



**Providence
Place**
EveryAge™ Senior Living

Disclosure Statement

Providence Place

Continuing Care Retirement Community

Provider: Providence Place, LLC

Date of Disclosure Statement: 09/30/2025

Last Date for Delivery: 03/09/2027

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

Financial Snapshot: Key Ratios for Providence Place, LLC

Fiscal Year Ended: September 30, 2025 (FY), with comparative historical and prospective periods

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3	NC 25 th % ¹	NC 50 th % ¹	NC 75 th % ¹
DCOH	N/A	N/A	101.00	102.00	101.00	101.00	—	—	—
CUSH	N/A	N/A	2.24	2.44	2.55	2.62	—	—	—
OR	N/A	N/A	94.02%	88.77%	89.91%	89.41%	—	—	—
NOM	N/A	N/A	14.10%	18.73%	17.22%	17.37%	—	—	—
NOM-A	N/A	N/A	14.10%	18.73%	17.22%	17.37%	—	—	—
DSCR	N/A	N/A	1.28	1.97	1.89	1.97	—	—	—
CD	N/A	N/A	16.65%	16.86%	17.93%	18.79%	—	—	—
CED	N/A	N/A	1545.40%	140.47%	179.86%	179.59%	—	—	—

Liquidity Ratios:

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

Profitability Ratios:

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

Capital Structure Ratios:

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

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

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

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1. Provider Identification

Legal Responsibility for Continuing Care

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

Item	Information
Provider Name:	Providence Place, LLC
Business Address:	100 Leonard Avenue, Newton NC 28658
Telephone Number:	(828) 464-8260
Legal Entity Type:	Limited Liability Company
For-Profit / Nonprofit Status:	Nonprofit
Federal Tax Status:	Tax-exempt (disregarded entity)
Ownership Type:	A privately owned nonprofit organization governed by a volunteer board of directors. The provider is not part of any publicly held or publicly traded corporate system.
Tax Filing Status:	Current on all required federal and state tax filings
Ownership / Control:	EveryAge

2. Organizational Structure

2.1 Multi-Entity Organization Status

Providence Place, LLC is part of a multi-entity organization. EveryAge, a North Carolina nonprofit corporation serves as the controlling person. EveryAge is the sole member of Providence Place, LLC.

2.2 Consolidation of Financial Statements

Providence Place, LLC is included in the combined audited financial statements of EveryAge and its affiliates. The combined financial statements include EveryAge, Lake Prince Center, Inc., Providence Place, LLC, PPRC Pavilion, LLC, PPRC Hall, LLC, and BellaAge Hickory, LLC

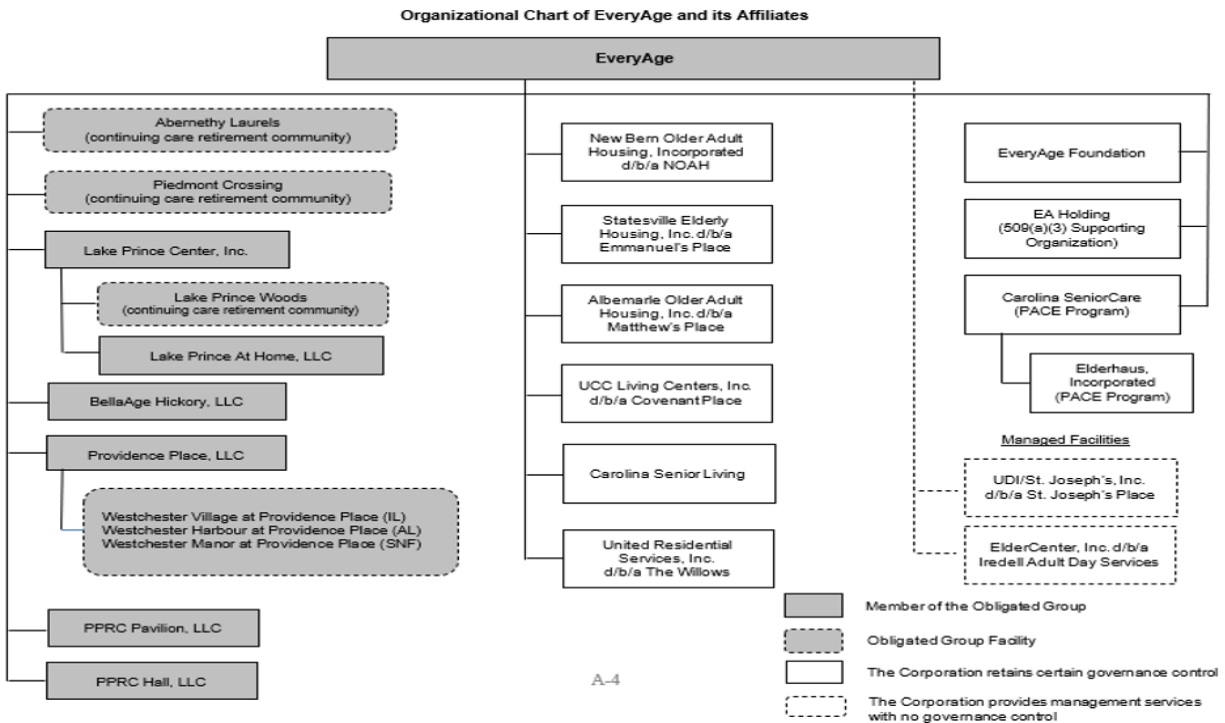
which make up the Obligated Group. The combined financial statements also include non-members of the Obligated Group including Carolina SeniorCare, EA Holding, and EveryAge Foundation. Combined schedules within the audit present the financial position and results of operations of each entity, including Providence Place, LLC, individually.

2.3 Controlling Person

Item	Information
Name:	EveryAge
Business Address:	100 Leonard Avenue, Newton, NC 28658
Telephone Number:	(828)465-8264

2.4 Company Structure Chart

The organizational structure of EveryAge and its related entities, including Providence Place, LLC is illustrated below:



Accessible Text Equivalent:

- **EveryAge** is a North Carolina nonprofit which owns and operates two continuing care retirement communities operating as assumed names, Abernethy Laurels located in Newton, NC and Piedmont Crossing located in Thomasville, NC, and a Corporate home office in Newton, NC. EveryAge is the controlling person of a multi-entity organization.
- **Lake Prince Center, Inc.** is a North Carolina nonprofit corporation organized in 1999 and authorized to do business in the Commonwealth of Virginia. Lake Prince Center, Inc. owns and operates a continuing care retirement community doing business as Lake Prince Woods located in Suffolk, Virginia consisting of independent living, assisted living and skill nursing facilities. Lake Prince Center, Inc. is a wholly owned subsidiary of EveryAge.
- **Lake Prince At Home, LLC** was formed October 2017 as a limited liability company and is a wholly owned subsidiary of Lake Prince Center, Inc. Lake Prince At Home is a Medicare certified Home Health and Hospice agency.
- **BellaAge Hickory, LLC** is a North Carolina limited liability company operates an independent living rental apartment community in downtown Hickory, NC. The community opened in April 2025. EveryAge is the sole member of BellaAge Hickory, LLC.
- **Providence Place, LLC** is a North Carolina limited liability company whose sole member is EveryAge. Providence Place, LLC became a licensed continuing care retirement community provider in February 2025 and is in High Point, NC.
- **PPRC Pavilion, LLC** is a North Carolina limited liability company whose sole member is EveryAge. PPRC Pavilion, LLC owns and leases commercial real estate space which is adjacent to Providence Place, LLC.
- **PPRC Hall, LLC** is a North Carolina limited liability company whose sole member is EveryAge. PPRC Hall, LLC is a commercial piece of leasable real estate adjacent to PPRC Pavilion, LLC.
- **EveryAge Foundation** is a North Carolina nonprofit organization that was organized in 2000 to raise funds for, and to support the charitable work and ministry of EveryAge and its affiliates.
- **EA Holding** is a North Carolina nonprofit organization that was formed in 2021 as a supporting organization to EveryAge with the intent of holding assets to be used for future strategic projects and mission expansion.
- **Carolina SeniorCare (CSC)** is a North Carolina nonprofit organization organized by EveryAge in 2011. Carolina SeniorCare operates a Program of All-Inclusive Care for the Elderly (PACE) based in Lexington, NC. EveryAge leases space to Carolina SeniorCare in Lexington. In 2025, Carolina SeniorCare opened a second location in New Bern, NC. EveryAge provides management oversight of both program locations.

3. Key Persons and Management Personnel

Definitions (for purposes of this Section):

- **Outside Interests:** Any professional service firm, association, trust, partnership, or corporation in which the individual has, or which has in the individual, a ten percent (10%) or greater interest and that currently provides, or is expected to provide, goods, leases, or services to the provider of an aggregate value of \$5,000 or more. If none, the provider discloses “None.”
- **Adverse Disclosures:** Any conviction of or plea of nolo contendere to a felony charge; any final judgment in a civil action for fraud, embezzlement, fraudulent conversion, or misappropriation of property; any currently effective injunctive or restrictive court order; or any suspension or revocation within the past five years of a state or federal license or permit as a result of governmental action. If none, the provider discloses “None.”

3.1 Senior Officers of EveryAge and related entities, including Providence Place, LLC

Name / Role	Education	Experience	Length of Service
Lee B. Syria – President & Chief Executive Officer	MBA, Gardner-Webb University; BSBA in Health Care Management, Appalachian State University Nursing Home Administrator in NC and VA	25 + years in nonprofit long term care administration; Prior roles include as Senior Vice President of Operations and VP of Human Resources	28 years 6 months (since 06/01/1997); served as President and Chief Executive Officer of EveryAge since October 1, 2012; employed by EveryAge.
Aimee Reimann – Chief Operating Officer	BA, Indiana University of Pennsylvania Nursing Home Administrator in NC and VA	25 + years in nonprofit long term care administration; Prior role includes CCRC Executive Director	18 years (since 1/20/2008); served as Chief Operating Officer of EveryAge since 5/30/2013; employed by EveryAge
Tamra “Tammy” Jones – Chief Financial Officer	BS Business Management, Gardner-Webb University	15+ years in nonprofit healthcare finance; Prior role as Controller	12 years (since 11/10/2010); served as Chief Financial Officer of EveryAge since 1/26/2023; employed by EveryAge.

Business Address: 100 Leonard Avenue, Newton, NC 28658

Disclosure: No officer has reported any Outside Interests or Adverse Disclosures.

3.2 Community Management – Providence Place

Name / Role	Education	Experience	Length of Service
Robin Niles – Executive Director	BS in Psychology from High Point University Nursing Home Administrator in NC and VA	30+ years’ experience in long-term care administration.	2 years (since 10/1/2024); Employed by EveryAge.

Business Address: 1765 Westchester Drive, High Point, NC 27262

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

3.3 Board of Directors — EveryAge and Providence Place, LLC

Name / Role	Education	Experience	Length of Service
Brad Thie – Chair	MBA, Jacksonville University; MDiv, Duke University; BA in Psychology, Bowling Green University	United Methodist Minister for 20+ years; District and Market Manager in Hospitality industry previously. Previously served as Abernethy Laurels Advisory Council, Chair of EveryAge Foundation, Vice of Chair of EveryAge Board of Directors	Since 10/1/2012, Ex-officio Advisory Chair since 10/1/2012; Elected Director since 10/1/2014
Margie Wiley – Vice Chair	Minisink Valley High School; Accredited Asset Management Specialist (AAMS), College for Financial Planning	Finance, Investment Advisor. Previously served as Lake Prince Woods Advisory Chair.	Since 10/1/2019, Ex-officio Advisory Council Chair since 10/1/2019; Elected Director since 10/1/2022
Jeff Gilliam – Treasurer	BSBA, Appalachian State University Certified Public Accountant (CPA) and	Business and Management Executive. Previously served as Chair, Vice Chair of EveryAge Board of	Original service began 10/1/2005 as elected Director. Re-elected to

Name / Role	Education	Experience	Length of Service
	Certified Turnaround Professional	Directors. Serves as Treasurer currently.	current service 10/1/2020.
Greg Alcorn – Secretary	MBA, UNC Charlotte	CEO/founder of communication company; founder of nonprofit technology company; Education; Finance; Governance. Previously served as Chair, Vice Chair of EveryAge Board of Directors; and Chair of EveryAge Foundation Board of Trustees. Currently serves as Secretary of the Board.	Original Service began 10/1/1993 as elected Director. Reelected to current service 10/1/2022.
Julius Abernethy – Director	MBA and BS International Business, Gardner-Webb University	Business and operations management	Since 10/1/2019, Ex-officio Advisory Council Chair since 10/1/2019; Elected Director since 10/1/2022
Rev. Lawrence R. Bolick - Director	A.B. Degree Religion, Catawba College, M. Div. Duke University; Certificate: Pastoral Care Specialist;	Minister, Healthcare Chaplaincy, past EveryAge Foundation Board Chair	Since 10/1/2020
Anthony Branch - Director	BS Finance, UNC Greensboro	Financial Investment Services; Previously Served as Vice Chair and Treasurer of EveryAge Board	Original Service began 10/1/2000. Reelected to current service 10/1/2017

Name / Role	Education	Experience	Length of Service
Ken Clapp - Director	Masters Divinity-Yale; BA, Catawba College	Chaplain and Sr. VP Emeritus. Previously served on Piedmont Crossing Advisory Council; Serves as EveryAge Foundation Board Chair.	Since 10/1/2025
Charles Erdman, MD. - Director	Doctor of Medicine- University of Oklahoma	Physician – Emergency Medicine	Since 10/1/2024
P. Allen Gray - Director	AB, UNC; RN, Mercy School of Nursing; BSN, NCCU, MSN, UNC; PhD, UNC Education; MS, Duke Medical Informatics	Retired Educator/Administrator (UNCW, US Navy Reserve); Board Member (Elderhaus (Chair, Director when acquired by EveryAge)), UNC School of Nursing, Health Information Exchange)	Since 10/1/ 2023
Michelle Horton - Director	B.S. Education, East Carolina University; M.S. Ed, Old Dominion University	Education Head of Middle School. Served as Lake Prince Woods Advisory Chair	Since 10/1/2022, Ex-officio Advisory Council Chair since 10/1/2022; Elected Director since 10/1/ 2025
Parker Howell- ex-officio, voice and vote, Immediate Past Chair	BA, William and Mary	Business owner; construction. Served as Lake Prince Woods Advisory Chair, Board of Trustee of EveryAge Foundation, Chair and Vice Chair of EveryAge Board of Directors	Since 10/1/2014

Name / Role	Education	Experience	Length of Service
Lamont Maddox - Director	JD/MBA, William and Mary	Legal, Attorney	Since 10/1/2024
Mills Hunter March - Director	BS and MBA, Old Dominion University	Licensed insurance agent and agency owner. Served on Lake Prince Woods Advisory Council	Since 10/1/2017
Shane Smith - Director	JD, The College of William and Mary; BBA Marketing, West Texas A&M University	Legal, Attorney	Since 10/1/2022
Jody Street-ex officio, voice and vote, Abernethy Laurels Advisory Council Chair	BS, UNC Chapel Hill	Banking and Finance	Since 10/1/2023, Ex-officio Advisory Council Chair since 10/1/2023
Susan Stone-ex officio, voice and vote, Lake Prince Woods Advisory Council Chair	B.A. Carson- Newman University	Philanthropy/Fund Development; Community Engagement	Since 10/1/2025, Ex-officio Advisory Council Chair since 10/1/2025
Diana Sullivan-ex officio, voice and vote, Piedmont Crossing Advisory Council Chair	BS Business Administration, Gannon University	Banking	Since 10/1/2024, Ex-officio Advisory Council Chair since 10/1/2024

Name / Role	Education	Experience	Length of Service
Cory Tobin - Director	MBA, NC State University; BA in Parks and Recreation Management and History, UNC Wilmington	Local Government; serves as Director of Parks and Recreation for the City of Thomasville. Served as Piedmont Crossing Advisory Council Chair; Serves as Chair of EveryAge Housing Service Board (related party)	Since 10/1/2017, Ex-officio Advisory Council Chair since 10/1/2017; Elected Director since 10/1/2020
Kathy Wood - Director	PhD Organizational Management, Capella University; MBA, Winthrop University; Ordained UCC Minister	Ministerial, Healthcare Business and Finance Educator	Since 10/1/2018
Rev. Dr. Edward Davis, ex-officio director, voice, no vote. Southern Conference Minister of United Church of Christ	Doctor of Ministry, United Theological Seminary; Master of Divinity, Chicago Theological Seminary; Master of Business, Roosevelt University; Bachelor's in Business Administration, Roosevelt University; Executive in Leadership, Kellogg School of Management Northwestern University. Certified Nonprofit Manager.	Ministerial, Chaplaincy	Since 2011

Business Address: 100 Leonard Ave, Newton, NC 28658

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

3.4 Management Entity — EveryAge

- **Nature of Role:** Providence Place, LLC is a limited liability company controlled by EveryAge as its sole member. EveryAge employs the Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer who provide centralized management and administrative services to Providence Place, LLC. EveryAge also employs an Executive Director who provides on-site, day-to-day management of Providence Place, LLC.
- **Business Address:** 100 Leonard Avenue, Newton, NC 28658
- **Key Officers:** Lee B. Syria (President & CEO), Tammy Jones (CFO), Aimee Reimann (COO) — see Senior Officers of EveryAge for education, experience, and length of service.

3.5 10%+ Ownership Interests

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

Providence Place, LLC is organized as a nonprofit corporation and therefore has no equity ownership interest. No individual holds a ten percent (10%) or greater beneficial interest in the provider, Providence Place, LLC.

4. Governing Body and Oversight

4.1 Provider and Controlling Person Governing Body

Providence Place, LLC is governed by the EveryAge Board of Directors consisting of no less than eleven (11) elected directors and no more than nineteen (19) elected directors. Its duties include:

- Establishing the mission, vision and strategic direction of the corporation.
- Reviewing and approving budgets and financial reports.
- Ensuring compliance with applicable laws, regulations, and contractual obligations.
- Overseeing the quality of resident care and services, including safety and satisfaction.
- Monitoring risks to Providence Place, LLC's solvency and operations.

4.1.1 Selection of Members

A slate of nominees is prepared by the Governance Committee for presentation to the Board for approval. In addition to the elected directors, the Board consists of four voting ex-officio members: the immediate past Chairperson, and the Chairperson of the Advisory Councils of Lake Prince Woods, Abernethy Laurels and Piedmont Crossing retirement communities. Three additional non-voting members of the Board are the EveryAge President and Chief

Executive Officer, EveryAge Executive Assistant to the President/Assistant Secretary and the Conference Minister of the Southern Conference of the United Church of Christ.

4.1.2 Oversight of Management and Operations

Accountable to the EveryAge Board of Directors, the President and CEO has general charge of the business, affairs and property of EveryAge and control over its other officers, agents and employees. The President and CEO delegates day-to-day operations of Providence Place retirement community to the Executive Director and senior leadership employed by EveryAge. The Board maintains oversight through:

- Regular review of financial and operating reports.
- Approval of major contracts, capital projects, and debt issuances.
- Regular scheduled board and committee meetings with written and verbal reports.
- Evaluation of management performance.

4.1.3 Committees

The EveryAge Board maintains standing committees for:

- **Executive:** may exercise authority of the Board within limits established by the Board. Oversees executive compensation program.
- **Finance:** budget review, financial performance monitoring, investment policy management and oversight, audit review.
- **Governance:** board recruitment, development, evaluation, succession.
- **Advisory Council:** elected by the Board for each retirement community to provide local oversight and community engagement. The Chair of Advisory Council serves as an ex-officio member of the Board with voice and vote.

5. Related Parties

Providence Place, LLC has relationships with related parties under common control by EveryAge, which is its controlling person. For purposes of this section, Actual/Probable Cost refers to the cost incurred by EveryAge.

EveryAge provides management and administrative services, and in most cases sponsorship and start-up funding, for the following entities:

5.1 Albemarle Older Adult Housing, Inc. (Matthew's Place)

Nature of Relationship: EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in Albemarle, NC.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.2 New Bern Older Adult Housing, Inc. (NOAH)

Nature of Relationship: EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in New Bern, NC.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.3 UCC Living Center, Inc. (Covenant Place)

Nature of Relationship: EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in Chapel Hill, NC.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.4 Statesville Elderly Housing, Inc. (Emmanuel's Place)

Nature of Relationship: EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in Statesville, NC.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.5 Carolina Senior Living, Inc.

Nature of Relationship: EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in Lexington, NC.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.6 UDI/St. Joseph's, Inc. (St. Joseph's Place)

Nature of Relationship: EveryAge is one of the sponsors of the nonprofit organization and the managing agent which owns and operates a HUD 202 project in Durham, NC.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.7 The Willows

Nature of Relationship: EveryAge is one of the sponsors of the nonprofit organization and managing agent which owns and operates a HUD 202 project in Burlington, NC.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.8 PPRC Hall, LLC

Nature of Relationship: North Carolina limited liability company whose sole member is EveryAge.

Goods/Leases/Services Provided: Management and administrative services.

Actual/Probable Cost: Not applicable.

5.9 PPRC Pavilion, LLC

Nature of Relationship: North Carolina limited liability company whose sole member is EveryAge.

Goods/Leases/Services Provided: Management and administrative services.

Actual/Probable Cost: Not applicable.

5.10 Lake Prince Center, Inc. (Lake Prince Woods)

Nature of Relationship: North Carolina nonprofit corporation authorized to do business in the Commonwealth of Virginia to operate a retirement community. Lake Prince Center, Inc. is a wholly owned subsidiary of EveryAge.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.11 Lake Prince At Home, LLC

Nature of Relationship: a Limited liability company and is a wholly owned subsidiary of Lake Prince Center, Inc, which is controlled by EveryAge.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.12 BellaAge Hickory, LLC

Nature of Relationship: EveryAge is the sole member of the North Carolina limited liability company.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.13 EveryAge Foundation

Nature of Relationship: Nonprofit supporting organization, controlled by EveryAge

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.14 ElderCenter, Inc (Iredell Adult Day Services)

Nature of Relationship: North Carolina nonprofit organization in Statesville, NC which EveryAge provides contracted management services.

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.15 Carolina SeniorCare

Nature of Relationship: North Carolina nonprofit organization, controlled by EveryAge which is a Program of All Inclusive Care for the Elderly (PACE).

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.16 Elderhaus, Inc.

Nature of Relationship: North Carolina nonprofit organization, controlled by Carolina SeniorCare both of which are Programs of All Inclusive Care for the Elderly (PACE).

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not applicable.

5.17 EA Holding

Nature of Relationship: Nonprofit supporting organization, controlled by EveryAge

Goods/Leases/Services Provided: Management and administrative services provided by EveryAge.

Actual/Probable Cost: Not Applicable

6. Relationships with Religious, Charitable, or Other Organizations

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

Providence Place, LLC is a disregarded entity under the control of its sole member, EveryAge. EveryAge exercises overall governance and financial oversight.

EveryAge has a relationship with the Southern Conference of the United Church of Christ (UCC) as its sponsoring religious denomination. The Southern Conference Minister has an ex-officio seat on the EveryAge Board of Directors with voice but no vote. EveryAge is a member of the Council of Health and Human Service Ministries (CHHSM) of the United Church of Christ. The United Church of Christ, the Southern Conference, or CHHSM do not have governance authority or provide financial support.

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

Providence Place, LLC is a member of industry organizations such as the American Health Care Association, North Carolina Health Care Facilities Association, LeadingAge, and LeadingAge North Carolina. Membership is limited to networking and professional development and carry no governance authority or financial support.

7. Other Persons Responsible for Obligations

Except as described in Section 8 (Obligated Groups) regarding Providence Place, LLC's participation in the obligated group and the joint and several liability for long-term debt under a Master Trust Indenture (MTI), no other person or entity is responsible for the financial or contractual obligations of Providence Place, LLC.

8. Obligated Groups

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

As of September 30, 2025, the obligated group consisted of:

- EveryAge
- EveryAge, dba Abernethy Laurels
- EveryAge, dba Piedmont Crossing

- Lake Prince Center, Inc. dba Lake Prince Woods
- Lake Prince At Home, LLC
- BellaAge Hickory, LLC
- Providence Place LLC
- PPRC Pavilion, LLC
- PPRC Hall, LLC

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

The audited combined financial statements of EveryAge and its subsidiaries include consolidating schedules that present the financial position and results of operations of each obligated group member. These schedules also show Providence Place's financial information, allowing residents and prospective residents to evaluate the retirement community separately from the group. The audited combined financial statements are located in Appendix A (Audited Financial Statements).

9. Debt Covenants and Compliance

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

As of September 30, 2025, Providence Place, LLC and the obligated group were in full compliance with all covenants contained in debt agreements.

10. Third-Party Management Arrangements

Providence Place, LLC does not employ a third-party manager to operate the continuing care retirement community. EveryAge serves as the managing party. Day-to-day operations are carried out by the Executive Director and senior management employed by EveryAge.

11. Real Property Leases

Providence Place, LLC does not lease any part of the real property that makes up the continuing care retirement community.

12. Endowment Funds

Providence Place, LLC does not maintain any endowment funds. However, Providence Place, LLC may have access to endowments funds through a related party, EveryAge and/or

the EveryAge Foundation. Access to these funds is subject to approval by the EveryAge Board of Directors and/or EveryAge Foundation Board of Trustees.

13. Description and Location of the Community

Providence Place, LLC is located at 1765 Westchester Drive, High Point, NC 27626. Providence Place, LLC is a continuing care retirement community situated on approximately 27.2-acre site in Guilford County in the heart of the Piedmont region of North Carolina.

Providence Place, under different ownership, was first established in 1978. Providence Place, LLC was formed on July 25, 2024 as a limited liability company. EveryAge entered into an operating agreement as the sole member with Providence Place, LLC on July 25, 2024. Providence Place, LLC acquired the assets that make up Providence Place Retirement Community on October 1, 2024. Providence Place, LLC became licensed as a Continuing Care Retirement Community on February 13, 2025.

Providence Place has three distinct areas of living: Westchester Village which offers residential (independent) living, Westchester Harbour which is a 90-bed licensed assisted living, and Westchester Manor which is a 129-bed Medicare and Medicaid certified skilled nursing facility. Westchester Harbour and Westchester Manor both offer memory care and support areas. The Westchester Village apartments are adjacent to an indoor medical office and retail building which offers leasable spaces to third parties that the residents may easily access.

14. Living Units by Level of Care

As of September 30, 2025, Providence Place included:

- 160 independent living units, also referred to as residential living units
 - 6 villas
 - 154 apartments
- 90 assisted living units
- 129 skilled nursing beds

15. Continuing Care at Home Program

Providence Place does not operate a Continuing Care at Home (CCaH) program.

16. Resident Population Served

As of September 30, 2025, the resident population served by Providence Place, LLC was:

- 178 residents in residential living

- 71 residents in assisted living
- 113 residents in skilled nursing

There was a total of 101 continuing care contracts at Providence Place, LLC, which encompasses a total of 118 people, inclusive of second persons as September 30, 2025. Providence Place, LLC was licensed as a continuing care retirement community on February 13, 2025. Residents had lease agreements in place under prior ownership which were assumed as part of the acquisition by EveryAge on October 1, 2024. On the date the lease agreements expire, residents sign the continuing care contract. All residents will have a continuing care agreement in place on or before March 1, 2026.

As of September 30, 2025, the community maintained a waitlist for admission to independent living consisting of 108 individuals. Individuals on the waitlist are prospective applicants and are not residents of the community unless and until they have executed a continuing care contract and commenced residency. No advance deposit is required to be on the waitlist.

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

17. Occupancy Rates

The 12-month daily average occupancy rates for Providence Place, LLC for the past five fiscal years were as follows:

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

Fiscal Year End	Independent Living (%)	Assisted Living (%)	Skilled Nursing (%)
9/30/2025	96.25%	72.22%	90.70%
9/30/2024	N/A	N/A	N/A
9/30/2023	N/A	N/A	N/A
9/30/2022	N/A	N/A	N/A
9/30/2021	N/A	N/A	N/A

18. Semiannual Resident Meetings

Providence Place, LLC holds meetings with residents of Providence Place, LLC at least twice each year, as required by law.

Most Recent Meeting Dates

- October 4, 2024
- May 29, 2025

Meetings held on or after December 1, 2025 will require by law, an independent member of the provider's board of directors to be present.

19. Resident Property Rights

Residents do not hold ownership or property rights in the real estate of Providence Place, LLC this Community. Providence Place, LLC retains full ownership and control of the property.

To protect resident health and safety, management may evacuate and relocate residents when a disaster is threatened. Providence Place, LLC maintains an evacuation plan, developed in coordination with local emergency management agencies, which may be implemented for events including hurricanes, floods, hazardous material incidents, or unsafe nuclear conditions. All residents must comply with evacuation orders. Failure to do so may result in removal and relocation with assistance from law enforcement or emergency agencies. No waiver permits a resident to remain in the community after an evacuation order is issued.

20. Services Provided Under the Contract

Providence Place, LLC provides services under continuing care agreements at Providence Place, LLC. The following disclosures describe the services included as well as those available for an additional charge.

20.1 Health Care Services

Residents of Providence Place, LLC have access to assisted living, skilled nursing, and memory support care on campus. Health services include 24-hour nursing, medication management, rehabilitative therapies, and coordination with residents' personal physicians.

Providence Place, LLC operates an Adult Care Home (Assisted Living) facility, also known as Westchester Harbour, with 90 designated rooms that are licensed by the North Carolina Division of Health Service Regulation. The Health Center, also known as Westchester Manor, is licensed as a nursing home by the North Carolina Division of Health Service Regulation and is Medicare and Medicaid certified, offering both private and companion semi-private suites.

20.2 Continuing Care Contract (CCRC)

Residents living on the Providence Place, LLC campus receive the following services as part of their monthly rental fees with additional services available at an extra charge.

20.2.1 Services Included in the Monthly Rental Fees

The monthly rental fee (also referred to as the monthly fee) is paid by the resident at the beginning of each month and is intended to cover rent for the living unit, facility-related operating costs, administrative and programmatic expenses, and a variety of support services provided to residents. A description of all services included in the monthly fee and those available at additional cost appears in Appendix D-Section 4 (Monthly Rental Fees) of the continuing care contract attached. The fee provides the resident with services including the following:

- Basic utilities, including electricity, water, heating, air conditioning, sewer, basic cable, internet
- Inside routine maintenance of the Residential Living Unit and outside maintenance of the common areas and grounds located in the Village as described in Appendix D – Section 8 (Resident Obligations)
- Up to two (2) parking spaces for passenger vehicles of active drivers
- Emergency response system with emergency pull cords and pendants
- Security cameras throughout the apartment buildings
- Access to social, cultural, recreational, spiritual programming and transportation. A minimum charge will be made for certain activities and items. The Resident will be informed of all charges
- Access to a variety of types of support services. A minimum charge will be made for these services. The Resident will be informed of all charges

20.2.2 Services Available at Additional Charge

Additional services may be purchased by the Resident. Some of the services are listed below. See Appendix F (Fee Schedule) for a list of additional services, which may be purchased, and the applicable cost of each to the Resident. The Fee Schedule is published annually.

- Meals and guest meals
- Housekeeping services
- Storage Unit
- Maintenance special request services
- Transportation

20.3 Delivery of Services

Core residential, assisted living, and skilled nursing services are provided directly by Providence Place, LLC, subject to unit availability. Admission to the licensed assisted living and skilled nursing facility is contingent upon the resident meeting the regulatory requirements for admission and upon bed availability. If there is no bed available in the applicable licensed facility, or the resident does not meet the admission requirements, Providence Place, LLC will make reasonable efforts to assist the resident in finding placement at another community. The resident will be given priority application access at other skilled nursing facilities operated by EveryAge or its affiliates, when applicable.

Certain home health and rehabilitative therapies (physical, occupational, and speech) are furnished under contract with a third-party provider.

21. Resident Fees

Nonancillary fees at Providence Place, LLC consist of required, ongoing fees such as monthly fees and transfer fees. The following tables show Providence Place, LLC’s current fee schedules, along with historical information on monthly fee increases over the past two fiscal years in which Providence Place, LLC has been the Provider. Narrative explanations of household composition changes and transfer fees are also included.

21.1 CCRC Contracts

CCRC contracts represent continuing care contracts for residents who live at Providence Place, LLC. The community offers rental continuing care agreements.

Payment of a security deposit serves as security for the Resident’s compliance with the terms of the Residential Living Agreement, including payment of rent and fees and reimbursement for damages or other charges permitted under this Agreement.

Payment of a Monthly Fee provides a Resident with certain monthly services as described in Section 20 (Services Provided Under the Contract) above. All other services are provided on an additional fee-for-service basis. The Monthly Fee shall continue to be charged for as long as the Resident and/or the Resident’s personal belongings occupy the unit, until the unit is made available for remarketing and all keys are returned.

Table 21.1: Current Monthly Fees (CCRC Contracts)

Unit Type	Single Occupant	Double Occupant
Residential Living Village 1 Studio Apartment	\$1,024	\$1,274
Residential Living Village 1 -One Bedroom/One Bath Apartment	\$1,086-\$1,939	\$1,336-\$2,189
Residential Living Village 1- Two Bedroom/One Bath Apartment	\$1,531-\$1,728	\$1,781-\$1,978
Residential Living Village 1 – Two Bedroom/Two Bath Apartment	\$,2048-\$2,725	\$2,298-\$2,975
Residential Living Village 2- One Bedroom/One Bath Apartment	\$1,095-\$1731	\$1,345-\$1,981

Unit Type	Single Occupant	Double Occupant
Residential Living Village 2 – Two Bedroom/One Bath Apartment	\$1,744-\$1,931	\$1,994-\$2,181
Residential Living Village 2- Two Bedroom/Two Bath Apartment	\$2,068-\$2,912	\$2,318-\$3,162
Residential Living Villa- Two Bedroom/Two Bath	\$2,525-\$2,594	\$2,775-\$2,844
Residential Living Villa- Three Bedroom/Two Bath	\$3,019	\$3,269
Assisted Living Semi-private	\$4,822	Not applicable
Assisted Living Private	\$6,103	Not applicable
Assisted Living Memory Care Semi-private	\$6,200	Not applicable
Assisted Living Memory Care – Private	\$7,023	Not applicable
Skilled Nursing – Private	\$10,281	Not applicable
Skilled Nursing – Semi-private	\$9,247	Not applicable
Skilled Nursing – Memory Care – Private	\$10,615	Not applicable
Skilled Nursing – Memory Care – Semi-private	\$9,551	Not applicable

Monthly fees may be adjusted from time to time to reflect changes in operating costs, staffing, health care expenses, and capital needs. Adjustments are subject to board approval, with no contractual cap on increases. Providence Place, LLC will provide the resident with not less than 30 days written notice of the effective date of any changes in the Monthly Fee. Although Monthly Fees may be adjusted at any time, such adjustments have been historically made and noticed in September with an effective date of October 1.

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

	Average % Increase	Average \$ Increase	Frequency
10/01/2025	4%	\$70.00	Annual
10/01/2024	N/A	N/A	Annual
10/01/2023	N/A	N/A	Annual
10/01/2022	N/A	N/A	Annual
10/01/2021	N/A	N/A	Annual

*Providence Place, LLC was acquired by current ownership on 10/1/2024

21.2 Household Composition Changes

If a resident marries or wants another person to move in with them, and the individual does not already have a continuing care contract with this Community, that person must apply for admission and complete the standard application process, including the payment of all required fees. These fees may include an application fee and monthly fees based on the applicable fee schedule at the time of entry. The monthly fee is adjusted to the two-person rate upon the execution of the second person’s continuing care contract. If the spouse (or other individual) is not approved, they may not be admitted under a continuing care contract. The couple will have 60 days to make other living arrangements.

Should a couple occupying a Residential Living Unit choose to no longer share a single living unit, one of the residents may remain in the occupied unit with that resident becoming solely entitled to any security deposit refund which may be later due under the Residential Living Agreement, and that resident will continue to enjoy all rights, privileges, and obligations of said Residential Living Agreement. A separate and new Residential Living Agreement must be executed for the other resident moving out of the Residential Living Unit and into another Residential Living Unit. Should the other resident vacating the Residential Living Unit choose to leave the Community and find other living opportunities, the other resident is not entitled to any refund, and Providence Place, LLC. shall have no further obligations to the other resident or their heirs, executors, administrators, or assigns.

For more details related to Changes in Occupancy, please refer to the Residential Living Agreement under Appendix D- Section 2 (Changes in Occupancy).

21.3 Transfer Fees and Resale Fees

A transfer fee is a base fee charged for transfers from one Residential Living Unit to another Residential Living Unit according to the ancillary fee schedule. Additional refurbishment fees may be added to this fee, based on the condition and the extent of refurbishments

needed for the Residential Living Unit being vacated in accordance with the Residential Living Agreement.

If a resident transfers to a different Residential Living Unit where a lesser security deposit is required, the resident may do so but without a refund. If the resident should choose to move into a different Residential Living Unit where a larger security deposit is required, the resident will pay the difference between the security deposit and any additional fees based on the amount the resident paid upon admission and the current security deposit for the new Residential Living Unit to be occupied.

