

# DISCLOSURE STATEMENT

September 30, 2025

*Carmel Hills*

2801 Carmel Road  
Charlotte, NC 28226  
704-364-8302

Visit our website @ [www.carmelhills.org](http://www.carmelhills.org)

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***The mission of Carmel Hills is to provide a retirement community to care for and encourage the Lord's people.***

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

- This Disclosure Statement may be delivered until revised, but not after September 30, 2026.
- Delivery of the Disclosure Statement to a contracting party before execution of a contract for continuing care is required.
- This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.

# TABLE OF CONTENTS

<b>I.</b>	<b>Organization Introduction</b>	<b>Page #</b>
	Name and Business Address	4
<b>II.</b>	<b>Facility Introduction and Information</b>	
	Affiliation	4
	Accreditation	4
	Brief Background on Carmel Hills Management & Directors	5
	Physical Property	7
	Community Building	7
	Dwelling Units	8
	Assisted Living Unit	8
	Continuing Care	8
<b>III.</b>	<b>Policies</b>	
	Standard for Admissions and Continued Occupancy	9
	Transfer and Termination Policies	9
	Availability of Dwelling Units & Rooms within the Personal Care Unit	10
	Financial Assistance	11
	Guidelines for Administration of the Funds	11
	Non-Smoking Policy	12
	Pet Policy	12
<b>IV.</b>	<b>Residential Plans Available</b>	
	Magnolia (NEF) Plan - No Entrance Fee Required	12
	Oak (REF 90) Plan - 90% Entrance Fee Refundable	12
	Maple (DREF 0) Plan - Declining Refund	12
<b>V.</b>	<b>Services</b>	
	Independent Residents and Assisted Living Residents	12
	Continuing Care	13
	Enhancements for Independent Living	14
	Other Services	15
<b>VI.</b>	<b>Fees</b>	
	Affiliated & Non-Affiliated Residents / Applicants	15
	Application Fee	15
	Entrance/Residency Fees for Residents Admitted to Dwelling Unit	16
	Affiliated Applicants' Entrance / Residency Fee	16
	Non-Affiliated Applicants' Entrance / Residency Fee	17
	Monthly Cost-of-Care	17
	Fees for Transferring Between Dwelling Units Including Marriages	18
	Fees for Transferring to Assisted Living Unit or Nursing Facilities	18
	Entrance Fee for Residents Admitted Directly to the Assisted Living Facility	19
	Residency Fee for Residents Admitted Directly to the Assisted Living Facility	19
	Room Reservation Fees for Residents Admitted Directly to the Assisted Liv. Facility	19
	Monthly Cost-of-Care for Residents Admitted Directly to the Assisted Living Facility	19

Other Fees	19
Payment Policies	20
Notification of Fee Increases	21
Changes in Fees for Previous Five Years	22
<b>VII. Refund Policies</b>	<b>28</b>
No Entrance Fee (NEF) - Magnolia Plan	29
90% Refundable Entrance Fee (REF 90) - Oak Plan	29
Declining Refund Entrance Fee (DREF 0) - Maple Plan	29
<b>VIII. Early Reservation Agreement</b>	<b>29</b>
<b>IX. Future Residency Agreement</b>	<b>30</b>
<b>X. Financial Information</b>	<b>30</b>
Financial Overview	30
Certified Financial Statements	31
Interim Financial Statements	31
Pro Forma Financial Statements	31
Tax Consequences	31
<b>XI. Reserves and Prepayments</b>	<b>31</b>
Reserve Funding	31
Prepayment Policy	32
<b>XII. Facility Development / Expansion</b>	<b>32</b>
<b>XIII. Narrative of Material Variances</b>	<b>32</b>
<b>XIV. Other Material Information as Applicable</b>	<b>32</b>
<b>XV. Attachments</b>	<b>33</b>
A. Carmel Hills Dwelling Unit Entrance Agreement (3 plans)	
A1. No Entrance Fee (NEF) - Magnolia Plan	33
A2. 90% Refundable Entrance Fee (REF 90) - Oak Plan	42
A3. Declining Refund Entrance Fee (DREF 0) - Maple Plan	52
B. Personal Care Agreement Between Carmel Hills and Resident	62
C. Early Reservation Agreement	74
D. Future Residency Agreement	76
E. Current Certified Financial Statements	80
F. Interim Financial Statements	97
G. Forecasted Financial Statements	108
H. Residents' Assistance Fund Letter & Application	122
I. Pet Policy	125
J. Floor Plans	128
K. Community Building General Layout	131
L. Site Plan	132
M. Narrative of Material Variances	133

# *Carmel Hills*

Charlotte, NC

## **Disclosure Statement**

### ***I. Organization Introduction***

#### **Name and Business Address of the Continuing Care Facility**

The name of the continuing care facility is Carmel Hills. Carmel Hills' business address and physical facilities are located at 2801 Carmel Road, Charlotte, NC 28226. It was incorporated under the laws of North Carolina on June 17, 1977, as a non-profit corporation.

### ***II. Facility Introduction and Information***

#### **Affiliation**

Carmel Hills was formed to provide a residential retirement facility for older brothers and older sisters associated with a group of Christians commonly known as Plymouth Brethren. (According to the U.S. Department of Commerce Census of Religious bodies, Bulletin #6 1936). Insofar as Carmel Hills was formed under the principles of the group defined in the general statement, (pg. 1 of the referenced census document)\* and is currently managed and directed by those associated with the referenced group, Carmel Hills remains in association with them. However, as delineated in the general statement of the referenced census document,\* they have no formal structure of hierarchy. Therefore, there are no formal agreements between Carmel Hills and the referenced fellowship of Christians. Members of the Board of Directors of Carmel Hills are currently selected by Charlotte Gospel Hall, which is an assembly of Christians located in Charlotte, NC, identified with those denoted by the census report\* referenced above. Although Carmel Hills routinely solicits and receives contributions from assemblies and individuals in these assemblies, such assemblies and individuals have no contractual obligation, or responsibility, either explicitly or implicitly, for the continued support and funding of Carmel Hills. Carmel Hills does give preferential treatment to individuals associated with the Christian fellowship denoted above\* in its selection procedures and its scheduled rates. Carmel Hills is exempt from Federal income taxation under paragraph 501 (c) (3) of the Internal Revenue Code, which exempts certain charitable and religious organizations from income taxation.

**U.S. department of Commerce Census of Religious Bodies, Bulletin #6, 1936**

#### **Accreditation**

Licensed to operate a Home for the Aged by the State of North Carolina Department of Human Resources Division of Facility Services.

## **Brief Background on Carmel Hills' Management and Directors**

**Mr. Craig Robson** – 2801 Carmel Road, Charlotte, NC 28226. Mr. Robson is a licensed attorney in California since 2000. He is currently employed with the law firm Corfield Feld LLP, in San Juan Capistrano, CA. He has served on the Carmel Hills board since 2021. He served as Assistant Secretary from June 2021 through May 2025 and as Vice-President from June 2023 through May 2025. Mr. Robson is currently serving as board President as of June 2025.

**Mr. Chris Faile** – 2801 Carmel Road, Charlotte, NC 28226. Mr. Faile is a veteran construction professional and entrepreneur based in Lincolnton, NC, with over 40 years of experience in residential building, remodeling, and window and door installation. Since founding his own business in 1982, he has overseen all aspects of operations—from financial management and project scheduling to client relations and crew supervision. Known for his craftsmanship and reliability, Mr. Faile has built lasting relationships with homeowners, contractors, and suppliers. He also serves as a subcontractor for residential and commercial projects, ensuring structural integrity and high-quality finishes. His blend of hands-on expertise and business acumen has made him a respected figure in the local construction community. Mr. Faile acknowledges that his success comes only from the Lord. Beyond construction, his true passion is helping others and guiding them to the Lord. He uses his skills, relationships, and daily work as an opportunity to minister, reflecting his faith in Christ both in his business and personal life. Through his example, he strives to build not only strong homes, but also stronger lives rooted in Christ Jesus our Lord. Mr. Faile became a board member and was elected to serve as Vice-President and Assistant Secretary in June 2025.

**Mr. Paul Palmer, Jr.** – 2801 Carmel Road, Charlotte, NC 28226. Mr. Palmer emigrated from Jamaica in 1977 and became a US citizen in 1984. He spent about 8 years working for Bank of America where he served as a bank manager and vice president in 4 different centers. During those 8 years, he also spent close to 3 years working as an assistant (operations) manager. After moving to Charlotte in 2006, Mr. Palmer began a career with Lending Tree where he spent almost 5 years working as the Senior Manager of Consumer Delight. He currently is working as a consultant for Syntrix Consulting Group, a healthcare IT company, where he assists with business development and report development. Mr. Palmer was an advisor to Carmel Hills for over two years and has served as a board member since February 2011 and Treasurer since February 2012.

**Mr. Paul Palmer** – 2801 Carmel Road, Charlotte, NC 28226. Mr. Palmer, Sr. was born in St. Elizabeth, Jamaica. He and his family relocated to south Florida in the late 1970's. Prior to retirement, he had a career in the international air cargo industry, where he oversaw various divisions, including business development and marketing. Paul is the widower of Valerie Palmer, who he was married to for 50 years. They have 3 grown children and 8 grandchildren. Paul has traveled extensively internationally and now lives in a suburb of Charlotte, North Carolina, where he serves the Lord full time, preaching in North American assemblies, camps, and conferences. Paul serves on the Believers Bookshelf USA council and has served on the board for Carmel Hills since October 2000.

**Mr. Larry Stassel** – 2801 Carmel Road, Charlotte, NC 28226. Mr. Stassel was president of Stassel Construction. After retirement he was responsible for the construction and beginning years of the operation of Emmanuel Home, a Christian Assisted Living Facility in Pennsylvania. He has now retired from that organization. For many years he served as President of The Fund for Christian Service (FCS), which is a non-profit, charitable, tax-exempt organization created for the purpose of channeling funds for missionary and Christian work, including needs at Bible camps, schools, medical work, radio broadcasts and literature work in foreign countries and in the USA and Canada, primarily for spreading the gospel of our Lord Jesus Christ. He continues to serve on the FCS board. He has served as a Carmel Hills board member since 1977, as President from 1987 to 1989 and as Secretary from 1989 to 1991. Mr. Stassel served as President again from July 2016 to June 2017 and as Vice-President from July 2017 to June 2019.

**Mr. Peter Keddis** - 2801 Carmel Road, Charlotte, NC 28226. Mr. Keddis became a Registered Nurse in 2010 from Pensacola Christian College then pursued graduate studies in pharmacy and graduated with a PharmD degree in 2015 from Campbell University. He currently works as a clinical pharmacist at Novant Health Forsyth Medical Center in Winston-Salem, NC. He has previous experience as a pharmacy supervisor for three years at Novant Health Clemmons Medical Center from 2017-2019. Mr. Keddis has served as a board advisor from 2020 to 2021 and has been a board member since 2022. He was elected Secretary in June 2023.

**Mr. Joe Youannas** - 2801 Carmel Road, Charlotte, NC 28226. Mr. Youannas graduated with a Bachelor of Business Administration (BBA) in 2006 from Schulich School of Business at York University in Toronto, Canada. Since graduating from college, he has been working in his family's real estate development and investment business in Toronto, Canada and Charlotte, NC. Joe served as an advisor to the board of Carmel Hills between 2017 and 2020 and has been a board member since 2021. In June 2023 he was elected to serve as Assistant Treasurer of the Carmel Hills board. Joe also has the privilege to serve as Treasurer on the board of Believers Bookshelf Canada.

**Mr. Ihab Dorotta, MD** – 2801 Carmel Road, Charlotte, NC 28226. Mr. Dorotta currently works in Quality Control at Loma Linda University Medical Center in Loma Linda, CA. Dr. Dorotta served as a board advisor from 2021 to 2022 and has been a board member since June 2023.

**Mr. Samuel Vedder** - 2801 Carmel Road, Charlotte, NC 28226. Mr. Vedder graduated from Northwestern University in Evanston, Illinois with a Bachelor of Science degree in Chemical Engineering in 1987. He spent his career primarily working for pharmaceutical manufacturing facilities in Bradley, Illinois and Clayton, North Carolina, specializing in environmental compliance. He retired in May 2023. Mr. Vedder has served as a board advisor beginning in February 2024 and became a board member in June 2024. Mr. Vedder also serves as Secretary on the board of The Fund for Christian Service.

**Mr. Daniel S. Sands** - 2801 Carmel Road, Charlotte, NC 28226. Mr. Sands currently serves as Chief Executive Officer at Carmel Hills. He has worked at Carmel Hills for six years, previously holding the position of Chief Operations Officer for the past three and a half years. In this role, he oversaw daily operations including Assisted Living, Dietary/Kitchen, Maintenance and Housekeeping, Training and Documentation, and HR management. Mr. Sands served on the Carmel Hills Board of Directors from 2009 to 2019 in various roles and has been a dedicated volunteer for over 18 years. Additionally, he has held significant positions in other organizations, such as Director of Information Technology at ExamWorks and Director of Business Process Improvement and VP of Technical Support at Carestream Dental. He holds several certifications, including Microsoft Certified Systems Engineer (MCSE) and a Green Belt in Six Sigma.

**Mrs. Carolyn Brockington** - 2801 Carmel Road, Charlotte, NC 28226. Mrs. Brockington became a Registered Nurse with an Associate's degree from Cabarrus Health Sciences in 2000, then pursued a Bachelor's degree from Chamberlain University in 2013 and a Master's degree with a concentration in Health Care Policy from Chamberlain University in 2017. She currently works as the Director of Nursing as well as the Interim Administrator of Record at Carmel Hills Assisted Living in Charlotte, NC. She has 40 years of experience in long-term care both in assisted living and nursing home settings as well as 20 years of experience in Hospice Care. Mrs. Brockington has served as a preceptor for nursing students and future Assisted Living Administrators. She is an active member of the American Nurses Association and North Carolina Nurses Association.

All of the Directors of Carmel Hills serve on a volunteer basis. They receive no salary for that work. No company has a 10% or greater interest in any board member or officer that will provide services of \$500 or more to the facility or its residents, and no board member has a 10% or greater interest in any

company that will provide goods or services of \$500 or more to the facility or its residents. Specifically, such persons either personally or through companies in which they have a 10% or greater interest do not, nor do they intend to, provide such things as goods, leases or other services to Carmel Hills or to the residents of Carmel Hills for compensation.

The Directors and Companies in which the Directors have a 10% or greater interest do provide services to Carmel Hills and its residents gratuitously. One of the current Directors has invested in various bonds offered by Carmel Hills. These bonds were sold to this Director at full market value. The interest rate of these bonds was no greater than the prevailing current interest rate for like investments at the time the bonds were issued. The price for bonds paid by Directors and the interest rate received have always been identical to the price and the rate offered to all other purchasers.

Pursuant to the disclosure requirements of the North Carolina Disclosure Statute, Carmel Hills hereby states that none of its management personnel or Directors have been convicted of a felony or pleaded *nolo contendere* to a felony charge, or have been held liable or enjoined in a civil action by final judgment in a felony or civil action which involved fraud, embezzlement, fraudulent conversion, or misappropriation of property, nor are any such individuals subject to a current effective injunctive or restrictive court order, nor have they within the past five years had any State or Federal license or permit suspended or revoked as the result of any action brought by a government agency or department, in regard to any order or action which arose out of or is related to business activity or health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged, or facility subject to G.S. 58-64 of the North Carolina General Statutes or a similar law in another state.

## **Physical Property**

Carmel Hills is located on 15 acres of land in southeast Charlotte, NC. Within the 15-acre site is a Community Building, initially constructed in 1980, with additions added in 1984, 1985, 1987, 1991 and 1995. Approximately one-third of the site is a large flat wooded area adjacent to Carmel Road. The land to the rear of the community building is heavily wooded, sloping down to a 1-acre lake. The lake is the focal point for five duplex units, which are somewhat separate from other housing facilities. Throughout the site there are trails and clearings for the use and enjoyment of the residents. Attached hereto is an exhibit marked "Site Plan" which provides a general overview of the facilities of Carmel Hills. See Attachment L.

## **Community Building**

The Community Building serves as the focal point for most Carmel Hills activities. The Community Building contains a main lounge/gathering area which has a fireplace as well as a piano, a central dining area and food service section, as well as several offices and a library/game/exercise room. The Community Building contains the majority of the dwelling units at Carmel Hills including the Assisted Living unit. The Community Building contains approximately 42,300 square feet. Attached hereto is an exhibit marked "Community Building" which provides a general overview of the central part of the Community Building. See attachment K.

## **Dwelling Units**

Carmel Hills provides 40 Dwelling Units which consist of:

**Five “A” Units.** This unit is located in the Community Building and contains approximately 350 square feet of living space with one main room and a private bath. The main room consists of a bedroom/sitting room, and a kitchenette equipped with sink, refrigerator, and stovetop unit or stove.

**Eight “B” Units.** This unit is located in the Community Building and contains approximately 450 square feet of living space with one main room and a private bath. The main room consists of a bedroom/sitting room, and a kitchenette equipped with sink, refrigerator, and stove.

**Eleven “C” Units.** This unit is located in the Community Building and contains approximately 600 square feet of living space, which is divided into the following: a living room, dining area, bedroom, and full bath. This unit also contains a separate kitchen complete with pantry, sink, refrigerator, and stove.

**Four “D” Units.** This is located in the Community Building and contains approximately 900 square feet of living space. The rooms are designed as a living room, dining area, and two bedrooms, with each bedroom serviced by its own bathroom. The unit also contains a separate kitchen complete with pantry, sink, refrigerator, and stove.

**One “E” Unit.** This unit is located in the Community building and contains approximately 950 square feet of living space, which is divided into the following: a bedroom with ensuite full bathroom, a separate kitchen complete with walk-in pantry, sink, refrigerator, stove, and microwave, and an open concept dining/sitting area leading into a larger living room/bonus room with its own full bath and storage areas.

**Ten “Cottage/Duplex Units”.** This is housed in one of five separate buildings apart from the Community Building. This unit contains approximately 1,130 square feet of living space. The unit consists of a living room, dining area, and two bedrooms. Each bedroom is serviced by its own bathroom. The unit also contains a separate kitchen complete with pantry, washer, dryer, sink, refrigerator, and stove.

**One “Cabin”.** This unit is a log cabin with approximately 896 square feet of living space. It contains a living/dining room, one bedroom, a fully equipped kitchen and full bath. It is a separate building apart from the community building. It fronts onto Carmel Road.

Attached hereto is an exhibit marked "Floor Plans," which provides an overview of each unit. See attachment J.

## **Assisted Living Unit**

The Assisted Living Unit is housed in the Community Building. The Assisted Living Unit contains 24 rooms. Each room is large enough to accommodate two beds. We are licensed for 38 beds. As per our previous discussions with the Department of Insurance, Financial Evaluation Division, the Board considers 30/31 to be “full” because at any time we can be required by our contracts as a Continuing Care Retirement Community to provide domiciliary care for residents from the independent section of Carmel Hills. Although such rooms may be occupied by one person, Carmel Hills makes no assurance or claims that such rooms will continue with single occupancy. The Licensed Domiciliary Care provides on-site care facilities for those residents who need assistance with personal hygiene and limited assistance in personal care.

**Continuing Care Occupants:** Carmel Hills anticipates that it will provide continuing care coverage for approximately 70 residents during the 2025-2026 fiscal year.



### **III. Policies**

#### **Standard for Admissions and Continued Occupancy**

Carmel Hills generally requires that all applicants be over age 55 years and capable of independent living, as solely determined by the Admissions Committee of Carmel Hills and the policies as determined by the Board of Directors. Acceptable applicants must demonstrate their financial ability, as solely determined by the Admissions Committee of Carmel Hills, to fully sustain themselves as a resident of Carmel Hills for the remainder of their lives. Carmel Hills may make exceptions to the above criteria, on a case-by-case basis and in consideration of such factors as the applicant's service to the fellowship of Christians (denoted by the referenced census bulletin at the end of this section) \*, the availability of funds by Carmel Hills, the availability of space within Carmel Hills, and other extenuating circumstances.

The first ninety (90) days of occupancy at Carmel Hills by a new resident constitutes a trial period during which a new resident may be required to terminate residency at Carmel Hills if the Board, in its sole discretion, determines that a resident is unable to make a physical or mental adjustment to the style of living provided. This trial period also serves to establish whether the applicant's physical and mental condition may have deteriorated since such applicant was accepted for admission. If an applicant prior to the ninety (90) day trial period, is unable to establish, to the sole satisfaction of the Admissions Committee of Carmel Hills, that they are mentally and physically capable of living at Carmel Hills and making the necessary adjustments to the style of living provided, then the resident shall be terminated, and refunded as provided under the provisions stated in Section VII.

In the application, the applicant has provided Carmel Hills with certain financial information upon which Carmel Hills shall rely in reviewing the application. The applicant represents that such financial information is true, accurate and complete. The applicant agrees not to deplete or otherwise dispose of any assets, cash or property of the applicant, before and after becoming a resident of Carmel Hills, through gifts or any other voluntary means to such an extent that the ability of the applicant to meet the monthly payments due for the Cost-of-Care shall be jeopardized. Carmel Hills may require such applicant not to make such disposition if, in the sole discretion of the Admissions Committee, such a disposition will deplete the applicant's or resident's assets in a manner that will jeopardize the applicant's or resident's ability to continue to meet the monthly payments for the Cost-of-Care.

A resident's privilege of living at Carmel Hills shall continue for the lifetime of such resident unless terminated under the terms set out in the Entrance Agreement and specified herein or unless terminated by such resident. However, neither the Entrance Agreement nor this disclosure statement is a lease and these documents do not create any interest on the part of any resident in the real property or personal property of Carmel Hills. The occupancy privilege of a resident does not and shall not inure to the use or benefit of any person, firm or corporation other than such resident. The rights of occupancy and all other rights of a resident shall at all times be subordinate and junior to the lien of any/all deeds of trust which might be executed by Carmel Hills.

**\*U.S. Department of Commerce Census of Religious Bodies, Bulletin #6, 1936**

#### **Transfer and Termination Policies**

The first ninety (90) days of the occupancy at Carmel Hills by a resident constitutes a trial period during which a resident may be required to terminate residency at Carmel Hills if the Board, in its sole discretion, determines that a resident is unable to make a physical or mental adjustment to the style of living provided.

A resident may voluntarily terminate residency at Carmel Hills at any time.

A resident shall be required to abide by the policies and regulations established from time to time by the Board concerning the conduct and activity of all residents of Carmel Hills. Carmel Hills may terminate a resident's occupancy for failure to comply with such policies and regulations.

As part of the application procedure, each applicant must furnish Carmel Hills with certain specified financial and medical information. Carmel Hills may terminate a resident for falsifying or failing to reveal financial and medical information requested on the application forms.

The Board shall have a right to terminate the residency of a resident at Carmel Hills at any time for what is, in the sole judgment and discretion of the Board, any just or sufficient cause, and any such termination shall be final and conclusive. Any refund shall be pursuant to contract.

In the event of a termination of residency the only refund of the Entrance Fee shall be as provided in Section VII subsection labeled "Refund Policies" (Pages 29-30)

Carmel Hills maintains the right to transfer a resident, either temporarily or permanently, to another facility when nursing care is required under the prescription or direction of a resident's physician or other licensed physician of Carmel Hills' choosing.

If Carmel Hills determines, in its sole discretion, that a resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health or peace of other residents of Carmel Hills, then Carmel Hills shall have the right to transfer such resident to such other facility as Carmel Hills, in its discretion, and upon the order or prescription of such resident's physician or the order of a licensed physician selected by Carmel Hills, shall determine to be in the best interest of such resident. The transfer shall be according to the conditions and procedures specified in paragraph (2) of rule 10A NCAC 13F.0702 effective April 1, 2024.

Individuals admitted directly to the Assisted Living Unit of Carmel Hills and who are not under continuing care coverage occupy such facility on a day-to-day basis. Carmel Hills may transfer or discharge such residents upon its sole discretion. Carmel Hills may transfer or discharge such residents when additional beds are necessary for continuing care residents or Affiliated Applicants. Carmel Hills is not obligated to convert any or all rooms in the Assisted Living Unit from single occupancy to double occupancy before discharging a resident not under continuing care.

Carmel Hills, in its sole discretion, can terminate a resident's occupancy for such resident's failure to make the prescribed payments in a timely manner.

### **Availability of Dwelling Units and Rooms within the Assisted Living Unit**

A Dwelling Unit or a bed in the Assisted Living Unit may be made available by Carmel Hills to a different or new resident under the following circumstances:

1. termination of the occupancy of a prior resident
2. transfer of a resident to another unit within Carmel Hills
3. transfer of a resident to a nursing care facility or other health care facility outside Carmel Hills
4. allowing an additional individual to share a currently occupied Dwelling Unit
  - only upon request of all residents then occupying the Dwelling Unit-and-
  - only with the approval of Carmel Hills
5. admitting a resident or applicant to a then-occupied room in the Assisted Living Unit

## **Financial Assistance**

Carmel Hills has a policy of trying to assist qualified and needy applicants or residents who are unable to meet all of the financial requirements. The Board will determine in its sole discretion whether to waive or reduce certain financial requirements and the terms by which such a reduction or waiver will be provided. Residents or applicants who feel financial assistance may be necessary are encouraged to inquire. Specific contributions to provide this assistance are received from time to time.

The Carmel Hills Resident's Assistance Fund (RAF) was established (prior to 1980) to provide assistance to some of the Lord's people who may not be able to live in Carmel Hills without some financial assistance.

Opportunity is given to any who want to contribute to this fund, to do so by making tax-deductible contributions to Carmel Hills, designated for the "*Carmel Hills Resident's Assistance Fund*". Contributions may be made in cash, in property, by will or by any legitimate means.

The Fund is administered by the Carmel Hills Board of Directors which may establish a committee for this purpose. Administration will be in accordance with the guidelines contained herein and any guidelines established in the future by the Carmel Hills Board of Directors.

At the discretion of the Board of Directors, the Fund (RAF) may be used to provide assistance for entry into and/or continuing maintenance in either the Residential Section or the Assisted Living Unit of Carmel Hills or any other facility serving under the jurisdiction of Carmel Hills.

## **Guidelines for Administration of the Fund**

1. Both the principal and any interest earned by the Fund are available for use in the purposes of the fund.
2. Contributions to the Fund may be received from assemblies and individuals in assemblies and from other Christians who are sympathetic with the purposes of the Fund.
3. Assistance from the Fund may be provided to anyone who is in regular fellowship in one of the assemblies expressing practical fellowship with Carmel Hills and the Charlotte Gospel Hall. Such fellowship must have been in effect for a reasonable time. From time to time, the Board of Directors may choose to amend this policy for specific situations and for specific periods of time. Such changes will be recorded in the board minutes.
4. Candidates for assistance must:
  - Meet all entrance requirements of Carmel Hills except the financial requirements.
  - Fill out and submit a "Resident's Assistance Fund Application".
  - Be commended to the Carmel Hills Board for assistance by his or her local assembly.
  - Be willing to use his or her own resources as far as possible and be willing to accept whatever appropriate Social Security or other help which may be available.
5. The local assembly and the family of the individual should be willing to make contributions to the Fund or to the individual's financial needs as they are able and are free before the Lord to do so.

Specific donor contributions for restricted projects are used only for those projects.

## **Non-Smoking Policy**

Carmel Hills is a Smoke Free facility. Residents and their guests are not permitted to smoke in their Independent Living Units ("Dwelling Units"). In order to assure the health and safety of all of its Residents, Carmel Hills prohibits smoking in all common areas and in all the Assisted Living rooms.

## **Pet Policy**

Pets may be permitted under certain guidelines, in accordance with the Carmel Hills Pet Policy currently in effect. We have adopted the following pet policy: Smaller, well-behaved pets under the weight of 20 lbs. are permitted in the Cottage/Duplex units. No pets are permitted in the main building or any of the Independent Living Units ("Dwelling Units") in the main building. A separate signed Pet Policy Agreement and \$500 non-refundable pet fee is required. With a heavily wooded site, you will see a large variety of small birds, herons, hawks, owls, and other wild species. Properly trained pets make regularly scheduled visits to our Assisted Living for the pleasure of those residents who enjoy live animals.

## **IV. Residential Plans Available**

Three Plans are available. They are:

- 1. Residency Fee only**

Hereafter called **Magnolia Plan** - admittance to Carmel Hills assisted living is not guaranteed.

- 2. 90% Refundable Entrance Fee**

Hereafter called **Oak Plan** - admittance to Carmel Hills assisted living is not guaranteed.

- 3. Declining Refund Entrance Fee**

Hereafter called **Maple Plan** - admittance to Carmel Hills assisted living is guaranteed.  
(Declining refund during the first 21 months of occupancy.)

## **V. Services**

### **Independent Residents and Assisted Living Residents**

Residents residing in the Dwelling Units of Carmel Hills receive the following benefits:

1. Bi-weekly light housekeeping of each Dwelling Unit;
2. Laundry of bed linens in conjunction with light housekeeping activity.
3. All utilities--heating, air conditioning, gas, electricity, trash removal. Residents pay individually for internet, telephone and television service;
4. Homeowners insurance on the building. Residents are required to maintain a renters insurance policy naming Carmel Hills as an Additional Interest. Current details of the Personal Liability Limits that are recommended are available from the front office.
5. One well-balanced meal each day served semi-cafeteria style in the dining room. The resident's plate is prepared by the food service department in the resident's presence, and the resident selects his own salads, drinks, etc. Residents may prepare additional meals in their own Dwelling Unit;

6. Use of all common areas, including lounge, library, dining room, exercise area, porch, lawn, lake, parking area, nature trails and walks;
7. Mail delivered daily, except on postal holidays, to residents' private locked boxes located in the lobby, or lower hall;
8. Free use of laundry facilities for personal laundry;
9. Maintenance and repair of all Carmel Hills' facilities;
10. Limited care in Carmel Hills' Assisted Living Unit, if needed. A semi-private room will be provided. The Care Unit is limited to such functions as may be provided in a "domiciliary home," as such term is defined under North Carolina General Statutes Chapter 131E-101, et. seq. in that, medical care in Carmel Hills is usually occasional or incidental, such as may be required in the home of any individual or family, but the administration of medication is supervised. Continuing planned medical and nursing care to meet the resident's needs may be provided under the direct supervision of a physician, nurse, or home health agency. Residents residing in the Assisted Living Unit receive three well-balanced meals per day. In addition, there are a number of intangible benefits provided residents including the following:
  - (a) Opportunity to have freedom from loneliness--in addition to other Christian residents, there are many from the local assembly at Charlotte Gospel Hall who spend time at Carmel Hills. Residents are free to invite their own family and friends, and there are frequent visitors from other parts of the country.
  - (b) Increased fellowship with other Christians.
  - (c) Less stress from the many financial responsibilities of home ownership, including freedom from repairs, upkeep, grass cutting and snow shoveling.
  - (d) Organized meetings and activities.
  - (e) Ability to come and go as resident wishes.

### **Continuing Care**

Residents initially admitted to the Dwelling Units or initially admitted directly to the Assisted Living Unit under an agreement for continuing care, may be transferred by Carmel Hills to another licensed North Carolina domiciliary care facility or a licensed North Carolina nursing care facility approved by Carmel Hills should they require a level of care beyond what can be provided at Carmel Hills. All residents except those under the Declining Refund Entrance Fee (Maple Plan) shall pay to such facility the rates charged for services rendered.

When a Declining Refund Entrance Fee (Maple Plan) resident is transferred to such a nursing care facility licensed by the State of North Carolina and approved by Carmel Hills, Carmel Hills will pay the Basic Monthly Service Charge of the nursing care facility at the rate for a semiprivate room for such nursing care facility. A Declining Refund Entrance Fee (Maple Plan) resident may be transferred to another care facility if: (1) Carmel Hills determines, in its sole discretion, that a resident has become so physically or mentally ill as to jeopardize such resident's health or peace or as to jeopardize the health and peace of other residents; or (2) if a similar determination is made by the resident's physician, provided that Carmel Hills agrees with such physician's determination. Should Carmel Hills disagree with such physician's determination, then Carmel Hills shall select a licensed physician to make an independent

determination. Such a determination shall be conclusive as to whether or not the resident shall be transferred.

If a Declining Refund Entrance Fee (Maple Plan) resident moves or is transferred to a nursing care facility under one of the above conditions, all expenses incurred for such resident's occupancy and care in such receiving nursing care facility, with the exception of the receiving facility's basic Monthly Service Charge at a semi-private room rate, shall be borne by such resident. Carmel Hills will only pay the receiving facility's basic Monthly Service Charge to the extent it is not covered by a resident's insurance and/or Medicare. In no event shall Carmel Hills pay for ancillary services provided to the transferred resident. Carmel Hills will also not pay for the use and maintenance of respirators, heart lung machines, dialysis machines or any other life support equipment or machinery. Carmel Hills will not be responsible for any transportation activities related to the above-mentioned equipment or procedures. While a resident is an occupant of any such nursing care facility, such resident will be obligated to pay the current monthly fee of \$3,915 for a semi-private room.

## **Enhancements for Independent Living**

Available to Current Independent Residents in their dwelling units.

Any Transfers to Assisted Living are based on medical necessity, acceptance and availability.

**Criteria** – Must be able to: Use the phone; Ambulate; Bathe & transfer in and out of tub or shower; Manage medications; and Manage cash & finances.

