

**Illustrative Example – Not an Actual Provider Disclosure Statement**



# **Disclosure Statement**

**Long Leaf Pine Continuing Care Retirement  
Community**

**Provider: Long Leaf Pine, Inc.**

**Date of Disclosure Statement: 12/31/2025**

**Last Date for Delivery: 06/09/2027**

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

## Illustrative Example – Not an Actual Provider Disclosure Statement

### Financial Snapshot: Key Ratios for Long Leaf Pine, Inc.

**Table FS-1. Financial Snapshot – Key Statutory Financial Ratios**

*Fiscal Year Ended December 31, 2025 (FY), with comparative historical and prospective periods*

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3	NC 25 <sup>th</sup> % <sup>1</sup>	NC 50 <sup>th</sup> % <sup>1</sup>	NC 75 <sup>th</sup> % <sup>1</sup>
<b>DCOH</b>	240	228	215	225	235	245	—	—	—
<b>CUSH</b>	2.00x	1.90x	1.85x	1.95x	2.05x	2.15x	—	—	—
<b>OR</b>	95.4%	94.9%	94.5%	94.0%	93.8%	93.5%	—	—	—
<b>NOM</b>	3.1%	3.8%	4.2%	4.5%	4.8%	5.0%	—	—	—
<b>NOM-A</b>	4.6%	5.1%	5.5%	5.8%	6.0%	6.2%	—	—	—
<b>DSCR</b>	1.62x	1.68x	1.75x	1.80x	1.85x	1.90x	—	—	—
<b>CD</b>	1.30x	1.25x	1.20x	1.25x	1.30x	1.35x	—	—	—
<b>CED</b>	1.10x	1.15x	1.20x	1.25x	1.30x	1.35x	—	—	—

#### Liquidity Ratios:

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

#### Profitability Ratios:

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

#### Capital Structure Ratios:

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

See Appendix F for full statutory definitions of how ratios are derived.

<sup>1</sup> **NC Provider Quartiles.** Values will be compiled annually by the North Carolina Department of Insurance, stratified by community model (Entrance Fee, Rental, Equity), and are expected to be available in late 2026.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### Table of Contents

1. Provider Identification .....	1
2. Organizational Structure .....	2
3. Key Persons and Management Personnel .....	3
4. Governing Body and Oversight .....	7
5. Related Parties .....	9
6. Relationships with Religious, Charitable, or Other Organizations .....	10
7. Other Persons Responsible for Obligations .....	11
8. Obligated Groups .....	11
9. Debt Covenants and Compliance .....	11
10. Third-Party Management Arrangements .....	12
11. Real Property Leases .....	12
12. Endowment Funds .....	12
13. Description and Location of the Community .....	12
14. Living Units by Level of Care .....	13
15. Continuing Care at Home Program .....	13
16. Resident Population Served .....	14
17. Occupancy Rates .....	14
18. Semiannual Resident Meetings .....	15
19. Resident Property Rights .....	15
20. Services Provided Under the Contract .....	15
21. Resident Fees .....	17
22. Refundable Entrance Fee Obligations .....	20
23. Financial Hardship Policies .....	21
24. Contract Cancellation and Refund Policies .....	22
25. Re-occupancy of Units .....	24
26. Resident Relocation .....	24
27. Admission and Continuation Standards .....	25
28. Age and Insurance Requirements .....	27
29. Reserve Funding and Refund Security .....	28
30. Expansion and Renovation Plans .....	30
31. Audit Opinion and Timeliness .....	30

## Illustrative Example – Not an Actual Provider Disclosure Statement

32. Audited Financial Statements .....	31
33. Five-Year Prospective Financial Statements .....	31
34. Variances from Prospective Financial Statements .....	31
35. Key Financial Metrics .....	32
36. Actuarial Opinion and Balance .....	36
37. Most Recent Department Examination Report .....	36
38. Other Material Information.....	36
39. Contract Forms and Attachments.....	36
Appendix A — Audited Financial Statements .....	39
Appendix B — Five-Year Prospective Financial Statements .....	40
Appendix C — Statement of Actuarial Opinion.....	41
Appendix D — Representative Contract(s).....	42
Appendix E — Examination Report.....	43
Appendix F — Statutory Ratio and Supporting Definitions.....	44

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 1. Provider Identification

#### Legal Responsibility for Continuing Care

Long Leaf Pine, Inc. is the entity that enters into continuing care contracts and continuing care at home contracts with residents and is legally responsible for providing continuing care and performing all obligations under those contracts. No other person or entity is responsible for providing continuing care to residents except as expressly disclosed in this Disclosure Statement.

#### Doing Business As (DBA)

Long Leaf Pine, Inc. conducts business under the name “Long Leaf Pine Retirement Community.” The name “Long Leaf Pine Continuing Care Retirement Community” is a trade name only and does not represent a separate legal entity. Long Leaf Pine, Inc. remains legally responsible for providing continuing care and performing all obligations under continuing care contracts and continuing care at home contracts.

Item	Information
<b>Legal Provider Name:</b>	Long Leaf Pine, Inc.
<b>Doing Business As (DBA):</b>	Long Leaf Pine Continuing Care Retirement Community
<b>Business Address:</b>	100 Pine Drive, Fuquay-Varina, NC 27526
<b>Telephone Number:</b>	(555) 555-0100
<b>Legal Entity Type:</b>	Nonprofit corporation organized under the laws of North Carolina
<b>For-Profit / Nonprofit Status:</b>	Nonprofit
<b>Federal Tax Status:</b>	Tax-exempt under Section 501(c)(3) of the Internal Revenue Code
<b>Ownership Type:</b>	Privately owned and controlled nonprofit organization. The provider is not part of any publicly held or publicly traded corporate system.
<b>Tax Filing Status:</b>	Current on all required federal and state tax filings
<b>Ownership / Control:</b>	Long Leaf Pine, Inc. is a nonprofit corporation whose sole member is Long Leaf Senior Care, Inc., a North Carolina nonprofit corporation

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

## **2. Organizational Structure**

### **2.1 Multi-Entity Organization Status**

Long Leaf Pine, Inc. is part of a multi-entity organization and is a wholly owned subsidiary of Long Leaf Senior Care, Inc., a North Carolina nonprofit corporation that serves as the controlling person.

### **2.2 Consolidation of Financial Statements**

Audited financial statements are prepared on a consolidated basis with Long Leaf Senior Care, Inc., and its subsidiaries, which include both continuing care providers and related supporting organizations. Consolidating schedules within the audit present the financial position and results of operations of each subsidiary, including Long Leaf Pine, Inc., individually.

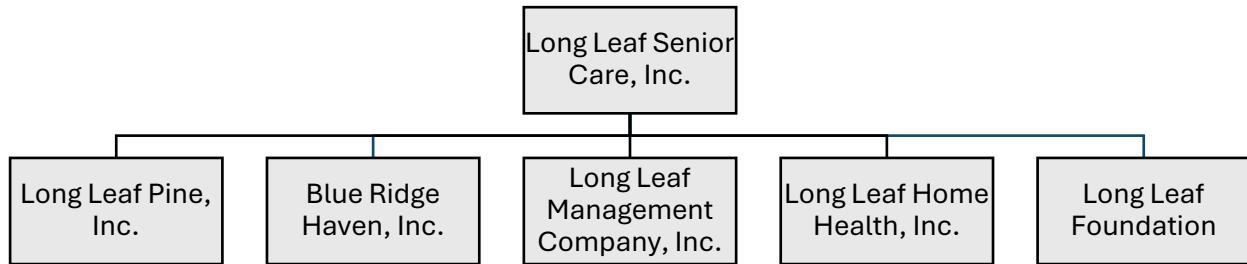
### **2.3 Controlling Person**

Item	Information
<b>Name:</b>	Long Leaf Senior Care, Inc.
<b>Business Address:</b>	200 Oak Avenue, Raleigh, NC 27601
<b>Telephone Number:</b>	(555) 555-0200

### **2.4 Company Structure Chart**

The organizational structure of Long Leaf Senior Care, Inc. and its related entities, including Long Leaf Pine, Inc., is as follows:

