

700 South Holden Road
Greensboro, North Carolina 27407
(336) 299-0031

DISCLOSURE STATEMENT

WhiteStone: A Masonic and Eastern Star Community must deliver a Disclosure Statement to a prospective resident prior to or at the time a prospective resident executes a Residency Agreement to provide continuing care, or prior to or at the time a prospective resident transfers any money or other property to WhiteStone, whichever occurs first.

WhiteStone: A Masonic and Eastern Star Community, like all other continuing care retirement communities in the State of North Carolina, is subject to the Continuing Care Retirement Communities Act. 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.

October 10, 2025

Unless earlier revised, WhiteStone intends for this Disclosure Statement to remain effective until May 30, 2026

EQUAL HOUSING OPPORTUNITY

TABLE OF CONTENTS

Page No.

INTRODUCTION 3

BOARD OF DIRECTORS 4

EXECUTIVE DIRECTOR 8

LIFE CARE SERVICES LLC 8

WHITESTONE 9

THE PROPOSAL 11

SERVICES AND AMENITIES 16

RESERVES, ESCROW, AND TRUSTS STATEMENT 17

ESTIMATED OCCUPANCY FOR 2025 18

FINANCIAL INFORMATION 18

FEES 19

- **2025 Monthly Fees** 19
- **Average Dollar Amount of Changes – Monthly Fee** 20
- **2025 Health Center Fees** 21
- **Average Dollar Amount of Changes – Skilled Nursing Per Diem Charge** 21
- **Entrance Fee Table – Traditional Plan** 22
- **Entrance Fee Table – 50% Return-of-Capital™ Plan** 23
- **Entrance Fee Table – 90% Return-of-Capital™ Plan** 24

EXHIBITS

Exhibit 1 – Communities Managed by Life Care Services LLC

Exhibit 2 – Current Certified Financial Statement (December 31, 2024)

Exhibit 3 – Certified Five Year Projection Statements (2025-2029)

Exhibit 4 – Interim Financial Statements (March 31, 2025)

Exhibit 5 – Explanation of Material Differences (Balance Sheet, Statement of Operations, and Statement of Cash Flows)

Exhibit 6 – 50% Return-of-Capital™ Residency Agreement

Exhibit 7 – 90% Return-of-Capital™ Residency Agreement

Exhibit 8 – Traditional Residency Agreement

INTRODUCTION

WhiteStone: A Masonic and Eastern Star Community, formerly known as The Masonic and Eastern Star Home (the "Community") brings to residents of North Carolina area, who are age 60 and over, a way of living known as "continuing care." This concept offers seniors a life style designed to meet their unique needs while allowing them the freedom to pursue their personal interests. Continuing care senior living communities, such as the Community, encompass these important components: a private residence, a wide array of personal services, and the security of care in the on-site health center.

The Community is owned by The Masonic and Eastern Star Home of North Carolina, Incorporated ("we," "us," "our,"), a North Carolina not-for-profit corporation (exempt from the payment of United States Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code). Our business address is 700 South Holden Road, Greensboro, NC 27407.

We are committed to providing a quality senior living community that is fiscally sound and genuinely responsive to resident needs. We are affiliated with The Grand Lodge of Ancient Free and Accepted Masons of North Carolina ("The Grand Lodge") and The Grand Chapter Order of The Eastern Star of North Carolina ("The Grand Chapter"). Of the 20 members who make up the Board of Directors, The Grand Lodge is responsible for 12 directors, and The Grand Chapter is responsible for 8 directors. Neither The Grand Lodge nor The Grand Chapter is responsible for our financial or contractual obligations and shall accept no responsibility for obligation unless expressively having done so. Our endowment and total assets are used to subsidize any deficits. We do not have any religious affiliation.

One of the purposes of this Disclosure Statement is to explain to prospective residents, their families, and their advisors who and what is involved in the operation of the Community. This Disclosure Statement was prepared on the basis of information available at the time of its publication and assumptions, which were believed to be realistic as of that date. Such information and assumptions are, of course, subject to change and, in particular, are significantly affected by changes in inflation and interest rates.

Since non-technical language has been used in this Disclosure Statement, the text of this booklet and the language of the Residency Agreement signed by a resident may not be the same. Although this Disclosure Statement details the provisions of the Residency Agreement, the Residency Agreement serves as the sole binding contract between the resident and us.

We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, or national origin.

BOARD OF DIRECTORS

All of the members of the Board of Directors are experienced in their own particular fields, such as law, banking, medical, and entrepreneurship, not in the operation or management of communities like WhiteStone. We feel the expertise of many in their chosen field provides the background for reliable, dependable, and solid decisions regarding our residents and facilities. The names and business addresses of the members of the Board of Directors are listed below:

Board of Directors – With Voting Rights (May 2024)

Masonic Board Members

2026 Gene Jernigan Chairman	283 Eugene Jernigan Rd Dunn, NC 28334 P: 910-892-3723 C :919-820-0584 Email: genejernigan48@gmail.com
GM Robert Rideout	609 Garden Club Way Wendell, NC 27591 C: (919) 802-6048 Email: grandmaster@glnc.org
DGM Steve Norris	9750 Francis Marion Lane Ash, NC 28420 P: 910-287-4386 C: 910-443-1897 Email: stevenorris@atmc.net
SGW Gilbert Bailey	2732 Picardy Pl Charlotte, NC 28209 P: 704-333-3805 C: 704-650-3682 Email: gilbert.bailey@globalpay.com Email: cindy.colllins@globalpay.com
2025 Joey Transou	170 Alpine Court Winston-Salem, NC 27104-2038 C: 336-971-7804 Email: Joey@TransouRealty.com

2025 Jerry “Randy” Browning, III	PO Box 72 Mount Gilead, NC 27306 P: 910-439-1842 C: 910-571-1255 Email: jrbthree.rb@gmail.com
2025 Rick Patton	155 Lake Eden Rd Black Mountain, NC 28711 P : 828-776-1050 Email : rickpatton1957@gmail.com
2026 Bryant Webster	110 N. Dougherty St. Black Mountain, N.C. 28711 W: 828-669-7642 Ext 3 C: 828-230-5236 Email: Bryant@stoneandchristy.com
2026 Edward Earl Wells	PO Box 862 Clinton, NC 28329-0862 H: 910-592-7619 M: 910-590-0437 Email: ewells.aasrwil@gmail.com
2027 Tommy Mills, Jr.	2804 Hiking Trail Raleigh, NC 27615 P: 919-387-0159 Email: mills3114@att.net
2027 Edward Johnson, II	1356 Turner Farms Rd. Garner, NC 27529 H: 919-325-9152 C: 919-624-1795 Email: landarch@nc.rr.com
2027 David Sawyer	3304 Peppercorn Rd. New Bern, NC 28562 C: 252-675-9556 Email: superdavesawyer31@gmail.com

Eastern Star Board Members

WGM Amy Jo Fischer Hoth Vice Chair	3455 Sheppard Hill Rd. Kernersville, NC 28677 P: 336-749-8777 Email: ajwuncdds@aol.com
WGP Dennis Edwards Secretary	90 Mossburg Lane Smithfield NC 27577 C: 757-536-7850 Email: deedwards1@verizon.net

AGM	Norma Underwood	242 Balsam Circle Troy, NC 27371 H: 910-576-0068 Email: npunderwood@gmail.com
2025	Linda Burris	1133 Gatehouse Rd High Point NC 27262 P: 336-442-3021 Email: lhb@northstate.net
2026	Allen Hughes	PO Box 996 Washington, NC 27889-0996 H: 252-495-3256 C:919-482-5228 Email: sandra.hughes123@gmail.com
2027	Linda Bonner	4000 Manor Club Drive (Apt: 343) Raleigh NC 27612 P: 984-268-0851 Email: mrsbonner@earthlink.net
2028	David Griffith	4991 Bostic Acres Farm Rd Germanton, NC 27019 P: 336-595-8506 Email: davidgriffith47@gmail.com
2029	Debbie Owen, PGM & GL	P.O. Box 363 West End, NC 27276-0363 H: 910-673-1331 C: 910-975-4110 Email: docardinal@mail.com

None of the Officers, Directors, or management staff of WhiteStone has any equity, beneficial, or financial interest in WhiteStone. There has been no conviction or charge of a felony on any Officer, Director, or management staff of WhiteStone. There is no matter, in which any person who is an Officer, Director, or management staff: (i) has been convicted of a felony or pleaded *nolo contendere* to a felony charge or has been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to Article 64 of the North Carolina General Statutes, or a similar law in another state.

No Officer, Director or management staff has a 10% or greater interest in any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars ($500.00) to Whitestone or the residents of Whitestone, nor does any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars ($500.00) to Whitestone have a 10% or greater interest in any Officer, Director or management staff.

EXECUTIVE DIRECTOR

Mark Lewis became the on-site Executive Director of WhiteStone in March of 2018. Mr. Lewis has a Bachelor of Arts degree from the University of Findlay and holds a Nursing Home Administrator License from the State of Ohio. Mr. Lewis came to WhiteStone having worked in long term care management since 1996 and joined Life Care Services in 2018. Pursuant to the management agreement for WhiteStone, Mr. Lewis is an employee of Life Care Services LLC.

The Executive Director does not have a 10% or greater interest in any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars ($500.00) to Whitestone or the residents of Whitestone, nor does any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars ($500.00) to Whitestone have a 10% or greater interest in the Executive Director.

LIFE CARE SERVICES LLC

The Provider has retained Life Care Services LLC ("Life Care Services") to manage the Community. As the nation's third largest operator of senior living communities, Life Care Services serves more than 40,000 residents in 140+ communities (see Exhibit A). With over 50 years of service, Life Care Services has developed expertise in nearly every facet of senior living management. #1 in customer satisfaction with independent senior living communities four years in a row. For more information, visit Life Care Services' website: https://www.lcsnet.com/management-services/management-services-overview.

Principal officers of Life Care Services include Chris Bird, Daniel Lahey, GeLynna Shaw. Bridgette Uhlemann, Jason Victor, and Jill Sorenson.

Management of the Community is performed by Life Care Services under contract with us. Life Care Services' responsibilities include: recruiting and employing the executive director; supervising the licensing, equipping, and staffing of the Community; preparing annual budgets; establishing and operating a system of financial controls for the Community, including comparative analyses with other facilities; and overseeing the food service and quality accommodations provided by the Community. The cost of these services cannot presently be estimated.

Life Care Services is not financially responsible for our contractual obligations or other obligations. The Board of Directors retains the ultimate responsibility for hiring managers and monitoring the operating costs, wages, salaries, expenses, fees, and overall fiscal viability of the Community.

Life Care Services does not have a 10% or greater interest in any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases, or services of an aggregate value of five hundred dollars ($500.00) to Whitestone or the residents of Whitestone, nor does any professional service firm, association, trust, partnership, or corporation

that currently provides any goods, leases, or services of an aggregate value of five hundred dollars ($500.00) to Whitestone have a 10% or greater interest in Life Care Services.

No managing member of Life Care Services (i) has been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to Article 64 of the North Carolina General Statutes, or a similar law in another state.

None of the officers or management staff of Life Care Services has any equity, beneficial, or financial interest in WhiteStone. There has been no conviction or charge of a felony on any officer or management staff of Life Care Services. There is no matter, in which any person who is an officer or manager, has been convicted of a felony or pleaded *nolo contendere* to a felony charge or has been held liable or enjoined in a civil action by final judgment, or is subject to a currently effective injunctive or restrictive court order. Nor, who within the past five years, has had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department.

WHITESTONE

Established in 1912, the Community was the first Masonic Fraternal Home in the United States created for the sole purpose of caring for seniors. It is also the oldest senior living home in the State of North Carolina. Located in the heart of Greensboro, North Carolina, the Community is situated on 42 acres of land and has been in continuous operation for 112 years.

On April 1, 2008, the Community officially changed its name from "Masonic and Eastern Star Home of North Carolina" to "WhiteStone: A Masonic and Eastern Star Community." The name reflects the Community's rich history as it is named after its first Administrator, Mr. White, and its first residents in 1913, Mr. and Mrs. Stone. The corporate entity name of Masonic and Easter Star Home of North Carolina, Inc. has not changed.

The Community currently consists of the following:

(a) three residential buildings consisting of a total of 27 apartments;
(b) independent living buildings containing 113 one and two-bedroom apartments;
(c) 16 one and two-bedroom duplex cottages and 54 houses;
(d) an administrative offices building; € a kitchen and dining complex (designed to serve independent residents), and
(f) a chapel.

In addition, a skilled nursing center (the “Care and Wellness Center”) built in 1999 contains 88 licensed nursing home beds, of which 60 are dually certified for Medicare and Medicaid), a

kitchen, two separate dining areas for residents, a physical therapy room, a therapy pool, meeting rooms, and administrative offices. A building designated for assisted living was added in 2023, containing 36 apartments, 12 of which are dedicated for memory care, a kitchen, 3 separate dining and activity areas. The Community also provides home care services for those living in independent living units.

The addition of a fitness center and the renovation of the commons and dining in 2010 and the addition of the 46 independent living apartments in 2012 were the first steps of a long-range plan to expand and reposition the community to more successfully match consumer expectations and to keep WhiteStone competitive in its marketplace, thereby protecting the investments of the WhiteStone residents. The 2012 expansion of new independent living units, while marketed and constructed during very difficult economic times, was an overwhelming success.

The most recent expansion, completed in 2023, sought to meet four goals of the Owner - first, to provide a full continuum of care to its residents with the addition of assisted living beds; second, to significantly renovate the Care and Wellness Center originally built in 1999; third, to continue improving the independent living unit mix to meet the expectations of today's residents; and fourth, to add commons and amenities for the enjoyment of its current residents and to meet the expectations of its prospective residents. In October of 2020, the Owner broke ground on the project, which included the following:

- Constructing 67 new independent living apartments – a mix of one and two-bedroom units
- Constructing a new assisted living/memory care facility containing 24 assisted living units and 12 memory care suites
- Significant renovation of the Care and Wellness Center (the skilled nursing facility) including the conversion of some semi-private rooms to private rooms
- Renovation of the wellness area and relocation of certain community amenities

This project allowed the Owner to continue its planned, orderly long-term expansion and repositioning of WhiteStone.

The Community's operating budget is now approximately $24 million dollars per year. Financial support comes from private pay residents, Medicare, Medicaid, for some residents a percentage of their monthly income, our endowment, legacies, memorials, and donations from the Masonic Lodges and Eastern Star Chapters across the state. The income the Community receives from the Masonic and Eastern Star members, which is substantial, is true charity and goodwill since the membership has never been assessed for the maintenance of the Community.

As of December 31, 2024, there are 270 residents in the residential living/independent living areas of the Community, 29 assisted living residents, and 68 residents in the nursing facility.

THE PROPOSAL

1. Criteria for Resident Acceptance. Residency Agreements are subject to acceptance by us. At the time of executing a Residency Agreement, the prospective resident must be 60 years of age or older, capable of living in a residence (with or without reasonable accommodation or reasonable modification), and have sufficient financial resources to pay the Entrance Fee, Monthly Fees and any extra charges incurred as defined in the Residency Agreement. A copy of the Residency Policy is available for review in the Community's Marketing Office.

Financial evaluation is primarily dependent upon two factors (1) net worth and average monthly income. Generally, a prospective resident should have a minimum net worth equal to two (2) times the amount of the Entrance Fee (prior to payment of the Entrance Fee). Generally, a prospective resident should have a minimum monthly income range of one and one-half (1½) two (2) times the Monthly Fee (including second person fees when applicable) in effect at the time of residency. The stability and certainty of continued income will also be a factor in the evaluation process.

An inquiry will be made of all prospective residents regarding the prospective resident's ability to live in a residence, with or without reasonable accommodation or reasonable modification. To determine whether a prospective resident meets the health guidelines, the following information will be gathered: (1) insurance and health information will be obtained on a Confidential Data Application and Resident Health Information Form – to be completed by the prospective resident; (2) a Memory Health Assessment will be administered by the Community; and (3) a Health Information Form will be completed by the prospective resident's physician.

If the prospective resident meets the criteria for residency, we will execute the Residency Agreement. If the prospective resident does not meet the criteria for residency, then we will issue written notice of non-acceptance and issue a refund of any Entrance Fee payment pursuant to Paragraph 3.A below.

2. Entrance Fee. Payment of an Entrance Fee provides a resident with the lifetime use of a residence and the services and amenities available at the Community. At the time the resident makes application for residency at the Community, the resident will sign a Residency Agreement to reserve the residence selected and will pay an Entrance Fee deposit to us. The balance of the Entrance Fee will be paid upon the earlier of (i) occupancy or (ii) 90 days after the Residency Agreement is executed. For residents who enter a Residency Agreement for Expansion Residences, the balance of the Entrance Fee shall be paid on the earlier of (i) the date the resident assumes occupancy at the Community or (ii) within thirty (30) days from the date the resident is notified that the expansion residence is ready for occupancy.

The current Entrance Fee amounts (and five year historical Entrance Fees) are included in tables at the end of the main body of this Disclosure Statement.

The Community currently offers three forms of Residency Agreements for existing residences: a 90% Return-of-Capital™ Plan, a 50% Return-of-Capital™ Plan, and a Traditional Plan (See Exhibits 6 through 8 of this Disclosure Statement). The difference between the 90%

Return-of-Capital™, the 50% Return-of-Capital™, and the Traditional Plans is the amount of the Entrance Fee paid upon residency, and the amount of the repayment a resident (or resident's estate) is entitled to after a resident assumes occupancy at the Community as described in Section 3.E below.

During the expansion process (discussed in the section below entitled "Facility Expansion and Renovation"), the Community will offer three additional forms of Residency Agreements: a 90% Return-of-Capital™ Plan for Expansion Residences, a 50% Return-of-Capital™ Plan for Expansion Residences, and a Traditional Plan for Expansion Residences. The Expansion Agreements are substantially the same as their standard-contract counterparts. The main differences are that (1) they are written so that the balance of the Entrance Fee has not yet been paid, (2) they may be cancelled if we do not make a residence available to the resident within twenty-four (24) months after the agreement is executed, and (3) changes were made to the right of recession period.

3. Repayment of the Entrance Fee.

A. Nonacceptance. If the resident is not accepted for residency at the Community, the full amount of the Entrance Fee paid by the resident will be promptly repaid, without interest.

B. Right of Rescission. In accordance with the North Carolina law and regulations governing continuing care senior living communities, a resident has the right to rescind the Residency Agreement within 30 days following the later of (i) his/her execution of the Residency Agreement; or (ii) the receipt of a Disclosure Statement. The resident is not required to move into the Community before the expiration of the 30-day rescission period. If a resident rescinds the Residency Agreement, the Entrance Fee paid by the resident will be repaid, less (i) a service charge equal to the greater of $1,000 or 2% of the Entrance Fee, and (ii) less any charges specifically incurred by the Community at the resident's request. The applicable repayment amount outlined above shall be paid within 60 days of our receipt of the written notice of rescission.

C. Cancellation Prior to Occupancy Due to Death, Illness, Injury, Incapacity, or Change in Financial Condition. If, prior to occupancy, the resident dies before occupying the residence at the Community or if, on account of illness, injury, incapacity a resident is unable to occupy the residence at the Community, then the Residency Agreement will automatically cancel. The resident may also cancel the Residency Agreement prior to occupancy due to a substantial change in the resident's financial condition. In all these events of cancellation prior to occupancy, the resident or resident's estate will receive a repayment of the portion of the Entrance Fee paid, less (i) a service charge equal to the greater of $1,000 or 2% of the Entrance Fee, and (ii) less any charges specifically incurred by us at the resident's request. Such repayment shall be paid within 60 days after our receipt of the written notice of cancellation.

D. Cancellation Prior to Occupancy for Other Reasons. If the resident cancels the Residency Agreement for reasons other than those stated in Section 3.C above, the

resident shall receive a repayment of the portion of the Entrance Fee paid, less (i) a service charge equal to the greater of $1,000 or 2% of the Entrance Fee, and (ii) less any charges specifically incurred by us at the resident's request. Such repayment shall be paid within 60 days after our receipt of the written notice of cancellation.

E. Cancellation After Occupancy. In the event the Residency Agreement is canceled after occupancy or in the event of resident's death after occupancy, repayment of the Entrance Fee will be as follows:

(1) 50% Return-of-Capital™ Residency Agreement (see Exhibit 6 to this Disclosure Statement): Under the 50% Return-of-Capital™ Residency Agreement, resident or resident's estate will receive a repayment of 96% of the Entrance Fee previously paid by resident, less 2% for each month of residency or portion thereof for up to 23 months. Subject to the Community's right of set-off, the repayment of the Entrance Fee will not be less than 50%. In the event the residence is not reserved by a new resident, such repayment will be paid, without interest, within 24 months from the effective cancellation date of the Residency Agreement. Such repayment will be paid, without interest, within 60 days after the resident's residence is reserved by a new resident and such new resident has paid the full amount of the Entrance Fee.

(2) 90% Return-of-Capital™ Residency Agreement (see Exhibit 7 to this Disclosure Statement): Under the 90% Return-of-Capital™ Residency Agreement, resident or resident's estate will receive a repayment of 96% of the Entrance Fee previously paid by resident, less 2% for each month of residency or portion thereof for up to 3 months. Subject to the Community's right of set-off, the repayment of the Entrance Fee will not be less than 90%. Such repayment will be paid, without interest, within 60 days after the resident's residence is reserved by a new resident and such new resident has paid the full amount of the Entrance Fee. In the event the residence is not reserved by a new resident, such repayment will be paid, without interest, within 24 months from the effective cancellation date of the Residency Agreement.

(3) Traditional Residency Agreement (see Exhibit 8 to this Disclosure Statement): Under the Traditional Residency Agreement, resident or resident's estate will receive a repayment of the Entrance Fee previously paid by resident, less 2% for each month of residency or portion thereof. After 50 months of residency, the Entrance Fee will be fully amortized, and no repayment of the Entrance Fee will be made. If an Entrance Fee repayment is due under the Traditional Residency Agreement, such Entrance Fee repayment will be paid, without interest, within 60 days after the resident's residence is reserved by a new resident and such new resident has paid the full amount of the Entrance Fee. In the event the residence is not reserved by a new resident, such repayment will be paid, without interest, within 24 months from the effective cancellation date of the Residency Agreement.

F. Cancellation Upon Death. In the event of death of the resident at any time after occupancy, the Residency Agreement shall cancel and the repayment of the Entrance Fee paid by the resident will be as outlined in Section 3.E above.

G. Cancellation by Us. Upon 30 days written notice to the resident and/or his or her legal representative, we may cancel the Residency Agreement at any time on the following grounds, which shall be determined by us in our sole discretion:

- Resident does not comply with the terms of the Residency Agreement or the Community's published operating procedures, covenants, rules, regulations, and policies now existing or later amended by the Community; or
- Resident misrepresents himself or fails to disclose information during the residency process; or
- Resident fails to pay any charges to us within 60 days of the due date; or
- Resident's health status or behavior constitutes a substantial threat to the health or safety of resident, other residents, or others, including resident's refusal to consent to relocation, or behavior that would result in physical damage to the property of others.
- There is a major change in resident's physical or mental condition, which cannot be cared for in the Community Health Center within the limits of the Community's license.

Cancellation by us occurs only as a last resort, after it becomes clear to us that cancellation is necessary, and after the resident and/or the resident's legal representative/ responsible party has an opportunity to be heard. Upon cancellation of residency, any Monthly Fees paid in advance are pro-rated and an appropriate repayment is made. Any repayment of the Entrance Fee would be computed on the same basis as stated in Section 3.E above.

H. Cancellation Due to Residence Not Available. For residents who enter a Residency Agreement for Expansion Residences, residents may cancel their Agreement upon written notice to us if we have not made the residence available to you for occupancy within twenty-four (24) months from the date we execute that Agreement. Refund of the Entrance Fee will be outlined in the Agreement.

5. Payment of a Monthly Fee. The resident is required to pay a Monthly Fee to the Community by the 10th day of each month. If there are two residents, a second person Monthly Fee will also be paid. The Monthly Fees are paid to provide the services and amenities described in the Residency Agreement and to meet the costs of the expenses associated with the operation of the Community. We may increase the Monthly Fee upon 30 days written notice to the residents if we deem it necessary in order to meet the financial needs of the Community and to provide the services to the residents. The current Monthly Fee amounts are included in the tables at the end of the main body of this Disclosure Statement.

6. Health Center Services. Each resident is entitled to receive 30 days of care in the Health Center (to receive assisted living, skilled nursing care, or specialized care for dementia or related disorders) at no extra charge, except for the costs of physician services and ancillary health services and supplies as outlined in the Residency Agreement. Such 30 days are non-cumulative and renew on an annual basis. After the 30 days of care each year, resident will be required to pay the per diem rate for care in the Health Center, as well as the Monthly Fee. If it is determined that

the resident requires permanent care in a Health Center, the resident will be required to surrender his or her residence for occupancy by someone else. Once the residence is surrendered, the resident will no longer be required to pay the Monthly Fee.

7. Relocation/Moves. We reserve the right to relocate a resident to a different residence or a higher level of care after consultation with the resident, resident's family and attending physician if it is determined that such a move should be made for the benefit of the resident or for the proper operation of the Community or to meet the requirements of law.

8. Provisions for New Second Resident. No person other than the resident may occupy the residence without our written approval. If a second person, who is not a party to the Residency Agreement, wishes to become a resident of the Community, that person's acceptance will be in accordance with the current residency policy. An Entrance Fee as determined by the Community will be paid upon residency. In addition, each month the then-current Monthly Fee for second persons will be paid. If the second person does not meet the requirements for residency, he or she will not be permitted to occupy the residence for more than 30 days, except with our written approval.

9. Provisions for Resident Marrying Resident. Should the resident marry a person who is also a resident of the Community and should they decide to occupy one residence, they must declare which residence will be occupied and which residence will be surrendered. The repayment due to the surrendered residence will be as described in Section 3.E above. Each month, the then-current Monthly Fee for second persons shall be paid.

10. Insurance. The Residency Agreement requires that the resident maintain Medicare Part A, Medicare Part B and one supplemental health insurance policy or equivalent insurance coverage acceptable to us.

11. Financial Assistance. Financial assistance may be available to existing continuing care residents who live at the Community under a continuing care residency agreement. To be eligible for such financial assistance, the resident cannot impair his/her ability to meet his/her financial obligations by transfer of assets other than to meet ordinary and customary living expenses or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance or other health insurance as outlined in the Residency Agreement. Financial assistance funds are available as long as providing financial assistance does not impair our ability to operate the Community on a sound financial basis for the benefit of all residents.

We do not offer financial assistance to those residents who are admitted directly to the Health Center (those who did not execute a residential living continuing care residency agreement).

12. Tax Discussion. The signing of the Residency Agreement and payment of the Entrance Fee and Monthly Fee gives rise to certain unique tax considerations. The discussion below outlines the process which will be utilized to determine the percentage of the Entrance Fee and Fee that the resident may choose to deduct as a medical expense. Each resident is advised to consult with his/her personal tax advisor regarding the tax consequences associated with becoming

a resident of the Community. We are not a tax advisor and disclaim any responsibility for any tax advice relating to your becoming a resident of the Community.

13. Medical Expense Deduction. A resident of the Community may be allowed tax benefits associated with his or her residency. A percentage of the non-repayable portion of the Entrance Fee may be taken as a medical expense deduction in the year in which it is deemed finally paid. Also, a percentage of the Monthly Fee paid by a resident may be taken as a medical expense deduction each year. In February of each year, we will provide residents with a percentage of the prior year's Monthly Fee that has been determined to be attributable to the operations of the Health Center. All deductions are of course subject to limitations imposed by the Internal Revenue Code of 1986, as amended. It is advisable that residents seek the advice of their tax counsel before taking this deduction.

SERVICES AND AMENITIES

Pursuant to the terms of the Residency Agreement, residents are eligible to receive the following standard services and amenities for payment of the Monthly Fee:

- Monthly Dining Allocation, as further outlined in Section 3 of the Residency Agreements.
- Water, sewer, air conditioning, heating, electricity, trash removal, and municipal services. The resident is responsible for the charges related to telephone, and cable or satellite television reception.
- Access to one unassigned parking stall (other spaces, if available, may be provided for an additional fee).
- Building and grounds maintenance.
- Weekly housekeeping service.
- Availability of laundry facilities so that resident may wash and dry personal laundry.
- Planned activities -- social, educational, cultural, recreational, and spiritual -- for those who wish to participate.
- Services of an activities director.
- Use of the Community's common areas and amenities during scheduled hours – central dining room, chapel, library, mail boxes, lounges, arts and crafts room, exercise areas, community garden, dog park, fellowship hall, and woodworking shop.
- Carpeting (except in the kitchen and bath where there is other floor covering).
- A kitchen, including refrigerator with icemaker, range/oven, garbage disposal, dishwasher, and microwave.
- Local transportation scheduled by us.
- Twenty-four hour emergency call monitoring in resident's residence by nursing staff.
- Guest parking areas.
- Fire detection system.
- Security for buildings and grounds.
- Health Center Level Services for 30 free annual days of care, as further defined in the Residency Agreements.

The following supplemental services and amenities are also available to residents for an extra charge:

- Additional meals in the dining room over those provided in consideration for the Monthly Fee.
- Guest accommodations, if available.
- Certain other supplies and services such as medicine, drugs, prescribed therapy, Health Center Medical Director, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment.
- Other optional services related or unrelated to care in the Health Center as approved by us.
- Personal laundry service.
- Guest meals.
- Additional housekeeping services.
- Special events transportation.
- Extended dietician services when ordered by resident's attending physician or dietician services not ordered by resident's attending physician.
- Tray service to resident's residence when ordered by resident's attending physician, the Health Center Medical Director, the Health Center director of nursing, assistance-in-living director or resident services director.
- Health Center Level Services beyond the 30 free annual days of care, as further defined in the Residency Agreements.

RESERVES, ESCROW, AND TRUSTS STATEMENT

(A)---All continuing care facilities shall maintain after opening: operating reserves equal to twenty-five percent (25%) to fifty percent (50%) of the total operating costs projected for the 12-month period following the period covered by the most recent annual statement filed with the Department. The forecast statements as required by G.S.58-64-20 (a)(12) shall serve as the basis for computing the operating reserve. In addition to total operating expenses, total operating costs will include debt service, consisting of principal and interest payments along with taxes and insurance on any mortgage loan or other long-term financing, but will exclude depreciation, amortized expenses, and extraordinary items as approved by the Commissioner. If the debt service portion is accounted for by way of another reserve account, the debt service portion may be excluded. Facilities that maintain an occupancy level in excess of 90% shall only be required to maintain 25% operating reserve upon approval of the Commissioner, unless otherwise instructed by the Commissioner. The operating reserves may be funded by cash, by invested cash, or by investment grade securities, including bonds, stocks, U.S. Treasury obligations, or obligations of U.S. government agencies.

(B)---Operating reserves shall only be released upon the submittal of a detailed request from the provider or facility and must be approved by the Commissioner. Such requests must be submitted in writing for the Commissioner to review at least 10 business days prior to the date of withdrawal.

(C)---The operating reserve requirement for Whitestone is $6,066,250. The Masonic and Eastern Star Home of North Carolina, Inc. has available as of March 31, 2025 short-term restricted assets of $14,363,013 with additional funds set aside as restricted assets to meet North Carolina year end reserve requirements.

(D)---Overall policies and decisions relative to the magnitude of reserve funds, investment of reserve funds, and the expenditure of operating funds are under the direction of the Finance Committee of the Board of Directors. However, for many years, the Board of Directors has relied on the Directors of the North Carolina Masonic Foundation for investment purposes. The Foundation is comprised of five members who serve five year staggered terms. Due to their successful management, each has been re-elected each year. All of the members have been, or are, successful businessmen, and because of their love for WhiteStone, there is no expense for their services.

ESTIMATED OCCUPANCY FOR 2025

Independent Living:
210 units available / 264 residents

Assisted Living / Memory Care:
36 units available / 29 residents

Health Center:
86 beds available / 78 residents

FINANCIAL INFORMATION

1. Financial Statements. WhiteStone operates on a fiscal year which coincides with the calendar year (12/31). The financial records of the facility are audited annually by Bernard Robinson & Company, L.L.P.; 1501 Highwoods Blvd., Suite 300, Greensboro, NC 27410. Our operating income is derived mainly from two sources. Approximately 90% of operating income comes from the residents (either private monthly income or Medicare, Medicaid and private insurance) and approximately 10% comes from charitable sources. See Exhibit 2 of this Disclosure Statement for current certified financial statements as of December 31, 2024.

2. Forecasted Financial Statements. See Exhibit 3 of this Disclosure Statement for certified five year projection statements for 2025 through 2029.

3. Interim Unaudited Financial Statements. See Exhibit 4 of this Disclosure Statement for interim unaudited financial statements as of March 31, 2025.

4. Explanation of Material Differences. See Exhibit 5 for the explanation of the material differences for the Balance Sheet, Statement of Operations, and Statement of Cash Flows for the fiscal year 2024 and the actual results for the fiscal year 2024.

5. Financing. See Note 6 of the audited financial statements for information on long-term debt and financing.

FEES

The following tables set out the current monthly fee, current per diem rates of charge for care in the Health Center, the average increase in monthly fee and per diem rates for the past five years, the current and five year historical entrance fee amounts for WhiteStone, and current in-home care rates. Fees are adjusted annually, effective January 1.