No resale fees are charged because residents do not hold ownership rights in their units.

22. Refundable Entrance Fee Obligations

Providence Place, LLC has a rental continuing care contract. There are no entrance fees.

23. Financial Hardship Policies

23.1 Policies for Residents Unable to Pay

It is the policy of Providence Place, LLC to consider allowing residents to remain in the community if they experience financial hardship and are unable to pay the monthly fee, the per diem licensed room fee, or any other fees charged by the Community, through no fault of their own, provided the resident has first applied all available assets and income and otherwise complies with the terms of the Residency Agreement. Residents admitted under a continuing care contract are not discharged solely due to financial hardship, subject to the terms and conditions of the Residency Agreement.

If a resident experiences financial hardship, the Community's administrative staff will assist the resident in applying for available financial assistance programs to help meet these obligations. When, in Providence Place, LLC's judgement, a resident's circumstances warrant special financial consideration, Providence Place, LLC may elect to provide temporary financial assistance or subsidies toward all or a portion of the Resident's fees. Any such assistance is discretionary, may be limited in duration or amount, and shall not be provided if it would compromise Providence Place, LLC's financial stability or its ability to fulfill its mission or obligations to other residents.

23.2 Sources of Financial Support

Beyond the funds that may be available from Providence Place, LLC's annual operating revenue to subsidize a portion of a resident's fees, EveryAge, a related party, has the EveryAge Corporate Benevolent Trust Fund (EACBTF) which was established prior to the establishment of the EveryAge Foundation in 2001. The purpose of the fund is to provide benevolent care assistance to residents of EveryAge continuing care retirement

communities. The funds are included as part of the Board-designated funds on the EveryAge balance sheet.

In addition, the EveryAge Foundation, a related-party nonprofit supporting organization, has the EveryAge Foundation Benevolent Fund (EAFBF) where funds raised are held and disbursed since 2001 to support benevolent care to individuals in need and served by EveryAge and affiliates. Distributions from these funds are applied directly to resident accounts.

Refer to Section 12 (Endowment Funds).

23.3 Conditions or Limitations

The funds are restricted by donor intent and board policy to benevolent care and may not be used for general operating purposes of Providence Place, LLC or EveryAge. Availability of distributions is not guaranteed and remains subject to approval by the EveryAge Board of Directors and/or the EveryAge Foundation Board of Trustees based on policy.

23.4 Narrative

In 2025, the EveryAge Foundation did not distribute benevolent care support to Providence Place, LLC Community residents. As of September 30, 2025, the EveryAge Foundation maintained net assets of \$4 million designated for benevolent care, subject to donor restrictions and the discretion of the EveryAge Foundation's Board of Trustees.

24. Contract Cancellation and Refund Policies

24.1 Provider-Initiated Cancellation

Providence Place, LLC may terminate a continuing care contract:

- Before occupancy or commencement of services, if:
 - The applicant fails to meet health or financial eligibility requirements at the time of application;
 - The applicant provided materially false or misleading information during the application process; or
 - Admission would pose a direct threat to the health and safety of others.
- After occupancy or commencement of services, if:
 - During the first ninety (90) days of occupancy, based on EveryAge's determination of the resident's ability to adjust to the CCRC lifestyle;
 - Persistent nonpayment of monthly fees occurs;
 - The resident commits a material breach of contract terms

- Persistent refusal to comply with the Corporation’s written policies and procedures; or
- The resident engages in repeated conduct that unreasonably interferes with other residents’ enjoyment of the Community or engages in disruptive or harmful conduct that materially impairs the rights of other residents or the orderly operation of the Community.

24.2 Resident-Initiated Cancellation

A resident may cancel a contract under the following circumstances:

- Before occupancy or commencement of services:

If the Residency Agreement is executed before occupancy and the resident dies prior to occupying the Residential Living Unit, or is unable to occupy the unit due to illness, injury, or incapacity, the Residency Agreement shall automatically terminate, less a nonrefundable application fee retained by EveryAge to cover administrative costs.

- After occupancy or commencement of services:

Notwithstanding any other provision of the Residency Agreement, the resident may rescind the Residency Agreement within thirty (30) days after execution, or receipt of the disclosure statement, whichever is later. The resident is not required to occupy the Residential Living Unit during the thirty (30) day rescission period.

Anytime after the rescission period, a resident may voluntarily cancel by providing Providence Place, LLC with a sixty (60) day written notice prior to the intended move-out date. Please see Appendix D - Section 1 (Basic Requirements and Terms for Cancellation).

24.3 Refunds Upon Cancellation

- Should the resident cancel a contract before moving into the Residential Living Unit, the resident will receive a refund of the security deposit, less the application fee and costs for any pre-agreed upgrades already paid for by Providence Place, LLC, and any unforeseen wear and tear or damage.
- If the Residency Agreement is rescinded within thirty (30) days following the execution of the Residency Agreement (or the receipt of a disclosure statement, if later), amounts paid by the resident will be refunded, less the following: the Security Deposit, any nonrefundable application fee, the Monthly Fee applicable to the period the Residential Living Unit was occupied by the resident, the cost of any damage to the Residential Living Unit incurred during move-in or occupancy, and any nonstandard costs incurred by Providence Place, LLC at the resident’s request.
- If the Residency Agreement term ends and the agreement is terminated with a sixty (60) day written notice, the resident will receive a full refund of the Security Deposit

minus the non-refundable application fee, and any costs owed to Providence Place, LLC for damages beyond normal wear and tear or other outstanding charges or fees.

- If the resident cancels the agreement after moving in, but before the term ends, the resident forfeits the Security Deposit and will remain liable for the monthly fee through the end of the Residential Living Residency Agreement term or the date on which the Residential Living Unit is re-marketed to a new occupant, whichever comes first. Therefore, the resident may be responsible for payment of the monthly fee after vacating the premises even though the resident is no longer living in the Residential Living Unit.
- In the event Providence Place, LLC initiates termination of the Residency Agreement for cause as outlined in Section 1 (Basic Requirements and Terms for Cancellation), the Resident shall not be entitled to a refund of any monthly fees or other fees paid by the Resident. In addition, all unpaid monthly fees for the remainder of the term shall automatically accelerate and become immediately due, payable, and collectible by Providence Place, LLC.

24.4 Refunds Upon Death

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

If a resident dies or becomes ill or incapacitated before occupying the Residential Living Unit, the entrance fee and any other money or property paid to Providence Place, LLC will be refunded in full, less the non-refundable application fee specified in the ancillary fee schedule and any nonstandard costs specifically incurred by Providence Place, LLC at the resident's request. Any refund shall be issued after Providence Place, LLC's receipt of written notice of the resident's death, illness, or incapacity.

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

If a resident dies during the term of the Residency Agreement, the Security Deposit will be refunded less the non-refundable application fee and any money owed for damages beyond normal wear and tear or any other charges or fees owed to Providence Place, LLC. The monthly fee will be charged until the resident's belongings are removed from the Residential Living Unit, and the keys are turned into the marketing office.

25. Re-occupancy of Units

A Residential Living Unit at Providence Place, LLC may be reassigned to a new resident under the following circumstances:

25.1 Resident-Initiated Vacating

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

25.2 Provider-Initiated Vacating

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

25.3 Temporary Absences

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

25.4 Refunds

Refunds associated with the vacating of a living unit are handled in accordance with Section 24 (Contract Cancellation and Refund Policies).

26. Resident Relocation

Residents of Providence Place, LLC may be required to relocate from their current living unit to another living unit within the community under the following circumstances:

26.1 Resident Needs

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

26.2 Provider Needs

- **Renovation or Construction:** When construction, renovation, or repair work requires temporary or permanent relocation.

- **Operational Necessity:** When the continued occupancy of a living unit materially interferes with the orderly operation of the community and no reasonable alternative exists. This provision is applied only in limited circumstances.

26.3 Process

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

26.4 Financial Obligations

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

27. Admission and Continuation Standards

27.1 Admission Requirements

Admission to Providence Place, LLC is subject to both health and financial screening at the time of application.

27.1.1 CCRC Contracts (Campus-Based)

- **Financial Standards:** Providence Place, LLC evaluates whether a prospective resident has sufficient income, assets, or other financial resources to pay the required security deposit, monthly fees, and other charges as they become due. In making this determination, Providence Place, LLC considers factors such as income sources, assets, liabilities, and anticipated living expenses.
- **Health Standards:** Applicants for residential living must be capable of living safely and independently at the time of entry, with or without reasonable accommodation. A current medical history and health assessment completed by the applicant's physician or the Community's Medical Director may be required. Individuals who require immediate assisted living, memory care, or skilled nursing are not eligible for entry into residential living.
- **Social Interests:** The individual's interests, temperament and outlook should be such that they will contribute to the Community and will be able to live in harmonious relationship with other residents. It is important to consider the ways the individual will benefit from a social setting provided in a Community and how other residents

will benefit from the individual's presence in the Community.

27.2 Continuation Requirements

- **CCRC Contracts:** Once admitted, residents may remain at the community regardless of changes in health or financial status, subject to the hardship policies described in Section 23 (Financial Hardship Policies). Residents may be required to relocate to a higher level of care (see Section 26 (Resident Relocation) if their health needs can no longer be met safely in their current living unit. If the resident relocates to a higher level of care within the community, the resident shall continue to be responsible for the then-current monthly fees and all applicable non-ancillary fees associated with the residency.

27.3 Changes in Condition Before Occupancy or Commencement of Services

- **CCRC Contracts:** If a resident's health materially declines between signing a contract and the date of initial occupancy, the provider may re-evaluate eligibility for residential living and may require admission to a higher level of care, if available. If no suitable accommodation is available or if the applicant no longer meets entry requirements, the contract may be cancelled and the security deposit refunded in accordance with Section 24 (Contract Cancellation and Refund Policies). Depending upon the amount of time that has elapsed since the initial acceptance, material changes in financial condition occur before occupancy (such as loss of income or assets needed to pay monthly fees), and/or whether any rate changes have been implemented, the provider may re-evaluate eligibility. If standards are no longer met, the contract may be canceled, and applicable fees would be refunded.

28. Age and Insurance Requirements

28.1 Age Requirements

The age for admission is at least fifty-five (55) years. If application is for two individuals to occupy one Residential Living Unit, at least one of the two individuals must be at least fifty-five (55) years of age. There is no maximum age limit for admission, provided the applicant meets the health and financial eligibility standards described in Section 27 (Admission and Continuation Standards).

28.2 Insurance Requirements

Applicants for continuing care contracts must maintain eligible Medicare Coverage and one supplemental insurance policy or equivalent insurance coverage, which adequately covers hospital, medical and skilled nursing deductibles and copayments required of the primary insurance plan. Such coverage would include:

- Medicare Parts A and B; and

- a Medicare supplement (Medigap) policy or equivalent health insurance to cover services not provided by Medicare.

Alternatively, if the resident has chosen to participate in a managed care insurance program as an alternative to Medicare Part A, Part B, or other healthcare programs, and supplemental insurance coverage, when healthcare services are provided at the Community, Providence Place, LLC must be a participating provider in the insurance network or the resident will assume the financial responsibility for services provided that otherwise would not be covered. Providence Place, LLC reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.

28.3 Special Conditions

- Exceptions to the minimum age requirement may be considered on a case-by-case basis if a younger applicant is married to or partnered with an eligible applicant, or if otherwise required to maintain household composition.
- Waivers of the insurance requirement may be granted only if the applicant demonstrates alternative coverage or financial capacity sufficient to meet anticipated health care expenses.
- A designated staff member conducts criminal background and sex-offender screening for each applicant. Registered sex offenders will be excluded from admission to Residential Living Units, if the sex offense occurred at age twenty-five (25) or older. All registered sex offenders will be excluded from admission to any licensed bed or unit.

29. Reserve Funding and Refund Security

29.1 Cash and Investments

As of September 30, 2025, Providence Place, LLC held \$6,049,529 in unrestricted cash and investments, the majority of which represents the required operating reserve.

At year-end, unrestricted cash and investments supported a Days Cash on Hand of 101 days, representing approximately three months of projected operating expenses without additional revenue. Providence Place, LLC is a member of an Obligated Group, which collectively held \$84,513,526 in unrestricted cash and investments, representing 342 Days Cash on Hand.

29.2 Investment Management and Oversight

- **Oversight Body:** Finance Committee of the Board of Directors of EveryAge
- **Day-to-Day Management:** Chief Financial Officer (CFO).
- **Experience:** Finance Committee members average 18 years of financial oversight and investment policy.

- **Policy and Controls:** Investments are managed under a Board-approved Investment Policy Statement emphasizing liquidity and capital preservation. Permitted holdings include cash, cash equivalents, U.S. Treasury/agency securities, investment-grade bonds, and broadly diversified public funds/ETFs. The CFO executes within these limits, reports quarterly to the Finance Committee, and maintains controls over custody, counterparty limits, and rebalancing.

29.3 Statutory Operating Reserve Requirement

As of September 30, 2025, Providence Place, LLC’s 12-month rolling average Residential Living Unit occupancy was 96.25. Based on this level of occupancy, the required statutory operating reserve was 25% of projected operating costs for the next 12 months.

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

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

Component	Amount
Total projected operating expenses	\$22,096,000
Add: Debt service (principal and interest)	\$2,434,000
Less: Principal and interest (covered by Debt Service Reserve Fund)	(\$2,144,000)
Less: Depreciation and amortization	(\$2,289,000)
Net projected operating costs	\$20,097,000
Applicable reserve percentage based on occupancy	25%
Required operating reserve	\$5,024,250
Unrestricted cash & investments on hand	\$6,049,529
Excess above required reserve	\$1,025,279

Summary: The required statutory operating reserve was \$5.0 million. Providence Place, LLC held \$6.0 million in unrestricted cash and investments, providing an excess cushion of \$1.0 million above the statutory minimum.

29.4 Refund Security (Entrance Fee Refunds)

Providence Place, LLC does not have entrance fee refund obligations. The residency agreements are rental with only a security deposit required. Security deposit refund obligations are supported by unrestricted cash and investments of \$6 million.

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

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

Category	Amount	Notes
Total unrestricted cash & investments	\$6,049,529	All liquid balances (cash and investments)
Less: Required operating reserve for Providence Place, LLC	(\$5,024,250)	Must be maintained; release requires regulatory approval
Excess unrestricted cash and investments above operating reserve and board designated refund reserve	\$1,025,279	Available for operations and refund needs (outside of designated reserves)

30. Expansion and Renovation Plans

Providence Place, LLC has no current plans for expansion or renovation beyond routine annual capital budget expenditures.

Providence Place, LLC seeks to serve the broader community by responding with care and services to meet the diverse needs of an aging population. As opportunities and financial resources permit, Providence Place, LLC undertakes new outreach ministries to address community needs and promote high standards of quality care and affordable retirement living. Providence Place, LLC remains committed to charitable work in support of individuals and the community as funds and opportunities allow.

31. Audit Opinion and Timeliness

The combined financial statements of EveryAge and its affiliates, including Providence Place, LLC for the fiscal year ended September 30, 2025, were audited by CliftonLarsonAllen LLP Charlotte, North Carolina.

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

EveryAge does not issue separate stand-alone audited financial statements; its financial information is presented within the combined audit of EveryAge, with combined schedules.

32. Audited Financial Statements

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

Because the financial statements are presented on a combined basis, supplemental combined schedules provide provider-level detail for EveryAge.

33. Five-Year Prospective Financial Statements

The five-year prospective financial statements of EveryAge and its affiliates, including Providence Place, LLC for the period 2026 through 2030 are attached hereto as Appendix B. These statements were prepared and compiled by CliftonLarsonAllen LLP and include a summary of significant assumptions and accounting policies.

Because prospective financial statements are presented on a combined basis, supplemental combined schedules provide prospective operating results for EveryAge on a stand-alone basis.

34. Variances from Prospective Financial Statements

For the fiscal year ended September 30, 2025, management reviewed the results of operations for EveryAge against the prospective financial statements filed in the prior year. Variances included both financial line items and key assumptions, such as occupancy, used in preparing the projections. The following material variances were identified:

Table 34.1: Variance Analysis - Fiscal Year Ended 9/30/2025

Category	Projected Amount	Actual Amount	Variance	Explanation
Residential Living Occupancy	154	154	0	Not applicable
Staffing Costs	\$12,630,919	\$12,350,039	-\$280,880	Staffing costs were lower than projected, as initial staffing levels following

Category	Projected Amount	Actual Amount	Variance	Explanation
				the acquisition were conservatively estimated while operational needs were being assessed, and employee benefit costs were lower than anticipated.
Debt Service	\$2,519,040	\$2,554,000	\$34,960	Debt service was slightly higher than projected, which may be attributable to interest rate variability on the adjustable-rate bank loan.

35. Key Financial Metrics

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

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

Full statutory text of definitions is provided in Appendix F.

35.1 Liquidity Ratios

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

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

Table 35.1: Liquidity Ratios – Provider Only

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DCOH	NA	NA	101.00	102.00	101.00	101.00
CUSH	NA	NA	2.24x	2.44x	2.55x	2.62x

Narrative – Provider Only:

Providence Place, LLC’s DCOH is projected to remain at approximately 101 days throughout the forecast period, reflecting projected growth in unrestricted cash and investments that is consistent with operating expenses.

Debt Service coverage ratio is projected to improve over the forecast period as unrestricted cash and investments are projected to grow modestly while annual debt service is expected to remain relatively stable.

Table 35.1A: Liquidity Ratios – Obligated Group

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DCOH	397.83	449.00	342.00	392.00	416.00	436.00
CUSH	9.44x	9.41x	9.53x	9.18x	9.67x	10.49x

Narrative – Obligated Group:

Because the majority of the Obligated Group’s unrestricted cash and investments are held at EveryAge, the DCOH at the Obligated Group level is lower than at the EveryAge level but still reflects sufficient liquidity to cover operating expenses for the Obligated Group members, with DCOH projected to improve over the forecast period.

The Obligated Group’s debt service coverage is projected to improve over the forecast period, though at a slower pace than at the EveryAge level, primarily due to increasing annual debt service for other Obligated Group members. Even so, coverage remains very strong, with unrestricted liquidity covering nine to ten times annual debt service.

35.2 Profitability Ratios

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

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

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

Table 35.2: Profitability Ratios – Provider Only

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
OR	NA	NA	94.02%	88.77%	89.91%	89.41%
NOM	NA	NA	14.10%	18.73%	17.22%	17.37%
NOM-A	NA	NA	14.10%	18.73%	17.22%	17.37%

Narrative – Provider Only:

Operating performance is projected to improve in FY2026 as operations are refined following the first-year post-acquisition and is expected to remain at approximately 89% through the final two years of the forecast period.

NOM is projected to improve in FY2026, reflecting improved operating performance as discussed above, and is expected to stabilize at approximately 17% during the final two years of the forecast period

Because Providence Place, LLC utilizes rental continuing care contracts and does not collect entrance fees, NOM A is equal to NOM.

Table 35.2A: Profitability Ratios – Obligated Group

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
OR	100.30%	100.29%	100.24%%	94.48%	92.99%	92.38%
NOM	7.83%	5.21%	6.94%	12.28%	13.25%	13.50%
NOM-A	21.08%	17.46%	20.68%	23.79%	23.27%	23.46%

Narrative – Obligated Group:

The OR for the Obligated Group remained above 100% during the historical period, indicating operating expenses for the other members of the Obligated Group exceeded operating revenues during those years. Beginning in FY2026, OR is projected to decline reflecting improved focus on operating efficiency and expense control relative to revenues in the projection period.

Consistent with the trend on the EveryAge level, the Obligated Group NOM declined during the historical period as a result of resident expenses increasing at a higher rate than resident

revenues for other members of the Obligated Group. Beginning in FY2026, NOM is expected to increase, indicating improved projected operating performance.

After a decline in NOM-A in FY2024, adjusted margins strengthened mostly due to higher than projected net entrance fees at all three CCRC’s in the Obligated Group. Net entrance fees are projected to be lower but remain stable in the forecast period.

35.3 Capital Structure Ratios

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

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

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

Table 35.3: Capital Structure Ratios – Provider Only

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DSCR	NA	NA	1.28x	1.97x	1.89x	1.97x
CD	NA	NA	16.65%	16.86%	17.93%	18.79%
CED	NA	NA	1545.40%	140.47%	179.86%	179.59%

Narrative – Provider Only:

The projected increase in DSCR over the forecast period reflects a continued focus on refining operations, while annual debt service is expected to remain relatively stable

The CD ratio is projected to increase over the forecast period, reflecting growth in unrestricted cash and investments alongside continued repayment of long-term debt.

The CED ratio was elevated in FY2025 due to the acquisition of Providence Place, LLC, which resulted in one-time capital additions that significantly exceeded depreciation expense. In the forecast period, the ratio is projected to normalize as capital spending reflects ongoing reinvestment in the community.

Table 35.3A: Capital Structure Ratios – Obligated Group

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DSCR	2.13x	1.89x	2.72x	2.45x	2.41x	2.52x
CD	65.71%	66.53%	49.38%	60.01%	67.41%	75.36%
CED	109.19%	290.18%	593.11%	70.71%	59.13%	69.43%

Narrative – Obligated Group:

While coverage and liquidity ratios at the Obligated Group level are moderated by operating performance and higher debt service of certain members, the resulting metrics remain within ranges commonly observed for multi-site senior living operators. Projected growth in unrestricted liquidity and declining long-term debt are expected to support improvement in coverage and liquidity over the forecast period.

The Obligated Group consistently exceeds typical bond-covenant thresholds (DSCR \geq 1.20 \times and CD \geq .35) and reflects prudent borrowing and sustained capital reinvestment across campuses.

The modest increase in the CD ratio reflects incremental growth in unrestricted cash and investments, combined with the ongoing repayment of long-term debt.

The decrease in the capital expenditures to depreciation ratio is primarily due to elevated capital spending in the prior three years and the resulting increase in depreciation as those assets were placed into service, combined with normalized current year capital expenditures

35.4 Overall Summary

Financial ratios indicate a stable and improving financial profile for Providence Place, LLC and the Obligated Group. Provider-level liquidity remains stable, with Days Cash on Hand projected to hold at approximately 101 days and the Cushion Ratio improving modestly as unrestricted cash and investments grow while debt service remains relatively stable. Operating performance is projected to improve following the first-year post-acquisition, with Operating Ratios declining and Net Operating Margins increasing and stabilizing in the out-years. At the Obligated Group level, operating results improve beginning in FY2026, with margins strengthening and liquidity and coverage ratios remaining within ranges commonly observed for multi-site senior living operators. Capital structure metrics remain sound, with debt service coverage exceeding typical covenant thresholds and capital expenditure ratios normalizing following acquisition-related and elevated capital spending in prior years.

36. Actuarial Opinion and Balance

Providence Place, LLC is exempt from the actuarial study requirement under North Carolina law because it offers health care services on a fee-for-service or limited-benefit basis. Instead, Providence Place, LLC is required to obtain an actuarial projection of future population flows and health care needs at least once every five years. Due to timing of the enactment of this requirement and the applicable statutory filing schedule, the required actuarial projection has not yet been completed. Providence Place, LLC is required to submit its actuarial projection to the North Carolina Department of Insurance no later than 12/1/2030, at which time it will be subject to review by the Department.

37. Most Recent Department Examination Report

The North Carolina Department of Insurance has not conducted an examination of Providence Place, LLC under Article 64A of the North Carolina General Statutes.

38. Other Material Information

Management has reviewed whether there are any additional facts, circumstances, risks, or events that could reasonably be expected to influence a prospective or current resident's decision to contract with Providence Place, LLC.

Providence Place, LLC and EveryAge purchases general liability, professional liability, and excess automobile liability insurance from Caring Communities, a Reciprocal Risk Retention Group ("CCrRRG"). CCrRRG is a District of Columbia-domiciled insurer owned by more than 60 members, including EveryAge. All members are not-for-profit providers of senior services and housing, with the exception of one member, which is a Vermont-domiciled insurer owned by its members, all of whom are also not-for-profit providers of senior services and housing. CCrRRG is registered with the North Carolina Department of Insurance; however, it is not covered by the North Carolina Insurance Guaranty Association.

Capital contributions are now represented by EveryAge Charter Capital Account of CCrRRG.

Other than the disclosures provided in prior sections of this Disclosure Statement, management has determined that no additional material information requires disclosure at this time.

39. Contract Forms and Attachments

Providence Place, LLC offers continuing care contracts. A representative form is attached hereto as Appendix D (Representative Contracts).

39.1 Continuing Care Contracts

Providence Place, LLC offers one type of continuing care contract, as highlighted below:

- **Rental Contract** – Providence Place, LLC offers a rental option through which an individual may enter the community by signing a monthly rental agreement. This agreement does not require payment of an entrance fee but does require payment of a Security Deposit and a monthly fee. At the time of the execution of the Residency Agreement, the resident will pay a security deposit equivalent to one month's rent for the selected Residential Living Unit. The rental option provides the resident with access to services and amenities. Additional amenities may be available on a fee-for-service basis for the resident, and likewise the resident shall be charged direct admission fees upon entrance to a higher level of living. Security Deposit refunds are addressed in Section 24 (Contract Cancellation and Refund Policies).

A representative form of this contract is included in Appendix D (Representative Contracts).

Appendix Index

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

Appendix A — Audited Financial Statements

Appendix B — Five-Year Prospective Financial Statements

Appendix C— Statement of Actuarial Opinion

Appendix D— Representative Contract(s)

Appendix E— Examination Report

Appendix F – Statutory Ratio and Supporting Definitions

Appendix A— Audited Financial Statements

EVERYAGE AND AFFILIATES
COMBINED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED SEPTEMBER 30, 2025 AND 2024



EVERYAGE AND AFFILIATES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
EveryAge and Affiliates
Newton, North Carolina

Opinion

We have audited the combined financial statements of EveryAge and Affiliates (a North Carolina nonprofit organization), which comprise the combined statements of financial position as of September 30, 2025 and 2024, and the related combined statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of EveryAge and Affiliates as of September 30, 2025 and 2024, and the changes in their net assets and 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of EveryAge and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EveryAge and Affiliates' ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Board of Directors
EveryAge and Affiliates

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 EveryAge and Affiliates' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EveryAge and Affiliates' 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



Charlotte, North Carolina
January 21, 2026

EVERYAGE AND AFFILIATES
COMBINED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 10,704,804	\$ 3,374,885
Accounts Receivable	15,574,695	4,688,182
Allowance for Credit Losses	(1,267,400)	(569,361)
Accounts Receivable, Net of Allowance for Credit Losses	14,307,295	4,118,821
Other Receivables	814,562	2,441,401
Due from Related Parties, Current	1,493,631	2,881,830
Other Current Assets	<u>788,022</u>	<u>556,652</u>
Total Current Assets	28,108,314	13,373,589
Due from Related Parties, Less Current Portion	227,524	227,524
Assets Limited as to Use	98,661,878	91,718,881
Investments	9,899,722	9,283,665
Equity Investment	1,670,488	1,441,432
Fair Value of Interest Rate Swap Agreements	5,162,882	4,142,418
Other Noncurrent Assets	1,476,618	1,442,027
Property and Equipment, Net	164,456,238	125,001,405
Other Intangible Assets, Net	4,163,014	-
Goodwill, Net	<u>7,549,798</u>	<u>-</u>
Total	<u>293,268,162</u>	<u>233,257,352</u>
 Total Assets	 <u>\$ 321,376,476</u>	 <u>\$ 246,630,941</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 4,069,624	\$ 2,655,000
Accounts Payable	5,050,957	7,808,774
Accrued Salaries and Related Benefits	6,243,901	4,695,117
Other Current Payables	<u>3,422,325</u>	<u>2,921,095</u>
Total Current Liabilities	18,786,807	18,079,986
LONG-TERM LIABILITIES		
Long-Term Debt, Less Current Portion	176,396,451	116,122,610
Refundable Advance Fees	7,253,705	7,715,691
Deferred Revenue from Advance Fees	<u>49,306,939</u>	<u>43,700,678</u>
Total	<u>232,957,095</u>	<u>167,538,979</u>
Total Liabilities	251,743,902	185,618,965
NET ASSETS		
Without Donor Restrictions	61,979,202	52,578,508
With Donor Restrictions	<u>7,653,372</u>	<u>8,433,468</u>
Total Net Assets	<u>69,632,574</u>	<u>61,011,976</u>
 Total Liabilities and Net Assets	 <u>\$ 321,376,476</u>	 <u>\$ 246,630,941</u>

EVERYAGE AND AFFILIATES

**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN
NET ASSETS YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Healthcare	\$ 51,831,519	\$ 34,648,531
Pavilion/Assisted Living	9,325,941	4,521,322
Residential Living	20,653,881	16,556,705
Amortization of Advance Fees	6,493,221	6,377,441
Home Care	4,812,797	3,238,006
PACE Income	20,330,024	17,337,722
Rental Income	1,167,111	-
Management Fee Income	1,178,111	963,651
Outside Services	228,955	185,216
Other Operating Revenue	<u>1,368,727</u>	<u>1,278,664</u>
Total Operating Revenues	117,390,287	85,107,258
OPERATING EXPENSES		
Health Services:		
Healthcare	25,713,159	15,896,888
Medical Records	218,908	178,173
Personnel and Employee Benefits	14,442,789	11,123,637
Laundry	527,375	361,626
Social Services	534,057	322,799
Activities	767,300	478,171
Spiritual Life	287,828	222,702
Housekeeping	2,268,103	1,482,366
Plant Maintenance	9,559,147	6,438,552
Residential Living	1,909	-
Pavilion/Assisted Living	3,822,108	2,023,715
Clinic	101,510	112,956
Resident Services	500,686	316,763
Transportation	191,998	212,752
Dietary	7,680,581	5,534,973
Wellness Center	152,284	164,227
Beauty Shop	66,293	59,278
Day Care	280,192	274,243
Home Care	2,109,644	1,735,947
Home Health	1,604,914	1,334,111
Hospice	353,931	147,687
PACE Expenses (Including 2025 and 2024 Depreciation of \$120,399 and 112,113, respectively)	17,638,861	14,928,149
Outside Services	156,481	138,148
General and Administrative:		
Administrative	7,726,524	6,123,760
Marketing	1,299,649	1,075,302
Staff Development	224,118	210,231
Depreciation	9,960,059	7,181,565
Amortization	1,116,602	-
Real Estate Taxes	981,054	406,783
Interest Expense	6,628,205	3,172,885
Insurance	1,791,441	1,240,683
Credit Losses	552,394	599,015
Other Operating Expenses	<u>1,055,924</u>	<u>702,762</u>
Total Operating Expenses	<u>120,316,028</u>	<u>84,200,849</u>

EVERYAGE AND AFFILIATES

**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
(CONTINUED) YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
OPERATING INCOME (LOSS)	\$ (2,925,741)	\$ 906,409
NONOPERATING INCOME (EXPENSE)		
Contributions and Grants	555,549	696,006
Contribution Expense	(1,533,381)	(182,196)
Investment Return, Net	9,464,410	17,715,793
Change in Fair Value of Interest Rate Swap Agreements	1,020,466	(4,287,557)
Loss on Sale of Property and Equipment	(13,470)	(50,660)
Other Nonoperating Income	1,441,307	954,243
Net Assets Released from Restrictions	<u>1,391,554</u>	<u>14,980</u>
Total Nonoperating Income	<u>12,326,435</u>	<u>14,860,609</u>
 EXCESS OF REVENUES OVER EXPENSES AND CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	 9,400,694	 15,767,018
 NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	611,458	276,308
Net Assets Released from Restrictions	<u>(1,391,554)</u>	<u>(14,980)</u>
 CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	 <u>(780,096)</u>	 <u>261,328</u>
 CHANGE IN NET ASSETS	 8,620,598	 16,028,346
Net Assets - Beginning of Year	<u>61,011,976</u>	<u>44,983,630</u>
 NET ASSETS - END OF YEAR	 <u>\$ 69,632,574</u>	 <u>\$ 61,011,976</u>

EVERYAGE AND AFFILIATES

**COMBINED STATEMENTS OF CASH FLOWS YEARS
ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change In Net Assets	\$ 8,620,598	\$ 16,028,346
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized Gain on Investments	(4,569,526)	(12,694,113)
Net Loss on Sale of Property and Equipment	13,470	50,660
Provision for Credit Losses	(698,039)	(41,258)
Depreciation	9,960,059	7,181,565
Change in Fair Value of Interest Rate Swap Agreement	(1,020,464)	4,287,557
Amortization of Goodwill and Other Intangible Assets	1,116,602	-
Amortization of Deferred Issue Costs	244,130	197,754
Amortization of Bond Premium, Net	(314,667)	(288,571)
Amortization of Advance Fees	(6,493,221)	(6,377,441)
Advance Fees Received	14,021,937	8,553,446
Change in Value of Equity Investment	(229,056)	(115,328)
(Increase) Decrease in:		
Accounts Receivable	(9,490,435)	(703,265)
Other Receivables	2,154,091	(981,975)
Other Current Assets	(265,961)	13,914
Increase (Decrease) in:		
Accounts Payable	418,595	(1,164,131)
Accrued Salaries and Related Benefits	1,548,784	748,624
Other Current Payables	<u>501,230</u>	<u>28,783</u>
Net Cash Provided by Operating Activities	<u>15,518,127</u>	<u>14,724,567</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Assets Limited as to Use	1,621,682	(3,032,316)
Change in Investments	(349,496)	(257,473)
Purchases of Property and Equipment	(22,710,799)	(32,505,307)
Proceeds from Sale of Property and Equipment	3,000	6,812
Repayments to Related Parties, Net	<u>1,388,199</u>	<u>(34,230)</u>
Net Cash Used by Investing Activities	<u>(20,047,414)</u>	<u>(35,822,514)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Advance Fees Refunds	(1,849,182)	(1,256,051)
Borrowings from Long-Term Debt	17,724,643	24,328,860
Principal Payments on Long-Term Debt and Leases	(3,494,980)	(2,435,000)
Refundable and First Generation Advance Fees Received	-	225,252
Increase in Bond Premiums	682,238	-
Increase in Bond Issuance Costs	<u>(1,203,513)</u>	<u>(229,095)</u>
Net Cash Provided by Financing Activities	<u>11,859,206</u>	<u>20,633,966</u>
 NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	 7,329,919	 (463,981)

EVERYAGE AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,374,885	3,838,866
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 10,704,804	\$ 3,374,885
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest, Net of Amounts Capitalized	\$ 6,059,599	\$ 3,171,619
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITY		
Acquisition of Property and Equipment through Incurrence of Accounts Payable	\$ 286,828	\$ 4,634,315
 Property and Equipment Acquired from Purchase	 \$ 31,068,050	 \$ -
Other Current Assets Acquired from Purchase	5,324,225	-
Intangible Assets Acquired from Purchase	4,440,750	-
Goodwill Acquired from Purchase	8,388,664	-
Accounts Payable and Accrued Expenses Assumed	1,171,075	-
Long-Term Debt Incurred	48,050,614	-
	\$ -	\$ -

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 ORGANIZATION

EveryAge is a nonprofit organization that owns and operates continuing care retirement communities in Newton (Abernethy Laurels) and Thomasville (Piedmont Crossing), North Carolina, consisting of residential living units, assisted living units and nursing facilities providing adult care and intermediate and skilled nursing care. EveryAge was incorporated in North Carolina in 1961. EveryAge's corporate office is located in Newton, North Carolina.

Lake Prince Center, Inc. (Lake Prince) is a nonprofit continuing care retirement community in Suffolk, Virginia. The facility consists of independent living units and nursing facilities providing adult care and intermediate and skilled nursing care for Lake Prince residents. Lake Prince was incorporated under the laws of North Carolina in July 1999 and has obtained a certificate to transact business in Virginia where the facility is located.

Lake Prince at Home, LLC, was incorporated on October 16, 2017 and is a wholly owned subsidiary of Lake Prince Center, Inc. It has expanded the services offered at Lake Prince and the surrounding market areas of Suffolk, Virginia.

The EveryAge Foundation (the Foundation) is a nonprofit organization which was established for the purpose of fund development for the capital and operating support of the residential facilities operated by EveryAge, which includes fund development to support benevolent care for those residents who are unable to pay for continuing care at the residential facilities operated by EveryAge. The Foundation was incorporated under the laws of the state of North Carolina in 2000.

EA Holding is a nonprofit organization which was established for the purpose of development and investment of funds outside of the obligated group. EA Holding was incorporated under the laws of the state of North Carolina in 2021.

Carolina SeniorCare (CSC), a Program of All-inclusive Care for the Elderly (PACE), in Lexington, North Carolina, is a nonprofit organization created in 2011 by its parent organization, EveryAge. Carolina SeniorCare serves individuals who are age 55 or older, are certified by their state to need nursing home care, able to live safely in the community at the time of enrollment, live in Davidson, Rowan, Davie, Iredell, Craven, Pamlico, Jones, Carteret, Beaufort, Lenoir, or Onslow counties and either Medicare or Medicaid eligible. The program is able to provide the entire continuum of care and services to seniors with chronic care needs while maintaining their independence in their homes for as long as possible. PACE receives direct payments from Medicare and Medicaid to cover needed services. Because of the pooled financing of PACE, programs have strong incentives to focus on wellness and prevention and to decrease the hospitalization rates for the participants and the incidence of long-term institutionalization.