## Illustrative Example – Not an Actual Provider Disclosure Statement



### Accessible Text Equivalent:

- **Long Leaf Senior Care, Inc.** (parent and controlling person; nonprofit corporation)
  - **Long Leaf Pine, Inc.** - provider of continuing care contracts; operator of Long Leaf Pine Continuing Care Retirement Community (Fuquay Varina, NC)
  - **Blue Ridge Haven, Inc.** - provider of continuing care contracts; operator of Blue Ridge Haven Continuing Care Retirement Community (Asheville, NC)
  - **Long Leaf Management Company, Inc.** - nonprofit supporting organization [§ 509(a)(3)] providing management, staffing, and administrative services to affiliates
  - **Long Leaf Home Health, Inc.** - nonprofit subsidiary providing skilled home health and therapy services
  - **Long Leaf Foundation** - nonprofit supporting organization managing benevolent and endowment funds

### 3. Key Persons and Management Personnel

#### Definitions (for purposes of this Section):

- **Outside Interests:** Any professional service firm, association, trust, partnership, or corporation in which the individual has, or which has in the individual, a ten percent (10%) or greater interest and that currently provides, or is expected to provide, goods, leases, or services to the provider of an aggregate value of \$5,000 or more. If none, the provider discloses “None.”

## Illustrative Example – Not an Actual Provider Disclosure Statement

- **Adverse Disclosures:** Any conviction of or plea of nolo contendere to a felony charge; any final judgment in a civil action for fraud, embezzlement, fraudulent conversion, or misappropriation of property; any currently effective injunctive or restrictive court order; or any suspension or revocation within the past five years of a state or federal license or permit as a result of governmental action. If none, the provider discloses “None.”

### 3.1 Senior Officers of Long Leaf Pine, Inc. and Long Leaf Senior Care, Inc.

Name / Role	Education	Experience	Length of Service
<b>Angela D. Moss – President &amp; Chief Executive Officer</b>	MBA, UNC Kenan-Flagler; B.S. Health Administration, ECU	20 + years in senior-living operations; former Regional VP at multi-site life-plan system	7 years 6 months (since 07/01/2018); serves as Chief Executive Officer of Long Leaf Pine, Inc. and Long Leaf Senior Care, Inc.; employed by Long Leaf Management Company, Inc.
<b>Robert T. Nguyen – Chief Financial Officer</b>	MAcc, NCSU; B.S. Accounting, UNC Charlotte; CPA (NC)	15 + years in nonprofit healthcare finance; former controller, CCRCs and SNFs	5 years 9 months (since 03/01/2020); serves as Chief Financial Officer of Long Leaf Pine, Inc. and Long Leaf Senior Care, Inc.; employed by Long Leaf Management Company, Inc.

**Business Address:** 200 Oak Avenue, Raleigh, NC 27601

**Disclosure:** Neither officer has reported any Outside Interests or Adverse Disclosures.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 3.2 Community Management – Long Leaf Pine Continuing Care Retirement Community

Name / Role	Education	Experience	Length of Service
<b>Linda S. Moreno – Executive Director</b>	MHA, UNC; B.A. Gerontology, Appalachian State	12 years in campus leadership; prior Associate Executive Director at two CCRCs	3 years 6 months (since 06/15/2022); employed by Long Leaf Management Company, Inc.; serves the provider under a management agreement

**Business Address:** 100 Pine Drive, Fuquay Varina, NC 27526

**Disclosure:** The Executive Director has reported no Outside Interests or Adverse Disclosures.

### 3.3 Board of Directors — Long Leaf Pine, Inc.

Name / Role	Education	Experience	Length of Service
<b>Helen R. Carter – Chair</b>	MBA, Duke Fuqua; B.S. Finance, UVA	Former hospital CFO; audit & finance committee leadership in nonprofit health	7 years (since 01/01/2019)
<b>Marcus L. Brown – Vice Chair</b>	JD, Wake Forest; B.A. Political Science, UNC	Retired attorney (healthcare & nonprofit governance)	5 years (since 01/01/2021)
<b>Priya K. Shah – Treasurer</b>	M.S. Accounting, Virginia Tech; CPA (VA/NC)	Healthcare audit partner; nonprofit financial reporting expertise	5 years 6 months (since 07/01/2020)
<b>William H. Foster – Secretary</b>	M.Ed., NC State; B.A. History, UNC	Retired educator/administrator; board governance training	6 years (since 01/01/2020)
<b>Janet L. Owens – Director</b>	B.S. Business, ECU	Community volunteer; former small-business owner	2 years (since 01/01/2024)

## Illustrative Example – Not an Actual Provider Disclosure Statement

**Business Address:** 100 Pine Drive, Fuquay Varina, NC 27526

**Disclosure:** None of the directors of Long Leaf Pine, Inc. have reported any Outside Interests or Adverse Disclosures.

### 3.4 Board of Directors — Long Leaf Senior Care, Inc.

Name / Role	Education	Experience	Length of Service
<b>Samuel R. Daniels – Chair</b>	MPH, UNC; B.S. Biology, Clemson	Former hospital system CEO; system governance and strategy	9 years (since 01/01/2017)
<b>Karen T. Brooks – Vice Chair</b>	MBA, UNC; B.A. Economics, William & Mary	Higher-ed executive; finance & facilities committees	7 years (since 01/01/2019)
<b>James E. Pruitt – Treasurer</b>	B.S. Accounting, NC A&T; CPA (NC)	Not-for-profit finance partner; bond covenant and rating-agency liaison	7 years 6 months (since 07/01/2018)
<b>Maria V. Alvarez – Secretary</b>	JD, UNC Law; B.A. Public Policy, UNC	Retired judge; compliance and ethics oversight	6 years (since 01/01/2020)
<b>Thomas J. Lee – Director</b>	MBA, NC State; B.S. Information Systems, VT	Financial services executive; enterprise risk management	4 years (since 01/01/2022)
<b>Sharon W. Powell – Director</b>	MPA, UNC; B.A. Sociology, App State	Nonprofit consultant; strategic planning and DEI initiatives	3 years (since 01/01/2023)
<b>Victor H. Green – Director</b>	MD, Duke; B.S. Chemistry, NC State	Retired physician; quality & clinical outcomes oversight	5 years (since 01/01/2021)

**Business Address:** 200 Oak Avenue, Raleigh, NC 27601

**Disclosure:** None of the directors of Long Leaf Senior Care, Inc. have reported any Outside Interests or Adverse Disclosures.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 3.5 Management Entity — Long Leaf Management Company, Inc.

- **Nature of Role:** Nonprofit supporting organization controlled by Long Leaf Senior Care, Inc.; employs the Chief Executive Officer, Chief Financial Officer, and Executive Director; provides on-site management and centralized administrative services to Long Leaf Pine, Inc.
- **Business Address:** 200 Oak Avenue, Raleigh, NC 27601
- **Key Officers:** Angela D. Moss (President & CEO), Robert T. Nguyen (CFO) — see Senior Officers of Long Leaf Pine, Inc. and Long Leaf Senior Care, Inc. for education, experience, and length of service.

### 3.6 10% + Ownership Interests

*(Individuals holding ten percent (10%) or more equity or beneficial interest in the provider or any controlling person)*

Long Leaf Pine, Inc. and its controlling person, Long Leaf Senior Care, Inc., are organized as nonprofit corporations and therefore have no equity ownership interests. No individual holds a ten percent (10%) or greater beneficial interest in either entity. Long Leaf Senior Care, Inc. serves as the sole corporate member of Long Leaf Pine, Inc.

## 4. Governing Body and Oversight

### 4.1 Provider Governing Body

Long Leaf Pine, Inc. is governed by a Board of Directors consisting of five members. The Board is responsible for the overall direction and oversight of Long Leaf Pine, Inc.'s operations, financial condition, and resident welfare. Its duties include:

- Reviewing and approving budgets and financial reports.
- Ensuring compliance with applicable laws, regulations, and contractual obligations.
- Overseeing the quality of resident care and services, including safety and satisfaction.
- Monitoring risks to Long Leaf Pine, Inc.'s solvency and operations.