2025 Monthly Fees

Type of Residence	Single Occupancy
Residential Apartments	
Linville Kitchenette (1 Bdrm, 1 Bath)	$4,206
Latham Kitchenette (1 Bdrm, 1 Bath)	$4,206
Bennette Studio (Efficiency 1 Bdrm)	$4,206
Bennette Kitchenette (1 Bdrm, 1 Bath)	$4,206
Bennette Kitchenette Plus (1 Bdrm, 1 Bath)	$4,206
Apartment Homes	
Alamance (1 Bdrm, Full Bath)	$3,671
Caswell (1 Bdrm w/Den, 1.5 Bath)	$4,026
Catham (1 Bdrm, 1.5 Bath)	$3,713
Davidson (1 Bdrm w/Den, 1.5 Bath)	$4,267
Davie (2 Bdrm w/Den, 2.5 Bath)	$4,847
Forsyth	$4,503

(2 Bdrm, 2 Bath)	
Iredell (2 Bdrm, 2 Bath)	$4,570
Guilford (2 Bdrm, 2 Bath)	$4,595
Randolph (2 Bdrm, 2 Bath, Sunroom)	$4,739
Unit G (1 Bdrm, 1 Bath)	$4,313
Unit H – Deluxe (2 Bdrm w/Den, 2 Bath)	$4,657
Unit J – Deluxe (2 Bdrm w/Den, 2.5 Bath)	$4,767
Wilkes (1 Bdrm w/Den, 1.5 Bath)	$4,141
Yadkin (2 Bdrm, 2 Bath, Sunroom)	$4,729
Cottages	
1 Bedroom/1 Bath	$3,625
2 Bedroom/2 Bath	$3,970
Villa Homes	
Piedmont (2 Bdrm, 2 Bath)	$4,715

Second Person Monthly Fee - $1,000

Average Dollar Amount of Changes – Monthly Fee

	2020	2021	2022	2023	2024	2025
Single Occupancy	$117	$106	$157	$281	$244	$279

2025 Health Center Fees
Current rates of charge for assisted living or skilled nursing care in the Health Center are:

Assisted Living Care	
Private Room	$7,862 / month
Memory Care	
Private room	$324 / day
Skilled Nursing Care	
Semi-Private Room	$381 / day
Private Room	$431 / day

Average Dollar Amount of Changes – Skilled Nursing Per Diem Charge

	2020	2021	2022	2023	2024	2025
Semi-Private	$10	$9	$14	$26	$25	$41
Private	$13	$11	$17	$30	$30	$21

Entrance Fee Table – Traditional Plan

Type of Residence	2021	2022	2023	2024	2025
Residential Apartments					
Linville Kitchenette (1 Bdrm, 1 Bath)	---	---	---	$38,000	$38,000
Latham Kitchenette (1 Bdrm, 1 Bath)	---	---	---	$38,000	$38,000
Bennette Studio (Efficiency 1 Bdrm)	---	---	---	$30,000	$30,000
Bennette Kitchenette (1 Bdrm, 1 Bath)	---	---	---	$38,000	$38,000
Bennette Kitchenette Plus (1 Bdrm, 1 Bath)	---	---	---	$57,120	$38,000
Apartment Homes					
Alamance (1 Bdrm, Full Bath)	$163,600	$171,780	$171,780	$179,574	$186,308
Caswell (1 Bdrm w/Den, 1.5 Bath)	$191,500	$201,075	$201,075	$215,335	$223,410
Catham (1 Bdrm, 1.5 Bath)	---	---	---	$180,000	$186750
Davidson (1 Bdrm w/Den, 1.5 Bath)	$207,500	$217,875	$217,875	$235,356	$244,182
Davie (2 Bdrm w/Den, 2.5 Bath)	---	---	---	$364,000	$377,650
Forsyth (2 Bdrm, 2 Bath)	$227,700	$239,085	$239,085	$265,976	$275,950
Iredell (2 Bdrm, 2 Bath)	---	---	---	$263,000	$272,863
Guilford (2 Bdrm, 2 Bath)	$246,900	$259,245	$259,245	$286,576	$297,322
Randolph (2 Bdrm, 2 Bath, Sunroom)	$258,800	$271,740	$271,740	$299,924	$311,171
Unit G (1 Bdrm, 1 Bath)	---	---	---	$201,000	$208,538
Unit H – Deluxe (2 Bdrm w/Den, 2 Bath)	---	---	---	$370,000	$383,875

Unit J – Deluxe (2 Bdrm w/Den, 2.5 Bath)	---	---	---	$478,000	$495,925
Wilkes (1 Bdrm w/Den, 1.5 Bath)	---	---	---	$214,000	$222,025
Yadkin (2 Bdrm w/Sunroom, 2 Bath)	---	---	---	$299,000	$310,213
Cottages					
1 Bedroom/1 Bath	$124,200	$130,410	$130,410	$130,410	$135,300
2 Bedroom/2 Bath	$145,000	$152,250	$152,250	$152,250	$157,959
Villa Homes					
Piedmont (2 Bdrm/2 Bath)	$294,000	$338,100	$338,100	$388,100 – $363,100	$350,779 - $375,779

Entrance Fee Table – 50% Return-of-Capital™ Plan

Type of Residence	2021	2022	2023	2024	2025
Residential Apartments					
Linville Kitchenette (1 Bdrm, 1 Bath)	---	---	---	$53,200	$53,200
Latham Kitchenette (1 Bdrm, 1 Bath)	---	---	---	$53,200	$53,200
Bennette Studio (Efficiency 1 Bdrm)	---	---	---	$42,000	$42,000
Bennette Kitchenette (1 Bdrm, 1 Bath)	---	---	---	$53,200	$53,200
Bennette Kitchenette Plus (1 Bdrm, 1 Bath)	---	---	---	$79,968	$53,200
Apartment Homes					
Alamance (1 Bdrm, Full Bath)	$240,400	$252,420	$252,420	$251,404	$260,831
Caswell (1 Bdrm w/Den, 1.5 Bath)	$276,400	$290,220	290,220	$301,469	$312,774
Catham (1 Bdrm, 1.5 Bath)	---	---	---	$252,000	$261,450
Davidson (1 Bdrm w/Den, 1.5 Bath)	$305,300	$320,565	$320,565	$329,498	$341,855

Davie (2 Bdrm w/Den, 2.5 Bath)	---	---	---	$509,600	$528,710
Forsyth (2 Bdrm, 2 Bath)	$318,800	$334,740	$334,740	$372,366	$386,330
Iredell (2 Bdrm, 2 Bath)	---	---	---	$368,200	$382,008
Guilford (2 Bdrm, 2 Bath)	$344,700	$361,935	$361,935	$401,206	$416,251
Randolph (2 Bdrm, 2 Bath, Sunroom)	$362,900	$381,045	$381,045	$419,894	$435,639
Unit G (1 Bdrm, 1 Bath)	---	---	---	$281,400	$291,953
Unit H – Deluxe (2 Bdrm w/Den, 2 Bath)	---	---	---	$518,000	$537,425
Unit J – Deluxe (2 Bdrm w/Den, 2.5 Bath)	---	---	---	$669,200	$694,295
Wilkes (1 Bdrm w/Den, 1.5 Bath)	---	---	---	$299,600	$310,835
Yadkin (2 Bdrm w/Sunroom, 2 Bath)	---	---	---	$418,600	$434,298
Cottages					
1 Bedroom/1 Bath	$179,100	$188,055	$188,055	$234,738	$189,420
2 Bedroom/2 Bath	$209,200	$219,660	$219,660	$213,150	$221,143
Villa Homes					
Piedmont (2 Bdrm/2 Bath)	$432,100	$496,915	$496,915	$473,340- $508,340	$491,091 - $516,091

Entrance Fee Table – 90% Return-of-Capital™ Plan

Type of Residence	2021	2022	2023	2024	2025
Residential Apartments					
Linville Kitchenette (1 Bdrm, 1 Bath)	---	---	$68,400	$68,400	$68,400

Latham Kitchenette (1 Bdrm, 1 Bath)	---	---	$68,400	$68,400	$68,400
Bennette Studio (Efficiency 1 Bdrm)	---	---	$54,000	$54,000	$54,000
Bennette Kitchenette (1 Bdrm, 1 Bath)	---	---	$68,400	$68,400	$68,400
Bennette Kitchenette Plus (1 Bdrm, 1 Bath)	---	---	$102,816	$102,816	$68,400
Apartment Homes					
Alamance (1 Bdrm, Full Bath)	$309,100	$324,555	$323,233	$323,233	$335,354
Caswell (1 Bdrm w/Den, 1.5 Bath)	$355,000	$372,750	$387,603	$387,603	$402,138
Catham (1 Bdrm, 1.5 Bath)	---	---	$324,000	$324,000	$336,150
Davidson (1 Bdrm w/Den, 1.5 Bath)	$392,300	$411,915	$423,641	$423,641	$439,528
Davie (2 Bdrm w/Den, 2.5 Bath)	---	---	$655,200	$655,200	$679,770
Forsyth (2 Bdrm, 2 Bath)	$410,800	$431,340	$476,756	$476,756	$439,528
Iredell (2 Bdrm, 2 Bath)	---	---	$473,400	$473,400	$491,153
Guilford (2 Bdrm, 2 Bath)	$457,500	$480,375	$515,837	$515,837	$535,180
Randolph (2 Bdrm, 2 Bath, Sunroom)	$466,200	$489,510	$539,863	$539,863	$560,108
Unit G (1 Bdrm, 1 Bath)	---	---	$361,800	$361,800	$375,368
Unit H – Deluxe (2 Bdrm w/Den, 2 Bath)	---	---	$667,000	$667,000	$690,975
Unit J – Deluxe (2 Bdrm w/Den, 2.5 Bath)	---	---	$860,400	$860,400	$892,665
Wilkes (1 Bdrm w/Den, 1.5 Bath)	---	---	$385,200	$385,200	$399,645
Yadkin (2 Bdrm w/Sunroom, 2 Bath)	---	---	$538,200	$538,200	$538,383

Cottages					
1 Bedroom/1 Bath	$230,300	$241,815	$234,738	$234,738	$243,540
2 Bedroom/2 Bath	$269,100	$282,555	$274,050	$274,050	$284,326
Villa Homes					
Piedmont (2 Bdrm/2 Bath)	$555,800	$639,170	$608,580 – $653,580	$608,580 – $653,580	$631,402 - $656,402

2025 Ancillary Charges

Caregiver Assistance (2 hr min)	$21/ Hr
1 Time Start of Care Fee	$52
Caregiver Assistance (under 2hrs)	$8/15 Mins
RN Supervisor Visit Recert - 90 days	$77
Nursing Visits	$78 / Hr
Short Nursing Visits	$37
Case Management Services (starting at)	$205 / Month
Appointments before 9am and after 3pm	$52
Extended Caregiver Hours (2 hr min)	$21 / Hr
Medication Management (starting at)	
1-6 Pills Daily	$42 / Week
>6 Pills Daily	$62 / Week
Medication Reminders:	
1 x Day	$27 / Week
2 x Day	$52 / Week
3 x Day	$77 / Week
4 x Day	$104 / Week
Monthly Laundry Charge	$38/month
Transportation Service (round trip)	
City of Greensboro	$37/trip
Outside City Limits (15 miles radius)	$47/trip +$.50/mile over 15 miles

EXHIBIT 1

Communities Managed by Life Care Services LLC

EXHIBIT A
SENIOR LIVING COMMUNITIES MANAGED
BY LIFE CARE SERVICES
AS OF 04/29/2025

Alabama, Birmingham – Galleria Woods
Alabama, Hoover – Danberry at Inverness
Arizona, Chandler – Clarendale of Chandler
Arizona, Fountain Hills – Fountain View Village
Arizona, Phoenix – Clarendale of Arcadia
Arizona, Phoenix – Sagewood
Arizona, Tempe (Phoenix) – Friendship Village of Tempe
California, Cupertino – Forum at Rancho San Antonio, The
California, Palo Alto – Moldaw Residences
California, San Diego – Casa de las Campanas
California, San Rafael – Aldersly
California, Santa Rosa – Arbol Residences of Santa Rosa
California, Santa Rosa – Oakmont Gardens
Connecticut, Essex – Essex Meadows
Connecticut, Mystic – StoneRidge
Connecticut, Southbury – Pomperaug Woods
Delaware, Newark – Millcroft Living
Delaware, Wilmington – Foulk Living
Delaware, Wilmington – Shipley Living
Florida, Aventura – Sterling Aventura
Florida, Bradenton – Freedom Village of Bradenton
Florida, Celebration – Windsor at Celebration
Florida, Clearwater – Regency Oaks
Florida, Hollywood – Presidential Place
Florida, Jacksonville – Cypress Village
Florida, Leesburg – Lake Port Square
Florida, Naples – The Glenview at Pelican Bay
Florida, Naples – The Arlington of Naples
Florida, Palm City – Sandhill Cove
Florida, Port Charlotte – South Port Square
Florida, Seminole – Freedom Square of Seminole
Florida, Seminole – Lake Seminole Square
Florida, Sun City Center – Freedom Plaza
Florida, The Villages – Freedom Point at The Villages
Georgia, Evans – Brandon Wilde
Georgia, Savannah – Marshes of Skidaway Island, The
Illinois, Addison – Clarendale of Addison
Illinois, Algonquin – Clarendale of Algonquin
Illinois, Bartlett – The Oaks at Bartlett
Illinois, Chicago – Clare, The
Illinois, Chicago – Clarendale Six Corners
Illinois, Godfrey – Asbury Village
Illinois, Lincolnshire – Sedgebrook
Illinois, Mokena – Clarendale of Mokena

Illinois, Naperville – Monarch Landing
Illinois, Wheaton – Wyndemere
Indiana, Carmel – Rose Senior Living – Carmel
Indiana, Greenwood (Indianapolis) – Greenwood Village South
Indiana, Indianapolis – Marquette
Indiana, West Lafayette – Westminster Village West Lafayette
Iowa, Ames – Green Hills Community
Iowa, Cedar Rapids – Cottage Grove Place
Kansas, Atchison – Dooley Center
Kentucky, Lexington – Richmond Place Senior Living
Maryland, Columbia – Residences at Vantage Point
Maryland, Timonium – Mercy Ridge
Maryland, Towson (Baltimore) – Blakehurst
Massachusetts, Woburn – The Delaney at The Vale
Michigan, Ann Arbor – Clarendale Ann Arbor
Michigan, Auburn Hills – The Avalon of Auburn Hills
Michigan, Battle Creek – NorthPointe Woods
Michigan, Bloomfield Township – The Avalon of Bloomfield Township
Michigan, Clinton Township – Rose Senior Living – Clinton Township
Michigan, East Lansing – Burcham Hills
Michigan, Holland – Freedom Village
Michigan, Kalamazoo – Friendship Village
Michigan, Novi – Rose Senior Living at Providence Park
Michigan, Commerce Township – The Avalon of Commerce Township
Minnesota, Buffalo – Havenwood of Buffalo
Minnesota, Burnsville – Havenwood of Burnsville
Minnesota, Maple Grove – Havenwood of Maple Grove
Minnesota, Minnetonka – Havenwood of Minnetonka
Minnesota, Richfield – Havenwood of Richfield
Minnesota, Rochester – Charter House
Minnesota, Plymouth – Trillium Woods
Minnesota, Vadnais Heights – Gable Pines
Missouri, St. Peters – Clarendale of St. Peters
New Jersey, Bridgewater – Delaney of Bridgewater, The
New Jersey, Bridgewater – Laurel Circle
New Jersey, Burlington – Masonic Village at Burlington
New Jersey, Florham Park – The Delaney at The Green
New York, Rye Brook – Broadview Senior Living at Purchase College
New York, Staten Island – Brielle at Seaview, The
North Carolina, Chapel Hill – Cedars of Chapel Hill, The
North Carolina, Charlotte – Cypress of Charlotte, The
North Carolina, Durham – Croasdaile Village
North Carolina, Greensboro – WhiteStone
North Carolina, Greenville – Cypress Glen
North Carolina, Lumberton – Wesley Pines
North Carolina, Raleigh – Cypress of Raleigh, The
North Carolina, Wilmington – Porters Neck Village
Ohio, Avon – Rose Senior Living – Avon
Ohio, Beachwood – Rose Senior Living – Beachwood
Ohio, Lewis Center – The Avalon of Lewis Center

Ohio, New Albany – The Avalon of New Albany
Oklahoma, Bartlesville – Green Country Village
Oregon, Dallas – Dallas Retirement Village
Oregon, Salem – Capital Manor
Pennsylvania, Coatesville – Freedom Village at Brandywine
Pennsylvania, Warrington – Solana Doylestown, The
South Carolina, Greenville – Rolling Green Village
South Carolina, Hilton Head Island – Bayshore on Hilton Head Island
South Carolina, Hilton Head Island – Cypress of Hilton Head, The
Tennessee, Brentwood – Heritage at Brentwood, The
Tennessee, Hendersonville – Clarendale at Indian Lake
Tennessee, Memphis – Heritage at Irene Woods
Tennessee, Nashville – Clarendale at Bellevue Place
Texas, Austin – Westminster
Texas, Bedford – Parkwood Healthcare
Texas, Bedford – Parkwood Retirement
Texas, Dallas – Autumn Leaves
Texas, Dallas – Monticello West
Texas, Dallas – Signature Pointe
Texas, Dallas – Walnut Place
Texas, Georgetown – Delaney at Georgetown Village, The
Texas, League City – Delaney at South Shore, The
Texas, Lubbock – Carillon
Texas, Richmond – Delaney at Parkway Lakes, The
Texas, Spring – Village at Gleannloch Farms, The
Texas, The Woodlands – Village at the Woodlands Waterway, The
Texas, Waco – Delaney at Lake Waco, The
Vermont, White River – Village at White River Junction, The
Virginia, Fairfax – Virginian, The
Virginia, Gainesville – Heritage Village Assisted Living and Memory Care
Washington, Issaquah – Timber Ridge at Talus
Wisconsin, Greendale – Harbour Village
Wisconsin, Milwaukee – Eastcastle Place

EXHIBIT 2

Current Certified Financial Statements
December 31, 2024

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED DBA: WHITESTONE

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED
DBA: WHITESTONE
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT	**1**
FINANCIAL STATEMENTS	
BALANCE SHEETS	**3**
STATEMENTS OF OPERATIONS	**4**
STATEMENTS OF CHANGES IN NET ASSETS	**5**
STATEMENTS OF CASH FLOWS	**6**
NOTES TO FINANCIAL STATEMENTS	**8**

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Masonic and Eastern Star Home of North Carolina, Incorporated
dba: Whitestone
Greensboro, North Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Masonic and Eastern Star Home of North Carolina, Incorporated dba: Whitestone (the Home), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Home as of December 31, 2024 and 2023, and the results of its operations, change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

Auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Home'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 the Home'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
May 27, 2025

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED
DBA: WHITESTONE
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 3,679,845	$ 2,913,363
Assets Limited as to Use, Current Portion	2,643,905	1,758,550
Accounts Receivable	1,910,477	1,364,293
Allowance for Credit Losses	(682,031)	(235,805)
Accounts Receivable, Net of Allowance for Credit Losses	1,228,446	1,128,488
Accounts Receivable, Other	100,952	248,459
Prepaid Expenses and Other Assets	501,688	528,889
Total Current Assets	8,154,836	6,577,749
INVESTMENTS AND OTHER ASSETS		
Investments	8,229,237	7,769,888
Assets Limited as to Use, Net of Current Portion	14,426,888	14,258,190
Assets in Split-Interest Agreements	4,007,315	3,855,245
Deferred Costs, Net	398,872	362,914
Total Investments and Other Assets	27,062,312	26,246,237
PROPERTY AND EQUIPMENT, NET	97,716,704	101,558,804
Total Assets	$ 132,933,852	$ 134,382,790
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	$ 1,065,000	$ 1,025,000
Accounts Payable	950,970	1,671,628
Accrued Expenses	2,262,590	2,167,334
Refundable Advance Fees, Current	731,906	613,718
Total Current Liabilities	5,010,466	5,477,680
LONG-TERM DEBT	81,236,689	86,368,793
DEFERRED REVENUE AND OTHER LIABILITIES		
Deferred Revenue from Advance Fees	31,573,843	26,777,668
Refundable Advance Fees	6,940,295	5,072,193
Deposits on Unoccupied Units	251,179	682,547
Long-Term Accounts Payable	30,000	30,000
Resident Trust Funds Payable	363,161	258,318
Total Deferred Revenue and Other Liabilities	39,158,478	32,820,726
Total Liabilities	125,405,633	124,667,199
NET ASSETS		
Without Donor Restrictions	2,251,700	4,724,137
With Donor Restrictions	5,276,519	4,991,454
Total Net Assets	7,528,219	9,715,591
Total Liabilities and Net Assets	$ 132,933,852	$ 134,382,790

See accompanying Notes to Financial Statements.

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED
DBA: WHITESTONE
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUES, GAINS AND OTHER SUPPORT		
Resident Service Revenues	$ 9,364,479	$ 6,747,751
Health Care Revenues	11,995,727	7,604,800
Amortization of Advance Fees	3,765,166	3,008,988
Total Resident Service and Health Care Revenues	25,125,372	17,361,539
Contributions	1,659,131	2,254,421
Investment Income	305,788	184,543
Other Income	139,642	391,254
Releases from Restriction	70,375	151,690
Total Revenues, Gains and Other Support	27,300,308	20,343,447
EXPENSES		
Salaries and Benefits	12,715,577	10,748,002
Contract Labor	841,605	306,973
Medical Supplies and Services	1,958,554	1,477,204
Food Supplies and Services	1,258,331	905,635
Marketing	362,102	412,163
Activities	79,154	55,790
Supplies and Other Expenses	668,200	713,589
Utilities and Communications	962,203	792,396
Repairs and Maintenance	1,283,831	1,057,274
Property and Liability Insurance	563,023	401,122
Depreciation	4,742,885	3,572,353
Amortization of Contract Acquisition Costs	36,942	19,161
Interest Expense	4,073,930	2,151,821
Management Fees	793,545	574,589
Other Operating Expenses	1,173,188	928,078
Total Expenses	31,513,070	24,116,150
OPERATING LOSS	(4,212,762)	(3,772,703)
NONOPERATING INCOME (LOSS)		
Loss on Sale of Assets	(359,402)	-
Other Nonoperating Income	743,429	-
Change in Unrealized Gains on Investments	1,356,298	1,578,588
Total Non Operating Income	1,740,325	1,578,588
Deficit of Revenues Under Expenses and Changes in Net Assets Without Donor Restrictions	$ (2,472,437)	$ (2,194,115)

See accompanying Notes to Financial Statements.

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED
DBA: WHITESTONE
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	$ (2,472,437)	$ (2,194,115)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	38,891	61,027
Investment Income	164,479	138,065
Change in the Value of Split-Interest Agreements	152,070	352,394
Net Assets Released from Restriction	(70,375)	(151,690)
Change In Net Assets With Donor Restrictions	285,065	399,796
CHANGE IN NET ASSETS	(2,187,372)	(1,794,319)
Net Assets - Beginning of Year	9,715,591	11,509,910
NET ASSETS - END OF YEAR	$ 7,528,219	$ 9,715,591

See accompanying Notes to Financial Statements.

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED
DBA: WHITESTONE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	$ (2,187,372)	$ (1,794,319)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	4,779,827	3,591,514
Amortization of Deferred Financing Costs	92,028	92,028
Amortization of Bond Premium	(159,132)	(159,123)
Nonrefundable Advance Fees Received	9,678,667	14,299,967
Amortization of Advance Fees	(3,765,166)	(3,008,988)
Loss on Sale of Assets	359,402	-
Provision (Write Off) of Credit Losses, Net	446,226	(245,551)
Unrealized Gains on Investments	(1,356,298)	(1,578,588)
Change in Value of Split-Interest Agreements	(152,070)	(352,394)
(Increase) Decrease in:		
Accounts Receivable	(546,184)	(23,678)
Accounts Receivable, Other	147,507	316,956
Prepaid Expenses and Other Assets	27,201	(172,804)
Increase (Decrease) in:		
Accounts Payable	(720,658)	(6,730,081)
Accounts Payable, Long Term	-	(10,000)
Accrued Expenses	95,256	(104,047)
Other Deposits and Liabilities	104,843	209,540
Net Cash Provided by Operating Activities	6,844,077	4,330,432
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(1,260,187)	(17,608,089)
Payments on Deferred Costs	(72,900)	(157,067)
Net Sales of Investments	896,949	4,397,164
Net Change in Assets Limited As To Use	(1,476,038)	(86,280)
Net Cash Used by Investing Activities	(1,912,176)	(13,454,272)
CASH FLOWS FROM FINANCING ACTIVITIES		
Refunds of Advance Fees	(2,084,628)	(717,360)
Refundable Advance Fees Received	2,953,592	1,469,700
Change In Refundable Fees and Deposits	(431,368)	(973,326)
Payments on Long-Term Debt	(5,025,000)	(9,530,009)
Net Cash Used by Financing Activities	(4,587,404)	(9,750,995)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	344,497	(18,874,835)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	12,930,624	31,805,459
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 13,275,121	$ 12,930,624

See accompanying Notes to Financial Statements.

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED
DBA: WHITESTONE
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Cash and Cash Equivalents	$ 3,679,845	$ 2,913,363
Restricted Cash Included in Assets Limited as to Use	9,595,276	10,017,261
Total Cash, Cash Equivalents, and Restricted Cash	$ 13,275,121	$ 12,930,624
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Property and Equipment Additions in Accounts Payable and Accrued Interest	$ -	$ 108,069
Cash Payment of Interest, Net of Amounts Capitalized	$ 4,194,534	$ 2,319,915

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Masonic and Eastern Star Home of North Carolina, Incorporated dba: Whitestone (the Home) is a nonprofit organization that principally provides housing, health care and other related services to residents through the operation of a continuing care retirement community providing general and advanced care. The Home is located in Greensboro, North Carolina. It is subject to various laws and regulations enacted by the state of North Carolina regarding its activities. The Home is a philanthropic charity of the Grand Lodge and the Grand Chapter and subordinate lodges and chapters. Each lodge and chapter solicits contributions from its members for the support of the Home.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

For purposes of reporting cash flows, the Home considers cash accounts and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents exclude money market accounts and mutual funds held in broker or trust accounts since they represent investment proceeds that will be reinvested in allowable investments of the Home. Restricted cash is included with cash and cash equivalents in the statements of cash flows.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Pooled fund investments are reflected at fair value based on the net asset value per share of the investment, as a practical expedient. Changes in the fair value of investments, including both realized and unrealized gains and losses, are included in the accompanying statements of operations and statements of changes in net assets. In determining realized gains and losses, the cost of investments is determined using the specific-identification method.

Assets Limited as to Use

Assets limited as to use include assets set aside by the board of directors to meet North Carolina General Statute operating reserve requirements, deposits held in trust, and assets held by trustees under indenture agreements. Amounts required to meet current liabilities of the Home have been classified as current assets in the balance sheets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use (Continued)

North Carolina General Statute 58-64-33 requires that continuing care retirement communities with occupancy levels in excess of 90% maintain an operating reserve equal to 25% of total operating costs projected for the 12-month period following the most recent annual statement filed with the Department of Insurance, upon approval of the Commissioner. Continuing care retirement communities with less than 90% occupancy are required to maintain an operating reserve equal to 50% of projected total operating costs.

Total operating costs shall include budgeted operating expenses plus debt service less depreciation and amortization expense, and revenue associated with noncontractual expenses. The operating reserve can only be released upon the submittal of a detailed request from the Home and must be approved by the North Carolina Department of Insurance.

Deposits held in trust include resident trust funds held by the Home on behalf of residents. Funds are provided to the resident or used to pay bills at the direction of the resident or responsible party. The funds are recorded as both an asset and a liability. Deposits held in trust also include deposits on unoccupied units. The deposits are held in trust until the prospective resident moves into the Home's facility. These funds are also recorded as an asset and liability.

Accounts Receivable

The Home records accounts receivable at amounts expected to be collected from residents. An allowance for credit losses is established using management's judgment which includes analysis on historical payment trends, write-off experience, analysis of payor source and aging of accounts receivable, review of specific accounts, and future economic conditions and market trends. Accounts receivable that management believes to be ultimately not collectible are written off upon such determination. At December 31, 2024 and 2023, the allowance for credit losses was approximately $682,000 and $236,000, respectively.

Changes in the allowance for credit losses for the years ended December 31 we as follows:

Allowances for Credit Losses:	2024	2023
Balance, Beginning of Year	$ 235,805	$ 481,356
Provisions (Write Offs), Net	446,226	(245,551)
Balance, End of Year	$ 682,031	$ 235,805

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Costs

The costs associated with the acquisition of new contract of an expansion project are being deferred and will be amortized using the average life expectancy of the initial occupants of the facility. Amortization of these costs was approximately $37,000 and $19,000 for the years ended December 31, 2024 and 2023, respectively. Deferred financing costs relating to the financing of the facility are amortized over the life of the associated bonds. Amortization expense for the deferred financing costs was approximately $92,000 for the years ended December 31, 2024 and 2023, respectively.

Assets in Split-Interest Agreements

The Home has beneficial interest in several irrevocable, unconditional split-interest agreements, which are all administered by third parties and for which the Home has categorized as beneficial interests in perpetual trusts. The Home has the irrevocable right to receive a share of income from the assets of these trusts. These assets are stated at the fair value of the Home's net asset value per share of trust assets, which is an approximation of the present value of the estimated future distributions from the trusts and have been recorded as net assets with donor restrictions based on restrictions associated with related trust agreements. Income distributions to the Home are included in investment income in net assets without donor restrictions. The change in the value of the beneficial interest is recorded as the change in the value of split-interest agreements in net assets with donor restrictions related to their respective trusts.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. All items with a cost over $1,000 are capitalized. Depreciation is determined by the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years.

The Home periodically assesses the realizability of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated net realizable value is less than the carrying amount.

Net Assets

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

Net Assets Without Donor Restrictions – All revenue not restricted by donors, unrestricted contributions designated by the board, and donor-restricted contributions whose restrictions are met in the same period in which they are received are accounted for as net assets without donor restrictions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. The investment income arising from endowment funds, if any, are accounted for in accordance with donor stipulations. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year they are received are included in net assets without donor restrictions.

Advance Fees

Fees paid by a resident upon entering into a continuing care or independent living contract are recorded as deferred revenue and are amortized to income using the straight-line method over the estimated remaining life expectancy of the resident.

Independent residents choose the option of refundability from the following three options: (a) Depreciating Zero Refund Plan, (b) Depreciating 50% Refund Plan, or (c) Depreciating 90% Refund Plan. In the Depreciating Zero Refund Plan, no refund of the entrance fee will be paid to the resident after 50 months of occupancy. In the Depreciating 50% Refund Plan, the refund will not be less than 50% of the entrance fee. In the Depreciating 90% Refund Plan, the refund will not be less than 90% of the entrance fee. In addition to the entrance fee, monthly maintenance fees are also charged based on the unit selected.

At December 31, 2024 and 2023, the portion of advance fees subject to refund provisions amounted to approximately $7,672,000 and $5,686,000, respectively. Amounts expected to be refunded to current residents, based on the Home's experience, are approximately $732,000 and $614,000 at December 31, 2024 and 2023, respectively.

Estimated Obligation to Provide Future Services

The Home annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income.

The obligation is discounted at 5%, based on the expected long-term rate of return on government obligations. The Home computes this liability by estimating the cost per year per resident at the current level of care for each resident (skilled/intermediate care or residential care). This cost is multiplied by the future life expectancy of each resident based upon actuarially computed tables and increased for an estimated inflation factor of 3% per annum. No liability has been recorded as of December 31, 2024 and 2023.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Home is a nonprofit organization exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

The Home files as a tax-exempt organization. Management is not aware of any activities that would jeopardize the tax-exempt status of the Home. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for the Home.

The Home follows guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance has had no impact on the Home's financial statements.

Fair Value Measurements

The Home categorizes its assets measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

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

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

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

Subsequent to initial recognition, the Home may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as money market funds. The fair value of split-interest agreements are based on the fair value of fund investments as reported by the trustees. These are considered to be Level 3 measurements. There are no assets valued at Level 2 inputs.

Advertising

Advertising costs are expensed as incurred. Advertising expense was approximately $273,000 and $315,000 for the years ended December 31, 2024 and 2023, respectively.

Reclassification

Certain amounts included in the 2023 financial statements have been reclassified to conform with the 2024 presentation. Changes in net assets previously reported for 2023 were not affected by these reclassifications.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through May 27, 2025, which is the date the financial statements were available to be issued.

NOTE 3 RESIDENT SERVICE AND HEALTH CARE REVENUES

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

The Home generates revenues, primarily by providing housing, amenities (recreational, dining, etc.) and access to health care services to its residents. The various life care contract streams of revenue are recognized as follows:

NOTE 3 RESIDENT SERVICE AND HEALTH CARE REVENUES (CONTINUED)

Entrance Fees

The nonrefundable entrance fees received are recognized as deferred revenue upon receipt of the payment under the life care contract and included in liabilities in the balance sheets until the performance obligations are satisfied. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the resident as the performance obligation is associated with access to future services. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability in the balance sheets.

Health Care Services

The Home also provides assisted and nursing care to residents who are covered by government and commercial payors. The Home is paid fixed rates from government and commercial payors. These fixed rates are billed in arrears monthly when the service is provided. The monthly fees represent the most likely amount to be received from the third- party payors.

Monthly Service Fees

The life care contracts that residents select require an advanced fee and monthly fees based upon the type of space they are applying for. Resident monthly service fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, and dining along with assisted living and nursing care and these performance obligations are earned each month. Resident fee revenue for nonroutine or additional services are billed monthly in arrears and recognized when the service is provided.

Performance obligations are determined based on the nature of the services provided by the Home. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Home believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facilities receiving skilled nursing services or housing residents receiving services in the facilities. The Home considers daily services provided to residents of the skilled nursing facilities and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter.

Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our residents and customers in a retail setting (for example, gift shop and cafeteria meals) and the Home does not believe it is required to provide additional goods or services related to that sale.

NOTE 3 RESIDENT SERVICE AND HEALTH CARE REVENUES (CONTINUED)

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

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

The opening and closing contract balances were as follows:

	Accounts Receivable	Deferred Revenue From Advance Fees
December 31, 2022	$ 859,259	$ 16,101,323
December 31, 2023	1,128,488	26,777,668
December 31, 2024	1,228,446	31,573,843

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

Medicare and Medicaid

The Home participates in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The Home is paid under the Patient Driven Payment Model (PDPM) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing services. Under PDPM, the basis for reimbursement is determined by the underlying complexity and clinical needs of a patient. In addition, PDPM utilizes variable adjustment factors that change reimbursement rates during the resident's length of stay.

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

NOTE 3 RESIDENT SERVICE AND HEALTH CARE REVENUES (CONTINUED)

Medicare and Medicaid (Continued)

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

Other

Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Home's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price were not significant in 2024 or 2023.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Home estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change.

Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended December 31, 2024 and 2023. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

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

NOTE 3 RESIDENT SERVICE AND HEALTH CARE REVENUES (CONTINUED)

The composition of resident service and health care revenue by primary payor for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Medicare	$ 1,151,829	$ 410,206
Medicaid	1,074,678	1,066,990
Private	20,117,261	14,159,760
Other Insurance	2,781,604	1,724,583
Total	$ 25,125,372	$ 17,361,539

Revenue from residents' deductibles and coinsurance are included in the categories presented above based on the primary payor.

The composition of resident service and health care revenues on the Home's lines of business, method of reimbursement, and timing of revenue recognition for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Service Lines:		
Independent Living	$ 9,315,236	$ 6,549,686
Assisted Living	1,872,690	402,450
Home Health	49,243	198,065
Health Care Services	10,123,037	7,202,350
Amortization of Advance Fees	3,765,166	3,008,988
Total	$ 25,125,372	$ 17,361,539
Method of Reimbursement:		
Monthly Service Fees	$ 11,187,926	$ 6,952,136
Amortization of Advance Fees	3,765,166	3,008,988
Fee for Service	10,172,280	7,400,415
Total	$ 25,125,372	$ 17,361,539
Timing of Revenue and Recognition:		
Health Care Services Transferred Over Time	$ 25,125,372	$ 17,361,539

NOTE 4 INVESTMENTS AND ASSETS LIMITED AS TO USE

Investments and assets limited as to use were comprised of the following at December 31:

	2024	2023
Cash and Cash Equivalents	$ 9,595,276	$ 10,017,261
Money Market	-	347,322
Equities	-	83,915
Mutual Funds	-	23,861
Pooled Funds Accounts	15,704,754	13,314,269
Total	$ 25,300,030	$ 23,786,628

Assets limited as to use are allocated as follows:

	2024	2023
Operating Reserve for Department of Insurance	$ 5,746,000	$ 4,167,250
Trustee Deposit Accounts Required by Long-Term Debt Agreements	9,237,745	9,695,003
Board-Designated Investments to Refund Advance Fees	776,588	676,011
Donor Designated for Benevolence Assistance	953,305	878,842
Restricted Cash for Residents	357,155	252,312
Restricted Cash for Admission Payments	-	347,322
Total	$ 17,070,793	$ 16,016,740

Investment income (loss) consists of the following for the years ended December 31:

	2024	2023
Interest and Dividends	$ 470,267	$ 322,608
Unrealized Gains	1,356,298	1,578,588
Total	$ 1,826,565	$ 1,901,196

NOTE 4 INVESTMENTS AND ASSETS LIMITED AS TO USE (CONTINUED)

The table below presents the balance of assets measured at fair value on a recurring basis by level within the hierarchy at December 31:

	2024			
	Level 1	Level 2	Level 3	Total
Investments and Assets Limited as to Use:				
Assets in Split-Interest Agreements	$ -	$ -	$ 4,007,315	$ 4,007,315
Total	$ -	$ -	$ 4,007,315	$ 4,007,315

	2023			
	Level 1	Level 2	Level 3	Total
Investments and Assets Limited as to Use:				
Money Market	$ 347,322	$ -	$ -	$ 347,322
Mutual Funds	23,861	-	-	23,861
Equities	83,915	-	-	83,915
Assets in Split-Interest Agreements	-	-	3,855,245	3,855,245
Total	$ 455,098	$ -	$ 3,855,245	$ 4,310,343

Certain investments held by the Home were measured at net asset value per share (or its equivalent) as a practical expedient and have not been classified in the fair value hierarchy.

NOTE 4 INVESTMENTS AND ASSETS LIMITED AS TO USE (CONTINUED)

The following table summarizes investments measured at fair value based on net asset value per share:

	2024			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Income Fund	$ 5,078,121	N/A	As Needed	One Month
Stock Fund	10,626,633	N/A	As Needed	One Month
Total	$ 15,704,754			

	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Income Fund	$ 4,317,773	N/A	As Needed	One Month
Stock Fund	8,996,496	N/A	As Needed	One Month
Total	$ 13,314,269			

The following table summarizes the valuation techniques and unobservable inputs of assets valued at Level 3:

	Fair Value		Principal Valuation	Unobservable
Instrument	2024	2023	Technique	Inputs
Assets in Split-Interest Agreements	$ 4,007,315	$ 3,855,245	FMV of Trust Investments	Timing of Distributions

The Home's investments potentially subject it to concentrations of credit risk. The Home maintains various types of investments that encompass many different companies with varied industrial and geographical characteristics designed to limit exposure to any one industry, company or geographical location. However, as most of the Home's investments are traded in public markets, they are subject to general fluctuations in the market's overall performance. The Home retains investment managers who perform periodic evaluations of the relative credit standing of the companies and financial institutions in which the Home invests.

