0	7.2
2033	7.2	6.3	1.0	0.8	3.6	0.0	11.7
2034	11.7	6.9	1.6	1.4	6.0	0.0	15.6
2035	15.6	7.4	2.2	2.1	8.3	0.0	18.9
2036	18.9	7.9	2.6	2.7	10.5	0.0	21.7
2037	21.7	8.2	2.9	3.2	12.2	0.0	23.8
2038	23.8	8.3	3.1	3.6	13.6	0.0	25.3
2039	25.3	8.4	3.3	4.0	14.6	0.0	26.3
2040	26.3	8.4	3.4	4.2	15.4	0.0	27.0
2041	27.0	8.5	3.4	4.5	15.9	0.0	27.5
2042	27.5	8.5	3.5	4.6	16.3	0.0	27.8
2043	27.8	8.6	3.5	4.7	16.6	0.0	28.1
2044	28.1	8.6	3.5	4.8	16.8	0.0	28.2
2045	28.2	8.6	3.5	4.9	16.9	0.0	28.3
2046	28.3	8.7	3.5	4.9	17.1	0.0	28.3
2047	28.3	8.7	3.5	4.9	17.1	0.0	28.3
2048	28.3	8.8	3.4	4.9	17.1	0.0	28.3
2049	28.3	8.8	3.4	4.8	17.1	0.0	28.2
2050	28.2	8.8	3.4	4.8	17.1	0.0	28.2
2051	28.2	8.8	3.4	4.8	17.0	0.0	28.2
2052	28.2	8.8	3.4	4.8	17.1	0.0	28.1
2053	28.1	8.8	3.5	4.8	17.1	0.0	28.1
2054	28.1	8.8	3.5	4.8	17.1	0.0	28.1
2055	28.1	8.8	3.5	4.8	17.0	0.0	28.1
2056	28.1	8.8	3.4	4.8	17.0	0.0	28.1
2057	28.1	8.8	3.5	4.8	17.0	0.0	28.2
2058	28.2	8.8	3.5	4.8	17.0	0.0	28.2
2059	28.2	8.8	3.5	4.8	17.1	0.0	28.2

Thrivemore - Brice Pointe
Open Group Projection

Fiscal Year Ending 9/30	Unit Vacancies By Cause					
	Deaths	W/D	Transfer to ALU	Transfer to MSU	Transfer to SNF	Total
2030	0.2	0.5	0.1	0.1	0.1	0.9
2031	0.9	2.1	0.5	0.3	0.6	4.3
2032	1.9	3.3	1.2	0.7	1.3	8.5
2033	2.7	3.5	1.9	1.1	2.0	11.1
2034	3.2	3.4	2.5	1.4	2.6	13.1
2035	3.8	3.0	3.2	1.8	3.1	14.9
2036	4.3	2.6	3.9	2.2	3.7	16.7
2037	4.7	2.4	4.4	2.5	4.2	18.3
2038	4.9	2.5	4.9	2.8	4.6	19.7
2039	5.1	2.5	5.3	3.0	4.8	20.7
2040	5.2	2.6	5.6	3.2	5.0	21.5
2041	5.3	2.6	5.8	3.3	5.2	22.1
2042	5.3	2.6	5.9	3.4	5.2	22.5
2043	5.4	2.7	5.9	3.4	5.3	22.7
2044	5.4	2.7	6.0	3.4	5.3	22.7
2045	5.4	2.7	6.0	3.4	5.3	22.8
2046	5.4	2.7	5.9	3.4	5.4	22.8
2047	5.4	2.7	5.9	3.4	5.4	22.8
2048	5.4	2.7	5.9	3.4	5.4	22.8
2049	5.4	2.7	5.9	3.3	5.4	22.7
2050	5.4	2.7	5.9	3.3	5.4	22.7
2051	5.4	2.7	5.9	3.3	5.3	22.6
2052	5.4	2.7	5.9	3.3	5.3	22.6
2053	5.4	2.7	5.9	3.3	5.3	22.6
2054	5.4	2.7	5.9	3.3	5.3	22.7
2055	5.5	2.7	5.9	3.3	5.3	22.7
2056	5.5	2.7	5.9	3.3	5.3	22.7
2057	5.5	2.7	5.9	3.4	5.3	22.7
2058	5.5	2.7	5.9	3.4	5.3	22.7
2059	5.5	2.7	5.9	3.4	5.4	22.8

Appendix D — Representative Contracts:

Binding Reservation Agreement

Residence and Services Agreement

BINDING RESERVATION AGREEMENT

Brice Pointe
Baptist Retirement Homes of North Carolina, Inc. dba ThriveMore
Winston-Salem, North Carolina

The undersigned applicant(s) ("you" – in the event two people enter into this Agreement (defined below), the term "you" shall apply to them jointly and severally, except where the context otherwise applies) hereby tender(s) this Binding Reservation Agreement ("Agreement"), together with payment of the Reservation Fee (described below), to Baptist Retirement Homes of North Carolina, Inc. dba ThriveMore, a North Carolina nonprofit corporation (hereinafter the "Corporation", "we", us" or "our"), for the purpose of reserving a living accommodation at the continuing care retirement community known as Brice Pointe that is owned and operated by the Corporation.

WHEREAS, Brice Pointe, a continuing care retirement community, is located at Landscape Drive, New Bern, NC 28562; and

WHEREAS, you desire to reserve a residence at Brice Pointe in new independent living units ("New ILUs") that are planned to be constructed at Brice Pointe, and the Corporation has approved your preliminary application for admission.

NOW, THEREFORE, you and the Corporation agree as follows:

I. **TERM**. This Agreement becomes effective when signed by both you **and** the Corporation, and the Corporation receives your Reservation Fee (described below). The Agreement terminates in accordance with Section V of this Agreement.

II. **THE RESERVED LIVING ACCOMMODATION**. You have reserved the living accommodation identified below. This Agreement gives you first priority to enter into a Residence and Care Agreement for the Reserved Accommodation (defined below) before the accommodation is made available to other applicants.

Living accommodation (*address*) ____________________________, an apartment or villa home (as described in materials presented to you and/or as shown to you during a physical tour), located at the Brice Pointe's campus (hereinafter referred to as the "Reserved Accommodation"). The Corporation has made every effort to accurately describe the Reserved Accommodation, the New ILUs and Brice Pointe in the information materials and Disclosure Statement furnished to you. The Reserved Accommodation, the New ILUs and Brice Pointe may vary somewhat from the information furnished to you.

III. **PROJECTED DATE OF AVAILABLITY**. The date of availability is the actual date at which the Reserved Accommodation will be declared by the Corporation to be available for occupancy and the common spaces in the apartment building at Brice Pointe have been completed ("Availability Date"). Such Availability Date is projected to occur in January 2030. It is understood that such a projected Availability Date for occupancy is an estimate and may vary due to the actual availability of the Reserved Accommodation and completion of the common spaces in the apartment building at Brice Pointe. The Corporation will provide you with not less than sixty (60) days notice of the actual Availability Date.

IV. **FEES**.

A. **Entrance Fee Choices**. You agree to pay the Corporation an Entrance Fee in the amount of $___________ ("Entrance Fee") as a condition of becoming a resident of Brice Pointe ("Resident").

B. **Terms of Payment**. The Reservation Fee (defined below) and Entrance Fee for the Reserved Accommodation shall be payable as follows:

- **Ten Percent Deposit**. You shall pay to the Corporation a reservation fee equal to ten percent (10%) of the Entrance Fee ("Reservation Fee"). The Reservation Fee shall be paid upon execution of this Agreement. The Reservation Fee will be placed in an escrow account with an FDIC-insured financial institution by the Corporation, subject to applicable law. Interest earned on the Reservation Fee will be retained by the Corporation and will not be paid to you or credited toward the fees due by you to the Corporation. The Reservation Fee and any priority deposit you paid to the Corporation, if any, pursuant to a Non-Binding Reservation Agreement, will be credited to the total Entrance Fee. The Entrance Fee for your Reserved Accommodation shall not be increased above the Entrance Fee set forth herein.
- **Balance of Entrance Fee**. The Entrance Fee balance will be due and payable on or before the Availability Date. We will give you reasonable notice prior to the Availability Date.
- **Monthly/Daily Fee**. In addition to the Entrance Fee, you agree to pay a Monthly/Daily fee for services. As of the date of this Agreement, the Monthly/Daily Fee (including dining plan, if applicable) based on the Reserved Accommodation reserved is currently $_________per month, for ______________ occupancy (single or dual). The initial Monthly/Daily Fee will be equal to the then current Monthly/Daily Fee for the Reserved Accommodation charged by the Corporation as of the Availability Date and will begin on the Availability Date, unless otherwise agreed to in writing by the Corporation. The Monthly/Daily Fee is subject to change as described in the Disclosure Statement.

  If you do not take occupancy by the Availability Date, you shall accept financial responsibility for the Reserved Accommodation and pay the balance of the Entrance Fee, balance of any unpaid non-standard costs, and begin paying the applicable Monthly/Daily Fees beginning with the 1st day after the Availability Date, unless this Agreement is terminated prior to the Availability Date.

V. **TERMINATION AND REFUND**. This Agreement will terminate upon any of the following occurrences:

A. You fail to pay the Reservation Fee;

B. You pass away (or one of you passes away if co-applicants) or if, on account of illness, injury, or incapacity, you (or one of you if co-applicants) would be precluded from occupying a living accommodation under the terms of the Corporation's Residence and Care Agreement, before the Residence and Care Agreement becomes effective;

C. In addition to your right of rescission set forth in Section VI below, you submit to the Corporation written notice of termination of this Agreement at any time and for any reason;

D. You fail to sign a Residence and Care Agreement or to pay the balance of applicable fees in accordance with the terms of this Agreement;

E. You experience changes in your financial status prior to occupancy at Brice Pointe that cause you to fail to meet Brice Pointe's financial qualifications for admission;

F. Your future health care needs exceed the level of service provided in the Health Center of Brice Pointe; or

G. The Corporation terminates this Agreement for good and sufficient cause (such as the New ILUs are not constructed).

If either you or the Corporation terminates this Agreement, the Corporation shall have the right to reassign the Reserved Accommodation, and you will have no further rights to that unit except that a surviving co-applicant shall be given the opportunity to enter into a new Reservation Agreement for the Reserved Accommodation based on single occupancy or on joint occupancy with another co-applicant before the Reserved Accommodation is offered to others.