#### 4.1.1 Selection of Members

Directors are appointed by Long Leaf Pine, Inc.'s sole corporate member, Long Leaf Senior Care, Inc. Directors serve three-year staggered terms and may be reappointed for up to three consecutive terms. Officers of the Board (Chair, Vice Chair, Treasurer, and Secretary) are elected annually by the Board from among its members.

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

### **4.1.2 Oversight of Management and Operations**

The Board delegates day-to-day operations of Long Leaf Pine Continuing Care Retirement Community and Long Leaf Pine, Inc. to the Executive Director and senior management employed by Long Leaf Management Company, Inc. The Board maintains oversight through:

- Regular review of financial and operating reports.
- Approval of major contracts, capital projects, and debt issuances.
- Quarterly board meetings and periodic committee reports.
- Evaluation of management performance and compliance with the management agreement.

### **4.1.3 Committees**

The Long Leaf Pine, Inc. Board maintains standing committees for:

- **Finance:** budget review, financial performance monitoring.
- **Quality and Resident Experience:** care quality, regulatory compliance, and resident engagement.

## **4.2 Controlling Person Governing Body**

The sole corporate member and controlling person of Long Leaf Pine, Inc., Long Leaf Senior Care, Inc., is governed by its own Board of Directors. That board is responsible for system-level strategy and oversight, including:

- Appointing the directors of Long Leaf Pine, Inc.
- Approving system-wide budgets and consolidated audits.
- Coordinating policies across subsidiaries.
- Ensuring accountability for the management company and obligated group entities.

### **4.2.1 Selection of Members**

The Board of Directors of Long Leaf Senior Care, Inc. is self-perpetuating. Directors are elected by the sitting board and serve four-year terms, with eligibility for reappointment for up to three consecutive terms. Officers (Chair, Vice Chair, Treasurer, and Secretary) are elected annually by the Board from among its members.

### **4.2.2 Oversight of Management and Operations**

Long Leaf Senior Care, Inc. does not directly employ staff. Administrative and operational support is provided through Long Leaf Management Company, Inc. The Board oversees management and system operations by:

- Reviewing and approving consolidated financial reports and audits.
- Monitoring debt covenant compliance and overall system liquidity.

## Illustrative Example – Not an Actual Provider Disclosure Statement

- Overseeing the performance of Long Leaf Management Company, Inc. and its provision of services to affiliates.
- Evaluating system-level risks, including financing strategies and affiliate performance.

### 4.2.3 Committees

The Long Leaf Senior Care, Inc. Board maintains standing committees for:

- **Finance and Audit:** system-level budgeting, financial reporting, independent auditor oversight, and debt covenant compliance.
- **Governance and Nominating:** system board recruitment, evaluation, and succession.
- **Strategic Planning:** long-term planning, market development, and risk management.

## 4.3 Division of Responsibilities

To avoid duplication and ensure effective oversight:

- The Long Leaf Pine, Inc. Board focuses on resident-level matters, including community operations, quality of care, resident satisfaction, and local financial performance.
- The Long Leaf Senior Care, Inc. Board focuses on system-level matters, including appointment of subsidiary directors, consolidated financial oversight, debt covenant compliance, and long-term strategic planning.

## 5. Related Parties

Long Leaf Pine, Inc. has relationships with related parties under common control with its controlling person, Long Leaf Senior Care, Inc. Each arrangement exceeded \$5,000 in FY2025 and is therefore disclosed below. For purposes of this section, Actual/Probable Cost refers to the cost incurred by Long Leaf Pine, Inc.

### 5.1 Long Leaf Management Company, Inc.

- **Nature of Relationship:** Nonprofit supporting organization, controlled by Long Leaf Senior Care, Inc.
- **Goods/Leases/Services Provided:** Employs and provides executive leadership (CEO, CFO), business office functions, human resources, and information technology services to the provider under a management agreement.
- **Actual/Probable Cost:** The cost was \$2.1 million in FY2025, allocated based on headcount and campus size.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 5.2 Long Leaf Home Health, Inc.

- **Nature of Relationship:** Nonprofit affiliate, controlled by Long Leaf Senior Care, Inc.
- **Goods/Leases/Services Provided:** Provides skilled home health, physical therapy, and nursing services to residents of Long Leaf Pine Continuing Care Retirement Community under a preferred provider agreement. The agreement designates Long Leaf Home Health, Inc. as the primary home health agency for residents, ensures priority access to services, and sets forth reimbursement, quality, and reporting terms.
- **Actual/Probable Cost:** The cost was \$600,000 in FY2025, billed per service at market rates.

### 5.3 Long Leaf Foundation

- **Nature of Relationship:** Nonprofit supporting organization, controlled by Long Leaf Senior Care, Inc.
- **Goods/Leases/Services Provided:** Administers the benevolent care program for residents unable to meet monthly service fees, funded by donor contributions and endowment earnings. Distributions are applied directly to resident accounts. This support is provided under the Foundation's board-approved benevolent care policy, and is not a contractual obligation.
- **Actual/Probable Cost:** Not applicable. The Foundation provided net funding support of \$350,000 to Long Leaf Pine, Inc. in FY2025.

## 6. Relationships with Religious, Charitable, or Other Organizations

The disclosures in this section address organizational relationships and are distinct from the related-party transactions reported in Section 5.

Long Leaf Pine, Inc. is a nonprofit corporation under the sole control of Long Leaf Senior Care, Inc., its parent organization. Long Leaf Senior Care, Inc. appoints Long Leaf Pine, Inc.'s directors and exercises overall governance and financial oversight.

Long Leaf Pine, Inc. also receives support from Long Leaf Foundation, a nonprofit supporting organization that administers benevolent care assistance for residents who cannot meet monthly service fees. The Foundation provides charitable resources but does not appoint directors or exercise governance authority.

Neither Long Leaf Pine, Inc. nor its controlling person, Long Leaf Senior Care, Inc., has a relationship with a sponsoring religious denomination, faith-based community, or educational institution. Memberships in industry organizations such as LeadingAge North Carolina are limited to networking and professional development and carry no governance authority or financial support.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 7. Other Persons Responsible for Obligations

Except as described in Section 8 regarding Long Leaf Pine, Inc.’s participation in the obligated group and the joint and several liability for bonds, no other person or entity is responsible for the financial or contractual obligations of Long Leaf Pine, Inc.

### 8. Obligated Groups

Long Leaf Pine, Inc. is a member of an obligated group created under the terms of bond indentures and related financing agreements. Membership in the obligated group creates joint and several liability among the members solely for repayment of bonded indebtedness and for compliance with related bond covenants.

As of December 31, 2025, the obligated group consisted of:

- Long Leaf Pine, Inc.
- Long Leaf Senior Care, Inc.
- Long Leaf Management Company, Inc.
- Long Leaf Home Health, Inc.
- Blue Ridge Haven, Inc.

Participation in the obligated group allows the members to access financing collectively and at more favorable terms. However, it also means that the bonded debt of each member is supported by the financial resources of the others, and a default by one member may affect the entire group.

The audited consolidated financial statements of Long Leaf Senior Care, Inc. and its subsidiaries include consolidating schedules that present the financial position and results of operations of each obligated group member. These schedules also show Long Leaf Pine, Inc.’s stand-alone financial information, allowing residents and prospective residents to evaluate the provider separately from the group. The audited consolidated financial statements are located in Appendix A.

### 9. Debt Covenants and Compliance

Long Leaf Pine, Inc. and the obligated group are subject to covenants contained in bond indentures and related debt agreements, including requirements for minimum debt service coverage, liquidity, and restrictions on additional borrowing.

As of December 31, 2025, Long Leaf Pine, Inc. and the obligated group were in full compliance with all covenants contained in debt agreements.

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

### **10. Third-Party Management Arrangements**

Long Leaf Pine, Inc., does not employ an unrelated third-party manager to operate Long Leaf Pine Continuing Care Retirement Community. Day-to-day operations are carried out by the Executive Director and senior management employed by Long Leaf Management Company, Inc., a related nonprofit supporting organization under the control of Long Leaf Senior Care, Inc.