NOTE 5 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31:

	2024	2023
Land and Improvements	$ 2,480,981	$ 2,484,581
Buildings and Improvements	121,650,698	123,245,801
Equipment	2,389,461	2,614,090
Furniture and Fixtures	4,290,123	4,205,668
Vehicles	349,585	372,161
Construction In Progress	309,229	171,741
Total	131,470,077	133,094,042
Less: Accumulated Depreciation	(33,753,373)	(31,535,238)
Total	$ 97,716,704	$ 101,558,804

Capitalized interest totaled approximately $2,888,000 for the year ended December 31, 2023. There was no interest capitalized during the year ended December 31, 2024.

Construction in progress at December 31, 2024 and 2023 relates to general renovations at the Home's facilities.

NOTE 6 LONG-TERM DEBT

The following is a summary of long-term debt as of December 31:

	2024	2023
Public Finance Authority:		
Retirement Facilities First Mortgage Revenue Refunding Bonds (Whitestone Project), Series 2017:		
Term Bonds Due 2027, Yielding 3.66%	$ 1,155,000	$ 1,510,000
Term Bonds Due 2037, Yielding 4.22%	5,270,000	5,270,000
Term Bonds Due 2052, Yielding 4.40%	14,955,000	14,955,000
Retirement Facilities First Mortgage Revenue Bonds (Whitestone), Series 2020:		
Term Bonds Due 2027, Yielding 3.50%	-	4,000,000
Term Bonds Due 2030, Yielding 4.00%	4,640,000	5,310,000
Term Bonds Due 2045, Yielding 5.25%	19,865,000	19,865,000
Term Bonds Due 2055, Yielding 5.25%	34,930,000	34,930,000
Subtotal	80,815,000	85,840,000
Less: Current Portion	(1,065,000)	(1,025,000)
Less: Unamortized Deferred Financing Costs	(2,902,809)	(2,135,853)
Plus: Unamortized Bond Premium	4,389,498	3,689,646
Long-Term Portion	$ 81,236,689	$ 86,368,793

Scheduled principal repayments on long-term debt for the next five years and thereafter are summarized as follows:

Year Ending December 31,	Amount
2025	$ 1,065,000
2026	1,110,000
2027	1,155,000
2028	1,205,000
2029	1,260,000
Thereafter	75,020,000
Total	$ 80,815,000

During 2017, the Home entered into a financing arrangement with the Public Finance Authority under which the Authority issued tax-exempt Series 2017 Revenue Refunding Bonds of $23,855,000. The bonds were issued to refund the series 2011 bonds. These bonds are collateralized by a deed of trust on the Home, as well as a security interest in pledged assets.

NOTE 6 LONG-TERM DEBT (CONTINUED)

During 2020, the Home entered into a financing arrangement with the Public Finance Authority under which the Authority issued tax-exempt Series 2020-A First Mortgage Revenue Bonds of $60,105,000, Series 2020 B-1 First Mortgage Revenue Bonds of $4,000,000, and Series 2020 B-2 First Mortgage Revenue Bonds of $9,190,000. The bonds were issued to pay for an expansion project to create an additional 67 independent living units, 24 additional assisted living units, as well as to relocate 12 memory care beds and make improvements to the health center. The bonds were also used to fund debt service reserve funds and pay a portion of interest on the bonds, and to pay certain costs of issuance. These bonds are collateralized by a deed of trust on the Home, as well as a security interest in pledged assets.

Under the terms of the bonds, the Home is required to maintain certain deposits with the trustees. Such deposits are included with assets limited as to use of the Home. The Master Trust Indenture Agreement for the bonds include certain covenants and restrictions. As of December 31, 2024, management is not aware of noncompliance with these covenant requirements.

NOTE 7 LIQUIDITY AND AVAILABILITY

The following reflects the Home's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for long-term investing that could be drawn upon if the governing board approves that action.

	2024	2023
Cash and Cash Equivalents	$ 3,679,845	$ 2,913,363
Investments	8,229,237	7,769,888
Accounts Receivable, Net	1,228,446	1,128,488
Accounts Receivable, Other	100,952	248,459
Less: Purpose Restricted Net Assets	(311,681)	(257,543)
Total Financial Assets Available to Meet Liquidity Needs	$ 12,926,799	$ 11,802,655

The Home is substantially supported by resident service and health care revenues. As part of the Home's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Home invests cash in excess of daily requirements in various investments held in assets limited as to use and as board-designated funds. These funds may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2024	2023
Subject to Expenditures for Specified Purpose:		
Resident Council	$ 798	$ 366
Sunshine Fund, Special Activities for Residents	39,747	19,363
Longdon Chapel Fund	271,136	237,814
Total	311,681	257,543
Split Interest Agreements	4,007,315	3,855,245
Subject to the Home's Spending Policy and Appropriation:		
Benevolent Fund	957,523	878,666
Total Net Assets With Donor Restrictions	$ 5,276,519	$ 4,991,454

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or appropriation of approximately $70,000 and $152,000 during 2024 and 2023, respectively.

NOTE 9 ENDOWMENTS

The Home’s endowments consist of a board-designated operating reserve fund and donor-restricted endowment funds to provide benevolent care to residents in need. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Laws and regulations allow the governing board to appropriate portions of an endowment fund as is prudent considering the following relevant factors: the duration and preservation of the endowment fund, the purposes of the Home and the endowment fund, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, the Home’s other resources and investment policy. Under the Home’s endowment spending policy, distributions will be permitted to the extent that they do not exceed a level that would erode the endowment’s real assets over time.

NOTE 9 ENDOWMENTS (CONTINUED)

Changes in endowment net assets and composition by type of fund consist of the following:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Endowment Net Assets	$ 3,665,999	$ 878,666	$ 4,544,665
Investment Returns:			
Investment Income	15,123	-	15,123
Net Appreciation	224,380	131,157	355,537
Total Investment Return	239,503	131,157	370,660
Appropriation of Endowment	-	(52,300)	(52,300)
Ending Net Assets	$ 3,905,502	$ 957,523	$ 4,863,025

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Endowment Net Assets	$ 3,348,274	$ 788,761	$ 4,137,035
Investment Returns:			
Investment Income	98,903	-	98,903
Net Appreciation	218,822	138,065	356,887
Total Investment Return	317,725	138,065	455,790
Appropriation of Endowment	-	(48,160)	(48,160)
Ending Net Assets	$ 3,665,999	$ 878,666	$ 4,544,665

NOTE 10 FUNCTIONAL EXPENSES

The classification of functional expenses is as follows at December 31, 2024 and 2023:

	2024			
	Program Services	Management and General	Fundraising	Total
Salaries and Benefits	$ 9,536,683	$ 3,147,105	$ 31,789	$ 12,715,577
Contract Labor	841,605	-	-	841,605
Medical Supplies and Services	1,958,554	-	-	1,958,554
Food Supplies and Services	1,069,581	188,750	-	1,258,331
Supplies and Other Expenses	300,690	367,510	-	668,200
Utilities and Communications	577,322	384,881	-	962,203
Repairs and Maintenance	513,532	770,299	-	1,283,831
Property and Liability Insurance	-	563,023	-	563,023
Depreciation	2,830,954	1,911,931	-	4,742,885
Amortization of Contract Acquisition Costs	36,942	-	-	36,942
Interest Expense	2,444,358	1,629,572	-	4,073,930
Management Fees	-	793,545	-	793,545
Other Operating Expenses	234,638	929,164	9,386	1,173,188
Marketing Expense	72,420	289,682	-	362,102
Activities Expense	79,154	-	-	79,154
Total Expenses	$ 20,496,433	$ 10,975,462	$ 41,175	$ 31,513,070

	2023			
	Program Services	Management and General	Fundraising	Total
Salaries and Benefits	$ 8,061,001	$ 2,660,131	$ 26,870	$ 10,748,002
Contract Labor	306,973	-	-	306,973
Medical Supplies and Services	1,477,204	-	-	1,477,204
Food Supplies and Services	679,226	226,409	-	905,635
Supplies and Other Expenses	393,471	320,118	-	713,589
Utilities and Communications	475,438	316,958	-	792,396
Repairs and Maintenance	422,910	634,364	-	1,057,274
Property and Liability Insurance	-	401,122	-	401,122
Depreciation	2,143,412	1,428,941	-	3,572,353
Amortization of Contract Acquisition Costs	-	19,161	-	19,161
Interest Expense	1,291,093	860,728	-	2,151,821
Management Fees	-	574,589	-	574,589
Other Operating Expenses	175,181	745,890	7,007	928,078
Marketing Expense	82,433	329,730	-	412,163
Activities Expense	55,790	-	-	55,790
Total Expenses	$ 15,564,132	$ 8,518,141	$ 33,877	$ 24,116,150

The financial statements report certain categories of expenses that are attributable to one or more supporting services of the Home. Those expenses are allocated using a ratable portion of the labor hours performed by the management team.

NOTE 11 RELATED PARTY TRANSACTIONS

The Home is affiliated with the Grand Lodge of North Carolina, A.F. and A.M. (Grand Lodge) and the Grand Chapter of North Carolina, Order of the Eastern Star (Grand Chapter), and the Home's board of directors includes officers of and is elected by the Grand Lodge and the Grand Chapter.

The North Carolina Masonic Foundation, Incorporated (the Masonic Foundation) is a private, charitable foundation established by the Grand Lodge to fund its philanthropic endeavors. The Masonic Foundation is the sole member of the North Carolina Masonic and Eastern Star Home Foundation, LLC (the MESH Foundation LLC), a limited liability company organized for the purpose of providing financial support directly to the Home on behalf of deserving individual members of the Masonic and Eastern Star Fraternity and their qualified relations who reside at or receive services through the Home.

The Home also receives other substantial support from the Grand Chapter and other Masonic bodies, which is summarized as follows:

	2024	2023
Grand Chapter of The Eastern Star of North Carolina	$ 326,224	$ 204,521
North Carolina Masonic Foundation	-	125,000
MESH Foundation LLC	786,820	803,858
Grand Chapter of North Carolina Order of the Eastern Star	50,000	-
Other Masonic Bodies	93,792	140,650

NOTE 12 MANAGEMENT AGREEMENT

The Home has a management agreement with Life Care Services, LLC to manage, operate, and maintain the Home's retirement community. The Home or Life Care Services, LLC could terminate this agreement without cause six months after formal notice is given. The Home agreed to pay Life Care Services, LLC a monthly management fee of $47,500 and an annual application service provider fee of $10,000 throughout the term of the contract. In 2020, this agreement was renewed effective September 1, 2021, for an additional five years. The renewal agreement was also updated so that the monthly management fee is 3.8% of revenues of the Home as defined in the agreement.

NOTE 13 RETIREMENT PLAN

The Home and Grand Lodge maintain a defined contribution participant-directed, multiemployer 401(k) plan. The plan covers all employees who are at least 18 years of age with at least six months of service. The Home will make yearly matching contributions determined at its discretion. Contributions were approximately $80,000 and $304,000 for the years ended December 31, 2024 and 2023, respectively.

The Home also maintains a multiemployer deferred compensation plan, under Internal Revenue Code Section 457, with the Grand Lodge. No contributions were made to this plan during 2024 or 2023.

NOTE 14 CONCENTRATIONS OF CREDIT RISK

The Home maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (the FDIC). Deposit accounts, at times, may exceed federally insured limits.

The Home's investments potentially subject it to market risk and concentrations of credit risk. The Home maintains various types of investments that encompass many different companies with varied industry and geographical characteristics designed to limit exposure to any one industry, company or geographical location. However, as most of the Home's investments are traded in public markets, they are subject to general fluctuations in the market's overall performance. The Home retains investment managers who perform periodic evaluations of the relative credit standing of the companies and financial institutions in which the Home invests.

The Home grants credit without collateral to its residents and is insured under third-party payor agreements. The mix of receivables from residents and third-party payors:

	2024	2023
Medicare	40 %	43 %
Medicaid	27	23
Private and Other Insurance	33	34
Total	100 %	100 %

NOTE 15 EMPLOYEE RETENTION CREDIT

The CARES Act allows a credit (Employee Retention Credit or ERC) against applicable employment taxes for eligible employees. Employers, including tax-exempt organizations, are eligible for the ERC, if they operate a trade or business during calendar years 2020 and 2021 and experience either the full or partial suspension of the operations of their business during any calendar quarter due to a significant decline in gross receipts or because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. The credit applies to qualified wages (including certain health plan expenses) paid during this period or any calendar quarter in which eligibility requirements were met.

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended December 31, 2024, the Home claimed a credit in the amount of approximately $2,800,000. The Home believes it meets the eligibility requirements to claim the credit and has recorded a receivable for this amount. However, due to the uncertainty around the program, the Home has recorded an allowance to reserve the full amount of the credit as of December 31, 2024.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

EXHIBIT 3

Certified Five Year Projection Statements (2025-2029)

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INC. DBA: WHITESTONE

COMPILATION OF A FINANCIAL PROJECTION

FOR THE YEARS ENDING DECEMBER 31, 2025 THROUGH DECEMBER 31, 2029



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

TABLE OF CONTENTS

Independent Accountants' Compilation Report 1

Projected Statements of Operations and Changes in Net Assets
Years Ending December 31, 2025 through 2029 2

Projected Statements of Cash Flows
Years Ending December 31, 2025 through 2029 3

Projected Balance Sheets
At December 31, 2025, 2026, 2027, 2028 and 2029 4

Introduction and Background Information 5

Summary of Significant Accounting Policies 12

Management's Basis for Projection of Revenue 18

Management's Basis for Projection of Expenses 21

Management's Basis for Projection of Other Items 22

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Masonic and Eastern Star Home of North Carolina, Inc.
(dba Whitestone)
Greensboro, North Carolina

Management of Masonic and Eastern Star Home of North Carolina, Inc. dba: Whitestone (the "Home") and the Home's third party manager, Life Care Services, LLC (collectively, "Management") are responsible for the accompanying projected financial statements, which comprise the projected balance sheets as of December 31, 2025, 2026, 2027, 2028 and 2029, and the related projected statements of operations and changes in net assets, and cash flows for the years then ending, and the related summaries of significant projection assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA"). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these projected financial statements or the assumptions. Furthermore, even if the Home is able to achieve the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 5 (the "Hypothetical Assumptions"), the projected results may not be achieved as there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying projection, 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 requirements of North Carolina General Statutes, Chapter 58, Article 64 and included in the Home's disclosure statement filing) and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
May 27, 2025

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INC.
(DBA WHITESTONE)
PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
ASSUMING HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
YEARS ENDING DECEMBER 31,
(In Thousands)

	2025	2026	2027	2028	2029
REVENUES, GAINS, AND OTHER SUPPORT					
Resident Service Fees	$ 10,221	$ 10,848	$ 11,279	$ 11,646	$ 12,042
Assisted Living Revenue	1,735	1,794	1,856	1,921	1,989
Memory Care Revenue	901	1,004	1,043	1,083	1,119
Healthcare Services Revenue	10,809	10,995	11,227	11,627	11,814
Home Health Revenue	39	40	41	42	44
Other Revenue	69	71	73	75	77
Amortization of Earned Entrance Fees	4,004	4,252	4,304	4,236	4,129
Contributions	1,500	1,500	1,500	1,500	1,500
Investment Income	414	412	401	400	406
Net Assets Released from Restrictions for Operations	158	158	158	158	158
Total Revenue, Gains, and Other Support	29,850	31,074	31,882	32,688	33,278
EXPENSES					
Resident Care	10,481	10,813	11,192	11,584	11,988
Dietary	4,266	4,393	4,547	4,705	4,870
Housekeeping and Laundry	1,324	1,362	1,410	1,459	1,510
Plant and Maintenance	3,248	3,380	3,499	3,621	3,748
General and Administration	3,265	3,273	3,388	3,507	3,629
Insurance	619	695	720	745	771
Management Fees	903	941	970	1,003	1,029
Interest	4,088	4,044	3,997	3,947	3,893
Interest- Amortization of Issuance Costs	92	92	92	92	92
Interest- Amortization of Bond Premium	(159)	(159)	(159)	(159)	(159)
Depreciation	5,363	5,576	5,711	5,826	5,934
Amortization of Deferred Costs	37	37	37	37	37
Total Operating Expenses	33,527	34,447	35,404	36,367	37,342
Deficit of Revenues Under Expenses / Change in Net Assets Without Donor Restrictions	(3,677)	(3,373)	(3,522)	(3,679)	(4,064)
NET ASSETS WITH DONOR RESTRICTIONS					
Investment Income on Donor-Restricted Funds	158	158	158	158	158
Net Assets Released From Donor Restrictions	(158)	(158)	(158)	(158)	(158)
Change in Net Assets With Donor Restrictions	-	-	-	-	-
Change in Net Assets (Deficit)	(3,677)	(3,373)	(3,522)	(3,679)	(4,064)
Net Assets (Deficit), Beginning of Year	7,529	3,852	479	(3,043)	(6,722)
NET ASSETS (DEFICIT), END OF YEAR	**$ 3,852**	**$ 479**	**$ (3,043)**	**$ (6,722)**	**$ (10,786)**

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INC.
(DBA WHITESTONE)
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
YEARS ENDING DECEMBER 31,
(In Thousands)

	2025	2026	2027	2028	2029
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets (Deficit)	$ (3,677)	$ (3,373)	$ (3,522)	$ (3,679)	$ (4,064)
Adjustments to Reconcile Change in Net Assets (Deficit) to Net Cash Flows From Operating Activities:					
Earned Entrance Fees	(4,004)	(4,252)	(4,304)	(4,236)	(4,129)
Entrance Fees Received from Turnover, Net of Refunds	4,500	4,382	4,513	4,649	4,789
Depreciation	5,363	5,576	5,711	5,826	5,934
Amortization of Deferred Costs	37	37	37	37	37
Amortization of Bond Issuance Costs Included in Interest Expense	92	92	92	92	92
Amortization of Bond Premium	(159)	(159)	(159)	(159)	(159)
Change in Current Assets:					
Accounts Receivable	(130)	(56)	(44)	(50)	(39)
Accounts Receivable, Other	(11)	(4)	(4)	(4)	(3)
Prepaid Expenses	(94)	(15)	(21)	(22)	(22)
Change in Current Liabilities:					
Accounts Payable	335	31	46	48	48
Accrued Payroll	(30)	33	31	33	33
Accrued Interest	(10)	(11)	(13)	(13)	(14)
Net Cash Provided by Operating Activities	2,212	2,281	2,363	2,522	2,503
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Change in Investments	195	577	285	68	150
Net Purchases of Property and Equipment	(2,752)	(1,506)	(1,205)	(1,084)	(1,084)
Net Change in Assets Limited as to Use	(321)	(188)	(217)	(225)	(230)
Net Cash Used in Investing Activities	(2,878)	(1,117)	(1,137)	(1,241)	(1,164)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal Payments on Long-Term Debt	(1,065)	(1,110)	(1,155)	(1,205)	(1,260)
Net Cash Used in Financing Activities	(1,065)	(1,110)	(1,155)	(1,205)	(1,260)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(1,731)	54	71	76	79
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	13,275	11,544	11,598	11,669	11,745
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	**$ 11,544**	**$ 11,598**	**$ 11,669**	**$ 11,745**	**$ 11,824**
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH					
Cash and Cash Equivalents	$ 2,085	$ 2,116	$ 2,165	$ 2,216	$ 2,267
Restricted Cash in Assets Limited as to Use	9,459	9,482	9,504	9,529	9,557
Total Cash, Cash Equivalents, and Restricted Cash	$ 11,544	$ 11,598	$ 11,669	$ 11,745	$ 11,824
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest, Net of Capitalized Interested	$ 4,098	$ 4,055	$ 4,010	$ 3,960	$ 3,907

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INC.
(DBA WHITESTONE)
PROJECTED BALANCE SHEETS
ASSUMING HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
AT DECEMBER 31,
(In Thousands)

	2025	2026	2027	2028	2029
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 2,085	$ 2,116	$ 2,165	$ 2,216	$ 2,267
Accounts Receivable	1,358	1,414	1,458	1,508	1,547
Accounts Receivable, Other	112	116	120	124	127
Assets Limited as to Use, Current Portion	2,250	2,273	2,295	2,320	2,348
Prepaid Expenses and Other Assets	596	611	632	654	676
Total Current Assets	6,401	6,530	6,670	6,822	6,965
INVESTMENTS AND OTHER ASSETS					
Investments	8,034	7,457	7,172	7,104	6,954
Assets Limited as to Use, Net of Current Portion					
Statutory Operating Reserve	6,066	6,254	6,471	6,696	6,926
Board-Designated Investments to Refund Advance Fees	777	777	777	777	777
Donor-Designated for Benevolence Assistance	953	953	953	953	953
Restricted Cash for Residents	357	357	357	357	357
Debt Service Reserve Funds	6,852	6,852	6,852	6,852	6,852
Bond Fund	2,250	2,273	2,295	2,320	2,348
Total Assets Limited as to Use	17,255	17,466	17,705	17,955	18,213
Less: Current Portion	(2,250)	(2,273)	(2,295)	(2,320)	(2,348)
Total Assets Limited as to Use, Less Current Portion	15,005	15,193	15,410	15,635	15,865
Assets in Split-Interest Agreements	4,007	4,007	4,007	4,007	4,007
Deferred Costs, Net	362	325	288	251	214
Total Investments and Other Assets	27,408	26,982	26,877	26,997	27,040
PROPERTY AND EQUIPMENT, NET					
Property and Equipment	134,222	135,728	136,933	138,017	139,101
Less: Accumulated Depreciation	(39,116)	(44,692)	(50,403)	(56,229)	(62,163)
Net Property and Equipment	95,106	91,036	86,530	81,788	76,938
Total Assets	$ 128,915	$ 124,548	$ 120,077	$ 115,607	$ 110,943
LIABILITIES AND NET ASSETS (DEFICIT)					
CURRENT LIABILITIES					
Accounts Payable	$ 1,286	$ 1,317	$ 1,363	$ 1,411	$ 1,459
Accrued Expenses	859	892	923	956	989
Accrued Interest Payable	1,363	1,352	1,339	1,326	1,312
Refundable Advance Fees, Current	732	732	732	732	732
Current Portion of Long-Term Debt	1,110	1,155	1,205	1,260	1,315
Total Current Liabilities	5,350	5,448	5,562	5,685	5,807
DEFERRED REVENUE AND OTHER LIABILITIES					
Deferred Revenue from Advance Fees	31,581	31,207	30,898	30,776	30,885
Refundable Advance Fees	7,429	7,933	8,451	8,986	9,537
Deposits on Unoccupied Units	251	251	251	251	251
Long-Term Accounts Payable	30	30	30	30	30
Resident Trust Funds Payable	363	363	363	363	363
Total Deferred Revenue and Other Liabilities	39,654	39,784	39,993	40,406	41,066
LONG-TERM DEBT					
Long-Term Debt, Net of Current Portion	78,640	77,485	76,280	75,020	73,705
Deferred Financing Costs	(2,811)	(2,719)	(2,627)	(2,535)	(2,443)
Unamortized Bond Premium	4,230	4,071	3,912	3,753	3,594
Net Long-Term Debt	80,059	78,837	77,565	76,238	74,856
Total Liabilities	125,063	124,069	123,120	122,329	121,729
NET ASSETS (DEFICIT)					
Net Assets (Deficit) Without Donor Restrictions	(1,425)	(4,798)	(8,320)	(11,999)	(16,063)
Net Assets With Donor Restrictions	5,277	5,277	5,277	5,277	5,277
Total Net Assets (Deficit)	3,852	479	(3,043)	(6,722)	(10,786)
Total Liabilities and Net Assets	$ 128,915	$ 124,548	$ 120,077	$ 115,607	$ 110,943

Introduction and Background Information

Basis of Presentation

The accompanying financial projection presents, to the best of the knowledge and belief of management of Masonic and Eastern Star Home of North Carolina, Inc. (dba Whitestone) (the "Home" or "Whitestone") and the Home's third party manager, Life Care Services, LLC (the "Manager") (collectively, "Management") the expected financial position, results of operations and changes in net assets and cash flows as of and for each of the five years ending December 31, 2029 (the "Projection Period").

Accordingly, the projection reflects Management's judgment as of May 27, 2025, the date of this projection, of the expected conditions and its expected course of action. The assumptions disclosed herein are the assumptions which Management believes are significant to the financial projection.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services Committee of the AICPA. We did not examine or review the financial projection nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on this financial projection. Furthermore, even if the following hypothetical assumptions (the "Hypothetical Assumptions") occur during the Projection Period, the projected results may not be achieved as there will usually be differences between the prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Hypothetical Assumptions – A hypothetical assumption is an assumption used in a financial projection to present a condition or course of action that may not occur as expected, but is consistent with the purpose of presentation.

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

- Management is able to achieve the operating revenue inflationary rate increases, and operating expense inflationary increases, as projected; and
- Management is able to achieve the levels of contribution revenue as projected.

This financial projection is intended solely for the information and use of Management, the Board of Directors, and the North Carolina Department of Insurance (pursuant to the requirements of North Carolina General Statutes, Chapter 58, Article 64 and included in the Home's disclosure statement filing), and is not intended to be and should not be used by anyone other than these specified parties.

Introduction and Background Information (continued)

Background

The Home is a North Carolina nonprofit corporation formed in 1910 for the purpose of owning and operating a life plan community ("LPC"), known as Whitestone (the "Community") in Greensboro, North Carolina. The Community opened in 1913 and is licensed by the North Carolina Department of Insurance.

The Community is located on approximately 42 acres and currently consists of:

- 210 independent living units consisting of apartments, cottages and homes (the "Independent Living Units")
- 12 memory care beds (the "Memory Care Beds");
- 24 assisted living units ("Assisted Living Units"); and
- an 88-licensed bed nursing facility (the "Skilled Nursing Beds").

The Community is licensed for 88 Skilled Nursing Beds but is currently operating 86 Skilled Nursing Beds.

The Existing Independent Living Units and the New Independent Living Units are collectively defined as the "Independent Living Units".

The Community also includes supportive common areas. The Community offers a modified lifecare or "Type B" contract in which residents transferring through the continuum of care receive priority access to assisted living, memory care, or skilled nursing care and 30 free annual days of care (non-cumulative) at the Community.

Management completed an expansion and campus repositioning project that consist of the construction of the new independent living units and assisted living units, the relocation of the memory care beds, and the repositioning of the skilled nursing beds. The expansion and repositioning project was completed and placed into service in 2023.

Whitestone offers three entrance fee plan types: (1) the "Traditional Plan", (2) the "50% Return of Capital" entrance fee plan, and (3) the "90% Return of Capital" entrance fee plan.

The following table summarizes the type, number, approximate square footage, monthly service fees and entrance fees for the Independent Living Units:

Introduction and Background Information (continued)

Table 1
Independent Living Units
Type, Number, Square Footage, and Fees in 2025 Dollars

	Type	Number of Units [2]	Square Feet	Monthly Fee [3]	Entrance Fee Plans [1] Traditional Plan	50% Return of Capital Entrance Fee Plan	90% Return of Capital Entrance Fee Plan
Independent Living Units							
Apartments							
Latham Plus	Studio[4]	1	165	$ 4,206	$ 30,000	$ 42,000	$ 54,000
Bennette	One Bedroom	17	375	4,206	38,000	53,200	68,400
Latham	One Bedroom	1	375	4,206	38,000	53,200	68,400
Linville	One Bedroom	8	375	4,206	38,000	53,200	68,400
Alamance	One Bedroom	12	844	3,671	186,308	260,831	335,354
Chatham	One Bedroom Deluxe	8	850	3,713	186,750	261,450	336,150
G	One Bedroom Deluxe	1	900	4,313	208,538	291,953	375,368
Wilkes	One Bedroom Den	21	960	4,141	222,025	310,835	399,645
Caswell	One Bedroom	13	968	4,026	223,410	312,774	402,138
Davidson	One Bedroom	3	1,058	4,267	244,182	341,855	439,528
Iredell	Two Bedroom	17	1,150	4,570	272,863	382,008	491,153
Forsyth	Two Bedroom	9	1,162	4,503	275,950	386,330	496,710
Guilford	Two Bedroom	3	1,252	4,595	297,322	416,251	535,180
Yadkin	Two Bedroom Sunroom	10	1,295	4,729	310,213	434,298	558,383
Randolph	Two Bedroom	6	1,299	4,739	311,171	435,639	560,108
Davie	Two Bedroom Den End Unit	8	1,391	4,847	377,650	528,710	679,770
H	Two Bedroom Den End Unit	1	1,489	4,657	383,875	537,425	690,975
Penthouse	Two Bedroom	1	2,032	4,767	495,925	694,295	892,665
Total Apartments		140	949	$ 4,283	$ 215,286	$ 301,400	$ 387,514
Cottages/Homes/Villas:							
One Bedroom Cottage		8	850	$ 3,625	$ 135,300	$ 189,420	$ 243,540
Two Bedroom Cottage		8	950	3,970	157,959	221,143	284,326
Villa - Carport		48	1,895	4,715	350,779	491,091	631,402
Villa - Single Garage		4	1,895	4,715	365,779	506,091	646,402
Villa - Double Garage		2	1,895	4,715	375,779	516,091	656,402
Total Cottages/Homes/Villas		70	1,668	$ 4,505	$ 305,688	$ 427,335	$ 548,981
Total / Weighted Average		210	1,188	$ 4,357	$ 245,420	$ 343,378	$ 441,336
Second Person Fees				*$ 1,125*	*n/a*	*n/a*	*n/a*

Source: Management

Notes:

(1) Entrance fees for the 50% Return of Capital Plan are estimated based on an approximate 40% premium compared to the Traditional Plan entrance fees. The 90% Return of Capital Plan entrance fees are estimated based on an approximate 80% premium compared to theTraditional Plan.

(2) One Latham Plus Studio unit and one Latham One Bedroom unit are currently offline for office use.

(3) Monthly service fees for Independent Living Unit apartments include three meals per day, weekly housekeeping and maintenance. Monthly service fees for independent living cottages, homes, and villas include one meal per day.

(4) Studio unit square footages reflect room size only and not the shared bath.

Introduction and Background Information (continued)

The following table summarizes the unit types, approximate square footage and the daily fees ("Daily Fees" for the Assisted Living Units, Memory Care Beds and Skilled Nursing Beds.

Table 2
Assisted Living Units, Memory Care Beds and Skilled Nursing Beds Configuration
Number, Square Footage, and Daily Fees in 2025 Dollars

	Number of Beds	Square Footage	Daily Fees [1]
Assisted Living Units:			
Suites	24	503	$ 258
Total Assisted Living Units	24	503	$ 258
Memory Care Beds:			
Private	12	308	$ 324
Total Memory Care Beds	12	308	$ 324
Skilled Nursing Beds:			
Private	34	305	$ 431
Semi-Private	52	338	$ 381
Total Skilled Nursing Beds	86	325	$ 401

Source: Management
Note:
(1) Each resident receives 30 annual days of care in assisted living, memory care, or skilled nursing. Once a resident uses the 30 annual days,they then pay the per diem rates listed.

Management Agreement

The Home and the Manager entered into a management agreement (the "Management Agreement") effective as of September 1, 2021. The term of the Management Agreement is for five years from the effective date. However, the Home or the Manager can terminate the Management Agreement without cause six months after formal notice is given.

Under the Management Agreement, the Manager is responsible for recruiting and employing the Executive Director; supervising the licensing, equipping, and staffing of the Community; preparing annual budgets; establishing and operating a system of financial controls for the Community including comparative analyses with other facilities; and overseeing the food service and quality accommodations provided by the Community. In addition, the Manager is expected to facilitate the Home's use of the Life Care Services Leads Management System ("LMS") for relevant marketing efforts, provide training for the Home's marketing personnel, regularly monitor the occupancy level of the Community, make specific recommendations with regard to marketing procedures and promotions, and arrange for a regular review of the Community marketing program by the Manager's marketing specialists.

For its services under the Management Agreement, the Home is obligated to pay the Manager a monthly management fee (the "Monthly Management Fee") of 3.8% of the Revenues for the then current month. The term "Revenues" shall mean the revenue required to be recorded in accordance with Generally Accepted Accounting Principles ("US GAAP"), excluding however, amortization income of resident entrance fees, bequests, gifts, or similar donations to the Community. Revenues also do not include interest or dividend income, realized gains on sale of investments, proceeds from insurances, awards, settlement or other dispositions of lawsuits, contributions, or entrance fees received. The Home is also responsible for certain technology expense and other reimbursements to the Manager. The Home is also obligated to pay an annual application service provider fee of $19,000 (the "Application Service Provider Fee"). Management assumes the Application Service Provider Fee will be renewed annually with a 3.0 percent increase, annually, beginning in 2026.

Introduction and Background Information (continued)

Description of Residence Agreement

Reservation Process

Prospective residents of the Community complete the following process to reserve an Independent Living Unit.

In order to reserve an Independent Living Unit, a prospective resident must execute a residency agreement ("Residency Agreement"), provide recent medical history, provide a self-disclosure of his or her finances and place a deposit equal to 10 percent of the entrance fee (the "10 Percent Deposit") on the selected Independent Living Unit. The balance of the entrance fee is due on or before the occupancy date (the "Occupancy Date") of the Independent Living Unit.

A prospective resident would sign a reservation agreement (the "Reservation Agreement") and pay the applicable deposit amount ("Depositor"), which shall be held in an escrow account on behalf of the Depositor in accordance with North Carolina General Statue 58-64-35, earn market rate interest and is fully refundable, including the interest earned.

Residency Agreement

Under the terms of the Residency Agreement (the "Agreement"), the Home generally accepts as residents those persons at least 60 years of age at the time of occupancy (only one member of a couple must meet this requirement) who are able to care for themselves with limited or no assistance and are able to demonstrate the necessary financial resources to meet the Home's minimum fee requirements. As defined in the Agreement, a resident is required to pay an initial entrance fee and a monthly service fee on an on-going basis. Payment of these amounts entitles a resident to occupy and use the residence and receive the following services and amenities:

- Standard utilities and cable, except telephone;
- Dining allocation;
- Bi-weekly housekeeping service;
- Building and grounds maintenance;
- Schedule transportation;
- Twenty-four hour emergency response system;
- Security for building and grounds;
- Planned social, recreational, spiritual, educational and cultural activities; and
- Health center services at no charge for up to 30 annual days of care.

In addition to the above services and amenities the resident is entitled to the use of Community common areas including central dining room, chapel, mailboxes, lounges, lobbies, library, social and recreational rooms, wellness center and other common activities.

Certain services are available to resident for an additional charge. These services include, but are not limited to:

- Medicine, drugs or other pharmacy services or nursing supplies;
- Optional personal care and assistance services;
- Personal laundry service;
- Private transportation;

Introduction and Background Information (continued)

- Additional meals over those provided in the monthly service fee;
- Guest meals;
- Guest accommodations; and
- Other additional maintenance and housekeeping services performed beyond the normal scope of services included in the monthly service fee.

Entrance Fee Plan

According to all three entrance fee plans, the entrance fee is paid upon occupancy. In the event of a cancellation after occupancy, the entrance fee refund shall be paid within 60 days upon receipt of a new entrance fee for the same Independent Living Unit vacated by the resident, or within 24 months, whichever is sooner. The Corporation offers the following three entrance fee plans.

Refund Options	Amortization Schedules
Traditional Plan (Non Refundable)	The entrance fee decreases two percent per month for 50 months.
50% Return of Capital Plan	The resident is reimbursed 96 percent of the entrance fee and subsequently decreases two percent per month for 23 months
90% Return of Capital Plan	The resident is reimbursed 96 percent of the entrance fee and subsequently decreases two percent per month for 3 months.

Source: Management

The Home previously offered a contract whereby residents entering the Community surrendered a portion of their assets and monthly income to the Home (the “Assigned Asset Plan”). During 2004, the board of directors voted to discontinue the Assigned Asset Plan for new residents. As of December 31, 2024, 3 residents were on the Assigned Asset Plan.

Health Care Benefit

If a resident is unable to live independently within the range of the services provided in the Independent Living Unit, as determined by the staff in appropriate consultation with the medical director of the Community and in conjunction with the resident’s physician and family, the resident will be transferred to an Memory Care Bed, Assisted Living Unit or a Skilled Nursing Bed, on either a temporary or permanent basis.

Each resident is entitled to receive 30 days of care in the health center (to receive assisted living, skilled nursing care, or specialized care for dementia or related disorders) at no extra charge, except for the costs of physician services and ancillary health services and supplies as outlined in the Residency Agreement. Such 30 days are non-cumulative and renew on an annual basis. After the 30 days of care each year, the resident is required to pay the per diem rate for care in the health center, as well as the Independent Living Unit monthly service fee. If it is determined that the resident requires permanent care in a health center, the resident shall be required to surrender his or her residence for occupancy by another resident. Once the residence is surrendered, the resident will no longer be required to pay the Independent Living Unit monthly service fee.