Except as set forth in the next paragraph of this Agreement, in the event this Agreement is terminated for any reason, the Corporation shall refund any funds paid toward the Entrance Fee without interest, less an administrative fee equal to two percent (2%) of the Reservation Fee for the Reserved Accommodation, less any non-standard costs incurred by the Corporation at your request. Your refund will be paid within sixty (60) days of receipt of your or the Corporation's written notice to terminate.

It is understood that there is no assurance that the New ILUs will be constructed and, if constructed, when they will be available for occupancy. The current intention of the Corporation is to commence vertical construction on a schedule that would make the Availability Date sometime in early 2030, but there is no assurance that will happen. If vertical construction does not begin on or before March 1, 2028, or construction is suspended for a period exceeding sixty (60) days once started, of if notice of the Availability Date is not given by then end of 2030, you may exercise your rights under this Agreement to terminate this Agreement by written notice to the Corporation. In such event, 100% of the Reservation Fee as well as the $1,000 reservation deposit, less any non-standard costs incurred by the Corporation at your request, shall be returned to you within sixty (60) days of receipt by the Corporation of such written notice. There will be no administrative fee deducted from the refund.

If you terminate this Agreement, you may give the Corporation written notice that you wish to be placed on either the Corporation's wait list for existing independent living accommodations (the "Wait List") or the Corporation's interest list for any potential future independent living accommodations (the "Interest List"). The Corporation will use reasonable efforts to add you to the Wait List and/or the Interest List at the next available position on either such list upon payment of the then-prevailing Wait List or Interest List deposit amount, as applicable.

VI. RIGHT OF RESCISSION

Notwithstanding anything herein to the contrary, this Agreement may be rescinded by you by giving written notice of such rescission to the Corporation within thirty (30) days following the later of the execution of this Agreement or the receipt of a disclosure statement that meets the requirements of Section 58-64A-150 of the North Carolina General Statutes. In the event of such rescission, you shall receive a refund of any funds paid toward the Entrance Fee without interest, less an administrative fee equal to two percent (2%) of the Reservation Fee for the Reserved Accommodation, less any non-standard costs incurred by the Corporation at your request. You will not be required to move into Brice Pointe before the expiration of such thirty (30) day period. Any such refund shall be paid by the Corporation within sixty (60) days following receipt of written notice of rescission pursuant to this paragraph.

VII. PRECEDENT AGREEMENT. This Agreement is precedent to the Residence and Care Agreement. Upon execution, the Residence and Care Agreement will immediately replace this Agreement. Before you are entitled to enter into the Residence and Care Agreement, we must determine whether you qualify for residency at Brice Pointe.

VIII. GENERAL

A. **Compliance with Applicable Laws**. You and the Corporation will operate in full compliance with all laws, rules, regulations and ordinances promulgated by lawful governmental authorities.

Confidentiality. The Corporation has the responsibility to keep all of the personal, medical and financial information you have supplied to it confidential. You consent to the release of any of your personal and medical records maintained by the Corporation (i) to the Corporation's employees, staff and agents; (ii) to persons and organizations from whom you receive health care services; (iii) to third-party payors of health care services provided by the Corporation or other organizations; and (iv) to others deemed reasonably necessary by the Corporation for purposes of treatment, payment and operations of the Corporation, consistent with applicable state and federal health care privacy laws. You understand and agree that authorized agents of the state or federal government, including the Long Term Care Ombudsman, may obtain your records without your written consent or authorization. Release of your records for other purposes shall be made in accordance with applicable law, with specific authorization from you or your legal representative where required.

B. **<u>Assignment</u>**. Your rights and privileges under this Agreement are personal to you and may not be transferred or assigned by you or otherwise.

C. **<u>Management of the Corporation</u>**. Your rights will not include any managerial or ownership interest in your Reserved Accommodation, at Brice Pointe, or the Corporation. The absolute rights of management are reserved by the Corporation, its Board of Directors and its administrators as delegated by said Board of Directors. The Corporation reserves the right to accept or deny any person for residency. Residents do not have the right to determine admission or terms of admission of any other Resident. The Corporation reserves the right to amend, implement or terminate policies and/or guidelines related to the operation of Brice Pointe in its sole discretion.

D. **<u>Affiliation</u>**. The Corporation has no formal affiliations with any religious, charitable, or other nonprofit organization.

E. **<u>Indemnity</u>**. You agree to indemnify, defend and hold us harmless from claims, damages or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in anyway connected with your negligent or intentional act or omission.

F. **<u>Separability</u>**. The invalidity of any restriction, condition or other provision of this Agreement, or any part of the same, shall not impair or affect in any way the validity or enforceability of the rest of this Agreement.

G. **<u>Schedule of Fees</u>**. You have been given a current copy of the Schedule of Fees as adopted by the Corporation. You understand that these documents will change from time to time as described in the Disclosure Statement.

H. **<u>Entire Agreement</u>**. This Agreement constitutes the entire contract between the Corporation and you. The Corporation shall not be liable or bound in any manner by any statements, representations or promises made by any person representing or assuming to represent the Corporation, unless such statements, representations or promises are set forth in this Agreement or in an amendment to this Agreement signed by the Corporation's President/CEO, or designee, and by you. Electronic (e.g., pdf) versions of this Agreement shall have the same legal effect as originals, and all of which, when fully executed, shall constitute one and the same instrument.

I. **<u>Successors and Assigns</u>**. Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, responsible parties, powers of attorney, administrators and assigns of you.

J. **Transfer of Property**. You agree not to make any gift or other transfer of assets for the purpose of evading your obligations under this Agreement, or if such gift or transfer would render you unable to meet such obligations under this Agreement. Gifts or transfers of assets in this manner, which result in your inability to meet your financial obligations in accordance with this Agreement, will entitle the Corporation to terminate this Agreement.

K. **Capacity**. This Agreement has been executed on our behalf by our duly authorized agent, and no officer, director, agent or employee of ours shall have any personal liability hereunder to you under any circumstances.

L. **Tax Considerations**. You should consult with your tax advisor regarding the tax considerations associated with this Agreement.

M. **Governing Law**. This Agreement shall be governed by the laws of the State of North Carolina without regard to conflict of laws principles.

N. **Amendments and Partial Invalidation**. Generally, this Agreement can be changed only by mutual written consent. However, we can make changes without your consent to keep the Agreement in compliance with applicable laws and regulations; provided, that the changes we make do not substantially reduce your benefits under the Agreement, we provide notice of such change not less than thirty (30) days before the change, and we provide an amendment to this contract for your review and signature. If any provision in this Agreement is invalidated, all other provisions will remain in force.

O. **Waivers**. Neither the failure nor any delay on the part of any party to exercise any right, remedy, power, or privilege ("Right") under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any Right preclude any other or further exercise of the same or of any Right, nor shall any waiver of any Right with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

P. **Survival**. Those rights and obligations that have accrued as a result of the operation of this Agreement shall survive its termination, as shall those rights and obligations that by their terms survive termination and any provisions that must survive to give effect to their terms, as shall any obligation of a Resident to pay costs or expenses of his or her stay at Brice Pointe that remain unpaid as of such termination.

Q. **Gender**. Throughout this Agreement, the use of the masculine gender shall include the feminine, and the use of singular shall include the plural.

R. **Interpretation**. Headings are for convenience and reference purposes only and shall not affect the interpretation of any provision of this Agreement.

S. **Notice Provisions**. Any notices, consents, or other communications to the Corporation hereunder (collectively "notices") will be in writing and addressed as follows:

Baptist Retirement Homes of North Carolina, Inc. dba ThriveMore:
Office of the President/CEO
470 West Hanes Mill Road, Suite 102
Winston-Salem, NC 27105

Applicant:
Your address for the purpose of giving notice is the address appearing after your signature below. You are responsible for notifying us of any changes in address and/or telephone number.

[Signatures Follow on Next Page]

The Corporation will stand behind all of the statements, promises and representations in this Agreement, but no others. If you feel something has been promised to you, but it is not specifically mentioned in this Agreement, now is the time to discuss it – before you sign this Agreement.

I (we) understand this matter involves a financial commitment and associated risk as well as a legally binding contract. I (we) was (were) encouraged to consult with an attorney and/or financial advisor who could advise me (us) concerning this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate, as of the day and year first above written, one duplicate copy of this Agreement being retained by each party.

Your signature below certifies that you have read, understand and accept this Agreement as of this (*current date*) __________ day of ______________, ______.

Brice Pointe **Baptist Retirement Homes of North Carolina, Inc.**	**APPLICANT(S)** **(or Applicant(s)'s Attorney in Fact) (*)**
___________________________________ By (signature)	___________________________________ (signature) (SEAL)
___________________________________ Printed Name	___________________________________ (signature) (SEAL)
___________________________________ Title	___________________________________ Current Address: Street
	___________________________________ City, State, Zip Code
	___________________________________ Telephone

(*) If Attorney–in-Fact signs on behalf of the Applicant(s), a Filed Power of Attorney document must be attached to this Agreement.

ACKNOWLEDGEMENT OF RECEIPT
OF
DISCLOSURE STATEMENT
Brice Pointe
Landscape Drive
New Bern, NC 28562

As of the day and year above written in this Binding Reservation Agreement, the undersigned Applicant(s) acknowledges receipt of the Disclosure Statement of Brice Pointe on ______________, _______. The Disclosure Statement was received prior to the execution of this Agreement or prior to or at the time of the transfer of any money or other property to the facility, whichever occurred first.

As a prospective resident, the facility's representatives have encouraged me to read the Disclosure Statement in its entirety before entering into any contract or written agreement or paying any fee.

I understand the facility, like all other continuing care facilities in the State of North Carolina, is subject to an act concerning registration and disclosure by continuing care facilities (the "Act"). Registration under the Act does not constitute approval, recommendation, or endorsement of the facility by the Department of Insurance or the State of North Carolina, nor does such registration evidence the accuracy or completeness of the information in the Disclosure Statement.