### **1. Offering**

- Three Meals Per Day-in main dining room as per scheduled menu (we can accommodate therapeutic diets as per doctors' orders)
- Light Housekeeping-done biweekly
- Laundry of bed linens-done biweekly (No Ironing)
- Scheduled Transportation

### **2. Additional**

- Life Line: \$42.00/month
- List Responders (Excluding Employees of Carmel Hills)
  1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. 911
- Personal Shopping or grocery shopping – Monday – Thursday \$25.00 per hour (or \$15.00/additional half hour or fraction). Must be scheduled in advance through the office.
- Transportation: Three free trips to and from doctors per month. Additional trips within 7 miles @ \$25.00/trip.

**Not available in Independent Living:** Medication management; Bathing, grooming, dressing; Management of finances or cash; or Transportation before 8am and for trips ending after 4pm.

## **Other Services**

Carmel Hills is under no affirmative obligation to provide any services beyond what is herein indicated and under the terms so indicated. Guest meals and a two (2) bed guest room are available upon advance reservation and availability of the guest room, for a fee of \$8.00 per meal and \$50.00 per night. Carmel Hills may also provide additional services not herein indicated, at an additional fee. Any additional services which Carmel Hills may provide from time to time are done so at Carmel Hills' sole discretion and shall not be considered an entitlement by any resident.

## **VI. Fees**

### **Affiliated and Non-Affiliated Residents or Applicants**

Fees may vary between those Carmel Hills residents and applicants who are associated with the company of Christians identified per subject census document\* and those who are not associated. Individuals who are associated with the company of Christians identified per the subject census document\* shall hereinafter be referred to as Affiliated Residents or Affiliated Applicants. To qualify for affiliation, the applicant must have been identified with a congregation defined by the subject census document\* prior to his or her making application to Carmel Hills. When application is made jointly by a husband and wife, or by two or more long-established friends who have previously lived together, if either spouse or any of the friends are affiliated with those identified by the census,\* then for purposes of classification, determination of fees, and rights to a certain level of services, both spouses and all of the friends shall be considered in affiliation with those identified by the census bulletin.\*

The Admissions Committee shall determine, in its sole discretion, whether a group of individuals are long-established friends who have previously lived together. If a resident, formerly not affiliated with those identified by the census bulletin,\* subsequently becomes affiliated with those identified by the census bulletin,\* he or she shall still be deemed to be Non-Affiliated for the purposes of determining fees, rights to a certain level of services, and priority for limited facilities. When spouses or long-established friends, having previously lived together, do not apply jointly, each individual's affiliation with those identified by the census bulletin\* will be determined separately. A decision on whether an individual is affiliated with those identified by the census bulletin\* is based solely on a determination by the Admissions Committee of Carmel Hills. The Admission Committee's finding shall be final and conclusive.

### **Application Fee**

A \$200 application fee for both Affiliated and Non-Affiliated Applicants is paid with the presentation of a written application to Carmel Hills. Each individual must submit a separate application and a separate application fee. Applications are said to be "joint" when such applications are submitted together at the same time and are indicated on the application as "joint". The application fee is non-refundable and is not part of the Entrance Fee, Residency Fee, or Security Deposit.

## **Entrance/Residency Fees for Residents Admitted to Dwelling Unit:**

Residents admitted directly to the Dwelling Units at Carmel Hills must pay a one-time Entrance Fee or Residency Fee. A resident's privilege of living at Carmel Hills shall continue for the lifetime of such resident unless terminated under the terms set out in their specific Entrance Agreement or unless terminated by such resident (see item #41 in contract). The amount of the fee varies according to the size of the Dwelling Unit. The amount of the Entrance Fee or Residency Fee also differs between Affiliated Applicants and Non-Affiliated Applicants. The Entrance Fee or Residency Fee currently for one or more individuals, admitted jointly (i.e. admitted at the same time after submitting a joint application), to a then unoccupied Dwelling Unit is as follows:

Individuals admitted directly (i.e. not transferred from another Dwelling Unit) to an occupied Dwelling Unit, except those who choose the Magnolia Plan, must currently pay a minimum of \$113,890 to offset the cost of the continuing care obligation of Carmel Hills. An additional amount may also be required. The amount of the additional Entrance Fee or Residency Fee shall be determined on a case-by-case basis, depending on, among other things, whether, in the sole discretion of the Carmel Hills' Admissions Committee, the new resident will affect the projected turnover rate of the Dwelling Unit. In order to be admitted to a Dwelling Unit occupied by a resident of Carmel Hills, the applicant must be requested by the current resident(s) of the Dwelling Unit, and the applicant must also be approved by Carmel Hills' Admissions Committee. Entrance Fee or Residency Fee requirements and application procedures within this paragraph are applicable for all applicants seeking direct admission to a then occupied Dwelling Unit. A spouse seeking admission to Carmel Hills, whose spouse has previously been admitted, is not automatically entitled to admission into Carmel Hills (this includes marriage to a non-resident). The spouse requesting such subsequent admission must meet the admission requirements of Carmel Hills and must also be accepted for admission by the Carmel Hills Admissions Committee. The spouse requesting admission must also pay an assessed Entrance Fee or Residency Fee as determined under the provisions described in this paragraph. The monthly fee to be paid by the second person is listed under Monthly Cost-of-Care as "extra person in any unit".

### **Affiliated Applicant's Entrance Fee / Residency Fee (Applies to Magnolia Plan Only)**

<b>Entrance Plan Chosen</b>	<b>Magnolia</b>	<b>Oak</b>	<b>Maple</b>
	* Residency Fee	90% Refundable Entrance Fee	Declining Refund Entrance Fee
<b>Dwelling Unit</b>			
A Unit	\$4,660	\$70,185	\$93,575
B Unit	\$5,000	\$85,415	\$113,980
C Unit	\$5,950	\$106,680	\$142,245
D Unit	\$6,965	\$152,385	\$203,180
E Unit	\$6,965	\$152,385	\$203,180
Cabin	\$6,445	\$129,540	\$172,725
Cottage/Duplex unit	\$7,455	\$169,315	\$225,750
Second Person Fee	\$3,680	\$60,985	\$81,315



**Non-Affiliated Applicant's Entrance Fee / Residency Fee (Applies to Magnolia Plan Only)**

Entrance Plan Chosen	Magnolia	Oak	Maple
	* Residency Fee	90% Refundable Entrance Fee	Declining Refund Entrance Fee
<b>Dwelling Unit</b>			
A Unit	\$11,655	\$84,225	\$112,295
B Unit	\$12,520	\$102,505	\$136,670
C Unit	\$14,875	\$128,030	\$170,700
D Unit	\$17,400	\$182,860	\$243,815
E Unit	\$17,400	\$182,860	\$243,815
Cabin	\$16,115	\$155,440	\$207,260
Cottage/Duplex unit	\$18,650	\$203,180	\$270,910
Second Person Fee	\$9,200	\$73,185	\$97,580

*\* Residency Fee applies to Magnolia plan only.*

**Monthly Cost-Of-Care:**

For residents residing in the Dwelling Units the Monthly Cost-of-Care varies according to the Dwelling Unit occupied, the residential plan selected, and the number of persons admitted to the Dwelling Unit. There is no distinction in Monthly Cost-of-Care fees assessed to Affiliated Residents and Non-Affiliated Residents

**Monthly Cost-of-Care**

Plan	Magnolia	Oak	Maple
	Residency Fee	90% Refundable Entrance Fee	Declining Refund Entrance Fee
<b>Dwelling Unit and Number of Persons Occupying Unit</b>			
One person in A Unit	\$2,625	\$2,440	\$1,755
One person in B Unit	\$2,820	\$2,650	\$1,810
One person in C Unit	\$3,345	\$3,170	\$2,125
One person in D Unit	\$3,915	\$3,810	\$2,310
One person in E Unit	\$3,915	\$3,810	\$2,310
One person in Cabin	\$3,630	\$3,485	\$2,215
One person in Cottage/Duplex	\$4,195	\$4,100	\$2,440
Extra Person in any Unit *	\$2,070	\$1,940	\$1,350

*\* (Generally not recommended for A Units)*

### **Fees for Transferring Between Dwelling Units Including Marriages:**

Residents, with permission of Carmel Hills, may transfer from one Dwelling Unit to another. When the transfer is from a smaller Dwelling Unit to a larger Dwelling Unit, cost for such a transfer shall be the difference between the Entrance Fee or Residency Fee at the time of his or her admission and the current Entrance Fee or Residency Fee for the unit to which the resident wishes to transfer. The Entrance Fee or Residency Fee on the Dwelling Unit to which the transferring resident wishes to transfer is calculated as if there was then no resident then occupying such Dwelling Unit. When more than one current resident of Carmel Hills is transferring into the same Dwelling Unit the transfer fee is calculated by deducting the aggregate Entrance Fees or Residency Fee paid by each of the transferring residents from the Entrance Fee or Residency Fee then required for the Dwelling Unit to which the transferring residents transfer. Carmel Hills will not refund any Entrance Fees or Residency Fee to transferring residents, even in the event that the amount of Entrance Fees or Residency Fee paid by the transferring resident or residents exceeds the then-current Entrance Fee or Residency Fee for the unit to which the resident(s) transfer. The monthly fee to be paid by the second person is listed under monthly Cost-of-Care as "extra person in any unit". In addition to the above transfer fees, residents will be responsible for other expenses as detailed in the subsection labeled "Other Fees."

Any resident who leaves Carmel Hills because of marrying a non-resident is subject to the same refund policy that applies to all other residents, as found on pages 28 to 29 under refund policies.

### **Fees for Transferring to Assisted Living Unit or Nursing Facilities:**

Depending on the plan chosen, residents originally admitted to the Dwelling Units of Carmel Hills who have been temporarily or permanently transferred to the Assisted Living Unit in Carmel Hills or have been temporarily or permanently transferred to other care facilities under a plan of continuing care coverage by Carmel Hills, shall remain liable for the Monthly Cost-of-Care as long as the unit is retained. The Monthly Cost-of-Care fee will continue until the dwelling unit being occupied by the resident becomes unoccupied and available for disposition by Carmel Hills to a new resident. The Monthly Cost-of-Care for such transferred residents shall be at the same rate as if the transferred person was still residing in or retaining the Dwelling Unit. In addition to the Monthly Cost-of-Care each resident transferred from a Dwelling Unit to Assisted Living Unit shall pay an additional fee. The fee for care in the Assisted Living area for each Residential Plan is listed below. If the resident is temporarily or permanently transferred to another facility Maple Plan residents continue to pay the same rate as if they were in the Carmel Hills Assisted Living; residents with other plans pay the rates charged by the new facility to that facility for their services rendered.

The semi-private fees associated with the other Residential Plans are:

- Magnolia – Presently, \$6,380 per month.
- Oak – 95% of Magnolia Plan, or \$6,065 per month.

Declining Entrance Fee (Maple Plan) residents initially admitted to a Dwelling Unit and currently residing in the Assisted Living Unit of Carmel Hills, must pay the current rate of \$3,915 per month for semi-private accommodations.

**When available and practical, private rooms may be provided at an additional cost.**

### **Entrance Fee for Residents Admitted Directly to the Assisted Living Facility:**

Both Affiliated Applicants and Non-Affiliated Applicants may be admitted directly to the Assisted Living Facility at Carmel Hills. There is no entrance fee, either for Affiliated Applicants or Non-Affiliated Applicants, for direct admission into the Assisted Living facility, unless such an applicant seeks Carmel Hills' continuing care coverage. This continuing care coverage was previously described within the "Service" subsection herein. Individuals admitted directly to the Assisted Living Unit of Carmel Hills are only eligible for continuing care coverage if they are in association with those identified by the census bulletin,\* as previously defined, and contract for the continuing care coverage. Affiliated Residents admitted directly to the Assisted Living Unit who desire Carmel Hills' continuing care coverage must pay an entrance fee of \$111,110 per person for a semi-private room.

### **Residency Fee for Residents Admitted Directly to the Assisted Living Facility:**

There is a one-time residency fee of \$2,250 for residents admitted directly to the Assisted Living Facility at Carmel Hills.

### **Room Reservation Fees for Residents Admitted Directly to the Assisted Living Facility:**

Room reservation fees may also apply when a potential resident is unable to move in right away but would like to reserve the room. Currently the fee is 50% of the normal room rate calculated daily for the first thirty (30) days and 100% of the normal rate on the thirty-first (31<sup>st</sup>) day and thereafter.

### **Monthly Cost-Of-Care for Residents Admitted Directly to the Assisted Living Facility at Carmel Hills**

The Monthly Cost-of-Care fee for Affiliated Residents admitted directly to the Assisted Living Facility of Carmel Hills with or without an agreement for continuing care coverage is not to be greater than \$6,380 per person for a semi-private room. Non-Affiliated residents admitted directly to the Assisted Living Unit at Carmel Hills shall pay a Monthly Cost-of-Care fee not greater than \$6,380 per person for a semi-private room. When available and practical, private rooms may be offered. The present extra charge for a private room is \$1,895 per month.

### **Other Fees:**

1. Residents of Carmel Hills transferring from one Dwelling Unit to another shall be responsible for such expenses incurred by Carmel Hills in preparing both the unit to which the resident is transferring and the unit from which the transferring resident has left. When the resident requests the transfer, he will be responsible to pay the higher of the two monthly rates until the vacated apartment has been occupied. Such expenses may include, but are not limited to, painting of the Dwelling Units, and replacing certain appliances, even if the performance of such services and replacement are necessitated by normal wear and tear on the Unit. All residents whether transferring between Dwelling Units or transferring away from Carmel Hills, are responsible for insuring that the Dwelling Units are completely cleaned and restored to the condition in which such residents found the Dwelling Units, aside from normal wear and tear. Carmel Hills shall determine in its sole discretion whether certain damage is the result of normal wear and tear. Carmel Hills may assess such resident or his estate the cost to clean and restore the Dwelling Unit. If a

resident moves from a larger unit to a smaller unit and transitions to the Assisted Living within 6 months of moving from a larger unit, the resident will pay the larger unit rate in the Assisted Living.

\*U.S. Department of Commerce Census of Religious Bodies, Bulletin #6, 1936

2. In the event a resident is transferred from Carmel Hills, or in the event of the death of a resident, Carmel Hills shall request that all items from a resident's unit be removed within 48 hours. Carmel Hills retains the right to remove and store the furniture and personal effects of such a resident on its premises for thirty (30) days from such transfer or until such prior time as written instructions are received from such resident or his legal representative as to the disposition of such items. If, after thirty (30) days, no such instructions are received, Carmel Hills may, at its option, transfer such items to a public storage facility at the expense of the resident or his estate.

3. Carmel Hills may provide additional services other than such services as previously listed herein. In such cases where Carmel Hills provides services or items not herein specified, Carmel Hills may charge additional fees for such services or items. The cost of such items shall be determined in the sole discretion of Carmel Hills. The estimated cost of such services must be stated to the resident or Applicant prior to any agreement for the performance of such services by Carmel Hills.

4. Carmel Hills shall have no responsibility to provide to a resident, and a resident shall be responsible for providing and paying for, the following items received or used by a resident: all medicine (prescription and non-prescription); all surgical, medical, dental and optical services, all fees to physicians, nurses and other medical care personnel, all medical services of any type beyond those services which are described in the section labeled "Services"; dry-cleaning and laundry services other than those which might be available on the grounds of Carmel Hills for use by the residents; telephone; and, cablevision services.

5. Except for domiciliary nursing care and the one meal per day provided by Carmel Hills to a resident at no extra cost, a resident shall pay from such resident's own funds the deductible, the per diem and all other charges for or cost to Carmel Hills of any hospitalization and medical and other health services not paid for by the Medicare programs or other insurance. Carmel Hills shall not be responsible for any charges for such services but may, to the extent that a resident's resources are inadequate to do so, from time to time in its charitable function and in the sole discretion of the Board, assist a resident in paying such charges.

6. A resident who resides in a Cottage/Duplex is permitted to have pets. A separate signed Pet Policy Agreement and a \$500 non-refundable pet fee is required (See attachment I)

### **Payment Policies:**

1. Upon becoming a resident of Carmel Hills, payment is due before the 10th day of each month for the Monthly Cost-of-Care for that month. If a resident is unable to make full payment of all amounts due under the Entrance Agreement at the time such payment is due, the resident shall notify the administrator of Carmel Hills in writing, giving an explanation of the present situation and a current financial statement. Carmel Hills will determine in its sole discretion whether to waive or reduce certain financial requirements and the terms by which such reduction or waiver will be provided. A waiver of any Monthly Cost-of-Care must be in writing. A waiver of a fee or any part thereof for any particular month shall not constitute a waiver for any subsequent months unless so specifically stated in writing by Carmel Hills. If a resident is unable to make full payment of all amounts due and Carmel Hills chooses to

terminate the Entrance Agreement for failure to pay, Carmel Hills shall first provide written notice demanding that the resident bring his account current within twenty (20) days from receipt of the written demand. Should the resident fail to bring the account current within the twenty (20) day period, then Carmel Hills may in its sole discretion, terminate the Entrance Agreement.

2. A resident shall, upon request by Carmel Hills, apply for any federal, state or local grant, aid or benefits for which such resident may be eligible or to which such resident may be entitled, and a resident shall apply such grant, aid or benefits to the Monthly Cost-of-Care of such resident in keeping with the account procedures of Carmel Hills.

3. If the applicant or resident is eligible and not already enrolled, the applicant or resident shall, upon request by Carmel Hills:

(a) apply for and secure participation under the Medicare hospital insurance benefits program under part A of Public Law 89-97;

(b) at the next enrollment period following the application of the applicant or resident to Carmel Hills, apply for, secure and pay the premiums for participation under part B of Public Law 89-97.

4. A resident shall authorize, as requested by Carmel Hills, any provider of hospitalization, medical or health services under Medicare Part A and Part B and of any other hospitalization, medical or health services to receive reimbursement as provided under those programs or as provided from any insurer providing hospitalization, medical and health insurance which covers such residents.

5. A resident shall make, as may be necessary, assignment to the provider of medical and other health services under Medicare Part B and any supplementary extended coverage plan of all benefits accruing to such a resident under such plans. Carmel Hills' obligation to render services to a resident is contingent upon such resident's payment of the prescribed fees, including the Entrance Fee and the Monthly Cost-of-Care.

### **Notification of Fee Increases:**

All fees herein stated as current fees are based on fees assessed to residents as of May 1, 2025. Carmel Hills by its action in the total discretion of the Board, may, at any time and from time to time, increase or decrease any and all fees, including but not limited to, the Application Fee, the Monthly Cost-of-Care fees, the Supplemental Cost-of-Care, the Entrance Fees and the Residency Fees. Such increases and decreases may become necessary based upon changes in the cost of living and other economic factors. Notice of fee increases will be given thirty (30) days prior to the effective date of the increase. All then-current residents, including residents transferred to outside nursing care facilities under the continuing care program of Carmel Hills, are responsible for any increases in the fees required by Carmel Hills. Residents are not responsible for any increases in the Entrance Fee once such residents have begun their occupancy at Carmel Hills, unless such a resident transfers to a different Dwelling Unit. In the event of such a transfer the increased Entrance Fee becomes part of the calculation for determining the applicable transfer fee under the formula in Section VI set out in the subsection labeled "Fees for Transferring between Dwelling Units." All applicants are responsible for payment of any increases in the required Entrance Fee that occur after the application has been made, but before final approval of the applicant. In the event that any fees, including Entrance Fees are decreased, neither current residents nor applicants will be entitled to any refunds.

## Changes in Fees for Previous Five Years:

Only Maple Plan has been previously offered.

**\*ADA (Average Dollar Amount) increase from previous year**

### Entrance Fee, Affiliated Residents Declining Refund Entrance Fee (**Maple Plan**)

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
Unit A	81,559	2,375	85,637	4,078	88,635	2,998	91,295	2,660	93,575	2,280
Unit B	99,264	2,891	104,227	4,963	107,875	3,648	111,110	3,235	113,890	2,780
Unit C	123,982	3,611	130,181	6,199	134,735	4,554	138,775	4,040	142,245	3,470
Unit D	177,089	5,157	185,943	8,854	192,450	6,507	198,225	5,775	203,180	4,955
Unit E	177,089	5,157	185,943	8,854	192,450	6,507	198,225	5,775	203,180	4,955
Duplex	196,761	5,730	206,599	9,838	213,830	7,231	220,245	6,415	225,750	5,505
Cabin	150,539	4,384	158,066	7,527	163,600	5,534	168,510	4,910	172,725	4,215
Assisted Living	99,264	2,891	104,227	4,963	107,875	3,648	111,110	3,235	113,890	2,780
2nd Person	70,871	2,064	74,415	3,544	77,020	2,605	79,330	2,310	81,315	1,985

### Entrance Fee, Non-Affiliated Residents Declining Refund Entrance (**Maple Plan**)

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
Unit A	97,873	2,851	102,767	4,894	106,365	3,598	109,555	3,190	112,295	2,740
Unit B	119,117	3,469	125,073	5,956	129,450	4,377	133,335	3,885	136,670	3,335
Unit C	148,780	4,333	156,219	7,439	161,685	5,466	166,535	4,850	170,700	4,165
Unit D	212,505	6,189	223,130	10,625	230,940	7,810	237,870	6,930	243,815	5,945
Unit E	212,505	6,189	223,130	10,625	230,940	7,810	237,870	6,930	243,815	5,945
Duplex	236,116	6,877	247,922	11,806	256,600	8,678	264,300	7,700	270,910	6,610
Cabin	180,643	5,261	189,675	9,032	196,315	6,640	202,205	5,890	207,260	5,055
Assisted Living	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2nd Person	85,047	2,477	89,299	4,252	92,425	3,126	95,200	2,775	97,580	2,380

**\*ADA (Average Dollar Amount) increase from previous year**

**Entrance Fee, Affiliated Residents 90% Refundable Entrance Fee (Oak Plan)**

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
Unit A	61,171	1,782	64,230	3,059	66,480	2,250	68,475	1,995	70,185	1,710
Unit B	74,448	2,168	78,170	3,722	80,905	2,735	83,330	2,425	85,415	2,085
Unit C	92,985	2,708	97,634	4,649	101,050	3,416	104,080	3,030	106,680	2,600
Unit D	132,817	3,868	139,458	6,641	144,340	4,882	148,670	4,330	152,385	3,715
Unit E	132,817	3,868	139,458	6,641	144,340	4,882	148,670	4,330	152,385	3,715
Duplex	147,571	4,298	154,950	7,379	160,375	5,425	165,185	4,810	169,315	4,130
Cabin	112,904	3,288	118,549	5,645	122,700	4,151	126,380	3,680	129,540	3,160
Assisted Living	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2nd Person	53,152	1,548	55,810	2,658	57,765	1,955	59,500	1,735	60,985	1,485

**Entrance Fee, Non-Affiliated Residents 90% Refundable Entrance Fee (Oak Plan)**

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
Unit A	73,405	2,138	77,075	3,670	79,775	2,700	82,170	2,395	84,225	2,055
Unit B	89,339	2,603	93,806	4,467	97,090	3,284	100,005	2,915	102,505	2,500
Unit C	111,585	3,252	117,164	5,579	121,265	4,101	124,905	3,640	128,030	3,125
Unit D	159,379	4,642	167,348	7,969	173,205	5,857	178,400	5,195	182,860	4,460
Unit E	159,379	4,642	167,348	7,969	173,205	5,857	178,400	5,195	182,860	4,460
Duplex	177,088	5,158	185,942	8,854	192,450	6,508	198,225	5,775	203,180	4,955
Cabin	135,483	3,946	142,257	6,774	147,235	4,978	151,650	4,415	155,440	3,790
Assisted Living	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2nd Person	63,786	1,858	66,975	3,189	69,320	2,345	71,400	2,080	73,185	1,785

**\*ADA (Average Dollar Amount) increase from previous year**

**Residency Fee Affiliated Residents No Entrance Fee (Magnolia Plan)**

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	AD A	12 Months	AD A	12 Months	AD A	12 Months	AD A	12 Months	ADA
Unit A	4,065	118	4,268	203	4,415	147	4,545	130	4,660	115
Unit B	4,364	127	4,582	218	4,740	158	4,880	140	5,000	120
Unit C	5,184	151	5,443	259	5,635	192	5,805	170	5,950	145
Unit D	6,068	177	6,371	303	6,595	224	6,795	200	6,965	170
Unit E	6,068	177	6,371	303	6,595	224	6,795	200	6,965	170
Duplex	6,503	189	6,828	325	7,065	237	7,275	210	7,455	180
Cabin	5,618	164	5,899	281	6,105	206	6,290	185	6,445	155
2nd Person	3,205	93	3,365	160	3,485	120	3,590	105	3,680	90

**Residency Fee Non-Affiliated Residents No Entrance Fee (Magnolia Plan)**

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
Unit A	10,161	296	10,669	508	11,040	371	11,370	330	11,655	285
Unit B	10,915	318	11,461	546	11,860	399	12,215	355	12,520	305
Unit C	12,962	378	13,610	648	14,085	475	14,510	425	14,875	365
Unit D	15,165	442	15,923	758	16,480	557	16,975	495	17,400	425
Unit E	15,165	442	15,923	758	16,480	557	16,975	495	17,400	425
Duplex	16,256	473	17,069	813	17,665	596	18,195	530	18,650	455
Cabin	14,043	409	14,745	702	15,260	515	15,720	460	16,115	395
2nd Person	8,018	234	8,419	401	8,715	296	8,975	260	9,200	225



**\*ADA (Average Dollar Amount) increase from previous year**

**Monthly Cost-of-Care, Affiliated and Non-Affiliated  
Declining Refund Entrance (Maple Plan)**

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
1/A	1,526	37	1,602	76	1,660	58	1,710	50	1,755	45
1/B	1,579	38	1,658	79	1,715	57	1,765	50	1,810	45
1/C	1,852	45	1,945	93	2,015	70	2,075	60	2,125	50
1/D	2,014	49	2,115	101	2,190	75	2,255	65	2,310	55
1/E	2,014	49	2,115	101	2,190	75	2,255	65	2,310	55
1/Duplex	2,126	52	2,232	106	2,310	78	2,380	70	2,440	60
1/Cabin	1,928	47	2,024	96	2,095	71	2,160	65	2,215	55
2/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2/B	2,752	67	2,890	138	2,990	100	3,080	90	3,155	75
2/C	3,025	74	3,177	152	3,290	113	3,390	100	3,475	85
2/D	3,187	78	3,347	160	3,465	118	3,570	105	3,660	90
2/E	3,187	78	3,347	160	3,465	118	3,570	105	3,660	90
2/Duplex	3,299	81	3,464	165	3,585	121	3,695	110	3,785	90
2/Cabin	3,101	76	3,256	155	3,370	114	3,490	120	3,575	85

**Monthly Cost-of-Care, Affiliated and Non-Affiliated  
90% Refundable Entrance Fee (Oak Plan)**

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
1/A	2,126	52	2,232	106	2,310	78	2,380	70	2,440	60
1/B	2,310	56	2,425	115	2,510	85	2,585	75	2,650	65
1/C	2,764	67	2,902	138	3,005	103	3,095	90	3,170	75
1/D	3,317	81	3,483	166	3,605	122	3,715	110	3,810	95
1/E	3,317	81	3,483	166	3,605	122	3,715	110	3,810	95
1/Duplex	3,573	85	3,754	181	3,885	131	4,000	115	4,100	100
1/Cabin	3,035	74	3,187	152	3,300	113	3,400	100	3,485	85
2/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2/B	4,005	97	4,205	N/A	4,350	145	4,480	130	4,590	110
2/C	4,459	108	4,682	N/A	4,845	163	4,990	145	5,115	125
2/D	5,012	122	5,263	N/A	5,445	182	5,610	165	5,750	140
2/E	5,012	122	5,263	N/A	5,445	182	5,610	165	5,750	140
2/Duplex	5,270	128	5,534	264	5,725	191	5,895	170	6,040	145
2/Cabin	4,730	115	4,967	237	5,140	173	5,320	180	5,455	135

**\*ADA (Average Dollar Amount) increase from previous year**

**Monthly Cost-of-Care, Affiliated and Non-Affiliated  
No Entrance Fee (Magnolia Plan)**

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
1/A	2,288	56	2,402	114	2,485	83	2,560	75	2,625	65
1/B	2,458	60	2,581	123	2,670	89	2,750	80	2,820	70
1/C	2,919	71	3,065	146	3,170	105	3,265	95	3,345	80
1/D	3,414	83	3,585	171	3,710	125	3,820	110	3,915	95
1/E	3,414	83	3,585	171	3,710	125	3,820	110	3,915	95
1/Duplex	3,658	89	3,841	183	3,975	134	4,095	120	4,195	100
1/Cabin	3,159	77	3,317	158	3,435	118	3,540	105	3,630	90
2/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2/B	4,263	104	4,476	213	4,630	154	4,770	140	4,890	120
2/C	4,724	115	4,960	236	5,130	170	5,285	155	5,415	130
2/D	5,219	127	5,480	261	5,670	190	5,840	170	5,985	145
2/E	5,219	127	5,480	261	5,670	190	5,840	170	5,985	145
2/Duplex	5,463	133	5,736	273	5,935	199	6,115	180	6,270	155
2/Cabin	4,964	121	5,212	248	5,395	183	5,555	160	5,695	140

## Assisted Living Changes Fees for Previous Five Years:

Only Maple Plan has been previously offered

**\*ADA (Average Dollar Amount) increase from previous year**

### Assisted Living (Under Maple Plan)

Affiliated and Non-Affiliated

**Private rooms are at additional cost**

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
<b>Unit A</b>										
Semi-Private	2,637	69	3,399	762	3,710	311	3,820	110	3,915	95
Private	4,019	103	4,892	873	5,505	613	5,670	165	5,810	140
* Second Person	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Unit B</b>										
Semi-Private	2,690	70	3,399	709	3,710	311	3,820	110	3,915	95
Private	4,072	104	4,892	820	5,505	613	5,670	165	5,810	140
* Second Person	4,974	131	6,798	1,824	7,420	622	7,640	220	7,830	190
<b>Unit C</b>										
Semi-Private	2,963	77	3,399	436	3,710	311	3,820	110	3,915	95
Private	4,345	111	4,892	547	5,505	613	5,670	165	5,810	140
* Second Person	5,247	138	6,798	1,551	7,420	622	7,640	220	7,830	190
<b>Unit D</b>										
Semi-Private	3,128	84	3,399	271	3,710	311	3,820	110	3,915	95
Private	4,510	118	4,892	382	5,505	613	5,670	165	5,810	140
* Second Person	5,409	142	6,798	1,389	7,420	622	7,640	220	7,830	190
<b>Unit E</b>										
Semi-Private	3,128	84	3,399	271	3,710	311	3,820	110	3,915	95
Private	4,510	118	4,892	382	5,505	613	5,670	165	5,810	140
* Second Person	5,409	142	6,798	1,389	7,420	622	7,640	220	7,830	190
<b>Cottage/Duplex</b>										
Semi-Private	3,237	84	3,399	162	3,710	311	3,820	110	3,915	95
Private	4,619	118	4,892	273	5,505	613	5,670	165	5,810	140
* Second Person	5,521	145	6,798	1,277	7,420	622	7,640	220	7,830	190
<b>Cabin</b>										
Semi-Private	3,039	79	3,399	360	3,710	311	3,820	110	3,915	95
Private	4,421	113	4,892	471	5,505	613	5,670	165	5,810	140
* Second Person	5,323	140	6,798	1,475	7,420	622	7,640	220	7,830	190

\*Second Person from same unit moves to Assisted Living simultaneously with spouse (Both residents in same room – listed is for both residents combined).

## **Assisted Living (Under 90% Refundable Entrance Fee (Oak Plan))**

Affiliated and Non-Affiliated

**\*ADA (Average Dollar Amount) increase from previous year**

**Residents pay 95% of Assisted Living Fee**

**Private rooms are at additional cost**

Date of Change	May '21		May '22		May '23		May '24		May '25	
Frequency	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA	12 Months	ADA
Semi-Private	4,433	109	4,787	354	5,745	958	5,915	170	6,065	150
Private	5,815	143	6,280	465	7,540	1,260	7,765	225	7,960	195

### **VII. Refund Policies:**

1. Upon final approval of the application, the applicant will be notified by Carmel Hills that final approval of the application has been made and the applicant may be admitted to reside at Carmel Hills. At that time, the applicant shall enter into an Entrance Agreement with Carmel Hills. Within thirty (30) days after written notice is sent to the applicant, the applicant shall pay to Carmel Hills the Entrance Fee or Residency Fee as set forth in the Entrance Agreement. Upon final approval of the application and upon receipt by Carmel Hills of the Entrance Fee or Residency Fee and the Monthly Cost-of-Care fee, the applicant shall then become a resident of Carmel Hills.
2. If an applicant dies before becoming a resident, or if on account of illness, injury, or incapacity, an applicant would be precluded from becoming a resident under the terms of the Entrance Agreement, the Entrance Agreement is automatically canceled and the applicant or legal representative of the applicant shall receive a refund within thirty (30) days of all money or property transferred to Carmel Hills, less the application fee and any non-standard expenses which Carmel Hills has incurred at the request of the applicant.
3. An applicant may rescind the Entrance Agreement within thirty (30) days following the later of the execution of the Entrance Agreement or the receipt of this disclosure statement. In the event that an applicant rescinds the Entrance Agreement within the 30-day period, any money transferred to Carmel Hills, other than the application fee, shall be returned to the applicant within thirty (30) days, subject to the following conditions and charges:
  - (a) In the event that the applicant has begun occupancy of a Dwelling Unit or residency in the Assisted Living Unit after the expiration of the above thirty (30) days, then Carmel Hills shall be allowed to retain all of the Residency Fee (for Magnolia residents) or that part of the Entrance Fee (for residents in the other plans) as necessary to clean and repair the Dwelling Unit in a manner sufficient for occupancy by a new occupant. The resident is not required to move in during the 30-day rescission period.
  - (b) Additionally, Carmel Hills shall be entitled to retain a pro rata share of the Monthly Cost-of-Care based on the number of days of occupancy by the resident before he rescinded the Entrance Agreement, if applicable, and terminated his residency at Carmel Hills.
  - (c) Carmel Hills may also retain the cost of all other expenses incurred by Carmel Hills on behalf of the resident.