BellaAge Hickory, LLC is a nonprofit organization which was incorporated on December 12, 2022. BellaAge Hickory, LLC is a 95 rental unit independent living unit community that became available for occupancy April 2025.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 ORGANIZATION (CONTINUED)

Providence Place, LLC (Providence Place) is a nonprofit organization which was incorporated on July 24, 2024. Providence Place was organized for the purpose of acquiring Providence Place, a retirement community located in High Point, North Carolina that consists of independent living units, assisted living units, and nursing facilities. The acquisition occurred on October 1, 2024. EveryAge is the sole member of Providence Place.

PPRC Pavilion, LLC (PPRC Pavilion) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Pavilion was organized for the purpose of acquiring, owning and operating certain commercial space adjacent to Providence Place. Certain lease arrangements are in place and have remained in place after the acquisition by PPRC Pavilion. The acquisition occurred on October 1, 2024. EveryAge is the sole member of PPRC Pavilion.

PPRC Hall, LLC (PPRC Hall) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Hall was organized for the purpose of acquiring and owning a vacant auditorium adjacent to Providence Place. During the year ended September 30, 2025, PPRC Hall is being leased by a charter school. The acquisition occurred on October 1, 2024. EveryAge is the sole member of PPRC Hall.

EveryAge, Lake Prince, Carolina SeniorCare, EA Holding, BellaAge, the Foundation, Providence Place, PPRC Pavilion and PPRC Hall are collectively referred to as the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The combined financial statements include the financial statements of EveryAge, Lake Prince, Carolina SeniorCare, EA Holding, BellaAge Hickory, the Foundation, Providence Place, PPRC Pavilion and PPRC Hall. All material intercompany accounts and transactions have been eliminated in the combination.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined 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

The Organization considers all cash on hand and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization excludes assets limited as to use from cash and cash equivalents.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under indenture agreements and designated assets set aside by the board of directors for future capital improvements to the extent funds are available, over which the board retains control and may, at its discretion, subsequently use for other purposes; and the operating reserve required by State statute.

Investments

Investments held are reported at fair value and are included in assets limited as to use as they are considered board designated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included and reflected within investment return, net of nonoperating income on the combined statement of operations and changes in net assets. Donated investments are stated at fair value at the date of the gift. Investment expenses and fees are approximately \$254,000 and \$233,000, and are netted with net realized gains on investments in the combined statement of operations and changes in net assets as of September 30, 2025 and 2024, respectively.

The Organization's 20% investment in Trinity Rehab, LLC is accounted for by the equity method, and the Organization's proportionate share of Trinity Rehab, LLC's change in net assets is reflected in the Organization's combined statement of operations.

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance less an allowance for credit losses. The Organization determines past-due status based on the billing dates and does not charge interest on overdue accounts. The Organization writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to credit loss expense. Management estimates its allowance for credit losses based on a combination of factors, including the Organization's historical loss experience and any anticipated effects related to current and future economic conditions, as well as the current payor mix of receivables. The accounts receivable allowance for credit losses at September 30, 2025 and 2024 was approximately \$1,267,000 and \$569,000, respectively.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. Donated property and equipment are recorded at their estimated fair value on the date of receipt. Interest costs incurred on borrowed funds during the period of construction are capitalized as a component of the cost of acquiring those assets. The Organization capitalizes property and equipment with an estimated useful life of greater than one year and a cost of more than \$2,000.

Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land Improvements	10 to 20 Years
Buildings and Improvements	30 to 40 Years
Furniture, Fixtures, and Equipment	5 to 15 Years
Vehicles	5 Years

The Organization periodically assesses the value 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 and used, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated net realizable value is less than the carrying amount.

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

Business Combination

The Organization accounts for business acquisitions using the acquisition method of accounting and records any identifiable definite-lived intangible assets separate from goodwill. Intangible assets are recorded at their fair value based on estimates as of the date of acquisition. Goodwill is recorded as the residual amount of the purchase price consideration less the fair value assigned to the individual identifiable assets acquired and liabilities assumed as of the date of acquisition.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill is recognized as a result of a business combination when the price paid for the acquired business exceeds the fair value of its identified net assets. The Organization has recorded goodwill related to the acquisition of Providence Place, PPRC Pavilion, and PPRC Hall of approximately \$8,389,000 during the year ended September 30, 2025. The Organization adopted the accounting alternative for the subsequent measurement of goodwill. As a result of this election, the Organization assigned a useful life of 10 years to goodwill. Goodwill is being amortized on a straight-line basis over this period. Further, in accordance with the elected accounting alternative, the Organization will test goodwill for impairment at the entity level if an event occurs or circumstances change indicating that the fair value may be below its carrying amount. At September 30, 2025, management determined that no events or changes in circumstances occurred that would require goodwill to be tested for impairment.

Amortization expense of approximately \$822,000 was recorded for the year ended September 30, 2025 and is included in Amortization Expense in the combined statements of operations and changes in net assets. Estimated amortization of goodwill for the next five years as of September 30, 2025 is \$822,000 each year.

Intangible Assets

The Organization's intangible assets consist primarily of trade name and a certificate of need acquired in connection with the acquisition of Providence Place, PPRC Pavilion, and PPRC Hall during the year ended September 30, 2025. These assets are amortized on a straight-line basis over their estimated useful lives of 15 years.

Amortization expense of approximately \$283,000 was recorded for the year ended September 30, 2025 and is included in Amortization Expense in the combined statements of operations and changes in net assets. Estimated amortization of intangibles for the next five years as of September 30, 2025 is \$283,000 each year.

Deferred Costs

Deferred financing costs relating to the permanent financing of the facilities have been deferred and are being amortized over the life of the bonds. Amortization expense, which is included with interest expense on the combined statements of operations and changes in net assets without donor restrictions, was approximately \$244,000 and \$198,000 for the years ended September 30, 2025 and 2024, respectively. The annual amortization for these deferred financing costs will be approximately \$244,000 for each of the next five years.

Resident Escrows

If a resident should move into a health care unit and vacate a Residential Living Unit, the amount of any refund to which the resident would be entitled is set aside and held by the Organization for use by the resident to pay for necessary health care expenses. Once a permanent move is made and the Residential Living unit is available for remarketing, the resident may draw against the remaining residency refund to pay health care costs. At September 30, 2025 and 2024, resident escrow totaled approximately \$310,000 and \$252,000, respectively.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Escrows (Continued)

In case of financial hardship, withdrawal of more than \$1,500 per month may be requested by the resident. The resident must submit financial information sufficient to prove financial need. Such withdrawals will be allowed upon approval by senior management of the Organization.

Obligation to Provide Future Services

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents at a discount rate of 5% and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The Organization had no future service obligation at September 30, 2025 and 2024.

Advance Deposits

The Organization may collect up to 10% of the advance fees described below as a deposit on unoccupied units. Once the unit becomes occupied, these fees are transferred to deferred revenue. At September 30, 2025 and 2024, advance deposits totaled approximately \$630,000 and \$1,377,000, respectively.

Advance Fees

Deferred revenue from advance fees represents payments made by a resident in exchange for the use and privileges of the community for life or until termination of the residency agreement.

Contracts currently offered to EveryAge and Lake Prince residents are a fully declining refund contract and a 50% refundable contract. The nonrefundable portion of these fees is amortized into income on a straight-line basis over the estimated remaining life, actuarially adjusted, of each resident. The estimated amount of advance fees that is expected to be refunded to current residents under terms of the contracts are classified as refundable advance fees. Refunds are made to residents upon re-occupancy of the unit unless the resident has chosen to transfer their remaining balance into escrow as described above. Any unrecognized deferred revenue, less any related refund, at the date of termination of the contract is recorded as income in the period the termination of the contract occurs.

At September 30, 2025 and 2024, current portion of refunds payable was approximately \$590,000 and \$498,000, respectively.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest Rate Swap Agreements

The Organization uses interest rate swap agreements to manage risks related to interest rate movements. The Organization's interest rate risk strategy is to pay-fixed and receive-variable interest rate swaps. The combination of these swaps and variable-rate bonds creates synthetic fixed-rate debt. The use of synthetic fixed-rate debt has the ability to lower the Organization's borrowing costs associated with the issuance of traditional fixed-rate bonds. The Organization's interest rate swap agreements have not been designated as hedging transactions and are reported at fair value.

Net Assets

The following classification of net assets is presented in the accompanying combined financial statements:

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 in net assets without donor restrictions.

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 donor restricted net assets. 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.

Operating Reserve

In accordance with the requirements of North Carolina General Statute 58, Article 64-33, management computes an annual operating reserve for its continuing care retirement communities licensed in North Carolina. The operating reserve must be an amount at least equal to 25% to 50% of operating expenses (net of depreciation and amortization) plus debt service, for the projected years ended September 30, 2025 and 2024, for those facilities depending on occupancy levels of each facility.

Excess of Revenues Over Expenses

The combined statements of operations and changes in net assets reflect the excess of revenues over expenses. Changes in net assets without donor restrictions that are excluded from the excess of revenues over expenses, consistent with industry practice, would include permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were used for acquiring the asset).

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

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

Entrance Fees

The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment under the life care contract and included in liabilities in the combined statement of financial position 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 expectant 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 combined statement of financial position.

Healthcare Services

The Organization also provides assisted and nursing care to residents who are covered by government and commercial payers. The Organization 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 estimated net realizable amounts from patients, third-party payors, and others for services rendered while in the health care unit, and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Historically such adjustments for the Organization have been immaterial in relation to the combined financial statements as a whole.

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 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.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Non Life Care Contract Communities

BellaAge Hickory offers senior living that includes housing, utilities, and access to amenities such as 24/7 onsite staff, emergency pendants, wellness programs, recreational areas, dog park, and onsite storage. Rental revenue is recognized on a straight-line basis over the one-year lease term, which automatically renews unless terminated under specific conditions. Monthly rental fees are due on the first day of each month. Optional services like housekeeping and transportation are billed separately and recognized when provided. A non-refundable \$50 application fee is recognized upon receipt, and a one-time non-refundable \$5,000 community fee is recognized upon occupancy as it relates to initial administrative and setup activities.

Providence Place offers senior living which includes housing accommodations and access to healthcare services such as independent living, skilled nursing care, assisted living, and memory care as well as amenities like wellness programs, recreational activities, and transportation. Rental revenue is recognized on a straight-line basis over the term of the resident agreements, which typically renew automatically unless terminated under specific conditions. A non-refundable application fee is recognized upon receipt, and any one-time community or admission fees are recognized upon occupancy as they relate to initial administrative and setup activities.

Two major types of revenue are recognized in resident services as follows:

Residential/Assisted Living Revenue

Residents that reside in residential and assisted living units are subject to a continuing monthly support service fee, which varies based on each resident's contract. The monthly fee can be adjusted from time to time by the Organization according to changes in costs.

PACE Revenue

PACE provides comprehensive health care services to participants and receives payment in the form of capitated rates per participant based on a tri-party agreement between Medicare, Medicaid, and Carolina SeniorCare. Medicaid and Medicare make monthly interim capitation payments to Carolina SeniorCare. Capitation revenues from Medicare are subject to the same retroactive rate adjustments and audits which often are not finalized until months or years after the services are rendered. Adjustments are nominal and are included in the combined statement of operations in the period they become known.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Benevolent Assistance

The Organization has a policy of providing benevolent assistance to qualified residents who are unable to pay. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. The normal charges for services provided are included in revenue and paid through a transfer of assets from the Benevolent Trust Fund.

Income Tax Status

The Organization consists of not-for-profit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3), and the affiliated Foundation is exempt from income taxes pursuant to Internal Revenue Code Section 501(a).

It is the Organization's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the combined financial statements. No material uncertain tax positions were identified for 2025 and 2024.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended September 30, 2025 and 2024 were approximately \$262,000 and \$321,000, respectively.

Functional Expenses

The combined financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are primarily allocated include salaries and benefits which are allocated on the basis of estimates of time and effort.

Business Combination Accounting for Contract Assets and Contract Liabilities

The Organization has adopted FASB ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires an acquirer to recognize and measure contract assets and liabilities acquired in a business combination in accordance with Topic 606 rather than adjust them to fair value at the acquisition date. The adoption did not have a material impact on the combined financial statements.

Reclassifications

Certain amounts in the 2024 combined financial statements were reclassified for comparison purpose with the 2025 combined financial statements. The reclassifications did not result in a change in net assets as previously reported.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure through January 21, 2026, which is the date the combined financial statements were available to be issued.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 3 FAIR VALUE MEASUREMENTS

Fair value measurement provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets limited as to use measured at fair value. There have been no changes in the methodologies used during the year.

Common stocks and asset backed securities: Valued at the closing price reported on the active market on which the individual securities are traded.

U.S. government and agency, municipal, international, and corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Cash and Money Market Funds, Mutual Funds, and Closed-End Funds: Valued at the net asset value of shares held by the Organization at year-end.

Charitable Gift Annuities: Valued at the net present value of the anticipated residual value of the original charitable gift.

Interest Rate Swap: Level 2 inputs include interest rate swap agreements at fair value.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments, assets limited as to use and interest rate swap agreements at fair value as of September 30:

	2025			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 60,722,245	\$ -	\$ -	\$ 60,722,245
U.S. Government and Agency Bonds	12,859	-	-	12,859
Municipal Bonds	-	4,177,493	-	4,177,493
Asset Backed Securities	-	36,430	-	36,430
Corporate Bonds	24,849	-	-	24,849
Cash and Money Market Funds	17,493,754	-	-	17,493,754
Charitable Gift Annuities	-	-	82,289	82,289
Closed End Funds	1,967,958	-	-	1,967,958
Common Stocks	24,043,723	-	-	24,043,723
Assets Under Interest Rate Swap Agreements	-	5,162,882	-	5,162,882
Total Assets at Fair Value	<u>\$ 104,265,388</u>	<u>\$ 9,376,805</u>	<u>\$ 82,289</u>	<u>\$ 113,724,482</u>

	2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 54,780,144	\$ -	\$ -	\$ 54,780,144
U.S. Government and Agency Bonds	2,109,896	-	-	2,109,896
Municipal Bonds	-	8,347,655	-	8,347,655
Asset Backed Securities	-	24,545	-	24,545
Corporate Bonds	1,470,725	-	-	1,470,725
Cash and Money Market Funds	13,421,037	-	-	13,421,037
Charitable Gift Annuities	-	-	104,406	104,406
Closed End Funds	1,531,292	-	-	1,531,292
Common Stocks	19,212,846	-	-	19,212,846
Assets Under Interest Rate Swap Agreements	-	4,142,418	-	4,142,418
Total Assets at Fair Value	<u>\$ 92,525,940</u>	<u>\$ 12,514,618</u>	<u>\$ 104,406</u>	<u>\$ 105,144,964</u>

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

A reconciliation of the beginning and ending balances of the Organization's Level 3 investments is as follows for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 104,406	\$ 104,833
Change in Value of Charitable Gift Annuities and Settlements	<u>(22,117)</u>	<u>(427)</u>
Ending Balance	<u>\$ 82,289</u>	<u>\$ 104,406</u>

NOTE 4 INVESTMENTS AND ASSETS LIMITED AS TO USE

Investments and assets limited as to use are allocated as follows for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Board-Designated Quasi-Endowment Fund	\$ 72,357,166	\$ 72,773,858
Trustee Deposit Accounts Required by Debt Agreements	5,595,513	3,397,379
Operating Reserve for Department of Insurance	20,493,977	15,411,282
Investments	9,899,722	9,283,665
Beneficial Interest in Charitable Gift Annuities	82,289	104,406
Residents' Funds	<u>132,933</u>	<u>31,956</u>
Total	<u>\$ 108,561,600</u>	<u>\$ 101,002,546</u>

Net investment income is composed of the following for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Interest and Dividends	5,147,219	\$ 5,268,118
Realized Gains (Losses) on Sale of Investments	(898,167)	(977,358)
Investment Expenses	(252,335)	(246,438)
Unrealized Gains on Investments	<u>5,467,693</u>	<u>13,671,471</u>
Total	<u>\$ 9,464,410</u>	<u>\$ 17,715,793</u>

The Organization's investments held within assets limited as to use potentially subject it to concentrations of credit risk. The Organization 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 Organization's investments are traded in public markets, they are subject to general fluctuations in the market's overall performance. The Organization maintains an investment policy and retains investment managers to operate within that investment policy and who perform periodic evaluations of the relative credit standing of the companies and financial institutions in which the Organization invests.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 5 EQUITY METHOD INVESTMENT

The Organization has a 20% equity interest in Trinity Rehab, LLC. During the year ended September 30, 2022, the Organization made the initial investment of \$1,100,000. The Organization receives 20% of Trinity Rehab LLC's net income, and distributions as declared by Trinity Rehab, LLC. During the year ended September 30, 2025 the Organization received \$377,000 in distributions, and their 20% share of income was approximately

\$606,000. During the year ended September 30, 2024 the Organization received \$372,000 in distributions, and their 20% share of income was approximately \$520,000. The investment as of September 30, 2025 and 2024 was \$1,670,488 and \$1,441,432, respectively.

Distributions received from equity method investees are classified in the combined statement of cash flows under the cumulative earnings approach, in which distributions received are considered returns on investment and classified as cash inflows from operating activities, unless the cumulative distributions received less distributions received in prior periods that were determined to be returns of investment exceed cumulative equity in earnings recognized. When such an excess occurs, distribution up to this excess would be considered a return of investment and classified as cash inflows from investing activities.

NOTE 6 LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of the combined statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the combined statement of financial position date. Amounts not available also include amounts designated for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action.

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 10,704,804	\$ 3,374,885
Assets Limited As To Use:		
Board-Designated Quasi-Endowment Fund	72,357,166	72,773,858
Operating Reserve for Department of Insurance	20,493,977	15,411,282
Investments	9,899,722	9,283,665
Receivables, Net	15,121,857	6,560,222
Less: Net Assets With Donor Restrictions	<u>(7,653,372)</u>	<u>(8,433,468)</u>
 Total Financial Assets Available to Meet Liquidity Needs	 <u>\$ 120,924,154</u>	 <u>\$ 98,970,444</u>

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 6 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Organization is substantially supported by health care and residential/assisted living revenues. As part of the Organization's liquidity, management has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The organization maintains a line of credit for the purposes of managing short term cash flow deficits. Determination of the source of liquidity is based on an analysis of the underlying cost of capital for each source of liquidity including the line of credit or use of long-term assets with board approval. In addition, the Organization invests cash in excess of daily requirements in various investments held in assets limited as to use as board-designated quasi-endowment funds for long-term investing. 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 7 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	<u>2025</u>	<u>2024</u>
Land and Improvements	\$ 39,178,554	\$ 19,508,988
Buildings and Improvements	230,907,485	161,435,896
Furniture, Fixtures and Equipment	33,469,578	44,900,111
Vehicles	<u>2,558,425</u>	<u>1,851,322</u>
Total	306,114,042	227,696,317
Less: Accumulated Depreciation	<u>(142,564,514)</u>	<u>(133,237,041)</u>
Total	163,549,528	94,459,276
Construction in Progress	<u>906,710</u>	<u>30,542,129</u>
Total Property and Equipment	<u>\$ 164,456,238</u>	<u>\$ 125,001,405</u>

Depreciation expense for the years ended September 30, 2025 and 2024 totaled approximately \$10,080,000 and \$7,294,000, respectively. Construction in progress related to master planning and routine renovation projects, as of September 30, 2025. Construction in progress related to construction of the BellaAge Hickory campus, master planning and routine renovation projects, as of September 30, 2024.

The Organization signed contracts with architecture and construction firms for a total fee of approximately \$51,245,000. As of September 30, 2025, approximately \$697,000 remains to be paid on these contracts.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 8 LONG-TERM DEBT

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

<u>Description</u>	<u>2025</u>	<u>2024</u>
North Carolina Medical Care Commission:		
Retirement Facilities First Mortgage Revenue Refunding Bonds (EveryAge Prev. United Church Homes and Services), Series 2021A:		
Term Bonds Due 2041, Yielding 3.15% to 4.29%	\$ 6,540,000	\$ 6,540,000
Term Bonds Due 2047, Yielding 3.15% to 4.29%	11,815,000	11,815,000
Term Bonds Due 2051, Yielding 3.15% to 4.29%	3,850,000	3,850,000
Retirement Facilities First Mortgage Revenue Bonds (EveryAge), Series 2024B:		
Term Bonds Due 2034, Yielding 4.00%	4,530,000	-
Term Bonds Due 2044, Yielding 4.42%	7,665,000	-
Term Bonds Due 2049, Yielding 4.62%	5,490,000	-
Term Bonds Due 2054, Yielding 4.70%	6,995,000	-
Truist Bank:		
Direct Bank Term Loan, Series 2024A (formerly 2021D) Due 2025-2037, Yielding 6.80%	17,675,000	17,785,000
Direct Bank Bond, Series 2022 Due 2025-2052, Yielding 5.43%	13,506,527	13,029,631
Direct Bank Term Loan, Series 2022B (formerly 2021B) Due 2025-2037, Yielding 5.37%	2,885,000	3,215,000
Direct Bank Bond, Series 2023A Due 2025-2053, Yielding 3.32%	30,537,302	16,741,755
Direct Bank Term Loan, Series 2023B (formerly 2021C) Due 2025-2046, Yielding 5.37%	26,685,000	26,790,000
Direct Bank Term Loan, Carolina Senior Care Due 2025-2030, Yielding 5.37%	6,050,641	3,332,807
Huntington Bank:		
Direct Bank Term Loan, 2024 Taxable Loan Due 2025-2054, Yielding 6.28%	23,115,000	-
Economic Development Authority of the City of Suffolk:		
Variable Rate Demand Residential Care Facility Revenue Bonds (Lake Prince Center, Inc.), Series 2016:		
Serial Bonds Due 2024-2027 Yielding 1.40% to 3.5%	4,360,000	6,320,000
Term Bonds Due 2031, Yielding 3.5%	9,180,000	9,180,000
Total	<u>180,879,470</u>	<u>118,599,193</u>
Plus Net Premium, Net of Accumulated		
Amortization of \$2,026,254	3,385,402	3,018,191
Less: Deferred Financing Cost, Net of Accumulated		
Amortization of \$2,401,443	<u>(3,798,797)</u>	<u>(2,839,774)</u>
Total	180,466,075	118,777,610
Less: Current Portion		
	<u>(4,069,624)</u>	<u>(2,655,000)</u>
Long-Term Portion	<u>\$ 176,396,451</u>	<u>\$ 116,122,610</u>

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 8 LONG-TERM DEBT (CONTINUED)

During the 2017 fiscal year, the Organization entered into a financing agreement with the Economic Development Authority of the City of Suffolk (the Authority), under which the Authority issued tax-exempt Series 2016 revenue bonds of \$18,940,000. The bonds were issued to refund existing bonds for the Lake Prince Center.

During the 2022 fiscal year, the Organization entered into a re-financing agreement with the North Carolina Medical Care Commission, under which the Commission issued tax-exempt Series 2021A revenue bonds of \$22,205,000. The bonds were issued to refund the existing 2017B bonds of \$9,490,000 and 2017A bonds of \$10,300,000, in addition to \$4,100,000 of new project funding. The 2017B and 2017A debt was paid off during fiscal year 2022.

During the 2022 fiscal year, the Organization entered into a \$4,240,000 bank loan financing with a commercial lender (Series 2021B) and a \$18,385,000 bank loan financing with a commercial lender (Series 2021D). The loans were used to refund the existing 2015A bonds of \$21,230,000. The 2015A debt was paid off during the fiscal year 2022. Under the terms of the bond agreement, during the 2023 fiscal year, the Series 2021B Taxable Bonds were converted to the Series 2022B Tax-Exempt Bonds. Under the terms of the bond agreement, during the 2024 fiscal year, the Series 2021D Taxable Bonds were converted to the Series 2024A Tax-Exempt Bonds. There were no changes to the bond terms.

During the 2022 fiscal year, the Organization entered into a \$31,310,000 bank loan financing with a commercial lender (Series 2021C). The loan was used to refund the existing 2017C bonds of \$29,565,000. The 2017C debt was paid off during the fiscal year 2022. Under the terms of the bond agreement, during the 2023 fiscal year, the Series 2021C Taxable Bonds were converted to the Series 2023B Tax-Exempt Bonds. There were no changes to the bond terms.

During the 2022 fiscal year, the Organization entered into a financing agreement with the Economic Development Authority of the City of Suffolk (the Authority), under which the Lender will advance proceeds up to \$14,000,000. The final advance will be on September 8, 2025. The amount outstanding as of September 30, 2025 and 2024 was \$13,506,527 and \$13,029,631, respectively. The loan was used to pay for projects at Lake Prince Woods including a new wellness center and other renovations and upgrades.

On May 1, 2023, the Organization entered into a financing agreement with the North Carolina Medical Care Commission, under which the Commission issued tax-exempt Series 2023A revenue bonds of \$31,960,000. The bonds were issued to finance the costs of the BellaAge Hickory project and pay certain expenses incurred in connection with the authorization and issuance of the Bonds. The amount outstanding as of September 30, 2025 and 2024 was \$30,537,302 and \$16,741,755, respectively.

During 2024, the Organization entered into a financing agreement with a commercial lender, under which the Lender will advance proceeds up to \$6,500,000. The loan will be used to pay for expansion projects at Carolina SeniorCare. The amount outstanding as of September 30, 2025 and 2024 was \$6,050,641 and \$3,332,807, respectively.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 8 LONG-TERM DEBT (CONTINUED)

During 2025, the Organization entered into a financing agreement with the North Carolina Medical Care Commission, under which \$25,310,000 of Retirement Facilities First Mortgage Revenue Bonds (Series 2024B Bonds) were issued. The Series 2024B Bonds were issued to finance a portion of the purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the skilled nursing and assisted living portions of Providence Place. The Series 2024B Bonds are term bonds that will bear interest at a rate ranging from 4-5% and will mature on September 1, 2054. The amount outstanding as of September 30, 2025 was \$24,680,000.

During 2025, the Organization entered into a financing agreement with a financial institution (2024 Taxable Loan) in the principal amount of \$23,400,000. Proceeds from the 2024 Taxable Loan were used in financing the remaining purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the skilled nursing and assisted living portions of Providence Place, a commercial office and retail building, and the vacant auditorium portion of the purchase along with payable certain expenses incurred with the issuance of the 2024 Taxable Loan and Series 2024B Bonds. The amount outstanding as of September 30, 2025 was \$23,115,000.

With the issuance of the debt, the Organization executed a Master Trust Indenture that appointed all the Organization's divisions, excluding the Foundation, EA Holding, and Carolina SeniorCare, as members of the obligated group. The Organization's bonds are collateralized by a deed of trust on the land and buildings of the obligated group and the assignment of interest in use-for-life contracts for the obligated group.

The bonds are also collateralized by an assignment of the Commission and Authority's rights in the Loan Agreement to the bond trustee.

Under the terms of the bonds, the obligated group is required to maintain certain deposits with the trustee. Such deposits are included with assets limited as to use of the Organization. The Master Trust Indenture and Loan Agreements for these bonds include certain covenants and restrictions. Management is not aware of any noncompliance with the covenants and restrictions.

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	\$ 4,069,624
2027	5,098,483
2028	6,004,919
2029	6,629,296
2030	6,282,209
Thereafter	<u>152,794,939</u>
Total	<u>\$ 180,879,470</u>

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 9 INTEREST RATE SWAP AGREEMENTS

To reduce the impact of changes in interest rates on its variable rate bonds payable, the Organization has entered into four interest rate swap agreements for the 2021B-D bonds. Under the agreements, interest is payable at a fixed rate of 2.39-5.00% based on the outstanding balance of the bank qualified loans and have termination dates ranging from September 30, 2030 through September 30, 2053. The annual gain or loss on the fair value of the swap agreements is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreements had a notional principal amount of \$47,245,000 and \$47,749,000 at September 30, 2025 and 2024, respectively. The fair value of the interest swap agreements at September 30, 2025 and 2024 is approximately \$5,240,000 and \$4,746,000, respectively.

In May 2023, the Organization entered into an additional interest rate swap agreement for the Series 2023 Bonds. Under the agreement, interest is payable at a fixed rate of 4.21% based on the outstanding balance of the bank qualified loan payable and has a termination date of May 1, 2030. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of

\$31,960,000 and \$29,800,530 at September 30, 2025 and 2024, respectively. The fair value of the interest swap agreements at September 30, 2025 and 2024 is a liability of approximately \$168,000 and \$350,000, respectively.

In September 2024, the Organization entered into an additional forward interest rate swap agreement for the Series 2024 Bonds. Under the agreement, interest is payable at a fixed rate of 5.44% based on the outstanding balance of the bank qualified loan payable and has a termination date of October 1, 2034. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of

\$18,115,000 and \$18,400,000 at September 30, 2025 and 2024, respectively. The fair value of the interest swap agreements at September 30, 2025 and 2024 is an asset of approximately \$91,000 and a liability of approximately \$254,000, respectively.

The combined fair value of all interest swap agreements at September 30, 2025 and 2024 is an asset of approximately \$5,163,000 and \$4,142,000, respectively. The fair value of the interest rate swap agreements was derived from proprietary models as of a given date, supplied by the swap advisor. The valuation is calculated on a mid-market basis and does not include bid/offered spread that would be reflected in an actual price quotation. This model relies on certain assumptions regarding past, present, and future market conditions.

NOTE 10 LINE OF CREDIT

The Organization had available a \$5,000,000 unsecured revolving line of credit with Truist due in full in June 2025. In June 2025, the line of credit was extended with a maturity date of June 2026. Amounts drawn against the line bore interest at the one-month SOFR rate plus 2.00% (4.24% at year-end), which was payable monthly. There are no amounts outstanding on the line of credit at September 30, 2025 and 2024.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of September 30:

	2025	2024
Benevolent Trust	\$ 4,116,258	\$ 4,280,400
Capital Expansion	3,537,114	4,153,068
Total	\$ 7,653,372	\$ 8,433,468

NOTE 12 EMPLOYEE GROUP HEALTH PLAN

The Organization maintains a self-insured employee group health plan. The plan is administered by a third party and individual stop-loss coverage has been obtained at \$100,000, with a maximum aggregate limit of loss that fluctuates based on enrollment. The total plan expense incurred by the Organization during the year ended September 30, 2025 and 2024 was approximately \$4,725,000 and \$4,143,000, respectively.

NOTE 13 RETIREMENT PLANS

The Organization has a 403(b) plan that covers substantially all employees who meet eligibility requirements. The Organization contributes to the plan based on a percentage of gross wages paid. The expenses related to the plan during the year ended September 30, 2025 and 2024 were approximately \$745,000 and \$897,000, respectively.

The Organization has a nonqualified retirement plan that covers key management employees. The Organization contributes to the plan based on a percentage of the employee's salary. During the year ended September 30, 2025 and 2024, the Organization contributed \$419,000 and \$397,000, respectively.

The Organization also has a retirement annuity plan that covers ordained United Church of Christ ministers employed by the Organization. During the year ended September 30, 2025, the Organization did not contribute any amounts of the ministers' salary to the plan. During the year ended September 30, 2024, the Organization contributed 10% of the ministers' salary to the plan for a total of approximately \$3,000.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 14 CONCENTRATIONS OF CREDIT RISK

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

The Organization 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 was as follows at September 30:

	2025	2024
Medicaid	41 %	5 %
Medicare	29	48
Private and Other Insurances	30	47
Total	100 %	100 %

NOTE 15 RESIDENT SERVICE REVENUE

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

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

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 15 RESIDENT SERVICE REVENUE (CONTINUED)

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

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

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 Organization's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). On October 1, 2019, CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare Prospective Payment System (PPS). Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient is used as a basis for reimbursement. In addition, PDPM introduced 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.

Effective October 1, 2019, new PDPM HIPPS codes replaced RUG scores listed on each claim for determining reimbursement amounts. Annual Medicaid cost reports are required by the state of North Carolina, however, they are not used to settle the costs of claims. Instead, the cost reports are used in the development of price-based rates and to monitor the adequacy of the reimbursement methodology.

Other

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

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 15 RESIDENT SERVICE REVENUE (CONTINUED)

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

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

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

Contract Costs

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

The opening and closing contract balances related to resident accounts receivable and residence and service agreements were as follows:

	Accounts Receivable	Deferred Revenue
	<u> </u>	<u> </u>
Balance as of October 1, 2023	\$ 3,374,298	\$ 41,928,863
Balance as of September 30, 2024	4,118,821	43,700,678
Balance as of September 30, 2025	14,307,295	49,306,939

EVERYAGE AND AFFILIATES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 16 FUNCTIONAL EXPENSES

The table below presents functional expenses by their nature for the year ended September 30:

	2025					
	Salaries and Benefits	Contracted Services	Utilities	Repairs	Other	Total
Health Services:						
Healthcare	\$ 18,410,712	\$ 4,764,936	\$ -	\$ 11,206	\$ 2,526,305	\$ 25,713,159
Medical Records	212,350	1,684	-	-	4,874	218,908
Personnel and						
Employee Benefits	13,898,693	244,393	-	-	299,703	14,442,789
Laundry	265,187	113,559	-	4,548	144,081	527,375
Social Services	530,928	-	-	-	3,129	534,057
Activities	701,878	4,708	-	-	60,714	767,300
Spiritual Life	281,672	1,735	-	-	4,421	287,828
Housekeeping	1,414,304	530,450	-	20	323,329	2,268,103
Plant Maintenance	1,483,055	2,185,727	2,608,370	2,857,517	424,478	9,559,147
Independent Living	-	-	-	-	1,909	1,909
Pavilion/Assisted Living	3,695,236	96,716	-	-	30,156	3,822,108
Clinic	35,055	64,594	-	-	1,861	101,510
Resident Services	332,830	99,414	-	-	68,442	500,686
Transportation	147,050	566	-	7,690	36,692	191,998
Dietary	3,664,219	520,403	-	11,652	3,484,307	7,680,581
Wellness Center	139,755	5,446	-	1,267	5,816	152,284
Beauty Shop	-	-	-	-	66,293	66,293
Day Care	189,675	8,603	5,566	-	76,348	280,192
Home Care	2,068,611	34,606	-	-	6,427	2,109,644
Hospice	166,826	135,683	-	-	51,422	353,931
Home Health	741,888	766,972	-	-	96,054	1,604,914
PACE Expenses	5,556,887	6,771,281	81,081	105,987	5,123,625	17,638,861
Outside Services	-	156,481	-	-	-	156,481
General and Administrative:						
Administrative	5,745,827	1,150,291	27,819	19,676	782,911	7,726,524
Marketing	812,281	241,178	-	-	246,190	1,299,649
Staff Development	129,395	-	-	-	94,723	224,118
Depreciation	-	-	-	-	9,960,059	9,960,059
Amortization	-	-	-	-	1,116,602	1,116,602
Real Estate Taxes	-	-	-	-	981,054	981,054
Interest Expense	-	-	-	-	6,628,205	6,628,205
Insurance	-	-	-	-	1,791,441	1,791,441
Credit Losses	-	-	-	-	552,394	552,394
Other Operating Expenses	-	788,983	-	-	266,941	1,055,924
Total Expenses	\$ 60,624,314	\$ 18,688,409	\$ 2,722,836	\$ 3,019,563	\$ 35,260,906	\$ 120,316,028

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 16 FUNCTIONAL EXPENSES (CONTINUED)

	2024					
	Salaries and Benefits	Contracted Services	Utilities	Repairs	Other	Total
Health Services:						
Healthcare	\$ 12,339,365	\$ 2,225,065	\$ -	\$ 6,447	\$ 1,326,011	\$ 15,896,888
Medical Records	173,844	2,600	-	-	1,729	178,173
Personnel and						
Employee Benefits	10,726,221	143,760	-	-	253,656	11,123,637
Laundry	263,117	-	-	2,432	96,077	361,626
Social Services	321,702	-	-	-	1,097	322,799
Activities	442,913	4,102	-	-	31,156	478,171
Spiritual Life	211,115	1,535	-	-	10,052	222,702
Housekeeping	1,254,833	42,277	-	237	185,019	1,482,366
Plant Maintenance	1,062,120	1,534,809	1,721,889	1,860,169	259,565	6,438,552
Pavilion/Assisted Living	2,022,867	-	-	-	848	2,023,715
Clinic	33,827	77,379	-	-	1,750	112,956
Resident Services	261,862	4,689	-	-	50,212	316,763
Transportation	163,722	903	-	12,050	36,077	212,752
Dietary	2,931,345	164,206	-	716	2,438,706	5,534,973
Wellness Center	134,847	7,192	-	805	21,383	164,227
Beauty Shop	-	-	-	-	59,278	59,278
Day Care	199,168	1,131	6,887	951	66,106	274,243
Home Care	1,700,548	30,980	-	-	4,419	1,735,947
Hospice	93,625	36,755	-	-	17,307	147,687
Home Health	616,941	646,804	-	-	70,366	1,334,111
PACE Expenses	5,091,730	5,520,659	66,432	103,802	4,145,526	14,928,149
Outside Services	-	138,148	-	-	-	138,148
General and Administrative:						
Administrative	4,521,853	912,595	13,588	17,361	658,363	6,123,760
Marketing	539,913	387,783	-	-	147,606	1,075,302
Staff Development	138,726	-	-	-	71,505	210,231
Depreciation	-	-	-	-	7,181,565	7,181,565
Real Estate Taxes	-	-	-	-	406,783	406,783
Interest Expense	-	-	-	-	3,172,885	3,172,885
Insurance	-	-	-	-	1,240,683	1,240,683
Credit Losses	-	-	-	-	599,015	599,015
Other Operating Expenses	-	507,047	-	-	195,715	702,762
Total Expenses	<u>\$ 45,246,204</u>	<u>\$ 12,390,419</u>	<u>\$ 1,808,796</u>	<u>\$ 2,004,970</u>	<u>\$ 22,750,460</u>	<u>\$ 84,200,849</u>

NOTE 17 PROFESSIONAL AND GENERAL LIABILITY

In the summer of 2002, the management of the Organization evaluated the best means of assuring the Organization's continued access to affordable liability and excess insurance coverage, including the possibility of obtaining such coverage from conventional and alternative insurance providers. After performing a diligent search, the Organization was not able to procure professional and general liability coverage from any insurance company licensed to do business in the state of North Carolina, and therefore, obtained liability coverage from Caring Communities Insurance Company (CCIC).