### **11. Real Property Leases**

Long Leaf Pine, Inc. does not lease any of the real property that makes up Long Leaf Pine Continuing Care Retirement Community.

### **12. Endowment Funds**

Long Leaf Pine, Inc. does not maintain endowment funds directly. However, residents have access to benevolent care assistance through Long Leaf Foundation, a related-party nonprofit supporting organization. The Foundation maintains donor-restricted endowment funds, the income from which is used to provide financial aid to residents who are unable to meet their monthly service fees.

Distributions from these funds are applied directly to resident accounts. The funds are restricted by donor intent and board policy to benevolent care and may not be used for general operating purposes of Long Leaf Pine, Inc. Availability of distributions is not guaranteed and remains subject to the discretion of the Foundation's board of directors.

### **13. Description and Location of the Community**

Long Leaf Pine, Inc. operates Long Leaf Pine Continuing Care Retirement Community, located at 100 Pine Drive, Fuquay-Varina, North Carolina 27526.

The community opened in 2002 on approximately 65 acres. The original campus included apartment-style residences, cottages, a community center, and a healthcare center. A major expansion in 2012 added independent living residences and expanded dining and wellness spaces. In 2018, the healthcare center was renovated to update assisted living and skilled nursing accommodations.

Today, the campus includes apartment-style residences, cottages, a central community building, an assisted living facility, and a healthcare center. Shared amenities include dining rooms, fitness facilities, a library, auditorium, meeting rooms, landscaped courtyards, walking trails, outdoor recreation areas, and gardens.

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

### **14. Living Units by Level of Care**

As of December 31, 2025, Long Leaf Pine Continuing Care Retirement Community included:

- 260 independent living units (220 apartments and 40 cottages)
- 40 assisted living units
- 60 skilled nursing beds

### **15. Continuing Care at Home Program**

Long Leaf Pine, Inc. is licensed to operate a Continuing Care at Home (CCaH) program under the name Long Leaf at Home. This program allows individuals to contract for continuing care services while continuing to reside in their own homes rather than relocating immediately to Long Leaf Pine Continuing Care Retirement Community.

#### **15.1 Program Description**

Participants in Long Leaf at Home receive a package of services that includes care coordination, home health and supportive services, access to community-based wellness programs, and access to Long Leaf Pine Continuing Care Retirement Community's assisted living and healthcare center if a higher level of care is needed in the future. See also Section 20 —Services Provided Under the Contract.

#### **15.2 Geographic Areas Served**

The Long Leaf at Home program is currently available to residents of Wake, Harnett, Johnston, and Lee Counties in North Carolina.

#### **15.3 Enrollment**

As of December 31, 2025, Long Leaf at Home had 85 enrolled participants.

#### **15.4 Staffing and Resources**

The program is staffed by a dedicated care coordination team consisting of two full-time registered nurses, one licensed social worker, and administrative support personnel. Administrative oversight is provided by Long Leaf Management Company, Inc., the related-party management company of Long Leaf Pine, Inc. Participants also have access to a contracted network of home health and therapy professionals, which includes services delivered by Long Leaf Home Health, Inc., a related-party.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 16. Resident Population Served

As of December 31, 2025, the resident population served by Long Leaf Pine Continuing Care Retirement Community under continuing care contracts was as follows:

- 335 residents in independent living
- 38 residents in assisted living
- 58 residents in skilled nursing

In addition, as disclosed in Section 15, 85 participants were enrolled in the Long Leaf at Home Continuing Care at Home program as of December 31, 2025.

As of December 31, 2025, the community maintained a waitlist for admission to independent living consisting of 72 individuals. Individuals on the waitlist are prospective applicants and are not residents of the community unless and until they have executed a continuing care contract and commenced residency.

To be placed on the independent living waitlist, prospective applicants are required to submit a \$5,000 waitlist deposit. The waitlist deposit is fully refundable and is not considered an entrance fee. If the applicant later enters into a continuing care contract, the waitlist deposit is applied toward the required entrance fee at that time.

Placement on the waitlist does not guarantee admission to the community or priority for a specific unit and does not create contractual rights unless expressly provided in a continuing care contract.

### 17. Occupancy Rates

The 12-month daily average occupancy rates for Long Leaf Pine Continuing Care Retirement Community for the past five fiscal years were as follows:

**Table 17.1 – Historical Occupancy Rates (12-Month Daily Average)**

Fiscal Year-End	Independent Living (%)	Assisted Living (%)	Skilled Nursing (%)
12/31/2025	92.3%	95.0%	96.7%
12/31/2024	91.8%	94.5%	95.2%
12/31/2023	90.7%	92.8%	94.3%
12/31/2022	88.5%	91.2%	92.6%
12/31/2021	87.9%	90.5%	91.7%

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

### **18. Semiannual Resident Meetings**

Long Leaf Pine, Inc. holds meetings with residents of the Long Leaf Pine Continuing Care Retirement Community at least twice each year, as required by law.

#### **Fiscal Year 2025 Meeting Dates**

- December 5, 2025
- June 6, 2025

As required by law, an independent member of the provider's board of directors was present at each of the meetings (Helen Carter on December 5, 2025 and Janet Owens on June 6, 2025).

### **19. Resident Property Rights**

Residents do not hold ownership or property rights in the real estate of Long Leaf Pine Continuing Care Retirement Community. Residency and access to services are governed solely by the continuing care contract.

### **20. Services Provided Under the Contract**

Long Leaf Pine, Inc. offers services under both continuing care contracts at Long Leaf Pine Continuing Care Retirement Community and under the Long Leaf at Home Continuing Care at Home program. The following disclosures describe the services included in each contract type, as well as those available for additional charge.

#### **20.1 Health Care Services**

Residents of Long Leaf Pine Continuing Care Retirement Community have access to assisted living, skilled nursing, and memory support care on campus. Health services include 24-hour nursing, medication management, rehabilitative therapies, and coordination with residents' personal physicians.

#### **20.2 Continuing Care Retirement Community (CCRC) Contracts**

Residents living on the Long Leaf Pine Continuing Care Retirement Community campus receive the following services as part of their monthly fees, with additional services available at an extra charge.

##### **20.2.1 Services Included in Monthly Fees**

- One daily meal in the community dining room (independent living; three daily meals in assisted living and skilled nursing)
- Weekly housekeeping and linen service
- Scheduled local transportation

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

- Basic utilities, including electricity, water, heating, air conditioning, and basic cable
- Use of community amenities (wellness center, library, auditorium, gardens, walking trails)
- Social, cultural, and recreational programming
- Care coordination for transitions between levels of care

### **20.2.2 Services Available at Additional Charge**

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

## **20.3 Continuing Care at Home (CCaH) Contracts**

Participants in the Long Leaf at Home program receive the following services while continuing to reside in their own homes, with additional services available at an extra charge.

### **20.3.1 Services Included in Monthly Fees**

- Care coordination by a dedicated nurse or social worker
- Initial and annual health assessments
- Emergency response system
- Access to wellness programming (fitness, nutrition, preventive screenings)
- Transportation for medical appointments within the service area
- Priority admission to assisted living or skilled nursing at Long Leaf Pine Continuing Care Retirement Community

### **20.3.2 Services Available at Additional Charge**

- Personal care assistance (bathing, grooming, dressing, medication reminders)
- Homemaker services (meal preparation, housekeeping, laundry)
- Expanded transportation outside the service area
- Participation in social and recreational activities at the Long Leaf Pine campus
- Respite care or short-term stays at Long Leaf Pine Continuing Care Retirement Community
- Technology support (telehealth services, home monitoring devices)

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 20.4 Delivery of Services

Core residential, assisted living, and skilled nursing services are provided directly by Long Leaf Pine, Inc. Certain therapies (physical, occupational, and speech) are furnished under contract with independent third parties. Some home health and nursing services are delivered through Long Leaf Home Health, Inc., a related party disclosed in Section 5.