Introduction and Background Information (continued)

Terminations and Refunds

The resident may terminate the Agreement within thirty (30) days of execution of the Agreement or the receipt of a Disclosure Statement that meets the requirement of N.C.G.S. 58-64-20 (the "30-Day Rescission Period"). The resident will not be required to move into an Independent Living Unit before the expiration of this 30-Day Rescission Period. In the event of rescission, the resident shall receive a refund of all monies transferred less (i) periodic charges specified in the Agreement and applicable only to the period an Independent Living Unit was actually occupied by the resident; and (ii) any non-standard costs specifically incurred by the Home at the resident's request and described in the Agreement or any amendment signed by the resident.

The resident may also voluntarily terminate the Agreement after the 30-Day Rescission Period, and prior to the date of occupancy, provided that the resident gives written notice of such termination. Any such refunds as described above will be paid by the Home within sixty (60) days following the receipt of written notification of such termination.

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

Any such refund due would be made within sixty (60) days of termination if a new entrance fee for the same Independent Living Unit vacated by the resident is paid, or within 24 months, whichever is sooner.

Services Provided for in the Skilled Nursing Beds

Skilled Nursing Beds residents receive comprehensive 24-hour nursing services, special activity programs,social service programs, housekeeping and three meals a day.

Summary of Significant Accounting Policies

Basis of Accounting

The Home maintains its accounting and financial records according to the accrual basis of accounting.

Use of Estimates

The preparation of financial statements 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Home considers cash accounts and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents exclude money market accounts and mutual funds held in broker or trust accounts since they represent investment proceeds that will be reinvested in allowable investments of the Home. Restricted cash is included with cash and cash equivalents in the projected statements of cash flows.

Accounts Receivable

The Home records accounts receivable at amounts expected to be collected from residents. An allowance for credit losses is established using management's judgement which includes analysis on historical payment trends, write-off experience, analysis of payor source and aging of accounts receivable, review of specific accounts, and future economic conditions and market trends. Accounts receivable that management believes to be ultimately not collectible are written off upon such determination.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Pooled fund investments are reflected at fair value based on the net asset value per share of the investment, as a practical expedient. Changes in the fair value of investments, including both realized and unrealized gains and losses, are included in the accompanying statement of operations and statement of changes in net assets. In determining realized gains and losses, the cost of investments is determined using the specific-identification method.

Assets Limited as to Use

Assets limited as to use include assets set aside by the board of directors to meet North Carolina General Statute operating reserve requirements, deposits held in trust, and assets held by trustees under indenture agreements. Amounts required to meet current liabilities of the Home have been classified as current assets in the projected balance sheets.

Summary of Significant Accounting Policies (continued)

Assets Limited as to Use (continued)

Reserves required by state statute represent an amount set aside to meet the requirements of North Carolina General Statute Chapter 58, Article 64. Under this legislation, the Home is required to maintain an operating reserve at least equal to 25% (50% if occupancy is less than 90%) of the current year's projected operating costs as defined by the statute.

Total operating costs shall include operating expenses plus debt service less depreciation and amortization on bond issuance costs, premiums and deferred costs, and revenue associated with noncontractual expenses. The operating reserve can only be released upon the submittal of a detailed request from the Home and must be approved by the North Carolina Department of Insurance.

Deposits held in trust include resident trust funds held by the Home on behalf of residents. Funds are provided to the resident or used to pay bills at the direction of the resident or responsible party. The funds are recorded as both an asset and a liability. Deposits held in trust also include deposits on unoccupied units. The deposits are held in trust until the prospective resident moves into the Home's facility. These funds are also recorded as an asset and liability.

Deferred Costs

The costs associated with the acquisition of new contract of an expansion project are being deferred and will be amortized using the average life expectancy of the initial occupants of the facility. Deferred financing costs relating to the financing of the facility are reported as a direct reduction from the carrying amount of that debt and are amortized over the life of the associated bonds.

Assets in Split-Interest Agreements

The Home has beneficial interest in several irrevocable, unconditional split-interest agreements, which are all administered by third parties and for which the Home has lead or remainder interests. The Home has the irrevocable right to receive a share of income from the assets of these trusts. These assets are stated at the fair value of the Home's net asset value per share of trust assets, which is an approximation of the present value of the estimated future distributions from the trusts and have been recorded as net assets with donor restrictions based on restrictions associated with related trust agreements. Income distributions to the Home are included in investment income in net assets without donor restrictions. The change in the value of the beneficial interest is recorded as the change in the value of split-interest agreements in net assets with donor restrictions related to their respective trusts. Management has not projected any change in assets in split-interest agreements during the Projection Period.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. All items with a cost over $1,000 are capitalized. Depreciation is determined by the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. The Home periodically assesses the realizability of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated net realizable value is less than the carrying amount.

Summary of Significant Accounting Policies (continued)

Net Assets

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

Net Assets Without Donor Restrictions – All revenue not restricted by donors, unrestricted contributions designated by the board, and donor-restricted contributions whose restrictions are met in the same period in which they are received are accounted for as net assets without donor restrictions.

Net Assets With Donor Restrictions – All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. The investment income arising from endowment funds, if any, are accounted for in accordance with donor stipulations. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year they are received are included in net assets without donor restrictions.

Deferred Revenue from Advance Fees

Fees paid by a resident upon entering into a continuing care or independent living contract, that are not subject to refunding provisions, are recorded as deferred revenue and are amortized to income using the straight-line method over the estimated remaining life expectancy of the resident.

Refundable Advance Fees

Refundable Advance Fees are estimated entrance fee refunds due to residents based upon the defined terms of the respective Residency Agreement. Independent residents choose the option of refundability from the following three options: (a) the Traditional Plan, (b) 50% Return of Capital entrance fee plan or (c) 90% Return of Capital entrance fee plan. In the Traditional Plan, no refund of the entrance fee will be paid to the resident after 50 months of occupancy. In the 50% Return of Capital entrance fee plan, the refund will not be less than 50% of the entrance fee. In the 90% Return of Capital entrance fee plan, the refund will not be less than 90% of total entrance fee. In addition to the entrance fee, monthly maintenance fees are also charged based on the unit selected. The estimated amount of the contractual refund obligations that are expected to be refunded in a subsequent year are classified as a current liability on the projected balance sheet. The refundable portion of entrance fees paid by a resident is recorded as a long-term liability on the projected balance sheet.

Obligation to Provide Future Services

The Home annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income.

Summary of Significant Accounting Policies (continued)

Obligation to Provide Future Services (continued)

The obligation is discounted at 5%, based on the expected long-term rate of return on government obligations. The Home computes this liability by estimating the cost per year per resident at the current level of care for each resident (skilled/intermediate care or residential care). This cost is multiplied by the future life expectancy of each resident based upon actuarially computed tables and increased for an estimated inflation factor of 3% per annum. Management has not projected any obligation to provide future services during the Projection Period.

Resident Service and Health Care Revenues

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

The Home generates revenues, primarily by providing housing, amenities (recreational, dining, etc.) and access to health care services to its residents. The various life care contract streams of revenue are recognized as follows:

Entrance Fees

The nonrefundable entrance fees received are recognized as deferred revenue upon receipt of the payment under the life care contract and included in liabilities in the projected balance sheets until the performance obligations are satisfied. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the resident as the performance obligation is associated with access to future services. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability in the projected balance sheets.

Health Care Services

The Home also provides assisted and nursing care to residents who are covered by government and commercial payers. The Home is paid fixed rates from government and commercial payers. These fixed rates are billed in arrears monthly when the service is provided. The monthly fees represent the most likely amount to be received from the third- party payors.

Monthly Service Fees

The life care contracts that residents select require an advanced fee and monthly fees based upon the type of space they are applying for. resident monthly service fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with assisted living and nursing care and these performance obligations are earned each month. Resident fee revenue for nonroutine or additional services are billed monthly in arrears and recognized when the service is provided.

Summary of Significant Accounting Policies (continued)

Performance obligations are determined based on the nature of the services provided by the Home. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Home believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facilities receiving skilled nursing services or housing residents receiving services in the facilities. The Home considers daily services provided to residents of the skilled nursing facilities and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter.

Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our residents and customers in a retail setting (for example, gift shop and cafeteria meals) and the Home does not believe it is required to provide additional goods or services related to that sale.

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

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

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

Medicare and Medicaid

The Home's licensed nursing facility participates in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS) and payment occurs under the Patient Driven Payment Model (PDPM). Under PDPM, therapy minutes are removed as the primary basis for payment and instead use the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

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

Summary of Significant Accounting Policies (continued)

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

Other

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

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

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Home estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

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

Income Taxes

The Home is a nonprofit organization exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

The Home files as a tax-exempt organization. Management is not aware of any activities that would jeopardize the tax-exempt status of the Home. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for the Home.

The Home follows guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance has had no impact on the Home's financial statements.

Performance Indicator

The projected statements of operations and changes in net assets include a measurement of deficit of revenues under expenses as a performance indicator.

Management's Basis for the Projection of Revenues

Revenues

Independent Living Unit Revenue

Service fee revenue for residents living in the Independent Living Units is based upon the assumed occupancy and the monthly service fee of the respective units. The Independent Living Unit monthly service fees are assumed to increase 4.5 percent in 2026, 4.0 percent in 2025 and then 3.5 percent annually, thereafter, during the Projection Period.

The following table summarizes the assumed utilization of the Independent Living Units during the Projection Period:

Table 3
Utilization of the Independent Living Units

Years Ending December 31,	Average Units Occupied	Average Units Available	Average Occupancy
2025	200.6	210	95.5%
2026	200.6	210	95.5%
2027	200.6	210	95.5%
2028	200.6	210	95.5%
2029	200.6	210	95.5%

Source: Management

The double occupancy percentage for the Independent Living Units is assumed to average approximately 31 percent throughout the Projection Period.

Assisted Living Unit Revenue

Service fee revenue for residents living in the Assisted Living Units is based upon the assumed occupancy and the monthly service fee of the respective units. The Assisted Living Unit monthly service fees are assumed to increase 3.5 percent in 2026 each year annually thereafter during the Projection Period. The assumed occupancy levels for the Assisted Living Units are presented in the following table:

Table 4
Utilization of the Assisted Living Units

Years Ending December 31,	Average Units Occupied	Average Units Available	Average Occupancy
2025	20.5	24	85.5%
2026	20.5	24	85.4%
2027	20.5	24	85.4%
2028	20.5	24	85.4%
2029	20.5	24	85.4%

Source: Management

Management's Basis for the Projection of Revenues (continued)

Memory Care Beds Revenue

Service fee revenue for residents living in the Memory Care Beds is based upon the assumed occupancy and the monthly service fee of the respective units. The Memory Care Unit monthly service fees are assumed to increase 3.5 percent in 2026 each year annually thereafter during the Projection Period. The following table summarizes the assumed utilization of the Memory Care Beds during the Projection Period:

Table 5
Utilization of the Memory Care Beds

Years Ending December 31,	Average Units Occupied	Total Units Available	Average Occupancy
2025	8.4	12	70.1%
2026	9.0	12	75.0%
2027	9.0	12	75.0%
2028	9.0	12	75.0%
2029	9.0	12	75.0%

Source: Management

Healthcare Services Revenue

Service fee revenue for residents living in the Skilled Nursing Beds is based upon the assumed occupancy and the daily service fee of the respective bed. The assumed occupancy levels for the Skilled Nursing Beds are presented in the following table:

Table 6
Average Utilization of the Skilled Nursing Beds

Years Ending December, 31	Direct Admit	Medicare	Medicaid	HMO	Hospice	Total	Total Beds Available	Occupancy Percentage
2025	31.5	10.0	15.0	15.0	6.0	77.5	86	90.1%
2026	30.0	10.0	15.0	16.0	4.0	75.0	86	87.2%
2027	30.0	10.0	15.0	16.0	4.0	75.0	86	87.2%
2028	30.0	10.0	15.0	17.0	4.0	76.0	86	88.4%
2029	30.0	10.0	15.0	17.0	4.0	76.0	86	88.4%

Source: Management

The Skilled Nursing Bed daily per diem fees are projected to increase as follows:

Table 7
Daily Service Fee Increases

Years Ending December, 31	2026	2027	2028	2029
Direct Admit	3.5%	3.5%	3.0%	3.0%
Medicare	1.0%	1.0%	1.0%	1.0%
Medicaid	1.0%	1.0%	1.0%	1.0%
HMO	1.0%	1.0%	1.0%	1.0%
Hospice	1.0%	1.0%	1.0%	1.0%

Source: Management

Management's Basis for the Projection of Revenues (continued)

Home Health Revenue

Management has projected home health revenue based upon historical experience and has projected it to increase approximately 3.0 percent annually throughout the Projection Period.

Other Revenue

Management assumes meal revenue, other miscellaneous revenue, and unrestricted contributions to increase approximately 3.0 percent annually throughout the Projection Period.

Contributions

Management assumes that contributions would approximate $1,500,000 in unrestricted contributions to net assets in 2025 and for each year thereafter throughout the Projection Period. The Home receives contributions from charitable organizations and private sources.

Investment Income

Investment earnings are assumed to approximate 0.25 percent on the Home's cash and cash equivalents and 3.0 percent annually throughout the Projection Period on the Home's investments, Debt Service Reserve Fund, Operating Reserve Fund, Bond Funds and Board Restricted Funds.

Entrance Fees

Management has projected entrance fees based upon historical experience. Entrance fees are assumed based upon number of Independent Living Units becoming available due to resident turnover, the double occupancy rate, and the movement of Independent Living Unit residents into the Assisted Living Units, Memory Care Beds or Skilled Nursing Beds due to death, withdrawal or transfer.

Management has projected a 3.0 percent increase to entrance fees for Independent Living Units for each year in the Projection Period, beginning in 2026.

The following table summarizes entrance fees received and refunded during the Projection Period.

Table 8
Projected Entrance Fees Received and Refunded (in $000s)
Years Ending December 31,

	2025	2026	2027	2028	2029
Independent Living Turnover Entrance Fees Received, Net of Refunds	$ 4,500	$ 4,382	$ 4,513	$ 4,649	$ 4,789
Total Entrance Fees Received, Net of Refunds	$ 4,500	$ 4,382	$ 4,513	$ 4,649	$ 4,789

Source: Management

Management's Basis for the Projection of Expenses

Operating Expenses

Operating expenses are projected to increase approximately 3.5 percent annually throughout the periods presented in the projection, beginning in 2026. Management has projected operating expenses based upon Management's historical operations for the Home and based upon its plan to operate the Project and the estimated effect of inflation.

The specific basis for major expense items were formulated by Management and are discussed below.

Average salary and wage rates are based on current rates paid. Management is projecting salary and wage rates of the Home to increase 3.5 percent annually during the Projection Period, beginning in 2026.

The costs of employee's fringe benefits are assumed to approximate 19.5 percent of salaries and wages, and include FICA, medical and dental insurance, life insurance, and retirement benefits.

Other non-salary operating expenses of the Home are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, building and general liability insurance, legal and accounting fees, and other miscellaneous expenses, and were projected based on the experience of the Home and are projected to increase due to changes in occupancies as well as at an average annual rates of 3.5 percent during the Projection Period, beginning in 2026.

Management Fees are projected based upon the terms of the Management Agreement, as previously described.

Depreciation is projected based upon the depreciation of property and equipment over their estimated useful lives using the straight-line method.

Interest is assumed to be related to the debt service requirements of the existing long-term indebtedness, the amortization of issuance costs, and the amortization of the bond premium.

Management's Basis for the Projection of Other Items

Current Assets and Current Liabilities

Cash and Cash Equivalents

Cash balances for the Projection Period are based on the results of the Projected Statements of Cash Flows.

Accounts Receivable

Accounts receivable are projected based on historical levels at 21 days of total resident revenue.

Accounts Receivable, Other

Accounts receivable, other are projected based on historical levels at 2 days of total resident revenue.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets are projected based on historical levels at 18 days of operating expenses less salaries and wages, depreciation, interest, and amortization expenses.

Accounts Payable

Accounts payable are projected based on historical levels at 40 days of operating expenses less salaries and wages, depreciation, interest, and amortization expenses.

Accrued Expenses

Accrued expenses are projected on historical levels at 26 days of salaries and wages operating expenses.

Assets Limited as to Use

For purposes of Management's Projection, the following assets limited to use have been projected:

- *Statutory Operating Reserve* – North Carolina Statutory Operating Reserve – Section 58-64-33 of the General Statutes of North Carolina, as amended, requires that all continuing care facilities maintain operating reserves equal to 50 percent of the total operating costs (as defined in Section 58-64-33) (or 25 percent of the total operating costs if such facilities maintain an occupancy level in excess of 90 percent and the North Carolina Commissioner of Insurance so approves) for the 12-month period related to the calculation. Such operating reserves may only be released upon approval of the North Carolina Commissioner of Insurance. Management has projected, based on its projected occupancies, meeting the 25 percent operating reserve requirement for all years.

- *Board Designated Investments to Refund Advance Fees* – Represents investments restricted by the board of directors and are designated to refund advance fees.

- *Donor Designated for Benevolence Assistance* – Represents investments restricted by donor that are to be used for providing benevolent care to residents in need.

- *Restricted Cash for Residents* – Represents restricted cash held for residents.

- *Restricted Cash for Admission Payments* – Represents resident deposits of entrance fees for Independent Living Unit reservations.

Management's Basis for the Projection of Other Items

- *Debt Service Reserve Funds* – The Home has debt service reserve funds related to the Series 2017 Bonds and Series 2020 Bonds.

- *Bond Fund* – represents monthly advance payments of bond principal and interest made by the Home to the trustee relating to outstanding Series 2017 Bonds and Series 2020 Bonds. The funds held in the bond fund will be used by the trustee to make principal and interest payments to owners of the outstanding bonds when due.

The following table sets forth the projected calculation of the statutory operating reserve.

Table 9
Projected Statutory Operating Reserve Calculation
For the Years Ending December 31,
(In Thousands of Dollars)

	2025	2026	2027	2028	2029
Statutory Operating Reserve Calculation (Expenses in Thousands):					
Total Operating Expenses	$ 33,527	$ 34,447	$ 35,404	$ 36,367	$ 37,342
Include:					
Bond Principal Payments	1,065	1,110	1,155	1,205	1,260
Exclude:					
Depreciation	(5,363)	(5,576)	(5,711)	(5,826)	(5,934)
Amortization on Bond Issuance Costs, Bond Premium, and Deferred Costs	30	30	30	30	30
Principal Paid from Initial Entrance Fees	-	-	-	-	-
Amounts Set Aside in Debt Service Reserve Funds [(1)]	(4,994)	(4,995)	(4,993)	(4,993)	(4,994)
Total Operating Costs	$ 24,265	$ 25,016	$ 25,885	$ 26,783	$ 27,704
Required Reserve	25%	25%	25%	25%	25%
Required Operating Reserve	$ 6,066	$ 6,254	$ 6,471	$ 6,696	$ 6,926
Available Units at December 31:					
Independent Living Units	210	210	210	210	210
Assisted Living Units	24	24	24	24	24
Memory Care Units	12	12	12	12	12
Total Available Units	246	246	246	246	246
Occupied Units at December 31:					
Independent Living Units	200.6	200.6	200.6	200.6	200.6
Assisted Living Units	20.5	20.5	20.5	20.5	20.5
Memory Care Units	8.4	9.0	9.0	9.0	9.0
Total Occupied Units	229.5	230.1	230.1	230.1	230.1
Occupancy at December 31:	93.3%	93.5%	93.5%	93.5%	93.5%

Source: Management

Notes:

(1) In accordance with the Statutory Operating Reserve calculation requirements, if the debt service portion is accounted for by way of another reserve account, such as a debt service reserve fund, the debt service portion may be excluded.

Management's Basis for the Projection of Other Items

Property and Equipment

Property and equipment balances, net of accumulated depreciation, were projected based on the routine property and equipment additions during the Projection Period, reduced by estimated annual depreciation.

The following table reflects routine capital additions.

Table 10
Projected Routine Capital Additions
(In Thousands of Dollars)
Years Ending December 31,

	2025	2026	2027	2028	2029
Routine Capital Additions	$ 2,752	$ 1,506	$ 1,205	$ 1,084	$ 1,084
Total	$ 2,752	$ 1,506	$ 1,205	$ 1,084	$ 1,084

Source: Management

Table 11
Projected Property and Equipment)
(In Thousands of Dollars)
Years Ending December 31,

	2025	2026	2027	2028	2029
Land and Land Improvements	$ 2,481	$ 2,481	$ 2,481	$ 2,481	$ 2,481
Buildings	124,253	125,677	126,816	127,841	128,865
Equipment	2,440	2,468	2,490	2,510	2,530
Furniture and Fixtures	4,382	4,432	4,472	4,508	4,544
Transportation Equipment	357	361	365	368	372
Construction in Progress	309	309	309	309	309
Total	134,222	135,728	136,933	138,017	139,101
Accumulated Depreciation	39,116	44,692	50,403	56,229	62,163
Property and Equipment, Net	$ 95,106	$ 91,036	$ 86,530	$ 81,788	$ 76,938

Source: Management

Long-Term Debt and Interest Expense

The accompanying projection reflects the following debt:

During 2017, the Home entered into a financing arrangement with the Public Finance Authority under which the Authority issued tax-exempt Series 2017 Revenue Refunding Bonds of $23,855,000. The bonds were issued to refund the series 2011 bonds. These bonds are collateralized by a deed of trust on the Home, as well as a security interest in pledged assets. As of December 31, 2024 the remaining balance on the Series 2017 Bonds was $21,380,000.

During 2020, the Home entered into a financing arrangement with the Public Finance Authority under which the Authority issued tax-exempt Series 2020-A First Mortgage Revenue Bonds of $60,105,000, Series 2020 B-1 First Mortgage Revenue Bonds of $4,000,000, and Series 2020 B-2 First Mortgage Revenue Bonds of $9,190,000. The bonds were issued to pay for Project, to fund debt service reserve funds and pay a portion of interest on the bonds, and to pay certain costs of issuance. These bonds are collateralized by a deed of trust on the Home, as well as a security interest in pledged assets. As of

Management's Basis for the Projection of Other Items

December 31, 2024 the remaining balance on the Series 2020-A Bonds was $59,435,000 and the Series 2020 B-1 Bonds was fully paid off in 2024.

Projected principal payments on the Home's debt are as follows:

Table 12
Projected Principal Payments on the Home's Debt
(In Thousands of Dollars)

Fiscal Year Ending December 31,	Series 2017 Bonds	Series 2020-A Bonds	Total
2025	$ 370	$ 695	$ 1,065
2026	385	725	1,110
2027	400	755	1,155
2028	415	790	1,205
2029	440	820	1,260
2030	460	855	1,315
2031	485	895	1,380
2032	510	940	1,450
2033	535	990	1,525
2034	560	1,050	1,610
Thereafter	16,820	50,920	71,740
Total	$ 21,380	$ 59,435	$ 84,815

Source: Management

Employee Retention Credit

The CARES Act allows a credit (Employee Retention Credit or ERC) against applicable employment taxes for eligible employees. Employers, including tax-exempt organizations, are eligible for the ERC, if they operate a trade or business during calendar years 2020 and 2021 and experience either the full or partial suspension of the operations of their business during any calendar quarter due to a significant decline in gross receipts or because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. The credit applies to qualified wages (including certain health plan expenses) paid during this period or any calendar quarter in which eligibility requirements were met.

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended December 31, 2024, the Home claimed a credit in the amount of approximately $2,800,000. The Home believes it meets the eligibility requirements to claim the credit and has recorded a receivable for this amount. However, due to the uncertainty around the program, the Home has recorded an allowance to reserve the full amount of the credit as of December 31, 2024. Management has not projected the collection of the receivable during the Projection Period.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

EXHIBIT 4

Interim Financial Statements
March 2025

- **Balance Sheet**
- **Statement of Operations**
- **Statement of Cash Flows**

WhiteStone: A Masonic and Eastern Star Community
Comparative Balance Sheet

Masonic and Eastern Star Home

MAR-25 USD

5/19/2025 11:52

NATURAL ACCOUNT	Current Month
Assets	
Total Cash and Cash Equivalents	4,831,648.60
Total Current Assets Whose Use is Limited or Restricted	3,970,198.53
Total Accounts/Notes Receivable	1,198,617.71
Total Inventory	75,970.06
Total Prepaid and Deferred	301,341.86
Total L-T Assets Whose Use is Board/Self Restricted	11,581,435.67
Total L-T Assets With Limited/Restricted Use	7,410,406.56
Net Depreciable Assets	95,564,376.94
Total Other Assets	4,743,826.35
Total Assets	129,677,822.28
Liabilities	
Total Accounts Payable	1,214,157.05
Total Accrued Payroll Liabilities	981,845.10
Total Accrued Interest and Current Debt	340,924.03
Total Accrued Liabilities	323,369.04
Total Other Current Liabilities	623,053.90
Total Long-Term Liabilities	88,208,807.90
Total Deferred Revenue - Non Refundable	31,809,688.37
Total Liabilities	123,501,845.39
Total Equity	6,175,976.89
Total Liabilities and Equity	129,677,822.28

WhiteStone: A Masonic and Eastern Star Community Quarterly Operating Statement

Masonic and Eastern Star Home
MAR-25 USD
5/19/2025 11:53

NATURAL ACCOUNT COST CENTER	YTD Actuals
Operating Revenue	
Independent Living Revenue	
Total IL & State Supplement Revenue	2,664,215.10
Health Center	
Total Private Pay	1,085,743.85
Total Life Care/Continuing Care	-
Total Medicare Part A	427,191.96
Total Medicare Part B	52,052.44
Total Medicaid	288,204.70
Total HMO/Managed Care	751,617.33
Total Hospice	120,748.19
Total Other Insurance	-
Total Bad Debt	74,095.58
Total Health Center Revenue	2,799,654.05
Assisted Living	
Total Private Pay	(39,862.68)
Total Life Care/Continuing Care	319,671.14
Total Medicaid	-
Total Bad Debt	-
Total Assisted Living Revenue	279,808.46
Assisted Living - Dementia	
Total Private Pay	57,994.98
Total Life Care/Continuing Care	155,643.00
Total Medicaid	-
Total Bad Debt	21,317.59
Total Assisted Living - Dementia Revenue	234,955.57
Home Health	

WhiteStone: A Masonic and Eastern Star Community Quarterly Operating Statement

Masonic and Eastern Star Home
MAR-25 USD
5/19/2025 11:53

NATURAL ACCOUNT COST CENTER	YTD Actuals
Total Private Pay	6,063.58
Total Home Health Revenue	6,063.58
Total Other Operating Revenue	509,119.21
Total Operating Revenue	6,493,815.97
General and Administrative	
Total Wages	248,963.28
Total Benefits and Taxes	55,954.15
Total Other Expenses	717,889.79
Total General and Administrative Expense	1,022,807.22
Plant	
Total Wages	211,954.49
Total Benefits and Taxes	49,263.63
Total Other Expenses	531,212.80
Total Plant Expenses	792,430.92
Environmental Services	
Total Wages	237,970.08
Total Benefits and Taxes	62,464.54
Total Other Expenses:	29,366.02
Total Environmental Service Expense	329,800.64
Food Service	

WhiteStone: A Masonic and Eastern Star Community Quarterly Operating Statement

Masonic and Eastern Star Home
MAR-25 USD
5/19/2025 11:53

NATURAL ACCOUNT COST CENTER	YTD Actuals
Total Wages	458,889.40
Total Benefits and Taxes	102,374.14
Total Other Expenses	436,696.65
Total Food & Beverage Service Expense	997,960.19
Resident Services	
Total Wages	52,982.89
Total Benefits	13,146.37
Total Other Expenses	41,028.95
Total Resident Services Expense	107,158.21
Health Center	
Total Wages	1,221,195.21
Total Benefits	151,815.84
Total HC Administrative Expense	100,550.71
Total Ancillary Expense	452,251.27
Total Health Center Expense	1,925,813.03
Assisted Living	
Total Wages	253,273.07
Total Benefits and Taxes	49,771.02
Total Other Expenses	7,016.39
Total Assisted Living Expense	310,060.48
Assisted Living - Dementia	
Total Wages	45,603.51
Total Benefits and Taxes	9,920.63
Total Other Expenses	5,403.95

WhiteStone: A Masonic and Eastern Star Community Quarterly Operating Statement

Masonic and Eastern Star Home
MAR-25 USD
5/19/2025 11:53

NATURAL ACCOUNT COST CENTER	YTD Actuals
Total Assisted Living - Dementia Expense	60,928.09
Community Home Health	
Total Wages	82,658.59
Total Benefits and Taxes	21,694.97
Total Other Expenses	2,886.02
Total Community Home Health	107,239.58
Total Operating Expense	5,654,198.36
Net Operating Income	839,617.61
Total Other Income	802,789.72
Total Other Expenses	2,208,334.16
Net Income/(Loss)	(565,926.83)
SUMMARY	
Operating Revenue	
Total Independent Living Revenue	2,664,215.10
Total Health Center Revenue	2,799,654.05
Total Assisted Living Revenue	279,808.46
Total Assisted Living - Dementia	234,955.57
Total Home Health Revenue	6,063.58
Total Other Operating Revenue	509,119.21
Total Operating Revenue	6,493,815.97
Operating Expense	
Total General and Administrative Expense	1,022,807.22
Total Plant	792,430.92
Total Environmental Service	329,800.64

WhiteStone: A Masonic and Eastern Star Community Quarterly Operating Statement

Masonic and Eastern Star Home
MAR-25 USD
5/19/2025 11:53

NATURAL ACCOUNT COST CENTER	YTD Actuals
Total Food Service Expense	997,960.19
Total Resident Services Expense	107,158.21
Total Health Center Expense	1,925,813.03
Total Assisted Living Expense	310,060.48
Total Assisted Living - Dementia Expense	60,928.09
Total Community Home Health Expense	107,239.58
Total Operating Expense	5,654,198.36
Net Operating Income	839,617.61
Total Other Income	802,789.72
Total Other Expenses	2,208,334.16
Net Income/(Loss)	(565,926.83)

WhiteStone: A Masonic and Eastern Star Community
Statement of Cash Flows

Masonic and Eastern Star Home
MAR-25 USD
5/19/2025 11:53

	Year To Date Actual
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating Revenue	6,493,815.97
Adjustments to Reconcile Net Operating Revenue to Cash:	
Decrease (Increase) in Resident Receivables	187,302.64
Decrease (Increase) in Other Accounts Receivable	(56,521.45)
Operating Revenue - Cash Basis	6,624,597.16
Operating Expenses	5,654,198.36
Adjustments to Reconcile Net Operating Expenses to Cash:	
Increase (Decrease) in Prepaid Expenses and Inventory	(124,376.14)
Decrease (Increase) in Accounts Payable	(257,180.67)
Decrease (Increase) in Accrued Expenses	(58,731.43)
Operating Expenses - Cash Basis	5,213,910.12
Net Operating Income (Loss) - Cash Basis	1,410,687.04
Other	
Interest Income	42,054.79
Interest Expense	(2,043,117.75)
Other Income & Expense	(195,549.90)
Entrance Fees	
Entrance Fees Received Net of Refunds	913,299.76
Increase (Decrease) in Entrance Fee Deposits	(32,601.10)
NET CASH PROVIDED BY OPERATING ACTIVITIES:	94,772.84
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Property and Equipment	(186,786.71)
Decrease (Increase) in Intangible Assets	(7,766.92)
Decrease (Increase) in Self Restricted Assets	218,191.69
Decrease (Increase) in Restricted Assets	1,762,641.97
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:	1,786,280.03
CASH FLOWS FROM FINANCING ACTIVITIES:	
Effects of Refinancing/Principal Payment on Debt	(1,081,776.00)
Decrease (Increase) in Other Long Term Debt	(30,000.00)
Equity Changes - Capital Contributions/Partner Distributions	25,371.73
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:	(1,086,404.27)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	794,648.60
CASH AND CASH EQUIVALENTS - AT BEGINNING OF PERIOD	4,037,000.00
CASH AND CASH EQUIVALENTS - AT END OF PERIOD	4,831,648.60

EXHIBIT 5

Explanation of Material Differences
Balance Sheet
Statement of Operations
Statement of Cash Flows

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED
D/B/A WHITESTONE
Statement of Financial Position
December 31, 2024

Assets	**Audit**	**Forecast**	**Difference**	**Variance**
Current Assets:				
Cash and cash equivalents (1)	**$ 3,679,845**	2,573,000	1,106,845	43.02%
Assets limited as to use - current	**2,364,605**	2,231,000	133,605	5.99%
Accounts receivable, net of allowance for doubtful amounts	**1,228,446**	1,342,000	(113,554)	-8.46%
Accounts receivable, other	**100,952**	355,000	(254,048)	-71.56%
Prepaid expenses and other assets	**501,688**	702,000	(200,312)	-28.53%
Total current assets	**7,875,536**	7,203,000		
Long-Term Investments, Deferred Costs and Other Assets:				
Investments (2)	**8,229,237**	3,976,000	4,253,237	106.97%
Assets limited as to use, Net of Current Portion	**14,706,188**	14,752,000	(45,812)	-0.31%
Assets in split-interest agreements	**4,007,315**	3,855,000	152,315	3.95%
Deferred costs, net	**398,872**	355,000	43,872	12.36%
	27,341,612	22,938,000		
Property and equipment, net (3)	**97,716,704**	100,212,000	(2,495,296)	-2.49%
Total assets	**$ 132,933,852**	$ 130,353,000		

Liabilities and Net Assets

Current Liabilities:				
Current portion of long-term debt	**$ 1,065,000**	$ 1,065,000	-	0.00%
Accounts payable (4)	**950,970**	1,699,000	(748,030)	-44.03%
Accrued expenses	**2,262,590**	2,259,000	3,590	0.16%
Refundable advance fees, current	**731,906**	614,000	117,906	19.20%
Total current liabilities	**5,010,466**	5,637,000		
Long-term debt	**81,236,689**	81,237,000	(311)	0.00%
Deferred Revenue and Other Liabilities:				
Deferred revenue from advance fees	**31,573,843**	31,807,000	(233,157)	-0.73%
Refundable advance fees (5)	**6,940,295**	5,371,000	1,569,295	29.22%
Deposits on unoccupied units	**251,179**	683,000	(431,821)	-63.22%
Long term accounts payable	**30,000**	40,000	(10,000)	-25.00%
Resident trust funds	**363,161**	258,000	105,161	40.76%
Total deferred revenue and other liabilities	**39,158,478**	38,159,000		
Total liabilities	**125,405,633**	125,033,000		
Net Assets:				
Without Donor Restrictions (6)	**2,251,700**	329,000	1,922,700	584.41%
With Donor Restrictions	**5,276,519**	4,991,000	285,519	5.72%
Total net assets	**7,528,219**	5,320,000		
Total liabilities and net assets	**$ 132,933,852**	$ 130,353,000		

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED EXPLANATION OF MATERIAL DIFFERENCES FOOTNOTES - BALANCE SHEET Differences of $500,000 or greater between audit and forecast are considered Material Differences and are explained below:

1) Cash and cash equivalents	Higher amount of entrance fees received than forecasted.
2) Investments	This is due to a reclassification for financial statement presentations as it relates to the operating reserve requirements.
3) Property and equipment, net	Budgeted for higher capex expenditures in 2024 than what actually occured. A couple of projects were pushed to 2025.
4) Accounts payable	Forecast accounted for some potential additional expansion expenses that did not get billed.
5) Refundable advance fees	Higher amount of entrance fees received than forecasted.
6) Net Assets Without Donor Restrictions	Overall performance and higher entrance fees than forecasted

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED
D/B/A WHITESTONE
Statement of Operations
Year Ended December 31, 2024

	Audit	Forecast	Difference	Variance
Operating revenues:				
Net resident service revenues	**$ 9,364,479**	$ 9,072,000	292,479	3.22%
Net patient health care revenues	**11,995,727**	11,960,000	35,727	0.30%
Amortization of advance fees	**3,765,166**	3,745,000	20,166	0.54%
Total Resident Service and Health Care Revenues	**25,125,372**	**24,777,000**		
Contributions	**1,659,131**	1,983,000	(323,869)	-16.33%
Investment income	**305,788**	455,000	(149,212)	-32.79%
Other income	**139,642**	83,000	56,642	68.24%
Release from restriction	**70,375**	144,000	(73,625)	-51.13%
Total revenues, gains, and other support	**27,300,308**	**27,442,000**		
Operating expenses:				
General and administrative (1)	**-**	2,803,000	(2,803,000)	-100.00%
Salaries and benefits (2)	**12,715,577**	-	12,715,577	#DIV/0!
Contract labor (3)	**841,605**	-	841,605	#DIV/0!
Medical supplies and services (4)	**1,958,554**	10,313,000	(8,354,446)	-81.01%
Food supplies and services (5)	**1,258,331**	4,116,000	(2,857,669)	-69.43%
Marketing	**362,102**	-	362,102	#DIV/0!
Activities	**79,154**	-	79,154	#DIV/0!
Supplies and Other Expenses (6)	**668,200**	1,234,000	(565,800)	
Utilities & Communications (7)	**962,203**	-	962,203	#DIV/0!
Repairs and maintenance (8)	**1,283,831**	3,007,000	(1,723,169)	-57.31%
Property and liability insurance	**563,023**	551,000	12,023	2.18%
Depreciation	**4,742,885**	4,940,000	(197,115)	-3.99%
Amortization of contract acquisition costs	**36,942**	(59,000)	95,942	-162.61%
Interest expense	**4,073,930**	4,130,000	(56,070)	-1.36%
Management fees	**793,545**	802,000	(8,455)	-1.05%
Other operating expenses (9)	**1,173,188**	-	1,173,188	#DIV/0!
Total expenses and losses	**31,513,070**	31,837,000		
Operating Income	**(4,212,762)**	**(4,395,000)**		
Nonoperating income:				
Loss on Sale of Assets	**(359,402)**			
Other Nonoperating Income	**743,429**			
Change in Unrealized Gains on Investments (10)	**1,356,298**	**144,000**	1,212,298	
Total nonoperating income	**1,740,325**	-		
Increase (decrease) in net assets without donor restrictions	**$ (2,472,437)**	**$ (4,395,000)**		

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED EXPLANATION OF MATERIAL DIFFERENCES FOOTNOTES – STATEMENT OF OPERATIONS Differences of $500,000 or greater between audit and forecast are considered Material Differences.