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 17 PROFESSIONAL AND GENERAL LIABILITY (CONTINUED)

CCIC was an insured owned insurance company incorporated in and regulated by the Superintendent of Insurance of the Cayman Islands. In addition to the Organization, CCIC was owned by and insured approximately 25 other long-term care organizations that operate across the United States. As an insurance company that is not authorized to conduct business in North Carolina, CCIC was not subject to regulation by the North Carolina Department of Insurance nor covered under the North Carolina Guaranty Association. The Organization independently procured this liability coverage pursuant to the North Carolina General Statutes, which permit persons to obtain insurance from an insurer not authorized to do business in the state of North Carolina in the event that the full amount or kind of insurance necessary to protect the risks cannot be obtained from insurance companies authorized to do business in North Carolina. The policy was renewed November 30, 2004. Effective January 1, 2006, the insurance previously written by CCIC was written by Diapason Casualty Risk Retention Group, Inc., a District of Columbia corporation (DCRRG) regulated by the District of Columbia Department of Insurance. DCRRG was a wholly owned subsidiary of Diapason Shared Services, a District of Columbia nonprofit corporation (DSS). The four members of DSS, who were also owners of CCIC, were the insurers of DCRRG. DCRRG has given intent to offer insurance in North Carolina as required by federal law. DCRRG is substantially reinsured by CCIC.

As a risk retention group DCRRG is not covered under the North Carolina Guaranty Association. Effective January 1, 2008, CCIC and DCRRG completed a corporate restructuring. As a result of the restructuring, DCRRG changed its name to Caring Communities, a reciprocal Risk Retention Group (CCrRRG) and became a reciprocal insurer. The Organization, along with all other shareholders of CCIC, exchanged its shares of CCIC for a Charter Capital Account of CCrRRG. CCIC is now a wholly owned subsidiary of CCrRRG. Members of CCrRRG are required to pay assessed premiums and are subject to a per claim self-insurance retention. Insurance premiums under this program totaled \$869,039.

The Organization made an initial capital contribution to CCIC of \$187,855 in November of 2002 and additional capital contributions of \$72,252 on January 1, 2004, and \$28,901 on January 1, 2005. These capital contributions, totaling \$289,008, are represented by the Organization's Charter Capital Account of CCrRRG and are included in other noncurrent assets in its combined statement of financial position. At year-end, the value of the Organization's Charter Capital Account is \$783,407 due to premiums in excess of claims paid by CCrRRG.

NOTE 18 RELATED PARTIES

The following organizations are considered related parties of the Organization due to management and administrative services provided to them by the Organization:

- New Bern Older Adult Housing, Inc. (NOAH), a HUD 202 facility in New Bern, North Carolina.
- UCC Living Center, Inc. (Covenant Place), a HUD 202 project in Chapel Hill, North Carolina.

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 18 RELATED PARTIES (CONTINUED)

- Statesville Elderly Housing, Inc. (Emmanuel's Place), a HUD 202 facility in Statesville, North Carolina.
- Carolina Senior Living, Inc. a HUD 202 facility in Lexington, North Carolina.
- UDI/St. Joseph's, Inc. (St. Joseph's Place), a HUD 202 facility in Durham, North Carolina.
- Albemarle Older Adult Housing, Inc. (Matthew's Place), a HUD 202 facility in Albemarle, North Carolina.
- The Willows, a HUD 202 facility in Burlington, North Carolina.
- Elderhaus, Inc., a nonprofit PACE program in Wilmington, North Carolina
- Elderhaus at the Lake, a nonprofit Adult Day Service Program in Wilmington, North Carolina
- Iredell Adult Day Services, a nonprofit Adult Day Service Program in Statesville, North Carolina

The Organization provides management and administrative services to the above organizations. Management fee income was approximately \$1,178,000 and \$964,000, respectively.

The Organization pays salaries and employee benefit expense on behalf of its related parties, charging for expenses paid on a reimbursement basis. The Organization, as the sponsoring organization of these related parties, also advanced these entities funding for initial development costs.

The Organization had the following receivables (payables) at September 30:

	<u>2025</u>	<u>2024</u>
NOAH	\$ 345,676	\$ 303,171
Covenant Place	152,924	185,704
Emmanuel's Place	23,293	18,242
St. Joseph's Place	215,699	199,938
Carolina Senior Living	208,159	173,833
Matthew's Place	96,326	116,301
The Willows	432,113	403,951
Elderhaus, Inc.	(46,194)	1,335,208
Elderhaus At The Lake	292,673	371,040
Iredell Adult Day Services	486	1,966
Total	<u>\$ 1,721,155</u>	<u>\$ 3,109,354</u>

EVERYAGE AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 19 ACQUISITION

On October 1, 2024, the Organization completed an acquisition transaction and became the sole corporate member of Providence Place, PPRC Pavilion, and PPRC Hall. This acquisition resulted in the Organization acquiring all assets and assuming all the liabilities of Providence Place, PPRC Pavilion, and PPRC Hall with the purpose being to acquire their operations and further the overall mission of the organization. All activity of the acquired organizations since the date of acquisition is included in the operating results presented for the year ended September 30, 2025, on the accompanying combined statement of operations. The acquisition was funded through consideration transferred in the form of debt financing of approximately \$48,050,000.

The Organization accounted for the acquisition using the purchase method of accounting. The purchase price was allocated to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the purchase price over the fair value of net assets acquired was allocated to goodwill. The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the Organization's acquisition of the assets of Providence Place, PPRC Pavilion, and PPRC Hall.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at their estimated fair values as of October 1, 2024:

Assets Assumed:	
Current Assets	\$ 5,324,225
Property and Equipment, Net	31,068,050
Other Intangible Assets	4,440,750
Liabilities Assumed:	
Accounts Payable and Accrued Liabilities	1,171,075
Consideration Exchanged	<u>48,050,614</u>
Goodwill	<u>\$ 8,388,664</u>

The allocation of purchase price for the acquisition is preliminary determined by management based on various market and income analyses and recent asset appraisals. The tangible assets and liabilities were valued by management. The intangible assets were valued by an independent third-party valuation specialist. The fair value of the assumed debt was determined using an option-adjusted discounted cash flows analysis. There was no contingent consideration included in this transaction. There were no contingent assets acquired or liabilities assumed in this transaction.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
EveryAge and Affiliates
Newton, North Carolina

We have audited the combined financial statements of EveryAge and Affiliates as of and for the year ended September 30, 2025, and have issued our report thereon dated January 21, 2026, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position, and combining statement of operations and changes in net assets without donor restrictions as of and for the year ended September 30, 2025 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

CliftonLarsonAllen LLP

39.2 CliftonLarsonAllen LLP

Charlotte, North Carolina
January 21, 2026

EVERYAGE AND AFFILIATES
39.2.1 COMBINING STATEMENT OF FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 2025

(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

ASSETS	Corporate Office	Abernethy Laurels	Piedmont Crossing	EveryAge Subtotal	Lake Prince Center, Inc.	BellaAge	Providence Place
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 6,310,471	\$ 1,900	\$ 174,243	\$ 6,486,614	\$ 2,020	\$ 20,701	\$ 993,801
Accounts Receivable,	-	2,394,963	1,321,690	3,716,653	1,571,551	4,275	9,604,984
Allowance for Credit Losses	-	(341,495)	(154,420)	(495,915)	(142,502)	-	(400,358)
Accounts Receivable, Net	-	2,053,468	1,167,270	3,220,738	1,429,049	4,275	9,204,626
Other Receivables, Net	41,211	122,430	74,645	238,286	55,418	216,665	106,389
Due from Related Parties, Current	(9,538,030)	31,435,889	(7,663,017)	14,234,842	4,608,845	(96,782)	(12,894,381)
Other Current Assets	91,933	232,235	161,239	485,407	133,710	9,901	111,543
Total Current Assets	(3,094,415)	33,845,922	(6,085,620)	24,665,887	6,229,042	154,760	(2,478,022)
Due from Related Parties, Less Current Portion	227,524	-	-	227,524	-	-	-
Assets Limited as to Use	73,465,193	32,464	5,620	73,503,277	1,659,510	31,978	7,573,697
Investments	-	-	-	-	-	-	-
Equity Investment	1,670,488	-	-	1,670,488	-	-	-
Interest Rate Swap Agreements	-	4,219,667	1,020,522	5,240,189	-	(168,246)	48,198
Other Noncurrent Assets	1,476,618	-	-	1,476,618	-	-	-
Property and Equipment, Net	7,471,059	44,617,414	12,759,721	64,848,194	29,149,638	31,548,490	20,885,356
Other Intangible Assets, Net	-	-	-	-	-	-	4,007,191
Goodwill, Net	-	-	-	-	-	-	7,549,798
Total Assets	\$ 81,216,467	\$ 82,715,467	\$ 7,700,243	\$ 171,632,177	\$ 37,038,190	\$ 31,566,982	\$ 37,586,218
LIABILITIES AND NET ASSETS CURRENT							
LIABILITIES							
Current Portion of Long-Term Debt	\$ -	\$ 387,780	\$ 152,220	\$ 540,000	\$ 2,195,000	\$ 200,000	\$ 604,701
Accounts Payable	467,624	727,124	749,841	1,944,589	517,525	227,523	390,780
Accrued Salaries and Related Benefits	1,576,631	1,629,978	908,101	4,114,710	851,895	18,401	739,221
Other Current Payables	30,446	629,220	739,049	1,398,715	878,809	295,963	489,913
Total Current Liabilities	2,074,701	3,374,102	2,549,211	7,998,014	4,443,229	741,887	2,224,615
LONG-TERM LIABILITIES							
Long-Term Debt, Less Current Portion	-	56,482,607	13,747,434	70,230,041	24,323,155	29,838,563	35,803,428
Refundable Advance Fees	-	3,063,745	2,163,832	5,227,577	2,026,128	-	-
Deferred Revenue from Advance Fees	-	14,098,166	9,871,771	23,969,937	25,337,002	-	-
Total Liabilities	2,074,701	77,018,620	28,332,248	107,425,569	56,129,514	30,580,450	38,028,043
NET ASSETS							
Without Donor Restrictions	79,141,766	5,696,847	(20,632,005)	64,206,608	(19,091,324)	986,532	(441,825)
With Donor Restrictions	-	-	-	-	-	-	-
Total Net Assets	79,141,766	5,696,847	(20,632,005)	64,206,608	(19,091,324)	986,532	(441,825)
Total Liabilities and Net Assets	\$ 81,216,467	\$ 82,715,467	\$ 7,700,243	\$ 171,632,177	\$ 37,038,190	\$ 31,566,982	\$ 37,586,218

EVERYAGE AND AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

	Total						
	PPRC	PPRC	Obligated			Carolina	
	Pavilion	Hall	Group	Foundation	EA Holding	SeniorCare	Total
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 96,062	\$ -	\$ 7,599,198	\$ 280,531	\$ 9,822	\$ 2,815,253	\$ 10,704,804
Accounts Receivable,	12,216	-	14,909,679	-	-	665,016	15,574,695
Allowance for Credit Losses	-	-	(1,038,775)	(8,739)	-	(219,886)	(1,267,400)
Accounts Receivable, Net	12,216	-	13,870,904	(8,739)	-	445,130	14,307,295
Other Receivables, Net	865	81,474	699,097	100,850	-	14,615	814,562
Due from Related Parties, Current	386,835	45,556	6,284,915	(4,022,179)	(16,715)	(752,390)	1,493,631
Other Current Assets	-	-	740,561	2,064	-	45,397	788,022
Total Current Assets	495,978	127,030	29,194,675	(3,647,473)	(6,893)	2,568,005	28,108,314
Due from Related Parties, Less Current Portion	-	-	227,524	-	-	-	227,524
Assets Limited as to Use	-	-	82,768,462	15,757,667	135,749	-	98,661,878
Investments	-	-	-	-	-	9,899,722	9,899,722
Equity Investment	-	-	1,670,488	-	-	-	1,670,488
Interest Rate Swap Agreements	23,644	19,097	5,162,882	-	-	-	5,162,882
Other Noncurrent Assets	-	-	1,476,618	-	-	-	1,476,618
Property and Equipment, Net	5,317,314	4,272,286	156,021,278	-	-	8,434,960	164,456,238
Other Intangible Assets, Net	86,200	69,623	4,163,014	-	-	-	4,163,014
Goodwill, Net	-	-	7,549,798	-	-	-	7,549,798
Total Assets	\$ 5,923,136	\$ 4,488,036	\$ 288,234,739	\$ 12,110,194	\$ 128,856	\$ 20,902,687	\$ 321,376,476
LIABILITIES AND NET ASSETS CURRENT							
LIABILITIES							
Current Portion of Long-Term Debt	\$ 85,702	\$ 69,221	\$ 3,694,624	\$ -	\$ -	\$ 375,000	\$ 4,069,624
Accounts Payable	27,238	-	3,107,655	10,639	-	1,932,663	5,050,957
Accrued Salaries and Related Benefits	-	-	5,724,227	28,056	-	491,618	6,243,901
Other Current Payables	97,235	201,649	3,362,284	-	-	60,041	3,422,325
Total Current Liabilities	210,175	270,870	15,888,790	38,695	-	2,859,322	18,786,807
LONG-TERM LIABILITIES							
Long-Term Debt, Less Current Portion	5,822,696	4,702,947	170,720,830	-	-	5,675,621	176,396,451
Refundable Advance Fees	-	-	7,253,705	-	-	-	7,253,705
Deferred Revenue from Advance Fees	-	-	49,306,939	-	-	-	49,306,939
Total Liabilities	6,032,871	4,973,817	243,170,264	38,695	-	8,534,943	251,743,902
NET ASSETS							
Without Donor Restrictions	(109,735)	(485,781)	45,064,475	4,418,127	128,856	12,367,744	61,979,202
With Donor Restrictions	-	-	-	7,653,372	-	-	7,653,372
Total Net Assets	(109,735)	(485,781)	45,064,475	12,071,499	128,856	12,367,744	69,632,574
Total Liabilities and Net Assets	\$ 5,923,136	\$ 4,488,036	\$ 288,234,739	\$ 12,110,194	\$ 128,856	\$ 20,902,687	\$ 321,376,476

EVERYAGE AND AFFILIATES

**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS YEAR
ENDED SEPTEMBER 30, 2025**

(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

	Corporate Office	Abernethy Laurels	Piedmont Crossing	EveryAge Subtotal	Lake Prince Center, Inc.	BellaAge	Providence Place
Operating Revenues:							
Healthcare	\$ -	\$ 21,407,886	\$ 10,467,311	\$ 31,875,197	\$ 4,006,068	\$ -	\$ 15,950,254
Pavilion/Assisted Living	-	1,170,734	391,192	1,561,926	3,248,793	-	4,515,222
Residential Living	-	6,756,508	4,981,438	11,737,946	6,085,273	-	2,830,662
Amortization of Advance Fees	-	2,088,561	1,656,836	3,745,397	2,747,824	-	-
Home Care	-	1,520,811	772,820	2,293,631	2,519,166	-	-
PACE Income	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	260,058	-
Management Fee Income	1,178,111	-	-	1,178,111	-	-	-
Outside Services	-	-	-	-	228,955	-	-
Other Operating Revenue	786,628	244,819	106,054	1,137,501	213,868	-	9,045
Total Operating Revenues	1,964,739	33,189,319	18,375,651	53,529,709	19,049,947	260,058	23,305,183
Operating Expenses:							
Health Services:							
Healthcare	-	9,163,680	5,354,543	14,518,223	2,576,797	-	8,618,139
Medical Records	-	92,042	42,928	134,970	44,613	-	39,325
Personnel and Employee Benefits	2,429,464	4,685,367	2,417,937	9,532,768	2,418,998	38,696	2,370,069
Laundry	-	157,530	157,225	314,755	78,074	-	134,546
Social Services	-	165,472	125,994	291,466	66,216	-	176,375
Activities	-	323,909	111,992	435,901	136,374	396	194,629
Spiritual Life	-	77,222	69,659	146,881	77,058	-	63,889
Housekeeping	-	839,705	443,863	1,283,568	281,381	9,292	693,862
Plant Maintenance	-	2,902,519	2,397,974	5,300,493	2,243,634	123,524	1,680,214
Residential Living	-	-	-	-	-	-	1,909
Pavilion/Assisted Living	-	797,579	198,463	996,042	1,163,086	-	1,662,980
Clinic	-	85,046	16,036	101,082	-	-	-
Resident Services	-	60,824	138,502	199,326	156,053	-	145,307
Transportation	-	132,614	12,557	145,171	46,176	-	651
Dietary	-	2,630,423	2,049,155	4,679,578	1,343,682	-	1,657,281
Wellness Center	-	151,766	-	151,766	-	-	518
Beauty Shop	-	-	23,525	23,525	42,768	-	-
Day Care	280,192	-	-	280,192	-	-	-
Home Care	-	1,029,411	647,141	1,676,552	433,092	-	-
Home Health	-	-	-	-	1,604,914	-	-
Hospice	-	-	-	-	353,931	-	-
PACE Expenses (Including Depreciation)	-	-	-	-	-	-	-
Outside Services	-	-	-	-	156,481	-	-
General and Administrative:							
Administrative	4,570,823	758,557	525,756	5,855,136	707,840	122,746	741,960
Marketing	-	346,642	437,368	784,010	433,039	1,021	81,579
Staff Development	-	107,819	20,622	128,441	77,600	-	18,077
Management Fees	(6,666,882)	2,061,806	1,279,697	(3,325,379)	1,100,374	27,919	948,965
Depreciation	425,539	3,331,449	1,614,694	5,371,682	2,540,544	713,375	914,610
Amortization	-	-	-	-	-	-	1,105,472
Real Estate Taxes	13,562	-	-	13,562	407,903	119,458	256,718
Interest Expense (Including Amortization)	377	1,645,832	409,650	2,055,859	1,367,384	489,665	1,933,161
Insurance	169,901	499,779	327,509	997,189	269,617	44,019	316,376
Credit Losses	-	349,383	110,748	460,131	116,424	-	(26,824)
Other Operating Expenses	41,351	272,845	183,078	497,274	269,507	21,265	243,189
Total Operating Expense	1,264,327	32,669,221	19,116,616	53,050,164	20,513,560	1,711,376	23,972,977
Operating Income (Loss)	700,412	520,098	(740,965)	479,545	(1,463,613)	(1,451,318)	(667,794)

EVERYAGE AND AFFILIATES

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED) YEAR ENDED SEPTEMBER 30, 2025

	PPRC Pavilion	PPRC Hall	Total Obligated Group	Foundation	EA Holding	Carolina SeniorCare	Total
Operating Revenues:							
Healthcare	\$ -	\$ -	\$ 51,831,519	\$ -	\$ -	\$ -	\$ 51,831,519
Pavilion/Assisted Living	-	-	9,325,941	-	-	-	9,325,941
Residential Living	-	-	20,653,881	-	-	-	20,653,881
Amortization of Advance Fees	-	-	6,493,221	-	-	-	6,493,221
Home Care	-	-	4,812,797	-	-	-	4,812,797
PACE Income	-	-	-	-	-	20,330,024	20,330,024
Rental Income	771,220	135,833	1,167,111	-	-	-	1,167,111
Management Fee Income	-	-	1,178,111	-	-	-	1,178,111
Outside Services	-	-	228,955	-	-	-	228,955
Other Operating Revenue	519	-	1,360,933	426	-	7,368	1,368,727
Total Operating Revenues	771,739	135,833	97,052,469	426	-	20,337,392	117,390,287
Operating Expenses:							
Health Services:							
Healthcare	-	-	25,713,159	-	-	-	25,713,159
Medical Records	-	-	218,908	-	-	-	218,908
Personnel and Employee Benefits	-	-	14,360,531	81,831	-	427	14,442,789
Laundry	-	-	527,375	-	-	-	527,375
Social Services	-	-	534,057	-	-	-	534,057
Activities	-	-	767,300	-	-	-	767,300
Spiritual Life	-	-	287,828	-	-	-	287,828
Housekeeping	-	-	2,268,103	-	-	-	2,268,103
Plant Maintenance	171,779	7,637	9,527,281	-	-	31,866	9,559,147
Residential Living	-	-	1,909	-	-	-	1,909
Pavilion/Assisted Living	-	-	3,822,108	-	-	-	3,822,108
Clinic	-	-	101,082	-	-	428	101,510
Resident Services	-	-	500,686	-	-	-	500,686
Transportation	-	-	191,998	-	-	-	191,998
Dietary	-	-	7,680,541	-	-	40	7,680,581
Wellness Center	-	-	152,284	-	-	-	152,284
Beauty Shop	-	-	66,293	-	-	-	66,293
Day Care	-	-	280,192	-	-	-	280,192
Home Care	-	-	2,109,644	-	-	-	2,109,644
Home Health	-	-	1,604,914	-	-	-	1,604,914
Home Health	-	-	353,931	-	-	-	353,931
PACE Expenses (Including Depreciation)	-	-	-	-	-	17,638,861	17,638,861
Outside Services	-	-	156,481	-	-	-	156,481
General and Administrative:							
Administrative	-	17,100	7,444,782	281,547	-	195	7,726,524
Marketing	-	-	1,299,649	-	-	-	1,299,649
Staff Development	-	-	224,118	-	-	-	224,118
Management Fees	-	-	(1,248,121)	-	-	1,248,121	-
Depreciation	219,088	147,714	9,907,013	-	-	53,046	9,960,059
Amortization	6,157	4,973	1,116,602	-	-	-	1,116,602
Real Estate Taxes	57,510	96,525	951,676	-	-	29,378	981,054
Interest Expense (Including Amortization)	353,437	285,468	6,484,974	-	-	143,231	6,628,205
Insurance	80,667	73,144	1,781,012	-	-	10,429	1,791,441
Credit Losses	2,663	-	552,394	-	-	-	552,394
Other Operating Expenses	13,818	8,150	1,053,203	918	1,803	-	1,055,924
Total Operating Expense	905,119	640,711	100,793,907	364,296	1,803	19,156,022	120,316,028
Operating Income (Loss)	(133,380)	(504,878)	(3,741,438)	(363,870)	(1,803)	1,181,370	(2,925,741)

EVERYAGE AND AFFILIATES

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED) YEAR ENDED SEPTEMBER 30, 2025

	Corporate Office	Abernathy Laurels	Piedmont Crossing	EveryAge Subtotal	Lake Prince Center, Inc.	BellaAge	Providence Place
Nonoperating Income (Loss):							
Contributions and Grants	\$ -	\$ 336,503	\$ 56,401	\$ 392,904	\$ -	\$ -	\$ -
Contribution Expense	(141,827)	-	-	(141,827)	-	-	-
Investment Return, Net	6,953,449	-	5	6,953,454	107,606	49	150,869
Change in Fair Value of Interest Rate Swap Agreements	-	412,003	82,550	494,553	-	181,430	182,576
Gain (Loss) on Sale of Property and Equipment	8,000	4,565	(26,763)	(14,198)	(22)	-	-
Other Nonoperating Income	-	16,092	53,995	70,087	1,193,237	-	26,902
Net Assets Released from Restrictions	-	-	-	-	-	-	-
Total Nonoperating Income	<u>6,819,622</u>	<u>769,163</u>	<u>166,188</u>	<u>7,754,973</u>	<u>1,300,821</u>	<u>181,479</u>	<u>360,347</u>
Changes in Net Assets Without Donor Restriction	<u>\$ 7,520,034</u>	<u>\$ 1,289,261</u>	<u>\$ (574,777)</u>	<u>\$ 8,234,518</u>	<u>\$ (162,792)</u>	<u>\$ (1,269,839)</u>	<u>\$ (307,447)</u>

EVERYAGE AND AFFILIATES

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED) YEAR ENDED SEPTEMBER 30, 2025

	PPRC Pavilion	PPRC Hall	Total Obligated Group	Foundation	EA Holding	Carolina Senior Care	Total
Nonoperating Income (Loss):							
Contributions and Grants	\$ -	\$ -	\$ 392,904	\$ 162,645	\$ -	\$ -	\$ 555,549
Contribution Expense	-	-	(141,827)	(1,391,554)	-	-	(1,533,381)
Investment Return, Net	-	-	7,211,978	1,454,018	14,852	783,562	9,464,410
Change in Fair Value of Interest Rate Swap Agreements	89,566	72,341	1,020,466	-	-	-	1,020,466
Gain (Loss) on Sale of Property and Equipment	-	-	(14,220)	-	-	750	(13,470)
Other Nonoperating Income	-	-	1,290,226	-	39	151,042	1,441,307
Net Assets Released from Restrictions	-	-	-	1,391,554	-	-	1,391,554
Total Nonoperating Income	<u>89,566</u>	<u>72,341</u>	<u>9,759,527</u>	<u>1,616,663</u>	<u>14,891</u>	<u>935,354</u>	<u>12,326,435</u>
Changes in Net Assets Without Donor Restriction	<u>\$ (43,814)</u>	<u>\$ (432,537)</u>	<u>\$ 6,018,089</u>	<u>\$ 1,252,793</u>	<u>\$ 13,088</u>	<u>\$ 2,116,724</u>	<u>\$ 9,400,694</u>

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INDEPENDENT NETWORK MEMBER

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

Appendix B— Five-Year Prospective Financial Statements

**THE OBLIGATED GROUP OF EVERYAGE
COMPILATION OF A COMBINED FINANCIAL
PROJECTION
AND SUPPLEMENTAL PROJECTED FINANCIAL STATEMENTS
FOR THE YEARS ENDING SEPTEMBER 30, 2026
THROUGH SEPTEMBER 30, 2030**



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Piedmont Crossing

Providence Place, LLC.....

Home Office



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
EveryAge and Affiliates
Newton, North Carolina

Management is responsible for the accompanying projected combined financial statements for the obligated group of EveryAge (the "Obligated Group"), which comprise the projected combined balance sheets as of September 30, 2026, 2027, 2028, 2029 and 2030, and the related projected combined statements of operations and changes in net assets, and cash flows for the years then ending, and the related summary 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 the 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 combined 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 combined financial statements or the assumptions. Furthermore, even if the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 6 (the "Hypothetical Assumptions") occurs as projected, 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.

The accompanying supplementary information on pages 33 - 46 is presented for purposes of additional analysis and is not a required part of the combined projection. Such information is the responsibility of Management. Supplementary information was subject to our compilation engagement. We have not examined or reviewed the supplementary information and do not express an opinion, a conclusion, or provide any assurance on such information.

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

As discussed in the Basis of Presentation section, accounting principles generally accepted in the United States of America require that the financial statements for affiliates meeting certain criteria be consolidated with the parent organization's financial statements. For purposes of this projection, the financial statements of three affiliates (The EveryAge Foundation, EA Holding, and Carolina SeniorCare), which should be included with EveryAge, Inc.'s and Affiliates consolidated financial statements under accounting principles generally accepted in the United States of America, have been excluded from the projected financial statements. The effects of this departure from accounting principles generally accepted in the United States of America on the projected financial position, results of operations and cash flows have not been determined.

Board of Directors
EveryAge

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North
Carolina February 19,
2026

THE OBLIGATED GROUP OF EVERYAGE
PROJECTED COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6
FOR THE YEARS ENDING SEPTEMBER 30,
(IN THOUSANDS)

	2026	2027	2028	2029	2030
REVENUES, GAINS, AND OTHER SUPPORT					
Health Care	\$ 54,488	\$ 56,395	\$ 58,369	\$ 60,411	\$ 62,525
Pavillion/Assisted Living	10,523	10,891	11,273	11,668	12,076
Residential Living	21,865	22,892	23,740	24,621	25,534
Amortization of Advance Fees	8,109	8,392	8,686	8,990	9,304
Home Care	5,588	5,784	5,986	6,195	6,412
Rental Income	2,176	3,627	4,460	4,615	4,776
Management Fee Income	2,925	2,672	2,680	2,771	2,865
Outside Services	223	231	239	247	256
Other Operating Revenue	1,545	1,599	1,654	1,711	1,771
Total Revenue, Gains, and Other Support	107,442	112,483	117,087	121,229	125,519
EXPENSES					
Health Services					
Health Care	24,755	25,622	26,519	27,447	28,407
Medical Records	229	237	246	255	264
Personnel and Employee Benefits	16,603	17,226	17,873	18,498	19,145
Laundry	691	716	741	766	793
Social Services	536	555	574	594	614
Activities	837	872	906	939	973
Spiritual Life	301	312	323	335	347
Housekeeping	2,339	2,425	2,510	2,598	2,689
Plant Maintenance	8,579	9,010	9,480	9,812	10,154
Residential Living	2	2	2	2	2
Pavillion/Assisted Living	4,141	4,286	4,436	4,591	4,751
Clinic	115	119	123	127	132
Resident Services	477	494	511	528	545
Transportation	231	239	247	255	264
Dietary	7,884	8,186	8,473	8,771	9,078
Wellness Center	164	170	176	182	188
Beauty Shop	65	67	69	71	74
Day Care	320	331	343	355	367
Home Care	1,920	1,987	2,057	2,129	2,204
Home Health	1,450	1,501	1,554	1,608	1,664
Hospice	714	739	765	792	820
Outside Services	109	113	117	121	125
General and Administrative:					
Administrative	8,746	9,083	9,482	9,814	10,159
Marketing	1,489	1,541	1,594	1,650	1,707
Staff Development	191	197	204	211	218
Depreciation	11,581	11,661	11,228	11,377	11,617
Amortization	1,118	1,118	1,118	1,118	1,118
Real Estate Taxes	683	578	598	619	640
Interest Expense	6,988	6,791	6,671	6,562	6,349
Interest - Amortization of Issuance Costs	212	212	212	212	212
Insurance	1,947	2,012	2,109	2,183	2,259
Credit Loss Expense	376	389	404	419	434
Other Operating Expenses	963	995	1,030	1,065	1,100
Total Operating Expenses	106,756	109,786	112,695	116,006	119,413
Operating Income (Loss)	686	2,697	4,392	5,223	6,106
Nonoperating Income					
Contribution Income (Expense)	(84)	(84)	(84)	(84)	(84)
Other Nonoperating Revenue	163	165	167	169	171
Investment/Interest Income	3,333	3,184	3,209	3,234	3,259
Net Nonoperating Income	3,412	3,265	3,292	3,319	3,346
Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions	4,098	5,962	7,684	8,542	9,452
NET ASSETS WITH DONOR RESTRICTIONS					
Contributions	-	-	-	-	-
Change in Net Assets With Donor Restrictions	-	-	-	-	-
Change in Net Assets	4,098	5,962	7,684	8,542	9,452
Net Assets, Beginning of Year	45,065	49,163	55,125	62,809	71,351
NET ASSETS, END OF YEAR	\$ 49,163	\$ 55,125	\$ 62,809	\$ 71,351	\$ 80,803

See Summary of Significant Projection Assumptions and Accounting Policies and
Independent Accountants' Compilation Report

**THE OBLIGATED GROUP OF EVERYAGE
PROJECTED COMBINED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6**

**FOR THE YEARS ENDING SEPTEMBER 30, (IN
THOUSANDS)**

	2026	2027	2028	2029	2030
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ 4,098	\$ 5,962	\$ 7,684	\$ 8,542	\$ 9,452
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:					
Depreciation and Amortization	11,581	11,661	11,228	11,377	11,617
Amortization of Goodwill and Other Intangible Assets	1,118	1,118	1,118	1,118	1,118
Amortization of Deferred Issue Costs	212	212	212	212	212
Amortization of Bond Premium, Net	(284)	(284)	(220)	(116)	(116)
Amortization of Advance Fees	(8,109)	(8,392)	(8,686)	(8,990)	(9,304)
Advance Fees Received	13,712	12,065	12,235	12,580	12,888
(Increase) Decrease in Current Assets:					
Accounts Receivable	6,964	(412)	(355)	(310)	(321)
Other Receivables	(422)	(244)	(145)	(54)	(54)
Other Current Assets	(108)	(35)	(41)	(33)	(32)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(219)	198	269	116	123
Accrued Salaries and Related Benefits	(56)	212	221	214	221
Other Current Payables	(30)	-	-	-	-
Net Cash Provided by Operating Activities	28,457	22,061	23,520	24,656	25,804
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in Assets Limited as to Use	3,751	(585)	(576)	(550)	(632)
Purchases of Property and Equipment	(8,251)	(6,895)	(7,796)	(8,822)	(9,995)
(Purchase) Sale of Investments	(18,525)	(8,509)	(8,583)	(8,586)	(8,320)
Net Cash Used in Investing Activities	(23,025)	(15,989)	(16,955)	(17,958)	(18,947)
CASH FLOWS FROM FINANCING ACTIVITIES					
Advanced Fees Refunds	(2,736)	(2,008)	(1,815)	(1,734)	(1,666)
Borrowings on Lines of Credit	2,300	-	-	-	-
Principal Payments on Long-Term Debt	(3,695)	(4,289)	(4,475)	(4,679)	(4,896)
Principal Payments on Line of Credit	-	(2,300)	-	-	-
Initial Entrance Fees Received	-	2,791	-	-	-
Net Cash Used by Financing Activities	(4,131)	(5,806)	(6,290)	(6,413)	(6,562)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,301	266	275	285	295
Cash and Cash Equivalents, Beginning of Year	7,599	8,900	9,166	9,441	9,726
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 8,900	\$ 9,166	\$ 9,441	\$ 9,726	\$ 10,021
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 7,272	\$ 7,075	\$ 6,891	\$ 6,678	\$ 6,465

THE OBLIGATED GROUP OF EVERYAGE

PROJECTED COMBINED BALANCE SHEETS ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6 AT SEPTEMBER 30, IN THOUSANDS

	2026	2027	2028	2029	2030
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 8,900	\$ 9,166	\$ 9,441	\$ 9,726	\$ 10,021
Accounts Receivable	7,946	8,358	8,713	9,023	9,344
Allowance for Credit Losses	(1,038)	(1,038)	(1,038)	(1,038)	(1,038)
Other Receivables	1,120	1,364	1,509	1,563	1,617
Due from Related Parties, Current	6,514	6,514	6,514	6,514	6,514
Other Current Assets	849	884	925	958	990
Total Current Assets	24,291	25,248	26,064	26,746	27,448
Assets Limited as to Use					
Statutory Operating Reserve	16,622	17,211	17,789	18,350	18,985
Investments	43	43	43	43	43
Trustee Deposit Accounts Required by Debt Agreement	127	127	127	127	127
Residents' Funds	83	83	83	83	83
Debt Service Reserve Fund	5,104	5,104	5,104	5,104	5,104
Bond Fund	615	611	609	598	595
Total Assets Limited as to Use	22,594	23,179	23,755	24,305	24,937
Investments	74,946	83,455	92,038	100,624	108,944
Equity Investment	1,670	1,670	1,670	1,670	1,670
Fair Value of Interest Swap Agreements	5,164	5,164	5,164	5,164	5,164
Other Noncurrent Assets	1,477	1,477	1,477	1,477	1,477
Property and Equipment, Net					
Property and Equipment	305,789	312,684	320,480	329,302	339,297
Less: Accumulated Depreciation	(153,098)	(164,759)	(175,987)	(187,364)	(198,981)
Property and Equipment, Net	152,691	147,925	144,493	141,938	140,316
Other Intangible Assets, Net	3,867	3,571	3,275	2,979	2,683
Goodwill, Net	6,728	5,906	5,084	4,262	3,440
Total Assets	\$ 293,428	\$ 297,595	\$ 303,020	\$ 309,165	\$ 316,079
LIABILITIES AND NET ASSETS CURRENT					
LIABILITIES					
Line of Credit	\$ 2,300	\$ -	\$ -	\$ -	\$ -
Current Portion of Long-Term Debt	4,289	4,475	4,679	4,896	5,110
Accounts Payable	2,888	3,086	3,355	3,471	3,594
Accrued Salaries and Related Benefits	5,668	5,880	6,101	6,315	6,536
Other Current Payables	3,333	3,333	3,333	3,333	3,333
Total Current Liabilities	18,478	16,774	17,468	18,015	18,573
LONG-TERM LIABILITIES					
Long-Term Debt, Net of Current Portion	166,845	162,370	157,691	152,795	147,685
Deferred Financing Costs	(3,588)	(3,376)	(3,164)	(2,952)	(2,740)
Unamortized Bond Premium	3,102	2,818	2,598	2,482	2,366
Long-Term Debt, Net of Current Portion	166,359	161,812	157,125	152,325	147,311
Refundable Entrance Fees	7,254	7,254	7,254	7,254	7,254
Deferred Revenue from Advance Fees	52,174	56,630	58,364	60,220	62,138
Total Long-Term Liabilities	225,787	225,696	222,743	219,799	216,703
Total Liabilities	\$ 244,265	\$ 242,470	\$ 240,211	\$ 237,814	\$ 235,276
NET ASSETS					
Net Assets Without Donor Restrictions	49,163	55,125	62,809	71,351	80,803
Net Assets With Donor Restrictions	-	-	-	-	-
Total Net Assets	49,163	55,125	62,809	71,351	80,803
Total Liabilities and Net Assets	\$ 293,428	\$ 297,595	\$ 303,020	\$ 309,165	\$ 316,079

See Summary of Significant Projection Assumptions and Accounting Policies and
Independent Accountants' Compilation Report

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial projection (the “Projection”) presents to the best of the knowledge and belief of management (“Management”) of the obligated group of EveryAge (the “Obligated Group”), the expected financial position, results of operations and cash flows as of September 30, 2026, 2027, 2028, 2029 and 2030 and for each of the years then ending (the “Projection Period”) for the combined entities. All significant intra-entity activity has been eliminated upon combination.