I understand this matter involves a financial commitment and associated risk as well as a legally binding contract. In evaluating the Disclosure Statement and the Financial Statements prior to any commitment, I was encouraged to consult with an attorney and/or financial advisor who could review these documents with me, if any matters contained herein are not clear, including an understanding of solvency and deficit fund balance levels for this and other continuing care facilities.

Brice Pointe **Baptist Retirement Homes of North Carolina, Inc.**	**Applicant(s)** **(or Applicant(s)'s Attorney in Fact) (*)**
______________________________ By (signature)	______________________________ (signature) (SEAL)
______________________________ Printed Name	______________________________ (signature) (SEAL)
______________________________ Title	

(*) If Attorney–in-Fact signs on behalf of the Applicant(s), a Filed Power of Attorney document must be attached to this Agreement.

THRIVEMORE

FAITH • FAMILY • FULFILLMENT

RESIDENCE AND SERVICES AGREEMENT

This Residence and Services Agreement (together with all exhibits and schedules that are attached and are hereby incorporated herein, the “Agreement”) is entered into between BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED dba THRIVEMORE (“ThriveMore”) located in Forsyth County at P O Box 11024, Winston-Salem, NC 27116 and ___________________, (“you” or “Resident”) effective this ___ day of ___________________ 202__ (“Effective Date”). If two persons enter into this Agreement as co-residents, the word “you” will apply to both unless the context requires otherwise. All residents that are parties to this Agreement shall be jointly and severally responsible for all fees, charges and obligations under this Agreement. In this paragraph and throughout the rest of the Agreement, the words “we”, “us”, “our” or “ThriveMore” refer to ThriveMore, and the words “you”, “your”, and “Resident(s)” refer to ___________________________.

Under the laws of the State of North Carolina, ThriveMore is organized as a nonprofit corporation and operates a continuing care retirement community commonly referred to as _____________________________ (the “Community”) created to provide housing, recreation, health care and other services to people sixty-two (62) years of age or older.

ThriveMore is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. ThriveMore encourages, supports, and is committed to operating a community where there are no barriers to discrimination because of race, color, religion, sex, handicap, familial status or national origin.

Your residence in the Community (“Residence”) and your “Date of Occupancy” of your Residence is as set forth on Exhibit A attached hereto.

All references in this Agreement to skilled nursing or skilled nursing facility shall only apply in the event the Community provides skilled nursing care or services or a skilled nursing facility on their campus.

THEREFORE, in consideration of the deposits, entrance fee, monthly fee and other fees and charges paid or payable by Resident stated hereafter, and in further consideration of the mutual covenants and agreements herein cited, the sufficiency of said consideration being hereby acknowledged, the parties hereto agree as follows:

I. Pledge of Service

ThriveMore will provide you the following services and facilities upon occupancy. Unless otherwise specified in this Agreement, there will be no additional charge made for any of these services and facilities other than payment of the Entry Fee and Monthly Fees, each of which is described in this Agreement, and outlined in Exhibit A. A “Schedule of Ancillary Charges” for certain services and items not covered by the Entry

Fee and Monthly Fees is included as Exhibit B. This schedule is updated periodically and will be made available to you each time it is updated.

A. Community Facilities:

You may use, along with other residents, the common facilities of the Community including, but not limited to, the dining rooms, lounges, lobbies, library, social and recreation rooms and designated outdoor activity areas.

B. Living Accommodations:

1. **Right to Reside** – You have a non-transferable right to reside in the independent living residence described in Exhibit A, subject to the terms and conditions of this Agreement.

2. **Furnishings** – ThriveMore provides standard carpeting, window coverings, refrigerator, range, garbage disposal, microwave, and dishwasher. A washer and dryer are provided for in cottages and may be included in some apartments. The Community will make available to residents outside of their residences washers and dryers for Resident's use. All other furnishings and personal property shall be provided by Resident.

3. **Changes to Your Residence** – ThriveMore allows limited, non-structural changes to personalize your residence. Any such changes must have prior written approval by ThriveMore.

   In addition, you are responsible for the cost of any custom changes and are required to use installers and contractors approved or provided by ThriveMore. You may select certain options and custom features in your residence for an additional charge. ThriveMore will present you with a written quote detailing the prices specific to your options and custom features requested. 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 ThriveMore. The value of such improvements will not be considered in computing Entry Fee refunds, unless specifically agreed to in an Addendum to this Agreement. All options and custom features must be approved by ThriveMore administration in advance of the changes made. All such changes become the property of ThriveMore.

   You may be responsible for costs associated with restoring the residence to its standard condition prior to occupancy by a subsequent resident. You may also be responsible for the cost of repairing or replacing finishes or appliances damaged as the result of extraordinary wear and tear.

C. Services:

1. **Dining Services** - ThriveMore will provide a variety of meal plan options, which are subject to change from time to time, in the Community's dining venues, which are subject to change from time to time. Each meal plan will

specify those costs that are the responsibility of ThriveMore and those costs that are the responsibility of Resident.

2. **Utilities** – Water, sewer service, trash disposal, electricity, heat, air conditioning, basic cable television and wireless internet services are provided. Although telephone access is provided, if you elect to have telephone service, you are responsible for the establishment of telephone hook-up and ongoing service. Individual thermostatic control for heating and air conditioning, cable television outlets, telephone outlets, and smoke alarms are also provided.

3. **Housekeeping** – Housekeeping services ("Housekeeping Services") are provided twice monthly in apartments based upon the Housekeeping Services schedule. These services include vacuuming, dusting and cleaning of bathrooms and kitchens.

4. **Maintenance and Repairs** – ThriveMore performs the necessary repairs, maintenance, and reasonable replacement of its own property, common facilities and equipment. You will be responsible for the cost of repairing damage to property of ThriveMore caused by you, your pets or any of your guests, ordinary wear and tear excepted.

5. **Security** – ThriveMore will use reasonable care in providing security on the premises of the Community. Smoke detectors are provided in all residences. Twenty-four (24) hour security staffing, including regular security patrols, is provided. You are responsible for taking appropriate security measures to protect yourself and your property at the Community. Each residence will be provided with emergency response protocols, monitored twenty-four (24) hours a day. There may be a charge to Resident for certain emergency response protocols.

6. **Medical Emergency Response -** Follow community protocol or call 911.

7. **Groundskeeping** – Basic groundskeeping service, including lawn, tree, and shrubbery care, is provided. You may plant and maintain certain areas designated and approved by ThriveMore.

8. **Activities** – ThriveMore provides scheduled social, recreational, spiritual, educational and cultural activities, creative arts, exercise and wellness programs, and other activities designed to meet the interest of the residents. There may be a charge to the Resident associated with certain activities.

9. **Transportation** – Scheduled transportation is provided to shopping centers, public events, and other destinations as determined by the Community. Should transportation be desired at times or to places not included in the standard schedule, the Community will assist with those transportation needs to the degree staff and equipment are available, and an additional charge may apply.

10. Storage – Limited storage space is provided.

11. Parking – One automobile parking space per independent residence is provided. Additional limited parking may be available.

12. Wellness and Health Services – ThriveMore offers assisted living and skilled nursing services (no skilled nursing services provided on Brice Pointe campus) and may provide oversight by a licensed physician serving as the Clinical Team in accordance with and subject to the provision of Section V of this Agreement. The Community may provide assisted living services to residents through different levels of care with different fees and costs charged by the Community for each level. The Community, through regular assessments of residents, will determine which level of care Resident shall reside in, and Resident shall be responsible for all fees and costs charged by the Community for any such level of care. In addition, the Community may determine that Resident should be moved out of assisted living and into the Community's skilled nursing level of care, and Resident shall be responsible for all fees and costs charged by the Community for such level of care. All levels of care and associated fees and costs remain subject to change from time to time at the discretion of the Community.

13. Insurance – ThriveMore maintains insurance on all of its property and its operations to include general public liability insurance, property insurance, including coverage for acts of God, vandalism and theft, professional liability insurance and worker's compensation. You are encouraged to maintain a personal insurance policy for coverage of your personal belongings.

14. Taxes – Any real estate taxes are paid by ThriveMore.

D. <u>**Optional Services**</u> ThriveMore will make available to the Resident on an optional basis, at an additional cost to the Resident or Resident's insurance:

i. One or two additional meals per day in a dining venue at the Community;
ii. In case of temporary illness, tray service of meals in the Resident's residence;
iii. Additional housekeeping services as required;
iv. Transportation to certain extra-curricular events and locations;
v. Beauty and barber services;
vi. Regularly scheduled access to the on-site Health Clinic maintained by the Community. This is not available at Brice Pointe.

II. Terms of Residency

A. Resident's Application

The Resident's Application for Residency is attached to this Agreement as <u>Exhibit C</u> and incorporated by reference herein. Resident represents and warrants that <u>Exhibit</u>

C is true, complete and accurate in all material respects. Resident further certifies the continuing accuracy and completeness of the factual representations contained in the application. Resident understands and agrees that the representations contained in the Application for Residency, and in particular the financial representations, were made by Resident to induce ThriveMore to enter into this Agreement. Any material misrepresentations or omissions in the Application for Residency shall render this Agreement voidable or terminable, including, the right to terminate the Resident's residency, at the option of ThriveMore.

Resident may be asked to provide ThriveMore accurate and complete financial and health care statements periodically when requested by ThriveMore.

B. Rights of Resident:

You have the right to occupy, use, and enjoy your assigned residence, together with the common areas, amenities, programs, and services of the Community during your lifetime, subject to the terms and conditions of this Agreement, unless this Agreement is terminated as provided herein. It is understood that this Agreement is not a lease and does not transfer or grant any interest in the real or personal property owned by ThriveMore other than the rights and privileges as described in this Agreement.

C. Policies, Rules and Regulations:

You agree to abide by the policies, rules, and regulations of ThriveMore including such changes as may be adopted from time to time. These policies, rules, and regulations will be made available to you prior to the execution of this Agreement, and at any time when they are updated.