1) General and Administrative	The variance is related to the groupings and category variance not actual amounts. If you look at the over all variance for all expenses it is under the threshol Wages are posted in the forecast to invidivual departments where as the audit post all of them to Salaries and Wages. The one expense that was notably over contract labor due to the use of agency in the health center.
2) Salaries and Benefits	The variance is related to the groupings and category variance not actual amounts. If you look at the over all variance for all expenses it is under the threshol Wages are posted in the forecast to invidivual departments where as the audit post all of them to Salaries and Wages. The one expense that was notably over contract labor due to the use of agency in the health center.
3) Contract Labor	Use of agency staff in health center.
4) Medical Supplies and Services	The variance is related to the groupings and category variance not actual amounts. If you look at the over all variance for all expenses it is under the threshol Wages are posted in the forecast to invidivual departments where as the audit post all of them to Salaries and Wages. The one expense that was notably over contract labor due to the use of agency in the health center.
5) Food Supplies and Services	The variance is related to the groupings and category variance not actual amounts. If you look at the over all variance for all expenses it is under the threshol Wages are posted in the forecast to invidivual departments where as the audit post all of them to Salaries and Wages. The one expense that was notably over contract labor due to the use of agency in the health center.
4) Supplies and Other Expenses	The variance is related to the groupings and category variance not actual amounts. If you look at the over all variance for all expenses it is under the threshol Wages are posted in the forecast to invidivual departments where as the audit post all of them to Salaries and Wages. The one expense that was notably over contract labor due to the use of agency in the health center.
7) Utilities and Communications	The variance is related to the groupings and category variance not actual amounts. If you look at the over all variance for all expenses it is under the threshol Wages are posted in the forecast to invidivual departments where as the audit post all of them to Salaries and Wages. The one expense that was notably over contract labor due to the use of agency in the health center.
8) Repairs and Maintenance -	The variance is related to the groupings and category variance not actual amounts. If you look at the over all variance for all expenses it is under the threshol Wages are posted in the forecast to invidivual departments where as the audit post all of them to Salaries and Wages. The one expense that was notably over contract labor due to the use of agency in the health center.
9) Other operating expenses	The variance is related to the groupings and category variance not actual amounts. If you look at the over all variance for all expenses it is under the threshol Wages are posted in the forecast to invidivual departments where as the audit post all of them to Salaries and Wages. The one expense that was notably over contract labor due to the use of agency in the health center.
10) Change in Unrealized Gains on Investments	

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPORATED
D/B/A WHITESTONE
Statement of Cash Flows
Year Ended December 31, 2024

	Audit	Forecast	Difference	Variance
Cash flows from operating activities:				
Changes in net assets (1)	**$ (2,187,372)**	$ (4,395,000)	2,207,628	-50.23%
Depreciation	**4,779,827**	4,940,000	(160,173)	-3.24%
Amortization of Deferred Financing Costs	**92,028**	100,000	(7,972)	-7.97%
Amortization of Bond Premium	**(159,132)**	(159,000)	(132)	0.08%
Advance fees, refundable fees and deposits on			-	#DIV/0!
unoccupied units received (2)	**9,678,667**	5,446,000	4,232,667	77.72%
Amortization of advance fees			-	#DIV/0!
and reinvested income	**(3,765,166)**	(3,745,000)	(20,166)	0.54%
Loss on Sale of Assets	**359,402**	-	359,402	#DIV/0!
Provision (Write Off) of Credit Losses, Net	**446,226**	-	446,226	#DIV/0!
Unrealized Gains on Investments (3)	**(1,356,298)**	-	(1,356,298)	#DIV/0!
Change in value of split-interest agreements	**(152,070)**	-	(152,070)	#DIV/0!
Changes in current assets and current liabilities (4)	**(996,878)**	(372,000)	(624,878)	167.98%
Other deposits and liabilities	**104,843**	-	104,843	#DIV/0!
Net Cash Provided by Operating Activities	**6,844,077**	**1,815,000**		0.00%
Cash flows from investing activities:				
Net Purchase of property and equipment (5)	**(1,260,187)**	(3,584,000)	2,323,813	-64.84%
Payments on deferred costs	**(72,900)**	-	(72,900)	#DIV/0!
Net Purchases and Sales of Investments (6)	**896,949**	3,794,000	(2,897,051)	-76.36%
Net change in assets whose use is limited	**(1,476,038)**	(1,650,000)	173,962	-10.54%
Net Cash Used in Investing Activities	**(1,912,176)**	(1,440,000)		0.00%
Cash flows from financing activities:				
Refunds of advance fees (7)	**(2,084,628)**	-	(2,084,628)	#DIV/0!
Refundable Advance Fees Received (8)	**2,953,592**	3,627,000	(673,408)	-18.57%
Refundable Fees and Deposits on Unoccupied Units Received	**(431,368)**	-	(431,368)	#DIV/0!
Payments on Long-Term Debt	**(5,025,000)**	(5,025,000)	-	0.00%
Net Cash Provided by Financing Activities	**(4,587,404)**	(1,398,000)		0.00%
Increase (decrease) in cash and cash equivalents	**344,497**	**(1,023,000)**	1,367,497	-133.68%
Cash, cash equivalents and restricted cash - beginning	**12,930,624**	**12,931,000**		0.00%
Cash, cash equivalents and restricted cash - ending	**$ 13,275,121**	**$ 11,908,000**	1,367,121	11.48%

MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INCORPATED EXPLANATION OF MATERIAL DIFFERENCES FOOTNOTES - CASH FLOW Differences of $500,000 or greater between audit and forecast are considered Material Differences and are explained below:

1) Changes in Net Assets	Higher amount of entrance fees received than forecasted.
2) Advance fees, refundable fees and deposits on unoccupied units received	The forecast nets this with #7 Refunds of advance fees - also higher entrance fees received
3) Unrealized Gains on Investments	The forecast did not take into account unrealized gains and losses on investments
4) Changes in current assets and current liabilities	Accounts receivable and accounts payable actuals were off from forecast therefore the change in CA and CL was off.
5) Net Purchase of property and equipment	Budgeted for higher capex expenditures in 2024 than what actually occured. A couple of projects were pushed to 2025.
6) Net Purchases and Sales of Investments	I'm not sure
7) Refunds of advance fees	The forecast nets this with #2 Advance Fees
8) Refundable Advance Fees Received	I'm not sure

EXHIBIT 6

50% Return-of-Capital™ Residency Agreement



700 South Holden Road
Greensboro, North Carolina 27407
(336) 299-0031

50% Return-of-Capital™ Residency Agreement

2024-02-08

TABLE OF CONTENTS

RECITALS 1

A. PROVIDER 1

B. RESIDENT 1

C. REQUIREMENTS FOR RESIDENCY 1

1. THE RESIDENCE 1

2. CHARGES FOR RESIDENCE AND PRIMARY SERVICES 1

2.1 Application Fee 1
2.2 Entrance Fee 1
2.3 Monthly Fee 2
2.4 Initial Monthly Fee 2
2.5 Continuance of Monthly Fee 2
2.6 Increase in Monthly Fee 2
2.7 Reduction in Monthly Fee Due to Absence 2
2.8 Reserve Funds 3
2.9 Late Payment Charge 3

3. DESCRIPTION OF PRIMARY AND SUPPLEMENTAL SERVICES 3

3.1 Services Provided for the Monthly Fee 3
3.2 Supplemental Services Provided for an Extra Charge 4

4. TERMS OF RESIDENCY 4

4.1 Use of the Residence 4
4.2 Duration of Your Right to Occupy the Residence 4
4.3 Occupants of the Residence 4
4.4 Guests 5
4.5 Release 5
4.6 Insurance 5
4.7 Removal and Storage of Resident's Personal Property 5
4.8 Furnishings 5
4.9 Emergency Entry and Relocation 5
4.10 Alterations by You 6
4.11 Condition of Residence 6
4.12 Rights of Second Single Resident 6

5. THE COMMUNITY HEALTH CENTER 6

5.1 Description 6
5.2 Alternate Accommodations 6
5.4 Thirty (30) Annual Days of Nursing Care in the Community Health Center 6
5.5 Transfer to Health Center Level Services 6

5.6 Temporary Assignment to the Community Health Center 7
5.7 Permanent Assignment to Health Center Level Services 7
5.8 Relocation within the Community Health Center 7
5.9 Return to Residence 7
5.10 Medical Director, Attending Physician, and Additional Health Services 7
5.11 Advanced Charges for Medical Treatment 7
5.12 Medicare and Health Insurance 8
5.13 Managed Care 8
5.14 Transfer to Hospital or Other Care Facility 9
5.15 Community Health Center Admission Agreement 9
5.16 Under Age 60 10
6. REPRESENTATIONS 10
6.1 Our Representations 10
6.2 Your Representations 10
7. PROMISES 10
7.1 Our Promises 10
7.2 Your Promises 10
8. CANCELLATION BY RESIDENT 10
8.1 Right of Rescission 11
8.2 Cancellation Prior to Occupancy. 11
8.3 Cancellation After Occupancy 11
8.4 Cancellation Due to Death After Occupancy 11
9. CANCELLATION BY US 11
9.1 Cancellation Upon Notice 11
9.2 Default Notice 12
10. REPAYMENT OF ENTRANCE FEE 12
10.1 Nonacceptance by Us 12
10.2 Right of Rescission 12
10.3 Cancellation Prior to Occupancy Due to Death, Illness, Injury, Incapacity, or Change in Financial Condition 12
10.4 Cancellation Prior to Occupancy for Other Reasons 12
10.5 Cancellation After Occupancy 13
10.6 Offset Against Entrance Fee Repayment 13
11. MISCELLANEOUS 13
11.1 Nature of Rights 13
11.2 Release 13
11.3 Amendment 14
11.4 Law Changes 14
11.5 Entire Agreement 14
11.6 Monthly Statement 14

11.7 Responsible Party for Business and Financial Decision Making 14
11.8 Disposition of Furniture, Possessions, and Property 14
11.9 Nonwaiver 14
11.10 Notices 14
11.11 Indemnity 14
11.12 Separability 15
11.13 Subordination 15
11.14 Capacity 15
11.15 Resident 15
11.16 Reimbursement for Loss or Damage 15
11.17 Reimbursement of Charges 15
11.18 Transfers 15
11.19 Private Employee of Resident 15
11.20 Tax Considerations 16
11.21 Management 16
11.22 Governing Law 16
11.23 Survival of Representations and Obligations 16
11.24 Force Majeure 16
11.25 Acknowledgment of Receipt of Documents 16
12. ARBITRATION 16
12.1 Voluntary Arbitration of Negligent Health Care Claims 16
12.2 Arbitration for Other Claims 17
12.3 Withdrawal of Agreement to Arbitrate 18
12.4 Binding Effect of Arbitration 18

Exhibit A – Non-Standard Features Added at Resident's Request

WHITESTONE: A MASONIC & EASTERN STAR COMMUNITY
50% RETURN-OF-CAPITAL™
RESIDENCY AGREEMENT

RECITALS:

A. Provider. The Masonic and Eastern Star Home of North Carolina, Inc., a non-profit corporation (hereafter "we" or "us" or "our"), is the provider of a continuing care retirement community known as WhiteStone: A Masonic & Eastern Star Community (the "Community") located in Greensboro, North Carolina.

B. Resident. _____ _____ ("Resident" or "you" or "your", or when two people ("Joint Residents") are named in this Agreement, each of them and the survivor of them, except as otherwise indicated) wishes to live at the Community and to enjoy, consistent with the rights, welfare and contentment of the other residents, the facilities and services provided by the Community.

C. Requirements for Residency. Except as waived by us after full disclosure, we require that Resident be at least sixty (60) years of age or applying for the same Residence with a Joint Resident who is sixty (60) or older, be capable of meeting the requirements of occupancy with or without reasonable accommodation and/or reasonable modification, and have sufficient assets and income, all as are specified in our Residency Policy.

NOW, THEREFORE, this Agreement is made and entered into between us and Resident as a commitment by Resident and us to the terms and conditions hereinafter set forth.

1. THE RESIDENCE. We agree to make available to you, for as long as you live and subject to the terms of this Agreement, a room, studio, apartment or cottage at the Community described as follows: _____ _____, _____ no. _____ (hereafter "Residence"), and to provide, for your lifetime, the services and amenities described in Section 3.1 below. You may select certain options and custom features in the Residence at an extra charge, which shall not be subject to any repayment provision herein. Any such options and custom features selected and paid for by you will become our property. Such options and custom features must be approved by the Executive Director of the Community prior to adding them to the Residence. The Executive Director of the Community has consented to your request to add the non-standard features set forth on Exhibit A to the Residence, and you agree to pay the amount(s) set forth on Exhibit A to cover the additional charges for these features.

2. CHARGES FOR RESIDENCE AND PRIMARY SERVICES.

2.1 Application Fee. Prior to or upon execution of this Agreement, you will pay to us an Application Fee of $_____. The Application Fee will be used by us to process your application for residency and is non-refundable.

2.2 Entrance Fee. In order to reside at the Community for life, subject to this Agreement, and to receive the services described below, you agree to pay to us (in addition to the Monthly Fee

described below) an Entrance Fee in the amount of $_____. The total amount of the Entrance Fee shall be payable as follows:

2.2.1 Ten percent (10%) of the total Entrance Fee or $_____ is due and payable upon your execution of this Agreement.

2.2.2 The balance of $_____ of the Entrance Fee shall be paid on the date of occupancy at the Community but in no event later than ninety (90) days after your execution of this Agreement.

2.3 Monthly Fee. You are obligated to begin paying a Monthly Fee (or a pro rata portion thereof) on the date you assume occupancy at the Community or within ninety (90) days from the date this Agreement is executed by you, whichever is earlier. Thereafter, the Monthly Fee shall be paid by the tenth (10^{th}) day of each month during the term of this Agreement. The Monthly Fee is initially set at a specific amount that can be increased as described in Section 2.6 below. A "Second Person Monthly Fee" shall become part of the Monthly Fee and shall be paid if two persons are Joint Residents under this Agreement. If there are Joint Residents under this Agreement and one Joint Resident dies, the Second Person Monthly Fee shall cease and the remaining Resident shall continue to pay the Monthly Fee without the Second Person Monthly Fee component.

2.4 Initial Monthly Fee. The initial Monthly Fee payable by you is $_____ per month and an additional $_____ per month as a Second Person Monthly Fee component of the Monthly Fee if two persons reside as Joint Residents pursuant to this Agreement.

2.5 Continuance of Monthly Fee. The Monthly Fee will continue until (i) your death (in the case of Joint Residents, the death of the surviving Resident), or (ii) surrender of your Residence due to your permanent assignment to Health Center Level Services (as defined in Section 5.1), or (iii) the cancellation of this Agreement as outlined in Sections 8 and 9. If this Agreement is canceled on a date other than the last day of the month, the amount of the Monthly Fee shall be prorated to the date of cancellation. If you have paid more than the prorated Monthly Fee, we will repay the excess amount to you within thirty (30) days after the date of cancellation.

2.6 Increase in Monthly Fee. The Monthly Fee is paid to us to provide the services and amenities described in this Agreement, and is intended to meet the expenses associated with the operation of the Community. We may increase the Monthly Fee (which includes the Second Person Monthly Fee where applicable) upon thirty (30) days' written notice if we, in our sole discretion, deem it necessary to meet the financial needs of the Community or to provide services to the Residents.

2.7 Reduction in Monthly Fee Due to Absence. If you are absent from the Community for more than seven (7) consecutive days, you will be eligible for a Monthly Fee credit equivalent to the costs of meals paid for and not consumed. You are required to notify us in advance of your absence in order to qualify for the Monthly Fee credit.

2.8 Reserve Funds. The amount of the Monthly Fee is and will continue to be affected by our policy of maintaining reserve funds for the financial security of the Community.

2.9 Late Payment Charge. We may charge a one percent (1%) late payment charge per month on any Monthly Fees or extra charges that have not been paid within thirty (30) days of receipt of a monthly statement from us.

3. DESCRIPTION OF PRIMARY AND SUPPLEMENTAL SERVICES.

3.1 Services Provided for the Monthly Fee. We will provide you, in consideration for the Monthly Fee referred to above, the following services and amenities at the Community:

- As of the date you executed this Agreement the monthly Dining Allocation is $_____ per month. Each Resident will receive the monthly Dining Allocation as part of the Monthly Fee and Second Person Monthly Fee, to be applied toward dining charges in the main dining room, other designated dining areas, or for other food and beverage services. This Dining Allocation may be expended by you, or with your permission, your guests. Each month, you will be charged for any dining charges in excess of your Dining Allocation. Any unused Dining Allocation at the end of a month can be carried over up to thirty (30) days, but will expire after such thirty (30) days. Your monthly Dining Allocation will be adjusted annually to reflect changes in food service expenses;
- Water, sewer, air conditioning, heating, electricity, cable, Wi-Fi internet, trash removal, and municipal services. The Resident is responsible for the charges related to telephone;
- Access to one unassigned parking stall (other spaces, if available, may be provided for an additional fee);
- Building and grounds maintenance;
- Bi-weekly housekeeping service;
- Availability of laundry facilities so that you may wash and dry personal laundry;
- Planned activities -- social, educational, cultural, recreational, and spiritual -- for those who wish to participate;
- Services of an activities director;
- Use of the Community's common areas and amenities during scheduled hours – central dining room, chapel, library, mail boxes, lounges, arts and crafts room, exercise areas, community garden, dog park, fellowship hall, and woodworking shop;
- Carpeting (except in the kitchen and bath where there is other floor covering);
- A kitchen, including refrigerator with icemaker, range/oven, garbage disposal, dishwasher, and microwave;
- Local transportation scheduled by us;
- Twenty-four (24) hour emergency call monitoring in your Residence by nursing staff;
- Guest parking areas;
- Fire detection system;
- Security for buildings and grounds;
- Health Center Level Services, for thirty (30) free annual days of care (see Section 5 for additional details).

3.2 Supplemental Services Provided for an Extra Charge. Supplemental services, when available, will be provided at extra charge and are described below:

- Additional meals in the dining room over those provided in consideration for the Monthly Fee;
- Guest accommodations, if available;
- Certain other supplies and services such as medicine, drugs, prescribed therapy, Health Center Medical Director, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment;
- Other optional services related or unrelated to care in the Health Center as approved by us;
- Personal laundry service;
- Guest meals;
- Additional housekeeping services;
- Special events transportation;
- Extended dietician services when ordered by your attending physician or dietician services not ordered by your attending physician;
- Tray service to your Residence when ordered by your attending physician, the Health Center Medical Director, the Health Center director of nursing, assistance-in-living director or resident services director;
- Health Center Level Services beyond the thirty (30) free annual days of care.

4. TERMS OF RESIDENCY.

4.1 Use of the Residence. The Residence is for living only and will not be used for carrying on any business or profession, nor in any manner in violation of zoning restrictions. This Agreement is not a lease, and grants you only a lifetime use of the Residence and other facilities of the Community and to available services, subject to the terms and conditions of this Agreement.

4.2 Duration of Your Right to Occupy the Residence. You may reside in your Residence for as long as you (or either of you in the case of Joint Residents) live unless you (both of you in the case of Joint Residents) are not capable of occupancy as set forth in our Residency Policy, or this Agreement is canceled by you or by us. A copy of our current Residency Policy, outlining the age, health and financial requirements for residency, is available for review in the Community Marketing Office. If, in the opinion of your attending physician or the Medical Director, your physical or mental health requires that assisted living, skilled nursing care, or specialized care for dementia or related disorders be given, you will be requested to relocate to the Community Health Center where we are licensed to provide such care.

4.3 Occupants of the Residence. Except as hereinafter provided, no person other than you (both of you in the case of Joint Residents) may occupy the Residence. In the event that a second person who is not a party to this Agreement is accepted for residency in the Residence at a time subsequent to the date hereof (said acceptance to be in accordance with our current Residency Policy), an Entrance Fee in an amount to be determined by us (which will be no more than one-half of the then-current Entrance Fee for the Residence) shall be paid upon residency, and each month thereafter, the then-current Second Person Monthly Fee shall be paid as part of the Monthly Fee. If such second person does not meet the requirements for residency, such second person will not be

permitted to occupy the Residence for more than thirty (30) days, except with our express written approval.

If the Resident marries a person who is also a resident of the Community, and should they decide to occupy one residence as Joint Residents, they must declare which residence will be occupied and which residence will be surrendered. The repayment due for the surrendered residence, if any, will be provided pursuant to the Entrance Fee repayment terms in the residency agreement of the surrendered residence.

4.4 Guests. Guests are welcome to stay in your Residence for short stays not to exceed ten (10) consecutive days. Such stay shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of other residents.

4.5 Release. We are not responsible for loss of or damage to your personal property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees, and you hereby release us from such liability.

4.6 Insurance. You are required at your own expense to carry personal property insurance and liability insurance. If requested by us, you agree to provide us with proof of such insurance coverage.

4.7 Removal and Storage of Resident's Personal Property. Your personal property must be removed from the Residence within thirty (30) days following any of the following dates: (i) the date of your death (if Joint Residents, the date of death of the surviving Resident), (ii) the date notice of cancellation is delivered by you or us pursuant to Section 8 or 9, or (iii) the date notice is delivered to you of your permanent assignment or transfer to the Community Health Center or a Comparable Facility for Health Center Level Services (see definitions in Sections 5.1 and 5.2). If your personal property has not been removed from the Residence within such thirty (30) day period, then we may, in our sole discretion, either charge you an additional Monthly Fee for each month thereafter during which such personal property remains in the Residence or remove and store such personal property at the expense and risk of you or your estate. In the event of your death, while you are a resident of the Community under this Agreement, only the executor(s) named in your Will will be allowed to remove or dispose of your furnishings and belongings in your living accommodation and any related storage areas at the Community. Members of your family or those to whom you have granted Power of Attorney will not be allowed access to your personal property after your death, unless they are the executor(s) named in your Will.

4.8 Furnishings. Furnishings within the Residence provided by you shall not be such as to interfere with the health, safety or general welfare of you, other residents, or others.

4.9 Emergency Entry and Relocation. We may enter your Residence should it be necessary in an emergency to protect your health and safety or the health and safety of other residents. If relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence within the Community, or to the Community Health Center or a Comparable Facility (as defined in Section 5.2) for the protection of your health or safety or for the health or safety of the other residents of the Community.

4.10 Alterations by You. You may not undertake any alterations to your Residence without our prior written approval, as set forth in a separate addendum to this Agreement.

4.11 Condition of Residence. Upon vacating the Residence, you agree to leave it in good condition, except for normal wear and tear. You shall be liable to us for any charges incurred to restore your Residence to good condition, normal wear and tear excepted.

4.12 Rights of Second Single Resident. When two Joint Residents reside in a single Residence under this Agreement, upon the death or permanent assignment of one Resident to the Community Health Center Level Services, or other inability to continue residing in the Residence, the remaining Resident may continue to reside in the Residence under the terms of this Agreement and shall pay the Monthly Fee.

5. THE COMMUNITY HEALTH CENTER.

5.1 Description. The Community Health Center is the portion of the Community which is licensed to provide assisted living, skilled nursing care, and specialized care for dementia or related disorders (collectively "Health Center Level Services"). The Community Health Center is staffed by licensed nursing personnel 24 hours a day.

5.2 Alternate Accommodations. You will be given priority over non-residents for admission to the Community Health Center. In the event the Community Health Center is fully occupied when you are determined appropriate for admission, you agree to relocate to an alternate health care facility that provides services similar to the Community Health Center (a "Comparable Facility"). Upon your relocation to a Comparable Facility, you shall continue to be responsible for the Monthly Fee (unless your Residence is surrendered). We will not be responsible for the charges associated with the Comparable Facility.

5.3 Thirty (30) Annual Days of Nursing Care in the Community Health Center. You are eligible to receive thirty (30) annual days of nursing care (non-cumulative) in the Community Health Center (while you are a resident of your Residence), without paying the Health Center per diem charge. In the case of Joint Residents, each of you will receive thirty (30) annual days, but the days cannot be combined and used by only one of you, and unused days cannot be carried over to subsequent years. You are required to pay any charges for physician services and any additional health services as outlined in Section 5.10. Once you are permanently assigned to the Health Center, you no longer qualify for the thirty (30) annual days.

5.4 Transfer to Health Center Level Services. In the event your physical or mental health is determined by us to be appropriate for Health Center Level Services, you agree to relocate to the Community Health Center or a Comparable Facility. Such a determination will be made by us after a review by the Director of Nursing, the Medical Director and the Executive Director in consultation with your attending physician, your personal representative, and you to the extent possible.

5.5 Temporary Assignment to the Community Health Center. In the event you require temporary care in the Community Health Center beyond the thirty (30) annual days of care as outlined in Section 5.4, you will pay the per diem charge applicable to the level of care needed by you, as well as the charges for physician services and any additional health services as outlined in Section 5.10. In addition, you will continue to pay the Monthly Fee for your Residence.

5.6 Permanent Assignment to Health Center Level Services. In the event you require permanent care in the Community Health Center beyond the thirty (30) annual days of care as outlined in Section 5.4, you will pay the per diem charge applicable to the level of care needed by you, as well as the charges for physician services and any additional health services as outlined in Section 5.10. If you are determined appropriate for Health Center Level Services, and are admitted or relocated to the Community Health Center or a Comparable Facility, you will be required to surrender the Residence to us. We shall have the right to reassign the Residence for occupancy by others except as provided in Section 4.12. Release of the Residence due to your permanent assignment to the Community Health Center or to a Comparable Facility does not qualify you for reimbursement of the Entrance Fee, unless this Agreement is canceled.

Once the Residence is surrendered, you will no longer be obligated to pay the Monthly Fee for the Residence.

5.7 Relocation within the Community Health Center. We reserve the right to relocate you to a different level of care within the Community Health Center if you require such care. Such relocation will be made after a review by the Director of Nursing, the Medical Director and the Executive Director in consultation with your attending physician, your personal representative, and you to the extent possible.

5.8 Return to Residence. If we subsequently determine, in consultation with your attending physician, your personal representative and you to the extent possible, that you can resume occupancy in a residence equivalent to the residence you previously occupied, you shall have the right to relocate to such equivalent residence as soon as one is available. Upon reoccupying a residence, your Monthly Fee will be based on the then-current Monthly Fee for the residence.

5.9 Medical Director, Attending Physician, and Additional Health Services. We have designated a licensed physician to serve as Medical Director of the Community Health Center. You are required to have a local attending physician. You may engage the services of the Medical Director at your expense. We will not be responsible for the charges for medical treatment or services by the Medical Director or your attending physician, nor will we be responsible for the charges for medication, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment.

5.10 Advanced Charges for Medical Treatment. In the event we incur or advance payment for your medical treatment or for medication, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment (even in the event such medical care is given at the direction of your attending physician or the Medical Director without your prior approval), you shall promptly reimburse us for such payments. Upon

cancellation of this Agreement for any reason, any amounts due to us under this Section 5.11 shall be offset against any repayment of the Entrance Fee.

5.11 Medicare and Health Insurance. When age eligible, you are required to maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility. You shall furnish to us such evidence of coverage as we may from time to time request. Such supplemental insurance should cover Medicare co-insurance and deductibles. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified admission and stay in the Community Health Center or a Comparable Facility. If you are eligible to receive the thirty (30) annual days of care in the Community Health Center as provided in Section 5.4 and your stay in the Community Health Center is a Medicare-qualified stay, such thirty (30) annual days will be applied after the expiration of your Medicare-qualified stay providing you have Medicare Part A, Medicare Part B and acceptable supplemental health insurance or equivalent insurance coverage.

If you are not eligible for Medicare, you shall maintain health insurance coverage acceptable to us and shall furnish us with evidence of such coverage upon our request. Should your health insurance not fully cover your stay in the Community Health Center or a Comparable Facility, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each admission and stay in the Community Health Center or a Comparable Facility.

If failure to maintain Medicare Part A, Medicare Part B, supplemental health insurance or other health insurance coverage causes depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations to us as outlined in Section 7.1, and we retain the right to revoke your right to reside at the Community and cancel the Residency Agreement as provided in Section 9.

5.12 Managed Care. If you have chosen to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, the terms of this Agreement governing nursing care will include the following provisions:

5.12.1 Participating Provider. If the Community Health Center is a participating provider with your managed care program and your stay is a Medicare-qualified stay, the Community agrees to be reimbursed at the rate negotiated with your managed care program. Such a managed care stay in the Community Health Center will not reduce the number of days of care you are eligible to receive without extra charge pursuant to Section 5.4.

5.12.2 Not a Participating Provider. If the Community Health Center is not an approved participating provider with your managed care program and you choose to receive health care services at a managed care participating provider, then you agree that you must relocate for as long as necessary for those services to be provided, and be responsible for all charges for health care

services. In addition, while receiving health care services at the managed care participating provider, you agree that unless this Agreement is canceled, you will continue to pay the Monthly Fee for your Residence, unless your Residence has been surrendered to us. Such a stay at a managed care participating provider other than the Community Health Center will not reduce the number of days of care that you are eligible to receive without extra charge pursuant to Section 5.4.

5.12.3 Negotiated Managed Care Rate. If the Community Health Center is not a participating provider in your managed care program and your stay is a Medicare-qualified stay, we will use our best effort to negotiate a reimbursement rate with your managed care program. If we are able to negotiate an acceptable rate, we agree to accept as full payment the rate provided by your managed care program. Such a managed care stay in the Community Health Center will not reduce the number of days of care that you are eligible to receive without extra charge pursuant to Section 5.4.

5.12.4 No Negotiated Managed Care Rate. If the Community Health Center is not a participating provider in your managed care program and a negotiated rate is not agreed upon and you would still like to receive health care in the Community Health Center during a Medicare-qualified stay, then each day of your stay in the Community Health Center will reduce by one day the number of days of care you are eligible to receive without extra charge pursuant to Section 5.4. During any such Medicare-qualified stay in the Community Health Center, you agree that you will continue to pay the Monthly Fee, unless your Residence has been surrendered to us, the charges for medication, prescribed therapy, medical treatment by physicians, and other medical and miscellaneous supplies and services associated with medical treatment. If at any time during any such Medicare-qualified stay in the Community Health Center you are no longer eligible to receive any of the days of care provided for in Section 5.4, then you agree to pay the per diem rate for your care in the Community Health Center, the charges for medication, prescribed therapy, medical treatment by physicians, and other medical and miscellaneous supplies and services associated with medical treatment, and the Monthly Fee for your Residence, unless your Residence has been surrendered to us.

5.12.5 Post Medicare-Qualified Stay. At the conclusion of each such Medicare-qualified stay, you will be entitled to health care in the Community Health Center in accordance with the terms of this Agreement other than as provided in this Section 5.13, as adjusted to reflect any reduction during such stay in the number of days of care that you are eligible to receive without extra charge as provided in Section 5.4.

5.13 Transfer to Hospital or Other Care Facility. If we determine after consultation with your attending physician, your personal representative and you to the extent possible, that you need care beyond that which the Community Health Center is licensed to provide, you will be transferred to a hospital or other care facility. We shall not be responsible for any charges associated with the transfer and health care expenses or charges incurred by you after such a transfer. You shall continue to pay the Monthly Fee until your Residence is surrendered.

5.14 Community Health Center Admission Agreement. If you require care in the Community Health Center, you agree to enter into a separate Community Health Center Admission Agreement to be signed by you and us.

5.15 Under Age 60. If you are under the age of 60 when you occupy your Residence under this Agreement, you are not eligible to receive thirty (30) annual days of nursing care in the Community Health Center as described in Section 5.4 until you attain the age of 60. During this time, you will be entitled to Health Center Level Services at the then-current rate being charged to non-residents until age 60.

6. REPRESENTATIONS.

6.1 Our Representations. We represent and warrant that we are a nonprofit corporation and that we do not propose to operate at a profit. We are exempt from payment of Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. We are affiliated with The Grand Lodge of North Carolina and The Grand Chapter, Order of the Eastern Star in North Carolina. The Grand Lodge of North Carolina and The Grand Chapter, Order of the Eastern Star in North Carolina are not responsible for our financial or contractual obligations.

6.2 Your Representations. You represent and warrant that the representations made in the application for residency, your personal health history, and the confidential financial statement are true and correct and may be relied upon by us as a basis for your acceptance for residency at the Community. You also represent and warrant that you have not made any gift of your property in contemplation of the execution of this Agreement.

7. PROMISES.

7.1 Our Promises. It is and shall be our declared policy to operate as a non-profit organization. We will not cancel this Agreement without just cause as specified in Section 9. Further, we shall not cancel this Agreement solely by reason of your financial inability to pay the full Monthly Fee or the per diem charge for care in the Community Health Center. This provision shall not apply if you have impaired your ability to meet your financial obligations hereunder by transfer of assets other than to meet ordinary and customary living expenses or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance, or other health insurance after assuming occupancy. You shall be permitted to remain at the Community for a reduced fee based on your ability to pay for as long as you establish facts to justify deferment of such charges and when deferment of such charges can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis for the benefit of the residents.

7.2 Your Promises. You agree to comply with all policies and procedures of the Community as now existing or as hereafter amended; to pay the Entrance Fee, Monthly Fee, and any other charges as provided in this Agreement; to not impair your ability to meet the financial obligations under this Agreement by transferring assets, other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance or other health insurance, without our consent, and to abide by all other terms of this Agreement.

8. CANCELLATION BY RESIDENT.

8.1 Right of Rescission. Within thirty (30) days following the later of the execution of this Agreement by you or the receipt of a Disclosure Statement from us, you may rescind this Agreement by giving us written notice. You shall not be required to move into the Residence prior to the expiration of the thirty (30) day rescission period. Repayment of the amount of the Entrance Fee paid shall be as outlined in Section 10.2.

8.2 Cancellation Prior to Occupancy. You may cancel this Agreement for any reason at any time before you move into the Community by giving us written notice signed by you (both of you in the case of Joint Residents). Repayment of the amount of the Entrance Fee paid shall be as outlined in Section 10.3 or 10.4. If you die prior to occupying the Residence or if, on account of illness, injury or incapacity, you are precluded from occupying the Residence under the terms of this Agreement, this Agreement will automatically cancel. Repayment of the Entrance Fee shall be as outlined in Section 10.3.

8.3 Cancellation After Occupancy. You may cancel this Agreement for any reason after moving into the Community by giving us thirty (30) days' prior written notice of cancellation, which shall be effective and irrevocable upon delivery. Cancellation shall occur thirty (30) days after written notice is delivered, and you must vacate the Residence within the thirty (30) days. You are obligated to pay the Monthly Fee during the thirty (30) days. Repayment of the Entrance Fee shall be as outlined in Section 10.5.