The combined presentation has been prepared pursuant to the requirements of the North Carolina Department of Insurance relating both the Obligated Group as well as the licensed continuing care retirement communities (“CCRC”s). The following entities are the licensed continuing care retirement communities (“CCRC”s) that are members of the Obligated Group:

- EveryAge’s Home Office which provides services to both the following communities that are part of Management’s presentation, and other communities that are excluded from Management’s presentation;
- Abernethy Laurels, a licensed CCRC;
- Piedmont Crossing, a licensed CCRC; and
- Providence Place, LLC, who owns and operates a licensed CCRC (Providence Place).

The following entities are also members of the Obligated Group, but not licensed CCRC’s:

- Lake Prince Center, Inc.
- Lake Prince at Home, LLC
- BellaAge Hickory, LLC
- PPRC Pavilion, LLC; and
- PPRC Hall, LLC

Management’s financial projection has been prepared for the specific purpose of presenting the projected balance sheets, statements of operations and changes in net assets, and cash flows for the Obligated Group of EveryAge. This presentation is not intended to include the consolidated projected financial statements of EveryAge, Inc. and Affiliates, which would include The EveryAge Foundation, EA Holding, and Carolina SeniorCare. Accordingly, the projection is not intended to be a presentation in conformity with U.S. generally accepted accounting principles since it excludes The EveryAge Foundation, EA Holding, and Carolina SeniorCare.

This combined presentation is suitable for the needs of the North Carolina Department of Insurance and has been presented for such use as noted below.

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

Management’s Hypothetical Assumption is as follows:

- Management is able to achieve the projected operating revenue inflationary rate increases and operating expense inflationary increases as described hereinafter;
- The Piedmont Crossing Project, as defined hereinafter, is financed and constructed at the amount, timing, and terms, as projected;

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

- The Piedmont Crossing Project is marketed at the pricing projected, fills, and operates, as projected;
- The residential units of BellaAge Hickory, LLC, are successfully marketed and occupied at the assumed occupancy levels and pricing, as reflected in the Projection; and
- BellaAge, Hickory, LLC operates, as projected.

Management's purpose for preparing this financial Projection is for the use of Management, the Board of Directors, and for inclusion in Management's Disclosure Statements in accordance with Chapter 58, Article 64 of the North Carolina General Statutes and is not intended to be and should not be used, by another other than these specified parties. The Projection reflects management's judgment as of February 19, 2026, the date of this Projection, of the expected conditions and its expected course of actions. The assumptions disclosed herein are those that Management of the Obligated Group believes are significant to the projected combined financial statements. Furthermore, even if the Hypothetical Assumptions were to occur, the projected results may not be achieved as there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Management does not intend to revise this Projection to reflect changes in present circumstances or the occurrence of unanticipated events.

Unless otherwise noted, references to time periods used in this report refer to the fiscal year of the Obligated Group which ends on September 30.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Obligated Group Members

EveryAge is a not-for-profit organization that owns and operates continuing care retirement communities in Newton (“Abernethy Laurels”) and Thomasville (“Piedmont Crossing”) consisting of residential living units, assisted living units and nursing facilities providing adult care and intermediate and skilled nursing care. EveryAge was incorporated in North Carolina in 1961. EveryAge’s corporate office (the “Home Office” and collectively with Abernethy Laurels and Piedmont Crossing “EveryAge”) is located in Newton, North Carolina.

Lake Prince Center, Inc. (“Lake Prince”) is a nonprofit continuing care retirement community in Suffolk, Virginia. The facility consists of independent living units and nursing facilities providing adult care and intermediate and skilled nursing care for Lake Prince residents. Lake Prince was incorporated under the laws of North Carolina in July 1999 and has obtained a certificate to transact business in Virginia where the facility is located.

Lake Prince at Home, LLC, was incorporated on October 16, 2017 and is a wholly owned subsidiary of Lake Prince Center, Inc. It has expanded the services offered at Lake Prince and the surrounding market areas of Suffolk, Virginia.

BellaAge Hickory, LLC (“BellaAge”) is a nonprofit organization which was incorporated on December 12, 2022. BellaAge Hickory, LLC is a 95 rental unit independent living unit community that became available for occupancy April 2025. EveryAge is the sole member of BellaAge.

Providence Place, LLC (“Providence Place”) is a nonprofit organization which was incorporated on July 24, 2024. Providence Place was organized for the purpose of acquiring Providence Place, a retirement community located in High Point, North Carolina that consists of independent living units, assisted living units, and nursing facilities. The acquisition occurred on October 1, 2024. EveryAge is the sole member of Providence Place.

PPRC Pavilion, LLC (“PPRC Pavilion”) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Pavilion was organized for the purpose of acquiring, owning and operating certain commercial space adjacent to Providence Place. Certain lease arrangements are in place and have remained in place after the acquisition by PPRC Pavilion. The acquisition occurred on October 1, 2024. EveryAge is the sole member of PPRC Pavilion.

PPRC Hall, LLC (“PPRC Hall”) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Hall was organized for the purpose of acquiring and owning a vacant auditorium adjacent to Providence Place. During the year ended September 30, 2025, PPRC Hall is being leased by a charter school. The acquisition occurred on October 1, 2024. EveryAge is the sole member of PPRC Hall.

Non Obligated Group Affiliates

The EveryAge Foundation (the “Foundation”) is a nonprofit organization which was established for the purpose of fund development for the capital and operating support of the residential facilities operated by EveryAge, which includes fund development to support benevolent care

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

for those residents who are unable to pay for continuing care at the residential facilities operated by EveryAge. The Foundation was incorporated under the laws of the state of North Carolina in 2000.

EA Holding is a nonprofit organization which was established for the purpose of development and investment of funds outside of the obligated group. EA Holding was incorporated under the laws of the state of North Carolina in 2021.

Carolina SeniorCare (“CSC”), a Program of All-inclusive Care for the Elderly (“PACE”), in Lexington, North Carolina, is a nonprofit organization created in 2011 by its parent organization, EveryAge. Carolina SeniorCare serves individuals who are age 55 or older, are certified by their state to need nursing home care, able to live safely in the community at the time of enrollment, live in Davidson, Rowan, Davie, Iredell, Craven, Pamlico, Jones, Carteret, Beaufort, Lenoir, or Onslow counties and either Medicare or Medicaid eligible. The program is able to provide the entire continuum of care and services to seniors with chronic care needs while maintaining their independence in their homes for as long as possible. PACE receives direct payments from Medicare and Medicaid to cover needed services. Because of the pooled financing of PACE, programs have strong incentives to focus on wellness and prevention and to decrease the hospitalization rates for the participants and the incidence of long-term institutionalization.

The Foundation, EA Holding, and CSC are not members of the Obligated Group and are not included in the Projection.

The Piedmont Crossing Project

Management has projected construction of seven new independent living units (1 cottage and 6 villas) at Piedmont Crossing. Management has projected the total construction cost would approximate

\$2,300,000 and has projected paying for construction using a line of credit and using the initial entrance fees received from the new independent living units for repayment of the line of credit. Management has projected the construction would occur and be completed by September 30, 2026. The opening and fill-up of the new independent living units is projected to occur in October 2026 (fiscal year 2027) with Management projected a ninety-five percent average occupancy percentage on the new independent living units for the remainder of the Projection Period. Management has projected entering into a \$2,500,000 line of credit. Interest payments are projected to be monthly. The interest rate assumed is the Federal Prime Rate minus 0.25%. The interest rate assumed during the Projection Period is 6.50% and all interest incurred during the construction of the Piedmont Crossing Project has been capitalized. Management has projected repayment of the line of credit in November 2026.

Table 1 Piedmont Crossing Project

Current Unit Mix, Size, and Fees

(in 2027 Dollars)

Unit Type	Unit Description	Number of Units	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
Cottage	2 Bedroom	1	1,368	\$ 2,157	\$ 325,000	\$ 487,500
Villas	2 Bedroom	6	1,404	2,336	375,000	562,500
Total Units		7	1,399	\$ 2,310	\$ 367,857	\$ 551,786
Second Person				\$ 796		

Source: Management

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Summary of Significant Accounting Policies

Principles of Combination

The projected combined financial statements include all members, as previously defined, of the Obligated Group. All material intercompany accounts and transactions have been eliminated in the combination.

Use of Estimates

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

Cash Equivalents

The Obligated Group considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Obligated Group excludes from cash and cash equivalents assets limited as to use.

Assets Limited as to Use

Assets limited as to use primarily include the operating reserves required by State statute, assets held by trustees under indenture agreements, designated assets set aside by the Board of Directors for future capital improvements, to the extent funds are available, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and resident funds. Amounts required to meet current liabilities of the Obligated Group have been classified as current assets in the balance sheets.

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in nonoperating income. Donated investments are stated at fair value at the date of the gift. Investment expenses and fees are netted with net realized gains on investments.

Accounts Receivable

The Obligated Group records accounts receivable at the total unpaid balance less an allowance for credit loss. The Obligated Group determines past-due status based on the billing dates and does not charge interest on overdue accounts. The Obligated Group writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to credit loss expense. Management estimates its allowance for credit loss based on a combination of factors, including the Obligated Group's historical loss experience and any anticipated effects related to current and future economic conditions, as well as the current payor mix or receivables.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. Donated property and equipment are recorded at their estimated fair value on the date of receipt. Interest costs incurred on borrowed funds during the period of construction are capitalized as a component of the cost of acquiring those assets. The Obligated Group capitalizes property and equipment with an estimated useful life of greater than one year and a cost of more than \$2,000.

Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land Improvements	10 to 20 Years
Buildings and Improvements	30 to 40 Years
Furniture, Fixtures, and Equipment	5 to 15 Years
Vehicles	5 Years

The Obligated Group periodically assesses the value 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 and used, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated net realizable value is less than the carrying amount.

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

Business Combination

The Obligated Group accounts for business acquisitions using the acquisition method of accounting and records any identifiable definite-lived intangible assets separate from goodwill. Intangible assets are recorded at their fair value based on estimates as of the date of acquisition. Goodwill is recorded as the residual amount of the purchase price consideration less the fair value assigned to the individual identifiable assets acquired and liabilities assumed as of the date of acquisition.

Goodwill

Goodwill is recognized as a result of a business combination when the price paid for the acquired business exceeds the fair value of its identified net assets. The Obligated group has recorded goodwill related to the acquisition of Providence Place, PPRC Pavilion, and PPRC Hall of approximately

\$8,389,000 during the year ended September 30, 2025. The Obligated Group adopted the accounting alternative for the subsequent measurement of goodwill. As a result of this election, the Obligated Group assigned a useful life of 10 years to goodwill. Goodwill is being amortized on a straight-line basis over this period. Further, in accordance with the elected accounting

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

alternative, the Obligated Group will test goodwill for impairment at the entity level if an event occurs or circumstances change indicating that the fair value may be below its carrying amount. Management has not projected any impairment of Goodwill during the Projection Period.

Intangible Assets

The Obligated Group's intangible assets consist primarily of trade name and a certificate of need acquired in connection with the acquisition of Providence Place, PPRC Pavilion, and PPRC Hall during the year ended September 30, 2025. These assets are amortized on a straight-line basis over their estimated useful lives of 15 years during the Projection Period.

Deferred Costs

Deferred financing costs relating to the permanent financing of the facilities have been deferred and are being amortized over the life of the bonds.

Resident Escrows

If a resident should move into the health care unit and vacate the residential living unit, the amount of any refund to which the resident would be entitled is set aside and held by EveryAge for use by the resident to pay for necessary health care expenses. Once a permanent move is made and the residential living unit is available for remarketing, the resident may draw against the remaining residency refund to pay health care costs. A resident who does not live in a residential living unit for a period of 180 days or more shall be deemed to have made a permanent move.

A resident drawing from the residency refund to pay for health care costs shall, in agreement with the Center Executive, determine the withdrawal amount. This amount shall not exceed \$1,500 per month.

In case of financial hardship, withdrawal of more than \$1,500 per month may be requested by the resident. The resident must submit financial information sufficient to prove financial need. Such withdrawals will be allowed upon approval by the senior management of the Obligated Group.

Advance Deposits

The Obligated Group may collect up to 10% of the advance fees described below as a deposit on unoccupied units. Once the unit becomes occupied, these fees are transferred to deferred revenue.

Advance Fees

Deferred revenue from advance fees represents payments made by a resident in exchange for the use and privileges of the community for life or until termination of the residency agreement.

Contracts currently offered to residents of the Obligated Group are a fully declining refund contract and a 50% refundable contract. The nonrefundable portion of these fees is amortized into income on a straight-line basis over the estimated remaining life, actuarially adjusted, of each resident. The estimated amount of advance fees that is expected to be refunded to current residents under terms of the contracts are classified as refundable advance fees. Refunds are made to residents upon re-occupancy of the unit unless the resident has chosen to transfer their remaining balance into escrow as described above. Any unrecognized deferred revenue, less any related refund, at the date of termination of the contract is recorded as income in the period the termination of the contract occurs.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Obligation to Provide Future Services

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

Revenue Recognition

Resident services revenue is reported at the amount that reflects the consideration to which the Obligated Group expects to be entitled in exchange for providing resident care. These amounts are due from residents, patients, 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 Obligated Group bills the residents, patients, and third-party payors several days after the services are performed. Service fees paid by residents for maintenance, meals, and other services are assessed monthly and are recognized as revenue in the period services are rendered. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Obligated Group. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Obligated Group 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 Obligated Group 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 patients in a retail setting (for example, gift shop and cafeteria meals) and the Obligated Group 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 Obligated Group has elected to apply the optional exemption provided in FASB 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 Obligated Group determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Obligated Group's policy, and/or implicit price concessions provided to residents. The Obligated Group determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The Obligated Group determines its estimate of implicit price concessions based on its historical collection experience.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

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 Obligated Group's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services ("CMS"). On October 1, 2019, CMS finalized the Patient Driven Payment Model ("PDPM") to replace the existing Medicare Prospective Payment System ("PPS"). Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient is used as a basis for reimbursement. In addition, PDPM introduced 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.

Effective October 1, 2019, new PDPM HIPPS codes replaced RUG scores listed on each claim for determining reimbursement amounts. Annual Medicaid cost reports are required by the state of North Carolina, however, they are not used to settle the costs of claims. Instead, the cost reports are used in the development of price-based rates and to monitor the adequacy of the reimbursement methodology.

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 Obligated Group'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, are not expected to be significant during the Projection Period.

Generally, residents and patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Obligated Group estimates the transaction price for residents and patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and home and community-based services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments are not expected

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

to be significant during the Projection Period. Subsequent changes that are determined to be the result of an adverse change in the resident's or patient's ability to pay are recorded as bad debt expense.

The Obligated Group 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.

Entrance Fees

The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment under the life care contract and included in liabilities in the statement of financial position 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 expectant 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 statement of financial position.

Health Care Services

The Obligated Group also provides assisted and nursing care to residents who are covered by government and commercial payers. The Obligated Group 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 estimated net realizable amounts from patients, third-party payors, and others for services rendered while in the health care unit, and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Historically such adjustments for the Obligated Group have not been significant in relation to the combined financial statements as a whole.

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 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.

Non Life Care Contract Communities

BellaAge Hickory offers senior living that includes housing, utilities, and access to amenities such as 24/7 onsite staff, emergency pendants, wellness programs, recreational areas, dog park, and onsite storage. Rental revenue is recognized on a straight-line basis over the one-year lease term, which automatically renews unless terminated under specific conditions. Monthly rental fees are due on the first day of each month. Optional services like housekeeping and transportation are billed separately and recognized when provided. A non-refundable \$50 application fee is recognized upon receipt, and a one-time non-refundable \$5,000 community fee is recognized upon occupancy as it relates to initial administrative and setup activities.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Providence Place offers senior living which includes housing accommodations and access to healthcare services such as independent living, skilled nursing care, assisted living, and memory care as well as amenities like wellness programs, recreational activities, and transportation. Rental revenue is recognized on a straight-line basis over the term of the resident agreements, which typically renew automatically unless terminated under specific conditions. A non-refundable application fee is recognized upon receipt, and any one-time community or admission fees are recognized upon occupancy as they relate to initial administrative and setup activities.

Residential/Assisted Living Revenue

Residents that reside in residential and assisted living units are subject to a continuing monthly support service fee, which varies based on each resident's contract. The monthly fee can be adjusted from time to time by the Obligated Group according to changes in costs.

Benevolent Assistance

The Obligated Group has a policy of providing benevolent assistance to qualified residents who are unable to pay. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. The normal charges for services provided are included in revenue and paid through a transfer of assets from the Benevolent Trust Fund.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, assets limited as to use, accounts receivable, net, and other current and long-term liabilities approximates their respective fair values.

Income Tax Status

The Obligated Group consists of not-for-profit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3), and the affiliated Foundation is exempt from income taxes pursuant to Internal Revenue Code Section 501(a).

It is the Obligated Group's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the combined financial statements.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

Revenues for the Obligated Group are primarily generated from monthly service fees for the independent living units, amortization of entrance fees, and monthly service fees or per diem charges from the assisted living and skilled nursing residents.

Revenues for the independent living units are based on the monthly service fees assumed by Management to be charged to the residents and the assumed utilization of the independent living units. Health care revenues consist of revenue generated from services provided to residents transferring from the independent living units or from residents directly admitted from outside the Obligated Group into assisted living and nursing units.

Facility Utilization

Management has projected the following average occupancies at Abernethy Laurels, Piedmont Crossing, Providence Place, Lake Prince, and BellaAge will be as follows throughout the Projection Period:

Table 2
Abernethy Laurels
Utilization of Independent Living, Assisted Living, and Skilled Nursing
Units For the Years Ending September 30,

EveryAge - Abernethy Laurels	2026	2027	2028	2029	2030
Average Occupied Units:					
Independent Living	171	171	171	171	171
Assisted Living	16	16	16	16	16
Skilled Nursing	158	158	158	158	158
Available Units:					
Independent Living	187	187	187	187	187
Assisted Living	18	18	18	18	18
Skilled Nursing	174	174	174	174	174
Average Independent Living Occupancy Percentage	91%	91%	91%	91%	91%
Average Assisted Living Occupancy Percentage	89%	89%	89%	89%	89%
Average Skilled Nursing Occupancy Percentage	91%	91%	91%	91%	91%

Source: Management

Table 3
Piedmont Crossing
Utilization of Independent Living, Assisted Living, and Skilled Nursing
Units For the Years Ending September 30,

EveryAge - Piedmont Crossing	2026	2027	2028	2029	2030
Average Occupied Units:					
Independent Living	157	164	164	164	164
Assisted Living	8	8	8	8	8
Skilled Nursing	83	83	83	83	83
Available Units:					
Independent Living	169	176	176	176	176
Assisted Living	20	20	20	20	20
Skilled Nursing	104	104	104	104	104
Average Independent Living Occupancy Percentage	93%	93%	93%	93%	93%
Average Assisted Living Occupancy Percentage	40%	40%	40%	40%	40%
Average Skilled Nursing Occupancy Percentage	80%	80%	80%	80%	80%

Source: Management

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

**Table 4
Providence Place
Utilization of Independent Living, Assisted Living, and Skilled Nursing Units
For the Years Ending September 30,**

EveryAge - Providence Place	2026	2027	2028	2029	2030
Average Occupied Units:					
Independent Living	152	152	152	152	152
Assisted Living	64	64	64	64	64
Skilled Nursing	119	119	119	119	119
Available Units:					
Independent Living	158	158	158	158	158
Assisted Living	90	90	90	90	90
Skilled Nursing	129	129	129	129	129
Average Independent Living Occupancy Percentage	96%	96%	96%	96%	96%
Average Assisted Living Occupancy Percentage	71%	71%	71%	71%	71%
Average Skilled Nursing Occupancy Percentage	92%	92%	92%	92%	92%

Source: Management

**Table 5
Lake
Prince
Utilization of Independent Living, Assisted Living, and Skilled Nursing Units
For the Years Ending September 30,**

EveryAge - Lake Prince	2026	2027	2028	2029	2030
Average Occupied Units:					
Independent Living	179	179	179	179	179
Assisted Living	43	43	43	43	43
Skilled Nursing	29	29	29	29	29
Available Units:					
Independent Living	192	192	192	192	192
Assisted Living	52	52	52	52	52
Skilled Nursing	40	40	40	40	40
Average Independent Living Occupancy Percentage	93%	93%	93%	93%	93%
Average Assisted Living Occupancy Percentage	83%	83%	83%	83%	83%
Average Skilled Nursing Occupancy Percentage	73%	73%	73%	73%	73%

Source: Management

**Table 6
BellaAge
Utilization of Independent Living, Assisted Living, and Skilled Nursing Units
For the Years Ending September 30,**

EveryAge - Bella Age	2026	2027	2028	2029	2030
Average Occupied Units:					
Independent Living	27	64	86	86	86
Available Units:					
Independent Living	95	95	95	95	95
Average Independent Living Occupancy Percentage	28%	67%	91%	91%	91%

Source: Management

The following table summarizes the move-in assumptions for the Independent Living Units at BellaAge during the Projection Period.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

**Table 7
BellaAge
Fill-Up Schedule**

Fiscal Year / Month	Net Move Ins	Cumulative Occupied	Cumulative Occupancy
2026			
October	15.0	15.0	15.8%
November	1.0	16.0	16.8%
December	3.0	19.0	20.0%
January	2.0	21.0	22.1%
February	-	21.0	22.1%
March	3.0	24.0	25.3%
April	2.0	26.0	27.4%
May	4.0	30.0	31.6%
June	4.0	34.0	35.8%
July	3.0	37.0	38.9%
August	3.0	40.0	42.1%
September	4.0	44.0	46.3%
2027			
October	3.0	47.0	49.5%
November	3.0	50.0	52.6%
December	3.0	53.0	55.8%
January	3.0	56.0	58.9%
February	3.0	59.0	62.1%
March	4.0	63.0	66.3%
April	3.0	66.0	69.5%
May	3.0	69.0	72.6%
June	2.0	71.0	74.7%
July	2.0	73.0	76.8%
August	3.0	76.0	80.0%
September	4.0	80.0	84.2%
2028			
October	2.0	82.0	86.3%
November	2.0	84.0	88.4%
December	2.0	86.0	90.5%
Thereafter		86.0	90.5%

Source: Management

Health Care

Health care revenue includes revenue from residents residing in the nursing facility. Health care revenue and the payor mix is based upon historical experience for the Obligated Group. Health care revenues are assumed to increase 3.5 percent annually throughout the Projection Period. The Projection does not assume any third-party payor settlements throughout the Projected Period.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Pavilion/Assisted Living

Pavilion/Assisted living rents are based on historical experience of the Obligated Group. These rents are assumed to increase 3.5 percent annually throughout the Projection Period.

Residential Living

Residential living rents are based on historical experience of the Obligated Group. These rents are assumed to increase 3.5 percent annually throughout the Projection Period.

Amortization of Advance Fees

Advance fees and resident deposit amortization revenue is based on the expected turnover in units at the Obligated Group's apartment complexes for the elderly. The expected turnover during the Projection Period is consistent with the Obligated Group's historical experience.

Home Care Revenue

Home Care revenue is based upon historical experience of the Obligated Group as well as Management's projected increases in utilization of Home Health, Home Care, and Hospice services during the Projection Period. These revenues are also assumed to increase 3.5 percent annually throughout the Projection Period.

Rental Income

Rental Income is based upon Management's projected increase in utilization at BellaAge and rental lease income from PPRC Pavillion and PPRC Hall. In addition to the projected increase in occupancy, Management has also projected these revenues to increase 3.5 percent annually throughout the Projection Period.

Management Fee Income

Management fee revenue reflects Management's projected revenues from the Home Office's management activities outside of the Obligated Group. Intercompany management fees between the Home Office and the entities that comprise the Obligated Group have been eliminated in Management's combined projections.

Outside Services

Outside Services are based on historical experience of the Obligated Group. These services are assumed to increase 3.5 percent annually throughout the Projection Period.

Other Operating Revenue

Management has projected other operating revenues based upon historical operating experience as well as inflationary increases of 3.5 percent annually throughout the Projection Period. Included in other operating revenues are building lease revenues, additional resident meals, beauty and barber services, rental revenues, and other miscellaneous operating revenues.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

The following tables summarize the type, number, approximate square footage, monthly fees, and entrance fees for Abernethy Laurels, Piedmont Crossing, Providence Place, Lake Prince, and BellaAge as of October 1, 2025.

Table 8
Abernethy Laurels
Current Unit Mix, Size, and Fees as of October 1, 2025

Unit Type	Number of Units/Beds	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
Independent Living					
Apartments					
Pavilion					
Studio A	18	240	\$6,418		
Studio B	4	240	\$6,935		
Efficiency Apartment	13	400	\$3,771	\$40,500	\$60,750
Efficiency Deluxe Apartment	2	410	\$4,192	\$40,500	\$60,750
One-Bedroom Apartment	17	500	\$4,868	\$55,500	\$83,250
One Bedroom Deluxe	4	805	\$5,094	\$83,500	\$125,250
Village					
One Bedroom Apartment	10	800-900	\$1,949	\$125,000-\$139,500	\$187,500-\$209,250
Two Bedroom Apartment	31	1,100	\$2,101	\$134,500-\$161,500	\$201,750-\$242,250
Total Apartments	99	666	\$3,923	\$115,862	\$173,793
Villas/Cottages					
Cottage	26	1,341 - 2,916	\$2,450	\$219,500-\$362,000	\$329,250-\$543,000
Villa	62	960 - 2,724	\$2,246	\$148,500-\$303,000	\$222,750-\$454,500
Total Cottages and Villas	88	1,524	\$2,306	\$247,960	\$371,940
Total Independent Living	187	1,062	\$3,059	\$163,738	\$245,606
Second Person Fee - Pavilion			\$1,396		
Second Person Fee - Village			\$859		
Assisted Living					
	Number	Sq. Feet	Monthly Fees	Daily Fee	
Private	18	240	\$6,570	\$216	
Total Assisted Living	18	240	\$6,570	\$216	
Nursing					
	Number	Sq. Feet	Daily Fee		
Private	98	247 - 260	\$371-\$466		
Semi-private	76	224 - 256	\$334		
Total Nursing	174	248	\$365		
Total Units	379				

Source: Management

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

**Table 9
Piedmont Crossing
Current Unit Mix, Size, and Fees as of October 1, 2025**

Unit Type	Number of Units/Beds	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
Independent Living					
Apartments					
Pavilion					
Studio	10	500	\$2,961	\$58,500	\$87,750
One Bedroom	26	640	\$3,564	\$74,500	\$111,750
Two Bedroom	8	950	\$4,035	\$91,500	\$137,250
Gallery Apartments					
One Bedroom Corner	4	650	\$2,562	\$80,500	\$120,750
One Bedroom	8	675	\$2,662	\$80,500	\$120,750
Two Bedroom	23	975	\$2,866	\$115,500	\$173,250
Veranda B					
One Bedroom	4	800	\$1,917	\$91,000	\$136,500
Two Bedroom	24	1,100	\$2,043	\$126,000	\$189,000
Total Apartments	107	834	\$2,885	\$95,930	\$143,895
Villas/Cottages/Patio Homes					
Village					
Patio Homes	20	780 - 1,152	\$1,969-\$2,120	\$104,000-\$144,000	\$156,000-\$216,000
Villas	24	1,288 - 1,478	\$2,075	\$212,000 to \$308,500	\$318,000 to \$462,750
Cottages	18	1,339 - 1,622	\$2,247	\$243,500 to \$336,000	\$365,250 to \$504,000
Total Patio Homes/Villas/Cottages	62	1,308	\$2,128	\$220,040	\$333,060
Total Independent Living	169	1,006	\$2,607	\$142,195	\$213,393
Second Person Fee - Pavilion			\$1,063		
Second Person Fee - Village			\$780-\$1,026		
Assisted Living					
	Number	Sq. Feet	Monthly Fees	Daily Fee	
Private	14	350	\$6,692	\$227	
Semi-Private	6	350	\$4,988	\$169	
Total Assisted Living	20	350	\$6,376	\$208	
Nursing					
	Number	Sq. Feet		Daily Fee	
Private	96	280		\$344-\$454	
Semi-private	8	280		\$326	
Total Nursing	104	280		\$364	
Total Units	293				

Source: Management

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

**Table 10
Providence Place
Current Unit Mix, Size, and Fees as of October 1, 2025**

Unit Type	Number of Units/Beds	Square Footage	Monthly Fees
Independent Living			
 Apartments			
Village 1			
Studio	1	314	\$1,024
One Bedroom - One Bath	35	442-717	\$1,086-\$1,939
Two Bedroom - One Bath	30	579-643	\$1,531-\$1,728
Two Bedroom - Two Bath	19	875-1,147	\$2,048-\$2,725
Village 2			
One Bedroom - One Bath	14	442-582	\$1,095-\$1,731
Two Bedroom - One Bath	20	643-708	\$1,744-\$1,931
Two Bedroom - Two Bath	35	875-1,215	\$2,068-\$2,912
Total Apartments	154	727	\$1,830
 Villas (Cluster Homes)			
Two Bedroom - Two Bath	4	1,365-1,402	\$2,525-\$2,594
Three Bedroom - Two Bath	2	1,725	\$3,019
Total Villas	6	1,497	\$2,713
Total Independent Living	160	756	\$1,863
Second Person Fee - Independent Living			\$250
Assisted Living-Westchester Harbour			
 Assisted Living	Number	Sq. Feet	Monthly Fees
Private	22	350	\$6,103
Semi-Private	36	350	\$4,822
 Memory Care			
Private	8	350	\$7,023
Semi-Private	24	350	\$6,200
Total Assisted Living	90	350	\$5,698
Nursing-Westchester Manor	Number	Sq. Feet	Daily fee
 Nursing			
Private	76	234	\$304
Semi-Private	31	380	\$338
 Memory Care			
Private	16	234	\$314
Semi-Private	6	380	\$349
Total Nursing	129	338	\$315
Total Units	379		

Source: Management

For the Providence Place site, the assisted living facility is licensed for 90 beds, but currently operates as an 80-unit program due to the combination of 10 units to private units.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

**Table 11
Lake Prince
Current Unit Mix, Size, and Fees as of October 1, 2025**

Unit Type	Number of Units/Beds	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
Independent Living Apartments					
Studio	4	425	\$1,692	\$70,500 to \$88,500	\$105,750 to \$132,750
One Bedroom - One Bath	18	660	\$2,737	\$80,000 to \$133,000	\$120,000 to \$199,500
One Bedroom - Bay	4	700	\$2,737	\$96,500 to \$141,500	\$144,750 to \$212,250
One Bedroom - Grand	4	803	\$2,857	\$144,500 to \$160,000	\$216,750 to \$240,000
One Bedroom/Living/Dining	5	965	\$3,012	\$169,500 to \$193,000	\$254,250 to \$289,500
Two Bedroom/Den/Two Baths	27	965	\$3,012	\$141,500 to \$186,500	\$212,250 to \$279,750
Two Bedroom/Bay	8	1,000	\$3,017	\$150,500 to \$195,500	\$225,750 to \$293,250
Two Bedroom/Two Baths	12	1,075	\$3,017	\$172,000 to \$205,500	\$258,000 to \$308,250
Two Bedroom Deluxe	2	1,107	\$3,017	\$202,500	\$303,750
Two Bedroom Contemporary	4	1,158	\$3,137	\$195,500 to \$229,000	\$293,250 to \$343,500
Two Bedroom/Study	4	1,256	\$3,137	\$211,000 to \$242,000	\$316,500 to \$363,000
Total Apartments	92	905	\$2,894	\$159,848	\$239,772
Villas / Cottages					
Villas	42	1,350-1,931	\$2,417	\$257,500 to \$528,500	\$386,250 to \$792,750
Cottage	58	1,520-1,931	\$2,807	\$324,000 to \$496,500	\$486,000 to \$744,750
Total Cottages and Villas	100	1,524	\$2,643	\$359,680	\$539,520
Total Independent Living	192	1,227	\$2,763	\$263,927	\$395,871
Second Person Fee - Apartments			\$1,015		
Second Person Fee - Cottage			\$886		
Assisted Living					
	Number	Sq. Feet	Monthly Fees	Daily Fee	
Studio	32	300	\$6,144	\$202	
One Bedroom	4	300	\$8,395	\$276	
Memory Care (studio)	16	300	\$8,486	\$279	
Total Assisted Living	52	300	\$6,760	\$231	
Nursing					
	Number	Sq. Feet		Daily Fee	
Private	4	300		\$364	
Semi-private	36	300		\$306	
Total Nursing	40	300		\$312	
Total Units	284				

Source: Management

**Table 12
BellaAge
Current Unit Mix, Size, and Fees as of October 1, 2025**

Unit Type	Number of Units	Square Footage	Monthly Fees
Independent Living			
One Bedroom/One Bath	13	855	\$2,138-\$2,289
One Bedroom/One Bath/Balcony	24	872-1,112	\$2,311-\$3,089
One Bedroom/One Bath/Balcony/Den	7	956-1,008	\$2,486-\$2,673
Two Bedroom/Two Bath/Balcony	51	1,174-1,440	\$3,052-\$3,960
Total Independent Living Units	95	1,097	\$2,899

Source: Management

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Assumed Independent Living and Enhanced Living Turnover

The assumed turnover for the Independent Living Units is due to death, withdrawal, or transfer to assisted living, memory care or skilled nursing care, and double occupancy of the Independent Living Units has been based, in part, on historical experience of the Obligated Group.

Refunds of entrance fees are generated upon termination of the Residency Agreement and withdrawal from the Obligated Group, subject to the re-occupancy of the vacated Independent Living Units. Entrance fees may be generated from Independent Living Unit turning over without a corresponding refund because the resident has not withdrawn from the Obligated Group, but has permanently transferred to assisted living, memory care, or nursing accommodations. The assumed number of refunds on the Independent Living Units is provided by Management.

The following table presents the assumed attrition entrance fees received and the total entrance fee refunds.

Table 13
Entrance Fee Receipts and Total Entrance Fee Refunds (In Thousands)

	2026	2027	2028	2029	2030
Independent Living Units:					
Entrance Fee Receipts from Initial Fill	\$ -	\$ 2,791	\$ -	\$ -	\$ -
Entrance Fee Receipts from Unit Turnover	13,712	12,065	12,235	12,580	12,888
Entrance Fees Refunded from Unit Turnover	(2,736)	(2,008)	(1,815)	(1,734)	(1,666)
Entrance Fees Received, Net of Refunds	\$ 10,976	\$ 12,848	\$ 10,420	\$ 10,846	\$ 11,222

Source: Management

Notes:

The Entrance fee refunds for the Independent Living Units are based on the experience of Management.

Investment Income

Investment income is projected based on available investment balances earning investment income at a realized rate of 4.0 percent per year and cash and cash equivalents earning a realized rate of 0.5 percent per year during the Projection Period.

MANAGEMENT'S BASIS FOR PROJECTION OF EXPENSES AND OTHER ITEMS

Operating Expenses

Operating expenses are estimated by Management based on its historical experience and expectations for the Projection Period. Staff salaries and benefits are based on prevailing local salary and wage rates and are assumed to increase 3.5 percent annually throughout the Projection Period. The costs of employee fringe benefits are assumed to approximate 21.7 percent of salaries and wages for the Projection Period. Other non-salary operating expenses 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 are assumed to increase 3.5 percent annually throughout the Projection Period.

The Home Office charges a management fee to the facilities to cover related party management costs. Management fee income and expense have been eliminated in combination except for management fees related to entities that are not part of the combined presentation.