D. Business and Health Care Directives:

You agree to execute and maintain in effect a North Carolina Durable Power of Attorney valid and enforceable in accord with the provisions of Chapter 32C of the General Statutes of North Carolina (or similar laws subsequently enacted). This Power of Attorney shall designate as your attorney-in-fact, a bank, a lawyer, relative or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits as fully and completely as if you would be acting personally. It shall be in a form which survives your incapacity or disability and otherwise be satisfactory to ThriveMore. You will deliver a fully executed copy of this Power of Attorney to ThriveMore prior to the Date of Occupancy. Additionally, you further agree to provide ThriveMore with a copy of any Living Will, or Durable Power of Attorney for health care decisions which may be in existence, and to provide such documentations which may develop subsequent to the execution of this Agreement. ThriveMore strongly encourages all residents to designate a Health Care Attorney in Fact capable of making health care decisions in the case of incapacity or emergency.

E. Property:

To the maximum extent permitted by law, ThriveMore will not be responsible for the loss or damage of any property not belonging to ThriveMore due to any cause. It is understood by both parties that you will have the responsibility for providing insurance protection covering any such loss or damage of personal property. Upon termination of this Agreement, ThriveMore has the right to promptly (within thirty (30) days) remove from the residence any and all of your property that remains therein or that is stored elsewhere on the property of ThriveMore, and ThriveMore may store such property either on or off the premises. You or your estate will be obligated for the payment of moving and storage charges and will reimburse ThriveMore for its incurred expenses.

Should such belongings remain stored for longer than ninety (90) days, ThriveMore shall have the right to sell such belongings and pay the proceeds from such sale to you or your estate, net of all expenses incurred to move, store and sell such property. If the proceeds are not adequate to fully reimburse ThriveMore for all such costs, you or your estate shall be responsible to ThriveMore for the deficiency.

F. Insurance:

1) Application for Benefits; Assignment of Benefits

You shall apply for any federal, state or local benefits for which you may be eligible or entitled upon request by ThriveMore. If requested by ThriveMore, any or all such benefits will be applied to the daily or monthly fee, as applicable, or other fees or charges incurred by you at ThriveMore.

You agree to assign to ThriveMore all insurance benefits received from third party payers for health services provided by ThriveMore. You agree to grant to ThriveMore a limited Power of Attorney for the purpose of permitting ThriveMore to act as your agent or attorney in fact in all matters relating to any such benefit.

2) Health Insurance:

You shall maintain eligible Medicare coverage (and supplemental health insurance coverage) and health insurance coverage that adequately covers hospital, medical, prescriptions and skilled nursing deductibles and co-payments required under your primary insurance policy. Your primary and secondary insurance coverage must recognize ThriveMore as a healthcare provider, or you shall be responsible for the cost of services rendered that otherwise could be covered by insurance. You agree to furnish ThriveMore with evidence of such coverage prior to the Date of Occupancy as stated in Exhibit A and also upon request.

If your health insurance coverage lapses, ThriveMore may require you to reapply for suitable insurance coverage. If you are unable to obtain suitable insurance coverage, you shall be responsible for the cost of any healthcare services rendered that otherwise could be covered by insurance. Upon request by ThriveMore, you shall provide evidence of health insurance coverage.

If Resident is ineligible for Medicare, Resident shall maintain equivalent health insurance in full force and effect, unless Resident demonstrates to ThriveMore's satisfaction that Resident is financially able to pay for those services that otherwise would be paid for by Medicare. Resident shall take such action and execute such forms as are reasonable and necessary to secure the payment to any hospital, nursing facility or other provider of health care services (including to ThriveMore for services provided by it), or to any physician, of any and all amounts payable in respect of services rendered to Resident and for which insurance is available.

However, notwithstanding any other provision in this Agreement, and to the extent allowed by law, Resident's failure to qualify for, obtain benefits under, or be reimbursed for any or all services set forth herein under a federal, state, or local grant, aid, benefit, or health care program or under any private health care insurer shall not effect Resident's and Responsible Party's direct obligation to pay the fees, costs and charges set forth herein.

3) **Medicare-certified Skilled Nursing Facility Beds, except at Brice Pointe:** The Community maintains a limited number of Medicare-certified beds in the skilled nursing facility, which are available for use by residents whose skilled nursing care would qualify for Medicare payment on an "if and as available" basis. In the event that you need admission and the admission would qualify for Medicare payment, then your financial responsibility to ThriveMore will depend upon the type of Medicare coverage you have and whether ThriveMore is a contractual provider for your coverage.

a) Medicare-certified bed is not available
In the event that there is not a Medicare-certified bed at the Community at the time you require admission, you may either choose to obtain skilled nursing care services at another healthcare facility at your cost until such time as a Medicare-certified bed becomes available at the Community (presuming you would use a facility that could provide a Medicare-certified bed) or be admitted to a bed in the skilled nursing facility at your cost which is not certified to accept Medicare payment until such time as a Medicare-certified bed becomes available at the Community.

b) Medicare-certified bed is available and you have traditional Medicare
If you are admitted to a Medicare-certified bed in the skilled nursing facility and you have traditional Medicare coverage, ThriveMore will accept the Medicare reimbursement amount of such care while you shall be responsible for any applicable deductible, co-payment and/or co-insurance amounts that are not paid by Medicare and any supplemental Medicare insurance that you maintain.

c) Medicare-certified bed is available and you have Medicare Advantage coverage for which ThriveMore is an in-network provider

In the event that ThriveMore is an in-network provider for your Medicare Advantage coverage, then ThriveMore will accept the reimbursement amount from your Medicare Advantage insurance carrier while you shall be responsible for any deductible, co-payment and/or co-insurance amounts that are not paid by the Medicare Advantage insurance that you maintain.

d) Medicare-certified bed is available and you have Medicare Advantage coverage for which ThriveMore is not an in-network provider

ThriveMore will charge you the full private-payment amount for your admission into a Medicare-certified bed and credit against your financial obligation to ThriveMore the amount that is paid by your Medicare Advantage insurance if the insurance provides an out-of-pocket network benefit. A full private-pay resident in a Medicare-certified bed may be required by ThriveMore to relocate to a bed that is not Medicare-certified when such a bed becomes available.

G. Resident's Medical Examination:

You agree to be examined by a physician when there is reasonable cause for concern for your health and well-being.

H. Subrogation Rights:

In case of injury to you by a third party, ThriveMore shall have the right to subrogation for all of its costs and expenses incurred by reason of such injuries, and shall have the right, in your name or otherwise, to take all necessary steps and procedures to enforce the payment of the same by the person responsible for the injury. You agree to cooperate fully and to assist ThriveMore in recovering any such costs and expenses.

I. Resident Representation:

Residents have the right of self-organization through a residents' association which may convene to arrange social and recreational programs and to review the interests of the resident population.

J. Right of Entry:

ThriveMore recognizes your right to privacy, and ThriveMore shall limit entry to your Residence to legitimate emergencies and to scheduled work, including housekeeping, repairs, maintenance, and inspections. You hereby expressly authorize employees or agents of ThriveMore to enter your Residence upon reasonable notice for all such purposes.

K. Appliances:

ThriveMore is not obligated to determine your ability to safely utilize the appliances in your Residence. However, should ThriveMore determine that you have demonstrated an inability to safely operate the range, microwave, refrigerator, disposal unit, or any other appliances in your Residence, ThriveMore will have the right to turn off the power serving such appliance(s) and/or to remove any and all such appliances. In any such instance, you shall remain obligated to pay for any extra meals that you may incur due to the unavailability of any appliance.

L. Guests:

Guests are welcome at the Community subject to the Community's guest policies. Guests may also use the Community's guest room accommodations, subject to availability and based upon the Guest Room Reservation Policy in the Resident Handbook. At all times, you will be responsible for any injury to others, or damage to the property of others or of ThriveMore, caused by your guest(s). ThriveMore reserves the right and authority to limit or terminate the stay of any guest at any time and for any reason.

M. Emergency Notification:

You agree to provide ThriveMore with the following information prior to the Date of Occupancy:

- Names, addresses, and phone numbers of persons to notify in an emergency, or death
- Copy of current Durable Power of Attorney
- Copy of current Health Care Power of Attorney
- Copy of any Advance Directives
- Copy of current Insurance Coverages

ThriveMore shall not be responsible for funeral or burial arrangements or costs.

N. Compliance with Applicable Laws:

ThriveMore will operate in full compliance with all laws, rules, regulations, and ordinances promulgated by lawful governmental authorities. Notwithstanding any other provisions of this Agreement, ThriveMore shall have the right to change your Residence, and the terms of this Agreement, to meet the requirements of any law or regulation.

O. Relocation:

ThriveMore reserves the right to relocate you to another accommodation when deemed necessary in order for ThriveMore to fulfill its strategic plans, financial obligations or other obligations. ThriveMore will use reasonable efforts to relocate you to a similar or better accommodation. Any such decision to relocate you will be discussed thoroughly with you in order to enlist your understanding of the need for and cooperation with the relocation. ThriveMore will pay all required packing and moving costs, and all reasonable refurbishing costs necessary to achieve substantial comparability between your accommodation and any new accommodation to which you may be relocated.

III. Financial Provisions

A. Deposits:

Funds paid toward the Entry Fee may be refundable as outlined in Sections VI and VIII of this Agreement.

B. Entry Fee and Monthly Fee:

You agree to pay ThriveMore an Entry Fee (as indicated below) and the Monthly Fee for the selected residence as outlined in Exhibit A. Within five (5) days of the Effective Date of this Agreement, you agree to pay a ten percent (10%) deposit to secure the Residence as outlined in Exhibit A. You are then required to make the final balance payment of the Entry Fee at least fourteen (14) days prior to the Date of Occupancy, as stated in Exhibit A. You agree to pay all fees and charges as set forth in this Agreement.

You agree to pay ThriveMore one of the following Entry Fees (selected option checked below) as a condition of becoming a Resident of ThriveMore. This Entrance Fee is refundable in whole or in part as described below and in Section VI of this Agreement, subject to the terms and conditions of this Agreement.