## 21. Resident Fees

Nonancillary fees at Long Leaf Pine Continuing Care Retirement Community (including both the campus-based community and the Long Leaf at Home program) consist of required, ongoing fees such as entrance fees, monthly service fees, and transfer fees. The following tables show Long Leaf Pine, Inc.'s current fee schedules, along with historical information on entrance fee and monthly fee increases over the past five fiscal years. Narrative explanations of household composition changes, transfer fees, and resale fees are also included.

### 21.1 CCRC Contracts

CCRC contracts represent continuing care contracts for residents who live at the Long Leaf Pine Continuing Care Retirement Community campus.

**Table 21.1: Current Monthly Fees (CCRC Contracts)**

Unit Type	Single Occupant	Double Occupant
Independent Living – Apartment	\$3,200	\$5,000
Independent Living – Cottage	\$3,800	\$5,600
Assisted Living	\$6,500	\$10,400
Skilled Nursing	\$9,200	N/A

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

## Illustrative Example – Not an Actual Provider Disclosure Statement

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

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
12/31/2025	4.2%	\$135	Annual
12/31/2024	3.8%	\$120	Annual
12/31/2023	3.5%	\$110	Annual
12/31/2022	3.0%	\$95	Annual
12/31/2021	2.8%	\$85	Annual

**Table 21.3: Current Entrance Fees (CCRC Contracts)**

Unit Type	Entrance Fee (Single)	Entrance Fee (Double)
Independent Living – Apartment	\$275,000	\$325,000
Independent Living – Cottage	\$350,000	\$400,000

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

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

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
12/31/2025	2.5%	\$6,500	Annual
12/31/2024	3.0%	\$7,800	Annual
12/31/2023	2.8%	\$7,000	Annual
12/31/2022	2.5%	\$6,200	Annual
12/31/2021	2.0%	\$5,000	Annual

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 21.2 CCaH Contracts

CCaH contracts represent continuing care at home contracts for participants who reside in their own homes and receive continuing-care services through the Long Leaf at Home program.

**Table 21.5: Current Monthly Fees (CCaH Contracts)**

CCaH Plan	Monthly Fee (Single)	Monthly Fee (Double)
Basic	\$1,200	\$1,900
Enhanced	\$1,800	\$2,700
Comprehensive	\$2,400	\$3,500

Monthly fees are subject to annual adjustment to reflect health care costs and service delivery expenses.

**Table 21.6: Historical increases in Monthly Fees (CCaH contracts)**

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
12/31/2025	3.5%	\$65	Annual
12/31/2024	3.0%	\$55	Annual
12/31/2023	2.5%	\$45	Annual
12/31/2022	2.2%	\$40	Annual
12/31/2021	2.0%	\$35	Annual

**Table 21.7: Current Entrance Fees (CCaH Contracts)**

CCaH Plan	Entrance Fee (Single)	Entrance Fee (Double)
Basic	\$40,000	\$60,000
Enhanced	\$65,000	\$90,000
Comprehensive	\$85,000	\$115,000

## Illustrative Example – Not an Actual Provider Disclosure Statement

**Table 21.8 - Historical Increases in Entrance Fees (CCaH contracts)**

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
12/31/2025	2.0%	\$1,200	Annual
12/31/2024	1.8%	\$1,100	Annual
12/31/2023	2.0%	\$1,200	Annual
12/31/2022	1.5%	\$900	Annual
12/31/2021	1.5%	\$850	Annual

### 21.3 Household Composition Changes

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

### 21.4 Transfer Fees and Resale Fees

If a resident transfers to a different independent living unit, a transfer fee of \$2,500 is charged. No resale fees are charged because residents do not hold ownership rights in their living units.

## 22. Refundable Entrance Fee Obligations

### 22.1 Conditions for Refunds

Certain continuing care contracts at Long Leaf Pine Continuing Care Retirement Community include a 50% or 90% refund provision. Under these contracts, a portion of the original entrance fee is refundable when a resident permanently vacates their independent living unit, provided that (1) the unit has been resold to a new resident who has paid their entrance fee in full and (2) all other contractual conditions for a refund have been satisfied. Refunds are payable within 30 days after these conditions are met. For clarity, a refund is not considered due until the replacement entrance fee has been received and all contractual requirements have been fulfilled.

In addition, Long Leaf Pine, Inc. offers declining-balance contracts under which the refundable portion of the entrance fee decreases on a monthly basis and amortizes to 0% after a two-year period. Once the amortization period has elapsed, no refund is payable upon termination of the contract or the death of the resident. These contracts therefore do not create refundable entrance fee obligations beyond the initial amortization period.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 22.2 Refund Obligations as of December 31, 2025

Category	Number of Contracts	Aggregate Amount
Refunds due once all contractual conditions are met	45	\$13,750,000
Refunds currently due (including amounts 30+ days past due)	0	\$0
Resident now in non-independent living unit – unit not resold	11	\$3,100,000
Resident now in non-independent living unit – unit resold	7	\$2,200,000

As of December 31, 2025, Long Leaf Pine, Inc. had \$19,050,000 in total refundable entrance fee obligations. No refunds were contractually due or past due at year-end. Obligations will be satisfied in accordance with contract terms as independent living units are resold and replacement entrance fees are received; however, the timing of refund payments depends on the pace of independent living unit turnover and resale activity.

## 23. Financial Hardship Policies

### 23.1 Policies for Residents Unable to Pay

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

### 23.2 Sources of Financial Support

- **Long Leaf Foundation:** A related-party nonprofit supporting organization that administers a benevolent care program funded by donor contributions and endowment earnings. Distributions are applied directly to resident accounts at Long Leaf Pine, Inc.
- **Refundable Entrance Fees:** Residents contractually entitled to a refundable entrance fee may, subject to the approval of Long Leaf Pine, Inc., apply available refundable amounts toward unpaid monthly fees. Such applications reduce the remaining refund obligation and do not accelerate contractual payment of refunds.

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

### **23.3 Conditions or Limitations**

- Eligibility for benevolent care is determined through a confidential financial review conducted by Long Leaf Pine, Inc., with oversight from the Foundation's board of directors.
- Assistance is subject to the availability of Foundation funds and is not guaranteed.
- Residents must annually recertify financial need to continue receiving assistance.

### **23.4 Narrative**

In 2025, the Long Leaf Foundation distributed \$350,000 in benevolent care support to Long Leaf Pine Continuing Care Retirement Community residents. As of December 31, 2025, the Foundation maintained net assets of \$15.2 million designated for benevolent care, subject to donor restrictions and the discretion of the Foundation's board.

## **24. Contract Cancellation and Refund Policies**

### **24.1 Provider-Initiated Cancellation**

Long Leaf Pine, Inc. may terminate a continuing care or continuing care at home contract:

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

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 24.2 Resident-Initiated Cancellation

A resident may cancel a contract under the following circumstances:

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

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

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

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

### 24.3 Refunds Upon Cancellation

- Refundable entrance fees are returned in accordance with Section 22 – Refundable Entrance Fee Obligations.
- Nonrefundable portions of entrance fees are retained by Long Leaf Pine, Inc.
- Prepaid monthly fees are prorated to the date the living unit is vacated or services cease, and any remaining balance is refunded.

### 24.4 Refunds Upon Death

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

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

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

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

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 25. Re-occupancy of Units

A living unit at Long Leaf Pine Continuing Care Retirement Community may be reassigned to a new resident under the following circumstances:

#### 25.1 Resident-Initiated Vacating

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

#### 25.2 Provider-Initiated Vacating

- **Contract termination by provider:** When a contract is terminated by the provider under the circumstances described in Section 24 – Contract Cancellation and Refund Policies.
- **Persistent nonpayment:** When a resident fails to meet contractual payment obligations and the provider declares the contract terminated.

#### 25.3 Temporary Absences

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

#### 25.4 Refunds

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

### 26. Resident Relocation

Residents of Long Leaf Pine Continuing Care Retirement Community may be required to relocate from their current living unit to another living unit within the community under the following circumstances:

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 26.1 Resident Needs

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

### 26.2 Provider Needs

- **Renovation or Construction:** When construction, renovation, or repair work requires temporary or permanent relocation.
- **Operational Necessity:** When the continued occupancy of a living unit materially interferes with the orderly operation of the community and no reasonable alternative exists. This provision is applied only in limited circumstances.