8.4 Cancellation Due to Death After Occupancy. This Agreement will automatically cancel upon your death (the death of the surviving Resident in the case of Joint Residents). After such automatic cancellation, your personal representative will have thirty (30) days from the date of your death to remove your personal property from the Residence. Repayment of the Entrance Fee shall be as outlined in Section 10.5.

9. CANCELLATION BY US.

9.1 Cancellation Upon Notice. We may, upon notice and opportunity to cure as hereinafter provided, cancel this Agreement for just cause. Just cause shall include the occurrence of any of the following events (hereinafter referred to as a "Default"):

9.1.1 Noncompliance. You do not comply with the terms of this Agreement or the published operating procedures, covenants, rules, regulations, and policies now existing or later amended by us.

9.1.2 Misrepresentation. You misrepresent yourself or fail to disclose information during the residency process.

9.1.3 Nonpayment. You fail to pay any charges to us, subject to the provisions of Section 7.1, within sixty (60) days of the date when such charges are due.

9.1.4 Threat to Health or Safety. Your health status or behavior constitutes a substantial threat to the health or safety of yourself, other residents, or others including your refusal to consent to relocation or behavior that would result in physical damage to the property of others.

9.1.5 Change in Condition. There is a major change in your physical or mental condition and your condition cannot be cared for in the Community Health Center within the limits of our license.

9.2 Default Notice. Prior to cancellation for any Default described in Section 9.1.1, 9.1.2 or 9.1.3 above, we shall give you notice in writing of such Default, and you shall have at least thirty (30) days thereafter within which to correct such Default. No Default shall eliminate your obligation to pay the Monthly Fee until cancellation. If you correct such Default within such time, this Agreement shall not be canceled. If you fail to correct such Default within such time, this Agreement shall cancel at the expiration of such thirty (30) days.

In the event of the occurrence of a Default described in Section 9.1.4 or 9.1.5 above, if we or the Medical Director determines that either the giving of notice of Default or the lapse of time as above provided might be detrimental to you or others, then such notice and/or waiting period prior to cancellation shall not be required. Also, in the event of the occurrence of a Default described in Section 9.1.4 or 9.1.5, we are expressly authorized by you to transfer you to an appropriate hospital or other facility, and we will promptly notify your personal representative or attending physician.

10. REPAYMENT OF ENTRANCE FEE.

10.1 Nonacceptance by Us. If we do not accept you for residency at the Community, the full amount of the Entrance Fee you have paid will be promptly repaid to you, with interest.

10.2 Right of Rescission. If you rescind this Agreement as provided in Section 8.1, you shall receive a repayment of the portion of the Entrance Fee paid by you, less (i) a service charge equal to the greater of one-thousand dollars ($1,000) or two percent (2%) of the Entrance Fee, and (ii) less any charges specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this Agreement, signed by you and us. Such repayment shall be paid within sixty (60) days of our receipt of the written notice of rescission.

10.3 Cancellation Prior to Occupancy Due to Death, Illness, Injury, Incapacity, or Change in Financial Condition. If, prior to occupancy, you die or you cancel this Agreement because of illness, injury, incapacity, or change in your financial condition, you or your estate will receive a repayment of the portion of the Entrance Fee paid by you, less (i) a service charge equal to the greater of one-thousand dollars ($1,000) or two percent (2%) of the Entrance Fee, and (ii) less any charges specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this Agreement, signed by you and us. Such repayment shall be paid within sixty (60) days after our receipt of the written notice of cancellation.

10.4 Cancellation Prior to Occupancy for Other Reasons. If you cancel this Agreement for reasons other than those stated in Section 10.3 above, you shall receive a repayment of the portion of the Entrance Fee paid by you, less (i) a service charge equal to the greater of one thousand dollars ($1,000) or two percent (2%) of the Entrance Fee, and (ii) less any charges specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this Agreement, signed by you and us. Such repayment shall be paid within sixty (60) days after our receipt of the written notice of cancellation.

10.5 Cancellation After Occupancy. In the event you or we cancel this Agreement after occupancy or in the event of your death (the death of the survivor in the case of Joint Residents), you or your estate will be reimbursed ninety-six percent (96%) of the total Entrance Fee paid upon residency, less an amount equal to two percent (2%) for each month of residency for up to twenty-three (23) months. Subject to our offset rights outlined in Section 10.6, the repayment of the Entrance Fee will not be less than fifty percent (50%). Such repayment will be paid, without interest, within sixty (60) days after your Residence has been reserved by a new resident and our receipt of the full amount of the Entrance Fee paid by such new resident. In the event your Residence is not reserved by a new resident, such repayment will be paid, without interest, within twenty-four (24) months from the date cancellation of your Residency Agreement becomes effective.

10.6 Offset Against Entrance Fee Repayment. In the event of cancellation of this Agreement after occupancy as described in Section 10.5 above, we will offset against any Entrance Fee repayment due to you the following:

10.6.1 The amount of any Monthly Fees or other charges deferred by us on your behalf under Section 7.1; and

10.6.2 Any health care expenses incurred on your behalf and other amounts payable to us, which remain unreimbursed; and

10.6.3 Any charges incurred to restore the Residence to good condition, normal wear and tear excepted, as outlined in Section 4.11; and

10.6.4 Any charges incurred as a result of non-standard features added to the Residence at your request as outlined in Exhibit A or in a separate addendum to this Agreement.

11. MISCELLANEOUS.

11.1 Nature of Rights. You understand and agree that (i) this Agreement or your rights (including the use of the Residence) under it may not be assigned, and no rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees, or representatives, except as to receipt of the amounts described in Section 10; (ii) this Agreement and your contractual right to occupy the Community will exist and continue to exist during your lifetime unless canceled as provided herein; (iii) this Agreement grants you a revocable right to occupy and use space in the Community but does not give you exclusive possession of the Residence against us, and you will not be entitled to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law; (iv) this Agreement is not a lease or easement and does not transfer or grant you any interest in real property owned by us; and (v) this Agreement grants to us complete decision-making authority regarding the management and operation of the Community.

11.2 Release. We are not responsible for loss of or damage to your personal property, unless such loss or damage is caused by our negligence or the negligence of our agents or

employees, and you hereby release us from any such liability. You may want to obtain at your own expense insurance to protect against such losses.

11.3 Amendment. This Agreement may be amended by agreement of the parties to this Agreement. No amendment of this Agreement shall be valid unless in writing and signed by you and us.

11.4 Law Changes. This Agreement may be modified by us at any time in order to comply with applicable laws or regulations. Further, we may change any part of the Community, including the Residence, to meet the requirements of any applicable law or regulation.

11.5 Entire Agreement. This Agreement and any addenda or amendments thereto contain our entire understanding with respect to your residency at the Community.

11.6 Monthly Statement. You shall receive a monthly statement from us showing the total amount of fees and other charges owed by you, which shall be paid by the tenth (10^{th}) day of each month.

11.7 Responsible Party for Business and Financial Decision Making. Within sixty (60) days after assuming residency at the Community, you agree to execute and deliver to us a Durable Power of Attorney, trust documents, or other documentation naming a responsible party for business and financial decision-making. These documents should be drafted to remain effective notwithstanding your incompetence or disability and shall be in a form acceptable to us. You agree to keep such documents in effect as long as this Agreement is in effect. The person(s) named as your responsible party shall not be a person(s) employed by us or any other entity engaged in the management of the Community.

11.8 Disposition of Furniture, Possessions, and Property. Within sixty (60) days after the date of residency, you agree to make provision by will or otherwise for the disposition of all of your furniture, property, and possessions located on the premises of the Community.

11.9 Nonwaiver. If we fail to insist in any instance upon performance of any of the terms, promises, or conditions of this Agreement, it shall not be construed as a waiver or relinquishment of the future performance of any such terms, promises, or conditions, but your obligation with respect to such future performances shall continue in full force and effect.

11.10 Notices. Any notice required to be given to us under this Agreement shall be in writing and sent certified mail or hand-delivered to the Executive Director of the Community at 700 South Holden Road; Greensboro, North Carolina 27407. Such notices shall be dated and signed.

Any notice required to be given to you shall be delivered to you at the Community or at such other place as you shall designate to us in writing. All notices mailed in accordance with this Section shall be deemed to be given when mailed whether or not they are actually received.

11.11 Indemnity. We will not be liable for and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting

from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your negligent or intentional act or omission or that of your guests.

11.12 Separability. The invalidity of any restriction, condition or other provision of this Agreement, or any part of the same, shall not impair or affect in any way the validity or enforceability of the rest of this Agreement.

11.13 Subordination. You agree that all your rights under this Agreement will always be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering the Community, which have been or will be executed by us. Upon request, you agree to execute, acknowledge and deliver to such lender or lenders such further written evidence of such subordination as such lenders may reasonably require. Except to the extent of your obligation to pay the Monthly Fee and Second Person Monthly Fee, you shall not be liable for any such indebtedness.

11.14 Capacity. This Agreement has been executed on our behalf by our duly authorized agent, and no officer, director, agent or employee of ours shall have any personal liability hereunder to you under any circumstances. This Agreement will become effective upon acceptance and signature by us.

11.15 Resident. In the case of Joint Residents, the rights and obligations of each are joint and several except as the context of this Agreement otherwise requires.

11.16 Reimbursement for Loss or Damage. You or your responsible party, if applicable, agree to reimburse us for any loss or damage to the Community caused by your intentional, careless, or negligent acts or omissions or that of your guests.

11.17 Reimbursement of Charges. You agree to reimburse us for any charges we incur to collect any unpaid amounts you owe to us under this Agreement.

11.18 Transfers. We may sell or transfer our interest in the Community provided the buyer will agree to assume this Agreement and all other existing Residency Agreements. Upon the assumption of this Agreement by a buyer of the Community and its agreement to perform this Agreement and all other agreements, we will have no further obligation hereunder. Your signature hereto constitutes your consent and approval of any such future transaction.

11.19 Private Employee of Resident. If you need additional services, you can obtain these needed services from a private employee, an independent contractor, or through an agency (personal service provider). In such instances, we strongly advise you to obtain these needed services from a licensed and/or certified home health agency. In any event, you must comply with our policy regarding personal service providers, and ensure that your private employee, independent contractor, or person you employ through an agency complies with our policies and rules of conduct set forth in our policy. If you fail to follow or enforce the policies and rules set forth therein, then we may elect, at our sole option, to cancel this Agreement.

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

11.21 Management. We have engaged the services of Life Care Services LLC to manage the Community. We are not affiliated with Life Care Services nor is Life Care Services responsible for our contractual or financial obligations or the contractual or financial obligations of the Community.

11.22 Governing Law. This Agreement will be governed, interpreted and construed according to the laws of the State of North Carolina.

11.23 Survival of Representations and Obligations. Your representations and obligations under this Agreement, including but not limited to, your obligation to pay all sums owed by you to us, and your agreement to indemnify us as set forth in Section 11.11, and our representations and obligations under this Agreement, will survive any cancellation of your residency in the Community, regardless of the reason for such cancellation and regardless of whether it is initiated by you or by us.

11.24 Force Majeure. The Community shall not be liable to the Resident for any default, breach, or damages arising out of or relating to the suspension or termination of any of its obligations or duties under this Agreement by reason or the occurrence of a Force Majeure Event. A "Force Majeure Event" is defined as the occurrence of an event which materially interferes with the ability of the Community to perform its obligations or duties hereunder which is not within the reasonable control of the Community, and which could not with the exercise of diligent efforts have been avoided, including, but not limited to, war, rebellion, natural disasters (including floods, earthquake, fire, hurricanes, windstorms, tornadoes), accident, strike, riot, civil commotion, act of God, pandemic, epidemic, or other public health crisis, including quarantine or other employee restrictions, acts of authority or change in law. The Community shall promptly notify Resident of the occurrence and particulars of such Force Majeure Event and shall provide Resident, from time to time, with its best estimate of the duration of such Force Majeure Event and with notice of the termination thereof. The Community shall use diligent efforts to avoid or remove such causes of non-performance as soon as is reasonably practicable.

11.25 Acknowledgment of Receipt of Documents. You hereby certify that you received a copy of this Agreement and a copy of our most current Disclosure Statement.

12. ARBITRATION.

12.1 Voluntary Arbitration of Negligent Health Care Claims. For all claims for damages for personal injury or wrongful death based on alleged negligence in the provision of health care, the parties may voluntarily elect to submit to arbitration pursuant to the procedures set forth in Article 1H of Chapter 90 of the North Carolina General Statutes. N.C.G.S. §90-21.60(b) prohibits any contract from requiring prior agreement of the parties to arbitrate alleged negligent health care claims. If the parties agree to arbitrate such actions, said arbitration will be governed in accordance with N.C.G.S. §90-21.60, *et seq*.

12.2 Arbitration for Other Claims. It is understood that any and all disputes between the Resident and the Community, its owners, operators, officers, directors, administrators, staff, employees, agents, and any management and administrative services company, and all related entities and individuals, their staff, personnel, employees, owners, officers, directors, members, and agents that provide services to the Community that relates to the provision of care, treatment and services the Community provides to the Resident, including any action for injury or death arising from intentional torts, statutory causes of action, negligence, and medical malpractice, that is as to whether any medical services rendered under this contract were unnecessary or unauthorized or were improperly, negligently, or incompetently rendered shall be determined by submission to binding arbitration and not by lawsuit or resort to court process. This provision shall be binding for any and all disputes arising out of the Resident's Residency Agreement and/or the Resident's residency at the Community, except for disputes pertaining to collections or evictions. This provision is binding on all parties hereto, including the Community, the Resident, the Resident's representatives, agents, responsible party, conservators, executors, family members, successors in interest and heirs, as well as anyone who may have a claim arising out of the Resident's Residency Agreement and/or the Resident's residency at the Community.

If this Agreement is signed by someone other the Resident, including the Resident's representative, agent, responsible party, conservator, executor, family member, successor in interest and heir said person is doing so not only in their representative capacity for the Resident, but also in their individual capacity and thus agree that any and all claims brought individually by any such person(s) are also subject to binding arbitration.

The parties to this Agreement are giving up their Constitutional right to have any and all disputes decided in a court of law before a jury, and instead are accepting the use of binding arbitration. By signing this Agreement, the parties waive their right to commence and/or be a party to any class or collective action in any court against the other party relating in any manner to the Resident's residency at the Community. Further, the parties waive their right to commence or be a party to any group, class, or collective action claim in arbitration or any other forum.

Submitting to this provision is not a precondition to receiving medical treatment, care, services and/or for admission to the Community and is not a requirement to continue to receive medical treatment, care, and services at the Community. You may rescind your agreement to arbitrate by written notice to the Community within thirty (30) days of signature. This agreement to arbitrate shall not be discharged by the death of any party hereto, nor by the termination of the Residency Agreement, nor by the Resident ceasing to reside at the Community.

This provision shall have retroactive effect. It is agreed by and between the parties hereto that this provision covers services rendered before the date this contract is signed, thus making this provision effective as of the date of the Resident's first admission to the Community.

This Agreement relates to the Resident's admission to the Community and the Community participates in Medicare programs and/or procures supplies from out of state vendors. The parties, therefore, agree that the underlying admission to the Community involves interstate commerce. The parties further agree that this arbitration provision is to be governed by the Federal Arbitration Act and the procedural rules set forth in the Federal Arbitration Act (9 U.S.C. Sections 1-16) shall

govern any petition to compel arbitration and shall preempt any inconsistent State law. While the parties agree that this provision shall be governed by the procedural rules set forth in the Federal Arbitration Act, the parties further agree that the substantive law of the State where the Community is located shall apply to any and all claims.

The parties desire to have any and all disputes submitted to binding arbitration and do not want any claims not subject to arbitration to impede any and all other claims from being ordered to binding arbitration.

The parties are to mutually agree on the appointment of a single neutral arbitrator who routinely conducts mediations and/or arbitrations in the State where the Community is located and agree that discovery will be conducted pursuant to the discovery rules set forth by the arbitrator. Should the parties be unable to mutually agree upon the appointment of a single neutral arbitrator the Federal Arbitration Act shall govern the appointment of the arbitrator. The arbitration shall be venued in a location convenient for all parties, normally the county or region where Community is located.

The expenses and fees of the arbitrator shall be apportioned equally among all parties except as otherwise permitted or required by law.

If any portion of this provision is held invalid, such holding shall not impact the validity of the remaining content of this provision. Any such invalid portion shall be severed from this provision.

The Resident and/or the person executing this Agreement certifies that he/she has read this provision, understands this provision, it has been explained to them in a manner he/she understands, has been given a copy of this provision, and affirmatively represents that he/she is duly authorized by virtue of the Resident's consent, instruction and/or durable power of attorney, to execute this Agreement and accept its terms on behalf of the Resident and acknowledges that the Community is relying on the aforementioned certification. Further, if the person executing this Agreement is someone other than the Resident, you knowingly do so not only in your representative capacity for the Resident, but also in your individual capacity and thus agree that any and all claims brought individually by you are also subject to binding arbitration.

12.3 Withdrawal of Agreement to Arbitrate. You may withdraw your agreement to arbitrate within thirty (30) days after signing this Agreement by giving written notice of your withdrawal to us.

12.4 Binding Effect of Arbitration. This arbitration clause binds all parties to this Agreement and their spouses, heirs, representatives, executors, administrators, successors, and assigns, as applicable. After cancellation of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

Executed this _____ day of _____, 20_____.

_____

RESIDENT

_____

Witness

_____

RESIDENT

_____

Witness

Approved this _____ day of _____, 20_____.

THE MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INC. d/b/a WhiteStone: A Masonic & Eastern Star Community

_____

Printed Name of Authorized Representative

_____

Signature of Authorized Representative

Attachment: Exhibit A



Exhibit A

Non-Standard Features Added at Resident's Request:	**Amount**
	$
	$
	$
	$
	$
	$
Total of Non-Standard Features	**$**

Initials _____ _____ _____

Community **Resident(s)**

EXHIBIT 7

90% Return-of-Capital™ Residency Agreement



700 South Holden Road
Greensboro, North Carolina 27407
(336) 299-0031

90% Return-of-Capital™ Residency Agreement

02/08/2024

TABLE OF CONTENTS

RECITALS 1

A. PROVIDER 1

B. RESIDENT 1

C. REQUIREMENTS FOR RESIDENCY 1

1. THE RESIDENCE 1

2. CHARGES FOR RESIDENCE AND PRIMARY SERVICES 1

2.1 Application Fee 1
2.2 Entrance Fee 1
2.3 Monthly Fee 2
2.4 Initial Monthly Fee 2
2.5 Continuance of Monthly Fee 2
2.6 Increase in Monthly Fee 2
2.7 Reduction in Monthly Fee Due to Absence 2
2.8 Reserve Funds 3
2.9 Late Payment Charge 3

3. DESCRIPTION OF PRIMARY AND SUPPLEMENTAL SERVICES 3

3.1 Services Provided for the Monthly Fee 3
3.2 Supplemental Services Provided for an Extra Charge 4

4. TERMS OF RESIDENCY 4

4.1 Use of the Residence 4
4.2 Duration of Your Right to Occupy the Residence 4
4.3 Occupants of the Residence 4
4.4 Guests 5
4.5 Release 5
4.6 Insurance 5
4.7 Removal and Storage of Resident's Personal Property 5
4.8 Furnishings 5
4.9 Emergency Entry and Relocation 5
4.10 Alterations by You 6
4.11 Condition of Residence 6
4.12 Rights of Second Single Resident 6

5. THE COMMUNITY HEALTH CENTER 6

5.1 Description 6
5.2 Alternate Accommodations 6
5.4 Thirty (30) Annual Days of Nursing Care in the Community Health Center 6
5.5 Transfer to Health Center Level Services 6

5.6 Temporary Assignment to the Community Health Center 7
5.7 Permanent Assignment to Health Center Level Services 7
5.8 Relocation within the Community Health Center 7
5.9 Return to Residence 7
5.10 Medical Director, Attending Physician, and Additional Health Services 7
5.11 Advanced Charges for Medical Treatment 7
5.12 Medicare and Health Insurance 8
5.13 Managed Care 8
5.14 Transfer to Hospital or Other Care Facility 9
5.15 Community Health Center Admission Agreement 9
5.16 Under Age 60 10
6. REPRESENTATIONS 10
6.1 Our Representations 10
6.2 Your Representations 10
7. PROMISES 10
7.1 Our Promises 10
7.2 Your Promises 10
8. CANCELLATION BY RESIDENT 10
8.1 Right of Rescission 11
8.2 Cancellation Prior to Occupancy. 11
8.3 Cancellation After Occupancy 11
8.4 Cancellation Due to Death After Occupancy 11
9. CANCELLATION BY US 11
9.1 Cancellation Upon Notice 11
9.2 Default Notice 12
10. REPAYMENT OF ENTRANCE FEE 12
10.1 Nonacceptance by Us 12
10.2 Right of Rescission 12
10.3 Cancellation Prior to Occupancy Due to Death, Illness, Injury, Incapacity, or Change in Financial Condition 12
10.4 Cancellation Prior to Occupancy for Other Reasons 12
10.5 Cancellation After Occupancy 13
10.6 Offset Against Entrance Fee Repayment 13
11. MISCELLANEOUS 13
11.1 Nature of Rights 13
11.2 Release 14
11.3 Amendment 14
11.4 Law Changes 14
11.5 Entire Agreement 14
11.6 Monthly Statement 14

11.7 Responsible Party for Business and Financial Decision Making 14
11.8 Disposition of Furniture, Possessions, and Property 14
11.9 Nonwaiver 14
11.10 Notices 14
11.11 Indemnity 15
11.12 Separability 15
11.13 Subordination 15
11.14 Capacity 15
11.15 Resident 15
11.16 Reimbursement for Loss or Damage 15
11.17 Reimbursement of Charges 15
11.18 Transfers 15
11.19 Private Employee of Resident 15
11.20 Tax Considerations 16
11.21 Management 16
11.22 Governing Law 16
11.23 Survival of Representations and Obligations 16
11.24 Force Majeure 16
11.25 Acknowledgment of Receipt of Documents 16
12. ARBITRATION 16
12.1 Voluntary Arbitration of Negligent Health Care Claims 16
12.2 Arbitration for Other Claims 17
12.3 Withdrawal of Agreement to Arbitrate 18
12.4 Binding Effect of Arbitration 18

Exhibit A – Non-Standard Features Added at Resident's Request

WHITESTONE: A MASONIC & EASTERN STAR COMMUNITY
90% RETURN-OF-CAPITAL™
RESIDENCY AGREEMENT

RECITALS:

A. Provider. The Masonic and Eastern Star Home of North Carolina, Inc., a non-profit corporation (hereafter "we" or "us" or "our"), is the provider of a continuing care retirement community known as WhiteStone: A Masonic & Eastern Star Community (the "Community") located in Greensboro, North Carolina.

B. Resident. _____ _____ ("Resident" or "you" or "your", or when two people ("Joint Residents") are named in this Agreement, each of them and the survivor of them, except as otherwise indicated) wishes to live at the Community and to enjoy, consistent with the rights, welfare and contentment of the other residents, the facilities and services provided by the Community.

C. Requirements for Residency. Except as waived by us after full disclosure, we require that Resident be at least sixty (60) years of age or applying for the same Residence with a Joint Resident who is sixty (60) or older, be capable of meeting the requirements of occupancy with or without reasonable accommodation and/or reasonable modification, and have sufficient assets and income, all as are specified in our Residency Policy.

NOW, THEREFORE, this Agreement is made and entered into between us and Resident as a commitment by Resident and us to the terms and conditions hereinafter set forth.

1. THE RESIDENCE. We agree to make available to you, for as long as you live and subject to the terms of this Agreement, a room, studio, apartment or cottage at the Community described as follows: _____ _____, _____ no. _____ (hereafter "Residence"), and to provide, for your lifetime, the services and amenities described in Section 3.1 below. You may select certain options and custom features in the Residence at an extra charge, which shall not be subject to any repayment provision herein. Any such options and custom features selected and paid for by you will become our property. Such options and custom features must be approved by the Executive Director of the Community prior to adding them to the Residence. The Executive Director of the Community has consented to your request to add the non-standard features set forth on Exhibit A to the Residence, and you agree to pay the amount(s) set forth on Exhibit A to cover the additional charges for these features.

2. CHARGES FOR RESIDENCE AND PRIMARY SERVICES.

2.1 Application Fee. Prior to or upon execution of this Agreement, you will pay to us an Application Fee of $_____. The Application Fee will be used by us to process your application for residency and is non-refundable.

2.2 Entrance Fee. In order to reside at the Community for life, subject to this Agreement, and to receive the services described below, you agree to pay to us (in addition to the Monthly Fee

described below) an Entrance Fee in the amount of $_____. The total amount of the Entrance Fee shall be payable as follows:

2.2.1 Ten percent (10%) of the total Entrance Fee or $_____ is due and payable upon your execution of this Agreement.

2.2.2 The balance of $_____ of the Entrance Fee shall be paid on the date of occupancy at the Community but in no event later than ninety (90) days after your execution of this Agreement.

2.3 Monthly Fee. You are obligated to begin paying a Monthly Fee (or a pro rata portion thereof) on the date you assume occupancy at the Community or within ninety (90) days from the date this Agreement is executed by you, whichever is earlier. Thereafter, the Monthly Fee shall be paid by the tenth (10^{th}) day of each month during the term of this Agreement. The Monthly Fee is initially set at a specific amount that can be increased as described in Section 2.6 below. A "Second Person Monthly Fee" shall become part of the Monthly Fee and shall be paid if two persons are Joint Residents under this Agreement. If there are Joint Residents under this Agreement and one Joint Resident dies, the Second Person Monthly Fee shall cease and the remaining Resident shall continue to pay the Monthly Fee without the Second Person Monthly Fee component.

2.4 Initial Monthly Fee. The initial Monthly Fee payable by you is $_____ per month and an additional $_____ per month as a Second Person Monthly Fee component of the Monthly Fee if two persons reside as Joint Residents pursuant to this Agreement.

2.5 Continuance of Monthly Fee. The Monthly Fee will continue until (i) your death (in the case of Joint Residents, the death of the surviving Resident), or (ii) surrender of your Residence due to your permanent assignment to Health Center Level Services (as defined in Section 5.1), or (iii) the cancellation of this Agreement as outlined in Sections 8 and 9. If this Agreement is canceled on a date other than the last day of the month, the amount of the Monthly Fee shall be prorated to the date of cancellation. If you have paid more than the prorated Monthly Fee, we will repay the excess amount to you within thirty (30) days after the date of cancellation.

2.6 Increase in Monthly Fee. The Monthly Fee is paid to us to provide the services and amenities described in this Agreement, and is intended to meet the expenses associated with the operation of the Community. We may increase the Monthly Fee (which includes the Second Person Monthly Fee where applicable) upon thirty (30) days' written notice if we, in our sole discretion, deem it necessary to meet the financial needs of the Community or to provide services to the Residents.

2.7 Reduction in Monthly Fee Due to Absence. If you are absent from the Community for more than seven (7) consecutive days, you will be eligible for a Monthly Fee credit equivalent to the costs of meals paid for and not consumed. You are required to notify us in advance of your absence in order to qualify for the Monthly Fee credit.

2.8 Reserve Funds. The amount of the Monthly Fee is and will continue to be affected by our policy of maintaining reserve funds for the financial security of the Community.

2.9 Late Payment Charge. We may charge a one percent (1%) late payment charge per month on any Monthly Fees or extra charges that have not been paid within thirty (30) days of receipt of a monthly statement from us.

3. DESCRIPTION OF PRIMARY AND SUPPLEMENTAL SERVICES.

3.1 Services Provided for the Monthly Fee. We will provide you, in consideration for the Monthly Fee referred to above, the following services and amenities at the Community:

- As of the date you executed this Agreement the monthly Dining Allocation is $_____ per month. Each Resident will receive the monthly Dining Allocation as part of the Monthly Fee and Second Person Monthly Fee, to be applied toward dining charges in the main dining room, other designated dining areas, or for other food and beverage services. This Dining Allocation may be expended by you, or with your permission, your guests. Each month, you will be charged for any dining charges in excess of your Dining Allocation. Any unused Dining Allocation at the end of a month can be carried over up to thirty (30) days, but will expire after such thirty (30) days. Your monthly Dining Allocation will be adjusted annually to reflect changes in food service expenses;
- Water, sewer, air conditioning, heating, electricity, cable, Wi-Fi internet, trash removal, and municipal services. The Resident is responsible for the charges related to telephone;
- Access to one unassigned parking stall (other spaces, if available, may be provided for an additional fee);
- Building and grounds maintenance;
- Bi-weekly housekeeping service;
- Availability of laundry facilities so that you may wash and dry personal laundry;
- Planned activities -- social, educational, cultural, recreational, and spiritual -- for those who wish to participate;
- Services of an activities director;
- Use of the Community's common areas and amenities during scheduled hours – central dining room, chapel, library, mail boxes, lounges, arts and crafts room, exercise areas, community garden, dog park, fellowship hall, and woodworking shop;
- Carpeting (except in the kitchen and bath where there is other floor covering);
- A kitchen, including refrigerator with icemaker, range/oven, garbage disposal, dishwasher, and microwave;
- Local transportation scheduled by us;
- Twenty-four (24) hour emergency call monitoring in your Residence by nursing staff;
- Guest parking areas;
- Fire detection system;
- Security for buildings and grounds;
- Health Center Level Services, for thirty (30) free annual days of care (see Section 5 for additional details).

3.2 Supplemental Services Provided for an Extra Charge. Supplemental services, when available, will be provided at extra charge and are described below:

- Additional meals in the dining room over those provided in consideration for the Monthly Fee;
- Guest accommodations, if available;
- Certain other supplies and services such as medicine, drugs, prescribed therapy, Health Center Medical Director, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment;
- Other optional services related or unrelated to care in the Health Center as approved by us;
- Personal laundry service;
- Guest meals;
- Additional housekeeping services;
- Special events transportation;
- Extended dietician services when ordered by your attending physician or dietician services not ordered by your attending physician;
- Tray service to your Residence when ordered by your attending physician, the Health Center Medical Director, the Health Center director of nursing, assistance-in-living director or resident services director;
- Health Center Level Services beyond the thirty (30) free annual days of care.

4. TERMS OF RESIDENCY.

4.1 Use of the Residence. The Residence is for living only and will not be used for carrying on any business or profession, nor in any manner in violation of zoning restrictions. This Agreement is not a lease, and grants you only a lifetime use of the Residence and other facilities of the Community and to available services, subject to the terms and conditions of this Agreement.

4.2 Duration of Your Right to Occupy the Residence. You may reside in your Residence for as long as you (or either of you in the case of Joint Residents) live unless you (both of you in the case of Joint Residents) are not capable of occupancy as set forth in our Residency Policy, or this Agreement is canceled by you or by us. A copy of our current Residency Policy, outlining the age, health and financial requirements for residency, is available for review in the Community Marketing Office. If, in the opinion of your attending physician or the Medical Director, your physical or mental health requires that assisted living, skilled nursing care, or specialized care for dementia or related disorders be given, you will be requested to relocate to the Community Health Center where we are licensed to provide such care.

4.3 Occupants of the Residence. Except as hereinafter provided, no person other than you (both of you in the case of Joint Residents) may occupy the Residence. In the event that a second person who is not a party to this Agreement is accepted for residency in the Residence at a time subsequent to the date hereof (said acceptance to be in accordance with our current Residency Policy), an Entrance Fee in an amount to be determined by us (which will be no more than one-half of the then-current Entrance Fee for the Residence) shall be paid upon residency, and each month thereafter, the then-current Second Person Monthly Fee shall be paid as part of the Monthly Fee. If such second person does not meet the requirements for residency, such second person will not be

permitted to occupy the Residence for more than thirty (30) days, except with our express written approval.

If the Resident marries a person who is also a resident of the Community, and should they decide to occupy one residence as Joint Residents, they must declare which residence will be occupied and which residence will be surrendered. The repayment due for the surrendered residence, if any, will be provided pursuant to the Entrance Fee repayment terms in the residency agreement of the surrendered residence.

4.4 Guests. Guests are welcome to stay in your Residence for short stays not to exceed ten (10) consecutive days. Such stay shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of other residents.

4.5 Release. We are not responsible for loss of or damage to your personal property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees, and you hereby release us from such liability.

4.6 Insurance. You are required at your own expense to carry personal property insurance and liability insurance. If requested by us, you agree to provide us with proof of such insurance coverage.

4.7 Removal and Storage of Resident's Personal Property. Your personal property must be removed from the Residence within thirty (30) days following any of the following dates: (i) the date of your death (if Joint Residents, the date of death of the surviving Resident), (ii) the date notice of cancellation is delivered by you or us pursuant to Section 8 or 9, or (iii) the date notice is delivered to you of your permanent assignment or transfer to the Community Health Center or a Comparable Facility for Health Center Level Services (see definitions in Sections 5.1 and 5.2). If your personal property has not been removed from the Residence within such thirty (30) day period, then we may, in our sole discretion, either charge you an additional Monthly Fee for each month thereafter during which such personal property remains in the Residence or remove and store such personal property at the expense and risk of you or your estate. In the event of your death, while you are a resident of the Community under this Agreement, only the executor(s) named in your Will will be allowed to remove or dispose of your furnishings and belongings in your living accommodation and any related storage areas at the Community. Members of your family or those to whom you have granted Power of Attorney will not be allowed access to your personal property after your death, unless they are the executor(s) named in your Will.

4.8 Furnishings. Furnishings within the Residence provided by you shall not be such as to interfere with the health, safety or general welfare of you, other residents, or others.

4.9 Emergency Entry and Relocation. We may enter your Residence should it be necessary in an emergency to protect your health and safety or the health and safety of other residents. If relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence within the Community, or to the Community Health Center or a Comparable Facility (as defined in Section 5.2) for the protection of your health or safety or for the health or safety of the other residents of the Community.

4.10 Alterations by You. You may not undertake any alterations to your Residence without our prior written approval, as set forth in a separate addendum to this Agreement.

4.11 Condition of Residence. Upon vacating the Residence, you agree to leave it in good condition, except for normal wear and tear. You shall be liable to us for any charges incurred to restore your Residence to good condition, normal wear and tear excepted.

4.12 Rights of Second Single Resident. When two Joint Residents reside in a single Residence under this Agreement, upon the death or permanent assignment of one Resident to the Community Health Center Level Services, or other inability to continue residing in the Residence, the remaining Resident may continue to reside in the Residence under the terms of this Agreement and shall pay the Monthly Fee.

5. THE COMMUNITY HEALTH CENTER.

5.1 Description. The Community Health Center is the portion of the Community which is licensed to provide assisted living, skilled nursing care, and specialized care for dementia or related disorders (collectively "Health Center Level Services"). The Community Health Center is staffed by licensed nursing personnel 24 hours a day.

5.2 Alternate Accommodations. You will be given priority over non-residents for admission to the Community Health Center. In the event the Community Health Center is fully occupied when you are determined appropriate for admission, you agree to relocate to an alternate health care facility that provides services similar to the Community Health Center (a "Comparable Facility"). Upon your relocation to a Comparable Facility, you shall continue to be responsible for the Monthly Fee (unless your Residence is surrendered). We will not be responsible for the charges associated with the Comparable Facility.

5.3 Thirty (30) Annual Days of Nursing Care in the Community Health Center. You are eligible to receive thirty (30) annual days of nursing care (non-cumulative) in the Community Health Center (while you are a resident of your Residence), without paying the Health Center per diem charge. In the case of Joint Residents, each of you will receive thirty (30) annual days, but the days cannot be combined and used by only one of you, and unused days cannot be carried over to subsequent years. You are required to pay any charges for physician services and any additional health services as outlined in Section 5.10. Once you are permanently assigned to the Health Center, you no longer qualify for the thirty (30) annual days.

5.4 Transfer to Health Center Level Services. In the event your physical or mental health is determined by us to be appropriate for Health Center Level Services, you agree to relocate to the Community Health Center or a Comparable Facility. Such a determination will be made by us after a review by the Director of Nursing, the Medical Director and the Executive Director in consultation with your attending physician, your personal representative, and you to the extent possible.

5.5 Temporary Assignment to the Community Health Center. In the event you require temporary care in the Community Health Center beyond the thirty (30) annual days of care as outlined in Section 5.4, you will pay the per diem charge applicable to the level of care needed by you, as well as the charges for physician services and any additional health services as outlined in Section 5.10. In addition, you will continue to pay the Monthly Fee for your Residence.