Entrance Fee Option	Entry Fee Option	Amount of Entry Fee	Amortization Schedule
_______	Standard Refund Entry Fee	$ ____________________ 2nd Person________________	4% a month for 24 months less 4% non-refundable fee.
_______	50% Refund Entry Fee	$ ____________________ 2nd Person______________	2% per month for 23 months less 4% non-refundable fee. Refund never less than 50% of original entrance fee.
_______	90% Refund Entry Fee	$ ____________________ 2nd Person______________	1% per month for 6 months less 4% non-refundable fee. Refund never less than 90% of original entrance fee.

The Monthly Fee varies depending upon the type of residence. A Double Occupancy Monthly Fee is charged for Co-Residency. The Monthly Fee and costs for additional services are billed by the fifth (5th) business day of each calendar month, with payment due from you upon receipt. ThriveMore reserves the right, with thirty (30) days' notice, to change the billing date and the payment due date. For a partial first month, the Monthly Fee is pro-rated on a per diem basis. Thereafter, Monthly Fees are paid in advance and are not pro-rated at termination. If you fail to pay the Monthly Fee, ThriveMore reserves the right to terminate the Agreement. ThriveMore may add a service charge of one percent (1%) per month to fees and charges not paid. ThriveMore requires an automatic bank draft for the monthly charges.

C. Delayed Residency:

If you choose to defer occupancy, later than the Date of Occupancy as stated in Exhibit A, both the Entry Fee and the applicable Monthly Fee must still be paid as if you moved into ThriveMore on the Date of Occupancy. You will be credited as appropriate with the Away Allowance as described in Section III. I. until such time that you move to ThriveMore. Additionally, any refund will be calculated as of the Date of Occupancy as stated in Exhibit A.

D. Fee Increases:

It is understood by both parties that ThriveMore is a nonprofit corporation dedicated to providing high quality services, facilities, and care at the lowest feasible cost. The parties also recognize the uncertain nature of future costs and expenses for goods and services and their mutual need to maintain a sound financial basis for the continued operation of the facility. You agree that ThriveMore may adjust the Monthly Fee and any and all other fees and charges upon a thirty (30) day written notice to you, as may be reasonably necessary according to the economic requirements and conditions, and the level of services offered. The decision to adjust the Monthly Fee and all other fees and charges is made, in its sole discretion, by the Board of Trustees of ThriveMore.

E. Financial Hardship:

It is the intent of ThriveMore to admit only those persons who are able to pay its current and projected Entry Fee, Monthly Fee and any additional fees and charges. Resident agrees to prudently conserve and maintain Resident's current and future income, resources, and assets in order to provide for payment of services to be provided by ThriveMore under this Agreement or otherwise. Resident agrees to provide ThriveMore thirty (30) days prior written notice of any material transfer of Resident's income, assets or resources, including the creation of any trust, any material expenditure of Resident's income, assets, or resources, or any change in Responsible Party. Resident shall promptly notify ThriveMore of any material change in Resident's medical or financial condition, including but not limited to Resident's qualification for and intention to seek assistance from any public assistance benefit program, as hereinafter defined.

Upon verification satisfactory to ThriveMore that Resident has complied with the foregoing obligations and that Resident's income, resources, and assets are insufficient to pay for services required, ThriveMore will endeavor to provide financial assistance to Resident, by prudent use of finite funds available to it for such purposes. ThriveMore has no legal obligation to provide such assistance and is unable to represent or guarantee with certainty that such assistance will be available to Resident. In any event, such assistance as may be available will be provided only after Resident has applied for and taken all necessary steps to qualify for Medicaid, public assistance, any public benefit program, or private funds or programs through which benefits ("public assistance benefits") may be available for payment of services required by Resident. ThriveMore's ability to subsidize residents who have encountered financial hardship is expressly limited by its obligation to meet its commitments to all residents, and to operate on a sound financial basis. If it is apparent to ThriveMore that you have voluntarily divested assets and resources, or have used resources in a manner other than to meet ordinary and customary living expenses, ThriveMore may refuse to subsidize your fees and charges, and may elect to terminate this Agreement if payments for all fees and charges are not received in a timely manner. The use of ThriveMore's funds to subsidize residents who have encountered financial hardship is at the sole discretion of ThriveMore.

You agree to provide, if requested, financial statements and current financial information and copies of your tax returns for the purpose of demonstrating capacity to meet financial obligations to ThriveMore and other providers arising out of or in connection with this Agreement.

Resident agrees that he or she have not and will not make gifts of real or personal property for the purpose of evading his or her financial obligations to ThriveMore.

F. Subsidy by ThriveMore:

Should ThriveMore elect to subsidize your fees and charges, or any other cost for services or care which ThriveMore under this Agreement is not obligated to pay on your behalf, the accumulated amount of any such subsidy shall be offset against any refund that might become due to you, and any unrecovered balance shall also be a valid claim against your estate. This paragraph shall apply whether or not you reside at ThriveMore at the time of death or termination of this Agreement.

G. Occupancy by Two Residents:

When two (2) Residents occupy a Residence and one of them is no longer domiciled in the Residence, whether as a result of death or otherwise, or in the event of the termination of this Agreement with respect to one of the Residents, this Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Single Occupancy Monthly Fee associated with the Residence. No Entry Fee refunds shall be paid to the remaining Resident until the Residence is vacated as described in this Agreement. Section V.B.7. addresses Resident's obligations when Resident(s) is transferred to the Health Care Center.

H. Addition of a Second Resident to Share a Living Accommodation with a Current Resident:

If, after the Date of Occupancy indicated on Exhibit A, you choose to have a second resident share your residence, ThriveMore may charge the second resident an Entry Fee equal to the current applicable Single Occupancy Entry Fee for such living accommodation, or such lesser amount as ThriveMore may determine in its discretion. Thereafter, you are responsible for paying the applicable Double Occupancy Monthly Fee for the residence.

Second residents are subject to the same review and entrance requirements as initial residents and must sign a Residence and Services Agreement. If the second resident is an existing resident, the second resident is subject to the same entrance requirements as initial residents, except in regard to health status evaluation.

I. Away From the Community:

If Resident is away from the Community for thirty (30) consecutive days, Resident will receive a credit for up to 30 days based on Resident's meal plan selection. If Resident takes advantage of the away rate, no meal credits are accrued during the away time. If for any reason Resident returns to the Community for an overnight stay, he or she will be ineligible to take advantage of the away rate. The away rate can be taken for a maximum of three (3) months.

IV. Resident Moves and Transfers

It is understood that when you move from one independent living residence to another, or if you move from one level of care to another, your status or rights as a ThriveMore resident do not change. You may transfer and/or move on a temporary or a permanent basis, at the determination of ThriveMore.

A. Independent Internal Moves:

1. **Move to a Larger Independent Living Residence** – Should you desire to transfer to a larger independent living residence, an internal move request should be made in writing according to the Internal Move Policy in the Resident Handbook, which may be subject to change from time to time. An internal move fee may apply as noted in the policy. An additional Entry Fee equal to the difference between the then current Entry Fee for the larger residence and the Entry Fee you originally paid for the smaller residence will be due to ThriveMore prior to your move to the larger residence.

   Occupancy of the original residence (Exhibit A) for purposes of calculating any refund. You will also be responsible for the Monthly Fee associated with the larger residence from the Date of Occupancy for the larger residence, or the actual date of move-in, whichever is earlier. The Monthly Fee for the smaller residence is still in effect and will be charged until all personal belongings have been removed, and a final walk-through has been completed as per the Internal Move Policy.

2. **Move to a Smaller Independent Living Residence** – Should you desire to transfer to a smaller independent living residence, an internal move request should be made in writing according to the Internal Move Policy in the Resident Handbook. You will not be due any refund at the time of your transfer. Your refund, if any, shall be calculated and paid in accordance with the provisions of this Agreement based on the independent living residence you initially occupied under this Agreement.

   You will be responsible for the Monthly Fee associated with the smaller residence beginning on the Date of Occupancy of the smaller residence, or the actual date of move-in, whichever is earlier. You will also be responsible for the Monthly Fee for the larger residence until all personal belongings have been removed from the larger residence, and a final walk- through has been completed as per the Internal Move Policy.

B. Moves to the Health Care Center:

ThriveMore expressly reserves the right to move you to an accommodation that can best provide for your safety and care. If your physical or mental condition deteriorates so that, in the best judgment of ThriveMore and upon the recommendation of ThriveMore's Clinical Team, you are unable to live independently, or if you cannot live in an independent living residence without endangering yourself or the health or safety of others, ThriveMore may move you to a more appropriate accommodation. Such changes (if not at your request) shall be made only to protect your health or safety, or the general welfare of the residents of ThriveMore or others. Residents may request a meeting with ThriveMore for the discussion and consideration of any actions taken by ThriveMore. Should you fail or refuse to cooperate with any such move, ThriveMore has the right to terminate this Agreement and require you to leave the Community altogether. The Community may provide assisted living services to residents through different levels of care with different fees and costs charged by the Community for each level. The Community, through regular assessments of residents, will determine which level of care Resident shall reside in, and Resident shall be responsible for all fees and costs charged by the Community for any such level of care. In addition, the Community may determine that Resident should be moved out of assisted living and into the Community's skilled nursing level of care, and Resident shall be responsible for all fees and costs charged by the Community for such level of care. All levels of care and associated fees and costs remain subject to change from time to time at the discretion of the Community

If in the sole discretion of ThriveMore, it determines that your transfer is permanent, ThriveMore may assign your independent living residence to another resident. Should your condition subsequently improve to a point that you are able to live independently, you may apply for an independent living residence upon the same basis as existed before the transfer. You shall bear all costs of moving and storing your furniture and belongings in the case of such transfer. In addition, if ThriveMore determines that you can resume occupancy in an independent living residence, you will have priority for a similar residence as soon as one is available.

C. Limitations of Care/Transfer:

ThriveMore’s facilities and services are not designed to care for persons who have an active psychiatric illness, who have a dangerous communicable disease or who are involved with drug or alcohol abuse. Should ThriveMore determine that your physical and/or mental condition becomes such that your continued presence at ThriveMore is dangerous or detrimental to your health or safety, or to others, ThriveMore may arrange for such transfer to a special service facility as may be required, and this Agreement will be terminated.