4. In the event of the termination of residency of a Carmel Hills resident by reason of death or any other reason at any time beyond the thirty (30) day period stated in Section 3, any portion of the Entrance Fee will be refunded in accordance with the provisions of this section, provided that, as a result of such termination of residency, the residential unit being occupied by the resident at the time of termination of residency shall then become unoccupied and available for disposition by Carmel Hills to a new resident. The Monthly Cost-of-Care for the unit shall continue until the unit is unoccupied and available to another resident. In the event a termination of residency qualifies for a refund, a refund will be made based on the following provisions for the various plans:

**Residency Fee Plan (Magnolia):** No Entrance fee is paid by Magnolia Plan residents. Carmel Hills offers thirteen (13) month agreements, renewable for successive periods of thirteen (13) months automatically renewable. The Residency Fee is not refundable upon the termination of residency. Resident shall pay the current rates for time spent in the Assisted Living at Carmel Hills or in another facility if such is required.

**90% Refundable Entrance Fee Plan (Oak):** If the period of residency for Oak Plan residents is beyond the previously stated thirty (30) day period, ninety percent (90%) of the original Entrance Fee will be payable upon re-occupancy of the dwelling unit after the death of the Resident or termination of the contract.

**Declining Refund Entrance Fee Plan (Maple Plan):** If the period of residency for Maple Plan residents is beyond the thirty (30) day period, but less than ninety (90) days, seventy five percent (75%) of the Entrance Fee will be refunded. If the resident resides in the unit for ninety (90) days or greater up to twenty-one (21) months, the resident will be refunded seventy five percent (75%) less four percent (4%) for each period of thirty (30) days or increment thereof of residency.

Carmel Hills will also deduct from any such refund and retain the amount equal to one hundred dollars (\$100) per day for each day or a portion thereof during the first one (1) month of residency that the resident has occupied either the Carmel Hills Assisted Living Unit or a nursing home or both. Any resident who dies or is terminated as a resident of Carmel Hills after having been a resident of Carmel Hills or a resident of a nursing home for more than twenty-one (21) months shall not be entitled to any refund or any portion of the Entrance Fee. Any allowable Entrance Fee refund described above will be payable upon re-occupancy of the dwelling unit after the death of the resident or termination of the contract.

## ***VIII. Early Reservation Agreement***

Carmel Hills determined that there may be persons who are younger than the typical Future Resident who wish to obtain a priority on Carmel Hills' waiting list. A prospective Resident under the age of sixty-two (an "Early Preserver") may reserve a priority position on Carmel Hills' waiting list without completing a Future Reservation Agreement by signing an Early Reservation Agreement (an "Early Reservation Agreement"), the current version of which is attached hereto as Appendix D. An Early Reserver must pay a one hundred dollars (\$100) non-refundable fee.

The Early Reservation Agreement does not entitle the Early Reserver to any current privileges at Carmel Hills; it merely places the Early Reserver on the waiting list so that he or she has a better opportunity to have a Dwelling Unit available when the Early Reserver may be ready to occupy it.

Under the Early Reservation Agreement, within a year of turning sixty-two (62) years old, the potential resident must sign a Future Residency Agreement and comply with the application procedures contained therein, including making a reservation deposit of \$1,000. Should the prospective resident fail to fulfill the requirements of the Early Reservation Agreement the prospective resident shall forfeit his or her position on the waiting list.

## ***IX. Future Residency Agreement***

A prospective Resident (a "Future Resident") may reserve a priority position on Carmel Hills waiting list for occupancy at some time in the future by entering into a Future Residency Agreement (a "Future Residency Agreement"), the current version of which is attached hereto as Appendix C. A prospective Future Resident is required to submit an Application for Admission, a Personal Health History and a Confidential Financial Statement within thirty (30) days of executing a Future Residency Agreement. A non-interest-bearing deposit of one thousand dollars (\$1,000.00) is required of all Future Residents and will be credited toward the entrance fees due by the Future Resident at the time of occupancy as outlined in the Carmel Hills Dwelling Unit Entrance Agreement.

The Future Residency Agreement provides that upon notification by Carmel Hills that a Dwelling Unit of the type selected by the Future Resident will be available for occupancy, and the Future Resident has reached sixty-two (62) years of age, the Future Resident has three (3) days to accept such Dwelling Unit. When the Future Resident accepts a Dwelling Unit, the Future Resident and Carmel Hills will enter into the Carmel Hills Dwelling Unit Entrance Agreement in effect at the time of such acceptance. The Future Resident may reject any offer by Carmel Hills to take occupancy without losing the Future Resident's priority on Carmel Hills' waiting list. The right to reserve Dwelling Units becoming available for occupancy will be alternated between Residents occupying a Dwelling Unit at Carmel Hills who wish to transfer to another Dwelling Unit and Future Residents who have executed a Future Residency Agreement with Carmel Hills.

Notwithstanding Carmel Hills' policy to alternate the right to reserve Dwelling Units becoming available for occupancy between those Residents who wish to transfer to another Dwelling Unit and Future Residents entering Carmel Hills, Residents will have priority over all non-residents, including Future Residents, in transferring to another Dwelling Unit becoming available in the following circumstances:

- i Transfers due to medical necessity as determined by the Administrator;
- ii Transfers to a same sized or smaller Dwelling Unit; and
- iii When two Dwelling units (one of which is vacant) are combined, the Resident occupying one of the Dwelling Units will have priority in reserving the combined Dwelling Unit.

Carmel Hills also reserves the right to fill in its sole discretion and without regard to the waiting list, up to five (5) vacancies in Dwelling Units each year.

The Future Residency Agreement entitles the future Residents to certain privileges at Carmel Hills with prior reservations at established rates, including meals in Carmel Hills' dining room, use of the common areas within Carmel Hills and participation in any planned programs provided by Carmel Hills.

## ***X. Financial Information***

### **Financial Overview**

An overview of the financial results of Carmel Hills' operations is contained in the audited financial statements, the unaudited interim financial statements and the forecasted financial statements.

## **Certified Financial Statements**

Attachment E is the certified financial statements prepared by an independent CPA for the latest fiscal year ended April 30, 2024.

## **Interim Financial Statements**

Attachment F is the Statement of Operations, Balance Sheet, and Statement of Cash Flows for the period ended thirty (30) days prior to filing.

## **Pro Forma Financial Statements:**

Attachment G is the projected and estimated financial statements for Carmel Hills for the next five (5) fiscal years.

## **Tax Consequences**

No information is provided herein with respect to the tax consequences of entering into a Carmel Hills Dwelling Unit Entrance Agreement or Carmel Hills Assisted Living/Personal Care Agreement under applicable federal, state or local laws. The decision by a resident to enter into a Carmel Hills Dwelling Unit Entrance Agreement or Carmel Hills Assisted Living/Personal Care Agreement may have material tax consequences to the resident. Each resident is urged to consult his or her own tax advisor with respect to any tax consequences of entering into a Carmel Hills Dwelling Unit Entrance Agreement or Carmel Hills Assisted Living/Personal Care Agreement.

## ***XI. Reserves and Prepayments***

### **Reserve Funding:**

N.C.G.S. 58-64-33 requires Carmel Hills to establish an operating reserve equal to 50% of the total operating costs projected for the twelve-month operation period ending 4/30/25, or 25% of such total operating costs if occupancy at 4/30/24 is in excess of 90%. Carmel Hills' average for the year is currently 95% of capacity and expects to maintain occupancy in excess of 90%. Based on the financial forecast prepared by Foard & Company, P.A.:

The reserve of \$849,000 is being held in designated reserve accounts.

The President of the Board of Trustees of Carmel Hills will make the final decision as to where these funds will be invested. The funds will be invested according to the restrictions listed in 58-64-33 Operating Reserves.

The method used for calculation of the Reserves listed above is to take the "Total Expenses" on page 3 of the accountants "Forecasted Financial Statements", add principal payment on long-term debt, deduct the itemized "Depreciation", and multiply remainder by 0.25. This method yields the required reserve.

<b>Applicable Fiscal Year</b>	<b>Required Reserve</b>	<b>Date Reserve Required</b>	<b>Projected Funded Reserve</b>	<b>Excess (Deficit) Reserve</b>
4/25	849,000	3/1/25	849,000	0
4/26	885,250	3/1/26	885,250	0
4/27	881,000	3/1/27	881,000	0
4/28	900,750	3/1/28	900,750	0
4/29	936,750	3/1/29	936,750	0

### **Prepayment Policy:**

After an applicant has received notice of preliminary approval of the application but before an Applicant has received notice of final approval, an applicant may prepay the Entrance Fee to Carmel Hills. The amount of such prepayment may be the entire Entrance Fee or any portion thereof in excess of five thousand dollars (\$5,000). If the Magnolia plan (Residency Fee Plan) is chosen, the amount of prepayment would be the entire Residency Fee.

### ***XII. Facility Development/Expansion***

None

### ***XIII. Narrative of Material Variances***

Attachment M is labeled "Narrative of Material Variances" and is a narrative of material variances between the forecasted financial statement and the actual results contained in the current audited financial statement and the basis used in determining the material threshold used.

### ***XIV. Other Material Information as Applicable***

None

### ***XV. Attachments***

- A. Carmel Hills Dwelling Unit Entrance Agreement (3 plans)
  - 1. Residency Fee (Magnolia Plan)
  - 2. 90% Refundable Entrance Fee (Oak Plan)
  - 3. Declining Refund Entrance Fee (Maple Plan)
- B. Assisted Living/Personal Care Agreement between Carmel Hills and Resident
- C. Early Reservation Agreement D. Future Residency Agreement
- E. Current Certified Financial Statement
- F. Interim Financial Statement
- G. Forecasted Financial Statements
- H. Residence Assistance Fund Letter & Application
- I. Pet Policy
- J. Floor Plans
- K. Community Building General Layout
- L. Site Plan
- M. Narrative of Material Variances



## **Attachment A1**

### **Carmel Hills Dwelling Unit Entrance Agreement**

### **Magnolia Plan - A Residency Fee is Required**

This is not a life care contract

THIS ENTRANCE AGREEMENT is made \_\_\_\_\_, 2025,  
by CARMEL HILLS, a North Carolina corporation with its principal office in Mecklenburg County,  
North Carolina ("Carmel Hills"), and \_\_\_\_\_,  
a resident of \_\_\_\_\_, ("Applicant").  
Applicant seeks joint admission with \_\_\_\_\_.

#### **Statement of Purpose**

Applicant has made written application to live at Carmel Hills. The parties agree by this instrument that the acceptance of the application and any tenure of residence of applicant as an occupant at Carmel Hills shall be governed by this instrument.

Carmel Hills is organized under the laws of North Carolina as a nonprofit corporation. The Board of Directors ("the Board") of Carmel Hills do not receive any salary or other remuneration for such functions. Board members perform such functions gratuitously as a ministry to the Lord and His people. It is the intent of Carmel Hills to maintain the lowest possible cost consistent with sound, economic principles of operations and the philanthropic purposes of Carmel Hills. Carmel Hills has been designed to provide comfortable surroundings at a low cost where older people may live in peace and contentment in Christian neighborliness. Carmel Hills and Applicant agree to seek and maintain these ideals. Carmel Hills was founded and operated by individuals associated with a group of Christians commonly known as Plymouth Brethren (according to the U.S. Department of Commerce Census of Religious Bodies, Bulletin #6, 1936). Although Carmel Hills routinely solicits and receives contributions from assemblies and individuals in these assemblies, such assemblies and individuals have no contractual obligation, or responsibility, either explicitly or implicitly, for continued support and funding of Carmel Hills. Residents who have been associated with the abovementioned group and the Board of Directors of Carmel Hills are considered Affiliated Residents and those not so associated are called Non-affiliated Residents.

The Carmel Hills Assisted Living unit is licensed as a "Home for the aged" by the State of North Carolina. As a "Home for the aged", medical care in Carmel Hills is usually occasional or incidental, such as may be required in the home of any individual or family, but the administration of medication is supervised in the Assisted Living. Continuing planned medical and nursing care to meet the resident's needs may be provided under the direct supervision of a physician, nurse, or home health agency.

#### **Agreement of the Parties**

1. Applicant has received and reviewed the Carmel Hills Disclosure Statement (hereinafter referred to as "Disclosure Statement").
2. Applicant has paid to Carmel Hills with the presentation of a written application an application fee of two hundred dollars (\$200), which is not part of the Residency Fee. The application fee is non-refundable.

3. The application will be reviewed by the Admissions Committee of Carmel Hills. That Committee will make a decision in its sole discretion and judgment, acting in good faith and in reliance upon information contained in the application. This decision will be:  
(a) preliminary approval of the application, (b) non-approval of the application, or (c) final approval of the application.
4. Preliminary approval is granted when the type of accommodations for which application was made is not available, or the applicant is not yet ready to move. The application is still subject to final approval by the Committee. Final approval is made when the Committee approves the Applicant for residency at Carmel Hills, and the type of accommodation for which application was made is available. Non-approval is a decision made by the Committee when it will not accept Applicant for residency at Carmel Hills. The decision of the Committee is not subject to appeal.
5. If preliminary approval is granted, the applicant will be placed on a waiting list. If applicant has paid a Reservation Deposit of One Thousand Dollars (\$1,000) under the Future Residency Agreement, this deposit will be credited towards the Residency Fees due from the Future Resident at the time of occupancy of a Dwelling Unit at Carmel Hills.
6. When preliminary approval has been granted, and the type of accommodation for which the application was made becomes available, Carmel Hills will notify Applicant. Applicant must then provide Carmel Hills with a revised application showing any changes and containing current information. The Committee will review the new application and render a final decision.
7. Upon final approval, Applicant will be notified by Carmel Hills. Within thirty (30) days of that notice, Applicant shall pay to Carmel Hills a "non-refundable" Residency Fee. Carmel Hills offers thirteen (13) month agreements, automatically renewable for successive periods of thirteen (13) months unless terminated by the resident with thirty (30) days written notice to Carmel Hills, or unless terminated by Carmel Hills. After final approval of the application, the Applicant officially becomes a resident of Carmel Hills upon signing this Entrance Agreement, paying the Residency Fee in full and paying the first Monthly Cost-of-Care Fee.
8. As used in this agreement, the term "Residency Fee" shall mean the amount of money specified by Carmel Hills which is required to be paid by Applicant prior to becoming a resident. The amount of the Residency Fee will vary depending upon the type of accommodations for which application is made and whether the resident is Affiliated or Non-Affiliated. Carmel Hills shall have the right to change the amount of the required Residency Fee at any time and from time to time after application for residency has been made and before the beginning of residency. See rates page 14 of Disclosure Statement for single and joint occupancy.
9. After Applicant has received notice of preliminary approval of the application but before Applicant has received notice of final approval, Applicant may prepay the Residency Fee to Carmel Hills. The amount of such payment may be the entire Residency Fee
10. Upon final approval of the application by Carmel Hills, Carmel Hills shall provide to Applicant a place of residence at its facility located on Carmel Road, in Charlotte, North Carolina. Carmel Hills shall also provide Applicant the opportunity to participate in the social and creative programs of Carmel Hills.
11. In the event the application receives final approval by Carmel Hills, Applicant shall be entitled to occupy the dwelling unit for which application was made which is identified as follows:

(Check One)

- A Unit.** This unit is located in the Community Building and contains approximately 350 square feet of living space with one main room and a private bath. The main room consists of a bedroom/sitting room and a kitchenette equipped with sink, refrigerator, and stovetop unit or stove.
- B Unit.** This unit is located in the Community Building and contains approximately 450 square feet of living space with one main room and a private bath. The main room consists of a bedroom/sitting room and a kitchenette equipped with sink, refrigerator, and stove.
- C Unit.** This unit is located in the Community Building and contains approximately 600 square feet of living space, which is divided into the following: A living room, dining area, bedroom, and full bath. This unit also contains a separate kitchen complete with pantry, sink, refrigerator, and stove.
- D Unit.** This unit is located in the Community Building and contains approximately 900 square feet of living space. The rooms are designed as a living room, dining area, and two bedrooms, with each bedroom serviced by its own bathroom. The unit also contains a separate kitchen complete with pantry, sink, refrigerator, and stove.
- E Unit.** This unit is located in the Community Building and contains approximately 950 square feet of living space, which is divided into the following: a bedroom with ensuite full bathroom, a separate kitchen complete with walk-in pantry, sink, refrigerator, stove and microwave, and an open concept dining/sitting area leading into a larger living room/office with its own full bath and storage area. The pricing for the E unit is the same as for the D Unit.

**Cottage/Duplex Unit.** This is housed in one of five separate buildings apart from the Community Building. This unit contains approximately 1,130 square feet of living space. The unit consists of a living room, dining area, and two bedrooms. Each bedroom has a full bath. The unit also contains a separate kitchen complete with pantry, washer, dryer, sink, refrigerator, and stove.

**One Cabin.** This unit is a log cabin with approximately 896 square feet of living space. It contains a living/dining room, one bedroom, a fully equipped kitchen and full bath. It is a separate building apart from the community building. It fronts onto Carmel Road.

Currently, the Residency Fee for the above indicated dwelling unit is \$\_\_\_\_\_.

12. Applicant may rescind the Entrance Agreement within thirty (30) days following the later of either the execution of the Entrance Agreement or the receipt of the disclosure statement. The resident is not required to move in during the thirty (30) day rescission period. In the event that Applicant rescinds the Entrance Agreement, any money transferred to Carmel Hills, other than the application fee, shall be returned to applicant within thirty (30) days after the rescinding date and subject to the following conditions and charges:

- (a) In the event that Applicant has begun occupancy of a Dwelling Unit or residency in the Assisted Living Unit, then Carmel Hills shall retain the entire Residency Fee.
- (b) Carmel Hills shall also be entitled to retain a pro rata share of the Monthly Cost-of-Care based on the number of days of occupancy by the resident before the resident rescinded the Entrance Agreement and terminated his residency at Carmel Hills.
- (c) Carmel Hills shall also be entitled to retain the cost of all other expenses incurred by Carmel Hills on behalf of the rescinding individual.

13. After 30 days (see item #12 above), in the event of the termination of residency of a Carmel Hills resident by reason of death of a resident, none of the Residency Fee will be refunded. The Monthly Cost-of-Care fee will continue until the dwelling unit being occupied by the resident at the time of termination of residency shall then become unoccupied and available for disposition by Carmel Hills to a new resident.
14. If Applicant dies before officially becoming a resident, or if on account of illness, injury, or incapacity, an applicant would be precluded from becoming a resident under the terms of this agreement, this agreement is automatically canceled and Applicant or legal representative of Applicant shall receive a refund of all money transferred to Carmel Hills, less the application fee and any non-standard expenses which Carmel Hills has incurred at the written request of the applicant.
15. The first ninety (90) days of occupancy at Carmel Hills by a resident constitutes a trial period during which a resident will be required to terminate residency at Carmel Hills if the Board, in its sole discretion, determines that a resident is unable to make a physical or mental adjustment to the style of living provided. Monthly Cost-of-Care fees still apply for time spent at Carmel Hills.
16. A resident may voluntarily terminate residency at Carmel Hills at any time.
17. The Board shall have the right to terminate residency of a resident at Carmel Hills at any time for what is, in the sole judgment and discretion of the Board, any just or sufficient cause, and any such termination shall be final and conclusive.
18. As part of the application procedure, Applicant must furnish Carmel Hills with certain specified financial and medical information. Carmel Hills may terminate a resident for falsifying or failing to reveal financial or medical information requested on the application forms.
19. A resident shall be required to abide by the policies and regulations established by the Board concerning the conduct and activity of all residents of Carmel Hills. Carmel Hills may terminate a resident for failure to comply with such policies and regulations.
20. In the event of a Resident's termination of residency after ninety (90) days of residency, none of the Residency Fee shall be refunded. Neither Carmel Hills nor any member of the Board shall have any liability by reason of termination of the occupancy of a resident at Carmel Hills for any reason.
21. If a resident is transferred or moved to a facility outside of the Carmel Hills facilities, resident may opt to continue payment of Monthly Cost-of-Care to retain the unit. Failure to pay the Monthly Cost-of-Care will terminate the agreement. The Monthly Cost-of-Care will continue until the dwelling unit being occupied by the resident at the time of termination of residency shall then become unoccupied and available for disposition by Carmel Hills to a new resident. If, in such case, such resident does recover and returns to Carmel Hills, such resident shall have the right to occupy the first dwelling unit of similar size and cost which becomes available at Carmel Hills.
22. During the time a resident is an occupant at Carmel Hills, Carmel Hills shall supply to a resident the following services:
  - Bi-weekly light housekeeping of each Dwelling Unit;
  - Bi-weekly laundry of bed linens;
  - All utilities: heating, air conditioning, gas, electricity, trash removal. Residents pay individually for telephone, internet, and cablevision service;

- Homeowners insurance on the building. Residents must provide for their own renters insurance;
- One well-balanced meal each day served semi-cafeteria style in the dining room. The resident's plate is prepared by the food service department in the resident's presence, and the resident selects his own salads, drinks, etc. Residents may prepare additional meals in their own Dwelling Unit;
- Complete use of all common areas, including the lounge, library, dining room, exercise area, porch, lawn, lake, parking area, nature trails and walks;
- Mail delivered daily, except on postal holidays, to residents' private locked boxes located in the lobby, or lower hall;
- Free use of laundry facilities for personal laundry;
- Maintenance and repair of all Carmel Hills' facilities;
- Access to the Carmel Hills Assisted Living if such level of care is available and appropriate for the resident's needs. Resident shall pay the current rate for the Assisted Living services. If a higher level of care is required, the resident and/or responsible person shall find a suitable facility. The resident is responsible to pay that facility for services provided.

23. A resident's responsibility is to procure and pay for the following items received or used by such resident: all medications (prescription and non-prescription); all surgical, medical, dental and optical services; all fees to physicians, nurses and other medical care personnel; rehabilitative nursing home care; all medical services of any type beyond those services which are described in paragraph 22; dry cleaning and laundry services other than those which might be available on the grounds of Carmel Hills for use by residents; telephone and cablevision services.
24. From time to time, at Carmel Hills' sole discretion and when there are surplus funds, surplus volunteers, or surplus employees, Carmel Hills may provide services beyond those required under this agreement. Such additional services are not, nor shall they become, an entitlement either to the party receiving these additional services or to any other resident of Carmel Hills. Notwithstanding any provision herein, either explicit or implied, Carmel Hills shall not be responsible for providing any level of care, service, treatment, or facilities beyond such care, service, treatment or facility available and provided by Carmel Hills to its residents as of October 10, 1989. The level of care, service, treatment or facilities provided specifically excludes, without limitation, furnishing or maintaining any life support equipment such as respirators, dialysis, or heart-lung machines. Carmel Hills will not be responsible for any transportation activities related to the above-mentioned equipment or procedures.
25. Carmel Hills reserves the right:
- (a) To transfer a resident, either temporarily or permanently, to the Assisted Living unit within Carmel Hills or another facility outside of Carmel Hills, as Carmel Hills may determine, in its sole discretion, to be in the best interest of a resident, when nursing care is required or domiciliary care is required and Carmel Hills determines, in its discretion, that such resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health or peace of other residents of Carmel Hills.
- (b) To transfer a resident, either temporarily or permanently, to another facility if nursing care or domiciliary care is required and a resident's physician determines that such resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health or peace of other residents of Carmel Hills, provided Carmel Hills agrees with such physician's determination.
- In the event Carmel Hills disagrees with a resident's physician's determination as to the resident's need for further nursing care based on resident's physical and mental condition, or

that the resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health and peace of other residents of Carmel Hills, then

Carmel Hills shall select a licensed physician to make a determination. Such determination by the physician selected by Carmel Hills shall be conclusive as to whether the resident shall be transferred.

26. If a resident is transferred to the Assisted Living unit within Carmel Hills, Carmel Hills will provide domiciliary care in a semi-private room while in the Assisted Living unit. Residents transferred to the Assisted Living unit shall pay the current rate for services rendered. If the transfer is considered temporary, the resident may continue to pay their Monthly Cost-of-Care rate in addition to the rate in the Carmel Hills Assisted Living unit to retain use of the previously occupied unit. These fees are subject to change by the actions of and/or at the discretion of the Board.
27. If a qualifying resident moves or is transferred by Carmel Hills outside of Carmel Hills, to a nursing care facility or lesser care facility licensed by the State of North Carolina and approved by Carmel Hills (such facilities hereinafter referred to as "Alternative Facilities"), the following rights and restrictions shall be in effect:
  - (a) Resident shall be responsible for all charges for occupancy and care in the Alternative Facilities. Some charges may be covered by Medicare or the resident's insurance. Carmel Hills will not be responsible for any of the costs.
  - (b) If the resident wishes to hold their present living unit, the Monthly-Cost-of-Care fees will continue to apply.
  - (c) Carmel Hills will also not pay for the use and maintenance of respirators, heart-lung machines, dialysis machines or any other life support equipment or machinery. Carmel Hills will not be responsible for any transportation activities related to the above-mentioned equipment or procedures.
28. If a qualifying resident moves or is transferred to a hospital, all expenses incurred for such resident's occupancy and care in such hospital shall be borne by such resident.
29. Upon becoming an occupant of Carmel Hills, a resident shall pay before the tenth (10<sup>th</sup>) day of each month the Cost-of-Care for that month. The Cost-of-Care for that type of Dwelling Unit specified in paragraph 11 presently is \$\_\_\_\_\_ per month and is subject to increase or decrease by the action and in the sole discretion of the Board. Carmel Hills reserves the right, in its sole discretion, to change or adjust the Monthly Cost-of-Care based upon changes in the cost of living and other economic necessities as they arise. Carmel Hills reserves the right to charge one and one-half percent (1.5%) per month on the unpaid balance of all Cost-of-Care fees not received by the tenth (10<sup>th</sup>) day of each month.
30. If a resident is unable to make full payment of all amounts due under this agreement at the time such payment is due, the resident shall notify the administrator of Carmel Hills in writing, giving an explanation of the present situation and a current financial statement. Carmel Hills will determine in its sole discretion whether to waive or reduce certain financial requirements and the terms by which such a reduction or waiver will be provided. A waiver of any Monthly Cost-of-Care must be in writing. A waiver of a fee or any part thereof for any particular month shall not constitute a waiver for any subsequent months unless so specifically stated in writing by Carmel Hills.

31. If a resident is unable to make full payment of all amounts due under this agreement at the time such payment is due and Carmel Hills does not agree to provide financial assistance, then Carmel Hills may terminate this agreement. Before terminating this agreement for failure to pay, Carmel Hills shall provide written notice demanding that resident bring his account current within twenty (20) days from receipt of the written demand. Should the resident fail to bring the account current within the twenty (20) day period, then Carmel Hills may terminate this agreement.
32. A resident upon request by Carmel Hills shall apply for any federal, state or local grant, aid or benefits for which such resident may be eligible or to which such resident may be entitled, and a resident shall apply such grant, aid or benefit to the Cost-of-Care of such resident in keeping with the accounting procedures of Carmel Hills.
33. If Applicant is eligible and not already enrolled, Applicant upon request of Carmel Hills shall:
  - (a) apply for and secure participation under the Medicare Hospital Insurance Benefits Program under Part A of Public Law 89-97; and
  - (b) at the next enrollment period following the application of Applicant to Carmel Hills, apply for, secure and pay the premiums for participation under Part B of Public Law 89-97.
34. A resident shall authorize, as requested by Carmel Hills, any provider of hospitalization, medical or health services under Medicare Part A and Part B – and of any other hospitalization, medical or health services – to receive reimbursement as provided under those programs or as provided from any insurer providing hospitalization, medical and health insurance which covers such resident.
35. A resident shall make, as may be necessary, assignment to the provider of medical and other health services under Medicare Part B and any supplementary extended coverage plan of all benefits accruing to such resident under those plans.
36. Except for in-house domiciliary nursing care and the one meal per day provided by Carmel Hills, a resident shall pay from such resident's own funds the deductible, the per diem and all other charges for or costs of any hospitalization and medical/other health services not paid for by the Medicare programs or other insurance. Carmel Hills shall not be responsible for any charges for such services but may, to the extent that a resident's resources are inadequate to do so, from time to time in its charitable functions and in the sole discretion of the Board assist a resident in paying such charges.
37. Residents shall remain liable for the full Monthly Cost-of-Care even if such resident is voluntarily absent from Carmel Hills, provided that this agreement has not been terminated, in writing, by either Carmel Hills or the resident.
38. Each resident assumes all risks of personal injury and damage to property which such resident may incur by reason of any act or omission occurring while such resident is an occupant of Carmel Hills. Residents are required to purchase "Renters insurance" to cover their personal property naming Carmel Hills as a Named Party on the policy. Carmel Hills does not insure the residents' personal belongings.
39. Applicant agrees, if Applicant has not already done so, to make the following advance care documents:

- (a) make a will providing for the disposition of the remaining assets and personal effects of Applicant and provision for proper burial of Applicant at the expense of Applicant. Applicant shall keep the Administrator of Carmel Hills informed at all times as to the location of Applicant's will and the name of the executor of said will before and after becoming a resident at Carmel Hills.
  - (b) Prepare and sign a Health Care Power of Attorney allowing a person you trust to make medical decisions for you if you cannot speak for yourself. A copy of said Health Care Power of Attorney shall be maintained in the Carmel Hills business office and in the resident's "In Case of Emergency" folder on the back of the door of their residential unit.
  - (c) Prepare and sign a Durable Power of Attorney allowing a person you appoint to continue to pay your bills if you could not handle these matters yourself. A copy of said Durable Power of Attorney shall be maintained in the Carmel Hills business office.
40. On the application form, Applicant has provided Carmel Hills certain financial information upon which Carmel Hills shall rely in reviewing the application. Applicant represents that such financial information is true, accurate and correct. Providing false information or failing to provide all the requested information are grounds for termination. Applicant agrees not to deplete or otherwise dispose of any assets, cash or property of Applicant, before and after becoming a resident at Carmel Hills, through gifts or any other voluntary means to such an extent that the ability of Applicant to meet the monthly payments due for Cost-of-Care shall be jeopardized.
41. A resident's privilege of living at Carmel Hills shall continue for thirteen (13) months. The Entrance Agreement will automatically renew for thirteen (13) consecutive month terms unless terminated by such resident with thirty (30) days written notice to Carmel Hills or unless terminated by Carmel Hills. However, this agreement is not a lease and does not create any interest on the part of any resident in the real property or personal property of Carmel Hills. The occupancy privilege of a resident does not and shall not inure to the use or benefit of any person, firm or corporation other than such resident. The rights of occupancy and all other rights of a resident shall at all times be subordinate and junior to the lien of any and all deeds of trust which might be executed by Carmel Hills.
42. In the event a resident is transferred from Carmel Hills as provided in paragraphs 21, 25, and 27, or in the event of the death of a resident, Carmel Hills shall request that all items from a resident's unit be removed within 48 hours. Carmel Hills retains the right to remove and store the furniture and personal effects of such a resident on its premises for thirty (30) days from such transfer or until such prior time as written instructions are received from such resident or his legal representative as to the disposition of such items. If, after thirty (30) days, no such instructions are received, Carmel Hills may, at its option, transfer such items to a public storage facility at the expense of the resident or his estate.
43. This agreement may be modified only in writing signed by both parties.
44. This instrument contains the entire agreement of the parties, and there are no other written or verbal agreements or understandings between the parties in existence except as appears in this instrument.



45. This agreement and the rights and liabilities of the parties there under shall be governed and construed under the laws of the State of North Carolina.
46. If any part, term, or provision of this Entrance Agreement is by the courts held to be illegal or in conflict with any North Carolina law, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Entrance Agreement did not contain the particular part, term, or provision held to be invalid.

IN WITNESS of their agreement, Carmel Hills and Applicant have signed this instrument under seal on the day and year first above written.

*This is not a continuing care contract*

Carmel Hills

Applicant

By: \_\_\_\_\_ (Seal)

Title: \_\_\_\_\_ (Seal)

I have received a Disclosure Statement \_\_\_\_\_.

## **Attachment A2**

### **Carmel Hills Dwelling Unit Entrance Agreement**

#### **Oak Plan – 90% Refundable Entrance Fee**

This is not a life care contract

THIS ENTRANCE AGREEMENT is made \_\_\_\_\_, 2025, by CARMEL HILLS, a North Carolina corporation with its principal office in Mecklenburg County, North Carolina ("Carmel Hills"), and \_\_\_\_\_, a resident of \_\_\_\_\_, ("Applicant"). Applicant seeks joint admission with \_\_\_\_\_.

#### **Statement of Purpose**

Applicant has made written application to live at Carmel Hills. The parties agree by this instrument that the acceptance of the application and any tenure of residence of applicant as an occupant at Carmel Hills shall be governed by this instrument.