5.6 Permanent Assignment to Health Center Level Services. In the event you require permanent care in the Community Health Center beyond the thirty (30) annual days of care as outlined in Section 5.4, you will pay the per diem charge applicable to the level of care needed by you, as well as the charges for physician services and any additional health services as outlined in Section 5.10. If you are determined appropriate for Health Center Level Services, and are admitted or relocated to the Community Health Center or a Comparable Facility, you will be required to surrender the Residence to us. We shall have the right to reassign the Residence for occupancy by others except as provided in Section 4.12. Release of the Residence due to your permanent assignment to the Community Health Center or to a Comparable Facility does not qualify you for reimbursement of the Entrance Fee, unless this Agreement is canceled.

Once the Residence is surrendered, you will no longer be obligated to pay the Monthly Fee for the Residence.

5.7 Relocation within the Community Health Center. We reserve the right to relocate you to a different level of care within the Community Health Center if you require such care. Such relocation will be made after a review by the Director of Nursing, the Medical Director and the Executive Director in consultation with your attending physician, your personal representative, and you to the extent possible.

5.8 Return to Residence. If we subsequently determine, in consultation with your attending physician, your personal representative and you to the extent possible, that you can resume occupancy in a residence equivalent to the residence you previously occupied, you shall have the right to relocate to such equivalent residence as soon as one is available. Upon reoccupying a residence, your Monthly Fee will be based on the then-current Monthly Fee for the residence.

5.9 Medical Director, Attending Physician, and Additional Health Services. We have designated a licensed physician to serve as Medical Director of the Community Health Center. You are required to have a local attending physician. You may engage the services of the Medical Director at your expense. We will not be responsible for the charges for medical treatment or services by the Medical Director or your attending physician, nor will we be responsible for the charges for medication, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment.

5.10 Advanced Charges for Medical Treatment. In the event we incur or advance payment for your medical treatment or for medication, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment (even in the event such medical care is given at the direction of your attending physician or the Medical Director without your prior approval), you shall promptly reimburse us for such payments. Upon

cancellation of this Agreement for any reason, any amounts due to us under this Section 5.11 shall be offset against any repayment of the Entrance Fee.

5.11 Medicare and Health Insurance. When age eligible, you are required to maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility. You shall furnish to us such evidence of coverage as we may from time to time request. Such supplemental insurance should cover Medicare co-insurance and deductibles. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified admission and stay in the Community Health Center or a Comparable Facility. If you are eligible to receive the thirty (30) annual days of care in the Community Health Center as provided in Section 5.4 and your stay in the Community Health Center is a Medicare-qualified stay, such thirty (30) annual days will be applied after the expiration of your Medicare-qualified stay providing you have Medicare Part A, Medicare Part B and acceptable supplemental health insurance or equivalent insurance coverage.

If you are not eligible for Medicare, you shall maintain health insurance coverage acceptable to us and shall furnish us with evidence of such coverage upon our request. Should your health insurance not fully cover your stay in the Community Health Center or a Comparable Facility, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each admission and stay in the Community Health Center or a Comparable Facility.

If failure to maintain Medicare Part A, Medicare Part B, supplemental health insurance or other health insurance coverage causes depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations to us as outlined in Section 7.1, and we retain the right to revoke your right to reside at the Community and cancel the Residency Agreement as provided in Section 9.

5.12 Managed Care. If you have chosen to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, the terms of this Agreement governing nursing care will include the following provisions:

5.12.1 Participating Provider. If the Community Health Center is a participating provider with your managed care program and your stay is a Medicare-qualified stay, the Community agrees to be reimbursed at the rate negotiated with your managed care program. Such a managed care stay in the Community Health Center will not reduce the number of days of care you are eligible to receive without extra charge pursuant to Section 5.4.

5.12.2 Not a Participating Provider. If the Community Health Center is not an approved participating provider with your managed care program and you choose to receive health care services at a managed care participating provider, then you agree that you must relocate for as long as necessary for those services to be provided, and be responsible for all charges for health care

services. In addition, while receiving health care services at the managed care participating provider, you agree that unless this Agreement is canceled, you will continue to pay the Monthly Fee for your Residence, unless your Residence has been surrendered to us. Such a stay at a managed care participating provider other than the Community Health Center will not reduce the number of days of care that you are eligible to receive without extra charge pursuant to Section 5.4.

5.12.3 Negotiated Managed Care Rate. If the Community Health Center is not a participating provider in your managed care program and your stay is a Medicare-qualified stay, we will use our best effort to negotiate a reimbursement rate with your managed care program. If we are able to negotiate an acceptable rate, we agree to accept as full payment the rate provided by your managed care program. Such a managed care stay in the Community Health Center will not reduce the number of days of care that you are eligible to receive without extra charge pursuant to Section 5.4.

5.12.4 No Negotiated Managed Care Rate. If the Community Health Center is not a participating provider in your managed care program and a negotiated rate is not agreed upon and you would still like to receive health care in the Community Health Center during a Medicare-qualified stay, then each day of your stay in the Community Health Center will reduce by one day the number of days of care you are eligible to receive without extra charge pursuant to Section 5.4. During any such Medicare-qualified stay in the Community Health Center, you agree that you will continue to pay the Monthly Fee, unless your Residence has been surrendered to us, the charges for medication, prescribed therapy, medical treatment by physicians, and other medical and miscellaneous supplies and services associated with medical treatment. If at any time during any such Medicare-qualified stay in the Community Health Center you are no longer eligible to receive any of the days of care provided for in Section 5.4, then you agree to pay the per diem rate for your care in the Community Health Center, the charges for medication, prescribed therapy, medical treatment by physicians, and other medical and miscellaneous supplies and services associated with medical treatment, and the Monthly Fee for your Residence, unless your Residence has been surrendered to us.

5.12.5 Post Medicare-Qualified Stay. At the conclusion of each such Medicare-qualified stay, you will be entitled to health care in the Community Health Center in accordance with the terms of this Agreement other than as provided in this Section 5.13, as adjusted to reflect any reduction during such stay in the number of days of care that you are eligible to receive without extra charge as provided in Section 5.4.

5.13 Transfer to Hospital or Other Care Facility. If we determine after consultation with your attending physician, your personal representative and you to the extent possible, that you need care beyond that which the Community Health Center is licensed to provide, you will be transferred to a hospital or other care facility. We shall not be responsible for any charges associated with the transfer and health care expenses or charges incurred by you after such a transfer. You shall continue to pay the Monthly Fee until your Residence is surrendered.

5.14 Community Health Center Admission Agreement. If you require care in the Community Health Center, you agree to enter into a separate Community Health Center Admission Agreement to be signed by you and us.

5.15 Under Age 60. If you are under the age of 60 when you occupy your Residence under this Agreement, you are not eligible to receive thirty (30) annual days of nursing care in the Community Health Center as described in Section 5.4 until you attain the age of 60. During this time, you will be entitled to Health Center Level Services at the then-current rate being charged to non-residents until age 60.

6. REPRESENTATIONS.

6.1 Our Representations. We represent and warrant that we are a nonprofit corporation and that we do not propose to operate at a profit. We are exempt from payment of Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. We are affiliated with The Grand Lodge of North Carolina and The Grand Chapter, Order of the Eastern Star in North Carolina. The Grand Lodge of North Carolina and The Grand Chapter, Order of the Eastern Star in North Carolina are not responsible for our financial or contractual obligations.

6.2 Your Representations. You represent and warrant that the representations made in the application for residency, your personal health history, and the confidential financial statement are true and correct and may be relied upon by us as a basis for your acceptance for residency at the Community. You also represent and warrant that you have not made any gift of your property in contemplation of the execution of this Agreement.

7. PROMISES.

7.1 Our Promises. It is and shall be our declared policy to operate as a non-profit organization. We will not cancel this Agreement without just cause as specified in Section 9. Further, we shall not cancel this Agreement solely by reason of your financial inability to pay the full Monthly Fee or the per diem charge for care in the Community Health Center. This provision shall not apply if you have impaired your ability to meet your financial obligations hereunder by transfer of assets other than to meet ordinary and customary living expenses or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance, or other health insurance after assuming occupancy. You shall be permitted to remain at the Community for a reduced fee based on your ability to pay for as long as you establish facts to justify deferment of such charges and when deferment of such charges can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis for the benefit of the residents.

7.2 Your Promises. You agree to comply with all policies and procedures of the Community as now existing or as hereafter amended; to pay the Entrance Fee, Monthly Fee, and any other charges as provided in this Agreement; to not impair your ability to meet the financial obligations under this Agreement by transferring assets, other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance or other health insurance, without our consent, and to abide by all other terms of this Agreement.

8. CANCELLATION BY RESIDENT.

8.1 Right of Rescission. Within thirty (30) days following the later of the execution of this Agreement by you or the receipt of a Disclosure Statement from us, you may rescind this Agreement by giving us written notice. You shall not be required to move into the Residence prior to the expiration of the thirty (30) day rescission period. Repayment of the amount of the Entrance Fee paid shall be as outlined in Section 10.2.

8.2 Cancellation Prior to Occupancy. You may cancel this Agreement for any reason at any time before you move into the Community by giving us written notice signed by you (both of you in the case of Joint Residents). Repayment of the amount of the Entrance Fee paid shall be as outlined in Section 10.3 or 10.4. If you die prior to occupying the Residence or if, on account of illness, injury or incapacity, you are precluded from occupying the Residence under the terms of this Agreement, this Agreement will automatically cancel. Repayment of the Entrance Fee shall be as outlined in Section 10.3.

8.3 Cancellation After Occupancy. You may cancel this Agreement for any reason after moving into the Community by giving us thirty (30) days' prior written notice of cancellation, which shall be effective and irrevocable upon delivery. Cancellation shall occur thirty (30) days after written notice is delivered, and you must vacate the Residence within the thirty (30) days. You are obligated to pay the Monthly Fee during the thirty (30) days. Repayment of the Entrance Fee shall be as outlined in Section 10.5.

8.4 Cancellation Due to Death After Occupancy. This Agreement will automatically cancel upon your death (the death of the surviving Resident in the case of Joint Residents). After such automatic cancellation, your personal representative will have thirty (30) days from the date of your death to remove your personal property from the Residence. Repayment of the Entrance Fee shall be as outlined in Section 10.5.

9. CANCELLATION BY US.

9.1 Cancellation Upon Notice. We may, upon notice and opportunity to cure as hereinafter provided, cancel this Agreement for just cause. Just cause shall include the occurrence of any of the following events (hereinafter referred to as a "Default"):

9.1.1 Noncompliance. You do not comply with the terms of this Agreement or the published operating procedures, covenants, rules, regulations, and policies now existing or later amended by us.

9.1.2 Misrepresentation. You misrepresent yourself or fail to disclose information during the residency process.

9.1.3 Nonpayment. You fail to pay any charges to us, subject to the provisions of Section 7.1, within sixty (60) days of the date when such charges are due.

9.1.4 Threat to Health or Safety. Your health status or behavior constitutes a substantial threat to the health or safety of yourself, other residents, or others including your refusal to consent to relocation or behavior that would result in physical damage to the property of others.

9.1.5 Change in Condition. There is a major change in your physical or mental condition and your condition cannot be cared for in the Community Health Center within the limits of our license.

9.2 Default Notice. Prior to cancellation for any Default described in Section 9.1.1, 9.1.2 or 9.1.3 above, we shall give you notice in writing of such Default, and you shall have at least thirty (30) days thereafter within which to correct such Default. No Default shall eliminate your obligation to pay the Monthly Fee until cancellation. If you correct such Default within such time, this Agreement shall not be canceled. If you fail to correct such Default within such time, this Agreement shall cancel at the expiration of such thirty (30) days.

In the event of the occurrence of a Default described in Section 9.1.4 or 9.1.5 above, if we or the Medical Director determines that either the giving of notice of Default or the lapse of time as above provided might be detrimental to you or others, then such notice and/or waiting period prior to cancellation shall not be required. Also, in the event of the occurrence of a Default described in Section 9.1.4 or 9.1.5, we are expressly authorized by you to transfer you to an appropriate hospital or other facility, and we will promptly notify your personal representative or attending physician.

10. REPAYMENT OF ENTRANCE FEE.

10.1 Nonacceptance by Us. If we do not accept you for residency at the Community, the full amount of the Entrance Fee you have paid will be promptly repaid to you, with interest.

10.2 Right of Rescission. If you rescind this Agreement as provided in Section 8.1, you shall receive a repayment of the portion of the Entrance Fee paid by you, less (i) a service charge equal to the greater of one-thousand dollars ($1,000) or two percent (2%) of the Entrance Fee, and (ii) less any charges specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this Agreement, signed by you and us. Such repayment shall be paid within sixty (60) days of our receipt of the written notice of rescission.

10.3 Cancellation Prior to Occupancy Due to Death, Illness, Injury, Incapacity, or Change in Financial Condition. If, prior to occupancy, you die or you cancel this Agreement because of illness, injury, incapacity, or change in your financial condition, you or your estate will receive a repayment of the portion of the Entrance Fee paid by you, less (i) a service charge equal to the greater of one-thousand dollars ($1,000) or two percent (2%) of the Entrance Fee, and (ii) less any charges specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this Agreement, signed by you and us. Such repayment shall be paid within sixty (60) days after our receipt of the written notice of cancellation.

10.4 Cancellation Prior to Occupancy for Other Reasons. If you cancel this Agreement for reasons other than those stated in Section 10.3 above, you shall receive a repayment of the portion of the Entrance Fee paid by you, less (i) a service charge equal to the greater of one thousand dollars ($1,000) or two percent (2%) of the Entrance Fee, and (ii) less any charges specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this

Agreement, signed by you and us. Such repayment shall be paid within sixty (60) days after our receipt of the written notice of cancellation.

10.5 Cancellation After Occupancy. In the event you or we cancel this Agreement after occupancy or in the event of your death (the death of the survivor in the case of Joint Residents), you or your estate will be reimbursed ninety-six percent (96%) of the total Entrance Fee paid upon residency, less an amount equal to two percent (2%) for each month of residency for up to three (3) months. Subject to our offset rights outlined in Section 10.6, the repayment of the Entrance Fee will not be less than ninety percent (90%). Such repayment will be paid, without interest, within sixty (60) days after your Residence has been reserved by a new resident and our receipt of the full amount of the Entrance Fee paid by such new resident. In the event your Residence is not reserved by a new resident, such repayment will be paid, without interest, within twenty-four (24) months from the date cancellation of your Residency Agreement becomes effective.

10.6 Offset Against Entrance Fee Repayment. In the event of cancellation of this Agreement after occupancy as described in Section 10.5 above, we will offset against any Entrance Fee repayment due to you the following:

10.6.1 The amount of any Monthly Fees or other charges deferred by us on your behalf under Section 7.1; and

10.6.2 Any health care expenses incurred on your behalf and other amounts payable to us, which remain unreimbursed; and

10.6.3 Any charges incurred to restore the Residence to good condition, normal wear and tear excepted, as outlined in Section 4.11; and

10.6.4 Any charges incurred as a result of non-standard features added to the Residence at your request as outlined in Exhibit A or in a separate addendum to this Agreement.

11. MISCELLANEOUS.

11.1 Nature of Rights. You understand and agree that (i) this Agreement or your rights (including the use of the Residence) under it may not be assigned, and no rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees, or representatives, except as to receipt of the amounts described in Section 10; (ii) this Agreement and your contractual right to occupy the Community will exist and continue to exist during your lifetime unless canceled as provided herein; (iii) this Agreement grants you a revocable right to occupy and use space in the Community but does not give you exclusive possession of the Residence against us, and you will not be entitled to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law; (iv) this Agreement is not a lease or easement and does not transfer or grant you any interest in real property owned by us; and (v) this Agreement grants to us complete decision-making authority regarding the management and operation of the Community.

11.2 Release. We are not responsible for loss of or damage to your personal property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees, and you hereby release us from any such liability. You may want to obtain at your own expense insurance to protect against such losses.

11.3 Amendment. This Agreement may be amended by agreement of the parties to this Agreement. No amendment of this Agreement shall be valid unless in writing and signed by you and us.

11.4 Law Changes. This Agreement may be modified by us at any time in order to comply with applicable laws or regulations. Further, we may change any part of the Community, including the Residence, to meet the requirements of any applicable law or regulation.

11.5 Entire Agreement. This Agreement and any addenda or amendments thereto contain our entire understanding with respect to your residency at the Community.

11.6 Monthly Statement. You shall receive a monthly statement from us showing the total amount of fees and other charges owed by you, which shall be paid by the tenth (10^{th}) day of each month.

11.7 Responsible Party for Business and Financial Decision Making. Within sixty (60) days after assuming residency at the Community, you agree to execute and deliver to us a Durable Power of Attorney, trust documents, or other documentation naming a responsible party for business and financial decision-making. These documents should be drafted to remain effective notwithstanding your incompetence or disability and shall be in a form acceptable to us. You agree to keep such documents in effect as long as this Agreement is in effect. The person(s) named as your responsible party shall not be a person(s) employed by us or any other entity engaged in the management of the Community.

11.8 Disposition of Furniture, Possessions, and Property. Within sixty (60) days after the date of residency, you agree to make provision by will or otherwise for the disposition of all of your furniture, property, and possessions located on the premises of the Community.

11.9 Nonwaiver. If we fail to insist in any instance upon performance of any of the terms, promises, or conditions of this Agreement, it shall not be construed as a waiver or relinquishment of the future performance of any such terms, promises, or conditions, but your obligation with respect to such future performances shall continue in full force and effect.

11.10 Notices. Any notice required to be given to us under this Agreement shall be in writing and sent certified mail or hand-delivered to the Executive Director of the Community at 700 South Holden Road; Greensboro, North Carolina 27407. Such notices shall be dated and signed.

Any notice required to be given to you shall be delivered to you at the Community or at such other place as you shall designate to us in writing. All notices mailed in accordance with this Section shall be deemed to be given when mailed whether or not they are actually received.

11.11 Indemnity. We will not be liable for and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your negligent or intentional act or omission or that of your guests.

11.12 Separability. The invalidity of any restriction, condition or other provision of this Agreement, or any part of the same, shall not impair or affect in any way the validity or enforceability of the rest of this Agreement.

11.13 Subordination. You agree that all your rights under this Agreement will always be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering the Community, which have been or will be executed by us. Upon request, you agree to execute, acknowledge and deliver to such lender or lenders such further written evidence of such subordination as such lenders may reasonably require. Except to the extent of your obligation to pay the Monthly Fee and Second Person Monthly Fee, you shall not be liable for any such indebtedness.

11.14 Capacity. This Agreement has been executed on our behalf by our duly authorized agent, and no officer, director, agent or employee of ours shall have any personal liability hereunder to you under any circumstances. This Agreement will become effective upon acceptance and signature by us.

11.15 Resident. In the case of Joint Residents, the rights and obligations of each are joint and several except as the context of this Agreement otherwise requires.

11.16 Reimbursement for Loss or Damage. You or your responsible party, if applicable, agree to reimburse us for any loss or damage to the Community caused by your intentional, careless, or negligent acts or omissions or that of your guests.

11.17 Reimbursement of Charges. You agree to reimburse us for any charges we incur to collect any unpaid amounts you owe to us under this Agreement.

11.18 Transfers. We may sell or transfer our interest in the Community provided the buyer will agree to assume this Agreement and all other existing Residency Agreements. Upon the assumption of this Agreement by a buyer of the Community and its agreement to perform this Agreement and all other agreements, we will have no further obligation hereunder. Your signature hereto constitutes your consent and approval of any such future transaction.

11.19 Private Employee of Resident. If you need additional services, you can obtain these needed services from a private employee, an independent contractor, or through an agency (personal service provider). In such instances, we strongly advise you to obtain these needed services from a licensed and/or certified home health agency. In any event, you must comply with our policy regarding personal service providers, and ensure that your private employee, independent contractor, or person you employ through an agency complies with our policies and rules of conduct set forth in our policy. If you fail to follow or enforce the policies and rules set forth therein, then we may elect, at our sole option, to cancel this Agreement.

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

11.21 Management. We have engaged the services of Life Care Services LLC to manage the Community. We are not affiliated with Life Care Services nor is Life Care Services responsible for our contractual or financial obligations or the contractual or financial obligations of the Community.

11.22 Governing Law. This Agreement will be governed, interpreted and construed according to the laws of the State of North Carolina.

11.23 Survival of Representations and Obligations. Your representations and obligations under this Agreement, including but not limited to, your obligation to pay all sums owed by you to us, and your agreement to indemnify us as set forth in Section 11.11, and our representations and obligations under this Agreement, will survive any cancellation of your residency in the Community, regardless of the reason for such cancellation and regardless of whether it is initiated by you or by us.

11.24 Force Majeure. The Community shall not be liable to the Resident for any default, breach, or damages arising out of or relating to the suspension or termination of any of its obligations or duties under this Agreement by reason or the occurrence of a Force Majeure Event. A "Force Majeure Event" is defined as the occurrence of an event which materially interferes with the ability of the Community to perform its obligations or duties hereunder which is not within the reasonable control of the Community, and which could not with the exercise of diligent efforts have been avoided, including, but not limited to, war, rebellion, natural disasters (including floods, earthquake, fire, hurricanes, windstorms, tornadoes), accident, strike, riot, civil commotion, act of God, pandemic, epidemic, or other public health crisis, including quarantine or other employee restrictions, acts of authority or change in law. The Community shall promptly notify Resident of the occurrence and particulars of such Force Majeure Event and shall provide Resident, from time to time, with its best estimate of the duration of such Force Majeure Event and with notice of the termination thereof. The Community shall use diligent efforts to avoid or remove such causes of non-performance as soon as is reasonably practicable.

11.25 Acknowledgment of Receipt of Documents. You hereby certify that you received a copy of this Agreement and a copy of our most current Disclosure Statement.

12. ARBITRATION.

12.1 Voluntary Arbitration of Negligent Health Care Claims. For all claims for damages for personal injury or wrongful death based on alleged negligence in the provision of health care, the parties may voluntarily elect to submit to arbitration pursuant to the procedures set forth in Article 1H of Chapter 90 of the North Carolina General Statutes. N.C.G.S. §90-21.60(b) prohibits any contract from requiring prior agreement of the parties to arbitrate alleged negligent health care claims. If the parties agree to arbitrate such actions, said arbitration will be governed in accordance with N.C.G.S. §90-21.60, *et seq*.

12.2 Arbitration for Other Claims. It is understood that any and all disputes between the Resident and the Community, its owners, operators, officers, directors, administrators, staff, employees, agents, and any management and administrative services company, and all related entities and individuals, their staff, personnel, employees, owners, officers, directors, members, and agents that provide services to the Community that relates to the provision of care, treatment and services the Community provides to the Resident, including any action for injury or death arising from intentional torts, statutory causes of action, negligence, and medical malpractice, that is as to whether any medical services rendered under this contract were unnecessary or unauthorized or were improperly, negligently, or incompetently rendered shall be determined by submission to binding arbitration and not by lawsuit or resort to court process. This provision shall be binding for any and all disputes arising out of the Resident's Residency Agreement and/or the Resident's residency at the Community, except for disputes pertaining to collections or evictions. This provision is binding on all parties hereto, including the Community, the Resident, the Resident's representatives, agents, responsible party, conservators, executors, family members, successors in interest and heirs, as well as anyone who may have a claim arising out of the Resident's Residency Agreement and/or the Resident's residency at the Community.

If this Agreement is signed by someone other the Resident, including the Resident's representative, agent, responsible party, conservator, executor, family member, successor in interest and heir said person is doing so not only in their representative capacity for the Resident, but also in their individual capacity and thus agree that any and all claims brought individually by any such person(s) are also subject to binding arbitration.

The parties to this Agreement are giving up their Constitutional right to have any and all disputes decided in a court of law before a jury, and instead are accepting the use of binding arbitration. By signing this Agreement, the parties waive their right to commence and/or be a party to any class or collective action in any court against the other party relating in any manner to the Resident's residency at the Community. Further, the parties waive their right to commence or be a party to any group, class, or collective action claim in arbitration or any other forum.

Submitting to this provision is not a precondition to receiving medical treatment, care, services and/or for admission to the Community and is not a requirement to continue to receive medical treatment, care, and services at the Community. You may rescind your agreement to arbitrate by written notice to the Community within thirty (30) days of signature. This agreement to arbitrate shall not be discharged by the death of any party hereto, nor by the termination of the Residency Agreement, nor by the Resident ceasing to reside at the Community.

This provision shall have retroactive effect. It is agreed by and between the parties hereto that this provision covers services rendered before the date this contract is signed, thus making this provision effective as of the date of the Resident's first admission to the Community.

This Agreement relates to the Resident's admission to the Community and the Community participates in Medicare programs and/or procures supplies from out of state vendors. The parties, therefore, agree that the underlying admission to the Community involves interstate commerce. The parties further agree that this arbitration provision is to be governed by the Federal Arbitration Act

and the procedural rules set forth in the Federal Arbitration Act (9 U.S.C. Sections 1-16) shall govern any petition to compel arbitration and shall preempt any inconsistent State law. While the parties agree that this provision shall be governed by the procedural rules set forth in the Federal Arbitration Act, the parties further agree that the substantive law of the State where the Community is located shall apply to any and all claims.

The parties desire to have any and all disputes submitted to binding arbitration and do not want any claims not subject to arbitration to impede any and all other claims from being ordered to binding arbitration.

The parties are to mutually agree on the appointment of a single neutral arbitrator who routinely conducts mediations and/or arbitrations in the State where the Community is located and agree that discovery will be conducted pursuant to the discovery rules set forth by the arbitrator. Should the parties be unable to mutually agree upon the appointment of a single neutral arbitrator the Federal Arbitration Act shall govern the appointment of the arbitrator. The arbitration shall be venued in a location convenient for all parties, normally the county or region where Community is located.

The expenses and fees of the arbitrator shall be apportioned equally among all parties except as otherwise permitted or required by law.

If any portion of this provision is held invalid, such holding shall not impact the validity of the remaining content of this provision. Any such invalid portion shall be severed from this provision.

The Resident and/or the person executing this Agreement certifies that he/she has read this provision, understands this provision, it has been explained to them in a manner he/she understands, has been given a copy of this provision, and affirmatively represents that he/she is duly authorized by virtue of the Resident's consent, instruction and/or durable power of attorney, to execute this Agreement and accept its terms on behalf of the Resident and acknowledges that the Community is relying on the aforementioned certification. Further, if the person executing this Agreement is someone other than the Resident, you knowingly do so not only in your representative capacity for the Resident, but also in your individual capacity and thus agree that any and all claims brought individually by you are also subject to binding arbitration.

12.3 Withdrawal of Agreement to Arbitrate. You may withdraw your agreement to arbitrate within thirty (30) days after signing this Agreement by giving written notice of your withdrawal to us.

12.4 Binding Effect of Arbitration. This arbitration clause binds all parties to this Agreement and their spouses, heirs, representatives, executors, administrators, successors, and assigns, as applicable. After cancellation of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

Executed this _____ day of _____, 20_____.

_____

RESIDENT

_____

Witness

_____

RESIDENT

_____

Witness

Approved this _____ day of _____, 20_____.

THE MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INC. d/b/a WhiteStone: A Masonic & Eastern Star Community

_____

Printed Name of Authorized Representative

_____

Signature of Authorized Representative

Attachment: Exhibit A



Exhibit A

Non-Standard Features Added at Resident's Request:	**Amount**
	$
	$
	$
	$
	$
	$
Total of Non-Standard Features	**$**

Initials _____ _____ _____

Community **Resident(s)**

EXHIBIT 8

Traditional Residency Agreement



700 South Holden Road
Greensboro, North Carolina 27407
(336) 299-0031

Traditional Residency Agreement

02/08/2024

TABLE OF CONTENTS

RECITALS 1

A. PROVIDER 1

B. RESIDENT 1

C. REQUIREMENTS FOR RESIDENCY 1

1. THE RESIDENCE 1

2. CHARGES FOR RESIDENCE AND PRIMARY SERVICES 1

2.1 Application Fee 1
2.2 Entrance Fee 2
2.3 Monthly Fee 2
2.4 Initial Monthly Fee 2
2.5 Continuance of Monthly Fee 2
2.6 Increase in Monthly Fee 2
2.7 Reduction in Monthly Fee Due to Absence 2
2.8 Reserve Funds 3
2.9 Late Payment Charge 3

3. DESCRIPTION OF PRIMARY AND SUPPLEMENTAL SERVICES 3

3.1 Services Provided for the Monthly Fee 3
3.2 Supplemental Services Provided for an Extra Charge 4

4. TERMS OF RESIDENCY 4

4.1 Use of the Residence 4
4.2 Duration of Your Right to Occupy the Residence 4
4.3 Occupants of the Residence 4
4.4 Guests 5
4.5 Release 5
4.6 Insurance 5
4.7 Removal and Storage of Resident's Personal Property 5
4.8 Furnishings 5
4.9 Emergency Entry and Relocation 5
4.10 Alterations by You 6
4.11 Condition of Residence 6
4.12 Rights of Second Single Resident 6

5. THE COMMUNITY HEALTH CENTER 6

5.1 Description 6
5.2 Alternate Accommodations 6
5.4 Thirty (30) Annual Days of Nursing Care in the Community Health Center 6
5.5 Transfer to Health Center Level Services 6

5.6 Temporary Assignment to the Community Health Center 7
5.7 Permanent Assignment to Health Center Level Services 7
5.8 Relocation within the Community Health Center 7
5.9 Return to Residence 7
5.10 Medical Director, Attending Physician, and Additional Health Services 7
5.11 Advanced Charges for Medical Treatment 7
5.12 Medicare and Health Insurance 8
5.13 Managed Care 8
5.14 Transfer to Hospital or Other Care Facility 9
5.15 Community Health Center Admission Agreement 9
5.16 Under Age 60 10
6. REPRESENTATIONS 10
6.1 Our Representations 10
6.2 Your Representations 10
7. PROMISES 10
7.1 Our Promises 10
7.2 Your Promises 10
8. CANCELLATION BY RESIDENT 10
8.1 Right of Rescission 11
8.2 Cancellation Prior to Occupancy. 11
8.3 Cancellation After Occupancy 11
8.4 Cancellation Due to Death After Occupancy 11
9. CANCELLATION BY US 11
9.1 Cancellation Upon Notice 11
9.2 Default Notice 12
10. REPAYMENT OF ENTRANCE FEE 12
10.1 Nonacceptance by Us 12
10.2 Right of Rescission 12
10.3 Cancellation Prior to Occupancy Due to Death, Illness, Injury, Incapacity, or Change in Financial Condition 12
10.4 Cancellation Prior to Occupancy for Other Reasons 12
10.5 Cancellation After Occupancy 13
10.6 Offset Against Entrance Fee Repayment 13
11. MISCELLANEOUS 13
11.1 Nature of Rights 13
11.2 Release 14
11.3 Amendment 14
11.4 Law Changes 14
11.5 Entire Agreement 14
11.6 Monthly Statement 14

11.7 Responsible Party for Business and Financial Decision Making 14
11.8 Disposition of Furniture, Possessions, and Property 14
11.9 Nonwaiver 14
11.10 Notices 14
11.11 Indemnity 15
11.12 Separability 15
11.13 Subordination 15
11.14 Capacity 15
11.15 Resident 15
11.16 Reimbursement for Loss or Damage 15
11.17 Reimbursement of Charges 15
11.18 Transfers 15
11.19 Private Employee of Resident 15
11.20 Tax Considerations 16
11.21 Management 16
11.22 Governing Law 16
11.23 Survival of Representations and Obligations 16
11.24 Force Majeure 16
11.25 Acknowledgment of Receipt of Documents 16
12. ARBITRATION 16
12.1 Voluntary Arbitration of Negligent Health Care Claims 16
12.2 Arbitration for Other Claims 17
12.3 Withdrawal of Agreement to Arbitrate 18
12.4 Binding Effect of Arbitration 18

Exhibit A – Non-Standard Features Added at Resident's Request

WHITESTONE: A MASONIC & EASTERN STAR COMMUNITY
TRADITIONAL
RESIDENCY AGREEMENT

RECITALS:

A. Provider. The Masonic and Eastern Star Home of North Carolina, Inc., a non-profit corporation (hereafter "we" or "us" or "our"), is the provider of a continuing care retirement community known as WhiteStone: A Masonic & Eastern Star Community (the "Community") located in Greensboro, North Carolina.

B. Resident. _____ _____ ("Resident" or "you" or "your", or when two people ("Joint Residents") are named in this Agreement, each of them and the survivor of them, except as otherwise indicated) wishes to live at the Community and to enjoy, consistent with the rights, welfare and contentment of the other residents, the facilities and services provided by the Community.

C. Requirements for Residency. Except as waived by us after full disclosure, we require that Resident be at least sixty (60) years of age or applying for the same Residence with a Joint Resident who is sixty (60) or older, be capable of meeting the requirements of occupancy with or without reasonable accommodation and/or reasonable modification, and have sufficient assets and income, all as are specified in our Residency Policy.

NOW, THEREFORE, this Agreement is made and entered into between us and Resident as a commitment by Resident and us to the terms and conditions hereinafter set forth.

1. THE RESIDENCE. We agree to make available to you, for as long as you live and subject to the terms of this Agreement, a room, studio, apartment or cottage at the Community described as follows: _____ _____, _____ no. _____ (hereafter "Residence"), and to provide, for your lifetime, the services and amenities described in Section 3.1 below. You may select certain options and custom features in the Residence at an extra charge, which shall not be subject to any repayment provision herein. Any such options and custom features selected and paid for by you will become our property. Such options and custom features must be approved by the Executive Director of the Community prior to adding them to the Residence. The Executive Director of the Community has consented to your request to add the non-standard features set forth on Exhibit A to the Residence, and you agree to pay the amount(s) set forth on Exhibit A to cover the additional charges for these features.

2. CHARGES FOR RESIDENCE AND PRIMARY SERVICES.

2.1 Application Fee. Prior to or upon execution of this Agreement, you will pay to us an Application Fee of $_____. The Application Fee will be used by us to process your application for residency and is non-refundable.

2.2 Entrance Fee. In order to reside at the Community for life, subject to this Agreement, and to receive the services described below, you agree to pay to us (in addition to the Monthly Fee described below) an Entrance Fee in the amount of $_____. The total amount of the Entrance Fee shall be payable as follows:

2.2.1 Ten percent (10%) of the total Entrance Fee or $_____ is due and payable upon your execution of this Agreement.

2.2.2 The balance of $_____ of the Entrance Fee shall be paid on the date of occupancy at the Community but in no event later than ninety (90) days after your execution of this Agreement.

2.3 Monthly Fee. You are obligated to begin paying a Monthly Fee (or a pro rata portion thereof) on the date you assume occupancy at the Community or within ninety (90) days from the date this Agreement is executed by you, whichever is earlier. Thereafter, the Monthly Fee shall be paid by the tenth (10^{th}) day of each month during the term of this Agreement. The Monthly Fee is initially set at a specific amount that can be increased as described in Section 2.6 below. A "Second Person Monthly Fee" shall become part of the Monthly Fee and shall be paid if two persons are Joint Residents under this Agreement. If there are Joint Residents under this Agreement and one Joint Resident dies, the Second Person Monthly Fee shall cease and the remaining Resident shall continue to pay the Monthly Fee without the Second Person Monthly Fee component.

2.4 Initial Monthly Fee. The initial Monthly Fee payable by you is $_____ per month and an additional $_____ per month as a Second Person Monthly Fee component of the Monthly Fee if two persons reside as Joint Residents pursuant to this Agreement.

2.5 Continuance of Monthly Fee. The Monthly Fee will continue until (i) your death (in the case of Joint Residents, the death of the surviving Resident), or (ii) surrender of your Residence due to your permanent assignment to Health Center Level Services (as defined in Section 5.1), or (iii) the cancellation of this Agreement as outlined in Sections 8 and 9. If this Agreement is canceled on a date other than the last day of the month, the amount of the Monthly Fee shall be prorated to the date of cancellation. If you have paid more than the prorated Monthly Fee, we will repay the excess amount to you within thirty (30) days after the date of cancellation.

2.6 Increase in Monthly Fee. The Monthly Fee is paid to us to provide the services and amenities described in this Agreement, and is intended to meet the expenses associated with the operation of the Community. We may increase the Monthly Fee (which includes the Second Person Monthly Fee where applicable) upon thirty (30) days' written notice if we, in our sole discretion, deem it necessary to meet the financial needs of the Community or to provide services to the Residents.

2.7 Reduction in Monthly Fee Due to Absence. If you are absent from the Community for more than seven (7) consecutive days, you will be eligible for a Monthly Fee credit equivalent to the costs of meals paid for and not consumed. You are required to notify us in advance of your absence in order to qualify for the Monthly Fee credit.

2.8 Reserve Funds. The amount of the Monthly Fee is and will continue to be affected by our policy of maintaining reserve funds for the financial security of the Community.