Intercompany Accounts

Accounts due to affiliates and due from affiliates have been adjusted throughout the Projection Period as a result of projected activity of operations and to maintain a minimum operating cash balance and to account for the operating reserve requirements of those communities subject to an operating reserve.

Commitments and Contingencies

Management does not assume that there will be any claims on the Obligated Group for the Projection Period relating to its self-insurance for professional and general liability coverage or workers' compensation plan in excess of its annual historical insurance expenses.

Current Assets and Current Liabilities

Cash and Cash Equivalents

Cash and cash equivalents for the Projection Period is projected to maintain a minimum operating Cash balance based upon recent historical experience of each of the Obligated Group.

Accounts Receivable, Net

Accounts receivable, net is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating revenues for each of the respective Obligated Group.

Other Current Assets

Other current assets are projected based on historic levels throughout the Projection Period.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Accounts Payable

Accounts payable is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating expenses, net of depreciation, for each of the respective Obligated Group.

Accrued Salaries and Related Benefits

Accrued salaries and related benefits is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating expenses, net of depreciation, for each of the respective Obligated Group.

Assets Limited as to Use

Statutory Operating Reserve

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) for the 12-month period related to the calculation. Once a continuing care facility achieves a 12-month daily average independent living unit occupancy rate of ninety percent (90% or higher) a provide shall only be required to maintain an operating reserve in an amount calculated using the table below, unless otherwise instructed by the Commission.

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

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

The following reflects the statutory operating reserve requirements, as projected by Management, for Abernethy Laurels, Piedmont Crossing, and Providence Place.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Table 14
Abernethy
Laurels
Projected Statutory Operating Reserve
Calculation For the Years Ending September 30,
(In Thousands)

	2026	2027	2028	2029	2030
EveryAge Abernethy Laurels - Statutory Operating Reserve Calculation (Expenses in Thousands):					
Total Operating Expenses	\$ 32,970	\$ 34,025	\$ 34,770	\$ 35,620	\$ 36,441
Include:					
Bond Principal Payments	388	389	448	485	624
Exclude:					
Depreciation	(3,553)	(3,792)	(3,545)	(3,376)	(3,141)
Amortization of Bond Issuance Costs	(22)	(22)	(22)	(22)	(22)
Interest Set Aside in Debt Service Reserve Fund	(1,245)	(1,295)	(1,338)	(1,403)	(1,366)
Principal Set Aside in Debt Service Reserve Fund	(388)	(389)	(448)	(485)	(624)
Total Operating Costs	\$ 28,150	\$ 28,916	\$ 29,865	\$ 30,819	\$ 31,912
Required Reserve	25%	25%	25%	25%	25%
Required Operating Reserve	\$ 7,038	\$ 7,229	\$ 7,466	\$ 7,705	\$ 7,978
Average Available Units:					
Independent Living Units	187	187	187	187	187
Total Available Units	187	187	187	187	187
Average Occupied Units for the Year Ending September 30:					
Independent Living Units	171	171	171	171	171
Total Occupied Units	171	171	171	171	171
Average Occupancy for the Year Ending September 30:	91.4%	91.4%	91.4%	91.4%	91.4%

Source: Management

Table 15
Piedmont Crossing
Projected Statutory Operating Reserve
Calculation For the Years Ending September 30,
(In Thousands)

	2026	2027	2028	2029	2030
Piedmont Crossing - Statutory Operating Reserve Calculation (Expenses in Thousands):					
Total Operating Expenses	\$ 20,328	\$ 20,703	\$ 21,468	\$ 22,323	\$ 23,182
Include:					
Bond Principal Payments	152	151	177	195	261
Include (Exclude):					
Depreciation	(1,872)	(1,713)	(1,827)	(2,014)	(2,182)
Amortization of Bond Issuance Costs	(11)	(11)	(11)	(11)	(11)
Interest Set Aside in Debt Service Reserve Fund	(205)	(206)	(180)	(213)	(147)
Principal Set Aside in Debt Service Reserve Fund	(152)	(151)	(177)	(195)	(261)
Total Operating Costs	\$ 18,240	\$ 18,773	\$ 19,450	\$ 20,085	\$ 20,842
Required Reserve	25%	25%	25%	25%	25%
Required Operating Reserve	\$ 4,560	\$ 4,693	\$ 4,863	\$ 5,021	\$ 5,211
Average Available Units:					
Independent Living Units	169	176	176	176	176
Total Available Units	169	176	176	176	176
Average Occupied Units for the Year Ending September 30:					
Independent Living Units	157	164	164	164	164
Total Occupied Units	157	164	164	164	164
Average Occupancy for the Year Ending September 30:	92.9%	93.2%	93.2%	93.2%	93.2%

Source: Management

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Table 16
Providence Place
Projected Statutory Operating Reserve
Calculation For the Years Ending September 30,
(In Thousands)

	2026	2027	2028	2029	2030
Providence Place - Statutory Operating Reserve Calculation (Expenses in Thousands):					
Total Operating Expenses	\$ 23,925	\$ 24,848	\$ 25,654	\$ 26,542	\$ 27,528
Include:					
Bond Principal Payments	605	630	658	686	718
Exclude:					
Depreciation and Amortization of Intangible Assets and Goodwill	(2,249)	(2,088)	(2,188)	(2,344)	(2,574)
Amortization of Bond Issuance Costs	(40)	(40)	(40)	(40)	(40)
Interest Set Aside in Debt Service Reserve Fund	(1,539)	(1,565)	(1,588)	(1,662)	(1,732)
Principal Set Aside in Debt Service Reserve Fund	(605)	(630)	(658)	(686)	(718)
Total Operating Costs	\$ 20,097	\$ 21,155	\$ 21,838	\$ 22,496	\$ 23,182
Required Reserve	25%	25%	25%	25%	25%
Required Operating Reserve	\$ 5,024	\$ 5,289	\$ 5,460	\$ 5,624	\$ 5,796
Average Available Units:					
Independent Living Units	158	158	158	158	158
Total Available Units	158	158	158	158	158
Average Occupied Units for the Year Ending September 30:					
Independent Living Units	152	152	152	152	152
Total Occupied Units	152	152	152	152	152
Average Occupancy for the Year Ending September 30:	96.20%	96.20%	96.20%	96.20%	96.20%

Source: Management

Investments

The Obligated Group are beneficiaries of certain investment funds. Management has not projected any change in the investments during the Projection Period.

Trustee Deposits Accounts Required by Debt Agreement

Represents funds related to those 10% reservation deposits received by the Obligated Group, that are escrowed, for the independent living units

Resident Funds

Cash held on deposit by the Obligated Group for community residents.

Debt Service Reserve Funds

The Obligated Group is required to maintain debt service reserve funds for certain of its debt equal to the maximum annual debt service requirement for the various series of bonds that require a debt service reserve fund.

Bond Fund

Represents monthly advance payments of bond principal and interest to be made by the Obligated Group to the bond trustee related to the existing indebtedness. The funds held under bond trust agreements are planned to be used by the bond trustee to make the principal payments and the interest payments to the owners of existing indebtedness when due

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Derivatives

To reduce the impact of changes in interest rates on its variable rate bonds payable, the Obligated Group has entered into four interest rate swap agreements for the 2021B-D bonds. Under the agreements, interest is payable at a fixed rate of 2.39-2.62% based on the outstanding balance of the bank qualified loans payable, which is effective through October 1, 2036. The annual gain or loss on the fair value of the swap agreements is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreements had notional principal amount totaling \$47,245,000 and a fair value of approximately \$5,240,000 on September 30, 2025.

In May 2023, the Obligated Group entered into an additional interest rate swap agreement for the Series 2023A Bonds. Under the agreement, interest is payable at a fixed rate of 4.21% based on the outstanding balance of the bank qualified loan payable and has a termination date of May 1, 2030. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of \$31,960,000 and a fair value of approximately (\$168,000) on September 30, 2025.

In September 2024, the Obligated Group entered into an additional interest rate swap agreement for the Series 2024 Bonds. Under the agreement, interest is payable at a fixed rate of 5.45% based on the outstanding balance of the bank qualified loan payable and has a termination date of October 1, 2034. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of \$18,115,000 and a fair value of approximately \$91,000 on September 30, 2025.

The fair value of the interest rate swap agreement was derived from proprietary models as of a given date, supplied by the swap advisor. The valuation is calculated on a midmarket basis and does not include bid/offered spread that would be reflected in an actual price quotation. This model relies on certain assumptions regarding past, present, and future market conditions.

Management does not project unrealized gains or losses from the valuation of swap agreements.

Property and Equipment

Property and equipment, net of accumulated depreciation, has been projected based on the estimated costs of constructing the Piedmont Crossing Project, and other routine property and equipment additions, reduced by estimated annual depreciation. The following table reflects the Piedmont Crossing Project related costs, capitalized interest, and other routine capital additions.

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

	2026	2027	2028	2029	2030
Project Costs	\$ 2,300	\$ -	\$ -	\$ -	\$ -
Capitalized Interest, Net of Interest Earning, during the Project Construction	62	-	-	-	-
Routine Capital Additions	5,889	6,895	7,796	8,822	9,995
Total Additions	\$ 8,251	\$ 6,895	\$ 7,796	\$ 8,822	\$ 9,995

Source: Management

See Independent Accountants' Compilation Report

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Long Term Debt

During the Projection Period, the Obligated Group's long-term debt is planned to be comprised of the Series 2016 Bonds, Series 2021A Bonds, Series 2022B Bonds, Series 2022 Direct Bank Loan, Series 2023B Bonds, Series 2023 Direct Bank Loan, Series 2024A Bonds, Series 2024B Bonds and the Series 2024 Taxable Loan.

Series 2016 Bonds: During 2017 fiscal year, the Obligated Group entered into a financing agreement with the Economic Development Authority of the City of Suffolk (the "Authority"), under which the Authority issued tax-exempt Series 2016 revenue bonds of \$18,940,000. The bonds were issued to refund existing bonds for the Lake Prince Center.

Series 2021A Bonds: During the 2022 fiscal year, the Obligated Group entered into a refinancing agreement with the North Carolina Medical Care Commission, under which the Commission issued tax-exempt Series 2021A revenue bonds of \$22,205,000. The Series 2021A Bonds are due 2041 through 2051, bearing interest of 3.15% to 4.29%.

Series 2022B Bonds: During the 2023 fiscal year, the Obligated Group converted their \$4,240,000 2021B Taxable Bonds originally financed with a commercial lender in 2022 to Series 2022B Tax-Exempt Bonds. The Series 2022B Bonds are due 2025-2037, bearing interest of 5.37%.

Series 2023A Bonds: During the 2023 fiscal year, the Obligated Group entered into a \$31,960,000 bank loan financing agreement with a commercial lender. The loan was used to finance the costs of the BellaAge project and pay certain expenses incurred in connection with the authorization and issuance of the bonds. The Series 2023A Bonds are due 2025-2053, bearing interest of 3.32%.

Series 2023B Bonds: During the 2023 fiscal year, the Obligated Group converted their \$31,310,000 Series 2021C Taxable Bonds originally financed with a commercial lender in 2022 to Series 2023B Tax-Exempt Bonds. The 2023B Bonds are due 2025-2046, bearing interest of 5.37%.

Series 2024A Bonds: During the 2024 fiscal year, the Obligated Group converted their \$17,835,000 2021D Taxable Bonds originally financed with a commercial lender in 2022 to Series 2024A Tax-Exempt Bonds. The Series 2024A Bonds are due 2025-2037, bearing interest of 6.8%.

Series 2024B Bonds: On October 1, 2024, the Obligated Group entered into a financing agreement with the North Carolina Medical Care Commission, under which the Commission issued tax-exempt Series 2024B revenue bonds of \$25,310,000. The bonds were issued for the purpose of assisting EveryAge in financing a portion of the purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the skilled nursing and assisted living portions of Providence Place. The Series 2024B Bonds are due 2034-2054, bearing interest of 4.0% to 4.7%.

Series 2024 Bonds: On October 1, 2024, the Obligated Group entered into a taxable loan agreement with a commercial lender. The loan was issued for the purpose of assisting EveryAge in financing the remaining portion remaining portion of the purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the independent living portion of a retirement community, a commercial office and

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

retail building, and the vacant auditorium portion of the purchase along with paying certain expenses incurred in connection with the issuance of the 2024 Taxable Loan and incurrence of the 2024B Bonds. The Series 2024B Bonds are due 2034-2054, bearing interest of 5.5%.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Management has projected maturity of the outstanding debt as follows.

Table 18
Projected Maturity of Outstanding Debt
(In Thousands)

Fiscal Year Ending September 30,	Series 2016	Series 2021A	Series 2022B	Series 2022 -	Series 2023B	Series 2023A	Series 2024A	Series 2024B	Series 2024 -	Total
	Bonds	Bonds	Bonds	Direct Bank Loan	Bonds	Direct Bank Loan	Bonds	Bonds	Taxable Loan	
2026	\$ 2,120	\$ -	\$ 325	\$ 75	\$ 105	\$ 200	\$ 110	\$ 430	\$ 330	\$ 3,695
2027	2,240	-	315	80	110	635	115	445	349	4,289
2028	2,240	-	395	115	115	665	115	465	365	4,475
2029	2,350	-	445	90	115	690	120	480	389	4,679
2030	2,285	-	645	90	115	725	125	500	411	4,896
2031	2,305	-	15	130	120	755	830	520	435	5,110
2032	-	295	115	490	126	790	2,540	540	457	5,353
2033	-	315	120	510	126	825	2,605	565	486	5,552
2034	-	330	120	535	130	860	2,670	585	514	5,744
2035	-	340	130	550	135	895	2,740	610	543	5,943
Thereafter	-	20,925	260	10,842	25,488	23,497	5,705	19,540	18,836	125,093
Total	\$ 13,540	\$ 22,205	\$ 2,885	\$ 13,507	\$ 26,685	\$ 30,537	\$ 17,675	\$ 24,680	\$ 23,115	\$ 174,829

Source: Management

Management has projected the following allocations of the existing indebtedness to the following members of the Obligated Group:

Table 19
Projected Allocations of Outstanding Debt
to the Obligated Group Members

Debt Allocation	Series 2016	Series 2021A	Series 2022B	Series 2022 -	Series 2023B	Series 2023A	Series 2024A	Series 2024B	Series 2024 -
	Bonds	Bonds	Bonds	Direct Bank Loan	Bonds	Direct Bank Loan	Bonds	Bonds	Taxable Loan
Abernathy Laurels	0.0%	82.8%	68.0%	0.0%	87.6%	0.0%	68.0%	0.0%	0.0%
Piedmont Crossing	0.0%	17.2%	32.0%	0.0%	12.4%	0.0%	32.0%	0.0%	0.0%
Lake Prince Center, Inc.	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BellaAge	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Providence Place	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	53.0%
PPRC Pavilion	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	26.0%
PPRC Hall	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	21.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Management

Supplemental Information

MANAGEMENTS BASIS FOR THE PROJECTION OF SUPPLEMENTAL OTHER ITEMS

Supplemental Information

The information provided in this section provides Management’s key forecast assumptions relating to Abernethy Laurels, Piedmont Crossing, Providence Place, LLC and Home Office and has been prepared pursuant to the requirements of North Carolina General Statutes, Chapter 58, Article 64 and excludes the activities of those entities that are not operating as a licensed continuing care retirement community. The assumptions disclosed herein for this supplementary disclosure (the “Supplemental Disclosure”) are for a period covered by the Projection Period and are the assumptions which Management believes are significant to the financial projection included in the Supplemental Disclosure. However, the projected results may not be achieved as there will usually be differences between the projected and actual results because the events and circumstances frequently do not occur as expected, and those differences may be material.

Management’s supplemental projection has been prepared for the specific purpose of presenting the supplemental projected statements of operations and changes in net assets, statements of cash flows and balance sheets for Abernethy Laurels, Piedmont Crossing, Providence Place, LLC, and Home Office. This presentation is not intended to include the consolidated projected financial statements of EveryAge and Affiliates which would include all members of the Obligated Group as well as The EveryAge Foundation, EA Holding, and Carolina SeniorCare. Accordingly, the supplemental projection is not intended to be a presentation in conformity with U. S. generally accepted accounting principles since it excludes the aforementioned entities.

The disclosures in the Supplemental Disclosure add specific disclosures related to Management’s supplemental projection (the “Supplemental Projection”) included in this Supplemental Disclosure. Other key assumptions have been presented in Management’s Summary of Significant Forecast Assumptions and Accounting Policies as disclosed previously and also apply to the Supplemental Projection.

ABERNETHY LAURELS
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5
AT SEPTEMBER 30,
(IN THOUSANDS)

	2026	2027	2028	2029	2030
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Accounts Receivable	2,260	2,339	2,420	2,505	2,593
Allowance for Expected Credit Losses	(341)	(341)	(341)	(341)	(341)
Other Receivables	348	360	372	385	399
Due from Related Parties, Current	34,743	38,707	42,665	46,667	50,598
Other Current Assets	228	235	243	252	260
Total Current Assets	37,240	41,302	45,361	49,470	53,511
Assets Limited as to Use					
Residents' Funds	32	32	32	32	32
Total Assets Limited as to Use	32	32	32	32	32
Fair Value of Interest Swap Agreements	4,220	4,220	4,220	4,220	4,220
Property and Equipment, Net					
Property and Equipment	100,708	102,455	104,377	106,491	108,816
Less: Accumulated Depreciation	(58,056)	(61,848)	(65,393)	(68,769)	(71,910)
Property and Equipment, Net	42,652	40,607	38,984	37,722	36,906
Total Assets	\$ 84,144	\$ 86,161	\$ 88,597	\$ 91,444	\$ 94,669
LIABILITIES AND NET ASSETS CURRENT					
LIABILITIES					
Current Portion of Long-Term Debt	\$ 389	\$ 448	\$ 485	\$ 624	\$ 680
Accounts Payable	684	705	729	755	781
Accrued Salaries and Related Benefits	1,596	1,644	1,701	1,761	1,822
Other Current Payables	629	629	629	629	629
Total Current Liabilities	3,298	3,426	3,544	3,769	3,912
LONG-TERM LIABILITIES					
Long-Term Debt, Net of Current Portion	54,973	54,525	54,040	53,416	52,736
Deferred Financing Costs	(762)	(740)	(718)	(696)	(674)
Unamortized Bond Premium	1,840	1,776	1,712	1,648	1,584
Long-Term Debt, Net of Current Portion	56,051	55,561	55,034	54,368	53,646
Refundable Entrance Fees	3,064	3,064	3,064	3,064	3,064
Deferred Revenue from Advance Fees	14,366	14,928	15,455	15,985	16,517
Total Long-Term Liabilities	73,481	73,553	73,553	73,417	73,227
Total Liabilities	\$ 76,779	\$ 76,979	\$ 77,097	\$ 77,186	\$ 77,139
NET ASSETS					
Net Assets Without Donor Restrictions	7,365	9,182	11,500	14,258	17,530
Net Assets With Donor Restrictions	-	-	-	-	-
Total Net Assets	7,365	9,182	11,500	14,258	17,530
Total Liabilities and Net Assets	\$ 84,144	\$ 86,161	\$ 88,597	\$ 91,444	\$ 94,669

ABERNETHY LAURELS

PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5

FOR THE YEARS ENDING SEPTEMBER 30,
(IN THOUSANDS)

	2026	2027	2028	2029	2030
REVENUES, GAINS, AND OTHER SUPPORT					
Health Care	\$ 21,803	\$ 22,566	\$ 23,356	\$ 24,173	\$ 25,019
Pavillion/Assisted Living	1,325	1,371	1,419	1,469	1,520
Residential Living	6,851	7,091	7,339	7,596	7,862
Amortization of Advance Fees	2,684	2,778	2,875	2,976	3,080
Home Care	1,520	1,573	1,628	1,685	1,744
Other Operating Revenue	222	230	238	246	255
Total Revenue, Gains, and Other Support	34,405	35,609	36,855	38,145	39,480
EXPENSES					
Health Services					
Health Care	9,103	9,422	9,752	10,093	10,446
Medical Records	88	91	94	97	100
Personnel and Employee Benefits	5,074	5,252	5,436	5,626	5,823
Laundry	190	197	204	211	218
Social Services	206	213	220	228	236
Activities	348	360	373	386	400
Spiritual Life	76	79	82	85	88
Housekeeping	897	928	960	994	1,029
Plant Maintenance	2,515	2,603	2,694	2,788	2,886
Pavillion/Assisted Living	726	751	777	804	832
Clinic	93	96	99	102	106
Resident Services	60	62	64	66	68
Transportation	119	123	127	131	136
Dietary	2,817	2,916	3,018	3,124	3,233
Wellness Center	164	170	176	182	188
Home Care	939	972	1,006	1,041	1,077
General and Administrative:					
Administrative	702	727	752	778	805
Marketing	395	409	423	438	453
Staff Development	126	130	135	140	145
Management Fees	2,203	2,134	2,209	2,286	2,366
Depreciation	3,553	3,792	3,545	3,376	3,141
Interest Expense	1,647	1,638	1,630	1,616	1,602
Interest - Amortization of Issuance Costs	22	22	22	22	22
Insurance	541	560	580	600	621
Bad Debts	126	130	135	140	145
Other Operating Expenses	240	248	257	266	275
Total Operating Expenses	32,970	34,025	34,770	35,620	36,441
Operating Income	1,435	1,584	2,085	2,525	3,039
Nonoperating Income					
Contribution Revenue	125	125	125	125	125
Other Nonoperating Revenue (Expense)	108	108	108	108	108
Net Nonoperating Income (Expense)	233	233	233	233	233
Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions	1,668	1,817	2,318	2,758	3,272
NET ASSETS WITH DONOR RESTRICTIONS					
Contributions	-	-	-	-	-
Change in Net Assets With Donor Restrictions	-	-	-	-	-
Change in Net Assets	1,668	1,817	2,318	2,758	3,272
Net Assets, Beginning of Year	5,697	7,365	9,182	11,500	14,258
NET ASSETS, END OF YEAR	\$ 7,365	\$ 9,182	\$ 11,500	\$ 14,258	\$ 17,530

**ABERNETHY LAURELS PROJECTED
STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5
FOR THE YEARS ENDING SEPTEMBER 30,
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ 1,668	\$ 1,817	\$ 2,318	\$ 2,758	\$ 3,272
Adjustments to Reconcile Change in Net Assets to Net Cash Flows					
From Operating Activities:					
Depreciation	3,553	3,792	3,545	3,376	3,141
Amortization of Deferred Issue Costs	22	22	22	22	22
Amortization of Bond Premium, Net	(64)	(64)	(64)	(64)	(64)
Amortization of Advance Fees	(2,684)	(2,778)	(2,875)	(2,976)	(3,080)
Advance Fees Received	4,095	4,103	4,106	4,207	4,290
Accounts Receivable	135	(79)	(81)	(85)	(88)
Other Receivables	(226)	(12)	(12)	(13)	(14)
Other Current Assets	4	(7)	(8)	(9)	(8)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(43)	21	24	26	26
Accrued Salaries and Related Benefits	(34)	48	57	60	61
Net Cash Provided by Operating Activities	6,426	6,863	7,032	7,302	7,558
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(1,588)	(1,747)	(1,922)	(2,114)	(2,325)
Change in Due to Affiliates	(3,307)	(3,964)	(3,958)	(4,002)	(3,931)
Net Cash Used in Investing Activities	(4,895)	(5,711)	(5,880)	(6,116)	(6,256)
CASH FLOWS FROM FINANCING ACTIVITIES					
Advanced Fees Refunds	(1,143)	(763)	(704)	(701)	(678)
Principal Payments on Long-Term Debt	(388)	(389)	(448)	(485)	(624)
Net Cash Used by Financing Activities	(1,531)	(1,152)	(1,152)	(1,186)	(1,302)
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	2	2	2	2	2
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 1,711	\$ 1,702	\$ 1,694	\$ 1,680	\$ 1,666

**PIEDMONT CROSSING
PROJECTED BALANCE SHEETS**

**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5
AT SEPTEMBER 30,
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 174	\$ 174	\$ 174	\$ 174	\$ 174
Accounts Receivable	1,352	1,415	1,465	1,516	1,569
Allowance for Expected Credit Losses	(154)	(154)	(154)	(154)	(154)
Other Receivables	135	157	163	168	174
Due from Related Parties, Current	-	-	-	-	-
Other Current Assets	159	164	170	176	182
Total Current Assets	1,666	1,756	1,818	1,880	1,945
Assets Limited as to Use					
Residents' Funds	6	6	6	6	6
Total Assets Limited as to Use	6	6	6	6	6
Fair Value of Interest Swap Agreements	1,021	1,021	1,021	1,021	1,021
Property and Equipment, Net					
Property and Equipment	50,760	52,678	54,980	57,742	61,056
Less: Accumulated Depreciation	(36,127)	(37,840)	(39,667)	(41,681)	(43,863)
Property and Equipment, Net	14,633	14,838	15,313	16,061	17,193
Total Assets	\$ 17,326	\$ 17,621	\$ 18,158	\$ 18,968	\$ 20,165
LIABILITIES AND NET ASSETS CURRENT					
LIABILITIES					
Line of Credit	\$ 2,300	\$ -	\$ -	\$ -	\$ -
Current Portion of Long-Term Debt	151	177	195	261	285
Accounts Payable	531	547	566	586	607
Accrued Salaries and Related Benefits	965	995	1,029	1,065	1,103
Other Current Payables	740	740	740	740	740
Due to Affiliates	6,485	4,840	4,003	3,497	3,490
Total Current Liabilities	11,172	7,299	6,533	6,149	6,225
LONG-TERM LIABILITIES					
Long-Term Debt, Net of Current Portion	13,397	13,220	13,025	12,764	12,479
Deferred Financing Costs	(181)	(170)	(159)	(148)	(137)
Unamortized Bond Premium	372	352	332	312	292
Long-Term Debt, Net of Current Portion	13,588	13,402	13,198	12,928	12,634
Refundable Entrance Fees	2,164	2,164	2,164	2,164	2,164
Deferred Revenue from Advance Fees	11,192	15,155	16,297	17,487	18,697
Total Long-Term Liabilities	26,944	30,721	31,659	32,579	33,495
Total Liabilities	38,116	38,020	38,192	38,728	39,720
NET ASSETS					
Net Assets Without Donor Restrictions	(20,790)	(20,399)	(20,034)	(19,760)	(19,555)
Total Net Assets	(20,790)	(20,399)	(20,034)	(19,760)	(19,555)
Total Liabilities and Net Assets	\$ 17,326	\$ 17,621	\$ 18,158	\$ 18,968	\$ 20,165

PIEDMONT CROSSING

**PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**

**FOR THE YEARS ENDING SEPTEMBER 30,
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
REVENUES, GAINS, AND OTHER SUPPORT					
Health Care	\$ 11,449	\$ 11,850	\$ 12,265	\$ 12,694	\$ 13,138
Pavillion/Assisted Living	637	659	682	706	731
Residential Living	5,408	5,814	6,018	6,229	6,447
Amortization of Advance Fees	1,840	1,904	1,971	2,040	2,111
Home Care	701	726	751	777	804
Other Operating Revenue	83	86	89	92	95
Total Revenue, Gains, and Other Support	20,118	21,039	21,776	22,538	23,326
EXPENSES					
Health Services					
Health Care	5,906	6,113	6,327	6,548	6,777
Medical Records	52	54	56	58	60
Personnel and Employee Benefits	3,135	3,248	3,363	3,481	3,603
Laundry	143	148	153	158	164
Social Services	141	146	151	156	161
Activities	124	130	134	139	144
Spiritual Life	77	80	83	86	89
Housekeeping	504	526	545	564	584
Plant Maintenance	1,864	1,933	2,002	2,072	2,144
Pavillion/Assisted Living	237	245	254	263	272
Clinic	22	23	24	25	26
Resident Services	165	171	177	183	189
Transportation	61	63	65	67	69
Dietary	1,989	2,085	2,158	2,234	2,312
Beauty Shop	25	26	27	28	29
Home Care	631	653	676	700	725
General and Administrative:					
Administrative	586	607	628	650	673
Marketing	466	482	499	516	534
Staff Development	32	33	34	35	36
Management Fees	1,313	1,244	1,287	1,332	1,379
Depreciation	1,872	1,713	1,827	2,014	2,182
Interest Expense	409	386	383	378	372
Interest - Amortization of Issuance Costs	11	11	11	11	11
Insurance	355	367	380	393	407
Bad Debts	73	76	79	82	85
Other Operating Expenses	135	140	145	150	155
Total Operating Expenses	20,328	20,703	21,468	22,323	23,182
Operating Income (Loss)	(210)	336	308	215	144
Nonoperating Income					
Other Nonoperating Revenue (Expense)	52	54	56	58	60
Investment/Interest Income	-	1	1	1	1
Net Nonoperating Income (Expense)	52	55	57	59	61
NET ASSETS WITHOUT DONOR RESTRICTIONS					
Excess (Deficit) of Revenues Over (Under) Expenses and Change in Net Assets Without Donor Restrictions	(158)	391	365	274	205
NET ASSETS WITH DONOR RESTRICTIONS					
Contributions	-	-	-	-	-
Change in Net Assets With Donor Restrictions	-	-	-	-	-
Change in Net Assets	(158)	391	365	274	205
Net Assets, Beginning of Year	(20,632)	(20,790)	(20,399)	(20,034)	(19,760)
NET ASSETS, END OF YEAR	\$ (20,790)	\$ (20,399)	\$ (20,034)	\$ (19,760)	\$ (19,555)

PIEDMONT CROSSING
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6
FOR THE YEARS ENDING SEPTEMBER 30,
(IN THOUSANDS)

	2026	2027	2028	2029	2030
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ (158)	\$ 391	\$ 365	\$ 274	\$ 205
Adjustments to Reconcile Change in Net Assets to Net Cash Flows					
From Operating Activities:					
Depreciation	1,872	1,713	1,827	2,014	2,182
Amortization of Deferred Issue Costs	11	11	11	11	11
Amortization of Bond Premium, Net	(20)	(20)	(20)	(20)	(20)
Amortization of Advance Fees	(1,840)	(1,904)	(1,971)	(2,040)	(2,111)
Advance Fees Received	3,902	3,731	3,730	3,789	3,881
(Increase) Decrease in Current Assets:					
Accounts Receivable	(30)	(63)	(50)	(51)	(53)
Other Receivables	(60)	(22)	(6)	(5)	(6)
Other Current Assets	2	(5)	(6)	(6)	(6)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(219)	16	19	20	21
Accrued Salaries and Related Benefits	57	30	34	36	38
Net Cash Provided by Operating Activities	3,517	3,878	3,933	4,022	4,142
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(3,745)	(1,918)	(2,302)	(2,762)	(3,314)
Change in Due to Affiliates	(1,178)	(1,645)	(837)	(506)	(7)
Net Cash Used in Investing Activities	(4,923)	(3,563)	(3,139)	(3,268)	(3,321)
CASH FLOWS FROM FINANCING ACTIVITIES					
Advanced Fees Refunds	(742)	(655)	(617)	(559)	(560)
Borrowings on Lines of Credit	2,300	-	-	-	-
Principal Payments on Long-Term Debt	(152)	(151)	(177)	(195)	(261)
Principal Payments on Line of Credit	-	(2,300)	-	-	-
Initial Entrance Fees Received	-	2,791	-	-	-
Net Cash Used by Financing Activities	1,406	(315)	(794)	(754)	(821)
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	174	174	174	174	174
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 174	\$ 174	\$ 174	\$ 174	\$ 174
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 429	\$ 406	\$ 403	\$ 398	\$ 392

PROVIDENCE PLACE LLC
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6 AT
SEPTEMBER 30,

(IN THOUSANDS)

	2026	2027	2028	2029	2030
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 994	\$ 994	\$ 994	\$ 994	\$ 994
Accounts Receivable	2,537	2,631	2,728	2,828	2,933
Allowance for Expected Credit Losses	(400)	(400)	(400)	(400)	(400)
Other Receivables	134	138	144	149	154
Due from Related Parties, Current	(5,018)	(4,905)	(4,693)	(4,456)	(4,225)
Other Current Assets	109	115	119	123	127
Total Current Assets	(1,644)	(1,427)	(1,108)	(762)	(417)
Assets Limited as to Use					
Statutory Operating Reserve	5,024	5,289	5,460	5,624	5,796
Trustee Deposit Accounts Required by Debt Agreement	49	49	49	49	49
Residents' Funds	14	14	14	14	14
Debt Service Reserve Fund	2,306	2,306	2,306	2,306	2,306
Bond Fund	94	96	98	101	104
Total Assets Limited as to Use	7,487	7,754	7,927	8,094	8,269
Fair Value of Interest Swap Agreements	48	48	48	48	48
Property and Equipment, Net					
Property and Equipment	23,407	25,175	27,120	29,260	31,614
Less: Accumulated Depreciation	(2,059)	(3,042)	(4,125)	(5,364)	(6,833)
Property and Equipment, Net	21,348	22,133	22,995	23,896	24,781
Other Intangible Assets, Net	3,724	3,441	3,158	2,875	2,592
Goodwill, Net	6,728	5,906	5,084	4,262	3,440
Total Assets	\$ 37,691	\$ 37,855	\$ 38,104	\$ 38,413	\$ 38,713
LIABILITIES AND NET ASSETS CURRENT					
LIABILITIES					
Current Portion of Long-Term Debt	\$ 630	\$ 658	\$ 686	\$ 718	\$ 751
Accounts Payable	380	401	415	430	445
Accrued Salaries and Related Benefits	705	745	771	798	826
Other Current Payables	490	490	490	490	490
Total Current Liabilities	2,205	2,294	2,362	2,436	2,512
LONG-TERM LIABILITIES					
Long-Term Debt, Net of Current Portion	35,696	35,038	34,352	33,634	32,883
Deferred Financing Costs	(1,133)	(1,093)	(1,053)	(1,013)	(973)
Unamortized Bond Premium	618	586	554	522	490
Long-Term Debt, Net of Current Portion	35,181	34,531	33,853	33,143	32,400
Total Long-Term Liabilities	35,181	34,531	33,853	33,143	32,400
Total Liabilities	37,386	36,825	36,215	35,579	34,912
NET ASSETS					
Net Assets Without Donor Restrictions	305	1,030	1,889	2,834	3,801
Net Assets With Donor Restrictions	-	-	-	-	-
Total Net Assets	305	1,030	1,889	2,834	3,801
Total Liabilities and Net Assets	\$ 37,691	\$ 37,855	\$ 38,104	\$ 38,413	\$ 38,713

PROVIDENCE PLACE
PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6
FOR THE YEARS ENDING SEPTEMBER 30,
(IN THOUSANDS)

	2026	2027	2028	2029	2030
REVENUES, GAINS, AND OTHER SUPPORT					
Health Care	16,600	17,181	17,782	18,404	19,048
Pavillion/Assisted Living	4,790	4,958	5,132	5,312	5,498
Residential Living	2,970	3,119	3,275	3,439	3,611
Other Operating Revenue	12	12	12	12	12
Total Revenue, Gains, and Other Support	24,372	25,270	26,201	27,167	28,169
EXPENSES					
Health Services					
Health Care	7,189	7,441	7,701	7,971	8,250
Medical Records	42	43	45	47	49
Personnel and Employee Benefits	3,131	3,241	3,354	3,471	3,592
Laundry	273	283	293	303	314
Social Services	115	119	123	127	131
Activities	204	211	218	226	234
Spiritual Life	68	70	72	75	78
Housekeeping	594	615	637	659	682
Plant Maintenance	1,670	1,728	1,788	1,851	1,916
Residential Living	2	2	2	2	2
Pavillion/Assisted Living	2,047	2,119	2,193	2,270	2,349
Resident Services	61	63	65	67	69
Transportation	7	7	7	7	7
Dietary	1,699	1,758	1,820	1,884	1,950
General and Administrative:					
Administrative	582	602	623	645	668
Marketing	231	239	247	256	265
Staff Development	33	34	35	36	37
Management Fees	1,097	1,643	1,703	1,766	1,831
Depreciation	1,144	983	1,083	1,239	1,469
Amortization	1,105	1,105	1,105	1,105	1,105
Real Estate Taxes	85	-	-	-	-
Interest Expense	1,829	1,802	1,775	1,744	1,713
Interest - Amortization of Issuance Costs	40	40	40	40	40
Insurance	342	354	366	379	392
Bad Debts	97	100	104	108	112
Other Operating Expenses	238	246	255	264	273
Total Operating Expenses	23,925	24,848	25,654	26,542	27,528
Operating Income (Loss)	447	422	547	625	641
Nonoperating Income					
Investment/Interest Income	300	303	312	320	326
Net Nonoperating Income (Expense)	300	303	312	320	326
NET ASSETS WITHOUT DONOR RESTRICTIONS					
Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions	747	725	859	945	967
NET ASSETS WITH DONOR RESTRICTIONS					
Contributions	-	-	-	-	-
Change in Net Assets With Donor Restrictions	-	-	-	-	-
Change in Net Assets	747	725	859	945	967
Net Assets, Beginning of Year	(442)	305	1,030	1,889	2,834
NET ASSETS, END OF YEAR	\$ 305	\$ 1,030	\$ 1,889	\$ 2,834	\$ 3,801