Carmel Hills is organized under the laws of North Carolina as a nonprofit corporation. The Board of Directors ("the Board") of Carmel Hills do not receive any salary or other remuneration for such functions. Board members perform such functions gratuitously as a ministry to the Lord and His people. It is the intent of Carmel Hills to maintain the lowest possible cost consistent with sound, economic principles of operations and the philanthropic purposes of Carmel Hills. Carmel Hills has been designed to provide comfortable surroundings at a low cost where older people may live in peace and contentment in Christian neighborliness. Carmel Hills and Applicant agree to seek and maintain these ideals. Carmel Hills was founded and operated by individuals associated with a group of Christians commonly known as Plymouth Brethren (according to the U.S. Department of Commerce Census of Religious Bodies, Bulletin #6, 1936). Although Carmel Hills routinely solicits and receives contributions from assemblies and individuals in these assemblies, such assemblies and individuals have no contractual obligation, or responsibility, either explicitly or implicitly, for continued support and funding of Carmel Hills. Residents who have been associated with the above-mentioned group and the Board of Directors of Carmel Hills are considered Affiliated Residents and those not so associated are called Non-affiliated Residents.

The Carmel Hills Assisted Living unit is licensed as a "Home for the aged" by the State of North Carolina. As a "Home for the aged", medical care in Carmel Hills is usually occasional or incidental, such as may be required in the home of any individual or family, but the administration of medication is supervised in the Assisted Living. Continuing planned medical and nursing care to meet the resident's needs may be provided under the direct supervision of a physician, nurse, or home health agency.

#### **Agreement of the Parties**

1. Applicant has received and reviewed the Carmel Hills Disclosure Statement (hereinafter referred to as "Disclosure Statement").

2. Applicant has paid to Carmel Hills with the presentation of a written application an application fee of two hundred dollars (\$200), which is not part of the entrance fee. The application fee is non-refundable.
3. The application will be reviewed by the Admissions Committee of Carmel Hills. That Committee will make a decision in its sole discretion and judgment, acting in good faith and in reliance upon information contained in the application. This decision will be:  
(a) preliminary approval of the application, (b) non-approval of the application, or (c) final approval of the application.
4. Preliminary approval is granted when the type of accommodation for which application was made is not available, or the applicant is not yet ready to move. The application is still subject to final approval by the Committee. Final approval is made when the Committee approves the Applicant for residency at Carmel Hills, and the type of accommodation for which application was made is available. Non-approval is a decision made by the Committee when it will not accept Applicant for residency at Carmel Hills. The decision of the Committee is not subject to appeal.
5. If preliminary approval is granted, the applicant will be placed on a waiting list. If applicant has paid a Reservation Deposit of One Thousand Dollars (\$1,000) under the Future Residency Agreement, this deposit will be credited towards the Entrance Fees due from the Future Resident at the time of occupancy of a Dwelling Unit at Carmel Hills.
6. When preliminary approval has been granted, and the type of accommodation for which the application was made becomes available, Carmel Hills will notify Applicant. Applicant must then provide Carmel Hills with a revised application showing any changes and containing current information. The Committee will review the new application and render a final decision.
7. Upon final approval, Applicant will be notified by Carmel Hills. Within thirty (30) days of that notice, Applicant shall pay to Carmel Hills the Entrance Fee. After final approval of the application, the Applicant officially becomes a resident of Carmel Hills upon payment of the Entrance Fee and the Monthly Cost-of-Care. (If the Entrance Fee is not paid in full at the time of residency, the resident will be required to sign a Promissory Note, agreeing to pay monthly interest at current market rate per annum on the unpaid balance. This is designed as a short-term swing loan and is not intended for use as long-term financing).
8. As used in this agreement, the term "Entrance Fee" shall mean the amount of money specified by Carmel Hills which is required to be paid by Applicant prior to becoming a resident. The amount of the Entrance Fee will vary depending upon the type of accommodations for which application is made and whether the resident is Affiliated or Non-Affiliated. Carmel Hills shall have the right to change the amount of the required Entrance Fee at any time and from time to time after application for residency has been made and before the beginning of residency. See rates page 14 of Disclosure Statement for single and joint occupancy.
9. After Applicant has received notice of preliminary approval of the application but before Applicant has received notice of final approval, Applicant may prepay the Entrance Fee to Carmel Hills. The amount of such prepayment may be the entire Entrance Fee or any portion thereof in excess of five thousand dollars (\$5,000.)
10. Upon final approval of the application by Carmel Hills, Carmel Hills shall provide to Applicant a place of residence at its facility located on Carmel Road, in Charlotte, North Carolina. Carmel Hills shall also provide Applicant the opportunity to participate in the social and creative programs of Carmel Hills.

11. In the event the application receives final approval by Carmel Hills, Applicant shall be entitled to occupy the dwelling unit for which application was made which is identified as follows:

(Check One)

- A Unit.** This unit is located in the Community Building and contains approximately 350 square feet of living space with one main room and a private bath. The main room consists of a bedroom/sitting room and a kitchenette equipped with sink, refrigerator, and stovetop unit or stove.
- B Unit.** This unit is located in the Community Building and contains approximately 450 square feet of living space with one main room and a private bath. The main room consists of a bedroom/sitting room and a kitchenette equipped with sink, refrigerator, and stove.
- C Unit.** This unit is located in the Community Building and contains approximately 600 square feet of living space, which is divided into the following: a living room, dining area, bedroom, and full bath. This unit also contains a separate kitchen complete with pantry, sink, refrigerator, and stove.
- D Unit.** This unit is located in the Community Building and contains approximately 900 square feet of living space. The rooms are designed as a living room, dining area, and two bedrooms, with each bedroom serviced by its own bathroom. The unit also contains a separate kitchen complete with pantry, sink, refrigerator, and stove.
- E Unit.** This unit is located in the Community Building and contains approximately 950 square feet of living space, which is divided into the following: a bedroom with ensuite full bathroom, a separate kitchen complete with walk-in pantry, sink, refrigerator, stove and microwave, and an open concept dining/sitting area leading into a larger living room/office with its own full bath and storage area. The pricing for the E unit is the same as for the D Unit.

**Cottage/Duplex Unit.** This is housed in one of five separate buildings apart from the Community Building. This unit contains approximately 1,130 square feet of living space. The unit consists of a living room, dining area, and two bedrooms. Each bedroom has a full bath. The unit also contains a separate kitchen complete with pantry, washer, dryer, sink, refrigerator, and stove.

**One Cabin.** This unit is a log cabin with approximately 896 square feet of living space. It contains a living/dining room, one bedroom, a fully equipped kitchen and full bath. It is a separate building apart from the community building. It fronts onto Carmel Road.

Currently, the Entrance Fee for the above indicated dwelling unit is \$\_\_\_\_\_.

12. Applicant may rescind the Entrance Agreement within thirty (30) days following the later of either the execution of the Entrance Agreement or the receipt of the disclosure statement. The resident is not required to move in during the thirty (30) day rescission period. In the event that Applicant rescinds the Entrance Agreement within this thirty (30) day period, any money transferred to Carmel Hills, other than the application fee, shall be returned to Applicant within thirty (30) days after the rescinding date and subject to the following conditions and charges:

- (a) In the event that Applicant has begun occupancy of a Dwelling Unit or residency in the Assisted Living Unit within the above thirty (30) days, then Carmel Hills shall be allowed to retain that part of the Entrance Fee necessary to clean and repair the Dwelling Unit in a manner sufficient for occupancy by a new occupant.

(b) Carmel Hills shall also be entitled to retain a pro rata share of the Monthly Cost-of-Care based on the number of days of occupancy by the resident before the resident rescinded the Entrance Agreement and terminated his residency at Carmel Hills.

(c) Carmel Hills shall also be entitled to retain the cost of all other expenses incurred by Carmel Hills on behalf of the rescinding individual.

13. In the event of the termination of residency of a Carmel Hills resident by reason of death of a resident or for any other reason at any time, beyond the thirty (30) day period stated in the preceding paragraph (see item #12 above), ninety percent (90%) of the original Entrance fee will be refundable. The Monthly Cost-of-Care fee will continue until the dwelling unit being occupied by the resident at the time of termination of residency shall then become unoccupied and available for disposition by Carmel Hills to a new resident. Any allowable Entrance Fee refund described above will be payable upon re-occupancy after the death of the resident or termination of the contract. Such refunds will be available firstly to the resident or secondly to the spouse (if applicable and living) or refunded to the estate of such resident.
14. If Applicant dies before officially becoming a resident, or if on account of illness, injury, or incapacity, an applicant would be precluded from becoming a resident under the terms of this agreement, this agreement is automatically canceled and Applicant or legal representative of Applicant shall receive a refund of all money transferred to Carmel Hills, less the application fee and any non-standard expenses which Carmel Hills has incurred at the written request of the applicant.
15. The first ninety (90) days of occupancy at Carmel Hills by a resident constitutes a trial period during which a resident will be required to terminate residency at Carmel Hills if the Board, in its sole discretion, determines that a resident is unable to make a physical or mental adjustment to the style of living provided. Monthly Cost-of Care fees still apply for time spent at Carmel Hills.
16. A resident may voluntarily terminate residency at Carmel Hills at any time.
17. The Board shall have a right to terminate residency of a resident at Carmel Hills at any time for what is, in the sole judgment and discretion of the Board, any just or sufficient cause, and any such termination shall be final and conclusive.
18. As part of the application procedure, Applicant must furnish Carmel Hills with certain specified financial and medical information. Carmel Hills may terminate a resident for falsifying or failing to reveal financial or medical information requested on the application forms.
19. A resident shall be required to abide by the policies and regulations established from time to time by the Board concerning the conduct and activity of all residents of Carmel Hills. Carmel Hills may terminate a resident for failure to comply with such policies and regulations.
20. In the event of a termination of residency, the only refund of the original Entrance Fee shall be as provided in paragraph thirteen (13) herein. Neither Carmel Hills nor any member of the Board shall have any liability by reason of termination of the occupancy of a resident at Carmel Hills for any reason.

21. If a resident is transferred or moved to a facility outside of the Carmel Hills facilities, and if such resident's physician is of the opinion that the resident is not likely to return to the facilities of Carmel Hills, then Carmel Hills shall have the right to allow another applicant or resident of Carmel Hills to occupy the Dwelling Unit assigned to such resident. If, in such case, such resident does recover and returns to Carmel Hills, such resident shall have the right to occupy the first dwelling unit of similar size and cost which becomes available at Carmel Hills.
22. During the time a resident is an occupant at Carmel Hills, Carmel Hills shall supply to a resident the following services:
- Bi-weekly light housekeeping of each Dwelling Unit;
  - Bi-weekly laundry of bed linens;
  - All utilities: heating, air conditioning, gas, electricity, trash removal. Residents pay individually for telephone and cablevision service;
  - Homeowners insurance on the building. Residents must provide for their own renters insurance;
  - One well-balanced meal each day served semi-cafeteria style in the dining room. The resident's plate is prepared by the food service department in the resident's presence, and the resident selects his own salads, drinks, etc. Residents may prepare additional meals in their own Dwelling Unit;
  - Complete use of all common areas, including the lounge, library, dining room, exercise area, porch, lawn, lake, parking area, nature trails and walks;
  - Mail delivered daily, except on postal holidays, to residents' private locked boxes located in the lobby, or lower hall;
  - Free use of laundry facilities for personal laundry;
  - Maintenance and repair of all Carmel Hills' facilities;
  - Access to the Carmel Hills Assisted Living if such level of care is available and appropriate for the resident's needs. Resident shall pay the current rate for the Assisted Living services. If a higher level of care is required, the resident and/or responsible person shall find a suitable facility. The resident is responsible to pay that facility for services provided.
23. Carmel Hills shall have no responsibility to provide to a resident, and a resident shall be responsible for providing and paying for, the following items received or used by a resident: all medications (prescription and non-prescription); all surgical, medical, dental and optical services; all fees to physicians, nurses and other medical care personnel; rehabilitative nursing home care; all medical services of any type beyond those services which are described in paragraph 22; dry cleaning and laundry services other than those which might be available on the grounds of Carmel Hills for use by residents; telephone and cablevision services.
24. From time to time, at Carmel Hills' sole discretion and when there are surplus funds, surplus volunteers, or surplus employees, Carmel Hills may provide services beyond those required under this agreement. Such additional services are not, nor shall they become, an entitlement either to the party receiving these additional services or to any other resident of Carmel Hills. Notwithstanding any provision herein, either explicit or implied, Carmel Hills shall not be responsible for providing any level of care, service, treatment, or facilities beyond such care, service, treatment or facility available and provided by Carmel Hills to its residents as of October 10, 1989. The level of care, service, treatment or facilities provided specifically excludes, without limitation, furnishing or maintaining any life support equipment such as respirators, dialysis, or heart-lung machines. Carmel Hills will not be responsible for any transportation activities related to the above-mentioned equipment or procedures.

25. Carmel Hills reserves the right:

(a) To transfer a resident, either temporarily or permanently, to the Assisted Living unit within Carmel Hills or another facility outside of Carmel Hills, as Carmel Hills may determine, in its sole discretion, to be in the best interest of a resident, when nursing care is required or domiciliary care is required and Carmel Hills determines, in its discretion, that such resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health or peace of other residents of Carmel Hills.

(b) To transfer a resident, either temporarily or permanently, to another facility if nursing care or domiciliary care is required and a resident's physician determines that such resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health or peace of other residents of Carmel Hills, provided Carmel Hills agrees with such physician's determination.

In the event Carmel Hills disagrees with a resident's physician's determination as to the resident's need for further nursing care based on resident's physical and mental condition, or that the resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health and peace of other residents of Carmel Hills, then Carmel Hills shall select a licensed physician to make a determination. Such determination by the physician selected by Carmel Hills shall be conclusive as to whether the resident shall be transferred.

26. If a resident is transferred to the Assisted Living unit within Carmel Hills, Carmel Hills will provide domiciliary care in a semi-private room while in the Assisted Living unit. Residents transferred to the Assisted Living unit shall pay ninety five percent (95%) of the current rate in the Assisted Living unit. If the transfer is considered temporary, the resident may continue to pay their Monthly Cost-of-Care rate in addition to the rate in the Carmel Hills Assisted Living unit to retain use of the previously occupied unit. These fees are subject to change by the actions of and/or at the discretion of the Board.

27. If a qualifying resident moves or is transferred by Carmel Hills outside of Carmel Hills to a nursing care facility or lesser care facility licensed by the State of North Carolina and approved by Carmel Hills (such facilities hereinafter referred to as "Alternative Facilities"), the following rights and restrictions shall be in effect:

(a) Resident shall be responsible for all charges for occupancy and care in the Alternative Facilities. Some charges may be covered by Medicare or the resident's insurance. Carmel Hills will not be responsible for any of the costs.

(b) If the resident wishes to hold their present living unit, the Monthly-Cost-of-Care fees will continue to apply.

(c) Carmel Hills will also not pay for the use and maintenance of respirators, heart-lung machines, dialysis machines or any other life support equipment or machinery. Carmel Hills will not be responsible for any transportation activities related to the above-mentioned equipment or procedures.

28. If a qualifying resident moves or is transferred to a hospital, all expenses incurred for such resident's occupancy and care in such hospital shall be borne by such resident.

29. Upon becoming an occupant of Carmel Hills, a resident shall pay before the tenth (10<sup>th</sup>) day of each month the Cost-of-Care for that month. The Cost-of-Care for that type of Dwelling Unit specified in paragraph 11 presently is \$\_\_\_\_\_ per month and is subject to increase or decrease by the action and in the sole discretion of the Board. Carmel Hills reserves the right, in its sole discretion, to change or adjust the Monthly Cost-of-Care based upon changes in the cost of living and other economic necessities as they arise. Carmel Hills reserves the right to charge one and one-half percent (1.5%) per month on the unpaid balance of all Cost-of-Care fees not received by the tenth (10<sup>th</sup>) day of each month.
30. If a resident is unable to make full payment of all amounts due under this agreement at the time such payment is due, the resident shall notify the administrator of Carmel Hills in writing, giving an explanation of the present situation and a current financial statement. Carmel Hills will determine in its sole discretion whether to waive or reduce certain financial requirements and the terms by which such a reduction or waiver will be provided. A waiver of any Monthly Cost-of-Care must be in writing. A waiver of a fee or any part thereof for any particular month shall not constitute a waiver for any subsequent months unless so specifically stated in writing by Carmel Hills.
31. If a resident is unable to make full payment of all amounts due under this agreement at the time such payment is due and Carmel Hills does not agree to provide financial assistance, then Carmel Hills may terminate this agreement. Before terminating this agreement for failure to pay, Carmel Hills shall provide written notice demanding that resident bring his account current within twenty (20) days from receipt of the written demand. Should the resident fail to bring the account current within the twenty (20) day period, then Carmel Hills may terminate this agreement.
32. A resident upon request by Carmel Hills shall apply for any federal, state or local grant, aid or benefits for which such resident may be eligible or to which such resident may be entitled, and a resident shall apply such grant, aid or benefit to the Cost-of-Care of such resident in keeping with the accounting procedures of Carmel Hills.
33. If Applicant is eligible and not already enrolled, Applicant upon request of Carmel Hills shall:
- (a) apply for and secure participation under the Medicare Hospital Insurance Benefits Program under Part A of Public Law 89-97; and
  - (b) at the next enrollment period following the application of Applicant to Carmel Hills, apply for, secure and pay the premiums for participation under Part B of Public Law 89-97.
34. A resident shall authorize, as requested by Carmel Hills, any provider of hospitalization, medical or health services under Medicare Part A and Part B – and of any other hospitalization, medical or health services – to receive reimbursement as provided under those programs or as provided from any insurer providing hospitalization, medical and health insurance which covers such resident.
35. A resident shall make, as may be necessary, assignment to the provider of medical and other health services under Medicare Part B and any supplementary extended coverage plan of all benefits accruing to such resident under those plans.
36. Except for in-house domiciliary nursing care and the one meal per day provided by Carmel Hills, a resident shall pay from such resident's own funds the deductible, the per diem and all other charges for or costs of any hospitalization and medical and other health services not paid for by the Medicare programs or other insurance. Carmel Hills shall not be responsible for any charges



for such services but may, to the extent that a resident's resources are inadequate to do so, from time to time in its charitable functions and in the sole discretion of the Board assist a resident in paying such charges.

37. Residents shall remain liable for the full Monthly Cost-of-Care even if such resident is voluntarily absent from Carmel Hills, provided that this agreement has not been terminated, in writing, by either Carmel Hills or the resident.
38. Each resident assumes all risks of personal injury and damage to property which such resident may incur by reason of any act or omission occurring while such resident is an occupant of Carmel Hills. Residents are required to purchase "Renters insurance" to cover their personal property naming Carmel Hills as a Named Party on the policy. Carmel Hills does not insure the residents' personal belongings.
39. Applicant agrees, if Applicant has not already done so, to make the following advance care documents:
  - (a) Make a will providing for the disposition of the remaining assets and personal effects of Applicant and provision for proper burial of Applicant at the expense of Applicant. Applicant shall keep the Administrator of Carmel Hills informed at all times as to the location of Applicant's will and the name of the executor of said will before and after becoming a resident at Carmel Hills.
  - (b) Prepare and sign a Health Care Power of Attorney allowing a person you trust to make medical decisions for you if you cannot speak for yourself. A copy of said Health Care Power of Attorney shall be maintained in the Carmel Hills business office and in the resident's "In Case of Emergency" folder on the back of the door of their residential unit.
  - (c) Prepare and sign a Durable Power of Attorney allowing a person you appoint to continue to pay your bills if you could not handle these matters yourself. A copy of said Durable Power of Attorney shall be maintained in the Carmel Hills business office.
40. On the application form, Applicant has provided Carmel Hills certain financial information upon which Carmel Hills shall rely in reviewing the application. Applicant represents that such financial information is true, accurate and correct. Providing false information or failing to provide all the requested information are grounds for termination. Applicant agrees not to deplete or otherwise dispose of any assets, cash or property of Applicant, before and after becoming a resident at Carmel Hills, through gifts or any other voluntary means to such an extent that the ability of Applicant to meet the monthly payments due for Cost-of-Care shall be jeopardized.
41. A resident's privilege of living at Carmel Hills shall continue for the lifetime of such resident unless terminated under the terms set out in this agreement or unless terminated by such resident. However, this agreement is not a lease and does not create any interest on the part of any resident in the real property or personal property of Carmel Hills. The occupancy privilege of a resident does not and shall not inure to the use or benefit of any person, firm or corporation other than such resident. The rights of occupancy and all other rights of a resident shall at all times be subordinate and junior to the lien of any and all deeds of trust which might be executed by Carmel Hills.
42. In the event a resident is transferred from Carmel Hills as provided paragraphs 21, 25, and 27, or in the event of the death of a resident, Carmel Hills shall request that all items from a resident's unit be removed within 48 hours. Carmel Hills retains the right to remove and store the furniture and personal effects of such a resident on its premises for thirty (30) days from such transfer or

until such prior time as written instructions are received from such resident or his legal representative as to the disposition of such items. If, after thirty (30) days, no such instructions are received, Carmel Hills may, at its option, transfer such items to a public storage facility at the expense of the resident or his estate.

43. This agreement may be modified only in writing signed by both parties.
44. This instrument contains the entire agreement of the parties, and there are no other written or verbal agreements or understanding between the parties in existence except as appears in this instrument.
45. This agreement and the rights and liabilities of the parties there under shall be governed and construed under the laws of the State of North Carolina.
46. If any part, term, or provision of this Entrance Agreement is by the courts held to be illegal or in conflict with any North Carolina law, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Entrance Agreement did not contain the particular part, term, or provision held to be invalid.

IN WITNESS of their agreement, Carmel Hills and Applicant have signed this instrument under seal on the day and year first above written.

*This is not a continuing care contract*

Carmel Hills

Applicant

By: \_\_\_\_\_ (Seal)

Title: \_\_\_\_\_ (Seal)

I have received a Disclosure Statement \_\_\_\_\_.

**In the event of my death, I would like my 90% refundable entrance to go to:**

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

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Signed by: \_\_\_\_\_

## **Attachment A3**

### **Carmel Hills Dwelling Unit Entrance Agreement**

#### **Maple Plan – Declining Refund Entrance Fee**

This is a Continuing Care contract

THIS ENTRANCE AGREEMENT is made \_\_\_\_\_, 2025,  
by CARMEL HILLS, a North Carolina corporation with its principal office in Mecklenburg County,  
North Carolina ("Carmel Hills"), and \_\_\_\_\_, a  
resident of \_\_\_\_\_,  
("Applicant"). Applicant seeks joint admission with \_\_\_\_\_.

#### **STATEMENT OF PURPOSE**

Applicant has made written application to live at Carmel Hills. The parties agree by this instrument that the acceptance of the application and any tenure of residence of applicant as an occupant at Carmel Hills shall be governed by this instrument.

Carmel Hills is organized under the laws of North Carolina as a nonprofit corporation. The Board of Directors ("the Board") of Carmel Hills do not receive any salary or other remuneration for such functions. Board members perform such functions gratuitously as a ministry to the Lord and His people. It is the intent of Carmel Hills to maintain the lowest possible cost consistent with sound, economic principles of operations and the philanthropic purposes of Carmel Hills. Carmel Hills has been designed to provide comfortable surroundings at a low cost where older people may live in peace and contentment in Christian neighborliness. Carmel Hills and Applicant agree to seek and maintain these ideals. Carmel Hills was founded and operated by individuals associated with a group of Christians commonly known as Plymouth Brethren (according to the U.S. Department of Commerce Census of Religious Bodies, Bulletin #6, 1936). Although Carmel Hills routinely solicits and receives contributions from assemblies and individuals in these assemblies, such assemblies and individuals have no contractual obligation, or responsibility, either explicitly or implicitly, for continued support and funding of Carmel Hills. Residents who have been associated with the abovementioned group and the Board of Directors of Carmel Hills are considered Affiliated Residents and those not so associated are called Non-affiliated Residents.

The Carmel Hills Assisted Living unit is licensed as a "Home for the aged" by the State of North Carolina. As a "Home for the aged", medical care in Carmel Hills is usually occasional or incidental, such as may be required in the home of any individual or family, but the administration of medication is supervised in the Assisted Living. Continuing planned medical and nursing care to meet the resident's needs may be provided under the direct supervision of a physician, nurse, or home health agency.

#### **AGREEMENT OF THE PARTIES**

1. Applicant has received and reviewed the Carmel Hills Disclosure Statement (hereinafter referred to as "Disclosure Statement").
2. Applicant has paid to Carmel Hills with the presentation of a written application an application fee of two hundred dollars (\$200), which is not part of the Entrance Fee. The application fee is non-refundable.

3. The application will be reviewed by the Admissions Committee of Carmel Hills. That Committee will make a decision in its sole discretion and judgment, acting in good faith and in reliance upon information contained in the application. This decision will be:  
(a) preliminary approval of the application, (b) non-approval of the application, or (c) final approval of the application.
4. Preliminary approval is granted when the type of accommodation for which application was made is not available, or the applicant is not yet ready to move. The application is still subject to final approval by the Committee. Final approval is made when the Committee approves the Applicant for residency at Carmel Hills, and the type of accommodation for which application was made is available. Non-approval is a decision made by the Committee when it will not accept Applicant for residency at Carmel Hills. The decision of the Committee is not subject to appeal.
5. If preliminary approval is granted, the applicant will be placed on a waiting list. If applicant has paid a Reservation Deposit of One Thousand Dollars (\$1,000) under the Future Residency Agreement, this deposit will be credited towards the Entrance Fees due from the Future Resident at the time of occupancy of a Dwelling Unit at Carmel Hills.
6. When preliminary approval has been granted, and the type of accommodation for which the application was made becomes available, Carmel Hills will notify Applicant. Applicant must then provide Carmel Hills with a revised application showing any changes and containing current information. The Committee will review the new application and render a final decision.
7. Upon final approval, Applicant will be notified by Carmel Hills. Within thirty (30) days of that notice, Applicant shall pay to Carmel Hills the Entrance Fee. After final approval of the application, the Applicant officially becomes a resident of Carmel Hills upon payment of the Entrance Fee and the Monthly Cost-of-Care. (If the Entrance Fee is not paid in full at the time of residency, the resident will be required to sign a Promissory Note, agreeing to pay monthly interest at the market rate per annum on the unpaid balance. This is designed as a short-term, less than six months, swing loan and is not intended for use as long-term financing)
8. As used in this agreement, the term "Entrance Fee" shall mean the amount of money specified by Carmel Hills which is required to be paid by Applicant prior to becoming a resident. The amount of the Entrance Fee will vary depending upon the type of accommodations for which application is made and whether the applicant is Affiliated or Non-Affiliated. Carmel Hills shall have the right to change the amount of the required Entrance Fee at any time and from time to time after application for residency has been made and before the beginning of residency. See rates page 14 of Disclosure Statement for single and joint occupancy.
9. After Applicant has received notice of preliminary approval of the application but before Applicant has received notice of final approval, Applicant may prepay the Entrance Fee to Carmel Hills. The amount of such prepayment may be the entire Entrance Fee or any portion thereof in excess of five thousand dollars (\$5,000).
10. Upon final approval of the application by Carmel Hills, Carmel Hills shall provide to Applicant a place of residence at its facility located on Carmel Road, in Charlotte, North Carolina. Carmel Hills shall also provide Applicant the opportunity to participate in the social and creative programs of Carmel Hills.
11. In the event the application receives final approval by Carmel Hills, Applicant shall be entitled to occupy the dwelling unit for which application was made which is identified as follows:

(Check One)

- A Unit.** This unit is located in the Community Building and contains approximately 350 square feet of living space with one main room and a private bath. The main room consists of a bedroom/sitting room, and a kitchenette equipped with sink, refrigerator, and stovetop unit or stove.
- B Unit.** This unit is located in the Community Building and contains approximately 450 square feet of living space with one main room and a private bath. The main room consists of a bedroom/sitting room, and a kitchenette equipped with sink, refrigerator, and stove.
- C Unit.** This unit is located in the Community Building and contains approximately 600 square feet of living space, which is divided into the following: a living room, dining area, bedroom, and full bath. This unit also contains a separate kitchen complete with pantry, sink, refrigerator, and stove.
- D Unit.** This unit is located in the Community Building and contains approximately 900 square feet of living space. The rooms are designed as a living room, dining area, and two bedrooms, with each bedroom serviced by its own bathroom. The unit also contains a separate kitchen complete with pantry, sink, refrigerator, and stove.
- E Unit.** This unit is located in the Community Building and contains approximately 950 square feet of living space, which is divided into the following: a bedroom with ensuite full bathroom, a separate kitchen complete with walk-in pantry, sink, refrigerator, stove and microwave, and an open concept dining/sitting area leading into a larger living room/office with its own full bath and storage area. The pricing for the E unit is the same as for the D Unit.

**Cottage/Duplex Unit.** This is housed in one of five separate buildings apart from the Community Building. This unit contains approximately 1,130 square feet of living space. The unit consists of a living room, dining area, and two bedrooms. Each bedroom has a full bath. The unit also contains a separate kitchen complete with pantry, washer, dryer, sink, refrigerator, and stove.

**One Cabin.** This unit is a log cabin with approximately 896 square feet of living space. It contains a living/dining room, one bedroom, a fully equipped kitchen and full bath. It is a separate building apart from the community building. It fronts onto Carmel Road.

Currently, the Entrance Fee for the above indicated dwelling unit is \$\_\_\_\_\_.

12. Applicant may rescind the Entrance Agreement within thirty (30) days following the later of the execution of either the Entrance Agreement, or the receipt of the disclosure statement. The resident is not required to move in during the thirty (30) day rescission period. In the event that Applicant rescinds the Entrance Agreement within this thirty (30) day period, any money transferred to Carmel Hills, other than the application fee, shall be returned to Applicant within thirty (30) days after the rescinding date and subject to the following conditions and charges:
- (a) In the event that Applicant has begun occupancy of a Dwelling Unit or residency in the Assisted Living Unit within the above thirty (30) days, then Carmel Hills shall be allowed to retain that part of the Entrance Fee necessary to clean and repair the Dwelling Unit in a manner sufficient for occupancy by a new occupant.
- (b) Carmel Hills shall also be entitled to retain a pro rata share of the Monthly Cost-of-Care based on the number of days of occupancy by the resident before the resident rescinded the Entrance Agreement and terminated his residency at Carmel Hills.

(c) Carmel Hills shall also be entitled to retain the cost of all other expenses incurred by Carmel Hills on behalf of the rescinding individual.

13. In the event of the termination of residency of a Carmel Hills resident by reason of death of a resident or for any other reason at any time, beyond the thirty (30) day period stated in the preceding paragraph (see item #12 above), but during the first 21 months of the residency of Carmel Hills, any portion of the Entrance Fee will be refunded in accordance with the provisions of this section, provided that, as a result of such termination of residency, the dwelling unit being occupied by the resident at the time of termination of residency shall then become unoccupied and available for disposition by Carmel Hills to a new resident. The Monthly Cost-of-Care for the unit shall continue until the unit is unoccupied and available to another resident.

In the event a termination of residency qualifies for a refund, a refund will be made based on the following provisions:

- If the period of residency for DREF 0 (Declining Refund Entrance Fee) / Maple Plan residents giving rise to the right of such refund is beyond the previously stated thirty (30) day period, but less than ninety (90) days, seventy five percent (75%) of the Entrance Fee will be refunded.
  - If the period of such residency has been ninety (90) days or greater up to twenty one (21) months, a refund will be made equal to the Entrance Fee less twenty five percent (25%) thereof for the first ninety (90) days of the residency by such resident and less four percent (4%) thereof for each period of thirty (30) days or increment thereof of residency by such resident beyond the first ninety (90) days.
  - Carmel Hills will deduct from any such refund and retain the amount equal to one hundred dollars (\$100) per day for each day or a portion thereof during the first one (1) month of residency that the resident has occupied either the Carmel Hills Assisted Living Unit or a nursing home or both.
  - Any resident who dies or is terminated as a resident of Carmel Hills after having been a resident of Carmel Hills or a resident of a nursing home for more than twenty-one (21) months shall not be entitled to any refund or any portion of the Entrance Fee.
  - Any allowable refunds would be payable once the unit is available for re-occupancy after the death of the Resident or termination of the contract. Such refunds will be available firstly to the resident or secondly to the spouse (if applicable and living) or refunded to the estate of such resident.
14. If Applicant dies before officially becoming a resident, or if on account of illness, injury, or incapacity, an applicant would be precluded from becoming a resident under the terms of this agreement, this agreement is automatically canceled and Applicant or legal representative of Applicant shall receive a refund of all money transferred to Carmel Hills, less the application fee and any non-standard expenses which Carmel Hills has incurred at the written request of the applicant.
15. The first ninety (90) days of occupancy at Carmel Hills by a resident constitutes a trial period during which a resident will be required to terminate residency at Carmel Hills if the Board, in its sole discretion, determines that a resident is unable to make a physical or mental adjustment to the style of living provided. Monthly Cost-of-Care fees still apply for time spent at Carmel Hills.