If you or your designee prefers a different institution or special service facility than that selected by ThriveMore, arrangements will be made to accommodate such preference with the understanding that ThriveMore is relieved of any financial responsibility associated with such transfer, or the costs of such a transfer.

V. Health Care Services

During the process of applying to ThriveMore, you have disclosed a true and correct health status and history, and have been approved by ThriveMore for independent living. You have disclosed any significant changes in your health status since your initial review. It is understood by both parties that your health condition may change and that you will inform ThriveMore of any significant changes. If there is reasonable cause for concern, you agree that a ThriveMore physician may examine you.

A. Health Care Center:

The Community’s Health Care Center includes a primary care clinic, assisted living residences, skilled nursing residences, and residences offering special care/dementia services.

B. Continuing Care Services:

ThriveMore agrees to provide the health care services outlined below. These services are included in the Monthly Fee, except for those requiring additional payment as described below. ThriveMore will seek reimbursement from any and all third party payers to the fullest extent available.

1. **Wellness and Exercise Programs** – ThriveMore staff will conduct wellness and exercise programs for residents who wish to participate. Some special programs may require extra charges.

2. **Other Health Care Services**:

   a) **Primary Care** – ThriveMore will make available primary care services to you in the Health Care Center during regularly scheduled office hours. Trained health care personnel will be on-site twenty-four (24) hours a day. A physician will be available for scheduled office visits and is on call for Community residents twenty-four (24) hours a day, seven (7) days a week. The ThriveMore physician will refer you to specialists as needed. You will be responsible for the cost of care rendered by physicians not reimbursed by Medicare or other third party payer.

b) Laboratory Tests and Other Procedures – Limited laboratory testing services and diagnostic procedures will be provided in the Health Care Center according to the Health Care Center's fee schedule. You will be responsible for the costs of such services and procedures not reimbursed by Medicare or other third party payer.

c) Visiting Nursing Services – Visiting nursing services may be available for consultation and assistance to you in your residence on a short-term basis. Such services may require an additional charge.

d) Special Services – ThriveMore will provide facilities to accommodate some special services such as Dentistry, Physical Therapy, Occupational Therapy, Speech Therapy, and Pharmacy Services. You will be responsible for the cost of these, and other special services not reimbursed by Medicare or any other third party payer. You are responsible for the costs of medications procured through ThriveMore pharmacy service or elsewhere.

3. **Assistance with Insurance Claims** – ThriveMore will assist you with the filing of health care insurance claims for services rendered by ThriveMore. Whenever ThriveMore files insurance claims for you, you agree to promptly and fully cooperate in the filing of all such claims. Resident shall be responsible for all fees, costs and expenses should Resident's insurance be denied for any reason.

4. **Personal Assistants** – You may arrange for limited assistance to accomplish activities of daily living. Personal assistants may be required to be approved by ThriveMore before they are allowed access to ThriveMore facilities. You are responsible for any costs related to the services of any personal assistant. You are responsible for any injury to others or damage to the property of others or of ThriveMore by your assistant(s). ThriveMore may limit or terminate the services of any assistant and may refuse access to the grounds or facilities of ThriveMore by such assistant. You understand that arranging and receiving care from a personal assistant does not take the place of care that may best be provided in the Health Care Center (See Section IV.B).

5. **Hospitalization** – ThriveMore may assist you in arranging your inpatient hospital care when ordered by a physician. You will be responsible for all hospital charges not covered by Medicare or other third party payer.

6. **Health Care Services in ThriveMore Health Care Center** – ThriveMore will provide temporary or permanent assisted living services, skilled nursing services, and respite care services to you when ordered by a physician. The Community

may provide assisted living services to residents through different levels of care with different fees and costs charged by the Community for each level. The Community, through regular assessments of residents, will determine which level of care Resident shall reside in, and Resident shall be responsible for all fees and costs charged by the Community for any such level of care. In addition, the Community may determine that Resident should be moved out of assisted living and into the Community's skilled nursing level of care, and Resident shall be responsible for all fees and costs charged by the Community for such level of care. All levels of care and associated fees and costs remain subject to change from time to time at the discretion of the Community. Health care services are provided based upon a specific fee structure as outlined below and subject to the foregoing:

a) **Pre-Paid Days:** You are eligible for fourteen (14) "free" days in the Health Care Center beginning with the initial Date of Occupancy at ThriveMore. Pre-paid days may also be used for a stay in an alternative health care facility. While residing in the Health Care Center or in an alternative health care facility (but only if such alternative health care facility is due to the Community's inability to provide the necessary care to Resident and not for an alternative health care facility that Resident has chosen) when pre-paid days are available, you continue to pay the current Monthly Fee. After the accrued pre-paid days have been used, the rates as outlined in paragraphs 7.b through 7.h below apply or the rates actually charged by the alternative health care facility.

b) **Single Occupancy, Temporary Health Care Center:** When it is deemed by ThriveMore that you are a temporary resident of the Health Care Center, and after pre-paid days have been used, you will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore in addition to the regular Monthly Fee. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

c) **Single Occupancy, Permanent Health Care Center:** When it is deemed by ThriveMore that you are a permanent resident of the Health Care Center and after pre-paid days have been used, you will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Once you become a permanent resident of the Health Care Center, all personal belongings have been removed from your independent living residence and a final walk-through has been completed, you will relinquish the independent living residence, and the Monthly Fee for the independent living residence will no longer be paid.

d) **Double Occupancy, One Resident Temporarily in Health Care Center:** After pre-paid days have been used, the resident temporarily transferred to the Health Care Center and the resident remaining in the independent living residence will continue to pay the Double Occupancy Monthly Fee, plus One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

e) Double Occupancy, One Resident Permanently in Health Care Center: After pre-paid days have been used, the resident permanently transferred to the Health Care Center and the resident remaining in the independent living residence will continue to pay the Single Occupancy Monthly Fee plus One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore.

f) Double Occupancy, Both Residents Temporarily in Health Care Center: After pre-paid days have been used, if both residents are temporarily transferred to the Health Care Center, each will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. In addition, the resident temporarily transferred to the Health Care Center and the resident remaining in the independent living residence will continue to pay the Double Occupancy Monthly Fee. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

g) Double Occupancy, Both Residents Permanently in Health Care Center: After pre-paid days have been used, if both residents are permanently transferred to the Health Care Center, each will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Once all personal belongings have been removed from the independent living residence, and a final walk-through has been completed, you will relinquish the independent living residence and the Monthly Fee will no longer be paid for the independent living residence.

h) Double Occupancy, One Resident Temporarily in Health Care Center and One Resident Permanently in Health Care Center: After pre-paid days have been used, if one resident is temporarily transferred to the Health Care Center, and the other resident is permanently transferred to the Health Care Center, the rates outlined in Section V.B.7.e will apply. In addition, the resident temporarily transferred to the Health Care Center will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

If appropriate accommodations suited to meet your needs are not available, ThriveMore will be responsible for identifying alternative health care facilities for you, until such time as an appropriate accommodation is available in ThriveMore's Health Care Center.

Resident is responsible for the costs of care at the alternative health care facility. During the period of stay in an alternative health care facility, all costs of care will be billed to the Resident by the alternative health care facility. If such costs are not covered by Medicare or other third party payer, the Resident is responsible for the costs of care at the alternative health care facility and, the Resident may elect to use any available pre-paid days as described in paragraph 7.a above. Should you elect to use any available pre-paid days, ThriveMore will either reimburse you or credit your account for the scope of services that would otherwise be included in the per diem rate, provided that ThriveMore's obligation shall not exceed the current prevailing per diem rate.

C. Direct Admission to the Health Care Center:

After the execution of this Agreement and prior to the Date of Occupancy, you may be admitted directly to the Health Care Center should it be determined that your physical or mental condition precludes you from living independently. Under this circumstance, health care services will be delivered as outlined below. Financial support as described in Section III.E. will not apply unless a co-resident takes occupancy of an independent living residence. Should independent living status as determined by ThriveMore be regained, you will have a priority right to an independent living residence equivalent to the independent accommodation previously contracted and you may move to the independent living residence by paying the balance of the current Entry Fee and the applicable Monthly Fee.

1. **Direct Admission to Skilled Nursing** – If after execution of this Agreement and prior to the Date of Occupancy, it is determined that you require skilled nursing services, you may be admitted directly to a skilled nursing residence if accommodations are available. You will pay the current daily skilled nursing rate, instead of the Entry Fee and Monthly Fees. Should you subsequently move to an independent living residence after having paid the remaining portion of the Entry Fee and again require Health Care Center services, you would be eligible for the reduced rates outlined in Section V.B.7 of this Agreement, after an agreed upon, pre-determined time of independent residency has been established and met.

2. **Direct Admission to Assisted Living** – If after execution of this Agreement and prior to the Date of Occupancy it is determined that assisted living services are required, you may be admitted directly to an assisted living residence if accommodations are available. You will pay the then current monthly assisted living rate for the level of care in assisted living the Community determines you need instead of the Entry Fee and Monthly Fee. You may transfer to skilled nursing if more intensive care is needed and accommodations are available, and would then be charged the then current daily skilled nursing rate. Should you move to an independent living residence after having paid the remaining portion of the Entry Fee and again require Health Care Center services, you would be eligible for the reduced rates outlined in Section V.B.7. of this Agreement, after an agreed upon, pre-determined time of independent residency has been established and met.

3. **Double Occupancy and Direct Admission** – In the case of double occupancy, a resident entering an independent living residence with a co-resident directly admitted to the Health Care Center will pay the Single Occupancy Entry Fee and Single Occupancy Monthly Fee for the independent living residence.

VI. Termination Prior to Occupancy and Terms of Refund

A. Termination by the Resident:

1. **Termination Within the Thirty (30) Day Right of Rescission Period** – You may rescind this Agreement prior to the Date of Occupancy, or after occupancy, by giving written notice to ThriveMore within thirty (30) days following the later of the execution of this Agreement or of the date that you received the Disclosure Statement as required by Section 58-64-1, et. seq. of the North Carolina General Statutes. You will receive a full refund equal to the funds paid toward the Entry Fee without interest, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. Your refund will be paid within sixty (60) days of receipt of your written notice to terminate. You are not required to take occupancy before the end of the thirty (30) day rescission period.