**PROVIDENCE PLACE PROJECTED
STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6
FOR THE YEARS ENDING SEPTEMBER 30,
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ 747	\$ 725	\$ 859	\$ 945	\$ 967
Adjustments to Reconcile Change in Net Assets to Net Cash Flows					
From Operating Activities:					
Depreciation	1,144	983	1,083	1,239	1,469
Amortization of Goodwill and Other Intangible Assets	1,105	1,105	1,105	1,105	1,105
Amortization of Deferred Issue Costs	40	40	40	40	40
Amortization of Bond Premium, Net	(32)	(32)	(32)	(32)	(32)
(Increase) Decrease in Current Assets:					
Accounts Receivable	7,068	(94)	(97)	(100)	(105)
Other Receivables	(28)	(4)	(6)	(5)	(5)
Other Current Assets	3	(6)	(4)	(4)	(4)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(11)	21	14	15	15
Accrued Salaries and Related Benefits	(34)	40	26	27	28
Net Cash Provided by Operating Activities	10,002	2,778	2,988	3,230	3,478
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in Assets Limited as to Use	86	(267)	(173)	(167)	(175)
Purchases of Property and Equipment	(1,607)	(1,768)	(1,945)	(2,140)	(2,354)
Change in Due to Affiliates	(7,876)	(113)	(212)	(237)	(231)
Net Cash Used in Investing Activities	(9,397)	(2,148)	(2,330)	(2,544)	(2,760)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal Payments on Long-Term Debt	(605)	(630)	(658)	(686)	(718)
Net Cash Used by Financing Activities	(605)	(630)	(658)	(686)	(718)
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	994	994	994	994	994
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 994	\$ 994	\$ 994	\$ 994	\$ 994
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 1,861	\$ 1,834	\$ 1,807	\$ 1,776	\$ 1,745

**HOME OFFICE
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6
AT SEPTEMBER 30,
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 7,611	\$ 7,877	\$ 8,152	\$ 8,437	\$ 8,732
Other Receivables	34	35	36	38	39
Other Current Assets	198	205	213	220	228
Total Current Assets	7,843	8,117	8,401	8,695	8,999
Assets Limited as to Use					
Statutory Operating Reserve	11,598	11,922	12,329	12,726	13,189
Trustee Deposit Accounts Required by Debt Agreement	78	78	78	78	78
Debt Service Reserve Fund	1,446	1,446	1,446	1,446	1,446
Total Assets Limited as to Use	13,122	13,446	13,853	14,250	14,713
Investments	74,946	83,455	92,038	100,624	108,944
Equity Investment	1,670	1,670	1,670	1,670	1,670
Other Noncurrent Assets	1,477	1,477	1,477	1,477	1,477
Property and Equipment, Net					
Property and Equipment	12,143	12,560	13,019	13,524	14,080
Less: Accumulated Depreciation	(4,830)	(5,426)	(6,066)	(6,754)	(7,496)
Property and Equipment, Net	7,313	7,134	6,953	6,770	6,584
Total Assets	\$ 106,371	\$ 115,299	\$ 124,392	\$ 133,486	\$ 142,387
LIABILITIES AND NET ASSETS CURRENT					
LIABILITIES					
Current Portion of Long-Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	471	488	505	522	541
Accrued Salaries and Related Benefits	1,538	1,591	1,647	1,705	1,764
Due to Affiliates	22,224	28,272	34,482	40,693	46,713
Total Current Liabilities	24,233	30,351	36,634	42,920	49,018
Total Liabilities	\$ 24,233	\$ 30,351	\$ 36,634	\$ 42,920	\$ 49,018
NET ASSETS					
Net Assets Without Donor Restrictions	82,138	84,948	87,758	90,566	93,369
Net Assets With Donor Restrictions	-	-	-	-	-
Total Net Assets	82,138	84,948	87,758	90,566	93,369
Total Liabilities and Net Assets	\$ 106,371	\$ 115,299	\$ 124,392	\$ 133,486	\$ 142,387

HOME OFFICE

PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6FOR THE YEARS ENDING SEPTEMBER 30,
(IN THOUSANDS)

	2026	2027	2028	2029	2030
REVENUES, GAINS, AND OTHER SUPPORT					
Management Fee Income	\$ 8,781	\$ 9,088	\$ 9,406	\$ 9,735	\$ 10,076
Other Operating Revenue	1,033	1,069	1,106	1,145	1,185
Total Revenue, Gains, and Other Support	9,814	10,157	10,512	10,880	11,261
EXPENSES					
Health Services					
Personnel and Employee Benefits	2,626	2,718	2,813	2,911	3,013
Day Care	320	331	343	355	367
General and Administrative:					
Administrative	5,889	6,095	6,308	6,529	6,758
Depreciation	537	596	640	688	742
Real Estate Taxes	8	8	8	8	8
Insurance	174	180	186	193	200
Other Operating Expenses	36	37	38	39	40
Total Operating Expenses	9,590	9,965	10,336	10,723	11,128
Operating Gain	224	192	176	157	133
Nonoperating Income					
Contribution Expense	(209)	(209)	(209)	(209)	(209)
Other Nonoperating Revenue (Expense)	3	3	3	3	3
Investment/Interest Income	2,978	2,824	2,840	2,857	2,876
Net Nonoperating Income (Expense)	2,772	2,618	2,634	2,651	2,670
NET ASSETS WITHOUT DONOR RESTRICTIONS					
Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions	2,996	2,810	2,810	2,808	2,803
NET ASSETS WITH DONOR RESTRICTIONS					
Contributions	-	-	-	-	-
Change in Net Assets With Donor Restrictions	-	-	-	-	-
Change in Net Assets	2,996	2,810	2,810	2,808	2,803
Net Assets, Beginning of Year	79,142	82,138	84,948	87,758	90,566
NET ASSETS, END OF YEAR	\$ 82,138	\$ 84,948	\$ 87,758	\$ 90,566	\$ 93,369

HOME OFFICE
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6
FOR THE YEARS ENDING SEPTEMBER 30, (IN
THOUSANDS)

	2026	2027	2028	2029	2030
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ 2,996	\$ 2,810	\$ 2,810	\$ 2,808	\$ 2,803
Adjustments to Reconcile Change in Net Assets to Net Cash Flows					
From Operating Activities:					
Depreciation	537	596	640	688	742
(Increase) Decrease in Current Assets:					
Other Receivables	7	(1)	(1)	(2)	(1)
Other Current Assets	(106)	(7)	(8)	(7)	(8)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	4	17	17	17	19
Accrued Salaries and Related Benefits	(39)	53	56	58	59
Other Current Payables	(30)	-	-	-	-
Net Cash Provided by Operating Activities	3,369	3,468	3,514	3,562	3,614
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in Assets Limited as to Use	3,922	(324)	(407)	(397)	(463)
Purchases of Property and Equipment	(379)	(417)	(459)	(505)	(556)
Change in Due to Affiliates	12,914	6,048	6,210	6,211	6,020
Purchase of Investments	(18,525)	(8,509)	(8,583)	(8,586)	(8,320)
Net Cash Used in Investing Activities	(2,068)	(3,202)	(3,239)	(3,277)	(3,319)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net Cash Provided by Financing Activities	-	-	-	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,301	266	275	285	295
Cash and Cash Equivalents, Beginning of Year	6,310	7,611	7,877	8,152	8,437
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,611	\$ 7,877	\$ 8,152	\$ 8,437	\$ 8,732
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ -	\$ -	\$ -	\$ -	\$ -

HOME OFFICE
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6
FOR THE YEARS ENDING SEPTEMBER 30, (IN
THOUSANDS)

@Global

INDEPENDENT NETWORK MEMBER

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

Appendix C— Statement of Actuarial Opinion

Statement of Actuarial Opinion is not applicable for this reporting period. Please refer to Section 36 for additional information

Appendix D— Representative Contract(s)

Residential Living Unit: Rental

Residential Living Residency Agreement

Between

(Resident)

And

Providence Place, LLC

(Corporation)

100 Leonard Avenue, Newton, NC 28658

PROVIDENCE PLACE, LLC



One Hundred Leonard Avenue, Newton, NC 28658

Westchester Village Apartments
1765/1775 Westchester Drive
High Point, NC 27262

The Cluster Homes at Providence Place
1701 Westchester Drive, Suite 400
High Point, NC 27262

Residential Living Residency Agreement

1. Basic Requirements and Terms for Cancellation

(a) This Agreement is made this _____ day of _____ by and between _____, hereinafter referred to as the “Resident”, and Providence Place, LLC, a Limited Liability Company, registered with the State of North Carolina, hereinafter referred to as the “Corporation”. The Corporation is wholly owned by EveryAge, a North Carolina nonprofit corporation. This Residency Agreement is made between the Corporation and the Resident for occupancy of a _____ having an address of _____, High Point, NC 27262, Unit _____, hereinafter referred to as the “Residential Living Unit,” located at Providence Place, hereinafter referred to as the “Village” or “Community.” This Residency Agreement is made binding with payment by the Resident a Security Deposit and a Monthly Fee.

(b) Term.

The term of this Residency Agreement shall be for a period of approximately one (1) year beginning on the _____ day of _____, 20__ and ending at 11:59 PM on the _____ day of _____, 20__ (the “Term”). The Term shall continue on a month-to-month basis after the first twelve (12) months, subject, however, to the earlier termination provisions of this Residency Agreement.

The Resident begins paying the Monthly Fee for the selected Residential Living Unit as of the established Availability Date, or the date the unit is ready for occupancy. It is further understood that if the Resident fails to begin paying the Monthly Fee on the Availability Date of the unit unless otherwise agreed to in writing by the Executive Director and the Resident, the Resident may forfeit their right to rent the Residential Living Unit, and this Residency Agreement may automatically terminate at the sole and absolute discretion of the Corporation.

(c) This Residency Agreement is an agreement for continuing care. Either the Corporation or the Resident may terminate this Agreement at any time upon sixty (60) days advance written notice. See Section 4 for priority application access to facilities operated by EveryAge and its affiliates.

(d) Cancellation Prior to Occupancy Due to Death, Illness, or Incapacity.

If this Agreement is entered into prior to occupancy of the unit and the Resident dies before occupying the Residential Living Unit, or if, on account of illness, injury, or incapacity, Resident would be precluded from occupying the unit, this Agreement is automatically cancelled and the Resident or legal representative of the Resident shall receive a refund of all money or property transferred to the Corporation:

- i. less periodic charges specified in this Residency Agreement and applicable only to the period a living unit was actually occupied by the Resident;
- ii. any nonstandard costs specifically incurred by the Corporation at the request of the Resident and described in this Agreement or any Agreement addendum signed by the Resident;
- iii. nonrefundable fees, if set out in this Agreement; and
- iv. any refund due the Resident for cancellation of this Residency Agreement under these circumstances will be made within forty-five (45) days after the receipt by the Corporation of a written notice of the Resident's death, illness, injury, or incapacity.

(e) Right to Rescind/Cancellation by the Resident Within Thirty (30) Days of Contract Execution. Notwithstanding any other provision of this Residency Agreement, the Resident may rescind this Residency Agreement within thirty (30) days following the execution of this Residency Agreement (or the receipt of a disclosure statement, if later). The Resident is not required to move into the unit before the expiration of the 30-day period. In this event, any money paid will be refunded in full, other than:

- i. the Security Deposit paid to the Corporation;
- ii. A non-refundable application fee, in the amount specified in the applicable ancillary fee schedule;
- iii. the Monthly Fee applicable to the period a Residential Living Unit was occupied by the Resident;
- iv. any damage caused to the Residential Living Unit during occupancy or in moving;
- v. any nonstandard costs specifically incurred by the Corporation at the request of the Resident; and
- vi. any refund due the Resident under this thirty (30) day provision will be made within forty-five (45) days after receipt by the Corporation of a written notice of cancellation from the Resident. Resident shall pay any amounts due to Corporation within thirty (30) days of receipt of such bill.

(f) Cancellation by the Resident After 30 Days of Occupancy.

After occupancy by the Resident, this Agreement shall not terminate earlier than twelve (12) months from the date of occupancy, provided that the Resident gives the Corporation at least sixty (60) days' advance written notice of termination. If the

required sixty (60) days' advance written notice is not provided, this Agreement shall continue in full force and effect on a month-to-month basis thereafter, subject to any increases as set forth in Section 4 and subject to the continuing requirement of sixty (60) days' advance written notice.

If the Resident terminates this Residency Agreement prior to the completion of the initial twelve (12) month term for any reason other than death, or if the Resident no longer meets the admission requirements, the Resident shall forfeit the Security Deposit, unless otherwise determined by the Corporation. In addition, the Resident shall remain liable for the Monthly Fees through the earlier of (i) the end of the initial twelve (12) month term or (ii) the date on which the Residential Living Unit is re-marketed to and occupied by a new resident. Accordingly, the Resident may be responsible for payment of Monthly Fees after vacating the Residential Living Unit, even though the Resident is no longer residing in the Unit.

(g) If Resident should die during the term of this Agreement, this Agreement shall terminate. The Monthly Fee will be paid until such time the Resident's belongings are removed from the Residential Living Unit, and the keys are turned into the marketing office.

(h) Terminations by the Corporation.

Before the Resident takes occupancy, the Corporation may terminate this Agreement if the Resident does not meet the criteria for admission or if information contained in the application forms provided by the Resident differs materially from the information disclosed to the Corporation during the admissions process.

Upon such termination, the Resident shall receive a refund of all Monthly Charges and fees paid to the Corporation within thirty (30) days after the Corporation provides notice of termination, less (i) the cost of any upgrades or alterations made to the Residential Living Unit at the request of the Resident and (ii) the non-refundable application fee.

Notwithstanding any other provisions of this Agreement, the Corporation may terminate this Residency Agreement at any time after the Resident takes occupancy if:

- i. There has been any material misrepresentation or omission made by the Resident on the Application Form;
- ii. During the first ninety (90) days of occupancy, based on Providence Place's determination of the resident's ability to adjust to the CCRC lifestyle;
- iii. Persistent nonpayment of monthly fees occurs;
- iv. The resident commits a material breach of contract terms;

- v. Persistent refusal to comply with EveryAge's written policies and procedures; or
- vi. The resident engages in repeated conduct that unreasonably interferes with other residents' enjoyment of the Community or engages in disruptive or harmful conduct that materially impairs the rights of other residents or the orderly operation of the Community.

In the event of termination of any such causes, Resident will not be entitled to a refund of any Monthly Fees or fees made by the Resident. Upon Corporation's termination of this Agreement, Resident expressly agrees and understands that the entire remaining balance of unpaid Monthly Fees for the remaining Term shall ACCELERATE, whereby the entire sum shall become immediately due, payable, and collectible.

(i) Responsibilities of the Resident Upon Cancellation or Termination.

At the effective date of termination of this Residency Agreement, the Resident shall vacate the Residential Living Unit and shall leave it in good condition except for reasonable wear and tear. Damage due to smoking or having household pets, if approved, will not be considered as reasonable wear and tear. The Resident shall be liable to the Corporation for any costs incurred in restoring the Residential Living Unit to good condition and repair any damage beyond reasonable wear and tear.

(j) Joint Occupancy of Residential Living Unit.

If another individual ("Other Resident") signs a separate Residency Agreement to share occupancy of the same Residential Living Unit with the Resident, in the event of the death of the Other Resident, or the removal of the Other Resident from the Residential Living Unit on a permanent basis for any reason, the remaining Resident will continue to enjoy all rights, privileges, and obligations of this Residency Agreement. Any refund of the Security Deposit due under either of said Residency Agreements will not be refunded until the termination of both Residency Agreements due to death or otherwise, and any refund due under either Residency Agreement will be paid to the Resident or Other Resident who is the last to terminate their Residency Agreement within the time period described in paragraph 1(F) of this Residency Agreement.

(k) Effect of Termination.

Upon termination of this Agreement and upon complying with the provisions of this Agreement, the Corporation shall have no further obligation to the Resident or his/her heirs, executors, administrators, or assigns.

2. Changes in Occupancy

(a) Assignment of Residential Living Unit and Subletting.

Resident shall not sublet the Residential Living Unit or any portion thereof or assign this Agreement without the prior written consent of Corporation which consent may be withheld in Corporation's sole and absolute discretion. Consent by the

Corporation to one assignment or subletting shall not be deemed to be consent to any subsequent assignment or subletting.

- (b) Should the Resident choose to marry, and the new spouse is not a resident of the Community, the spouse will be required to submit an application for admission. The spouse would complete the regular admission process including the payment of all fees, which may include but not be limited to the application fee, upgraded and readjusted Security Deposit and Monthly Fee. If denied, the couple will then have sixty (60) days to make other living arrangements. If the couple must make other living arrangements, any monies to be returned will be paid to the individual who was a contracted resident of the Community. This refund will be paid within thirty (30) days after the date that the last Residential Living Unit to have been occupied by the Resident has been vacated and made available for remarketing.
- (c) After the Resident has occupied a Residential Living Unit, should the Resident desire to have another individual move in with them (including a new spouse), the new individual shall complete the normal admission process including the payment of all fees. If the application for admission is approved, either the original Residency Agreement shall be amended, or new Residency Agreements shall be executed which specify the new fees and terms established by the Corporation.
- (d) Should a couple occupying a Residential Living Unit choose to no longer share a single living unit, one of the Residents can remain in the occupied unit with that individual becoming solely entitled to any refund which may be later due under the Residency Agreement, and that person will continue to enjoy all rights, privileges and obligations of said agreement. A separate and new Residency Agreement must be entered into for the person moving out of the unit and into another living unit.
- (e) Transfer to Assisted Living. Resident agrees that the Corporation shall have the authority to determine when or if a Resident should be transferred from the Residential Living Unit to the assisted living level of care. Such determination shall be made based on the professional opinion of the Executive Director of Providence Place and shall be made only after consultation, to the extent practical, with the Resident, a representative of the Resident's family or sponsor of Resident, the Resident's attending physician, as well as the Administrator at Westchester Harbour. Admission to the assisted living facility is contingent upon the Resident meeting the regulatory requirements for admission and upon availability. If there is no availability at Westchester Harbour, or Resident does not meet the admission requirements, Providence Place will make reasonable efforts to assist the Resident in finding placement at another community. The Resident will be given priority application access to other assisted living communities operated by EveryAge or its affiliates.
- (f) Transfer to the Nursing Home. If it is determined by the Executive Director that the Resident needs care beyond that which can be provided by the Village, Resident may be transferred to a hospital or other center or institution equipped to give such care, which care will be at the expense of Resident. Such transfer of Resident will be made only after consultation, to the extent possible, with Resident, a

representative of Resident's family or the sponsor of Resident, and Resident's attending physician.

- (g) Permanent Transfers. If a determination is made by the Village that any transfers are permanent in nature, Resident agrees to surrender the Residential Living Unit. If the Corporation subsequently determines that the Resident can resume occupancy in any apartment, Resident shall have application priority to a comparable apartment as soon as it would become available. Resident will be obligated to pay the Monthly Fee for the Residential Living Unit until all personal belongings are removed from the Residential Living Unit.

When the Resident in a single-occupant unit makes a permanent transfer to a licensed nursing facility or assisted living room ("licensed room"), the Security Deposit will be refunded within thirty (30) days after the effective date the unit was made available for remarketing, and the keys were turned into the marketing office.

If the Resident should move into a licensed room on the Providence Place campus and vacate the Residential Living Unit, regardless of the length of residence in the Residential Living Unit, this Residency Agreement will remain in effect.

If two persons sign a Residency Agreement for the same Residential Living Unit and one of them should need to move into a licensed room on a permanent basis, the Resident remaining in the Residential Living Unit will continue to enjoy all the rights, privileges, and obligations of this Residency Agreement. The prevailing cost of the room, board, and other necessary or requested services for the person moving into a licensed room shall be paid from that person's available assets including assets transferred by the Resident to a revocable trust or to any trust in which the Resident is a beneficiary. The person remaining in the Residential Living Unit becomes solely entitled to any refund of the Security Deposit that may later be due under this Residency Agreement.

- (h) If at any time the Medical Director, in consultation with the administrative staff, determines the Resident is no longer able to function in a Residential Living Unit, the Resident will abide by that decision.
- (i) Move-Out Notice. Before moving out, Resident must give the Corporation's representative advance written move-out notice as provided below. The Resident move-out notice will not release Resident from liability for the full term of the Residency Agreement or renewal term. Resident will still be liable for the entire Agreement Term if Resident moves out early.

THE RESIDENT MOVE-OUT NOTICE MUST COMPLY WITH EACH OF THE FOLLOWING:

1. Written Notice. Corporation must receive advance written notice of Resident's move-out date. The advance notice must be at least the number of days of notice required in Section 1(c) (see Agreement Term). Oral move-out notice will not be accepted and will not terminate the Residency Agreement.

2. Resident's move-out notice shall not terminate his/her occupancy sooner than the end of the Agreement Term.

RESIDENT'S NOTICE IS NOT ACCEPTABLE IF IT DOES NOT COMPLY WITH ALL OF THE ABOVE. Please use Corporation's written move-out form. Resident must obtain from Corporation's representative written acknowledgment of receipt of Resident's move-out notice. If Corporation terminates residency, Corporation must give Resident the same advance notice-unless Resident is in default. Where there is more than one Resident to this Residency Agreement, a notice of termination submitted by one Resident shall be considered a notice of termination submitted by all residents in the respective Residential Living Unit. Should there be conflicting notices, the notice of termination shall control.

3. Move-Out Procedures.

The Resident agrees to comply with all Move-Out Procedures established by the Corporation. The move-out date may not be changed except by written agreement of both the Corporation and the Resident. The Resident shall not vacate the Residential Living Unit prior to the expiration of the Agreement Term unless all Monthly Fees for the entire Agreement Term have been paid in full. An early move-out may result in reletting or similar charges. The Resident shall not remain in the Residential Living Unit beyond the approved move-out date.

All Residents and guests must vacate the Residential Living Unit and the Village before the period for any deposit refund begins. The Resident shall provide written notice of a forwarding address to both the Corporation and the United States Postal Service. The Resident shall remain responsible for payment of all utility charges for which the Resident is responsible through the date possession is surrendered.

At or before move-out and surrender of possession, the Resident shall provide the Corporation with written authorization permitting the Corporation to dispose of any personal property remaining in the Residential Living Unit after the keys are returned. The Resident acknowledges that failure to provide such authorization and/or to remove all personal property from the premises shall constitute continued possession of the premises, requiring the Corporation to pursue summary ejection to regain possession. In such event, the Resident shall remain responsible for all Monthly Fees and other charges accruing until the Corporation is restored to lawful possession of the premises.

The Corporation may deduct from the Resident's Security Deposit, as provided in Section 1 of this Agreement, amounts attributable to unpaid charges, including but not limited to utility costs for which the Resident is responsible, costs associated with the removal and storage of the Resident's personal property following a summary ejection proceeding, court costs, and any other charges permitted by applicable law.

3. Residency

- (a) **Occupancy and Use.** The Corporation agrees the Resident may occupy the Residential Living Unit described above, subject to the conditions of this Residency Agreement. The Residential Living Unit is to be used only as a private Residential Living Unit for the Resident, and the living unit shall not be occupied by more than two (2) people. The Residential Living Unit shall not be used for any purpose other than as a private Residential Living Unit without the prior written consent of the Corporation. The Resident may have guests or invitees in the Residential Living Unit, but Resident must obtain Corporation's prior written consent for any guest or invitee that will stay for more than one (1) week at the Residential Living Unit. If Resident desires to hire a health care aide to provide personal care and/or stay overnight in the Residential Living Unit, then Resident shall provide Corporation with notice of the same prior to such health care aide providing personal care to Resident.
- (b) **Third-Party Services.** Resident acknowledges that the Village is for independent living within a continuing care retirement community operating in compliance with applicable federal and state laws and regulations. Resident may arrange, at Resident's sole discretion and expense, for home health care, transportation, or other third-party services, subject to the terms of this Agreement. The Corporation may also make food services available to Resident for an additional fee; such services may be provided by a third-party vendor and are not included in the Monthly Fee.

All third-party services shall be provided pursuant to separate agreements between Resident and the applicable provider (each, a "Third-Party Contract"). Resident assumes all responsibility for, and shall indemnify and hold harmless the Corporation from, any losses, damages, costs, or liabilities arising out of or relating to any Third-Party Contract or the acts or omissions of any third-party provider. The Corporation shall have no responsibility for the selection, supervision, performance, or conduct of any third-party provider.

The Corporation reserves the right, in its reasonable discretion, to require Resident to terminate any Third-Party Contract that the Corporation reasonably determines is causing or is likely to cause harm to (i) residents, guests, staff, or vendors of the Village, (ii) the condition of the Village or any portion thereof, or (iii) the reputation or operations of the Corporation or the Village. Resident shall terminate such Third-Party Contract no later than one (1) business day after receipt of notice from the Corporation.

- (c) **Relocate to Another Unit.** A Resident may request to relocate to another unit within the Village by providing written notice to the Corporation. The Corporation will use commercially reasonable efforts to consider such request but has no obligation to approve it. If the Corporation approves the relocation, the Resident shall: (i) vacate the current Residential Living Unit within thirty (30) days after receiving written notice of approval; (ii) pay all costs incurred by the Corporation to refurbish the vacated unit, including repainting, floor or carpet cleaning, and repairs for any damage caused by the Resident; and (iii) execute a new agreement for the new unit on terms acceptable to the Corporation.

Any applicable non-refundable transfer fee and refurbishment costs may apply. In the event of a conflict between this provision and any other relocation policy, this Agreement shall control. The Corporation reserves the right, in its sole discretion, to reassign Residential Living Units as necessary to best serve the Resident's needs. A Resident may not transfer to another Residential Living Unit during the initial twelve (12) month term unless preapproved in writing by the Executive Director. Such approval shall be granted or denied in the Executive Director's sole and absolute discretion on a case-by-case basis.

If the Resident, because of changes in circumstances, chooses to move into a different Residential Living Unit where a lesser Security Deposit is required, the Resident may do so but without a refund. If the Resident should choose to move into a different Residential Living Unit where a larger Security Deposit is required, the Resident will pay the difference between the Security Deposit and additional fees based on the amount the Resident paid upon admission and the current Security Deposit for the new Residential Living Unit to be occupied.

- (d) Corporation's Right to Access and Inspection. In addition to the rights provided by law, in the event of an emergency, to make repairs or improvements or to show the Residential Living Unit to prospective residents during reasonable hours or to conduct an annual inspection during reasonable hours or to address a safety or maintenance problem or to remove any alterations, additions, fixtures, and any other objects which may be affixed or erected in violation of the terms of this Agreement, Corporation or Corporation's duly authorized agents may enter the Residential Living Unit. Except in cases of emergency, Resident's abandonment of the Residential Living Unit, court order or where it is impractical to do so, Corporation shall give Resident reasonable notice before entering. Furthermore, Corporation retains a Corporation's lien on all personal property placed upon the Residential Living Unit to secure the payment of Monthly Fee and any damages to the Residential Living Unit.

4. Monthly Rental Fees

- (a) Security Deposit.

Unless modified by addenda, the total security deposit at the time of execution of this Agreement for all residents in the Unit is \$_____, due on or before the date this Agreement is signed.

The security deposit will be held and, upon termination of occupancy, be applied in the manner and for the purposes set forth in this Agreement.

- (b) Monthly Rental Fee:

There is a Monthly Rental Fee, also referred to as a Monthly Fee, to be paid by the Resident at the beginning of each month that helps to cover rent for the living unit, facility-related operating costs, administrative and programmatic expenses, and a variety of support services provided to residents. This fee provides the Resident with services including the following:

- Basic utilities, including electricity, water, heating, air conditioning, sewer, basic cable, internet.
- Inside routine maintenance of the Residential Living Unit and outside maintenance of the common areas and grounds located in the Village as described in Appendix D – Section 2 (Monthly Rental Fees)
- Up to two (2) parking spaces for passenger vehicles of active drivers.
- Emergency response system with emergency pull cords and pendants.
- Security cameras throughout the apartment buildings
- Access to social, cultural, recreational, spiritual programming and transportation. A minimum charge will be made for certain activities and items. The Resident will be informed of all charges.
- Access to a variety of types of support services. A minimum charge will be made for these services. The Resident will be informed of all charges.
- Additional services may be purchased by the Resident. The list of additional services which may be purchased, and the applicable cost of each to the Resident, are provided on the Fee Schedule that is published annually and attached as an addendum to this agreement.

The current Monthly Fee is as follows: \$_____. The Corporation may adjust the Monthly fee and fee schedule from time-to-time to reflect changes in costs. The Corporation will provide Resident with not less than 30 days' written notice of the effective date of any changes in the Monthly fee and fee schedule and such change in the Monthly Fee and fee schedule are incorporated into this Residency Agreement as an amendment thereto, without the necessity of consent of the Resident. Resident agrees to pay the adjusted Fees beginning on the effective date of such changes on a regular basis in accordance with the term of this Agreement. Although Monthly fees and fee schedule may be adjusted at any time, such adjustments have been historically made and noticed in September with an effective date of October 1.

The Monthly Fee may be prorated on a per day rate and calculated based on the number of days in the calendar month in which the prorated amount is due/owed. Otherwise, the Resident must pay the rent on or before the first (1st) day of each month (due date). Rent is not considered accepted, if the payment/ACH is rejected, does not clear, or is stopped for any reason. The Corporation may furnish a monthly statement to the Resident for the Monthly Fee and chargeable items incurred by the Resident.

If, after a period of sixty (60) days, the Resident has not paid applicable fees and charges, the Corporation may terminate this Residency Agreement.

The Monthly Fee is charged as long as the Resident and/or the Resident's possessions are occupying the unit.

(c) Late Fee and NSF Charges. The Resident's Monthly Fee and charges for additional services shall be paid in full on or before the end of the 5th day of each month, except

that the first Monthly Fee is due on the occupancy date. Payments not received by the due date will result in an assessment of the late fee listed in the Fee Schedule that is published annually and attached as an addendum to this agreement. The late fee shall be considered additional rent, and Resident will owe such late fee without Corporation having to demand it from the Resident. The Resident shall pay a returned payment fee, as set forth in the Fee Schedule and in effect on the date the payment is tendered to the Corporation (or such other amount as may be required by law, if greater), for each returned check or rejected electronic payment.

- (d) Acknowledgment. Prior to the execution of this Agreement, Resident acknowledges that it paid and/or provided Corporation with the following: (i) a non-refundable application fee listed on the current ancillary fee schedule, (ii) a signed residency application form, (iii) a signed automatic bank draft form, (iv) a copy of the Resident's signed power of attorney, and (v) proof of Resident's income, and (vi) a security deposit equal to one month's fee.
- (e) Keys. The Resident will be provided, _____ unit key(s), _____ mailbox key(s), _____ FOB(s), and/or other access device(s) for access to the building and amenities at no additional cost at move-in. If the keys are lost or become damaged during occupancy or are not returned or returned damaged at the time of move out, the Resident will be responsible for the cost for the replacement and/or repair of the same. Additional copies of any of the above-described items may be obtained from the marketing office at a fee as set forth in the Fee Schedule.
- (f) Utilities and Other Items Covered by the Monthly Rental Fee. The Monthly Fee includes Resident's share of the following utilities: (i) Heating and air conditioning, (ii) water, (iii) sewer, (iv) electricity, (v) basic cable, and (vi) internet. The Monthly Fee shall also cover Corporation's costs and expenses relating to the maintenance of the Residential Living Unit and the common areas and grounds located at the Village; provided, however, there are certain situations in which Resident may be liable to Corporation for costs Corporation incurs in maintaining, repairing, and replacing the Residential Living Unit and common areas and ground located at the Village, which situations are more particularly described herein. Resident shall be responsible for obtaining and paying for phone service and any other utilities not included in items (i)-(vi) above.

Cable channels that are provided may be changed during the Agreement term if the change applies to all residents. Utilities may be used only for normal household purposes and must not be wasted, if electricity is ever interrupted, Resident must use only battery-operated lighting. If any utilities are sub-metered for the Residential Living Unit, or prorated by an allocation formula, Corporation will attach an addendum to this Agreement in compliance with state agency rules or city ordinance.

Some Residential Living Units will come furnished with a refrigerator, dishwasher, microwave, oven/range, and/or other features in the Residential Living Unit as described in the marketing materials describing the Village. Any upgrades requested by the Resident must be paid for by the Resident prior to the purchase of such

upgrades. All such furnishings and appliances, as well as any upgrades thereto, will remain the property of the Corporation after the Resident vacates the Residential Living Unit.

(g) Charges at Other Providence Place Facilities.

Charges at Providence Place at Westchester Harbour (assisted living facility) and Westchester Manor (nursing facility) will be incurred at the published per diem rate for the accommodation occupied by the Resident, plus other charges for other services not included in such per diem rate.

(h) Charges for Care in Other Health Care Facilities.

Should Resident be transferred to another health care facility for required care and services, all expenses which will result from such transfer and related care shall be borne entirely by Resident.

5. Financial Requirements

- (a) The Resident must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations under this Agreement and to meet their ordinary living expenses. The Resident shall be required at specific times to present the Corporation with an updated confidential financial statement.
- (b) The Resident or Resident's current and/or future representatives (i.e., power of attorney, executor, etc.,) will abide by any and all financial arrangements made with the Corporation for the purpose of securing the Resident's ability to pay any and all charges for residing at the Community. The Resident agrees not to make any gift or other transfer of assets for the purpose of evading the Resident's obligations under this Agreement if such gift or transfer would render the Resident unable to meet their financial obligations under this Agreement. Gifts or transfers of assets in this manner, which result in the Resident's inability to meet the Resident's financial obligations in accordance with this Agreement, would entitle the Corporation to terminate this Agreement, and the Resident or Resident's representative, as applicable, would be liable for any unpaid amounts to the Corporation.
- (c) If requested by the Corporation, the Resident will apply for any or all federal, state, and local benefits for which the Resident may be eligible or entitled; and if requested by the Corporation, the Resident will apply any or all such benefits toward the cost of the Resident's care at the Community. These benefits may include, but would not be limited to: Medicare, prescription, and Veteran benefits.
- (d) The Corporation will carry fire and extended coverage insurance on the Residential Living Unit. The Resident will be responsible for insurance on contents and personal liability.
- (e) The Corporation will make a copy of its North Carolina Disclosure Statement available to the Resident that includes information regarding the financial status of the Corporation.
- (f) In the event it is necessary for the Corporation to take action for the purpose of enforcing this Residency Agreement or the collecting of any sums of money due

under this Residency Agreement, the Corporation shall be entitled to recover routine attorney's fees, out-of-pocket expenses, and court costs.

- (g) In the event that the Corporation is assessed sales or use tax on Monthly and/or Daily Fees and/or fees for other services, the Resident will be responsible for all such taxes.

6. Health Insurance

- (a) The Resident will maintain eligible Medicare Coverage and one supplemental insurance policy or equivalent insurance coverage, which adequately covers hospital, medical and skilled nursing deductibles and copayments required of the primary insurance plan.
- (b) If the Resident has chosen to participate in a managed care insurance program as an alternative to Medicare Part A, Medicare Part B, or other healthcare programs, and supplemental insurance coverage, when healthcare services are provided at the Community, the following restrictions apply:
 - (i) If the Corporation is an approved participating provider with the Resident's managed care program, the Corporation agrees to be reimbursed at the rate negotiated with the Resident's managed care program.
 - (ii) If the Corporation is not an approved participating provider with the Resident's managed care program and the Resident chooses to receive healthcare services at a managed care participating provider, then the Resident agrees that the Resident must relocate for as long as necessary for those services to be provided and be responsible for all costs. In addition, while receiving healthcare services at the managed care participating provider, the Resident agrees that unless this Agreement is terminated, the Resident will continue to pay all fees for the Resident's living accommodation at the Community, unless the Resident's living accommodation has been surrendered to the Community.
 - (iii) If the Corporation is not a participating provider in the Resident's managed care program and a negotiated rate is not agreed upon by the Corporation, and the Resident would still like to receive healthcare services at the Community, then the Resident will be responsible for the full amount of applicable fees and any charges not paid by the Resident's insurance carrier.
- (c) Both the primary and supplemental health insurance policies must recognize the Corporation as a healthcare provider; or the Resident will assume the financial responsibility for services provided that otherwise would not be covered.
- (d) The Resident will be responsible for ensuring that the health insurance coverage does not lapse and, upon request, will provide the Corporation with evidence of such coverage. Should the health insurance coverage lapse, the Corporation may require the Resident to reapply for suitable coverage.

- (e) If the Resident is unable to obtain adequate new coverage, the Corporation will bill the Resident for any costs related to medical or other healthcare services that would have otherwise been covered by the health insurance coverage policy.
- (f) The Corporation reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.