16. A resident may voluntarily terminate residency at Carmel Hills at any time.
17. The Board shall have the right to terminate residency of a resident at Carmel Hills at any time for what is, in the sole judgment and discretion of the Board, any just or sufficient cause, and any such termination shall be final and conclusive.
18. As part of the application procedure, Applicant must furnish Carmel Hills with certain specified financial and medical information. Carmel Hills may terminate a resident for falsifying or failing to reveal financial or medical information requested on the application forms.
19. A resident shall be required to abide by the policies and regulations established from time to time by the Board concerning the conduct and activity of all residents of Carmel Hills. Carmel Hills may terminate a resident for failure to comply with such policies and regulations.
20. In the event of a termination of residency, the only refund of the original Entrance Fee shall be as provided in paragraph thirteen (13) herein. Neither Carmel Hills nor any member of the Board shall have any liability by reason of termination of the occupancy of a resident at Carmel Hills for any reason.
21. If a resident is transferred or moved to a facility outside of the Carmel Hills facilities, and if such resident's physician is of the opinion that the resident is not likely to return to the facilities of Carmel Hills, then Carmel Hills shall have the right to allow another applicant or resident of Carmel Hills to occupy the Dwelling Unit assigned to such resident. If, in such case, such resident does recover and returns to Carmel Hills, such resident shall have the right to occupy the first dwelling unit of similar size and cost which becomes available at Carmel Hills.
22. During the time a resident is an occupant at Carmel Hills, Carmel Hills shall supply to a resident the following Services:
  - Bi-weekly light housekeeping of each Dwelling Unit;
  - Bi-weekly laundry of bed linens;
  - All utilities: heating, air conditioning, gas, electricity, trash removal. Residents pay individually for telephone and cablevision service;
  - Homeowners insurance on the building. Residents must provide for their own renters insurance;
  - One well-balanced meal each day served semi-cafeteria style in the dining room. The resident's plate is prepared by the food service department in the resident's presence, and the resident selects his own salads, drinks, etc. Residents may prepare additional meals in their own Dwelling Unit;
  - Complete use of all common areas, including the lounge, library, dining room, exercise area, porch, lawn, lake, parking area, nature trails and walks;
  - Mail delivered daily, except on postal holidays, to residents' private locked boxes located in the lobby, or lower hall;
  - Free use of laundry facilities for personal laundry;
  - Maintenance and repair of all Carmel Hills' facilities;
  - Access to the Carmel Hills Assisted Living and/or nursing home care or a nursing facility duly licensed by the State of North Carolina.
23. Carmel Hills shall have no responsibility to provide to a resident, and a resident shall be responsible for providing and paying for, the following items received or used by a resident: all medications (prescription and non-prescription); all surgical, medical, dental and optical services; all fees to physicians, nurses and other medical care personnel; rehabilitative nursing home care; all medical services of any type beyond those services which are described in paragraph 22; dry



cleaning and laundry services other than those which might be available on the grounds of Carmel Hills for use by residents; telephone and cablevision services.

24. From time to time, at Carmel Hills' sole discretion and when there are surplus funds, surplus volunteers, or surplus employees, Carmel Hills may provide services beyond those required under this agreement. Such additional services are not, nor shall they become, an entitlement either to the party receiving these additional services or to any other resident of Carmel Hills. Notwithstanding any provision herein, either explicit or implied, Carmel Hills shall not be responsible for providing any level of care, service, treatment, or facilities beyond such care, service, treatment or facility available and provided by Carmel Hills to its residents as of October 10, 1989.

The level of care, service, treatment or facilities provided specifically excludes, without limitation, furnishing or maintaining any life support equipment such as respirators, dialysis, or heart-lung machines. Carmel Hills will not be responsible for any transportation activities related to the above-mentioned equipment or procedures.

25. Carmel Hills reserves the right:

- (a) To transfer a resident, either temporarily or permanently, to the Assisted Living unit within Carmel Hills or another facility outside of Carmel Hills, as Carmel Hills may determine, in its sole discretion, to be in the best interest of a resident, when nursing care is required or domiciliary care is required and Carmel Hills determines, in its discretion, that such resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health or peace of other residents of Carmel Hills.
- (b) To transfer a resident, either temporarily or permanently, to another facility if nursing care or domiciliary care is required and a resident's physician determines that such resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health or peace of other residents of Carmel Hills, provided Carmel Hills agrees with such physician's determination.

In the event Carmel Hills disagrees with a resident's physician's determination as to the resident's need for further nursing care based on resident's physical and mental condition, or that the resident has become so physically or mentally ill or abusive as to actually or perceptively jeopardize the health and peace of other residents of Carmel Hills, then Carmel Hills shall select a licensed physician to make a determination. Such determination by the physician selected by Carmel Hills shall be conclusive as to whether the resident shall be transferred.

26. If a resident is transferred to the Assisted Living unit within Carmel Hills, Carmel Hills will provide domiciliary care in a semi-private room while in the Assisted Living unit. Residents transferred to the Assisted Living unit shall continue to pay the Monthly Cost-of-Care at the then-current rate of one (1) person in a duplex. Additionally, residents transferred into the Assisted Living unit shall pay an additional fee to help offset the cost of the additional services and other expenses. This fee is subject to change by the actions of and/or at the discretion of the Board.
27. If a qualifying resident moves or is transferred by Carmel Hills outside of Carmel Hills to a nursing care facility or lesser care facility licensed by the State of North Carolina and approved by Carmel Hills (such facilities hereinafter referred to as "Alternative Facilities"), the following rights and restrictions shall be in effect:

- (a) Carmel Hills will pay for the basic monthly service charge of the Alternative Facilities based on a rate of a semi-private room in the Alternative Facilities, but only to the extent that payment is not covered by the insurance of the resident or Medicare.
  - (b) The obligation of Carmel Hills to pay the Alternative Facilities for a resident's nursing care shall be contingent upon the continuing payment to Carmel Hills by the resident of the Monthly Cost-of-Care and the additional fees. The Monthly Cost-of-Care and additional fees obligations shall continue at the then current rate that would be charged to the resident had he not been transferred to the Alternative Facilities.
  - (c) Notwithstanding anything herein to the contrary, Carmel Hills will not pay for ancillary services provided by the Alternative Facilities. Carmel Hills will also not pay for the use and maintenance of respirators, heart-lung machines, dialysis machines or any other life support equipment or machinery. Carmel Hills will not be responsible for any transportation activities related to the above-mentioned equipment or procedures.
28. If a qualifying resident moves or is transferred to a hospital, all expenses incurred for such resident's occupancy and care in such hospital shall be borne by such resident.
29. Upon becoming an occupant of Carmel Hills, a resident shall pay before the tenth (10<sup>th</sup>) day of each month the Cost-of-Care for that month. The Cost-of-Care for that type of Dwelling Unit specified in paragraph 11 presently is \$\_\_\_\_\_ per month and is subject to increase or decrease by the action and in the sole discretion of the Board. Carmel Hills reserves the right, in its sole discretion, to change or adjust the Monthly Cost-of-Care based upon changes in the cost of living and other economic necessities as they arise. Carmel Hills reserves the right to charge one and one-half percent (1.5%) per month on the unpaid balance of all Cost-of-Care fees not received by the tenth (10<sup>th</sup>) day of each month.
30. If a resident is unable to make full payment of all amounts due under this agreement at the time such payment is due, the resident shall notify the administrator of Carmel Hills in writing, giving an explanation of the present situation and a current financial statement. Carmel Hills will determine in its sole discretion whether to waive or reduce certain financial requirements and the terms by which such reduction or waiver will be provided. A waiver of any Monthly Cost-of-Care must be in writing. A waiver of a fee or any part thereof for any particular month shall not constitute a waiver for any subsequent months unless so specifically stated in writing by Carmel Hills.
31. If a resident is unable to make full payment of all amounts due under this agreement at the time such payment is due and Carmel Hills does not agree to provide financial assistance, then Carmel Hills may terminate this agreement. Before terminating this agreement for failure to pay, Carmel Hills shall provide written notice demanding that resident bring his account current within twenty (20) days from receipt of the written demand. Should the resident fail to bring the account current within the twenty (20) day period, then Carmel Hills may terminate this agreement.
32. A resident upon request by Carmel Hills shall apply for any federal, state or local grant, aid or benefits for which such resident may be eligible or to which such resident may be entitled, and a resident shall apply such grant, aid or benefit to the Cost-of-Care of such resident in keeping with the accounting procedures of Carmel Hills.
33. If Applicant is eligible and not already enrolled, Applicant upon request of Carmel Hills shall:

- (a) apply for and secure participation under the Medicare Hospital Insurance Benefits Program under Part A of Public Law 89-97; and
  - (b) at the next enrollment period following the application of Applicant to Carmel Hills, apply for, secure and pay the premiums for participation under Part B of Public Law 89-97.
34. A resident shall authorize, as requested by Carmel Hills, any provider of hospitalization, medical or health services under Medicare Part A and Part B - and of any other hospitalization, medical or health services - to receive reimbursement as provided under those programs or as provided from any insurer providing hospitalization, medical and health insurance which covers such resident.
35. A resident shall make, as may be necessary, assignment to the provider of medical and other health services under Medicare Part B and any supplementary extended coverage plan of all benefits accruing to such resident under those plans.
36. Except for in-house domiciliary nursing care and the one meal per day provided by Carmel Hills, a resident shall pay from such resident's own funds the deductible, the per diem and all other charges for or costs of any hospitalization and medical and other health services not paid for by the Medicare programs or other insurance. Carmel Hills shall not be responsible for any charges for such services but may, to the extent that a resident's resources are inadequate to do so, from time to time in its charitable functions and in the sole discretion of the Board assist a resident in paying such charges.
37. Residents shall remain liable for the full Monthly Cost-of-Care even if such resident is voluntarily absent from Carmel Hills, provided that this agreement has not been terminated, in writing, by either Carmel Hills or the resident.
38. Each resident assumes all risks of personal injury and damage to property which such resident may incur by reason of any act or omission occurring while such resident is an occupant of Carmel Hills. Residents are required to purchase "Renters insurance" to cover their personal property naming Carmel Hills as a Named Party on the policy. Carmel Hills does not insure the residents' personal belongings.
39. Applicant agrees, if Applicant has not already done so, to make the following advance care documents:
- (a) Make a will providing for the disposition of the remaining assets and personal effects of Applicant and provision for proper burial of Applicant at the expense of Applicant. Applicant shall keep the Administrator of Carmel Hills informed at all times as to the location of Applicant's will and the name of the executor of said will before and after becoming a resident at Carmel Hills.
  - (b) Sign a "DECLARATION OF DESIRE FOR NATURAL DEATH" or other instrument as may be required to instruct health care providers not to prolong life by artificial means when hope for recovery has dissipated. A copy of said DECLARATION shall be maintained in the Carmel Hills business office, and in the resident's "In Case Of Emergency" folder on the back of the door of their residential unit. Carmel Hills will no longer be responsible for the life care of a resident if the resident, or the resident's responsible party has rescinded or ignored the DECLARATION, and extraordinary means are being used to prolong life.
  - (c) Prepare and sign a Health Care Power of Attorney allowing a person you trust to make medical decisions for you if you cannot speak for yourself. A copy of said Health Care Power of Attorney

shall be maintained in the Carmel Hills business office, and in the resident's "In case of emergency folder" on the back of the door of their residential unit.

- (d) Prepare and sign a Durable Power of Attorney allowing a person you appoint to continue to pay your bills if you could not handle these matters yourself. A copy of said Durable Power of Attorney shall be maintained in the Carmel Hills business office.
40. On the application form, Applicant has provided Carmel Hills certain financial information upon which Carmel Hills shall rely in reviewing the application. Applicant represents that such financial information is true, accurate and correct. Providing false information or failing to provide all the requested information are grounds for termination. Applicant agrees not to deplete or otherwise dispose of any assets, cash or property of Applicant, before and after becoming a resident at Carmel Hills, through gifts or any other voluntary means to such an extent that the ability of Applicant to meet the monthly payments due for Cost-of-Care shall be jeopardized.
41. A resident's privilege of living at Carmel Hills shall continue for the lifetime of such resident unless terminated under the terms set out in this agreement or unless terminated by such resident. However, this agreement is not a lease and does not create any interest on the part of any resident in the real property or personal property of Carmel Hills. The occupancy privilege of a resident does not and shall not inure to the use or benefit of any person, firm or corporation other than such resident. The rights of occupancy and all other rights of a resident shall at all times be subordinate and junior to the lien of any and all deeds of trust which might be executed by Carmel Hills.
42. In the event a resident is transferred from Carmel Hills as provided in paragraphs 21, 25, and 27, or in the event of the death of a resident, Carmel Hills shall request that all items from a resident's unit be removed within 48 hours. Carmel Hills retains the right to remove and store the furniture and personal effects of such a resident on its premises for thirty (30) days from such transfer or until such prior time as written instructions are received from such resident or his legal representative as to the disposition of such items. If, after thirty (30) days, no such instructions are received, Carmel Hills may, at its option, transfer such items to a public storage facility at the expense of the resident or his estate.
43. This agreement may be modified only in writing signed by both parties.
44. This instrument contains the entire agreement of the parties, and there are no other written or verbal agreements or understanding between the parties in existence except as appears in this instrument.
45. This agreement and the rights and liabilities of the parties there under shall be governed and construed under the laws of the State of North Carolina.
46. If any part, term, or provision of this Entrance Agreement is by the courts held to be illegal or in conflict with any North Carolina law, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Entrance Agreement did not contain the particular part, term, or provision held to be invalid.

IN WITNESS of their agreement, Carmel Hills and Applicant have signed this instrument under seal on the day and year first above written.

This is a Continuing Care contract.

Carmel Hills

Applicant

By: \_\_\_\_\_ (Seal)

Title: \_\_\_\_\_ (Seal)

I have received a Disclosure Statement \_\_\_\_\_.

## Attachment B

### Assisted Living/Personal Care Agreement Between Carmel Hills and Resident

This Personal Care Agreement ("Agreement") is entered into on [DATE] between **Carmel Hills**, located at 2801 Carmel Road, Charlotte, NC ("Facility"), and [Resident Name] ("Resident") and/or [Legal Representative Name], acting as the legal representative of the Resident ("Representative").

Resident Name: \_\_\_\_\_ Representative Name: \_\_\_\_\_

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

Room No. / Bed: \_\_\_\_\_ Semi-private: ☐ Private: ☐

#### 1. Purpose

This Agreement outlines the terms, conditions, and the personal care services to be provided to the Resident by the Facility to assist in their comfort, safety, and well-being while residing in the Facility.

#### 2. Services Provided

The Facility agrees to provide the following personal care services, tailored to the Resident's needs, as assessed upon admission and updated periodically:

- **Assistance with Activities of Daily Living (ADLs):** Including bathing, dressing, grooming, toileting, feeding, and mobility assistance.
- **Medication Management:** Please see Item # 8 for specific details.
- **Meal Services:** Provision of three nutritious meals daily, plus snacks, accommodating dietary restrictions when able, and when specified in writing by the Resident's healthcare provider.
- **Housekeeping and Laundry:** Regular cleaning of the Resident's living space and laundering of personal clothing and linens (excluding dry cleaning).
- **Social and Recreational Activities:** Access to planned activities and programs designed to promote engagement and well-being.
- **Transportation:** Scheduled transportation for medical appointments (pending driver availability and when not in conflict with previously scheduled appointment) and Facility planned community outings, as available and with reasonable notice; not less than 24 hours in advance of the need for transport.
- **Health Monitoring:** Regular observation of the Resident's health status, with coordination of care with healthcare providers as needed.

Additional services may be provided based on the Resident's individualized care plan, subject to mutual agreement and additional fees where applicable.

### **3. Resident Responsibilities**

The Resident or Representative agrees to:

- Notify the Facility of any changes in the Resident's health or medical needs promptly.
- Use Exhibit (A) Health Care Records to provide accurate and complete health and medical information to the Facility three (3) business days prior to Admission Date to ensure appropriate care as outlined.
- Pay all fees for services rendered as outlined in the Fee Schedule attached as Exhibit (B).
- Comply with Facility policies and procedures, including those noted in the House Rules attached as Exhibit (C), and those related to safety and community living.

### **4. Fees and Payment**

- Inquiries about billing can be addressed by calling the front office at: 704-364-8302.
- The Facility will provide a detailed invoice monthly, itemizing all services and charges.
- The Assisted Living Monthly Fees appear on the monthly billing statement as "AL Monthly Fees" with a description noting the Residents' room number and identifying it as private, or semi-private.
- Additional services outside the AL Monthly Fees will be charged as outlined in the Fee Schedule.
- The Residents' individual Fee Schedule is maintained in the main office by the Office Manager.
- Payments are due on the 10th of each month. Late payments may incur a late fee of 1.5% per month, or \$25.00, whichever is greater.
- Failure to make payment by the payment due date may result in a written notice of discharge for failure to pay. Continued failure to pay shall result in the discharge of the Resident to another facility.
- Fees are subject to change with 30 days' written notice.

### **5. Discharge and Transfer**

- The Facility CEO and / or the Administrator will involve the Director of Nursing, the Office Manager, Resident, Representative, family, and physician when other living arrangements are needed due to improved condition, or when professional nursing or intermediate care is needed or requested.
- The first ninety (90) days of occupancy in the Facility by a Resident will constitute a trial period during which a Resident may be required to terminate residency at the Facility if the CEO determines that a Resident is unable to make a physical or mental adjustment to the

style of living provided, or if the family or Representative is disruptive to the environment or non-compliant with the Facility policies.

- A Resident may voluntarily terminate residence in the Facility at any time. If a discharge originates with the Resident or Representative, the Facility requires not less than 14 days' written notice. If a Resident is removed from the community without providing notice, the Resident or Representative is responsible for an additional payment of 14 days at the then current rate.
- The CEO shall have the right to initiate the termination of the residency of any Resident in the Facility for what is, in the sole judgment and discretion of the CEO, grounds for termination.
- If the CEO requests that a Resident terminate residence, a notice of not less than 30 days will be given.
- The discharge of a Resident initiated by the facility shall be according to conditions and procedures specified in paragraph (a) through (g) of rule 10A NCAC 13F.0702, amended, effective April 1, 2024.

## **6. Refund Policy**

Refunds on unused monthly cost of care will be made when:

- A proper written notice of termination of residence in the Facility is provided to the Facility front office manager.
- If a Resident dies, a refund will be issued to the administrator of his or her estate for the cost of care of any days remaining in the month after the room has been cleared of personal items. The refund will be issued within 30 days following the Resident's death.
- The Resident becomes an in-patient or resident at a hospital, hospice house, or family residence etc., and the Facility front office manager is notified in writing that the Resident will not return; the refund will be issued for any remaining days in the month beginning with the day after the room has been cleared of all personal items.

## **7. Resident Fall Incident**

The facility has a long-standing guideline that has served our Residents and their families well. It is straightforward: if there is a noticeable bump, bruise, bleeding, sensitive area, confusion, or any indication that a Resident has hit their head during a fall, the facility will call 911 and request transport of the Resident to the hospital emergency department for evaluation.



## **8. Care Plan**

- An individualized Resident Register will be developed at the time of admission, in collaboration with the Facility staff, Resident and / or Representative and may include input from their provider(s).
- Within 30 days, a signed care plan will be developed in collaboration with Facility staff, the Resident and or Representative and their provider(s).
- The care plan will be reviewed and updated at least annually or as needed based on changes in the Resident's condition.

## **9. Medication**

- Administration of Resident medication is provided by the Facility staff.
- The Facility policy prohibits the self-administration of any prescription or over-the-counter medications by Residents, Representatives, family members, or friends. However, a Resident may self-medicate if authorized by a Medical Doctor and based on their cognitive status. Narcotics must be securely stored in a lockbox at the nurse's station.
- The Assisted Living department requires that the Resident utilize a medication administration system acceptable to the facility.
- This facility has an arrangement with a pharmacy provider that utilizes a special dosing system that facilitates the administration of medication to a large number of residents with the lowest possibility of errors. However, the Resident has the right to use a different pharmacy provider if the medications are packaged in the form that is used in the Assisted Living department.

## **10. Resident Funds**

The Resident will handle his/her own funds whenever possible. If unable to do so, the CEO and / or the Administrator will contact a family member or responsible party regarding the need for a guardian, personal representative, or payee. Facility employees may not serve as guardian or personal representative.

## **11. Clothing and Personal Items**

- All items must be clearly identified by a permanent marking (name).
- All cloth items must be either new, or exposed to direct heat in a dryer for 45-minutes prior to bringing them into the facility.
- Bring: clothes, pajamas or nightclothes, comfortable shoes, socks or hose, housecoat, slippers, underclothing, coats, sweaters, quilt, favorite blanket, etc.
- Bring: toothbrush, toothpaste, brush, comb and correspondence materials etc.
- All clothing and bedding supplied by the Resident must be in good condition, no rips, tears, stains, or odors.

## **12. Furniture and Personal Items**

- The Facility may provide basic furnishings for each room. (bed, nightstand, and wardrobe)
- As approved by the CEO and / or Administrator, Residents may bring personal furnishings provided that the items are pre-inspected at entry by a Facility maintenance team member, and that they are found to be in good condition without rips, tears etc.
- Furnishings may not impede the flow of travel to and from the bathroom for Resident and their assistive devices, or if applicable, for the Resident's roommate.
- Where the Resident is admitted to a semi-private room, furnishings will not touch or impede the free flow of the ceiling mounted curtain room divider, nor protrude into the roommate's space.
- The number of electrical outlets in each room is limited. If needed, and approved, a power strip may be provided by the Facility. (see Fee Schedule) Personal power strips and extension cords are prohibited by North Carolina law.
- Personal electric items must be in good working condition with undamaged cords. From time to time, staff will inspect such items.
- Walls will be protected from nail holes and damage to paint by using stick-strip type hangers that are removable.
- Prohibited items include (but are not limited to) candles, refrigerators, space heaters, live cut Christmas trees, and potted plants that are poisonous if ingested.

## **13. Mail**

- Residents are encouraged, and assisted if needed, to correspond by mail with family and friends.
- Inbound mail received at Facility for the Resident will be delivered unopened. Assistance with opening of mail will be provided if requested and the Resident is physically unable to do so.
- Outgoing mail will not be censored.
- Upon request by the Representative, inbound mail may be held in the front office for pickup by the Representative.

- Mail to a Resident of the Facility should be addressed as follows:

Resident Name  
Carmel Hills  
2801 Carmel Rd.  
Room #  
Charlotte, NC 28226

#### **14. Termination of Agreement**

- This Agreement may be terminated by either party with 30 days written notice.
- Subject to applicable state regulations, the Facility reserves the right to terminate this Agreement immediately if the Resident's needs exceed the Facility's ability to provide safe and adequate care, if the Resident poses a danger to themselves, other residents, staff, or if the Resident sexually harasses other residents or staff members.
- The Facility reserves the right to terminate this agreement for non-payment of fees.
- Upon termination, the Resident or Representative is responsible for all outstanding fees.

#### **15. Confidentiality**

The Facility will maintain the confidentiality of the Resident's personal and medical information in accordance with applicable laws, including the Health Insurance Portability and Accountability Act (HIPAA).

#### **16. Liability**

- The Facility will exercise reasonable care in providing services but is not liable for injuries or losses beyond its control, except in cases of gross negligence or willful misconduct.
- The Resident or Representative assumes responsibility for risks associated with the Resident's or Representative's personal choices, such as refusing recommended care or the use of assistive devices, or the ingestion of beverages or foods not recommended by the medical staff.
- The Facility is not liable for any accidents, falls, or incidents that occur outside of the assisted living department or off campus while the Resident is in the care of the Representative, family members, friends, or outside medical providers.

#### **17. Title VI of the Civil Rights Act**

The Facility has signed Form DSS-1464, indicating its willingness to comply with Title VI of the Civil Rights Act that no person will, on the grounds of race, color, or national origin be excluded from participation in, be denied benefits of, or be subjected to discrimination in the provision of any assistance, care or services.

## **18. Governing Law**

This Agreement shall be governed by the laws of the State of North Carolina. Any disputes arising under this Agreement will be resolved in accordance with state regulations and, if necessary, through mediation or arbitration in Charlotte, NC.

## **19. Amendments**

This Agreement may be amended only in writing and signed by both parties.

## **Signatures**

By signing below, the parties acknowledge that they have read, understood, and agree to the terms of this Agreement.

### **Resident or Representative:**

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

Sign: \_\_\_\_\_

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

### **Carmel Hills:**

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

Sign: \_\_\_\_\_

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

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

**Exhibit (A)**  
**HEALTH CARE RECORDS**

Carmel Hills Policy dictates that there will be a current FL-2 (less than 30-days old) on file at Carmel Hills three (3) days prior to Admission of Resident.

Is there an FL-2 currently on file at Carmel Hills? Yes: ☐ No: ☐ Date: \_\_\_\_\_

Resident's Physician Name: \_\_\_\_\_

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

Physician Phone: \_\_\_\_\_

Resident's Dentist Name: \_\_\_\_\_

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

Dentist Phone: \_\_\_\_\_

**Exhibit (B)****FEE SCHEDULE**

Carmel Hills offers four distinct Plans as follows. The Plan that a Resident initially selects upon admission to the Carmel Hills facility has a distinct influence on their AL Monthly Fee. The Plan (other than Direct Entry) that is selected at Residents' admission is taken into consideration when the Resident is transferring from the Independent Living area, into the Assisted Living unit.

<b>Plan Name</b>	<b>Select</b>	<b>Plan Selected at Entry</b>
Maple	<input type="checkbox"/>	Independent Living Resident
Magnolia	<input type="checkbox"/>	Independent Living Resident
Oak	<input type="checkbox"/>	Independent Living Resident
Direct Entry*	<input type="checkbox"/>	Assisted Living - Direct Entry Only

\*NOTE: Carmel Hills charges a onetime, non-refundable Residency Fee of \$2250.00 for Residents who are Direct Entry admissions.

<b>Description</b>	<b>Billing Frequency</b>	<b>Fee Amount</b>
Residency Fee*	1-time	\$2250.00
AL Monthly Fee	Monthly	
Private Room Surcharge	Monthly	
Maple Plan Life Care Credit	Monthly	
Oak Plan Discount (5%)	Monthly	
In Room Phone	Monthly	
Internet Access	Monthly	
Phone & Internet Bundle (-10%)	Monthly	
<b>Total Monthly Fees -&gt;&gt;</b>		

Disposable briefs and nutritional supplements are additional to the Total Monthly Fees and will be billed monthly as needed. Rates do not include the cost of clothing, personal items (e.g., toothbrushes) or non-prescription drugs, hospital bills, physician visits, and medications. Such items must be paid for by the Resident, Representative, family, or guardian.

*Note: Fees are subject to change with 30 days' written notice.*

## **Exhibit (C)**

### **HOUSE RULES**

#### Resident Grievances

Carmel Hills Assisted Living Management maintains an open-door policy to address the concerns of residents, family members, and friends. We encourage open communication regarding any aspect of community living. Please follow the steps below to ensure a prompt resolution:

1. Discuss concerns, complaints, or suggestions with the **Shift Manager** or **Supervisor in Charge** of the current shift.
2. If unresolved, escalate the matter to the **Director of Nursing**.
3. If unresolved, escalate the matter to the **CEO** and/or the **Administrator** of Carmel Hills.
4. After utilizing the onsite Carmel Hills escalation steps, should concerns remain unresolved, contact the facility Ombudsman whose contact information is provided at the time of admission.

All residents, family members, Power of Attorney (POA), and friends are encouraged to use this process. Management will document all initial meetings and follow-ups. Given the varied nature of concerns or complaints, a specific resolution time frame will be discussed and documented during the initial contact.

**Health Care Workers** are often the first point of contact for residents with concerns or complaints. These workers are directed to report all concerns immediately to the **Director of Nursing**. If the Director is unavailable, the **CEO** and/or **Administrator** should be informed. Contact information is posted in the Assisted Living department.

Family members or friends who approach Carmel Hills workers with concerns or complaints should be made aware that the information will be documented and reported to the appropriate personnel.

Prompt attention to all concerns and complaints is vital to the well-being and contentment of our community.

## **Exhibit (C)**

### **HOUSE RULES (cont.)**

#### Use of Alcohol and Tobacco

To ensure the safety and quality of life for our residents, the following policies are in effect:

1. Smoking or the use of any tobacco products (including e-cigarettes) is **not permitted** by residents of Carmel Hills Assisted Living.
2. The use of alcoholic beverages is **not allowed** by residents of Carmel Hills Assisted Living department, except by medical order.

We respectfully ask that all residents, visitors, and family members comply with this policy.

#### Visiting Hours

Carmel Hills Assisted Living values the support that family, friends, and pastors provide to residents. To ensure a balance between flexibility and the well-being of our residents, we request adherence to the following guidelines:

##### **1. Mealtimes:**

- Resident mealtimes are at **8:00 AM, 12:00 PM, and 5:00 PM.**
- Visiting during mealtimes in the dining areas can be distracting and may reduce nutritional intake. We kindly request visits be scheduled outside of these hours unless necessary. If a visitor or family member would like to dine with a resident, please contact the front office at 704-364-8302 to make arrangements.

##### **2. Special Meal Assistance:**

- Residents who are unable to join the dining room due to health reasons may benefit from family or friend visits during meals. If you wish to assist during mealtimes, please coordinate with staff for any special instructions.

##### **3. Late-Night Visits:**

- For safety reasons, please notify staff in advance of late-night visits so that they can facilitate entry into the Assisted Living unit.

##### **4. End-of-Life Care:**

- During end-of-life situations, Assisted Living supports families wishing to spend as much time as needed with their loved ones. Please inform staff of any special needs during this time.



**Exhibit (D)**  
**PLANS IN THE EVENT OF DEATH**

Notify the Designated Responsible Party or others (as listed below):

Name: \_\_\_\_\_ (Designated Responsible Party)

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

Mobile: \_\_\_\_\_ Work: \_\_\_\_\_

Name: \_\_\_\_\_ (Secondary Point of Contact)

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

Mobile: \_\_\_\_\_ Work: \_\_\_\_\_

Name: \_\_\_\_\_ (Other Point of Contact)

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

Mobile: \_\_\_\_\_ Work: \_\_\_\_\_

Funeral Home: \_\_\_\_\_

Phone: \_\_\_\_\_

Burial Site: \_\_\_\_\_

Resources Available for Burial:

Personal Funds: \_\_\_\_\_

Life Insurance: \_\_\_\_\_

Burial Policies: \_\_\_\_\_

Family Funds: \_\_\_\_\_

## Attachment C

### Early Reservation Agreement

This agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Carmel Hills, Inc., a North Carolina nonprofit corporation (the "Corporation"), and \_\_\_\_\_, (the "Early Reserver") (if husband and wife, or two other persons enter into this Agreement, the word "Early Reserver" shall apply to them collectively unless the context otherwise requires).

#### Introduction

WHEREAS, the Corporation owns and operates a continuing care retirement community on Carmel Road in Charlotte, North Carolina ("Carmel Hills"); and

WHEREAS, the Early Reserver desires to be entered on the waiting list at Carmel Hills; and

WHEREAS, the Early Reserver is below the age of sixty-two (62) years and the parties agree he or she is not required to complete a Future Residency Agreement (as hereinafter defined) and comply with its requirements until reaching the age of sixty-two (62) years.

#### Agreement

1. Priority Reservation. The Corporation agrees to assign to the Early Reserver a priority position on Carmel Hills' waiting list based on the date of this Agreement and the chronological order in which all Early Reserves and Future Residents enter into such Early Reservation Agreements and Future Residency Agreements (as the case may be), regardless of the apartment type selected.
2. Early Reservation Fee. In consideration of being entered on the waiting list, the Early Reserver hereby pays to the Corporation a non-refundable fee in the amount of one hundred dollars (\$100) (the "Early Reservation Fee"). The Early Reserver understands that the Early Reservation Fee is in addition to any and all other fees, costs and deposits that the Early Reserver may be required to pay to the Corporation in connection with the execution of a Future Residency Agreement or a Carmel Hills Dwelling Unit Entrance Agreement.
3. Application for Admission. In connection with the execution of this Agreement and the remittance of the Early Reservation Fee, the Early Reserver will submit a completed Application for Admission on a form supplied by the Corporation for each party who is an Early Reserver hereunder.
4. Future Requirements. To retain his or her position on Carmel Hills waiting list, the Early Reserver shall, within twelve (12) months after reaching the age of sixty-two (62) years (which in the case of multiple Early Reservers shall be determined based on the older party), (i) complete and sign the form of Future Residency Agreement in use at such time (the "Future Residency Agreement"), (ii) meet all the admission procedures outlined therein, and (iii) pay the reservation deposit required by the Future Residency Agreement.
5. Compliance. Failure to comply in a timely manner with Section 4 hereof shall result in the forfeiture of the Early Reserver's position on Carmel Hills waiting list.

6. No Assignment. The rights and privileges of the Early Reserver under this Agreement are personal to the Early Reserver and may not be transferred or assigned by the Early Reserver.
7. Entire Agreement. This Agreement constitutes the entire agreement between the Corporation and the Early Reserver. Without limiting the generality of the foregoing, the parties understand and agree that the Early Reserver has no rights hereunder to the present use of Carmel Hills or any of its amenities.
8. Governing Laws. This Agreement shall be governed by the laws of the State of North Carolina.
9. Notice Provisions. Any notices, consents, or other communications to the Corporation hereunder (collectively "notices") shall be in writing and addressed as follows:

Administrator / CEO  
Carmel Hills  
2801 Carmel Road  
Charlotte, NC 28226

The address of the Early Reserver for the purpose of giving notice is the address appearing after the signature of the Early Reserver below.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CARMEL HILLS, INC.

\_\_\_\_\_  
Early Reserver Signature

\_\_\_\_\_  
Printed Name

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

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

\_\_\_\_\_  
Current Address: Street

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Telephone

## Attachment D

### Future Residency Agreement

This agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_,  
Between Carmel Hills, Inc., a North Carolina nonprofit corporation (the "Corporation"), and  
\_\_\_\_\_, (the  
"Future Resident") (if husband and wife, or two other persons enter into this Agreement, the word "Future  
Resident" shall apply to them collectively unless the context otherwise requires).

#### Introduction

WHEREAS, the corporation owns and operates a continuing care retirement community on  
Carmel Road in Charlotte, North Carolina ("Carmel Hills"); and

WHEREAS, the Future Resident desires to become a Resident of Carmel Hills and to use and enjoy  
the facilities, programs and services provided by Carmel Hills.