### 26.3 Process

- Relocation decisions are made in consultation with the resident, the resident's family (if applicable), and appropriate health professionals.
- The provider makes reasonable efforts to relocate the resident to a comparable living unit within the community, meaning one of similar size, type, and monthly fee level whenever possible.
- If relocation is required for renovation or construction purposes, the provider will inform the resident in advance and clarify whether the move is temporary or permanent.

### 26.4 Financial Obligations

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

## 27. Admission and Continuation Standards

### 27.1 Admission Requirements

Admission to Long Leaf Pine Continuing Care Retirement Community is subject to both health and financial screening at the time of application.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 27.1.1 CCRC Contracts (Campus-Based)

- **Financial Standards:** Applicants must demonstrate sufficient resources to reasonably cover the entrance fee and projected monthly fees for the chosen living unit.
- **Health Standards:** Applicants for independent living must be capable of living safely and independently at the time of entry, with or without reasonable accommodations. A current medical history and health assessment completed by the applicant's physician is required. Applicants requiring immediate assisted living, memory care, or skilled nursing are not eligible for independent living entry.

### 27.1.2 CCaH Contracts (Continuing Care at Home)

- **Financial Standards:** Applicants must demonstrate sufficient resources to cover the entrance fee and ongoing monthly fees under the CCaH contract.
- **Health Standards:** Applicants must be able to live safely in their home environment at the time of entry, with or without reasonable accommodations. An in-home safety assessment and a health evaluation by the applicant's physician are required. Applicants requiring immediate assisted living or skilled nursing are not eligible for the Long Leaf at Home program.

## 27.2 Continuation Requirements

- **CCRC Contracts:** Once admitted, residents may remain at the community regardless of changes in health or financial status, subject to the hardship policies described in Section 23 – Financial Hardship Policies. Residents may be required to relocate to a higher level of care (see Section 26 – Resident Relocation) if their health needs can no longer be met safely in their current living unit.
- **CCaH Contracts:** Participants may continue in the program regardless of changes in health or financial status, provided they continue to reside in the designated service area and comply with the terms of the contract. Services may be adjusted based on changing care needs, subject to the limitations of the Long Leaf at Home program.

## 27.3 Changes in Condition Before Occupancy or Commencement of Services

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

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

eligibility. If standards are no longer met, the contract may be canceled and entrance fees refunded.

- **CCaH Contracts:** If a participant experiences a material decline in health before commencement of services such that they require immediate assisted living or skilled nursing, they are not eligible to begin in the Long Leaf at Home program. In such cases, the contract may be canceled and entrance fees refunded in accordance with Section 24 – Contract Cancellation and Refund Policies. If a material change in financial condition occurs before services begin, Long Leaf Pine, Inc. will re-evaluate eligibility and may cancel the contract if standards are not met, with entrance fees refunded.

## **28. Age and Insurance Requirements**

### **28.1 Age Requirements**

- The minimum age for admission to Long Leaf Pine Continuing Care Retirement Community under a continuing care contract is 62 years.
- A younger spouse or partner may also be admitted if the primary applicant meets the minimum age requirement.
- There is no maximum age limit for admission, provided the applicant meets the health and financial eligibility standards described in Section 27 - Admission and Continuation Standards.
- For Continuing Care at Home (CCaH) contracts, the minimum age for acceptance is also 62 years.

### **28.2 Insurance Requirements**

Applicants for both CCRC and CCaH contracts must:

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

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

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 28.3 Special Conditions

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

## 29. Reserve Funding and Refund Security

### 29.1 Cash and Investments

As of December 31, 2025, Long Leaf Pine, Inc. held \$17,000,000 in unrestricted cash and investments. Within this balance, \$2,000,000 has been designated by the Boards of Long Leaf Pine, Inc. and Long Leaf Senior Care, Inc. to prioritize liquidity for future entrance fee refunds. These funds remain unrestricted for accounting purposes but reflect the Boards' intent to maintain liquidity for resident entrance fee refund obligations.

At year-end, unrestricted cash and investments supported a Days Cash on Hand of 215 days, representing approximately six months of projected operating expenses without new revenues.

### 29.2 Investment Management and Oversight

- **Oversight Body:** Finance Committee of the Board of Directors of Long Leaf Senior Care, Inc.
- **Day-to-Day Management:** Chief Financial Officer (CFO).
- **Experience:** Finance Committee members average 15 years of financial oversight and investment policy.
- **Policy and Controls:** Investments are managed under a Board-approved policy emphasizing liquidity and capital preservation. Permitted holdings include cash, cash equivalents, U.S. Treasury/agency securities, investment-grade bonds, and broadly diversified public funds/ETFs. The CFO executes within these limits, reports quarterly to the Finance Committee, and maintains controls over custody, counterparty limits, and rebalancing.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 29.3 Statutory Operating Reserve Requirement

As of December 31, 2025, Long Leaf Pine Continuing Care Retirement Community's 12-month rolling average independent living unit occupancy was 93%. Based on this level of occupancy, the required statutory operating reserve was 25% of projected operating costs for the next 12 months.

Because Long Leaf Pine, Inc. is part of an obligated group that maintains a separate Debt Service Reserve Fund, principal and interest payments are excluded from the operating reserve calculation.

**Table 29.1: Statutory Operating Reserve Calculation (as of December 31, 2025)**

Component	Amount
Total projected operating expenses	\$38,500,000
Add: Debt service (principal and interest)	\$2,700,000
Less: Principal and interest (covered by Debt Service Reserve Fund)	(\$2,700,000)
Less: Depreciation and amortization	(\$5,700,000)
<b>Net projected operating costs</b>	<b>\$34,100,000</b>
Applicable reserve percentage based on occupancy	25%
<b>Required operating reserve</b>	<b>\$8,525,000</b>
Unrestricted cash & investments on hand	\$17,000,000
<b>Excess above required reserve</b>	<b>\$8,475,000</b>

**Summary:** The required statutory operating reserve was \$8.53 million. Long Leaf Pine, Inc. held \$17.0 million in unrestricted cash and investments, providing an excess cushion of \$8.48 million above the statutory minimum.

### 29.4 Refund Security (Entrance Fee Refunds)

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

- \$2,000,000 Board-designated for refunds, and
- \$8,475,000 of unrestricted liquidity above the statutory operating reserve.

The statutory operating reserve cannot be used for any purpose, including refund payments, without prior regulatory approval.

## Illustrative Example – Not an Actual Provider Disclosure Statement

Long Leaf Pine, Inc. is not required by statute to escrow entrance fees and none are maintained in escrow.

**Table 29.2: Unrestricted Cash and Investment Summary as of December 31, 2025**

Category	Amount	Notes
Total unrestricted cash & investments	\$17,000,000	All liquid balances (cash and investments)
Less: Required operating reserve	(\$8,525,000)	Must be maintained; release requires regulatory approval
Less: Board-designated for refunds	(\$2,000,000)	Internal designation; unrestricted under GAAP
<b>Excess unrestricted cash and investments above operating reserve and board designated refund reserve</b>	<b>\$6,475,000</b>	Available for operations and refund needs (outside of designated reserves)

## 30. Expansion and Renovation Plans

As of December 31, 2025, the Board of Directors of Long Leaf Senior Care, Inc. approved plans for Long Leaf Pine, Inc. to construct 10 additional independent living cottages on the southeast portion of the campus. Construction is expected to begin in the third quarter of 2026, with completion anticipated by the end of 2027.

The project is contingent upon obtaining approval from the North Carolina Department of Insurance, permits, and securing financing on acceptable terms. If financing cannot be obtained on acceptable terms, the project may be deferred or canceled.

This expansion will increase the number of independent living units available to future residents. It will not alter existing residents' contracts or current fee structures. During construction, temporary activity may affect access and noise levels in nearby areas of the campus. Residents will be informed in advance of any significant disruptions.