2. **Termination After the Thirty (30) Day Right of Rescission Period** – After the thirty (30) day rescission period and prior to the Date of Occupancy, if you terminate this Agreement, you will receive a refund equal to the funds paid toward the Entry Fee without interest, less an administrative fee equal to two percent (2%) of the Entry Fee for the independent living residence selected, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. Your refund will be paid within sixty (60) days of receipt of your written notice to terminate.

B. Termination by ThriveMore:

The Agreement may be terminated by ThriveMore if it is determined by ThriveMore that you have misrepresented or omitted medical, financial, or other information given to ThriveMore during the application process, or if your financial status changes prior to the Date of Occupancy such that you no longer meet ThriveMore's financial requirements for admission. In such event, you will be due a refund equal to the total amount of funds paid toward the Entry Fee without interest, less an administrative fee equal to two percent (2%) of the Entry Fee based on the independent living residence selected, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. Your refund will be paid within sixty (60) days of written notice to terminate.

C. Termination as a Result of Death or Illness of Resident:

Prior to the Date of Occupancy, should you die, become ill, be injured or otherwise incapacitated such that ThriveMore determines that independent living is not possible, this Agreement will automatically be terminated and a refund shall be due to you within sixty (60) days, equal to the funds paid toward the Entry Fee without interest, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. In lieu of terminating this Agreement, you may elect to enter the Community's Health Care Center under the terms of the direct admissions policy outline in Section V.C.

D. Termination of Residency If Listed on a Sex Offender Registry

Resident hereby acknowledges that it is the policy of ThriveMore to conduct sex offender screening for every prospective resident, regardless of independent status or level of care, at the time of application for admission to ThriveMore and again prior to entering into a Residence and Services Agreement. If the screening shows that the prospective resident is identified as a sex offender, ThriveMore will deny admission of Resident on that basis and not execute a Residence and Services Agreement. In addition, Resident hereby acknowledges and agrees that if, after ThriveMore and Resident have entered into a Residence and Services Agreement, ThriveMore becomes aware that Resident is listed on any sex offender registry, ThriveMore may terminate this Agreement with Resident and remove Resident from the Community. If there is more than one resident who is a party to this Agreement, the termination of this Agreement in such instance shall only apply to the resident listed on the sex offender registry.

VII. Conditions of Termination After Occupancy

A. Termination by the Resident: In addition to Section VI., this Agreement may be terminated by you in accordance with the following conditions:

1. The Agreement will be terminated upon your death, or the death of the surviving resident in the case of co-residency.

2. A permanent move to the Health Care Center is not considered a contract termination, and therefore a refund is not applicable. Refunds may only apply upon the termination of the Agreement. The Termination Date will be determined in accordance with Section VII.C. below.

3. Except in the case of death, you must give ThriveMore sixty (60) days written notice of your intent to terminate the Agreement.

4. You must leave the Residence in a condition satisfactory to ThriveMore. ThriveMore may charge you for the cost of work required to restore the Residence to its standard condition, with the exception of reasonable wear and tear.

5. Refunds to you shall be reduced by the amount of your outstanding fees and charges due to ThriveMore.

B. Termination by ThriveMore: ThriveMore may terminate the Agreement with you if you breach this Agreement, or if you fail to pay the Monthly Fee and any other ancillary charges, or fail to follow the standard policies or procedures of ThriveMore, or refuse to relocate as required by this Agreement, or engage in activities or conduct disruptive to the Community, or if you interfere with the health and safety of the Community, or if you have misrepresented or omitted medical, financial or other information given to ThriveMore during the application process. ThriveMore will be required to give you at least sixty (60) days written notice to vacate your residence.

You must leave the Residence in condition satisfactory to ThriveMore. ThriveMore may charge you for the cost of work required to restore the Residence to its standard condition, with the exception of reasonable wear and tear.

Refunds to you shall be reduced by the amount of your outstanding fees and charges due to ThriveMore.

C. Termination Date: The "Termination Date" of this Agreement will be the date on which your personal property has been removed from the residence or sixty (60) days following written notice, whichever is later. You will be required to continue paying the Monthly Fee until the Termination Date or until your personal belongings have been removed and a walk-through has been completed by you or your designee and management, whichever is later.

VIII. Conditions for Refund After Occupancy

A. Termination of Standard Agreement by Resident or by Death: You may be entitled to a refund of the Entry Fee. If Resident dies or terminates this Agreement during the first twenty-four (24) months of this Agreement, you or your estate may be entitled to a partial refund of the Entry Fee. You or your estate will receive a refund in the amount equal to: (i) the Entry Fee; less (ii) four percent (4%) of the Entry Fee on the Occupancy Date and then four percent (4%) of the Entry Fee for each month that this Agreement has been in effect for up to twenty-four (24) months; less (iii) any amounts due to ThriveMore. After twenty-four (24) months, there is no refund of the Entry Fee. Entry Fees will not be pro-rated for a period less than one month.

B. Termination of Standard Agreement by ThriveMore: If ThriveMore terminates this Agreement pursuant to Section VII.B, you may be entitled to a refund of the Entry Fee. If termination of this Agreement occurs during the first twenty-four (24) months of this Agreement, you or your estate may be entitled to a partial refund of the Entry Fee. You or your estate will receive a refund in the amount equal to: (i) the Entry Fee; less (ii) four percent (4%) of the Entry Fee on the Occupancy Date and then four percent (4%) of the Entry Fee for each month that this Agreement has been in effect for up to twenty-four (24) months; less (iii) any amounts due to ThriveMore. After twenty-four (24) months, there is no refund of the Entry Fee. Entry Fees will not be pro-rated for a period less than one month.

C. Payment of Refunds: Any refund of the Entry Fee will be paid after all outstanding fees and charges due to ThriveMore by you have been paid, your personal belongings have been removed, and a final walk-through has been completed. Such payment shall be deferred until the earlier of (i) thirty (30) days after the independent living residence formerly occupied by you is re-occupied and a full Entry Fee is received by ThriveMore for the residence and (ii) the Twenty-Four (24) month anniversary of the effective date of the termination of this Agreement. Refunds will be paid to you, or in the event of your death, to your estate or if this Agreement has been amended to provide that the refund will be paid to trustee(s) of the revocable trust(s) of Resident, the refund shall be paid to the trustee(s) rather than to Resident's estate. ThriveMore shall have the right to offset any fees and charges owed to ThriveMore with any refund due to you or your estate.

D. Release upon Termination: Upon termination of this Agreement, ThriveMore is released from any further obligations to you except for the payment of any refund which may be due under Sections VI and VIII of this Agreement.

IX. Miscellaneous

A. ThriveMore's Disclosure Requirements: In keeping with North Carolina requirements for disclosure of financial information to the public and to ThriveMore's residents, ThriveMore will file an annual disclosure statement with the North Carolina Department of Insurance ("Disclosure Statement"). A copy of the most recent Disclosure Statement will be delivered to you prior to the execution of this Agreement and a copy of each subsequent Disclosure Statement shall be made available to you so long as you reside at ThriveMore.

B. The Resident's Disclosure Requirements: During the process of applying for admission, you have disclosed your complete health status and history, and your complete financial position to ThriveMore as of the date of this Agreement. ThriveMore will not be responsible for any financial support, or for the cost of your care if the true and correct nature of your financial position and/or medical condition has not been revealed to ThriveMore as of the date of this Agreement or subsequent to the date of this Agreement based upon information you provided to ThriveMore, at its request. Upon the request of ThriveMore, you are obligated to provide us the current status of your health and/or financial position so long as you remain a resident of ThriveMore.

C. Rights, Privileges and Limitations: The rights and privileges to you under this Agreement for living accommodations, facilities, and services are personal and non-transferable and do not include any proprietary interest in the properties or assets of ThriveMore.

Your rights shall at all times be subordinate to any obligations of ThriveMore. Upon request by ThriveMore, you agree to execute and deliver a subordination agreement to establish the priority of such obligations as a lien or liens against the property.

D. **Management of The Community**: The absolute rights of management are reserved by ThriveMore and its Board of Trustees. ThriveMore reserves the right to accept or reject any person as a resident. Residents do not have the right to determine admission or terms of acceptance of any other resident.

E. **Assignment**: This Agreement and the rights and privileges of Resident under this Agreement to a residence, facilities and services, and any other rights and privileges hereunder, are personal to Resident and cannot be transferred or assigned by act of Resident, or by any proceeding at law, or otherwise.

F. **Successors and Assigns**: Except as set forth herein, this Agreement will bind and inure to the benefit of the successors and assigns of ThriveMore and your heirs, executors, administrators and permitted assigns.

G. **Uncontrollable Interruption of Service**: No breach of ThriveMore's obligations under this Agreement and no liability for injury to you shall result from an interruption of, or failure to provide, contracted service due to an act of God or other cause beyond the reasonable control of ThriveMore, specifically including strikes or other forms of labor disturbances, government regulations and/or embargoes, pandemic or epidemic, shortages of labor or materials, fire, flood, earthquake, inclement weather or acts of the Resident. ThriveMore shall make reasonable efforts to continue to provide the usual services in such event.

H. **Confidentiality**: ThriveMore has the responsibility to keep all of the personal, medical and financial information you have supplied confidential. You agree that ThriveMore can disclose such information to those who have a need, in ThriveMore's judgment, or the right to know.

I. **Indemnity**: You agree to indemnify, defend and hold ThriveMore harmless from claims, damages or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your acts or omissions or those of your guests, including private duty nurses or any other third party service contracted by you. This Section shall survive termination of this Agreement.

J. **Affiliation**: ThriveMore has an historical relationship to the Baptist State Convention of North Carolina. The Baptist State Convention of North Carolina is not responsible for the financial or contractual obligations of ThriveMore. ThriveMore holds membership in LeadingAge and LeadingAge NC.