#### Agreement

#### I. Priority, Dwelling Unit Type, and Projected Date of Occupancy

- A. Priority Reservation. The Corporation agrees to assign to the Future Resident a priority position on Carmel Hills' waiting list based on the date of this Agreement and the chronological order in which all Early Reserves and Future Residents enter into such Early Reservation Agreements and Future Residency Agreements (as the case may be), regardless of the apartment type selected. If the Future Resident is an Early Reserver, the Priority Position assigned to him or her under the Early Reservation Agreement shall be the Future Resident's priority position for purposes of this Agreement.
- B. Apartment Type Preference. The Future Resident prefers to occupy a \_\_\_\_\_ type Dwelling Unit at Carmel Hills (the "Dwelling Unit") at some time in the future.
- C. Projected Date of Occupancy. The Future Resident projects readiness for actual occupancy of the Dwelling Unit at Carmel Hills in approximately \_\_\_\_\_ (Month) of \_\_\_\_\_ (Year). It is understood that such a Projected Date of Occupancy is an estimate and may vary due to the Future Resident's readiness and the actual availability of the Dwelling Unit at Carmel Hills.

#### II. ADDITIONAL PRIVILEGES

In addition to the priority established for the Future Resident for the apartment type and projected date of occupancy, the Future Resident shall have the following privileges at Carmel Hills:

- A. Meals. The Future Resident may have meals in Carmel Hills' dining room with prior reservations and at the established guest meal rate.
- B. Use of Common Areas. The Future Resident may use the common areas within Carmel Hills including the dining room, Shuffle Inn, library areas, multi-purpose rooms, lounges, beauty and barber

shop, other recreational areas, common areas and amenities, from time-to-time with prior reservations and at rates established by the Corporation, if any.

- C. Participation in Planned Activities. The Future Resident may participate in planned social, recreational, educational, cultural, spiritual, arts and crafts, and exercise programs if provided by Carmel Hills, with prior reservations and at rates established by the Corporation, if any.

### III. ADMISSION PROCEDURES

- A. Application Forms. Within thirty (30) days after execution of this Agreement, the Future Resident will submit completed application forms containing all the information required by the Admissions Committee of Carmel Hills for initial review. The Application forms shall include an Application for Residency, a Personal Health History ("Applicant's Medical Certificate"), and a Confidential Financial Statement on forms provided by Carmel Hills for review by the Admissions Committee.
- B. Admissions Committee Review. Upon receipt of the completed application forms, Carmel Hills Admissions Committee will review the forms submitted by the Future Resident as a basis for initial admission to Carmel Hills. The Admissions Committee, in its sole discretion, will within thirty (30) days of receipt of the completed application forms, approve or deny the application for initial admission based on admissions criteria and policies established by the Board of Directors of the Corporation.
- C. Notification of Availability of Living Accommodation. The Corporation will make reasonable efforts to notify the Future Resident of availability of the Dwelling Unit specified by the Future Resident at the time the Dwelling Unit becomes available for occupancy at or near the Projected Date of Occupancy. The Future Resident may accept or reject Carmel Hills' offer to take actual occupancy of the Dwelling Unit. The Future Resident has three (3) days from the date of notification by the Carmel Hills Business Office to accept the Dwelling Unit. The Future Resident may reject any offer by the Corporation to take occupancy without losing the Future Resident's priority on Carmel Hills' waiting list. The Future Resident understands that Residents of Carmel Hills who occupy a Dwelling Unit and who request a change of Dwelling Unit have priority over Future Residents on the waiting list.
- D. Priority As To Available Dwelling Units. The right to reserve Dwelling Units becoming available for occupancy will be alternated between Residents occupying Dwelling Units at Carmel Hills, who wish to transfer to another Dwelling Unit on one hand, and Future Residents who have executed a Future Residency Agreement with the Corporation on the other hand. Notwithstanding the plan to alternate the right to reserve Dwelling Units becoming available for occupancy between those Residents who wish to transfer to another Dwelling Unit and Future Residents entering Carmel Hills, Residents will have priority over all non-residents, including Future Residents, in transferring to another Dwelling Unit becoming available in the following circumstances:
1. transfers due to medical necessity as determined by the Administrator;
  2. transfers to a same size or smaller Dwelling Unit; and
  3. when two Dwelling Units (one of which is vacant) are combined, the Resident occupying one of the Dwelling Units will have priority in reserving the combined Dwelling Unit.

Notwithstanding the above, the Corporation reserves the right to fill, in its sole discretion and without regard to the waiting list, up to five (5) vacancies in Dwelling Units each year. The Dwelling Units granted under this paragraph may be of the same unit type. It is expected that filling vacant Dwelling Units pursuant to this paragraph will be rare.

- E. Carmel Hills Dwelling Unit Entrance Agreement. Should the Future Resident accept the offer for occupancy of the Dwelling Unit at Carmel Hills, the Future Resident shall execute the Carmel Hills Dwelling Unit Entrance Agreement in effect at the time of such acceptance and pay the required fees in effect at such time as outlined in such Carmel Hills Dwelling Unit Entrance Agreement. Prior to occupancy by the Future Resident, the Future Resident shall have satisfied all the admissions requirements described in such Carmel Hills Dwelling Unit Entrance Agreement, including but not limited to the following:
1. Updated Application Forms, If Requested. Future Resident agrees to provide, if requested by the Corporation, updated application forms for review by the Admissions Committee before taking occupancy, including the Application for Residency, Personal Health History ("Applicant's Medical Certificate") and Confidential Financial Statement.
  2. Physician's Examination Report. Upon execution of the Carmel Hills Dwelling Unit Entrance Agreement, the Future Resident agrees to submit a physician's examination report completed by the Future Resident's personal physician on the Medical Certificate form provided by the Corporation for review by Carmel Hills Admissions Committee before taking occupancy.
- F. Final Review by Admissions Committee. Within thirty (30) days upon receipt of the Carmel Hills Dwelling Unit Entrance Agreement, the Applicant's Medical Certificate, and any updated application forms, if requested, the Admissions Committee will make final review of the application of the Future Resident, and in its sole discretion, approve or deny the application based on the admission criteria and policies as established by the Board of Directors of the Corporation at the time of occupancy, and notify Future Resident of such action.

#### IV. CONSIDERATION FROM FUTURE RESIDENT

- A. Reservation Deposit. In consideration for the rights and privileges as outlined in this Agreement, the Future Resident agrees to pay a Reservation Deposit of One Thousand Dollars (\$1,000). The Reservation Deposit is a non-interest-bearing deposit associated with this Future Residency Agreement and will be credited toward the Entrance Fees due by the Future Resident at the time of occupancy of the Dwelling Unit at Carmel Hills as outlined in the Carmel Hills Dwelling Unit Entrance Agreement.

#### V. TERMINATION AND REFUND

- A. Termination by the Future Resident. The Future Resident may terminate this Agreement for any reason prior to occupancy by giving written notice to the Corporation.
- B. Termination by the Corporation. The Corporation may terminate this Agreement at any time if there has been a material misrepresentation or omission submitted by the Future Resident in the Future Resident's Application for Residency, Personal Health History ("Applicant's Medical Certificate"), Confidential Financial Statement, or Physicians Examination Report. The Corporation may also terminate this Agreement if the Future Resident does not meet the admission criteria set by the Board of Directors. Upon such termination, the Corporation shall notify the Future Resident of the reasons for such non-acceptance for admission.
- C. Upon any termination of this agreement by either the Future Resident or the Corporation, the Corporation shall refund the Future Resident the full amount of the Reservation Deposit of One Thousand Dollars (\$1,000) within sixty (60) days of such notification of termination.

## VI. GENERAL PROVISIONS

- A. Assignment. The rights and privileges of the Future Resident under this Agreement to the facilities, services, and programs of Carmel Hills are personal to the Future Resident and may not be transferred or assigned by the Future Resident.
- B. Entire Agreement. This Agreement constitutes the entire contract between the Corporation and the Future Resident and is preliminary to the Carmel Hills Dwelling Unit Entrance Agreement.
- C. Successors and Assigns. Except as set forth herein, this agreement shall bind and inure to the benefit of the successors and assigns of the Corporation.
- D. Governing Laws. This Agreement shall be governed by the laws of the State of North Carolina.
- E. Copy of the Agreement. The Future Resident, by executing this Agreement, acknowledges that the Corporation presented a copy of this Agreement to Future Resident prior to the transfer of any funds or consideration to the Corporation.
- F. Notice Provisions. Any notices, consents, or other communications to the Corporation hereunder (collectively "notices") shall be in writing and addressed as follows:

Administrator / CEO  
Carmel Hills  
2801 Carmel Road  
Charlotte, NC 28226

The address of the Future Resident for the purpose of giving notice is the address appearing after the signature of the Future Resident below.

*Carmel Hills, Inc.*

*Financial Statements*

*Year Ended April 30, 2025*



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***Carmel Hills, Inc.***  
**Table of Contents**  
**April 30, 2025**

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**Page**

Independent Auditors' Report .....	1-2
Audited Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6-15

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Carmel Hills, Inc.  
Charlotte, North Carolina

### Opinion

We have audited the accompanying financial statements of Carmel Hills, Inc. (the "Organization" - a nonprofit organization), which comprise the statement of financial position as of April 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carmel Hills, Inc. as of April 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis of Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Carmel Hills, Inc.  
Charlotte, North Carolina

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

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

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Foard & Company, P.A.*

June 20, 2025

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***Carmel Hills, Inc.*****Statement of Financial Position****April 30, 2025, With Prior Year Comparative Totals**

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<b><u>Assets</u></b>	2025	2024
Cash and equivalents	\$ 696,479	\$ 901,876
Receivables:		
Accounts	488,564	3,826
Sales tax refund	15,139	9,356
Other	22,500	-
Inventories	15,617	17,426
Prepaid expenses	54,511	52,379
Operating Reserve Requirement:		
Cash and equivalents	209,579	239,172
Investments - Treasury Notes	639,420	625,828
<b><i>Total Current Assets</i></b>	<b>2,141,809</b>	<b>1,849,863</b>
Investments - other	198,038	182,739
Property and equipment, net	1,310,051	1,409,849
<b><i>TOTAL</i></b>	<b>\$ 3,649,899</b>	<b>\$ 3,442,451</b>
<b><u>Liabilities and Net Assets</u></b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 155,545	\$ 191,701
Deferred revenue - refundable resident fees	145,098	81,049
Current portion of long-term debt	73,025	72,050
<b><i>Total Current Liabilities</i></b>	<b>373,668</b>	<b>344,800</b>
Long-Term Liabilities:		
Long-term debt, net of current portion	149,500	222,150
Deposits	1,000	1,000
Deferred revenue - refundable entrance fees	399,652	549,123
Deferred revenue - nonrefundable entrance fees	1,992,253	1,494,785
<b><i>Total Liabilities</i></b>	<b>2,916,073</b>	<b>2,611,858</b>
Net Assets:		
Without donor restrictions	484,000	589,067
With donor restrictions	249,826	241,526
<b><i>Total Net Assets</i></b>	<b>733,826</b>	<b>830,593</b>
<b><i>TOTAL</i></b>	<b>\$ 3,649,899</b>	<b>\$ 3,442,451</b>

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**Carmel Hills, Inc.****Statement of Activities****Year Ended April 30, 2025, With Prior Year Comparative Totals**

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	Year Ended April 30, 2025			2024
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
Support and Revenue:				
Net resident fees	\$ 3,133,987	\$ -	\$ 3,133,987	\$ 3,104,435
Earned entrance fees	232,238	-	232,238	249,821
Contributions	139,274	8,300	147,574	363,654
Gain (loss) on disposal of assets	3,213	-	3,213	(412)
Investment income	60,231	-	60,231	73,253
Miscellaneous	21,073	-	21,073	20,654
<b>Total</b>	<b>3,590,016</b>	<b>8,300</b>	<b>3,598,316</b>	<b>3,811,405</b>
Expenses:				
Salaries	2,014,207	-	2,014,207	1,865,371
Payroll taxes and group insurance	304,229	-	304,229	275,812
Depreciation	198,128	-	198,128	208,127
Food and supplies	222,750	-	222,750	224,778
Contract labor	71,649	-	71,649	144,501
Insurance	109,903	-	109,903	109,675
Repairs and maintenance	234,954	-	234,954	141,280
Utilities	118,417	-	118,417	114,762
Janitorial expense	136,870	-	136,870	129,641
Advertising	54,171	-	54,171	62,811
Miscellaneous	77,752	-	77,752	66,453
Interest	13,782	-	13,782	18,650
Office and other supplies	16,033	-	16,033	17,335
Medical expense	12,026	-	12,026	17,198
Dietary supplies	25,822	-	25,822	23,515
Legal and accounting	18,816	-	18,816	52,472
Travel and training	18,109	-	18,109	18,190
Telephone	12,336	-	12,336	19,240
Dues and subscriptions	5,390	-	5,390	8,326
Vehicle expense	6,005	-	6,005	6,728
Security	2,990	-	2,990	1,022
Property taxes	10,748	-	10,748	9,787
Retirement plan	9,996	-	9,996	6,374
<b>Total</b>	<b>3,695,083</b>	<b>-</b>	<b>3,695,083</b>	<b>3,542,048</b>
<b>CHANGE IN NET ASSETS</b>	<b>(105,067)</b>	<b>8,300</b>	<b>(96,767)</b>	<b>269,357</b>
<b>NET ASSETS, BEGINNING</b>	<b>589,067</b>	<b>241,526</b>	<b>830,593</b>	<b>561,236</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 484,000</b>	<b>\$ 249,826</b>	<b>\$ 733,826</b>	<b>\$ 830,593</b>

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***Carmel Hills, Inc.*****Statement of Cash Flows****Year Ended April 30, 2025, With Prior Year Comparative Totals**

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<b><u>Operating Activities</u></b>	2025	2024
Change in net assets	\$ (96,767)	\$ 269,357
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	198,128	208,127
Contributions restricted for capital expenditures	(8,300)	(158,800)
Entrance fees received net of refunds	580,235	195,951
Earned entrance fees	(232,238)	(249,821)
(Gain) loss on disposal of property	(3,213)	412
Realized and unrealized (gains) losses on investments	(13,657)	(29,991)
Change in value of split interest agreement	(4,675)	(405)
Change in operating assets and liabilities:		
Receivables	(513,021)	102,074
Inventories	1,809	4,079
Prepaid expenses	(2,132)	(6,154)
Accounts payable and accrued expenses	(36,156)	92,397
Deferred revenue - resident fees	64,049	(47,259)
<b><u>Cash Flows From Operating Activities</u></b>	<b><u>(65,938)</u></b>	<b><u>379,967</u></b>
<b><u>Investing Activities</u></b>		
Purchase of property and equipment	(113,540)	(152,201)
Proceeds from the disposal of property	18,423	-
Proceeds from the sale of investments	1,340	2,373
Acquisition of investments	(16,575)	(13,879)
<b><u>Cash Flows From Investing Activities</u></b>	<b><u>(110,352)</u></b>	<b><u>(163,707)</u></b>
<b><u>Financing Activities</u></b>		
Contributions restricted for capital expenditures	8,300	158,800
Principal payments on long-term debt	(67,000)	(136,796)
<b><u>Cash Flows From Financing Activities</u></b>	<b><u>(58,700)</u></b>	<b><u>22,004</u></b>
<b><u>CHANGE IN CASH AND EQUIVALENTS</u></b>	<b><u>(234,990)</u></b>	<b><u>238,264</u></b>
<b><u>CASH AND EQUIVALENTS - BEGINNING</u></b>	<b><u>1,141,048</u></b>	<b><u>902,784</u></b>
<b><u>CASH AND EQUIVALENTS - ENDING</u></b>	<b><u>\$ 906,058</u></b>	<b><u>\$ 1,141,048</u></b>

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## ***Carmel Hills, Inc.***

### **Notes to Financial Statements**

**April 30, 2025**

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Nature of activities**

Carmel Hills, Inc. (the “Organization”) was incorporated as a nonprofit corporation on July 17, 1977 pursuant to the laws of the State of North Carolina. The Organization was formed for the purpose of providing a residential retirement facility for older brothers and sisters who share a common bond in our Lord Jesus Christ, that is, brethren, known to be walking together as members of the Body of Christ who gather only to the name of Christ (sometimes secularly referred to as “Plymouth Brethren”).

The facility contains 41 apartment and duplex units, and an assisted living care center with 24 rooms that is licensed for 38 beds. A resident purchases the privilege of occupying a specific living unit and the accompanying medical care for their lifetime. The agreement states that it is not a lease and does not create any interest in the real estate or property. The Organization’s primary source of revenue is resident fees.

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

The financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to the following classes of net assets.

*Net assets without donor restrictions* – These amounts are not subject to donor-imposed stipulations and include resources invested in property. Net assets without donor restrictions can be designated by the Organization for specific purposes.

*Net assets with donor restrictions* – These amounts are subject to donor-imposed stipulations. These restrictions may be temporary in nature, such that they may or will be met either by actions of the Organization or the passage of time, or perpetual in nature, such that the donor stipulates that they be maintained in perpetuity. As of year-end, the Organization had net assets of \$249,826 restricted for use in future building expansion. During the year, the Organization had no net assets with stipulations that they be maintained in perpetuity.

##### **Contributions**

In accordance with GAAP, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restricted grants and contributions whose restrictions are met in the same reporting period as received are reported as support without donor restrictions.

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## ***Carmel Hills, Inc.***

### **Notes to Financial Statements**

**April 30, 2025**

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#### *Revenue recognition*

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of cash and other assets are considered to be available for use unless specifically restricted by the donor. Fees and other revenues are recorded when earned. Amounts billed or collected in advance of being earned, such as special events, are recorded as deferred revenue and are recognized as revenue at the time of the event.

#### *Obligation to provide future services*

The Organization enters into continuing-care contracts with various residents. A continuing-care contract is an agreement between a resident and the Organization over his or her remaining life. Under the contracts, the Organization has the ability to increase fees as deemed necessary. No obligation for future costs associated with these contracts has been provided by the Organization because management believes that future cash inflows will be sufficient to cover such costs.

#### *Entrance agreements*

The residency entrance fee is set by the Board of Directors and is due in full at the time residency is established. A portion of the entrance fee is refundable on a decreasing basis over the first two years of residency. For financial statement purposes, entrance fees are recorded as a liability on the accompanying balance sheet as "Nonrefundable Entrance Fees" and amortized to revenue over the life expectancy of the resident and are adjusted annually for changes in life expectancy. Unamortized entrance fees as of year-end are \$1,992,253. Unamortized entrance fees in excess of any refund provisions are included in revenue at the termination of the occupancy agreement. In addition to the entrance fee, each unit is assessed a monthly service fee as set by the Board of Directors. Residents may elect to pay additional incremental monthly fees. Under a 90 percent option, a percentage of the original entrance fees are refundable depending on the contract option elected. The contract provides for payment of the refundable fees after the unit is vacated and a new resident occupies the unit and pays the entrance fee in effect at the time of occupancy. The refundable portion of the entrance fees paid under the refund option contract is reflected on the accompanying balance sheet as a liability as "Refundable Entrance Fees" and as of year-end, has a balance of \$399,652.

#### *Cash and equivalents*

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with maturity of three months or less when purchased, to be cash equivalents.

#### *Receivables*

Receivables are recorded at net realizable value. Management assesses the collectability of receivables on an individual account basis and writes off any amounts deemed uncollectible. Therefore, no allowance for uncollectible accounts is provided. The balances at year-end are expected to be collected within the following year.

#### *Inventories*

Inventories are stated at the lower of cost or market determined on the first-in, first-out method.



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***Carmel Hills, Inc.***  
**Notes to Financial Statements**  
**April 30, 2025**

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*Investments*

The Organization maintains investments in exchange traded funds and certificates of deposit with various interest rates with original maturities in excess of three months. Investments are reflected on the accompanying balance sheet at fair value.

*Property and equipment*

Property is recorded at cost if purchased or fair value if donated. Effective May 1, 2024, the Organization increased the capitalization threshold from \$1,000 to \$2,500. Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 3 to 40 years. Major renewals and improvements are charged to the property accounts, while replacements, maintenance, and repairs, which do not improve or extend the life of the assets, are expensed currently. Interest costs incurred during the construction period of significant construction projects are capitalized as a cost of the constructed asset and amortized over the useful life of the asset.

*Resident fees*

Resident fees represent the estimated net realizable amounts from patients, third-party payers, and others for services rendered. Resident fees are recorded as revenue when earned.

*Income tax status*

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income and is classified as other than a private foundation.

*Use of estimates*

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Advertising costs*

The Organization expenses advertising costs as incurred.

*Donated services and goods*

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. During the year, the Organization recorded no donated services or goods.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various assignments. No amounts have been reflected in the financial statements for these contributions, as the contributions do not meet the criteria for recognition.

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***Carmel Hills, Inc.*****Notes to Financial Statements****April 30, 2025**

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*Leases*

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in the operating right of use (ROU) assets and operating lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its leases with a term of 12 months or less; rather they are reported as a lease expense on a straight-line basis over the lease term. The Organization determined that its one lease in place is immaterial to present under the lease standard.

*Prior-year comparative totals*

The financial statements include certain prior-year summarized information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's 2024 financial statements, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the current year's presentation.

**NOTE 2 - INVESTMENTS**

At year-end, investments consist of the following:

Certificates of Deposit:

CD 1 – matures on August 22, 2025, with interest at 4.25%	\$ 249,882
CD 2 – matures on August 13, 2026, with interest at 4.45%	248,144
CD 3 – matures on August 16, 2027, with interest at 3.90%	141,394
	<hr/>
	\$ 639,420

Exchange Traded Products:

Equity	\$ 125,012
Fixed Income	44,052
Other	28,974
	<hr/>
	\$ 198,038

**NOTE 3 - FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

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***Carmel Hills, Inc.*****Notes to Financial Statements****April 30, 2025**

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Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization's investments in publicly-traded exchange traded funds and certificates of deposit are classified as level 1.

**NOTE 4 - PROPERTY AND EQUIPMENT**

The Organization's property and equipment as of year-end, is comprised of the following:

Land and land improvements	\$ 477,621
Buildings and improvements	4,272,878
Construction in progress	133,506
Furniture, fixtures, and equipment	759,148
Vehicles	<u>114,998</u>
	5,758,151
Less - accumulated depreciation	<u>4,448,100</u>
	<u>\$ 1,310,051</u>

**NOTE 5 - STATUTORY OPERATING RESERVE REQUIREMENT**

Under regulations of the North Carolina Insurance Commission, Continuing Care Retirement Community's (CCRC) are required to maintain an operating reserve equal to 25 percent of the total occupancy costs, as defined, projected for the 12-month period following the period covered by the most recent annual financial statement filed with the North Carolina Department of Insurance, if the occupancy levels are in excess of 90 percent. If the occupancy levels are less than 90 percent, the operating reserve requirement is 50 percent of total occupancy costs, as defined. The Organization has historically maintained an occupancy level in excess of 90 percent. As of year-end, the Organization had an occupancy level of 100 percent and an operating reserve of \$849,000, which represented 25 percent of total occupancy costs, as defined.

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***Carmel Hills, Inc.*****Notes to Financial Statements****April 30, 2025**

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**NOTE 6 - REVENUE FROM CONTRACTS WITH RESIDENTS**

The following tables provide information about significant changes in refundable resident fees and refundable and nonrefundable entrance fees paid in advance:

## Deferred revenue – refundable resident fees:

Beginning of year	\$ 81,049
Collected during the year	157,160
Recognized as revenue during the year	(93,111)
End of year	<u>\$ 145,098</u>

## Deferred revenue – refundable entrance fees:

Beginning of year	\$ 549,123
Collected during the year	-
Recognized as revenue during the year	-
Refunded during the year	(149,471)
End of year	<u>\$ 399,652</u>

## Deferred revenue – nonrefundable entrance fees:

Beginning of year	\$ 1,494,785
Collected during the year	729,706
Recognized as revenue during the year	(232,238)
Refunded during the year	-
End of year	<u>\$ 1,992,253</u>

**NOTE 7 - RETIREMENT PLAN**

The Organization sponsors a defined contribution 403(b) retirement plan, which enables employees to make contributions on their behalf up to allowable amounts as defined by the Internal Revenue Code. The Organization matches 50 percent of employee contributions up to a maximum of five percent of employee compensation. Matching contributions are 100 percent vested after five years. For the year, the Organization's match was \$9,996.

**NOTE 8 - SPLIT INTEREST AGREEMENT**

The Organization entered into a charitable gift annuity agreement in a previous year. This contribution was given to the Organization with the condition that a specified payment is made to the contributor over their life. A liability was established based on the present value of the payments to be made. The anticipated remainder interest was recorded as a contribution. All variances in income earned and changes to life expectancy are recorded as change in value of split interest agreement.

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***Carmel Hills, Inc.***  
**Notes to Financial Statements**  
**April 30, 2025**

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**NOTE 9 - LONG-TERM DEBT**

The Organization's long-term debt as of year-end, consists of the following obligations:

	<u>Current</u>	<u>Long-term</u>
Bonds sold to finance the construction of the facility and to purchase furniture, fixtures, equipment, etc. These bonds are unsecured and interest rates vary from 4.5% to 5.5% and remaining maturities are from 1 month to 6 years.	\$ 72,000	\$ 149,500
A charitable gift annuity payable in semi-annual installments of \$1,025 with interest at 2.5 %. The annuitant passed away May 20, 2025.	1,025	-
	<u>\$ 73,025</u>	<u>\$ 149,500</u>

Maturities of all long-term debt are as follows:

Year ending April 30:

2026	\$ 73,025
2027	57,000
2028	-
2029	36,500
2030 & thereafter	56,000
	<u>\$ 222,525</u>

Interest expense

During the year, the Organization paid interest expense of \$13,782.

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***Carmel Hills, Inc.*****Notes to Financial Statements****April 30, 2025**

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**NOTE 10 - FUNCTIONAL EXPENSES**

All expenses in the accompanying statement of operations were incurred for or related to the provision of services by the retirement facility consisting of independent and assisted living services. Program services represent the primary focus of the Organization's activities. Supporting services are related to general and administrative activities. The Organization spends no significant amount of time related to fundraising; therefore, no expenses have been allocated to this function. Certain costs have been allocated among the program and supporting services. Personnel, telephone expenses are allocated based on management's estimates of time spent. Occupancy, depreciation, and miscellaneous expenses are allocated based on space usage. All other expenses are allocated on an analysis of the various expenses that comprise those costs. For the year, the total allocation of operating expenses is as follows:

	<u>TOTAL</u>	<u>Program</u>	<u>General and administrative</u>
Salaries	\$ 2,014,207	\$ 1,533,013	\$ 481,194
Payroll taxes and group insurance	304,229	231,549	72,680
Depreciation	198,128	195,562	2,566
Food and supplies	222,750	222,750	-
Contract labor	71,649	71,406	243
Insurance	109,903	97,310	12,593
Repairs and maintenance	234,954	231,911	3,043
Utilities	118,417	116,883	1,534
Janitorial expense	136,870	135,097	1,773
Advertising	54,171	-	54,171
Miscellaneous	77,752	76,745	1,007
Interest	13,782	13,782	-
Office and other supplies	16,033	-	16,033
Medical expense	12,026	12,026	-
Dietary supplies	25,822	25,822	-
Legal and accounting	18,816	-	18,816
Travel and training	18,109	18,109	-
Telephone	12,336	9,389	2,947
Dues and subscriptions	5,390	-	5,390
Vehicle expense	6,005	6,005	-
Security	2,990	2,952	38
Property taxes	10,748	-	10,748
Retirement plan	9,996	7,608	2,388
TOTAL	<u>\$ 3,695,083</u>	<u>\$ 3,007,919</u>	<u>\$ 687,164</u>

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***Carmel Hills, Inc.***  
**Notes to Financial Statements**  
**April 30, 2025**

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**NOTE 11 - CHARITY CARE**

*Property tax status*

During 2001, the State of North Carolina passed legislation which provides a property tax exemption for continuing care retirement communities (CCRCs) that expend five percent or more of their operating revenues on charity care and community service or CCRCs that have financed their facilities with tax-exempt bond financing. Partial exemptions are available for CCRCs which provide some charity care and community service and CCRCs that have facilities which are partially financed with tax-exempt bond financing. The property tax exemption must be requested each year. The Organization's management believes that it will qualify for a full or partial property tax exemption for the foreseeable future.

The Organization provides for a portion of the cost of resident care for those who are unable to pay the full cost of care from their own resources. The Organization has calculated charity care cost for the year based on a historical ratio of cost to income as follows:

Gross revenue for the prior year		\$	3,811,405
Less - other revenue:			
Contributions	\$	363,654	
Investment income		73,253	
Loss on disposal of assets		(412 )	
Miscellaneous		20,654	457,149
			<hr/>
Net operating revenue			3,354,256
Cost of operations			3,542,048
Cost to income ratio			1.06
Charity care charges for the current year			<hr/> 178,089
Cost of providing charity care		\$	<hr/> <hr/> 188,774

**NOTE 12 - CONCENTRATION OF CREDIT RISK**

*Cash and equivalents*

Cash and certificates of deposit held in bank accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The total cash held by the Organization at year-end, include \$359,626 in excess of insured limits covered by the FDIC. However, the Organization believes it is not exposed to any significant credit risk related to these accounts.

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***Carmel Hills, Inc.*****Notes to Financial Statements****April 30, 2025**

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**Investments**

Investments held in financial institutions are insured up to \$500,000 by the Securities Investor Protection Corporation (SIPC); however, this insurance does not cover the loss of value of the underlying assets. As disclosed in Note 2 above, the Organization maintains investments which are subject to fluctuations in market values and expose the Organization to a certain degree of investment risk.

**Revenue and receivables**

The Organization receives revenue from a limited number of sources and operates in a limited geographic area and is therefore sensitive to changes in the local economy.

**NOTE 13 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$1,880,182 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash and equivalents of \$906,058, receivables of \$526,203, certificates of deposit of \$249,882 and other investments of \$198,038. Of this amount, the Organization is required to maintain an operating reserve of \$849,000 as described in Note 5 above. Also, \$249,826 of the financial assets are subject to donor restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has an additional \$389,538 of certificates deposit that would be available for early redemption subject to an early withdrawal fee. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 14 - RELATED PARTIES**

As of year-end, the Organization owed \$10,000 in bonds payable described in Note 9 to one member of the Organization's Board of Directors or their family members. Total interest paid by the Organization to related individuals during the year amounted to \$550.