## 31. Audit Opinion and Timeliness

The consolidated financial statements of Long Leaf Senior Care, Inc. and its subsidiaries, including Long Leaf Pine, Inc., for the fiscal year ended December 31, 2025, were audited by ABC CPAs, PLLC (Raleigh, NC).

- **Timeliness:** The audit was completed and issued within 150 days of fiscal year-end, meeting statutory requirements.

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

- **Audit Opinion:** The independent auditor issued an unqualified opinion (a “clean” audit opinion) on the consolidated financial statements.

Long Leaf Pine, Inc. does not issue separate stand-alone audited financial statements; its financial information is presented within the consolidated audit of Long Leaf Senior Care, Inc., with consolidating schedules.

## **32. Audited Financial Statements**

The audited consolidated financial statements of Long Leaf Senior Care, Inc. and its subsidiaries, including Long Leaf Pine, Inc., for the fiscal year ended December 31, 2025, are attached hereto as Appendix A and form an integral part of this Disclosure Statement. These statements include the balance sheet, statement of operations, statement of cash flows, and accompanying notes, and have been prepared in accordance with generally accepted accounting principles (GAAP).

Because the financial statements are presented on a consolidated basis, supplemental consolidating schedules provide provider-level detail for Long Leaf Pine, Inc.

## **33. Five-Year Prospective Financial Statements**

The five-year prospective financial statements of Long Leaf Senior Care, Inc. and its subsidiaries, including Long Leaf Pine, Inc., for the period 2026 through 2030 are attached hereto as Appendix B. These statements were prepared and compiled by ABC CPAs, PLLC, and include a summary of significant assumptions and accounting policies.

Because the prospective financial statements are presented on a consolidated basis, supplemental consolidating schedules provide prospective operating results for Long Leaf Pine, Inc. on a stand-alone basis.

## **34. Variances from Prospective Financial Statements**

For the fiscal year ended December 31, 2025, management reviewed the results of operations for Long Leaf Pine, Inc. against the prospective financial statements filed in the prior year. Variances included both financial line items and key assumptions, such as occupancy, used in preparing the projections. The following material variances were identified:

## Illustrative Example – Not an Actual Provider Disclosure Statement

Table 34.1: Variance Analysis - Fiscal Year Ended 12/31/25

Category	Projected Amount	Actual Amount	Variance	Explanation
Independent Living Occupancy	94%	91.5%	-2.5%	Slower-than-expected absorption of units following campus renovations.
Entrance Fee Receipts	\$20.0 million	\$18.2 million	-\$1.8 million	Lower receipts due to lower unit turnover.
Staffing Costs	\$15.0 million	\$16.1 million	+\$1.1 million	Increased reliance on contract nursing staff to cover shortages.
Debt Service	\$7.5 million	\$7.0 million	-\$0.5 million	Refinancing of variable-rate debt at more favorable terms.

## 35. Key Financial Metrics

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

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

Full statutory text of definitions is provided in Appendix F.

### 35.1 Liquidity Ratios

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

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

## Illustrative Example – Not an Actual Provider Disclosure Statement

**Table 35.1: Liquidity Ratios – Provider Only**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DCOH	240	228	215	225	235	245
CUSH	2.00x	1.90x	1.85x	1.95x	2.05x	2.15x

### Narrative – Provider Only:

Liquidity declined modestly through FY 2025 because of reinvestment in campus renovations and temporary use of cash for refund payments.

A gradual recovery is projected beginning FY 2026 as occupancy and entrance-fee receipts strengthen, restoring approximately 30 days of liquidity by FY 2028.

**Table 35.1A: Liquidity Ratios – Obligated Group**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DCOH	265	255	245	255	265	275
CUSH	2.25x	2.15x	2.05x	2.20x	2.30x	2.40x

### Narrative – Obligated Group:

At the obligated-group level, liquidity is stronger because other member entities hold higher levels of unrestricted cash and investments.

The group's Days Cash on Hand remains above 240 days, providing a buffer against individual campus fluctuations.

## 35.2 Profitability Ratios

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

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

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

## Illustrative Example – Not an Actual Provider Disclosure Statement

**Table 35.2: Profitability Ratios – Provider Only**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
<b>OR</b>	95.4%	94.9%	94.5%	94.0%	93.8%	93.5%
<b>NOM</b>	3.1%	3.8%	4.2%	4.5%	4.8%	5.0%
<b>NOM-A</b>	4.6%	5.1%	5.5%	5.8%	6.0%	6.2%

### Narrative – Provider Only:

Margins strengthened beginning FY 2023 as census stabilized, inflation moderated, and expense controls took hold.

Management projects continued modest improvement through FY 2028 as operating efficiencies and entrance-fee inflows support profitability.

**Table 35.2A: Profitability Ratios – Obligated Group**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
<b>OR</b>	94.0%	93.5%	93.0%	92.8%	92.5%	92.2%
<b>NOM</b>	4.2%	4.6%	5.0%	5.3%	5.6%	5.8%
<b>NOM-A</b>	5.7%	6.1%	6.5%	6.8%	7.0%	7.2%

### Narrative – Obligated Group:

Obligated group profitability is stronger than the single-provider result because investment income, management-company surpluses, and scale efficiencies are combined.

Projected NOM-A exceeds 7% by FY 2028, consistent with continued moderate growth in entrance-fee receipts and stable expense ratios.

## 35.3 Capital Structure Ratios

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

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

## Illustrative Example – Not an Actual Provider Disclosure Statement

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

**Table 35.3: Capital Structure Ratios – Provider Only**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
<b>DSCR</b>	1.62x	1.68x	1.75x	1.80x	1.85x	1.90x
<b>CD</b>	1.30x	1.25x	1.20x	1.25x	1.30x	1.35x
<b>CED</b>	1.10x	1.15x	1.20x	1.25x	1.30x	1.35x

### Narrative – Provider Only:

The provider maintains healthy coverage and is gradually deleveraging as long-term debt amortizes.

Capital-expenditure ratios remain at or above 1.0x, indicating adequate reinvestment in campus infrastructure.

**Table 35.3A: Capital Structure Ratios – Obligated Group**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
<b>DSCR</b>	1.85x	1.95x	2.05x	2.10x	2.20x	2.25x
<b>CD</b>	1.45x	1.40x	1.35x	1.40x	1.45x	1.50x
<b>CED</b>	1.25x	1.30x	1.35x	1.40x	1.45x	1.50x

### Narrative – Obligated Group:

At the obligated-group level, coverage and liquidity metrics are stronger than at the standalone community level, reflecting the inclusion of system-wide reserves and consolidated debt service obligations. Debt service coverage remains robust throughout the historical and projected periods and consistently exceeds typical bond-covenant thresholds (DSCR  $\geq 1.20x$ ).

The upward trend in DSCR, coupled with stable-to-improving cushion and capital expenditure debt ratios, indicates prudent leverage management and sustained reinvestment capacity across the obligated group. Collectively, these ratios support the group's ability to service debt, fund ongoing capital needs, and absorb operating volatility without reliance on extraordinary measures.

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

### **35.4 Overall Summary**

Both the provider and the obligated group demonstrate sound liquidity, improving profitability, and conservative leverage. Provider-level liquidity dipped during recent reinvestment cycles but remains comfortably above the required statutory operating reserve level. Obligated group ratios confirm that Long Leaf Pine, Inc. operates within a financially resilient group that provides additional stability and access to shared reserves. Projected performance indicates stable or modestly improving results through FY 2028, with sufficient capacity to fund operations, service debt, and support ongoing capital renewal.

### **36. Actuarial Opinion and Balance**

The opinion of a qualified independent actuary is attached hereto as Appendix C. The actuarial report evaluates Long Leaf Pine, Inc.’s current and projected financial position and determines whether Long Leaf Pine, Inc. is in satisfactory actuarial balance.

The actuary reviewed Long Leaf Pine, Inc.’s prospective financial statements for the next five years using standard actuarial methods and assumptions and concluded that Long Leaf Pine, Inc. is in satisfactory actuarial balance as of December 31, 2025. Key assumptions included mortality, morbidity, resident entrance and withdrawal rates, fee increase patterns, and long-term investment return.