K. **Subordination to Financing**: The rights of Resident are limited to those rights and privileges expressly granted by the terms of this Agreement. The Community or other ThriveMore facilities, properties, assets or revenues are or may be subject to a first deed of trust or other security instrument or serve as security for various financing arrangements. Certain legal rights of the lender, including any right of foreclosure in the event of default, are superior to the rights and privileges granted the Resident by this Agreement.

L. Waiver of Breach: The failure of ThriveMore in any one or more instances to insist upon the strict performance, observance, or compliance by you with any of the terms or provisions of this Agreement, or its waiver of a breach by you of any terms or provisions of this Agreement, shall not be construed as a waiver or relinquishment by ThriveMore of its right to insist upon strict compliance by you with all terms or provisions of this Agreement.

M. Rules Adopted by ThriveMore: ThriveMore reserves the right to adopt policies, procedures and rules regarding the Community, ThriveMore, residents, residency, and/or services. You agree to observe the policies, procedures and rules adopted by ThriveMore for the convenience, comfort, and safety of all.

N. Amendment of Residence and Services Agreement and General Conditions: ThriveMore reserves the right, upon thirty (30) days prior written notice to all residents, to modify or amend the Residence and Services Agreement whenever doing so is necessary to correct errors, omissions, or inconsistencies, to provide clarification of intent, or to conform the documents to the requirements of local, state, or federal laws and regulations applicable to ThriveMore, in particular, or to residential life care communities, in general, or whenever doing so is deemed by the Board of Directors of ThriveMore to be in the best interest of ThriveMore and the residents in light of changes in health insurance laws and coverages and/or local, state or federal tax laws or regulations.

O. Entire Contract in this Agreement: This Agreement, Exhibit A, Exhibit B, Exhibit C and any attached Exhibits, Schedules, Addenda, Application Forms, and Requests for Changes to the Living Residence constitute the entire contract between ThriveMore and you. ThriveMore is not liable for, nor bound in any manner by any statements, representations, or promises made by any person representing or purporting to represent ThriveMore unless such statements, representations, or promises are set forth in this Agreement. Except as set forth in Section IX. N., this Agreement may not be amended or modified except by written agreement signed by the parties hereto and incorporated herein by reference.

P. Governing Law: Venue: This Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of North Carolina, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of laws or any jurisdiction other than North Carolina. Except to the extent that the parties have agreed to an alternative mechanism for the resolution of a dispute, to the full extent permitted by law, any action, suit or proceeding arising out of or relating to this Agreement shall be brought and enforced in the courts of the State of North Carolina located in Forsyth County or the United States District Court for the Western District of North Carolina, and the parties hereby irrevocably submit to the exclusive jurisdiction of such courts and irrevocably waive any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in such courts. In the event of any such dispute, the non-prevailing party shall pay all reasonable costs, expenses and attorneys' fees incurred by the prevailing party.

Q. **Notice Provisions**: Any notices, consents, or other communications to ThriveMore shall be in writing and addressed as follows:

President and CEO
Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore
1912 Bethabara Road
Winston-Salem, NC 27106

Your address for the purpose of giving notice prior to your move to ThriveMore is the address appearing after your signature on the following page or other such address you provide to ThriveMore in writing.

R. Counterparts: This Agreement may be executed in two or more counterparts, and by the different parties in separate counterparts, and executed and delivered by facsimile, .pdf, DocuSign, Senior Sign or any other electronic means, each of which when executed will be deemed to be an original, but all of which taken together will constitute one and the same agreement.

[Signature page follows.]

NOTICE

BECAUSE THE AUTHORITY TO ENTER CONTINUING CARE CONTRACTS GRANTED BY THE NORTH CAROLINA DEPARTMENT OF INSURANCE IS NEITHER A GUARANTEE OF PERFORMANCE BY THE PROVIDER NOR AN ENDORSEMENT OF ANY CONTINUING CARE CONTRACT PROVISION, PROSPECTIVE RESIDENTS MUST CAREFULLY CONSIDER THE RISKS, BENEFITS, AND COSTS BEFORE SIGNING A CONTINUING CARE CONTRACT AND ARE STRONGLY ENCOURAGED TO SEEK FINANCIAL AND LEGAL ADVICE BEFORE DOING SO.

Acknowledgements

Your signature below certifies that you have received, read, understand, and accept this Residence and Services Agreement and the current Disclosure Statement for ThriveMore.

____
Resident's Signature

____
Current Address: Street/P.O. Box

____
City, State, Zip Code

____
Telephone

____
Co-Resident's Signature

____
Current Address: Street/P.O. Box

____
City, State, Zip Code

____
Telephone

By______________________________________
President/CEO

EXHIBIT A

Your signature below certifies that you understand and accept the following terms:

DATE OF OCCUPANCY: ______________________________

RESIDENCE NUMBER/TYPE: ______________________________

REFUND PLAN: ( ) Standard Amortized ( ) 50% Refundable ( ) 90% Refundable

RESIDENCY: ( ) Single Occupancy ( ) Double Occupancy

TOTAL ENTRY FEE: ______________________________

LESS; WAITLIST DEPOSIT: ______________________________

LESS: RESERVATION DEPOSIT: ______________________________

LESS: 10% DEPOSIT: ______________________________

CURRENT MONTHLY FEE: ______________________________

ADDENDA: ______________________________

____

Resident's Signature **Date**

____

Co-Resident's Signature **Date**

By______________________________

President/CEO **Date**

EXHIBIT B

Schedule of Ancillary Charges
[Date]

EXHIBIT C

Resident's Application

See attached.

Appendix E — Examination Report

The North Carolina Department of Insurance has not conducted an examination of this provider under Article 64A.

Appendix F — Statutory Ratio and Supporting Definitions

This Appendix reproduces certain statutory definitions referenced in Section 35 — Key Financial Metrics. The definitions below are quoted verbatim from N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 and are provided for reference only.

Adjusted Net Operating Margin Ratio. *"A profitability ratio that measures the margin generated from the core operations of a provider and net cash proceeds from entrance fees. The quotient shall be calculated by dividing the sum of resident operating income and net proceeds from entrance fees by the sum of resident revenue and net cash proceeds from entrance fees."* (G.S. 58-64A-145(1))

Annual Debt Service. *"The current year's capitalized interest cost plus interest expense and scheduled principal payments, excluding any balloon principal payment amounts and any portion of the annual debt service that has been or will be funded by debt for the payment of debt service."* (G.S. 58-64A-5(7))

Average Daily Cash Operating Expenses. *"The total expenses of a provider incurred in the conduct of the provider's business over a defined period of time, divided by the number of days in that period. For purposes of this definition, 'total expenses' includes interest expense, but excludes depreciation expense, amortization expense, realized or unrealized nonoperating losses or expenses, bad debt expense, and other noncash expenses."* (G.S. 58-64A-145(2))

Capital Expenditures as a Percentage of Depreciation Ratio. *"A capital structure ratio that indicates the level of capital reinvestment by a provider. The quotient shall be computed by dividing total purchases of property, plant, and equipment by total depreciation expense."* (G.S. 58-64A-145(3))

Cushion Ratio. *"A liquidity ratio that measures a provider's ability to pay its annual debt service using its unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by annual debt service."* (G.S. 58-64A-145(4))

Days Cash on Hand Ratio. *"A liquidity ratio that measures the number of days of cash operating expenses a provider could cover using its existing unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by average daily cash operating expenses."* (G.S. 58-64A-145(5))

Debt Service Coverage Ratio. *"A capital structure ratio that measures a provider's ability to pay annual debt service with cash flow from net cash revenues and net entrance fee receipts. The quotient shall be calculated by dividing the sum of total excess of revenues over or under expenses plus interest expense, depreciation expense, amortization expense, other noncash operating losses or expenses, and net cash proceeds from entrance fees, minus entrance fee amortization, entrance fee refunds contractually past due, and other noncash operating gains or revenues divided by annual debt service. Entrance fees received from the initial residents of independent living units at a continuing care retirement community that have been financed in whole or in part with the proceeds of* *indebtedness shall be excluded from the net proceeds from entrance fees up to an amount equal to the aggregate of the principal amount of the indebtedness."* (G.S. 58-64A-5(17))

Net Cash Proceeds from Entrance Fees. *"Total entrance fees received less entrance fees refunded, and less initial entrance fees received for new independent living units."* (G.S. 58-64A-5(30))

Net Operating Margin Ratio. *"A profitability ratio that measures the margin generated from the core operations of a provider. The quotient shall be calculated by dividing resident operating income by resident revenue."* (G.S. 58-64A-145(7))

Operating Ratio. *"A profitability ratio that measures whether current year cash operating revenues are sufficient to cover current year cash operating expenses without the inclusion of cash from entrance fee receipts. The quotient shall be computed by dividing total operating expenses, excluding depreciation expense and amortization expense, by total operating revenues, excluding amortization of entrance fees and other deferred revenue."* (G.S. 58-64A-145(8))

Prospective Financial Statements. *"Financial forecasts or financial projections, including the summaries of significant assumptions and accounting policies prepared by an independent certified public accountant."* (G.S. 58-64A-5(38))

Resident Expense. *"Total operating expenses excluding interest expense, depreciation expense, amortization expense, and income taxes."* (G.S. 58-64A-145(10))

Resident Revenue. *"Total operating revenue excluding interest and dividend income, entrance fee amortization, and contributions."* (G.S. 58-64A-145(11))

Unrestricted Cash and Investments. *"The sum of the provider's unrestricted cash, cash equivalents and investments, and any provider restricted funds that are available to pay debt or to pay operating expenses. For purposes of this definition, the assets serving as the operating reserve required by G.S. 58-64A-245 shall be considered unrestricted."* (G.S. 58-64A-145(12))

Unrestricted Cash and Investments to Long-Term Debt Ratio. *"A capital structure ratio that (i) measures a provider's position in available cash and marketable securities in relation to its long-term debt and (ii) measures a provider's ability to withstand annual fluctuations in cash. The quotient shall be calculated by dividing unrestricted cash and investments by total long-term debt, less the current portion of long-term debt."* (G.S. 58-64A-145(13))

Source: N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 (Session Law 2025-58). If the statutory definitions are amended, the statute as amended controls.