2.9 Late Payment Charge. We may charge a one percent (1%) late payment charge per month on any Monthly Fees or extra charges that have not been paid within thirty (30) days of receipt of a monthly statement from us.

3. DESCRIPTION OF PRIMARY AND SUPPLEMENTAL SERVICES.

3.1 Services Provided for the Monthly Fee. We will provide you, in consideration for the Monthly Fee referred to above, the following services and amenities at the Community:

- As of the date you executed this Agreement the monthly Dining Allocation is $_____ per month. Each Resident will receive the monthly Dining Allocation as part of the Monthly Fee and Second Person Monthly Fee, to be applied toward dining charges in the main dining room, other designated dining areas, or for other food and beverage services. This Dining Allocation may be expended by you, or with your permission, your guests. Each month, you will be charged for any dining charges in excess of your Dining Allocation. Any unused Dining Allocation at the end of a month can be carried over up to thirty (30) days, but will expire after such thirty (30) days. Your monthly Dining Allocation will be adjusted annually to reflect changes in food service expenses;
- Water, sewer, air conditioning, heating, electricity, cable, Wi-Fi internet, trash removal, and municipal services. The Resident is responsible for the charges related to telephone;
- Access to one unassigned parking stall (other spaces, if available, may be provided for an additional fee);
- Building and grounds maintenance;
- Bi-weekly housekeeping service;
- Availability of laundry facilities so that you may wash and dry personal laundry;
- Planned activities -- social, educational, cultural, recreational, and spiritual -- for those who wish to participate;
- Services of an activities director;
- Use of the Community's common areas and amenities during scheduled hours – central dining room, chapel, library, mail boxes, lounges, arts and crafts room, exercise areas, community garden, dog park, fellowship hall, and woodworking shop;
- Carpeting (except in the kitchen and bath where there is other floor covering);
- A kitchen, including refrigerator with icemaker, range/oven, garbage disposal, dishwasher, and microwave;
- Local transportation scheduled by us;
- Twenty-four (24) hour emergency call monitoring in your Residence by nursing staff;
- Guest parking areas;
- Fire detection system;
- Security for buildings and grounds;
- Health Center Level Services, for thirty (30) free annual days of care (see Section 5 for additional details).

3.2 Supplemental Services Provided for an Extra Charge. Supplemental services, when available, will be provided at extra charge and are described below:

- Additional meals in the dining room over those provided in consideration for the Monthly Fee;
- Guest accommodations, if available;
- Certain other supplies and services such as medicine, drugs, prescribed therapy, Health Center Medical Director, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment;
- Other optional services related or unrelated to care in the Health Center as approved by us;
- Personal laundry service;
- Guest meals;
- Additional housekeeping services;
- Special events transportation;
- Extended dietician services when ordered by your attending physician or dietician services not ordered by your attending physician;
- Tray service to your Residence when ordered by your attending physician, the Health Center Medical Director, the Health Center director of nursing, assistance-in-living director or resident services director;
- Health Center Level Services beyond the thirty (30) free annual days of care.

4. TERMS OF RESIDENCY.

4.1 Use of the Residence. The Residence is for living only and will not be used for carrying on any business or profession, nor in any manner in violation of zoning restrictions. This Agreement is not a lease, and grants you only a lifetime use of the Residence and other facilities of the Community and to available services, subject to the terms and conditions of this Agreement.

4.2 Duration of Your Right to Occupy the Residence. You may reside in your Residence for as long as you (or either of you in the case of Joint Residents) live unless you (both of you in the case of Joint Residents) are not capable of occupancy as set forth in our Residency Policy, or this Agreement is canceled by you or by us. A copy of our current Residency Policy, outlining the age, health and financial requirements for residency, is available for review in the Community Marketing Office. If, in the opinion of your attending physician or the Medical Director, your physical or mental health requires that assisted living, skilled nursing care, or specialized care for dementia or related disorders be given, you will be requested to relocate to the Community Health Center where we are licensed to provide such care.

4.3 Occupants of the Residence. Except as hereinafter provided, no person other than you (both of you in the case of Joint Residents) may occupy the Residence. In the event that a second person who is not a party to this Agreement is accepted for residency in the Residence at a time subsequent to the date hereof (said acceptance to be in accordance with our current Residency Policy), an Entrance Fee in an amount to be determined by us (which will be no more than one-half of the then-current Entrance Fee for the Residence) shall be paid upon residency, and each month thereafter, the then-current Second Person Monthly Fee shall be paid as part of the Monthly Fee. If such second person does not meet the requirements for residency, such second person will not be

permitted to occupy the Residence for more than thirty (30) days, except with our express written approval.

If the Resident marries a person who is also a resident of the Community, and should they decide to occupy one residence as Joint Residents, they must declare which residence will be occupied and which residence will be surrendered. The repayment due for the surrendered residence, if any, will be provided pursuant to the Entrance Fee repayment terms in the residency agreement of the surrendered residence.

4.4 Guests. Guests are welcome to stay in your Residence for short stays not to exceed ten (10) consecutive days. Such stay shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of other residents.

4.5 Release. We are not responsible for loss of or damage to your personal property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees, and you hereby release us from such liability.

4.6 Insurance. You are required at your own expense to carry personal property insurance and liability insurance. If requested by us, you agree to provide us with proof of such insurance coverage.

4.7 Removal and Storage of Resident's Personal Property. Your personal property must be removed from the Residence within thirty (30) days following any of the following dates: (i) the date of your death (if Joint Residents, the date of death of the surviving Resident), (ii) the date notice of cancellation is delivered by you or us pursuant to Section 8 or 9, or (iii) the date notice is delivered to you of your permanent assignment or transfer to the Community Health Center or a Comparable Facility for Health Center Level Services (see definitions in Sections 5.1 and 5.2). If your personal property has not been removed from the Residence within such thirty (30) day period, then we may, in our sole discretion, either charge you an additional Monthly Fee for each month thereafter during which such personal property remains in the Residence or remove and store such personal property at the expense and risk of you or your estate. In the event of your death, while you are a resident of the Community under this Agreement, only the executor(s) named in your Will will be allowed to remove or dispose of your furnishings and belongings in your living accommodation and any related storage areas at the Community. Members of your family or those to whom you have granted Power of Attorney will not be allowed access to your personal property after your death, unless they are the executor(s) named in your Will.

4.8 Furnishings. Furnishings within the Residence provided by you shall not be such as to interfere with the health, safety or general welfare of you, other residents, or others.

4.9 Emergency Entry and Relocation. We may enter your Residence should it be necessary in an emergency to protect your health and safety or the health and safety of other residents. If relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence within the Community, or to the Community Health Center or a Comparable Facility (as defined in Section 5.2) for the protection of your health or safety or for the health or safety of the other residents of the Community.

4.10 Alterations by You. You may not undertake any alterations to your Residence without our prior written approval, as set forth in a separate addendum to this Agreement.

4.11 Condition of Residence. Upon vacating the Residence, you agree to leave it in good condition, except for normal wear and tear. You shall be liable to us for any charges incurred to restore your Residence to good condition, normal wear and tear excepted.

4.12 Rights of Second Single Resident. When two Joint Residents reside in a single Residence under this Agreement, upon the death or permanent assignment of one Resident to the Community Health Center Level Services, or other inability to continue residing in the Residence, the remaining Resident may continue to reside in the Residence under the terms of this Agreement and shall pay the Monthly Fee.

5. THE COMMUNITY HEALTH CENTER.

5.1 Description. The Community Health Center is the portion of the Community which is licensed to provide assisted living, skilled nursing care, and specialized care for dementia or related disorders (collectively "Health Center Level Services"). The Community Health Center is staffed by licensed nursing personnel 24 hours a day.

5.2 Alternate Accommodations. You will be given priority over non-residents for admission to the Community Health Center. In the event the Community Health Center is fully occupied when you are determined appropriate for admission, you agree to relocate to an alternate health care facility that provides services similar to the Community Health Center (a "Comparable Facility"). Upon your relocation to a Comparable Facility, you shall continue to be responsible for the Monthly Fee (unless your Residence is surrendered). We will not be responsible for the charges associated with the Comparable Facility.

5.3 Thirty (30) Annual Days of Nursing Care in the Community Health Center. You are eligible to receive thirty (30) annual days of nursing care (non-cumulative) in the Community Health Center (while you are a resident of your Residence), without paying the Health Center per diem charge. In the case of Joint Residents, each of you will receive thirty (30) annual days, but the days cannot be combined and used by only one of you, and unused days cannot be carried over to subsequent years. You are required to pay any charges for physician services and any additional health services as outlined in Section 5.10. Once you are permanently assigned to the Health Center, you no longer qualify for the thirty (30) annual days.

5.4 Transfer to Health Center Level Services. In the event your physical or mental health is determined by us to be appropriate for Health Center Level Services, you agree to relocate to the Community Health Center or a Comparable Facility. Such a determination will be made by us after a review by the Director of Nursing, the Medical Director and the Executive Director in consultation with your attending physician, your personal representative, and you to the extent possible.

5.5 Temporary Assignment to the Community Health Center. In the event you require temporary care in the Community Health Center beyond the thirty (30) annual days of care as outlined in Section 5.4, you will pay the per diem charge applicable to the level of care needed by you, as well as the charges for physician services and any additional health services as outlined in Section 5.10. In addition, you will continue to pay the Monthly Fee for your Residence.

5.6 Permanent Assignment to Health Center Level Services. In the event you require permanent care in the Community Health Center beyond the thirty (30) annual days of care as outlined in Section 5.4, you will pay the per diem charge applicable to the level of care needed by you, as well as the charges for physician services and any additional health services as outlined in Section 5.10. If you are determined appropriate for Health Center Level Services, and are admitted or relocated to the Community Health Center or a Comparable Facility, you will be required to surrender the Residence to us. We shall have the right to reassign the Residence for occupancy by others except as provided in Section 4.12. Release of the Residence due to your permanent assignment to the Community Health Center or to a Comparable Facility does not qualify you for reimbursement of the Entrance Fee, unless this Agreement is canceled.

Once the Residence is surrendered, you will no longer be obligated to pay the Monthly Fee for the Residence.

5.7 Relocation within the Community Health Center. We reserve the right to relocate you to a different level of care within the Community Health Center if you require such care. Such relocation will be made after a review by the Director of Nursing, the Medical Director and the Executive Director in consultation with your attending physician, your personal representative, and you to the extent possible.

5.8 Return to Residence. If we subsequently determine, in consultation with your attending physician, your personal representative and you to the extent possible, that you can resume occupancy in a residence equivalent to the residence you previously occupied, you shall have the right to relocate to such equivalent residence as soon as one is available. Upon reoccupying a residence, your Monthly Fee will be based on the then-current Monthly Fee for the residence.

5.9 Medical Director, Attending Physician, and Additional Health Services. We have designated a licensed physician to serve as Medical Director of the Community Health Center. You are required to have a local attending physician. You may engage the services of the Medical Director at your expense. We will not be responsible for the charges for medical treatment or services by the Medical Director or your attending physician, nor will we be responsible for the charges for medication, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment.

5.10 Advanced Charges for Medical Treatment. In the event we incur or advance payment for your medical treatment or for medication, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment (even in the event such medical care is given at the direction of your attending physician or the Medical Director without your prior approval), you shall promptly reimburse us for such payments. Upon

cancellation of this Agreement for any reason, any amounts due to us under this Section 5.11 shall be offset against any repayment of the Entrance Fee.

5.11 Medicare and Health Insurance. When age eligible, you are required to maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility. You shall furnish to us such evidence of coverage as we may from time to time request. Such supplemental insurance should cover Medicare co-insurance and deductibles. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified admission and stay in the Community Health Center or a Comparable Facility. If you are eligible to receive the thirty (30) annual days of care in the Community Health Center as provided in Section 5.4 and your stay in the Community Health Center is a Medicare-qualified stay, such thirty (30) annual days will be applied after the expiration of your Medicare-qualified stay providing you have Medicare Part A, Medicare Part B and acceptable supplemental health insurance or equivalent insurance coverage.

If you are not eligible for Medicare, you shall maintain health insurance coverage acceptable to us and shall furnish us with evidence of such coverage upon our request. Should your health insurance not fully cover your stay in the Community Health Center or a Comparable Facility, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each admission and stay in the Community Health Center or a Comparable Facility.

If failure to maintain Medicare Part A, Medicare Part B, supplemental health insurance or other health insurance coverage causes depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations to us as outlined in Section 7.1, and we retain the right to revoke your right to reside at the Community and cancel the Residency Agreement as provided in Section 9.

5.12 Managed Care. If you have chosen to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, the terms of this Agreement governing nursing care will include the following provisions:

5.12.1 Participating Provider. If the Community Health Center is a participating provider with your managed care program and your stay is a Medicare-qualified stay, the Community agrees to be reimbursed at the rate negotiated with your managed care program. Such a managed care stay in the Community Health Center will not reduce the number of days of care you are eligible to receive without extra charge pursuant to Section 5.4.

5.12.2 Not a Participating Provider. If the Community Health Center is not an approved participating provider with your managed care program and you choose to receive health care services at a managed care participating provider, then you agree that you must relocate for as long as necessary for those services to be provided, and be responsible for all charges for health care

services. In addition, while receiving health care services at the managed care participating provider, you agree that unless this Agreement is canceled, you will continue to pay the Monthly Fee for your Residence, unless your Residence has been surrendered to us. Such a stay at a managed care participating provider other than the Community Health Center will not reduce the number of days of care that you are eligible to receive without extra charge pursuant to Section 5.4.

5.12.3 Negotiated Managed Care Rate. If the Community Health Center is not a participating provider in your managed care program and your stay is a Medicare-qualified stay, we will use our best effort to negotiate a reimbursement rate with your managed care program. If we are able to negotiate an acceptable rate, we agree to accept as full payment the rate provided by your managed care program. Such a managed care stay in the Community Health Center will not reduce the number of days of care that you are eligible to receive without extra charge pursuant to Section 5.4.

5.12.4 No Negotiated Managed Care Rate. If the Community Health Center is not a participating provider in your managed care program and a negotiated rate is not agreed upon and you would still like to receive health care in the Community Health Center during a Medicare-qualified stay, then each day of your stay in the Community Health Center will reduce by one day the number of days of care you are eligible to receive without extra charge pursuant to Section 5.4. During any such Medicare-qualified stay in the Community Health Center, you agree that you will continue to pay the Monthly Fee, unless your Residence has been surrendered to us, the charges for medication, prescribed therapy, medical treatment by physicians, and other medical and miscellaneous supplies and services associated with medical treatment. If at any time during any such Medicare-qualified stay in the Community Health Center you are no longer eligible to receive any of the days of care provided for in Section 5.4, then you agree to pay the per diem rate for your care in the Community Health Center, the charges for medication, prescribed therapy, medical treatment by physicians, and other medical and miscellaneous supplies and services associated with medical treatment, and the Monthly Fee for your Residence, unless your Residence has been surrendered to us.

5.12.5 Post Medicare-Qualified Stay. At the conclusion of each such Medicare-qualified stay, you will be entitled to health care in the Community Health Center in accordance with the terms of this Agreement other than as provided in this Section 5.13, as adjusted to reflect any reduction during such stay in the number of days of care that you are eligible to receive without extra charge as provided in Section 5.4.

5.13 Transfer to Hospital or Other Care Facility. If we determine after consultation with your attending physician, your personal representative and you to the extent possible, that you need care beyond that which the Community Health Center is licensed to provide, you will be transferred to a hospital or other care facility. We shall not be responsible for any charges associated with the transfer and health care expenses or charges incurred by you after such a transfer. You shall continue to pay the Monthly Fee until your Residence is surrendered.

5.14 Community Health Center Admission Agreement. If you require care in the Community Health Center, you agree to enter into a separate Community Health Center Admission Agreement to be signed by you and us.

5.15 Under Age 60. If you are under the age of 60 when you occupy your Residence under this Agreement, you are not eligible to receive thirty (30) annual days of nursing care in the Community Health Center as described in Section 5.4 until you attain the age of 60. During this time, you will be entitled to Health Center Level Services at the then-current rate being charged to non-residents until age 60.

6. REPRESENTATIONS.

6.1 Our Representations. We represent and warrant that we are a nonprofit corporation and that we do not propose to operate at a profit. We are exempt from payment of Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. We are affiliated with The Grand Lodge of North Carolina and The Grand Chapter, Order of the Eastern Star in North Carolina. The Grand Lodge of North Carolina and The Grand Chapter, Order of the Eastern Star in North Carolina are not responsible for our financial or contractual obligations.

6.2 Your Representations. You represent and warrant that the representations made in the application for residency, your personal health history, and the confidential financial statement are true and correct and may be relied upon by us as a basis for your acceptance for residency at the Community. You also represent and warrant that you have not made any gift of your property in contemplation of the execution of this Agreement.

7. PROMISES.

7.1 Our Promises. It is and shall be our declared policy to operate as a non-profit organization. We will not cancel this Agreement without just cause as specified in Section 9. Further, we shall not cancel this Agreement solely by reason of your financial inability to pay the full Monthly Fee or the per diem charge for care in the Community Health Center. This provision shall not apply if you have impaired your ability to meet your financial obligations hereunder by transfer of assets other than to meet ordinary and customary living expenses or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance, or other health insurance after assuming occupancy. You shall be permitted to remain at the Community for a reduced fee based on your ability to pay for as long as you establish facts to justify deferment of such charges and when deferment of such charges can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis for the benefit of the residents.

7.2 Your Promises. You agree to comply with all policies and procedures of the Community as now existing or as hereafter amended; to pay the Entrance Fee, Monthly Fee, and any other charges as provided in this Agreement; to not impair your ability to meet the financial obligations under this Agreement by transferring assets, other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance or other health insurance, without our consent, and to abide by all other terms of this Agreement.

8. CANCELLATION BY RESIDENT.

8.1 Right of Rescission. Within thirty (30) days following the later of the execution of this Agreement by you or the receipt of a Disclosure Statement from us, you may rescind this Agreement by giving us written notice. You shall not be required to move into the Residence prior to the expiration of the thirty (30) day rescission period. Repayment of the amount of the Entrance Fee paid shall be as outlined in Section 10.2.

8.2 Cancellation Prior to Occupancy. You may cancel this Agreement for any reason at any time before you move into the Community by giving us written notice signed by you (both of you in the case of Joint Residents). Repayment of the amount of the Entrance Fee paid shall be as outlined in Section 10.3 or 10.4. If you die prior to occupying the Residence or if, on account of illness, injury or incapacity, you are precluded from occupying the Residence under the terms of this Agreement, this Agreement will automatically cancel. Repayment of the Entrance Fee shall be as outlined in Section 10.3.

8.3 Cancellation After Occupancy. You may cancel this Agreement for any reason after moving into the Community by giving us thirty (30) days' prior written notice of cancellation, which shall be effective and irrevocable upon delivery. Cancellation shall occur thirty (30) days after written notice is delivered, and you must vacate the Residence within the thirty (30) days. You are obligated to pay the Monthly Fee during the thirty (30) days. Repayment of the Entrance Fee shall be as outlined in Section 10.5.

8.4 Cancellation Due to Death After Occupancy. This Agreement will automatically cancel upon your death (the death of the surviving Resident in the case of Joint Residents). After such automatic cancellation, your personal representative will have thirty (30) days from the date of your death to remove your personal property from the Residence. Repayment of the Entrance Fee shall be as outlined in Section 10.5.

9. CANCELLATION BY US.

9.1 Cancellation Upon Notice. We may, upon notice and opportunity to cure as hereinafter provided, cancel this Agreement for just cause. Just cause shall include the occurrence of any of the following events (hereinafter referred to as a "Default"):

9.1.1 Noncompliance. You do not comply with the terms of this Agreement or the published operating procedures, covenants, rules, regulations, and policies now existing or later amended by us.

9.1.2 Misrepresentation. You misrepresent yourself or fail to disclose information during the residency process.

9.1.3 Nonpayment. You fail to pay any charges to us, subject to the provisions of Section 7.1, within sixty (60) days of the date when such charges are due.

9.1.4 Threat to Health or Safety. Your health status or behavior constitutes a substantial threat to the health or safety of yourself, other residents, or others including your refusal to consent to relocation or behavior that would result in physical damage to the property of others.

9.1.5 Change in Condition. There is a major change in your physical or mental condition and your condition cannot be cared for in the Community Health Center within the limits of our license.

9.2 Default Notice. Prior to cancellation for any Default described in Section 9.1.1, 9.1.2 or 9.1.3 above, we shall give you notice in writing of such Default, and you shall have at least thirty (30) days thereafter within which to correct such Default. No Default shall eliminate your obligation to pay the Monthly Fee until cancellation. If you correct such Default within such time, this Agreement shall not be canceled. If you fail to correct such Default within such time, this Agreement shall cancel at the expiration of such thirty (30) days.

In the event of the occurrence of a Default described in Section 9.1.4 or 9.1.5 above, if we or the Medical Director determines that either the giving of notice of Default or the lapse of time as above provided might be detrimental to you or others, then such notice and/or waiting period prior to cancellation shall not be required. Also, in the event of the occurrence of a Default described in Section 9.1.4 or 9.1.5, we are expressly authorized by you to transfer you to an appropriate hospital or other facility, and we will promptly notify your personal representative or attending physician.

10. REPAYMENT OF ENTRANCE FEE.

10.1 Nonacceptance by Us. If we do not accept you for residency at the Community, the full amount of the Entrance Fee you have paid will be promptly repaid to you, with interest.

10.2 Right of Rescission. If you rescind this Agreement as provided in Section 8.1, you shall receive a repayment of the portion of the Entrance Fee paid by you, less (i) a service charge equal to the greater of one-thousand dollars ($1,000) or two percent (2%) of the Entrance Fee, and (ii) less any charges specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this Agreement, signed by you and us. Such repayment shall be paid within sixty (60) days of our receipt of the written notice of rescission.

10.3 Cancellation Prior to Occupancy Due to Death, Illness, Injury, Incapacity, or Change in Financial Condition. If, prior to occupancy, you die or you cancel this Agreement because of illness, injury, incapacity, or change in your financial condition, you or your estate will receive a repayment of the portion of the Entrance Fee paid by you, less (i) a service charge equal to the greater of one-thousand dollars ($1,000) or two percent (2%) of the Entrance Fee, and (ii) less any charges specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this Agreement, signed by you and us. Such repayment shall be paid within sixty (60) days after our receipt of the written notice of cancellation.

10.4 Cancellation Prior to Occupancy for Other Reasons. If you cancel this Agreement for reasons other than those stated in Section 10.3 above, you shall receive a repayment of the portion of the Entrance Fee paid by you, less (i) a service charge equal to the greater of one thousand dollars ($1,000) or two percent (2%) of the Entrance Fee, and (ii) less any charges specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this

Agreement, signed by you and us. Such repayment shall be paid within sixty (60) days after our receipt of the written notice of cancellation.

10.5 Cancellation After Occupancy. In the event you or we cancel this Agreement after occupancy or in the event of your death (the death of the survivor in the case of Joint Residents), you or your estate will be reimbursed the amount of the Entrance Fee previously paid by you, less two percent (2%) for each month of residency or portion thereof for up to fifty (50) months. After fifty (50) months of occupancy, no repayment of the Entrance Fee will be made. Such repayment will be paid, without interest, within sixty (60) days after your Residence has been reserved by a new resident and our receipt of the full amount of the Entrance Fee paid by such new resident. In the event your Residence is not reserved by a new resident, such repayment will be paid, without interest, within twenty-four (24) months from the date cancellation of your Residency Agreement becomes effective.

10.6 Offset Against Entrance Fee Repayment. In the event of cancellation of this Agreement after occupancy as described in Section 10.5 above, we will offset against any Entrance Fee repayment due to you the following:

10.6.1 The amount of any Monthly Fees or other charges deferred by us on your behalf under Section 7.1; and

10.6.2 Any health care expenses incurred on your behalf and other amounts payable to us, which remain unreimbursed; and

10.6.3 Any charges incurred to restore the Residence to good condition, normal wear and tear excepted, as outlined in Section 4.11; and

10.6.4 Any charges incurred as a result of non-standard features added to the Residence at your request as outlined in Exhibit A or in a separate addendum to this Agreement.

11. MISCELLANEOUS.

11.1 Nature of Rights. You understand and agree that (i) this Agreement or your rights (including the use of the Residence) under it may not be assigned, and no rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees, or representatives, except as to receipt of the amounts described in Section 10; (ii) this Agreement and your contractual right to occupy the Community will exist and continue to exist during your lifetime unless canceled as provided herein; (iii) this Agreement grants you a revocable right to occupy and use space in the Community but does not give you exclusive possession of the Residence against us, and you will not be entitled to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law; (iv) this Agreement is not a lease or easement and does not transfer or grant you any interest in real property owned by us; and (v) this Agreement grants to us complete decision-making authority regarding the management and operation of the Community.

11.2 Release. We are not responsible for loss of or damage to your personal property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees, and you hereby release us from any such liability. You may want to obtain at your own expense insurance to protect against such losses.

11.3 Amendment. This Agreement may be amended by agreement of the parties to this Agreement. No amendment of this Agreement shall be valid unless in writing and signed by you and us.

11.4 Law Changes. This Agreement may be modified by us at any time in order to comply with applicable laws or regulations. Further, we may change any part of the Community, including the Residence, to meet the requirements of any applicable law or regulation.

11.5 Entire Agreement. This Agreement and any addenda or amendments thereto contain our entire understanding with respect to your residency at the Community.

11.6 Monthly Statement. You shall receive a monthly statement from us showing the total amount of fees and other charges owed by you, which shall be paid by the tenth (10^{th}) day of each month.

11.7 Responsible Party for Business and Financial Decision Making. Within sixty (60) days after assuming residency at the Community, you agree to execute and deliver to us a Durable Power of Attorney, trust documents, or other documentation naming a responsible party for business and financial decision-making. These documents should be drafted to remain effective notwithstanding your incompetence or disability and shall be in a form acceptable to us. You agree to keep such documents in effect as long as this Agreement is in effect. The person(s) named as your responsible party shall not be a person(s) employed by us or any other entity engaged in the management of the Community.

11.8 Disposition of Furniture, Possessions, and Property. Within sixty (60) days after the date of residency, you agree to make provision by will or otherwise for the disposition of all of your furniture, property, and possessions located on the premises of the Community.

11.9 Nonwaiver. If we fail to insist in any instance upon performance of any of the terms, promises, or conditions of this Agreement, it shall not be construed as a waiver or relinquishment of the future performance of any such terms, promises, or conditions, but your obligation with respect to such future performances shall continue in full force and effect.

11.10 Notices. Any notice required to be given to us under this Agreement shall be in writing and sent certified mail or hand-delivered to the Executive Director of the Community at 700 South Holden Road; Greensboro, North Carolina 27407. Such notices shall be dated and signed.

Any notice required to be given to you shall be delivered to you at the Community or at such other place as you shall designate to us in writing. All notices mailed in accordance with this Section shall be deemed to be given when mailed whether or not they are actually received.

11.11 Indemnity. We will not be liable for and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your negligent or intentional act or omission or that of your guests.

11.12 Separability. The invalidity of any restriction, condition or other provision of this Agreement, or any part of the same, shall not impair or affect in any way the validity or enforceability of the rest of this Agreement.

11.13 Subordination. You agree that all your rights under this Agreement will always be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering the Community, which have been or will be executed by us. Upon request, you agree to execute, acknowledge and deliver to such lender or lenders such further written evidence of such subordination as such lenders may reasonably require. Except to the extent of your obligation to pay the Monthly Fee and Second Person Monthly Fee, you shall not be liable for any such indebtedness.

11.14 Capacity. This Agreement has been executed on our behalf by our duly authorized agent, and no officer, director, agent or employee of ours shall have any personal liability hereunder to you under any circumstances. This Agreement will become effective upon acceptance and signature by us.

11.15 Resident. In the case of Joint Residents, the rights and obligations of each are joint and several except as the context of this Agreement otherwise requires.

11.16 Reimbursement for Loss or Damage. You or your responsible party, if applicable, agree to reimburse us for any loss or damage to the Community caused by your intentional, careless, or negligent acts or omissions or that of your guests.

11.17 Reimbursement of Charges. You agree to reimburse us for any charges we incur to collect any unpaid amounts you owe to us under this Agreement.

11.18 Transfers. We may sell or transfer our interest in the Community provided the buyer will agree to assume this Agreement and all other existing Residency Agreements. Upon the assumption of this Agreement by a buyer of the Community and its agreement to perform this Agreement and all other agreements, we will have no further obligation hereunder. Your signature hereto constitutes your consent and approval of any such future transaction.

11.19 Private Employee of Resident. If you need additional services, you can obtain these needed services from a private employee, an independent contractor, or through an agency (personal service provider). In such instances, we strongly advise you to obtain these needed services from a licensed and/or certified home health agency. In any event, you must comply with our policy regarding personal service providers, and ensure that your private employee, independent contractor, or person you employ through an agency complies with our policies and rules of conduct set forth in our policy. If you fail to follow or enforce the policies and rules set forth therein, then we may elect, at our sole option, to cancel this Agreement.

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

11.21 Management. We have engaged the services of Life Care Services LLC to manage the Community. We are not affiliated with Life Care Services nor is Life Care Services responsible for our contractual or financial obligations or the contractual or financial obligations of the Community.

11.22 Governing Law. This Agreement will be governed, interpreted and construed according to the laws of the State of North Carolina.

11.23 Survival of Representations and Obligations. Your representations and obligations under this Agreement, including but not limited to, your obligation to pay all sums owed by you to us, and your agreement to indemnify us as set forth in Section 11.11, and our representations and obligations under this Agreement, will survive any cancellation of your residency in the Community, regardless of the reason for such cancellation and regardless of whether it is initiated by you or by us.

11.24 Force Majeure. The Community shall not be liable to the Resident for any default, breach, or damages arising out of or relating to the suspension or termination of any of its obligations or duties under this Agreement by reason or the occurrence of a Force Majeure Event. A "Force Majeure Event" is defined as the occurrence of an event which materially interferes with the ability of the Community to perform its obligations or duties hereunder which is not within the reasonable control of the Community, and which could not with the exercise of diligent efforts have been avoided, including, but not limited to, war, rebellion, natural disasters (including floods, earthquake, fire, hurricanes, windstorms, tornadoes), accident, strike, riot, civil commotion, act of God, pandemic, epidemic, or other public health crisis, including quarantine or other employee restrictions, acts of authority or change in law. The Community shall promptly notify Resident of the occurrence and particulars of such Force Majeure Event and shall provide Resident, from time to time, with its best estimate of the duration of such Force Majeure Event and with notice of the termination thereof. The Community shall use diligent efforts to avoid or remove such causes of non-performance as soon as is reasonably practicable.

11.25 Acknowledgment of Receipt of Documents. You hereby certify that you received a copy of this Agreement and a copy of our most current Disclosure Statement.

12. ARBITRATION.

12.1 Voluntary Arbitration of Negligent Health Care Claims. For all claims for damages for personal injury or wrongful death based on alleged negligence in the provision of health care, the parties may voluntarily elect to submit to arbitration pursuant to the procedures set forth in Article 1H of Chapter 90 of the North Carolina General Statutes. N.C.G.S. §90-21.60(b) prohibits any contract from requiring prior agreement of the parties to arbitrate alleged negligent health care claims. If the parties agree to arbitrate such actions, said arbitration will be governed in accordance with N.C.G.S. §90-21.60, *et seq*.

12.2 Arbitration for Other Claims. It is understood that any and all disputes between the Resident and Community, its owners, operators, officers, directors, administrators, staff, employees, agents, and any management and administrative services company, and all related entities and individuals, their staff, personnel, employees, owners, officers, directors, members, and agents that provide services to the Community that relates to the provision of care, treatment and services the Community provides to the Resident, including any action for injury or death arising from intentional torts, statutory causes of action, negligence, and medical malpractice, that is as to whether any medical services rendered under this contract were unnecessary or unauthorized or were improperly, negligently, or incompetently rendered shall be determined by submission to binding arbitration and not by lawsuit or resort to court process. This provision shall be binding for any and all disputes arising out of the Resident's Residency Agreement and/or the Resident's residency at the Community, except for disputes pertaining to collections or evictions. This provision is binding on all parties hereto, including the Community, the Resident, the Resident's representatives, agents, responsible party, conservators, executors, family members, successors in interest and heirs, as well as anyone who may have a claim arising out of the Resident's Residency Agreement and/or the Resident's residency at the Community.

If this Agreement is signed by someone other the Resident, including the Resident's representative, agent, responsible party, conservator, executor, family member, successor in interest and heir said person is doing so not only in their representative capacity for the Resident, but also in their individual capacity and thus agree that any and all claims brought individually by any such person(s) are also subject to binding arbitration.

The parties to this Agreement are giving up their Constitutional right to have any and all disputes decided in a court of law before a jury, and instead are accepting the use of binding arbitration. By signing this Agreement, the parties waive their right to commence and/or be a party to any class or collective action in any court against the other party relating in any manner to the Resident's residency at the Community. Further, the parties waive their right to commence or be a party to any group, class, or collective action claim in arbitration or any other forum.

Submitting to this provision is not a precondition to receiving medical treatment, care, services and/or for admission to the Community and is not a requirement to continue to receive medical treatment, care, and services at the Community. You may rescind your agreement to arbitrate by written notice to the Community within thirty (30) days of signature. This agreement to arbitrate shall not be discharged by the death of any party hereto, nor by the termination of the Residency Agreement, nor by the Resident ceasing to reside at the Community.

This provision shall have retroactive effect. It is agreed by and between the parties hereto that this provision covers services rendered before the date this contract is signed, thus making this provision effective as of the date of the Resident's first admission to the Community.

This Agreement relates to the Resident's admission to the Community and the Community participates in Medicare programs and/or procures supplies from out of state vendors. The parties, therefore, agree that the underlying admission to the Community involves interstate commerce. The parties further agree that this arbitration provision is to be governed by the Federal Arbitration Act

and the procedural rules set forth in the Federal Arbitration Act (9 U.S.C. Sections 1-16) shall govern any petition to compel arbitration and shall preempt any inconsistent State law. While the parties agree that this provision shall be governed by the procedural rules set forth in the Federal Arbitration Act, the parties further agree that the substantive law of the State where the Community is located shall apply to any and all claims.

The parties desire to have any and all disputes submitted to binding arbitration and do not want any claims not subject to arbitration to impede any and all other claims from being ordered to binding arbitration.

The parties are to mutually agree on the appointment of a single neutral arbitrator who routinely conducts mediations and/or arbitrations in the State where the Community is located and agree that discovery will be conducted pursuant to the discovery rules set forth by the arbitrator. Should the parties be unable to mutually agree upon the appointment of a single neutral arbitrator the Federal Arbitration Act shall govern the appointment of the arbitrator. The arbitration shall be venued in a location convenient for all parties, normally the county or region where Community is located.

The expenses and fees of the arbitrator shall be apportioned equally among all parties except as otherwise permitted or required by law.

If any portion of this provision is held invalid, such holding shall not impact the validity of the remaining content of this provision. Any such invalid portion shall be severed from this provision.

The Resident and/or the person executing this Agreement certifies that he/she has read this provision, understands this provision, it has been explained to them in a manner he/she understands, has been given a copy of this provision, and affirmatively represents that he/she is duly authorized by virtue of the Resident's consent, instruction and/or durable power of attorney, to execute this Agreement and accept its terms on behalf of the Resident and acknowledges that the Community is relying on the aforementioned certification. Further, if the person executing this Agreement is someone other than the Resident, you knowingly do so not only in your representative capacity for the Resident, but also in your individual capacity and thus agree that any and all claims brought individually by you are also subject to binding arbitration.

12.3 Withdrawal of Agreement to Arbitrate. You may withdraw your agreement to arbitrate within thirty (30) days after signing this Agreement by giving written notice of your withdrawal to us.

12.4 Binding Effect of Arbitration. This arbitration clause binds all parties to this Agreement and their spouses, heirs, representatives, executors, administrators, successors, and assigns, as applicable. After cancellation of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

Executed this _____ day of _____, 20_____.

_____

RESIDENT

_____

Witness

_____

RESIDENT

_____

Witness

Approved this _____ day of _____, 20_____.

THE MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA, INC. d/b/a WhiteStone: A Masonic & Eastern Star Community

_____

Printed Name of Authorized Representative

_____

Signature of Authorized Representative

Attachment: Exhibit A



Exhibit A

Non-Standard Features Added at Resident's Request:	**Amount**
	$
	$
	$
	$
	$
	$
Total of Non-Standard Features	**$**

Initials _____ _____ _____

Community **Resident(s)**