### **37. Most Recent Department Examination Report**

The North Carolina Department of Insurance has not conducted an examination of Long Leaf Pine, Inc. pursuant to Article 64A of the North Carolina General Statutes.

### **38. Other Material Information**

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

### **39. Contract Forms and Attachments**

Long Leaf Pine, Inc. offers both continuing care contracts and continuing care at home contracts. Representative forms of each are attached hereto as Appendix D.

## Illustrative Example – Not an Actual Provider Disclosure Statement

### 39.1 Continuing Care Contracts

Long Leaf Pine, Inc. offers three forms of continuing care contracts, which differ primarily in their entrance fee refund provisions:

- **90% Refundable Contract** – Residents pay a higher entrance fee, and 90% of the fee (less applicable deductions) is refundable after the unit is resold.
- **50% Refundable Contract** – Residents pay a moderate entrance fee, and 50% of the fee (less applicable deductions) is refundable after the unit is resold.
- **Declining Balance Contract (0% Refundable)** – Residents pay the lowest entrance fee. The refundable portion of the entrance fee decreases monthly and amortizes to 0% after a two-year period. Once the amortization period has elapsed, no refund is payable upon termination or death of the resident.

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

### 39.2 Continuing Care at Home (CCaH) Contracts

Long Leaf Pine, Inc. offers three forms of CCaH contracts, which differ primarily in the scope of in-home and health care services provided:

- **Basic Contract** – Includes limited personal care and homemaker services, with health care provided at discounted rates.
- **Enhanced Contract** – Expands the scope of in-home services and provides partial coverage of skilled nursing services.
- **Comprehensive Contract** – Provides the broadest coverage, including a full range of in-home care and full coverage of skilled nursing services.

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

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

### **Appendix Index**

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

Appendix A — Audited Financial Statements .....	39
Appendix B — Five-Year Prospective Financial Statements .....	40
Appendix C — Statement of Actuarial Opinion .....	41
Appendix D — Representative Contract(s) .....	42
Appendix E — Examination Report.....	43
Appendix F — Statutory Ratio and Supporting Definitions .....	44

## **Illustrative Example – Not an Actual Provider Disclosure Statement**

### **Appendix A — Audited Financial Statements**

*[Placeholder – Insert Audited Financial Statements for Fiscal Year Ended December 31, 2025]*

## Illustrative Example – Not an Actual Provider Disclosure Statement

### Appendix B — Five-Year Prospective Financial Statements

*[Placeholder – Insert Prospective Financial Statements for Fiscal Years 2026–2030]*

## Illustrative Example – Not an Actual Provider Disclosure Statement

### Appendix C — Statement of Actuarial Opinion

*[Placeholder – Insert Actuarial Opinion, if applicable]*

## Illustrative Example – Not an Actual Provider Disclosure Statement

### Appendix D — Representative Contract(s)

*[Placeholder - Insert representative continuing care contract and continuing care at home contract, if applicable]*

## Illustrative Example – Not an Actual Provider Disclosure Statement

### Appendix E — Examination Report

*[Placeholder - Insert Department examination report or summary, if applicable]*

## Illustrative Example – Not an Actual Provider Disclosure Statement

### Appendix F — Statutory Ratio and Supporting Definitions

This Appendix reproduces certain statutory definitions referenced in Section 35 — Key Financial Metrics. The definitions below are quoted verbatim from N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 and are provided for reference only.

**Adjusted Net Operating Margin Ratio.** *“A profitability ratio that measures the margin generated from the core operations of a provider and net cash proceeds from entrance fees. The quotient shall be calculated by dividing the sum of resident operating income and net proceeds from entrance fees by the sum of resident revenue and net cash proceeds from entrance fees.”* (G.S. 58-64A-145(1))

**Annual Debt Service.** *“The current year’s capitalized interest cost plus interest expense and scheduled principal payments, excluding any balloon principal payment amounts and any portion of the annual debt service that has been or will be funded by debt for the payment of debt service.”* (G.S. 58-64A-5(7))

**Average Daily Cash Operating Expenses.** *“The total expenses of a provider incurred in the conduct of the provider’s business over a defined period of time, divided by the number of days in that period. For purposes of this definition, ‘total expenses’ includes interest expense, but excludes depreciation expense, amortization expense, realized or unrealized nonoperating losses or expenses, bad debt expense, and other noncash expenses.”* (G.S. 58-64A-145(2))

**Capital Expenditures as a Percentage of Depreciation Ratio.** *“A capital structure ratio that indicates the level of capital reinvestment by a provider. The quotient shall be computed by dividing total purchases of property, plant, and equipment by total depreciation expense.”* (G.S. 58-64A-145(3))

**Cushion Ratio.** *“A liquidity ratio that measures a provider’s ability to pay its annual debt service using its unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by annual debt service.”* (G.S. 58-64A-145(4))

**Days Cash on Hand Ratio.** *“A liquidity ratio that measures the number of days of cash operating expenses a provider could cover using its existing unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by average daily cash operating expenses.”* (G.S. 58-64A-145(5))

**Debt Service Coverage Ratio.** *“A capital structure ratio that measures a provider’s ability to pay annual debt service with cash flow from net cash revenues and net entrance fee receipts. The quotient shall be calculated by dividing the sum of total excess of revenues over or under expenses plus interest expense, depreciation expense, amortization expense, other noncash operating losses or expenses, and net cash proceeds from entrance fees, minus entrance fee amortization, entrance fee refunds contractually past due, and other noncash operating gains or revenues divided by annual debt service. Entrance fees received from the initial residents of independent living units at a continuing care retirement community that have been financed in whole or in part with the proceeds of*

## Illustrative Example – Not an Actual Provider Disclosure Statement

*indebtedness shall be excluded from the net proceeds from entrance fees up to an amount equal to the aggregate of the principal amount of the indebtedness.” (G.S. 58-64A-5(17))*

**Net Cash Proceeds from Entrance Fees.** *“Total entrance fees received less entrance fees refunded, and less initial entrance fees received for new independent living units.” (G.S. 58-64A-5(30))*

**Net Operating Margin Ratio.** *“A profitability ratio that measures the margin generated from the core operations of a provider. The quotient shall be calculated by dividing resident operating income by resident revenue.” (G.S. 58-64A-145(7))*

**Operating Ratio.** *“A profitability ratio that measures whether current year cash operating revenues are sufficient to cover current year cash operating expenses without the inclusion of cash from entrance fee receipts. The quotient shall be computed by dividing total operating expenses, excluding depreciation expense and amortization expense, by total operating revenues, excluding amortization of entrance fees and other deferred revenue.” (G.S. 58-64A-145(8))*

**Prospective Financial Statements.** *“Financial forecasts or financial projections, including the summaries of significant assumptions and accounting policies prepared by an independent certified public accountant.” (G.S. 58-64A-5(38))*

**Resident Expense.** *“Total operating expenses excluding interest expense, depreciation expense, amortization expense, and income taxes.” (G.S. 58-64A-145(10))*

**Resident Revenue.** *“Total operating revenue excluding interest and dividend income, entrance fee amortization, and contributions.” (G.S. 58-64A-145(11))*

**Unrestricted Cash and Investments.** *“The sum of the provider's unrestricted cash, cash equivalents and investments, and any provider restricted funds that are available to pay debt or to pay operating expenses. For purposes of this definition, the assets serving as the operating reserve required by G.S. 58-64A-245 shall be considered unrestricted.” (G.S. 58-64A-145(12))*

**Unrestricted Cash and Investments to Long-Term Debt Ratio.** *“A capital structure ratio that (i) measures a provider's position in available cash and marketable securities in relation to its long-term debt and (ii) measures a provider's ability to withstand annual fluctuations in cash. The quotient shall be calculated by dividing unrestricted cash and investments by total long-term debt, less the current portion of long-term debt.” (G.S. 58-64A-145(13))*

**Source:** N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 (Session Law 2025-58). If the statutory definitions are amended, the statute as amended controls.