**NOTE 15 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.



# Profit and Loss

Carmel Hills

August 1-31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
1-4052 RAF to Monthly Income	
Contributions Income	0
1-4002 Restricted Contributions	100.00
1-4003 Unrestricted/General	17,700.00
2-4005 Building expansion contribution	1,500.00
3-4055 RAF Contributions	7,050.00
Residents Assistance Fund	0
3-4051 RAF To Monthly Income	-8,300.00
<b>Total for Residents Assistance Fund</b>	<b>-\$8,300.00</b>
<b>Total for Contributions Income</b>	<b>\$18,050.00</b>
Fees	0
1-4011 Monthly Fee - Independent	91,153.14
1-4012 Monthly Fee - Assisted Living	171,731.95
1-4014 Single Room Surcharge	22,634.15
1-4021 Consumer Services	532.00
1-4022 AL Residency Fee	2,250.00
1-4023 IL Unit Reservation Fee	1,672.50
1-4390 Maple plan Life Care discount	-15,395.00
<b>Total for Fees</b>	<b>\$274,578.74</b>
Interest Income	0
1-4100 All other Interest	716.70
5-4106 Reserve	134.80
8-4120 Entrance Fee Refund Account	16,875.18
<b>Total for Interest Income</b>	<b>\$17,726.68</b>
<b>Total for Income</b>	<b>\$310,355.42</b>
Cost of Goods Sold	
<b>Gross Profit</b>	<b>\$310,355.42</b>
Expenses	
1-6053 Blood Borne Pathogens - AL	634.37
1-6054 Philips Lifeline Charges	114.59
1-6072 Security	136.00
1-6082 Bank Service Charges	225.13
1-6102 Professional Fees	0
1-6103 Accounting	1,542.40
<b>Total for 1-6102 Professional Fees</b>	<b>\$1,542.40</b>
1-6152 Medical Supplies - AL	341.77
1-6251 Property Tax	11,462.77
1-6252 Advertising	3,446.48
1-6254 Marketing	3,338.03

# Profit and Loss

Carmel Hills

August 1-31, 2025

DISTRIBUTION ACCOUNT	TOTAL
1-6255 Technology expenses	769.41
1-6272 Office Supplies	602.46
1-6273 Office Supplies - AL	104.97
1-6274 Furnishings	402.39
1-6302 Dues and Subscriptions	30.00
1-6442 Garbage Pick-up	557.31
1-6444 Tools & Safety Equipment	657.42
1-6502 Activities - Residents	858.48
1-6752 Personal Care Supplies	1,042.12
2-6182 Depreciation	12,962.76
2-6183 Depreciation - AL	1,861.88
Contract Labor	0
1-6014 Contract Labor - AL	4,979.40
1-6016 Misc. Contract Labor	1,756.25
<b>Total for Contract Labor</b>	<b>\$6,735.65</b>
Employee Expenses	0
1-6322 Staff Training	197.99
1-6323 Appreciation gifts	298.94
1-6382 Recruiting Employees	509.09
1-6383 Pre-employment Screening	80.00
1-6512 Activities - Employees	
1-6513 Food for Staff	402.87
<b>Total for Employee Expenses</b>	<b>\$1,488.89</b>
Food	0
1-6604 Food	18,120.71
1-6605 AL Supplements	580.45
1-6634 Food Service Supplies	2,131.38
<b>Total for Food</b>	<b>\$20,832.54</b>
Insurance	0
1-6025 Auto Insurance	1,033.80
1-6026 Cyber Insurance	232.75
1-6027 Directors & Officers	739.15
1-6028 Umbrella/Excess Liaibility	1,009.86
1-6029 Workers Comp	5,386.00
1-6032 Group Health	13,444.66
1-6040 Property Insurance/Commercial	2,398.00
1-6041 CH's Life Insurance	256.96
1-6042 Group Life Insurance	209.67
1-6043 General Liability	987.81
1-6077 Crime	143.25
<b>Total for Insurance</b>	<b>\$25,841.91</b>

# Profit and Loss

Carmel Hills

August 1-31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Interest Expense	0
1-6092 Bond Interest	655.63
<b>Total for Interest Expense</b>	<b>\$655.63</b>
Janitorial	0
1-6693 Linen	9,700.00
1-6702 Supplies	1,936.54
<b>Total for Janitorial</b>	<b>\$11,636.54</b>
Miscellaneous	0
1-6782 Miscellaneous	1.95
1-6786 Miscellaneous-Res. Reimb	49.86
<b>Total for Miscellaneous</b>	<b>\$51.81</b>
Payroll	0
1-6012 Salaries	160,076.36
1-6020 State Unemployment Tax	
1-6022 Payroll Taxes	11,993.92
1-6023 Payroll Processing	920.51
1-6024 401(k) Employer Match	1,817.91
1-6035 401(k) Advisory Services	291.67
<b>Total for Payroll</b>	<b>\$175,100.37</b>
Repairs	0
1-6412 Equipment Repairs	4,928.68
1-6422 Building Repairs	5,662.47
1-6432 Grounds Repairs	5,314.89
<b>Total for Repairs</b>	<b>\$15,906.04</b>
Transportation	0
1-6342 Transportation Expenses - Other	19.75
1-6343 Bus	122.51
1-6346 Ramp Van	37.00
1-6348 Gas for equipment	62.90
1-6350 2021 Toyota Avalon	24.00
<b>Total for Transportation</b>	<b>\$266.16</b>
Travel & Ent	0
1-6033 Mileage Reimb	32.20
<b>Total for Travel &amp; Ent</b>	<b>\$32.20</b>
Utilities	0
1-6037 Internet	278.13
1-6202 Telephone	720.33
1-6212 Electricity	5,700.99
1-6222 Water	2,678.29
1-6232 Natural Gas	1,186.64

# Profit and Loss

Carmel Hills

August 1-31, 2025

DISTRIBUTION ACCOUNT	TOTAL
1-6234 Cable	82.00
<b>Total for Utilities</b>	<b>\$10,646.38</b>
<b>Total for Expenses</b>	<b>\$310,284.86</b>
<b>Net Operating Income</b>	<b>\$70.56</b>
Other Income	
1-8154 Meal Income	382.46
1-8503 Gain from sale of property	400.00
2-8302 Entrance Fees-IL	22,867.03
2-8303 Entrance Fees Charitable	-3,884.50
2-8304 Residency Fee	1,638.85
2-8305 Early Reservation Deposit	
2-8342 Application Fees	200.00
Investment Income	0
6-4115 Unrealized Gain/Loss-Prudential	4,486.70
6-4116 Dividend Income	1,040.66
6-4121 Unrealized Gain/Loss-Truist	790.43
<b>Total for Investment Income</b>	<b>\$6,317.79</b>
<b>Total for Other Income</b>	<b>\$27,921.63</b>
Other Expenses	
<b>Net Other Income</b>	<b>\$27,921.63</b>
<b>Net Income</b>	<b>\$27,992.19</b>

# Balance Sheet

Carmel Hills

As of August 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
Capital Account	0
2-1054 Truist Capital Acct (-8162)	658,145.90
<b>Total for Capital Account</b>	<b>\$658,145.90</b>
Cash	0
1-1000 Petty Cash	850.00
1-1010 Truist Operating Acct (-1632)	219,146.68
<b>Total for Cash</b>	<b>\$219,996.68</b>
Cash Reserve (Restrictive)	0
5-1033 Prudential / LPL Financial-Reserve	222,685.71
5-1035 Truist Reserve (-0080)	61,196.10
5-1046 Truist CD Veritex Cmnty Bk	
5-1047 Truist CD Blue Ridge Bk	248,084.33
5-1048 Truist CD UBS Bk	142,126.38
<b>Total for Cash Reserve (Restrictive)</b>	<b>\$674,092.52</b>
Entrance Fee Refund	\$16.25
5-1045 Truist Treasury MM (x-9720)	581,146.06
8-1000 Truist Entr Fee Refund (-1020)	218,694.74
<b>Total for Entrance Fee Refund</b>	<b>\$799,857.05</b>
Residents Assistance Fund	0
3-1090 RAF Truist Bank (-7564)	
<b>Total for Residents Assistance Fund</b>	<b>0</b>
<b>Total for Bank Accounts</b>	<b>\$2,352,092.15</b>
Accounts Receivable	
1-1340 Accounts Receivable	32,394.03
<b>Total for Accounts Receivable</b>	<b>\$32,394.03</b>

# Balance Sheet

## Carmel Hills

As of August 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Other Current Assets	
1-1310 Sales Tax Refund Receivable	4,330.08
1-1341 Employee cash advance	
1-1400 Inventory	15,617.31
1-1410 Prepaid Expense	20,067.25
1-1412 Loan Modification Fee	
1-1450 Prepaid Insurance	25,541.06
1-1499 PayPal Undeposited Funds	
1-1500 Miscellaneous Receivable	4,923.73
1-2013 Pre Paid Deductible	
1499 Undeposited Funds	15,733.00
<b>Total for Other Current Assets</b>	<b>\$86,212.43</b>
<b>Total for Current Assets</b>	<b>\$2,470,698.61</b>
Fixed Assets	
1-1592 Log Cabin	136,052.43
2-0000 Room 120	4,786.10
2-0001 Apt 2	6,007.27
2-0003 Apt 4	1,520.27
2-0103 Apt 16	3,355.34
2-0104 Apt 22	692.95
2-1500 Land	200,667.00
2-1501 Dumpster Project	5,505.30
2-1510 Residence Hall	1,178,026.50
2-1511 Master Plan (Architectural)-CIP	133,887.70
2-1520 Care Wing	661,168.50
2-1530 Duplex #1	104,963.56
2-1540 Duplex #2	108,494.29
2-1550 Duplex #3	119,203.00
2-1560 Duplex #4	138,216.00
2-1570 Duplex #5	138,896.75
2-1600 Backflow Preventive Water Proj.	10,060.96
2-1602 Duplex Water Proofing Project	20,973.99
2-1603 Care Center Storm water repair	1,250.00
2-1610 Land Improvements	271,745.22
2-1620 Building Component Replacements	653,368.23
2-1622 Bldg Component Replacements-AL	8,400.00
2-1630 Furniture & Equipment	730,199.56
2-1632 Furniture & Equipment - AL	32,520.33
2-1640 Vehicles	124,128.45
2-1661 Accumulated Depreciation	-3,925,358.74
2-1662 Accum. Depreciation - AL	-576,813.19

# Balance Sheet

## Carmel Hills

As of August 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
2-1680 Maintenance Building	8,186.09
2-1700 AL Wing Expansion	230,937.19
2-1701 Generator	205,088.92
2-1702 Roof	98,777.28
2-1703 New Network 2019	11,087.28
2-1704 Fire Alarm Replacement Project	13,849.94
2-1712 Waterproofing Project	38,143.15
2-1713 Landscaping / Grounds	5,208.70
2-2000 Apt 1	3,376.40
2-2002 Apt 3	
2-2004 Apt 5	4,161.20
2-2006 Apt 7	2,409.31
2-2007 Apt 8	10,166.56
2-2011 Apt 10	7,164.12
2-2012 Apt 17	1,023.85
2-2013 Room 113	3,983.63
2-2014 Laundry Room (upstairs)	12,409.73
2-2015 Room 108	630.49
2-2016 Duplex 2747-A	28,775.83
2-2017 Apt 15	
2-2018 Apt 18	12,838.31
2-2019 Room 101	936.22
2-2020 Duplex 2735-A	19,316.45
2-2021 Apt 21	12,325.22
2-2022 Duplex 2747-B	1,650.00
2-2023 Duplex 2733-B	9,671.84
2-2024 Apt 14	8,372.84
2-2025 Apt 23	7,013.40
2-2026 Room 115	2,112.31
2-2027 Room 116	10,472.20
2-2028 Apt 31	19,591.52
2-2029 Duplex 2745-B	28,920.24
2-2030 Duplex 2731-A	29,350.50
2-2031 Duplex 2731-B	13,891.66
2-2032 Apt 13	12,032.59
2-2033 Room 123	6,803.39
2-2034 Room 114	7,108.99
2-2035 Room 111	841.00
2-2036 Room 119	3,756.40
2-2037 Room 125	4,370.50
2-2038 Room 124	1,865.61
2-2039 Apt 11	3,845.92

# Balance Sheet

## Carmel Hills

As of August 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
2-2040 Room 104	3,883.22
2-2041 Apt 26	2,455.80
2-2042 Apt 29	7,556.00
2-2043 Room 102	2,252.81
2-2044 Apt 27	10,427.12
2-2045 Apt 12	1,425.00
2-2046 Apt 24	851.95
2-2047 Apt 25	7,320.03
2-2049 Apt 30	5,695.34
2-2050 Duplex 2733-A	10,000.00
2-2065 Duplex 2735-B	8,727.05
2-2101 Apt 20	7,878.24
2-2102 Guest Apt	1,595.65
2-2121 Room 121	4,853.36
2-2122 Room 122	4,622.30
2-3000 Dining Room	19,721.93
2-3100 Kitchen	7,347.94
<b>Total for Fixed Assets</b>	<b>\$1,300,998.29</b>
Other Assets	
1-1999 Right of Use Operating Lease Asset	14,991.00
<b>Total for Other Assets</b>	<b>\$14,991.00</b>
<b>Total for Assets</b>	<b>\$3,786,687.90</b>
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
1-2000 Accounts Payable	11,638.23
<b>Total for Accounts Payable</b>	<b>\$11,638.23</b>
Credit Cards	
Credit Cards	0
3-2001 Amazon AMEX	5,756.62
3-2002 Lowe's	416.76
3-2003 Home Depot	698.10
3-2004 Sam's Club	
3-2005 Shell (WEX Bank)	146.51
3-2006 Harris Teeter	4.08
Truist VISA (x-0004)	0
3-1003 Truist VISA (x-2294) John	10,516.38
3-1005 Truist VISA (x-8873) Danny	1,749.50
3-1006 Truist VISA (x-6639) Hannah	9,311.78
<b>Total for Truist VISA (x-0004)</b>	<b>\$21,577.66</b>



# Balance Sheet

Carmel Hills

As of August 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Total for Credit Cards</b>	<b>\$28,599.73</b>
<b>Total for Credit Cards</b>	<b>\$28,599.73</b>
Other Current Liabilities	
1-1414 Auditing Fees	-12,339.18
1-2001 Accrued Accounts Payable	42,701.69
1-2002 Sales Tax Payable	20.97
1-2012 Deferred Residency Fees	
1-2014 Refundable entrance fees (Oak)	573,881.47
1-2016 Security Deposit	
1-2400 Unearned Revenue	62,145.02
2100 Payroll Liabilities	0
1-2060 Accrued Salaries	40,851.59
1-2061 EE Payroll Taxes - FIT	
1-2062 EE Payroll Taxes - SIT	
1-2063 Payroll Taxes - SS+Medicare	3,037.19
1-2064 401(k) Employee Contribution	
1-2065 Holiday Savings	
1-2066 FSA/Flex Savings Account	
1-2067 Garnishments	
1-2068 401(k) ER Match Liability	
<b>Total for 2100 Payroll Liabilities</b>	<b>\$43,888.78</b>
2-2010 Accrued Interest Payable	1,311.27
2-2170 Notes Payable Current	
2-2300 Bonds Payable	22,000.00
2-2400 NEF Deposit	2,687.68
2-2660 Unamortized Entrance Fees-IL	2,031,038.08
6-2200 Gift Annuities Current-Payable	1,025.00
Loans	0
1-2100 Truist Line Of Credit - Note 06	
<b>Total for Loans</b>	<b>0</b>
North Carolina Department of Revenue Payable	12.91
<b>Total for Other Current Liabilities</b>	<b>\$2,768,373.69</b>
<b>Total for Current Liabilities</b>	<b>\$2,808,611.65</b>
Long-term Liabilities	
1-2999 Right of Use Operating Lease Liability	14,991.00
2-2700 Bonds Payable-LT	149,500.00
6-2800 Gift Annuities-Long Term	
<b>Total for Long-term Liabilities</b>	<b>\$164,491.00</b>
<b>Total for Liabilities</b>	<b>\$2,973,102.65</b>

# Balance Sheet

Carmel Hills

As of August 31, 2025

DISTRIBUTION ACCOUNT		TOTAL
Equity		
Opening Bal Equity		2,543,751.33
1110 Net Worth		-1,809,927.62
Net Income		79,761.54
<b>Total for Equity</b>		<b>\$813,585.25</b>
<b>Total for Liabilities and Equity</b>		<b>\$3,786,687.90</b>

# Statement of Cash Flows

Carmel Hills

August 1-31, 2025

FULL NAME	TOTAL
<b>OPERATING ACTIVITIES</b>	
Net Income	27,992.19
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1-1310 Sales Tax Refund Receivable	18,073.67
1-1340 Accounts Receivable	34,134.20
1-1410 Prepaid Expense	2,271.39
1-1414 Auditing Fees	1,542.40
1-1450 Prepaid Insurance	3,110.62
1-1500 Miscellaneous Receivable	
1-2000 Accounts Payable	-41,565.77
1-2001 Accrued Accounts Payable	6,644.90
1-2060 Payroll Liabilities:Accrued Salaries	14,175.33
1-2061 Payroll Liabilities:EE Payroll Taxes - FIT	
1-2062 Payroll Liabilities:EE Payroll Taxes - SIT	
1-2063 Payroll Liabilities:Payroll Taxes - SS+Medicare	1,163.49
1-2064 Payroll Liabilities:401(k) Employee Contribution	
1-2065 Payroll Liabilities:Holiday Savings	
1-2066 Payroll Liabilities:FSA/Flex Savings Account	
1-2067 Payroll Liabilities:Garnishments	
1-2068 Payroll Liabilities:401(k) ER Match Liability	
1-2400 Unearned Revenue	14,603.80
2-2010 Accrued Interest Payable	655.63
2-2400 NEF Deposit	-1,638.85
2-2660 Unamortized Entrance Fees-IL	91,022.97
3-1003 Credit Cards:Truist VISA (x-0004):Truist VISA (x-2294) John	702.22
3-1005 Credit Cards:Truist VISA (x-0004):Truist VISA (x-8873) Danny	-35.16
3-1006 Credit Cards:Truist VISA (x-0004):Truist VISA (x-6639) Hannah	-1,250.36
3-2001 Credit Cards:Amazon AMEX	3,108.78
3-2002 Credit Cards:Lowe's	61.65
3-2003 Credit Cards:Home Depot	-2,200.54
3-2005 Credit Cards:Shell (WEX Bank)	146.51
3-2006 Credit Cards:Harris Teeter	4.08
North Carolina Department of Revenue Payable	12.91
<b>Total for Adjustments to reconcile Net Income to Net Cash provided by operations:</b>	<b>\$144,743.87</b>
<b>Net cash provided by operating activities</b>	<b>\$172,736.06</b>
<b>INVESTING ACTIVITIES</b>	
2-1630 Furniture & Equipment	-3,572.20
2-1640 Vehicles	-17,625.70
2-1661 Accumulated Depreciation	12,962.76
2-1662 Accum. Depreciation - AL	1,861.88
<b>Net cash provided by investing activities</b>	<b>-\$6,373.26</b>
<b>FINANCING ACTIVITIES</b>	<b>0</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>\$166,362.80</b>
<b>Cash at beginning of period</b>	<b>\$2,201,462.35</b>
<b>CASH AT END OF PERIOD</b>	<b>\$2,367,825.15</b>

***Carmel Hills, Inc.***

***Forecasted Financial Statements***

***For the Five Years Ending April 30, 2030***

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# ***Carmel Hills, Inc.***

## **Table of Contents**

**For the Five Years Ending April 30, 2030**

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	<b>Page</b>
Independent Accountants' Compilation Report .....	1
Compiled Forecasted Financial Statements:	
Forecasted Statement of Financial Position .....	2
Forecasted Statement of Activities.....	3
Forecasted Statement of Cash Flows.....	4
Summary of Significant Forecast Assumptions and Accounting Policies .....	5-12



## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of  
Carmel Hills, Inc.  
Charlotte, North Carolina

Management is responsible for the accompanying financial statements of Carmel Hills, Inc., (the "Organization" - a nonprofit organization), which comprise the statement of financial position as of April 30, 2026, 2027, 2028, 2029 and 2030 and the related statements of activities, and cash flows for the years then ended, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards of Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these forecasted financial statements or the assumptions. The forecasted results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

The accompanying forecast information and this report are intended solely for the information and use of management, the Board of Directors, and the North Carolina Department of Insurance (pursuant to the requirement of North Carolina General Statutes, Chapter 58, Article 64 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.

*Foard & Company, P.A.*  
September 2, 2025

***Carmel Hills, Inc.*****Forecasted Statement of Financial Position****April 30, 2025, 2026, 2027, 2028 and 2029****(in thousands of dollars)**

	2026	2027	2028	2029	2030
<b><u>ASSETS</u></b>					
Cash	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Accounts Receivable	13	13	13	13	13
Inventories	15	15	15	15	15
Prepaid Expenses	95	97	99	101	104
Certificates of Deposits (CDs) and Other Investments	847	870	966	1,000	1,093
Total Current Assets	1,470	1,495	1,593	1,629	1,725
Restricted - CDs and Other Investments:					
Operating Reserve Requirement	903	925	937	974	994
Property and Equipment:					
Land and improvements	478	478	478	478	478
Buildings	4,444	4,622	4,807	4,999	5,199
Construction in progress	139	145	151	157	163
Furniture, fixtures, equipment and vehicles	908	944	982	1,021	1,062
Total	5,969	6,189	6,418	6,655	6,902
Less - accumulated depreciation	4,643	4,840	5,039	5,237	5,442
Property and Equipment (net)	1,326	1,349	1,379	1,418	1,460
TOTAL ASSETS	<u>\$ 3,699</u>	<u>\$ 3,769</u>	<u>\$ 3,909</u>	<u>\$ 4,021</u>	<u>\$ 4,179</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
Current Liabilities:					
Accounts payable and accrued expenses	\$ 160	\$ 164	\$ 168	\$ 172	\$ 176
Deferred revenue - refundable resident fees	149	153	157	161	165
Current portion of long-term debt:					
Bonds payable	57	-	37	5	28
Total Current Liabilities	366	317	362	338	369
Long-Term Liabilities:					
Long-term debt:					
Bonds payable	93	93	56	51	23
Total Long-Term Debt	93	93	56	51	23
Deferred revenue - refundable entrance fees	491	584	680	779	881
Deferred revenue - nonrefundable entrance fees	1,857	1,718	1,575	1,428	1,277
Total Long-Term Liabilities	2,441	2,395	2,311	2,258	2,181
Total Liabilities	2,807	2,712	2,673	2,596	2,550
Net Assets:					
Without donor restrictions	892	1,057	1,236	1,425	1,629
With donor restrictions	-	-	-	-	-
Total Net Assets	892	1,057	1,236	1,425	1,629
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,699</u>	<u>\$ 3,769</u>	<u>\$ 3,909</u>	<u>\$ 4,021</u>	<u>\$ 4,179</u>

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***Carmel Hills, Inc.*****Forecasted Statement of Activities****Years Ending April 30, 2026, 2027, 2028, 2029 and 2030****(in thousands of dollars)**

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	2026	2027	2028	2029	2030
<b><u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u></b>					
Support and Revenue:					
Net resident fees	\$ 3,314	\$ 3,413	\$ 3,515	\$ 3,620	\$ 3,729
Earned entrance fees	225	232	239	246	253
Health care revenues	-	-	-	-	-
Contributions	312	321	331	341	351
Investment income	23	18	18	19	20
Miscellaneous	19	20	21	22	23
Total Support and Revenue	3,893	4,004	4,124	4,248	4,376
Expenses:					
Salaries	2,022	2,083	2,145	2,209	2,275
Payroll taxes and employee benefits	315	324	334	344	354
Food supplies	241	248	255	263	271
Interest	12	9	6	6	3
Insurance	113	116	119	123	127
Repairs and maintenance	188	194	200	206	212
Utilities	123	127	131	135	139
Janitorial	145	149	153	158	163
Legal and accounting	23	24	25	26	27
Telephone	9	9	9	9	9
Contract labor	100	103	106	109	112
Dining room and food preparation supplies	28	29	30	31	32
Miscellaneous	58	60	62	64	66
Vehicle expense	8	8	8	8	8
Office expense	26	27	28	29	30
Medical expense	12	12	12	12	12
Advertising	52	54	56	58	60
Travel and training	8	8	8	8	8
Retirement	32	33	34	35	36
Dues and subscriptions	7	7	7	7	7
Property taxes	15	15	15	15	15
Security	3	3	3	3	3
Depreciation and amortization expense	195	197	199	201	203
Total Expenses	3,735	3,839	3,945	4,059	4,172
Change in Net Assets	158	165	179	189	204
NET ASSETS, BEGINNING	734	892	1,057	1,236	1,425
NET ASSETS, ENDING	\$ 892	\$ 1,057	\$ 1,236	\$ 1,425	\$ 1,629



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***Carmel Hills, Inc.*****Forecasted Statement of Cash Flows****Years Ending April 30, 2026, 2027, 2028, 2029 and 2030****(in thousands of dollars)**

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	2026	2027	2028	2029	2030
<b><u>OPERATING ACTIVITIES</u></b>					
Change in net assets	\$ 158	\$ 165	\$ 179	\$ 189	\$ 204
Adjustments to reconcile change in net assets to cash flows from operating activities:					
Depreciation and amortization	195	197	199	201	203
Entrance fees received, net of refunds	181	186	192	198	204
Earned entrance fees	(225)	(232)	(239)	(246)	(253)
(Increase) decrease in operating assets:					
Accounts receivable	475	-	-	(1)	1
Inventories	1	-	-	(1)	1
Prepaid expenses	(2)	(2)	(2)	(2)	(3)
Increase (decrease) in operating liabilities:					
Accounts payable and accrued expenses	4	4	4	3	5
Deferred revenue	4	4	4	4	4
Net Cash Flows From Operating Activities	791	322	337	345	366
<b><u>INVESTING ACTIVITIES</u></b>					
Change in certificates of deposit and other investments	(913)	(45)	(108)	(71)	(113)
Capital additions of property and equipment	(211)	(220)	(229)	(237)	(247)
Net Cash Flows From Investing Activities	(1,124)	(265)	(337)	(308)	(360)
<b><u>FINANCING ACTIVITIES</u></b>					
Principal payments on long-term debt	(73)	(57)	-	(37)	(6)
Issuance of long-term debt	-	-	-	-	-
Net Cash Flows From Financing Activities	(73)	(57)	-	(37)	(6)
CHANGE IN CASH	(406)	-	-	-	-
CASH - BEGINNING	906	500	500	500	500
CASH - ENDING	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>

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## ***Carmel Hills, Inc.***

### **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending April 30, 2030**

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#### **Note 1 - Nature of Activities and Projections**

##### **General**

The accompanying financial forecast presents, to the best knowledge and belief of the management (“Management”) of Carmel Hills, Inc. (the “Organization”) the expected financial position, changes in net assets, and cash flows of the Organization as of and for each of the five years ending April 30, 2030. Accordingly, the accompanying forecast reflects Management’s judgment as of September 2, 2025, the date of completion of this forecast, of the expected conditions and its course of action.

Management’s purpose in releasing this financial forecast is for inclusion in the Organization’s annual disclosure statement in accordance with Chapter 58, Article 64A, of the North Carolina General Statutes. Accordingly, this report should not be used for any other purpose. The assumptions disclosed herein are those that Management believes are significant to the prospective financial statements. The Organization recognizes that there will be differences between prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

##### **Background of the Organization**

The Organization is a not-for-profit corporation formed in 1977 pursuant to the laws of the State of North Carolina. The Organization was formed to provide a residential facility for older brothers and older sisters associated with a group of Christians commonly known as “Plymouth Brethren.” Residents associated with the Plymouth Brethren (“Affiliated Residents”) received preferential treatment in the selection process and Entrance Fees.

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income and is classified as other than a private foundation.

The Organization owns and operates a continuing care retirement community (“CCRC”) known as Carmel Hills (the “Community”) in Charlotte, North Carolina. The Community is a licensed CCRC by the North Carolina Department of Insurance. The Community includes 40 independent living units (the “Independent Living Units”) and is licensed for 38 assisted living beds (the “Assisted Living Beds”).

The Community offers three entrance fee/residency plans. The Entrance Fee plans include a Declining Refund Entrance Fee Plan (“Maple”), and a 90% Refundable Entrance Fee Plan (“Oak”). The No Entrance Fee Plan (Magnolia) is a 13-month contract with a non-refundable residency fee. As of July 2025, seven residents have selected the Oak plan, thirteen residents have selected the Magnolia plan, and twenty-nine residents have selected the Maple plan.

# ***Carmel Hills, Inc.***

## **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending April 30, 2030**

The following table outlines details regarding the Community's configuration, "Entrance Fees", and "Monthly Fee", effective May 1, 2025:

Table 1 Unit Configuration, Assumed Occupancy Weighted Average Entrance Fees & Weighted Average Monthly Fees						
Type of Unit	Total Units	Square Footage	Entrance Fees (1)(2)	Maple	Oak	Magnolia(2)
<b>Independent Living Units:</b>						
Efficiency-Unit A	5	350	\$112,295	\$1,755	\$2,440	\$2,625
Efficiency-Unit B	8	450	136,670	1,810	2,650	2,820
1 Bedroom-Unit C	11	600	170,700	2,125	3,170	3,345
2 Bedroom-Unit D	4	900	243,815	2,310	3,810	3,915
1 Bedroom+-Unit E	1	950	243,815	2,310	3,810	3,915
2 Bedroom-Cottage	10	1,132	270,910	2,440	4,100	4,195
1 Bedroom-Cabin	1	896	207,260	2,215	3,485	3,630
Total/Weighted Average	40	703	\$191,699	\$2,120	\$3,295	\$3,441
Second person fee			\$97,580	\$1,350	\$1,940	\$2,070
Assisted Living Beds						
Private	varies	185-223	N/A		\$7,720	\$8,275
Semi-private	varies	185-223	N/A		6,150	6,380
Total/Weighted Average	30		N/A			
Total	70					

Source: Management

(1) Fees indicated are weighted averages of the Maple and Oak plan entrance fees effective May 1, 2025.

(2) The Entrance Fees represented in the chart are for Residents not affiliated with the Plymouth Brethren ("Non-Affiliated Residents"). Affiliated Residents receive a 20 percent discount on Entrance Fees.

(3) Residents who select the Magnolia plan are required to pay a non-refundable "Residency Fee" ranging from \$4,660-\$7,455 for the first person and an additional \$3,680 for the second person for Affiliated Residents and \$11,655-\$18,650 for the first person and an additional \$9,200 for a second person for Non-Affiliated Residents.

(4) The Assisted Living Beds:

a. The Assisted Living Beds are in both private and semi-private rooms; however most private rooms can be converted into a semi-private room.

b. The Assisted Living Beds' Monthly Fee for Independent residents transferring under the Magnolia plan is the same as for direct admits.

c. Residents who transfer to an Assisted Living Bed on the Maple plan would pay \$3,915 per month for a semi-private room or an additional \$1,895 for a private room, a total of \$5,810.

Table 2 Turnover Schedule—Independent Living Units		
Year Ending April 30,	Total ILU's	Average Entrance Fee
2026	3	\$197,450
2027	3	\$203,374
2028	3	\$209,475
2029	3	\$215,759
2030	3	\$222,232

Source: Management

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## ***Carmel Hills, Inc.***

### **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending April 30, 2030**

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#### **Note 2 - Significant Accounting Policies**

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

The prospective financial statements included in the forecast have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are described in the appropriate assumptions and notes to the prospective financial statements. The assumptions described are not all-inclusive.

##### **Receivables**

Receivables from residents are recorded at net realizable value with no allowance for doubtful accounts.

##### **Inventories**

Inventories are stated at the lower of cost or market determined on the first-in, first-out method.

##### **Certificates of deposit and other investments**

The Organization maintains certificates of deposits with various banks, interest rates and original maturities in excess of three months. Certificates of deposit are reflected on the accompanying balance sheet at their original cost plus accrued interest which approximates fair value. Other investments consist of various publicly stocks reflected on the balance sheet at their market value.

##### **Property and equipment**

Property is recorded at cost if purchased or fair value if donated, subject to a \$2,500 capitalization policy. Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 3 to 40 years. Major renewals and improvements are charged to the property accounts, while replacements, maintenance and repairs, which do not improve or extend the life of the assets, are expensed currently. Interest costs incurred during the construction period of significant construction projects are capitalized as a cost of the constructed asset and amortized over the useful life of the asset.

##### **Obligation to provide future services**

The Organization enters into continuing-care contracts with various residents. A continuing-care contract is an agreement between a resident and the Organization specifying the services and facilities to be provided to a resident over his or her remaining life. Under the contracts, the Organization has the ability to increase fees as deemed necessary. No obligation for future costs associated with these contracts has been provided by the Organization because management believes that future cash inflows will be sufficient to cover such costs.

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## ***Carmel Hills, Inc.***

### **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending April 30, 2030**

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#### *Entrance agreements*

The residency entrance fee is set by the Board of Directors and is due in full at the time residency is established. Under the Maple plan a portion of the entrance fee is refundable on a decreasing basis over the first two years of residency. For financial statement purposes, entrance fees are recorded as a liability on the accompanying balance sheet as “Unamortized Entrance Fees” and amortized to revenue over the life expectancy of the resident and are adjusted annually for changes in life expectancy. Unamortized entrance fees in excess of any refund provisions are included in revenue at the termination of the occupancy agreement. In addition to the entrance fee, each unit is assessed a monthly service fee as set by the Board of Directors.

Residents may elect to pay additional incremental entrance fees based on the resident’s age at his or her nearest birthday on the date of occupancy. Under this option, 90 percent of the original entrance fees are refundable dependent on the contract option elected. The contract provides for payment of the refundable fees after the unit is vacated and a new resident occupies the unit and pays the entrance fee in effect at the time of occupancy. The refundable portion of the entrance fees paid under the refund option contract is reflected on the accompanying balance sheet as a liability as “Refundable Entrance Fees”.

#### *Contributions*

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that contain donor-imposed stipulations that must be utilized for specific purposes or for future periods are reported as net assets with donor. When a restriction no longer applies, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions whose restrictions are met in the same reporting period as received are reported as net assets without donor restrictions. Management anticipates that restricted contributions received during the forecasted period will be restricted for either resident assistance, small improvement projects, or capital improvements and will be utilized within the same period. Management does not anticipate receiving any other restricted contributions during the forecasted period.

#### *Resident fees*

Resident fees represent the estimated net realizable amounts from patients, third-party payers, and others for services rendered. Resident fees are recorded as revenue when earned. Management assumes resident fee rates will increase approximately three percent annually during the forecast period.

#### *Use of estimates*

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

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***Carmel Hills, Inc.*****Summary of Significant Forecast Assumptions and Accounting Policies  
For the Five Years Ending April 30, 2030**

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**Concentration of credit risk**

The Organization's cash and certificates of deposit held by banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (the "FDIC"). These amounts may occasionally exceed the amount insured by the FDIC. However, the Organization believes it is not exposed to any significant credit risk related to these accounts.

**Note 3 - Summary of Significant Balance Sheet Assumptions****Property and equipment**

Management assumes no gain or loss from the sale or disposal of property and equipment and routine capital additions for each year during the forecast period as shown on the accompanying forecasted statement of cash flows.

**Long-term debt**

Management assumes long-term debt will consist of the following:

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Table 3					
Schedule of Long-Term Debt as of April 30,					
(in thousands of dollars)					
Year ending April 30,	2026	2027	2028	2029	2030
Bonds Payable	\$ 150	\$ 93	\$ 93	\$ 56	\$ 51
Notes Payable	-	-	-	-	-
Gift Annuities Payable	-	-	-	-	-
Long-term debt	150	93	93	56	51
Less current portion	(57)	( - )	(37)	(5)	(28)
Long-term debt, less current portion	\$ 93	\$ 93	\$ 56	\$ 51	\$ 23

---

Source: Management

The complete terms of these loans are described below. The Organization may decide to refinance the above notes and issue additional bonds during the forecast period.

Note Payable - The Organization currently has no outstanding note payable. For purposes of the forecast, Management assumes no additional borrowings from the line of credit.

Bonds Payable - The Organization's bonds payable consist of bonds previously sold to finance the construction of the facility and to purchase furniture, fixtures, equipment, etc. Approximately 80 percent of original maturing bonds were reinvested in the new bond. Bonds payable are unsecured, and interest rates vary from 4.50% to 5.50% and remaining maturities from 1 to 10 years. Management assumes issuing no new bonds payable during the forecast period.

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## ***Carmel Hills, Inc.***

### **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending April 30, 2030**

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Gift Annuities Payable - The Organization entered into a charitable gift annuity agreement in a prior year. This contribution was given to the Organization with the condition that a specific payment is to be made to the contributor over his or her life. The annuity holder passed away during the 2024-25 fiscal year and the Organization does not anticipate entering into any new annuity agreements at this time, so there is no longer any liability or expense related to Gift Annuities in the foreseeable future.

#### **Statutory operating reserve requirement**

North Carolina General Statute Chapter 58, Article 64A sets forth minimum operating reserve requirements. Under this legislation, the Organization is required to maintain an operating reserve at least equal to 25 percent of the upcoming year's total operating costs as defined by the statute. The reserve is maintained in certificates of deposits, mutual funds and exchange traded funds on the forecasted balance sheet.

#### **Contingencies**

The Organization has in place insurance coverage for possible litigation in the ordinary course of business related to general and professional liability claims including medical malpractice. Management believes that claims, if asserted, would be settled within the limits of coverage.

The State of North Carolina previously passed legislation which provides a property tax exemption for CCRCs that expend five percent or more of their operating revenues on charity care and community service. The property tax exemption must be requested each year. The forecast assumes that five percent of operating revenue will be spent on charity care and community service and that the Organization will qualify for a full property tax exemption for the forecast period.

#### **Note 4 - Summary of Statement of Operating Assumptions**

The following table summarizes the projected utilization of the Independent Living Units:

Table 4 Utilization of Independent Living Units			
Years ended April 30,	Average Number of Units Occupied	Average Number of Units Available	Average Total Occupancy
2026 <sup>(1)</sup>	38	39 <sup>(2)</sup>	95%
2027	37	39	95%
2028	37	39	95%
2029	38	39	95%
2030	38	39	95%

Source: Management

(1) The Independent Living Apartments are assumed to fill over a 12-month period at an average of approximately 1 unit per quarter from May 2024 to April 2025.

(2) Two "A" units were combined as of June 2024 to create a "C" unit; an additional "A" unit is expected to be combined with an adjoining "B" unit in the near future to create an additional "C" unit. This would bring the total number of IL units to 39 by fiscal year-end 2026.

Double occupancy in the Independent Living Units is assumed to be 20 percent of the occupied units in 2025 and throughout the forecast period.

## ***Carmel Hills, Inc.***

### **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending April 30, 2030**

The assumed monthly move-in pattern for the Independent Living Units is summarized in the table below:

Table 5  
Monthly Move-in Pattern for the Independent Living Units  
(Net of Move-Outs)

Fiscal Year/Month	Independent Living Units	Cumulative Total	Occupancy Percentage
2025-May	0	39	93%(1)
June	0	39	93%
July	1	39	93%
August	1	40	95%
September	1	40	95%
October	0	40	95%
November	1	40	95%
December	1	40	95%
January	0	39	93%
February	1	40	95%
March - April	1	40	95%
Total	7	40	94%

Source: Management

(1) As of May 2025, 39 of the Independent Living Apartments were occupied and 1 of the 41 units were available for occupancy (online).

The Assisted Living Bed's services are available to residents of the Community on a priority basis. The following table summarizes the assumed utilization of the Assisted Living Beds during the projection period:

Table 6  
Assisted Living Utilization

Year Ending April 30,	Average Number of Assisted Living Beds Occupied (1)	Average Number of Assisted Living Beds Available (1)	Average Occupancy
2026	29	30	97%
2027	28	30	93%
2028	29	30	97%
2029	29	30	97%
2030	28	30	93%

Source: Management

(1) The Community offers Assisted Living Beds in a private or semi-private room. The Community is licensed for 38 Assisted Living Beds. However, because of the facility configuration the current capacity is 30 beds.

### **Contributions**

Management assumes contributions and bequests to increase approximately three percent annually during the forecast period.



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***Carmel Hills, Inc.*****Summary of Significant Forecast Assumptions and Accounting Policies  
For the Five Years Ending April 30, 2030**

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**Investment income**

Management assumes dividends earned on stocks and interest earned on checking, money market, and certificates of deposit to be approximately one percent annually of the average balances during the forecast period.

**Operating expenses**

Management assumes operating expenses will increase approximately three percent annually.

## **Attachment H**

### **Residents' Assistance Fund Letter & Application**

Enclosed please find an application for the Residents Assistance Fund.

1 Timothy 5:16 talks about responsibilities regarding the elderly. The operations of a benevolent fund are based on this portion of scripture. We feel that Carmel Hills is considered a part of the local testimony and the primary responsibility for care of the older saints lies with the family. Any man or woman who is a believer, who has a widow in the family, should do everything possible for her and not allow her to become the church's responsibility. The church will then be free to look after those widows who are alone in the world.

This being the case, we would ask that the family appoint a spokesperson whose responsibility would be to contact every working child and grandchild of the resident and ask what they can do to support the widow. In many cases, ten or twenty dollars a week from each could multiply to meet the needs of the resident.

Once it has been determined what the family can contribute, the enclosed Residents Assistance Fund Application should be submitted to the CEO / Administrator and/or the board for review. The CEO / Administrator and/or the board will then review if assistance is warranted and available – and, if so, how much.

Please be assured that all related information is kept confidential. Thank you for your assistance in this matter. If you have any questions, please feel free to contact me.

Yours in His service,

**Danny Sands**

Chief Executive Officer

*"If any man or woman that believeth have widows, let them relieve them, and let not the church be charged: that it may relieve them that are widows indeed". I Timothy 5:16*

**Carmel Hills**  
Retirement Community  
**Residents Assistance Application**  
**Monthly Expenses**

Name \_\_\_\_\_

Health Insurance Cost \$ \_\_\_\_\_  
Does health insurance cover drugs \_\_\_\_ Yes \_\_\_\_ No  
Average monthly drug costs with insurance \$ \_\_\_\_\_  
Average monthly drug cost without insurance coverage \$ \_\_\_\_\_  
Other monthly expenses (list) \$ \_\_\_\_\_

<u>Source</u>	<u>Annual Income</u>	<u>Annual Income to Spouse In Event of Death</u>
Social Security: _____	\$ _____	\$ _____
Annuity: _____	\$ _____	\$ _____
Pension or Retirement: _____	\$ _____	\$ _____
Interest: _____	\$ _____	\$ _____
Dividends: _____	\$ _____	\$ _____
Rental Income: _____	\$ _____	\$ _____
Other Income: _____	\$ _____	\$ _____
Total Yearly Income: _____	\$ _____	\$ _____

Does pension or retirement system provide cost of living increase? \_\_\_\_ Yes \_\_\_\_ No

Have you given any assets or funds over \$1,000 in the past 5 years? \_\_\_\_ Yes \_\_\_\_ No

Has your net worth decreased more than 25% over the last 3 years? \_\_\_\_ If yes, please explain.

Amount that family can contribute towards monthly care: \$ \_\_\_\_\_

The information contained in this statement is provided for the purpose of assisting Carmel Hills in planning and providing continuing care on behalf of the undersigned in facilities provided by Carmel Hills. Each undersigned understands that Carmel Hills is relying on information provided herein and each undersigned represents and warrants that the information provided is true and complete. Carmel Hills will consider this statement as continuing to be true and correct until a written notice of change is given to Carmel Hills by the undersigned.

Signature \_\_\_\_\_  
Social Security No. \_\_\_\_\_

Date \_\_\_\_\_  
Date of Birth \_\_\_\_\_

Signature (Spouse) \_\_\_\_\_  
Social Security No. \_\_\_\_\_

Date \_\_\_\_\_  
Date of Birth \_\_\_\_\_

**This Form must be updated every two years.**

**Carmel Hills**  
Retirement Community  
Confidential  
Residents Assistance Application

**Assets**

Source	Value
Home (Market Value) _____,	\$ _____,
Other Real Estate (Market Value) _____,	\$ _____,
Checking Account _____,	\$ _____,
Savings Account _____,	\$ _____,
Certificates of Deposits _____,	\$ _____,
Stocks (Market Value) _____,	\$ _____,
Bonds _____,	\$ _____,
Notes _____,	\$ _____,
Life Insurance _____,	\$ _____,
(Paid up or Cash Value) _____,	\$ _____,
Other Assets _____,	\$ _____,
_____,	\$ _____,
Total Assets	\$ _____,
How much life insurance do you own (face value)? _____,	
Beneficiary _____,	

**Liabilities**

Home Mortgage _____,	\$ _____,
Other Liabilities _____,	\$ _____,
_____,	\$ _____,
Total Liabilities	\$ _____,

## **Attachment I**

### **PET POLICY**

#### **Addendum to Dwelling Units Entrance Agreement Relating to Pets**

This ADDENDUM to the DWELLING UNIT ENTRANCE AGREEMENT (the "Agreement") dated \_\_\_\_\_, 20\_\_\_\_, between Carmel Hills Inc. (the "Corporation") and the undersigned (the "Resident") shall add to the agreement the following terms and conditions related to pets.

The Resident occupies a cottage/duplex unit at Carmel Hills and has informed the Corporation that the Resident desires to keep a pet at Carmel Hills. The primary purpose of these terms and conditions is to establish reasonable requirements for the keeping of common household pets to provide a comfortable, safe, and sanitary environment for existing and prospective residents, employees, and the public and to preserve the physical condition of Carmel Hills.

Violation of this Addendum or of any other pet-related rules and regulations that the Corporation may adopt or amend shall be considered a material violation of the Agreement and may result in termination of the Agreement by the Corporation pursuant to either: Paragraph #17 of the Dwelling Unit Entrance Agreements or section #6 of the Residential Rental Contract agreement.

The Corporation and the Resident agree as follows:

1. There is a \$500 non-refundable pet fee.
2. Attached to this Addendum is a photograph of the pet.
3. The pet is not permitted inside any building at Carmel Hills other than the Resident's Living Accommodation.
4. The Resident shall keep the pet under the Resident's control (for example, on a leash; being carried; in a container; or, for residents of cottage/duplex units only, through the use of a hidden pet fence) at all times that the pet is outside the Living Accommodation. No animal shall be chained or tied outside the Living Accommodation. Dogs and cats shall wear a collar with a tag identifying the pet and its owner, with name, address, and telephone number.

5. The Resident shall be responsible for the proper care of the pet, including, but not limited to, flea control, yearly inoculations, spaying and neutering, and compliance with all applicable laws, ordinances, rules, and regulations.
6. The Resident shall be responsible to clean up after his or her pet anywhere on Carmel Hills property and shall carry a disposable plastic bag any time the pet is outside the Living Accommodation. Pet waste shall be bagged and disposed of in the appropriate trash receptacles.
7. The Resident shall be responsible for ensuring that the pet's noise, odors, wastes, or other nuisances do not infringe upon or diminish the health, safety, or rights to peace and quiet enjoyment of other residents. The Resident shall keep his or her Living Accommodation and surrounding areas free of pet odors, insect infestation, waste and litter, and maintained in a sanitary condition at all times. The Resident shall pay, upon receipt of a bill, for the cost of all materials and/or labor required to repair any damage caused by the Resident's pet, including, but not limited to, charges for extermination services for pet-related insect infestation.
8. The Corporation has the right to demand that the pet be removed from Carmel Hills immediately if the Corporation, in its sole discretion, determines that the presence of the pet poses a safety threat to any member of Carmel Hills community, creates a nuisance, or otherwise violates the rights of any member of the community.
9. The Resident acknowledges that if the Resident moves to a Living Accommodation other than a Cottage/Duplex unit, the Resident will no longer be able to keep the pet at Carmel Hills.
10. The Resident shall make arrangements for someone to care for the pet in the event that the Resident becomes unable to do so. The Resident hereby authorizes Carmel Hills to take appropriate action to transfer the pet to an appropriate facility, with all corresponding fees to be charged to the Resident, if the Resident becomes unable to care for the pet and has not made prior arrangements for the pet's care.
11. The Resident agrees to indemnify and hold the Corporation, its officers, directors, agents, employees, and representatives harmless from all liabilities, losses, damages, claims, actions, causes of actions, demands, or costs of any nature whatsoever caused by the

actions of the Resident's pet or by the Resident's own negligent or intentional actions related to care or control of the pet.

12. The terms and conditions of the Agreement are incorporated herein. To the extent that any provisions of the Agreement are inconsistent with the provisions of the Addendum, the provisions of the Addendum shall control.

IN WITNESS WHEREOF, the parties have executed the Addendum as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Carmel Hills, Inc.

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

\_\_\_\_\_  
Resident (SEAL)

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

\_\_\_\_\_  
Current Address: Street

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Telephone

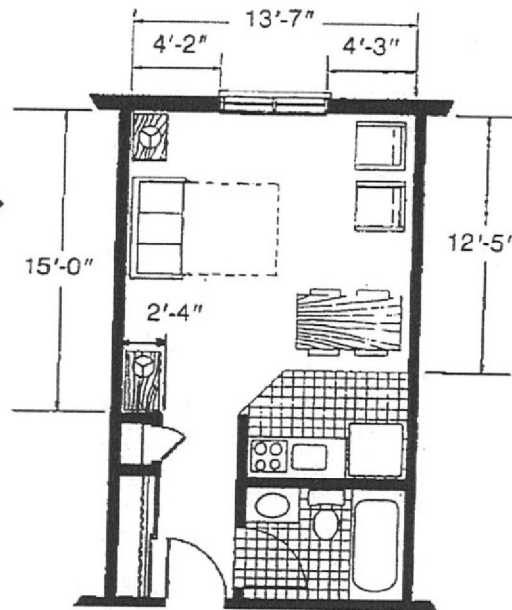
Attached Photograph of Pet Below:

## Floor Plans

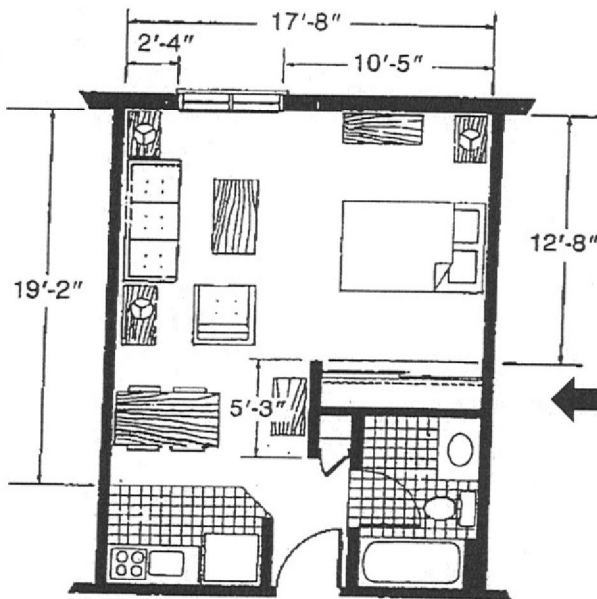
Attachment J

**T**hese floor plans are approximate drawings of each of the apartments at Carmel Hills. Furniture has been shown to provide an example of the way your apartment can be arranged. However, you would bring your own furnishings and arrange your apartment according to your taste.

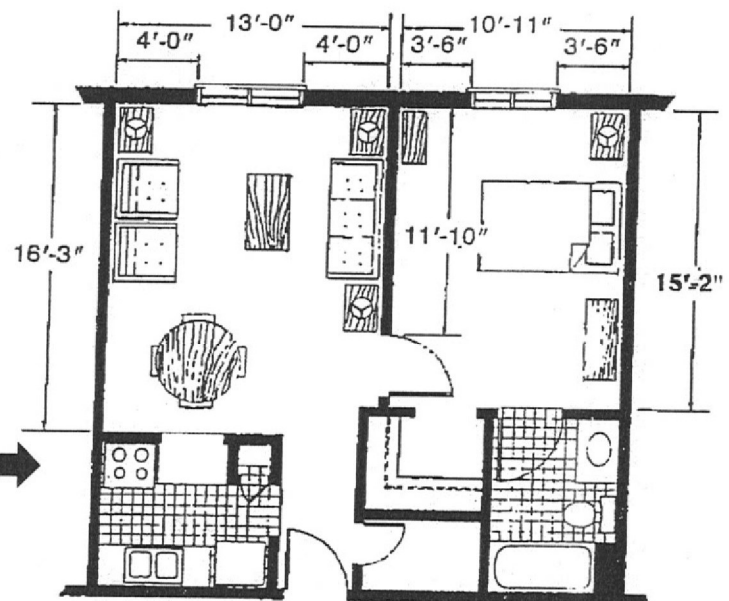
*The A Apartment* offers approximately 350 square feet of living space and includes a bed/sitting room, bath, and kitchenette.



*The B Apartment* offers approximately 450 square feet of living space, and includes a bed/sitting room, bath, and kitchenette.



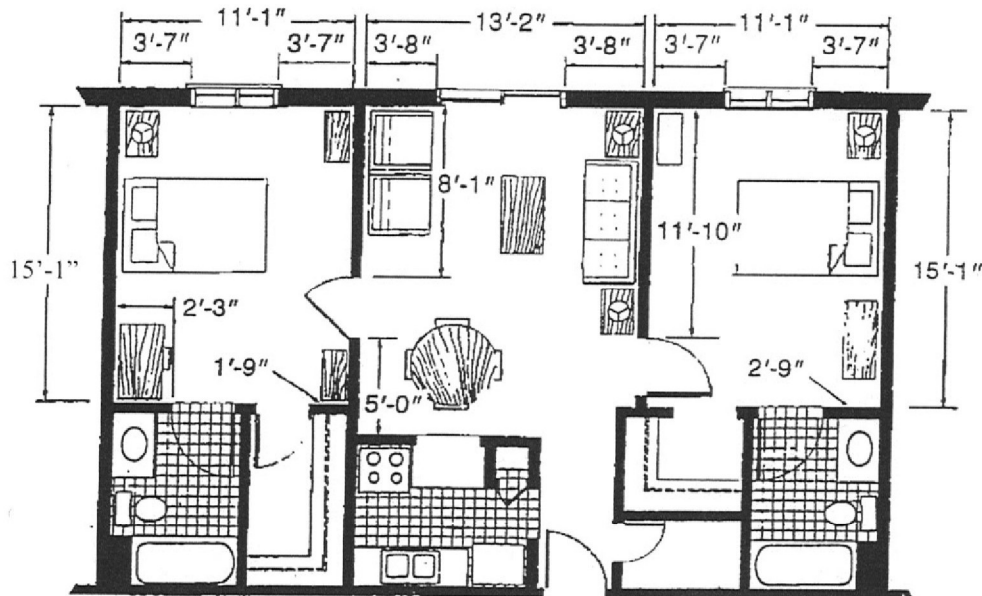
*The C Apartment* offers approximately 600 square feet of living space and includes a living room, separate bedroom, bath and fully equipped kitchen.



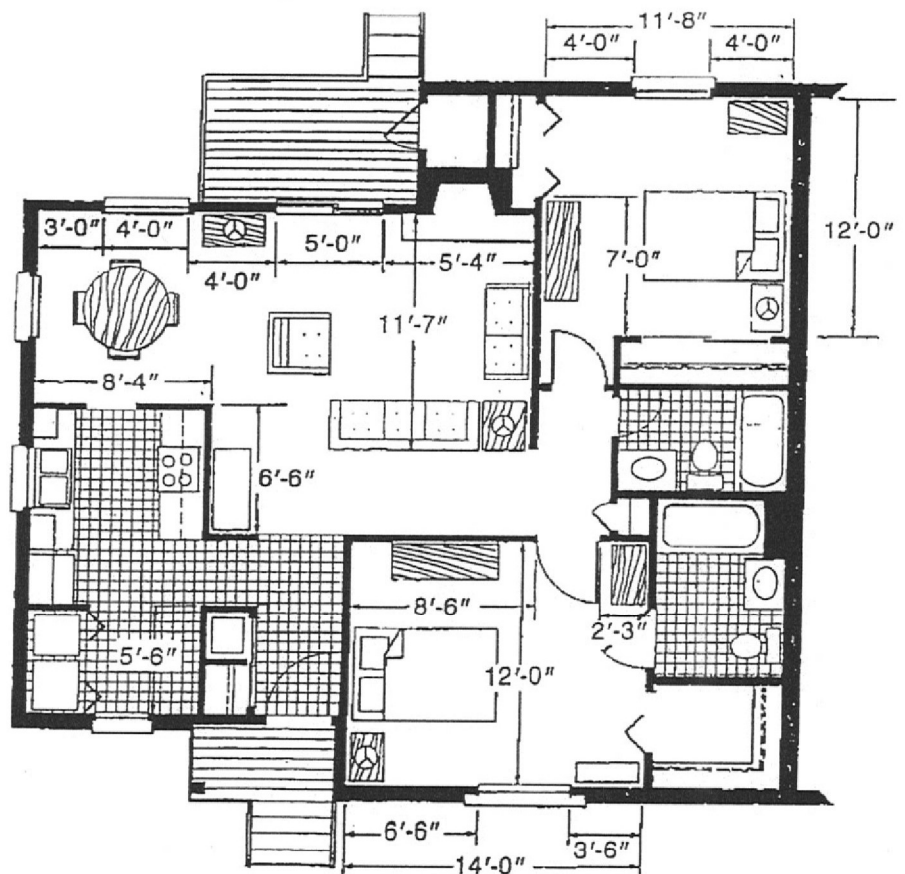


## Floor Plans

**The D Apartment** offers approximately 900 square feet of living space and includes living room, fully equipped kitchen, two separate bedrooms, each with full bath, and walk in closet.

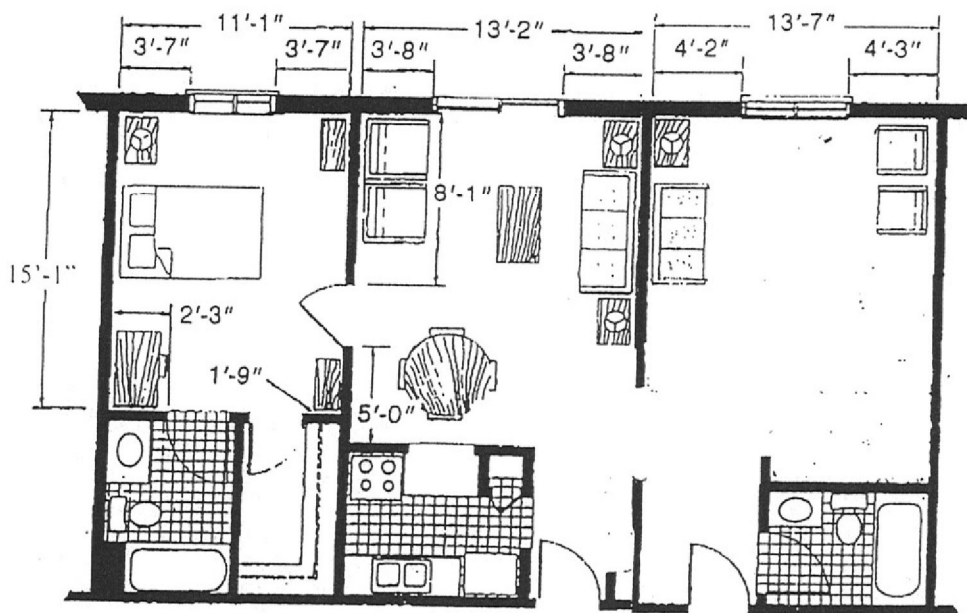


**The Duplex** offers approximately 1,132 square feet of living space, and includes living room, dining area, fully equipped kitchen, two separate bedrooms, and two full baths.



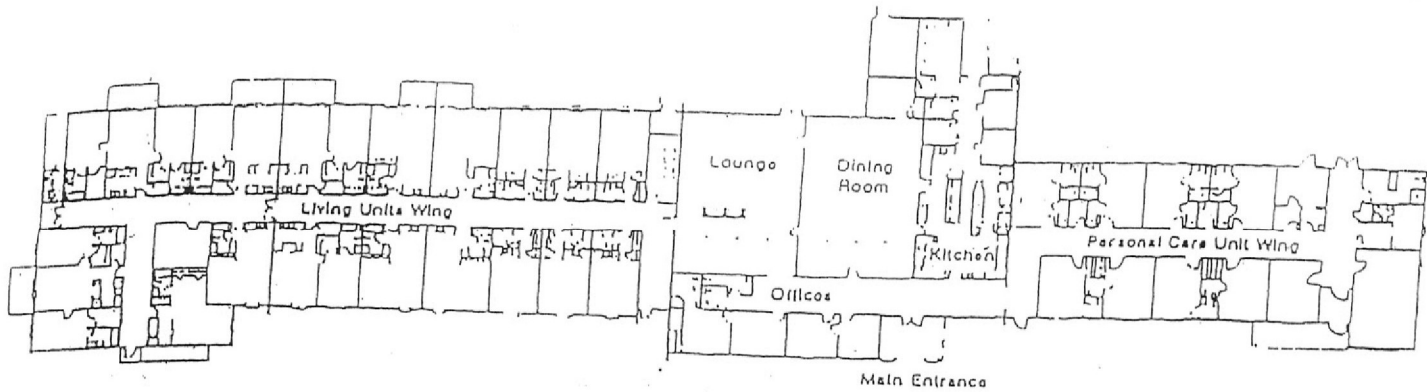
## Floor Plans

**The E Apartment** offers approximately 950 square feet of living space and includes living room, fully equipped kitchen, two separate rooms each with full bath and walk in closet.



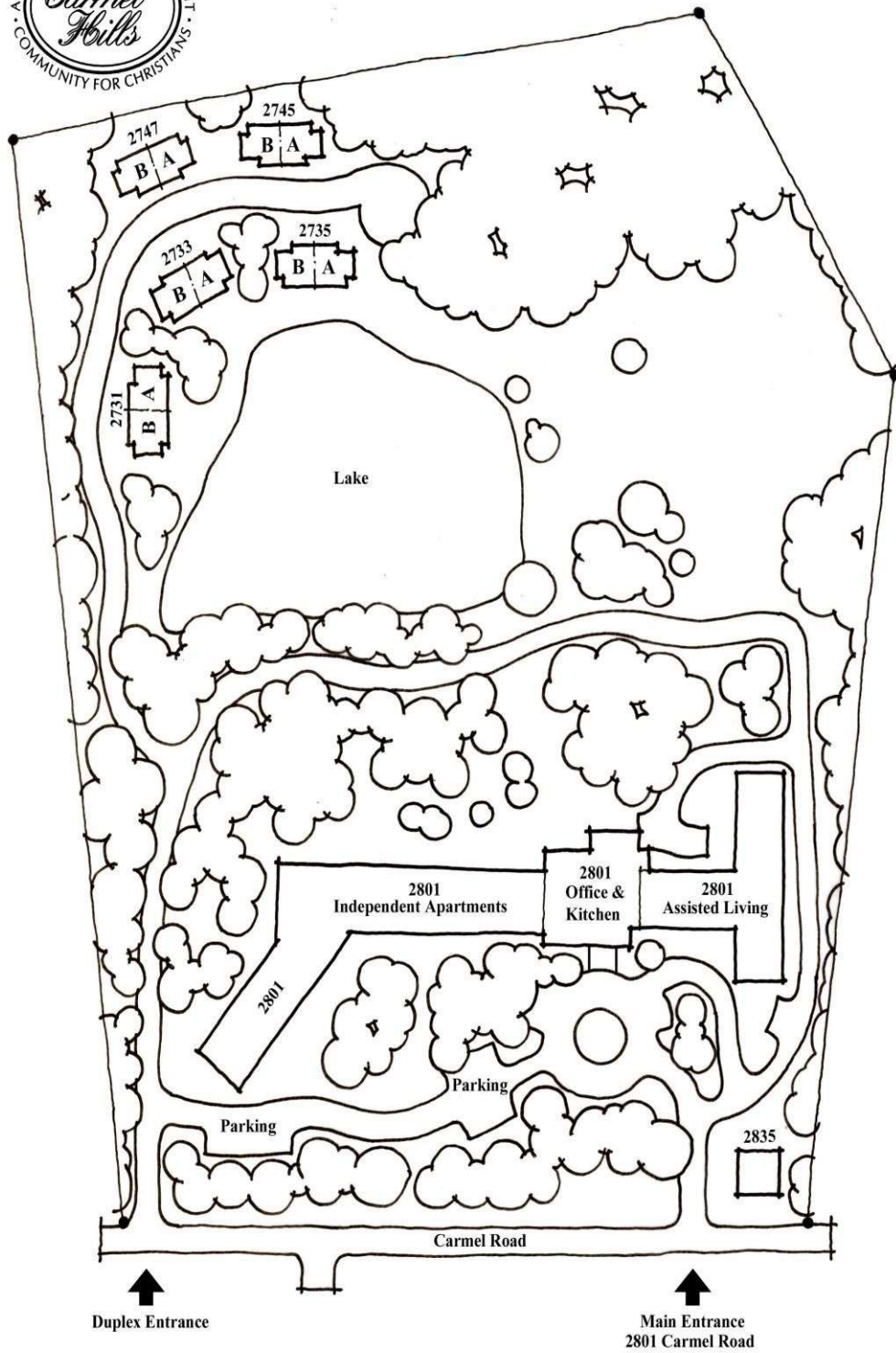
# COMMUNITY BUILDING PLAN

Attachment K



Drawing provides representation of common area in the Community Building.  
Drawing does not illustrate recent additions to the Dwelling Units and the Personal Care Unit.

Not drawn to scale



## **Attachment M**

Carmel Hills Retirement Community

### **Material Difference Narrative**

For the Year Ending April 30, 2025

The following explanation is furnished pursuant to Section 58-64-30 of the General Statutes of North Carolina. The explanation pertains to material differences between the Carmel Hills Retirement Community Forecasted Statements of Operations and Audited Cash Flows for the year ending April 30, 2025, included in the Disclosure Statement dated September 30, 2025 and the actual results of operations and cash flows for the year ended April 30, 2025, as shown in the audited financial statements.

For purposes of this narrative, “material” differences are variances of \$95,000, or more, and 10%, or more, on consolidated line-item amounts. However, dollar variances of less than \$35,000 are not considered material regardless of percentage. The \$95,000 and 10% parameters used for the purposes of determining which variances require a narrative explanation was determined subjectively after review of the line items presented in both the audited financial statements and the compiled financial forecast. \$95,000 is approximately 2.5% of Total Support & Revenue and 10% is a reasonable variation from line items that are smaller dollar amounts, where \$95,000 would be inappropriate.

#### **Support and Revenue:**

- Net Resident Fees - were \$3,133,987 or 6.34% higher than the amount forecasted of \$2,947,000 for the year ending 4/30/25. This was primarily due to increased fees and sustained high occupancy levels.
- Earned Entrance Fees - were \$232,238 or 111% higher than the amount forecasted of \$110,000 for the year ending 4/30/25. This increase was primarily due to more residents coming to Carmel Hills under the Maple and Oak plans than the past few years on average.
- Contributions - were \$147,574 or 74% lower than the amount forecasted of \$570,000 for the year ending 4/30/25. This is primarily due to fewer donations received than forecasted on average.
- Investment Income - was \$60,231 or 5,923% higher than the amount forecasted of \$1,000 in the year ending 4/30/25. This is due to better interest rates and market growth on invested cash reserves.

#### **Expenses:**

- Payroll Taxes & Group Insurance – were \$304,229 or 15% lower than the amount forecasted of \$359,000 in the year ending 4/30/25. This is primarily due to lower employee health insurance costs in the last year.
- Repairs and Maintenance – were \$234,954 or 126% higher than the amount forecasted of \$104,000 for the year ending 4/30/25. This is primarily due to an increase in room turnover renovations and aging equipment as well as an increase in the capitalization threshold which resulted in a higher percentage of remodeling costs being expensed up front.
- Miscellaneous – the cost of \$77,752 is 122% higher than the amount forecasted of \$35,000 during the year ending 4/30/25. This increase was largely due to an increase in tools and safety equipment purchases, as well as increased costs of resident activities, staff motivational events, and charitable gifts.

#### **Operating Activities**

- Change in Net Assets – The amount of (\$ -96,767) is a 189% decrease in the forecasted amount of \$109,000 for the year ending 4/30/25. This was overwhelmingly due to donations being lower than expected as well as a marked increase in Repair & Maintenance costs, as previously noted.

- Earned Entrance Fees – The amount of \$232,238 is a 111% increase in the forecasted amount of \$110,000 in the year ending 4/30/24. This is due to an increase in the number of new residents selecting the Maple and Oak plans this past year.
- Accounts Receivable – The amount of \$513,021 is a 51,302% delta in the forecast amount of \$0 for the year ending 4/30/25. This increase is largely due to several residents having outstanding entry fee balances at fiscal year-end – which were subsequently paid when the residents’ properties sold.
- Accounts payable and Accrued Expenses - The amount of (\$36,156) is an 823% increase in the forecasted amount of \$5,000 for the year ending 4/30/25. This was largely due to higher salary costs at fiscal year-end as numerous employees had unused PTO hours paid out.
- Deferred Revenue-Resident Fees – The amount of \$64,049, or 3,102% increase over the forecasted \$2,000 for the year ending 4/30/2025, is largely due an unusually high amount of Unearned Revenues at fiscal year-end, which included the entrance fees of a resident who moved in less than thirty days before the fiscal year ended.

#### **Investment Activities**

- Purchase of Property and Equipment – The amount of \$113,540 is a 46% decrease of the forecasted \$209,000 for the year ending 4/30/2025. This is largely due to a higher capitalization threshold being implemented this fiscal year (\$2,500 instead of \$1,000) so more purchases were expensed as Repairs instead of being capitalized as fixed assets.
- Proceeds from Sale of Investments – The amount of \$1,340, or 100.17% delta from the forecasted \$(766,000) for the year ending 4/30/2025 is a result of no new investments in CDs or Treasury Notes; the forecast amount was based on prior year investments of Reserve funds in CDs (and subsequently Treasury Notes) that would yield higher interest than the Money Market accounts they were previously held in.