7. Health Needs

- (a) Applicants for Residential Living must, at the time of entry, be capable of living safely and independently, with or without reasonable accommodation, and be free from communicable diseases, as reasonably determined by the Corporation. The Resident shall complete and submit an Application for Admission on or before execution of this Agreement. The Corporation may require the Resident to participate in an interview or assessment with a representative of the Corporation prior to occupancy. The Corporation shall review the information provided in the Application for Admission and any interview or assessment and shall notify the Resident whether the admission requirements have been satisfied. If the prospective Resident does not qualify for admission, this Agreement shall automatically terminate upon notice of such determination, without further obligation of either party.
- (b) When the Resident's health condition changes, an assessment team is assigned to evaluate the Resident utilizing the Corporation's Level of Living Guidelines, a copy of which is available to all residents. A formal appeal process is available to the Resident if the assessment team recommends changes to the Resident's living accommodation and/or level of living status with which the Resident disagrees.
- (c) If at any time the Medical Director, in consultation with the administrative staff, determines the Resident is no longer able to function in a Residential Living Unit or needs care beyond the scope of the Corporation, the Resident will abide by that decision.
- (d) If the Resident becomes unable to care for their business and financial affairs, the Corporation reserves the right, because of its financial and moral involvement, to institute action for the determination of the Resident's competence and, if necessary, facilitate the appointment of a guardian to fulfill the terms of this Residency Agreement, unless such needed arrangements have already been made.
- (e) Residents of the Community will have priority application access to assisted living and skilled nursing care at the adjacent facilities operated by its affiliates. A Resident must meet all of the regulatory and admission requirements to receive assisted living or skilled nursing care. The Corporation cannot guarantee that a room will be available at the time a Resident needs a higher level of care; in the event that there is no availability and/or the Resident does not qualify for such admission, the Corporation will make every effort to assist the Resident in finding placement in another community. The Resident will be given priority access to other assisted living and skilled nursing communities owned and operated by affiliates of EveryAge.

- (f) Emergency Assistance. The Residential Living Units come equipped with call systems (pullcords) in bathrooms along with pendants for each Resident. The Resident may elect to purchase additional equipment and services for their own personal assistance device. Residents are not permitted to install any emergency assistance device/equipment in a Residential Living Unit or common area without the prior, written approval from the Corporation.

8. Resident Obligations

- (a) Corporation Maintenance. Corporation shall provide for the maintenance, repair and up-keep of the Community's facilities, improvements, fixtures, furnishings, and equipment. Individual apartment maintenance is included for appliances, fixtures, etc. that belong to Providence Place and are part of the Residential Living Unit. The Corporation is not responsible for the cost of equipment and/or labor for maintenance required for any personal belongings of the Resident. The Resident must contact the Corporation immediately in the event of a maintenance need that would be considered an emergency, including, without limitation, water leaks, electrical issues, and plumbing issues. Notwithstanding anything herein to the contrary, the Corporation shall not be responsible for any maintenance and/or repairs that arise as a result of the Resident's negligence or intentional acts. If the Corporation made a repair that was necessary due to the fault of Resident even if such repair was of an "imminently dangerous condition," then Resident shall reimburse Corporation for Corporation's actual and reasonable repair costs incurred for such repair within thirty (30) days of Corporation providing Resident with a written request of the same.

The Corporation will provide groundskeeping services to the Community, including lawn, tree, and shrubbery care.

- (b) Resident Maintenance. Resident shall: (a) Keep the Residential Living Unit as clean and safe as the conditions of the Residential Living Unit permit and cause no unsafe or unsanitary conditions in the common areas and remainder of the Village that Resident uses, (b) dispose of all rubbish, garbage, and other waste in a clean and safe manner, (c) keep all plumbing fixtures in the Residential Living Unit used by Resident as clean as their condition permits, (d) not deliberately or negligently destroy, deface, damage, or remove any part of the Residential Living Unit, nor render inoperable the smoke detector and/or carbon monoxide detector provided by Corporation, or knowingly permit any person to do so, (e) comply with any and all obligations imposed upon Resident by current applicable building and housing codes, (f) be responsible for all damage, defacement, or removal of any property inside any building or improvement located on the Village in Resident's exclusive control unless the damage, defacement or removal was due to ordinary wear and tear, acts of Corporation or Corporation's agent, defective products supplied or repairs authorized by Corporation, acts of third parties not invitees of Resident, or natural forces, (g) notify Corporation, in writing, of the need for replacement of or repairs to a smoke detector and/or carbon monoxide detector. Corporation shall ensure that a

smoke detector and a carbon monoxide detector are operable and in good repair at the beginning of each occupancy. Corporation shall place new batteries in a battery-operated smoke detector and carbon monoxide detector at the beginning of the Term and Resident shall replace the batteries as needed during the remainder of the Term except where the smoke alarm is a tamper resistant, ten (10) year lithium battery smoke alarm, and (g) Resident shall return the Residential Living Unit to the Corporation at the end of the Term in the same condition that Resident received on the first day of this Agreement, reasonable wear and tear excepted.

(c) Damage; Casualty; Liability; Insurance; Indemnification.

Resident shall be responsible for any damage to, defacement of, or removal of property within the Residential Living Unit that is under Resident's exclusive control, except to the extent caused by ordinary wear and tear, acts or omissions of the Corporation or its agents, defective products supplied by the Corporation, repairs authorized by the Corporation, acts of third parties not invited or permitted by the Resident, or natural forces.

Resident shall promptly reimburse the Corporation for all losses, damages, costs of repair or service, governmental fines, and lost monthly fees incurred by the Corporation as a direct or indirect result of the acts or omissions of the Resident or the Resident's guests, invitees, agents, or visitors. The parties acknowledge that Resident's occupancy is governed by this Agreement and applicable continuing care laws, and not by North Carolina residential landlord-tenant statutes, and that Resident may be responsible for Corporation losses, including lost monthly fees, resulting from Resident-caused damage, even if the Residential Living Unit is temporarily uninhabitable due to such damage.

Except to the extent caused by the Corporation's negligence or willful misconduct, the Corporation shall not be liable for, and Resident shall be responsible for, all repairs, replacements, and resulting damages arising from the negligence or intentional acts of the Resident or the Resident's guests, invitees, or agents, including without limitation: (i) damage to doors, windows, or screens; (ii) damage caused by doors or windows left open; (iii) excessive or unsanitary conditions in ovens, refrigerators, kitchen floors, cabinets, or bathrooms; (iv) stains to laminate flooring or carpet; (v) unauthorized paint colors or finishes; and (vi) damage or wastewater stoppages caused by improper objects placed into plumbing lines exclusively serving the Residential Living Unit.

Resident shall promptly notify the Corporation of any damage to the Residential Living Unit caused by fire, flooding, or other casualty not attributable to the Corporation, including any event that renders the Residential Living Unit, or a substantial portion thereof, uninhabitable. Except as otherwise required by applicable law, the Corporation shall not be liable for personal injury or for loss of or damage to personal property arising from any cause, including fire, smoke, water intrusion, weather-related events, utility interruptions, theft, vandalism, or the acts or negligence of other residents or their guests. Where such damage is not caused by

the Corporation, the Corporation shall have no obligation to provide alternative housing or to pay relocation or moving expenses.

During freezing weather, Resident shall maintain the Residential Living Unit at a temperature sufficient to prevent freezing of pipes, considering weather conditions and the size and configuration of the unit. To the extent permitted by law, Resident shall be responsible for all damages to the Corporation's property and to the property of other residents resulting from Resident's failure to maintain adequate heat.

Resident shall not engage in, or permit, any activity that would invalidate or increase the cost of fire or casualty insurance covering the Village and shall not disable or tamper with smoke detectors or carbon monoxide detectors. Resident is solely responsible for insuring Resident's personal property and personal liability. The Corporation does not maintain insurance covering Resident's personal property or personal injury, and Resident agrees not to hold the Corporation responsible for such losses except as required by law.

Resident is encouraged to maintain, at Resident's sole cost and expense, a renter's insurance policy or equivalent coverage issued by a licensed insurer throughout the Term and any renewal.

No agent or employee of the Corporation shall perform services at the request of Resident except as part of the Corporation's ordinary duties. If Resident requests services outside the scope of this Agreement, Resident shall indemnify and hold the Corporation harmless from any liability arising therefrom.

Notwithstanding anything to the contrary in this Agreement, Resident shall be responsible for, and shall indemnify the Corporation against, all losses, damages, fines, costs, and liabilities arising from Resident's violation of this Agreement, including the acts or omissions of any person occupying or visiting the Residential Living Unit in violation of its terms. In accordance with applicable law, the Corporation may seek recovery against any renter's or liability insurance maintained by Resident for such losses.

Resident acknowledges that no portion of the monthly fee is specifically allocated to the purchase of structural or casualty insurance for the Village and that Resident is not an insured or coinsured under any such policy obtained by the Corporation.

- (d) **Parking and Vehicles.** The following policies supplement the Agreement and are subject to the Community Policy and Rules and any additional Village rules in effect from time to time. No more than two (2) vehicles per unit are permitted on a first-come, first-served basis. All vehicles must be operable, registered with the Village management office, and display current license plates and registration and/or inspection. Vehicles that are unregistered, abandoned, or otherwise in violation of the Agreement or Village rules may be towed at the owner's expense after twenty-four (24) hours' notice; a vehicle is deemed abandoned if it is not driven off the Village at least once per month. Vehicles parked illegally—including in fire lanes, no-parking areas, handicapped spaces, or blocking entrances, exits, driveways, or dumpsters—

may be towed immediately without notice at the owner's expense. No vehicle repairs or maintenance may be performed on the property without Corporation's prior written approval.

- (e) **Guests.** Resident's guests, invitees, and agents are subject to all terms and conditions of this Agreement. Any violation of this Agreement by a guest, invitee, or agent shall constitute a default by Resident, and Corporation may require such person(s) to immediately vacate the Community.
- (f) **Smoke-Free Policy and Alcohol Policy.** No smoking shall be permitted in the Residential Living Unit or on any other portion of the Village. Alcohol use is only permitted in the Residential Living Unit unless otherwise prior approved by the Executive Director. Other than alcohol use in the Residential Living Unit and any legally prescribed prescription drugs, no illegal drug use is permitted in either the Residential Living Unit or any other portion of the Village. Disorderly conduct and/or public intoxication is strictly prohibited within the Village.
- (g) **Pets.** No pets are permitted in the Residential Living Unit or in the Village except as expressly allowed under the Animal Addendum. A pet may be approved only if: (i) Resident pays a non-refundable \$300 per-pet deposit; (ii) the pet weighs less than 40 pounds; (iii) Resident provides satisfactory documentation that the pet is current on all required vaccinations; and (iv) Corporation approves the pet in writing. If approved, Resident may have no more than one (1) pet per Residential Living Unit and agrees to: (a) maintain all required vaccinations; (b) pay all damages caused by the pet; (c) pay the applicable monthly pet fee, if applicable; and (d) comply with all pet rules and policies, as further set forth in the Animal Addendum and any Village pet policy in effect.

Notwithstanding the above, Resident shall be permitted to have a service animal in the Residential Living Unit as long as Resident provides Corporation with satisfactory documentation that Resident qualifies for a service animal under the federal Fair Housing Act and any other applicable law and, in connection therewith, Resident agrees that at all times during the Term Resident shall (a) keep such pet up to date with all shots and vaccinations during the term, (b) be responsible for paying any and all damage caused by such pet, and (c) comply at all times with the applicable pet policy Corporation has in effect for the Village.

- (h) **Alterations.** The Corporation shall deliver to the Resident the Residential Living Unit in good and habitable condition. Resident shall maintain the Residential Living Unit and deliver the unit and all property belonging to the Corporation in good, clean, and habitable order and condition, reasonable wear and tear excepted, upon termination of this Agreement. Resident shall not make any alteration to the Residential Living Unit (including, but not limited to, (i) painting, (ii) wallpapering, (iii) flooring/carpeting, (iv) installing or removing ceiling fans, lighting fixtures, countertops, or back splashes, (v) tinting windows, and (vi) floor waxing) without the express prior written consent of Corporation and, in the event Corporation provides such consent, then (a) only the Corporation's maintenance manager, department, or vendor—and not the

Resident—shall make the alteration and Resident shall reimburse Corporation for any and all costs Corporation incurs, including, but not limited to, labor and cost of materials, in connection with such alteration. Resident and Corporation agree that any alteration shall become the property of the Corporation unless Corporation decides otherwise in writing.

- (i) Disturbances and Violation of Laws. Resident and Resident’s guests, invitees, and agents shall use the Residential Living Unit and the Community only for lawful purposes and in compliance with all applicable federal, state, and local laws and ordinances, including laws prohibiting illegal drugs. No conduct that is offensive, disruptive, or constitutes a nuisance is permitted, including excessive noise that disturbs others’ quiet enjoyment.

Resident and Resident’s guests, invitees, and agents shall not disturb or threaten the rights, comfort, health, safety, or convenience of others; disrupt business operations; engage in criminal activity; engage in or threaten violence; or possess weapons prohibited by state law. Firearms are prohibited in the Residential Living Unit and throughout the Community. The display or possession of knives or other weapons in common areas in a manner that may alarm others is prohibited.

Resident shall promptly notify Corporation and appropriate authorities upon obtaining actual knowledge of any illegal activity on the Premises or in the Community.

9. Residency Agreement Concerns

- (a) Community Policies and Rules. Corporation may adopt rules governing the Community and has provided Resident with the rules currently in effect, including the disclosure statement and resident handbook. Resident agrees to comply with all such rules throughout the term. All rules are incorporated into and made part of this Agreement by reference. Corporation may make reasonable changes to the rules from time to time upon providing written notice to Resident.

Corporation reserves the right to set the days and hours of use of all amenities within the Community and to change the character of, or close, any amenity based upon Corporation’s needs and in Corporation’s sole and absolute discretion, without notice, obligation or recompense of any nature to Resident.

- (b) This Residency Agreement constitutes the entire Contract by and between the Corporation and the Resident. The Corporation is not liable in any manner by any statements, representations, or promises made by persons representing or purporting to represent the Corporation, unless such statements, representations, or promises are set forth in this Residency Agreement or in a subsequent Residency Agreement signed by the parties.

- (c) Notwithstanding any other provisions of this Residency Agreement, the Corporation shall have the right to alter the living accommodations of the Resident to meet the requirement of law, or regulation of the Fire Department, Department of Public Health, or other duly constituted authorities or agencies.

- (d) Except as set forth herein, this Residency Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, and administrators, and assigns of the Resident.
- (e) No breach of the Corporation's obligations under this Agreement and no liability of injury to the Resident or Resident's property shall result from an interruption of, or failure to provide, contracted services due to an act of God or other cause beyond the control of the Corporation, specifically including (without limitation) strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquakes, inclement weather or acts of the Resident. The Corporation shall make reasonable efforts to continue to provide the usual services in such event.
- (f) The Corporation shall not cancel this Agreement with the Resident without good cause. Good cause shall be limited to: proof that the Resident is a danger to himself/herself or others; nonpayment of the Monthly Fee; repeated conduct by the Resident that interferes with other residents' enjoyment of the Community; persistent refusal to comply with the Corporation's written policies and procedures; a material misrepresentation made intentionally or recklessly by the Resident in their application for residency, or related materials, regarding information which if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by the Corporation will be provided to the Resident. Where applicable, an opportunity will be given to cure, within a thirty (30) day period, whatever conduct is alleged to warrant the cancellation of this Agreement.
- (g) Other Remedies. Corporation may report to credit agencies any unpaid amounts due from Resident hereunder. If Resident defaults and moves out early, Resident will pay Corporation all sums due and owing. Upon Resident's default, Corporation has all other legal remedies, including Agreement termination and summary ejection under North Carolina law, and any other legal remedies at law or in equity, and Corporation may recover from Resident all reasonable attorneys' fees and litigation costs incurred by Corporation to the extent permitted by law.

10. Other Considerations

- (a) This Residency Agreement supersedes any previous agreements between said parties.
- (b) The Resident has been given, as an Addendum to this Residency Agreement, a current copy of the Resident Handbook. The Resident understands that these documents will change from time to time but that they are the procedural documents for those occupying Residential Living Units at the Community.

- (c) The Resident shall not transfer or voluntarily reduce substantially their assets, as related on their application for occupancy of a Residential Living Unit at EveryAge, without notification to the Corporation.
- (d) Should the Resident become financially unable to pay the Monthly Fee, the per diem Health Center Fee, or any other fees charged by the Community, the administrative staff of the Corporation will assist the Resident in applying for funds needed to meet the charges for care.
- (e) The Resident shall apply for any and all federal, state, and local grants and benefits for which the Resident may be entitled or eligible, and to apply any and all such grants and benefits toward the cost of the Resident's care at the Community. The Resident's failure to do so will result in termination of this Residency Agreement by the Corporation and release of its obligations hereunder.
- (f) All items in the aforementioned Residency Agreement are binding as of the date signed.
- (g) Waiver. Any waiver of a default hereunder shall not be deemed a waiver of this Agreement or of any subsequent default. Acquiescence in a default shall not operate as a waiver of such default, even though such acquiescence continues for an extended period of time.
- (h) Disclosure Rights. If someone requests information on Resident or Resident's rental history for law enforcement, governmental, or business purposes, Corporation may provide it.
- (i) Subordination. Resident agrees to accept the Residential Living Unit subject to and subordinate to any existing or future mortgage, deed of trust, or other lien executed by Corporation and secured by the Village premises, and Corporation reserves the right to subject the Residential Living Unit to same. Resident agrees to and hereby irrevocably grants Corporation power of attorney for Resident for the sole purpose of executing and delivering in the name of the Resident any documents, including, without limitation, any subordinations related to the Corporation's right to subject the Residential Living Unit to a mortgage, a deed of trust, or other lien.
- (j) Force Majeure. If Corporation is prevented from completing performances of any obligations hereunder by an act of God, strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, epidemics, pandemics, war, acts of terrorism, riots, flood, fire, hurricane, tornado, sabotage, or other occurrence which is beyond the control of the parties, then Corporation shall be excused from any further performance of obligations and undertakings hereunder, to the full extent allowed under applicable law. Furthermore, if such an event damages the Residential Living Unit and/or Village, to materially affect its habitability by some or all residents, Corporation reserves the right to vacate and terminate the Agreement and Resident agrees to excuse Corporation from any further performance of obligations and undertakings under this Agreement.

- (k) Severability. If any provision of this Residency Agreement or Addenda are invalid or unenforceable under applicable law, such provision shall be ineffective to the extent of such invalidity or unenforceability only without invalidating or otherwise affecting the remainder of this Residency Agreement. The court shall interpret the Agreement and provisions herein in a manner such as to uphold the valid portions of this Residency Agreement while preserving the intent of the parties.
- (l) Notice. Whenever notice shall or may be given to either of the parties by the other, each such notice shall be in writing and sent by reputable overnight courier such as Federal Express or UPS or certified or registered mail with return receipt requested or other means of personal service (including by a reputable courier service or professional messenger service) at the respective addresses of the parties as contained herein or to such other address as either party may from time to time designate in writing to the other.
- (m) Governing Law and Venue. This Agreement shall be governed by the laws of the state of North Carolina. The venue for any legal claims or disputes arising hereunder shall be the Courts located in Guilford County, North Carolina.
- (n) Originals and Attachments. This Residency Agreement and addenda has been executed in multiple originals, with original signatures. Corporation will provide Resident with a copy of the Residency Agreement and addenda. Resident's copy of the Residency Agreement and addenda may be in paper format, in an electronic format at Resident's request, or sent via e-mail if Corporation has communicated by email about this Agreement. Corporation rules and community policies, if any will be attached to the Residency Agreement and addenda and provided to Resident at signing. When an Inventory and Condition form is completed, Resident should retain a copy, and Corporation should retain a copy. Any addenda or amendments Resident signs as a part of executing this Residency Agreement and addenda are binding and hereby incorporated into and made part of the Residency Agreement and addenda between Resident and Corporation. This Agreement or any addenda is the entire agreement between Resident and Corporation. Resident acknowledges that Resident is NOT relying on any oral representations. A copy or scan of this Residency Agreement and related addenda, amendments, and agreements may be used for any purpose and shall be treated as an original.

[Remainder of Page Intentionally Left Blank]

Resident is legally bound by this document. Read it carefully before signing.

The undersigned representative of Providence Place, LLC and the undersigned Resident do hereby certify that on this date a current copy of the Disclosure Statement dated _____ and a current copy of the Resident Handbook have been presented to the Resident(s) and that the Monthly Fee has been explained to the Resident(s). Prior to execution of this Residential Living Residency Agreement, the Resident(s) had the opportunity to obtain the assistance of counsel in reviewing its terms.

NOTICE

Because the authority to enter into continuing care contracts granted by the North Carolina Department of Insurance is neither a guarantee of performance by the provider nor an endorsement of any continuing care contract provision, prospective residents must carefully consider the risks, benefits, and costs before signing a continuing care contract and are strongly encouraged to seek financial and legal advice before doing so.

The parties hereby execute this Residency Agreement:

_____ By: _____
Date Resident

_____ By: _____
Date Resident

Providence Place, LLC

_____ By: _____
Date Authorized Representative/Title

_____ By: _____
Date Executive Director/Administrator

PROVIDENCE PLACE, LLC

One Hundred Leonard Avenue, Newton, NC 28658

ANIMAL ADDENDUM

Becomes part of Residential Living Residency Agreement

Please note: We consider animals a serious responsibility and a risk to each Resident in the Community. If you do not properly control and care for your animal, you will be held liable if it causes any damage or disturbs other residents.

In this document, the terms “you” and “your” refer to all residents listed below and all occupants or guests; and the terms “we,” “us,” and “our” refer to the Corporation named in the Residential Living Residency Agreement (not to the Executive Director or anyone else).

1. Residential Living Unit Description.

Street Address	City	State	Unit #

2. Residential Living Residency Agreement Description. Agreement Date: _____

Corporation’s Name: Providence Place, LLC

Residents (list all residents):

This Addendum constitutes an Addendum to the above-described Residential Living Residency Agreement for the above-described premises and is hereby incorporated into and made a part of such Residential Living Residency Agreement. Where the terms or conditions found in this Addendum vary or contradict any terms or conditions found in the Residential Living Residency Agreement, this Addendum shall control.

3. **No Approved Animals.** If this box is checked, you are not allowed to have animals (including mammals, reptiles, birds, fish, rodents, and insects), even temporarily, anywhere in the Residential Living Unit or Village unless we have authorized so in writing. We will authorize support and/or service animals for you, your guests, and occupants pursuant to the parameters and guidelines established by the Fair Housing Act, HUD regulatory guidelines, and any applicable state and/or local laws.

Conditional Authorization for Animal. If this box is checked, you may keep the animal that is described below in the Residential Living Unit until the Residency Agreement expires.

But we may terminate this authorization sooner if your right of occupancy is lawfully terminated or if in our judgment you and your animal, your guests, or any occupant violate any of the rules in this Addendum.

4. **Animal Deposit.** An animal deposit of \$_____ will be charged. We (*check one*) will consider, or will not consider this additional security deposit as part of the general security deposit for all purposes. The security deposit amount in the Security Deposit paragraph of the Residential Living Residency Agreement (*check one*) does or does not include this additional deposit amount. Refund of the animal deposit will be subject to the terms and conditions set forth in the Residential Living Residency Agreement regardless of whether it is considered part of the general security deposit.
5. **Additional Monthly Fee.** Your total monthly fee (as stated in the Residency Agreement) will be increased by \$_____. The monthly fee amount in the Monthly Fee paragraph of the Residential Living Residency Agreement **does** not include this additional fee.
6. **Additional Fee.** You must also pay a one-time nonrefundable fee of \$_____ for having each animal in the Residential Living Unit. It is our policy to not charge a deposit for support animals.
7. **Liability Not Limited.** The additional monthly fee and additional security deposit under this Animal Addendum do not limit residents' liability for property damages, cleaning, deodorization, defleaing, replacements, or personal injuries.
8. **Description Of Animal(s).** You may keep only the animal(s) described below. You may not substitute any other animal(s). Neither you nor your guests or occupants may bring any other animal(s)-mammal, reptile, bird, amphibian, fish, rodent, arachnid, or Insect-into the Residential Living Unit or Village. You are required to submit a copy of the animal(s) listed below up to date vaccination record prior to bringing the animal(s) into the Residential Living Unit. You must keep all vaccinations current during the Term of the Agreement.

Animal's Name: _____ Type: _____ Breed:

Color: _____ Weight: _____ Age: _____

City of license: _____ License No: _____

Date of last rabies shot: _____ Housebroken? Yes No

Animal Owner's Name: _____

9. **Special Provisions.** The following special provisions control over conflicting provisions of this printed form:

The Monthly Pet Fee shall be considered "Per Pet." One time pet fee is \$300. Maximum

of one pet is allowed. The fees do not apply to qualified support or assistance animals.

10. Emergency. In an emergency involving an accident or injury to your animal, we have the right, but not a duty, to take the animal to the following veterinarian for treatment at your expense.

Doctor: _____

Address: _____ Phone: _____

11. Animal Rules. You are responsible for the animal's actions at all times. You agree to abide by the following rules:

- The animal must not disturb the neighbors or other residents, regardless of whether the animal is inside or outside the Residential Living Unit.
- Dogs, cats, and support animals must be housebroken. All other animals must be caged at all times. No animal offspring are allowed.
- Inside, the animal may urinate or defecate only in these designated areas: Litter Box
- Outside, the animal may urinate or defecate only in these designated areas: Designated pet area or off property grounds.
- Animals may not be tied to any fixed object anywhere outside the Village, except in fenced yards (if any) for your exclusive use.
- You must not let an animal other than support animals into restricted areas as posted.
- Your animal must be fed and watered inside the Residential Living Unit. Do not leave animal food or water outside the Residential Living Unit at any time, except in fenced yards (if any) for your exclusive use.
- You must keep the animal on a leash and under your supervision when outside the Residential Living Unit or any private fenced area. We or our representative may pick up unleashed animals and/or report them to the proper authorities. We may impose reasonable charges for picking up and/or keeping unleashed animals.
- Unless we have designated a particular area in your Residential Living Unit or on the grounds for animal defecation and urination, you are prohibited from letting an animal defecate or urinate anywhere on our property. You must take the animal off our property for that purpose. If we allow animal defecation inside the Residential Living Unit in this Addendum, you must ensure that it is done in a litter box with a kitty litter type mix. If the animal defecates anywhere on our property (including in a fenced yard for your exclusive use), you will be responsible for immediately removing the waste and repairing any damage. Despite anything this Addendum says, you must comply with all local ordinances regarding animal defecation.

12. Additional Rules. We have the right to make reasonable changes to the animal rules from time to time if we distribute a written copy of any changes to every Resident who is allowed to

have animals.

13. Violation Of Rules. If you, your guest, or any occupant violates any rule or provision of this Animal Addendum (based upon our judgment) and we give you written notice, you must permanently remove the animal from the premises within the time period specified in our notice. We also have all other rights and remedies set forth in the Residency Agreement, including damages, eviction, and attorney fees to the extent allowed by law.

14. Complaints About Animal. You must immediately and permanently remove the animal from the premises if we receive a reasonable complaint from a neighbor or other Resident or if we, in our sole discretion, determine that the animal has disturbed neighbors or other residents.

15. Liability For Damages, Injuries, Cleaning, Etc. You and all co-residents will be jointly and severally liable for the entire amount of all damages caused by the animal including all cleaning, defleaing, and deodorizing. This provision applies to all parts of the Residential Living Unit, including carpets, doors, walls, drapes, wallpaper, windows, screens, furniture, appliances, as well as landscaping and other outside improvements. If items cannot be satisfactorily cleaned or repaired, you must pay us to replace them completely. Payment for damages, repairs, cleaning, replacements, etc. are due immediately upon demand.

As owner of the animal, you are strictly liable for the entire amount of any injury that the animal causes to a person or anyone's property. You will fully indemnify Corporation and hold Corporation harmless from and against all damages, claims, injuries and expenses, including, without limitation, for all costs of litigation and attorney's fees resulting from any damage, losses, costs, or damages arising as a result of your or your guests or invitees' actions.

16. Move-Out. When you move out, you will pay for defleaing, deodorizing, and shampooing to protect future residents from possible health hazards, regardless of how long the animal was there. We—not you—will arrange for these services.

17. Joint And Several Responsibility. Each Resident who signed the Residency Agreement must sign this Animal Addendum. You, your guests, and any occupants must follow all animal rules. Each Resident is jointly and severally liable for damages and all other obligations set forth in this Animal Addendum, even if the Resident does not own the animal.

18. General. You acknowledge that no other oral or written agreement exists regarding animals. Except for written rule changes under paragraph 9 above, our representative has no authority to modify this Animal Addendum or the animal rules except in writing. This Animal Addendum and the animal rules are considered part of the Residency Agreement described above. It has been executed in multiple originals, one for you and one or more for us.

This is a binding legal document. Read it carefully before signing.

You are entitled to receive an original of this Addendum after it is fully signed. Keep it in a safe

place.

I have read, understand, and agree to comply with the preceding provisions: (All residents must sign here.)

_____ By: _____
Date Resident

_____ By: _____
Date Resident

Providence Place, LLC

_____ By: _____
Date Authorized Representative/Title



Continuing Care Retirement Community

Disclosure of Services

Providence Place is part of a Continuing Care Retirement Community licensed as Providence Place, LLC. Providence Place, LLC is comprised of three levels of care, Providence Place Village provides residential living, Westchester Harbour at Providence Place provides assisted living services, and Westchester Manor at Providence Place provides skilled nursing services.

Residents that reside within the Providence Place senior living community will have priority access to all levels of care as many times as needed as long as admission requirements are met.

Admission to the Residential Living Units, Providence Place, requires that a Resident meet the requirements below:

- **Health:** Residents must have sufficient physical and mental capacities to live independently without posing a danger to his/her health or to the health and safety of other Providence Place residents and staff. The Resident will be required to provide a Resident Screening Form.
- **Financial:** The Resident must provide Providence Place with information showing they have the income and assets to cover the Monthly Fee and any future adjustments throughout this Agreement.
- **Age:** The Resident must be at least 55 years old when moving into a Residential Living Unit at Providence Place, except for one spouse in a married couple.

Westchester Harbour at Providence Place offers assisted living services to residents who meet the admission criteria, which include, but are not limited to:

- Residents in this level of care must provide the state required FL-2 form completed and signed by a physician no more than 90 days prior to admission. However, it may be requested that any FL-2 dated more than 30 days prior to admission be reviewed by the physician for accuracy.
- **Health:** The Resident should be capable of moving independently with little assistance, using a wheelchair or walker if needed. They must be able to perform daily activities such as bathing, dressing, and taking medications with minimal help. A primary diagnosis of mental illness is not permitted for residency.

- Financial: The Resident must provide evidence of sufficient financial means. The Resident or his/her Legal Representative will pay or arrange payment for services in accordance with the Facility's then prevailing room rates.
- Age: The Resident must be at least 55 years of age.
- A two-step PPD test or a chest X-ray conducted within the past year, along with a declaration confirming that the individual is free from communicable diseases, is mandatory. Additionally, documentation proving that the Resident has been vaccinated against pneumonia and influenza is required. Alternatively, a statement from a medical provider explaining why the vaccinations cannot be administered or a signed document indicating the Resident's refusal to receive the vaccinations must be provided.

Westchester Manor at Providence Place offers skilled nursing services to individuals who meet the admission criteria, which include but are not limited to:

- A Resident has a medical condition(s) that requires 24/7 interventions and/or monitoring by the licensed personnel of a skilled nursing facility; a Resident requires skilled nursing and therapy care that can only be safely and effectively performed by, or under the supervision of, professionals or technical personnel.
- Residents in this level of care must provide the state required FL-2 form completed and signed by a physician no more than 90 days prior to admission. However, it may be requested that any FL-2 dated more than 30 days prior to admission be reviewed by the physician for accuracy.
- A payment source is required to cover the services provided by the facility.
- The facility must determine they are able to meet the needs of each Resident, which will be evaluated when/if skilled nursing services are needed.

In the event a Resident requires a higher level of care and there is no availability, or the Resident does not qualify for admission at Providence Place, Providence Place will assist the Resident in finding another health care center as close as possible to the quality and price of Providence Place.

If a Resident has a temporary stay from residential living to a higher level of care, the Resident will continue to pay the Monthly Fee for the Residential Living Unit at Providence Place. If the Resident has a permanent transfer from residential living to a higher level of care, the Resident will continue paying the Monthly Fee until the Residential Living Unit is vacated and the keys are turned into the Leasing office.

Charges

Charges at Westchester Manor at Providence Place for skilled nursing will be incurred at the published per diem rate for the accommodation occupied by the Resident, plus other charges for other services not included in such per diem rate.

Charges at Westchester Harbour at Providence Place for assisted living services will be incurred at the published per diem rate for the accommodation occupied by the Resident, plus other charges for other services not included in such per diem rate.

Charges at Providence Place for a residential living Residential Living Unit will be incurred at the published rate.

As a Resident entering the Providence Place Continuing Care Retirement Community, I understand that all of the stated levels of living will be offered to me with priority access as long as I meet the admission requirements. Each level of living will require its own separate contract at time of admission to that specific level of care.

The undersigned have read, do understand and been given a copy of this disclosure as indicated by their signatures below:

_____ By: _____
Date Resident

_____ By: _____
Date Resident

Providence Place, LLC

_____ By: _____
Date Authorized Representative/Title

_____ By: _____
Date Witness

PROVIDENCE PLACE, LLC

One Hundred Leonard Avenue, Newton, NC 28658

NO SMOKING ADDENDUM

Becomes part of Residential Living Residency Agreement

Please note: All use of any tobacco product involving smoking, burning, or combustion of tobacco is prohibited in any portion of the Community.

In this document, the terms “you” and “your” refer to all residents listed below and all occupants or guests; and the terms “we,” “us,” and “our” refer to the Corporation named in the Residential Living Residency Agreement (not to the Executive Director or anyone else).

Residential Living Unit Description.

Street Address	City	State	Unit #
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Residential Living Residency Agreement

Description. Agreement Date:

Corporation’s Name: Providence Place, LLC

Residents (list all residents):

This Addendum constitutes an Addendum to the above-described Residential Living Residency Agreement for the above-described premises and is hereby incorporated into and made a part of such Residential Living Residency Agreement. Where the terms or conditions found in this Addendum vary or contradict any terms or conditions found in the Residential Living Residency Agreement, this Addendum shall control.

Definition of Smoking. Smoking refers to any use or possession of a cigar, cigarette, e-cigarette, hookah, vaporizer, or pipe containing tobacco or a tobacco product while that tobacco or tobacco product is burning, lighted, vaporized, or ignited, regardless of whether the person using or possessing the product is inhaling or exhaling the smoke from such product. The term tobacco includes, but is not limited to any form, compound, or synthesis of the plant of the genus Nicotiana or the species N. tabacum which is cultivated for its leaves to be used in cigarettes, cigars, e-cigarettes, hookahs, vaporizers, or pipes. Smoking also refers to use or possession of burning, lighted, vaporized, or ignited non-tobacco products if they are noxious, offensive, unsafe, unhealthy, or irritating to other persons.

Smoking anywhere inside buildings of the Community is strictly prohibited. All forms and use of burning, lighted, vaporized, or ignited tobacco products and smoking of tobacco products inside any apartment, building, or interior of any portion of the Community is strictly prohibited. Any violation of the no-smoking policy is a material and substantial violation of this Addendum and the Residential Living Residency Agreement.

The prohibition on use of any burning, lighted, vaporized, or ignited tobacco products or smoking of any tobacco products extends to all residents, their occupants, guests, invitees and all others who are present on or in any portion of the Community. The no-smoking policy and rules extend to, but are not limited to, the administrative offices, building interiors and hallways, building common areas, residential living units, exercise facilities, all interior areas of the Community, commercial shops, businesses, and spaces, work areas, and all other spaces whether in the interior of the Community or in the enclosed spaces on the surrounding community grounds.

Smoking of non-tobacco products which are harmful to the health, safety, and welfare of other residents inside any Residential Living Unit or building within the Community is also prohibited by this Addendum and other provisions of the Residential Living Residency Agreement.

Smoking outside buildings of the Community. Smoking is also strictly prohibited on all building and property grounds of the Community including, without limitation, all parking areas, common areas and all other areas, both indoors and outdoors, comprising the Community.

Your responsibility for damages and cleaning. You are responsible for payment of all costs and damages to your Residential Living Unit, other residents' Units, or any other portion of the Community for repair, replacement, or cleaning due to smoking or smoke-related damage caused by you or your occupants, family, guests, agents or invitees. Any costs or damage we incur related to repairs, replacement, and cleaning due to your smoking or due to your violation of the no-smoking provisions of the Residential Living Residency Agreement are in excess of normal wear and tear. Smoke related damage, including but not limited to, the smell of tobacco smoke which permeates sheetrock, carpeting, wood, insulation, or other components of the Unit or building is in excess of normal wear and tear in our smoke free Community.

Your responsibility for loss of monthly fee income and economic damages regarding other residents. You are responsible for payment of all lost monthly fee income or other economic and financial damages or loss to us due to smoking or smoke related damage caused by you or your occupants, family, guests, agents or invitees which results in or causes other residents to vacate their Residential Living Units, results in disruption of other residents' quiet enjoyment, or adversely affects other residents' health, safety, or welfare.

Residential Living Residency Agreement termination for violation of this addendum. We have the right to terminate your Residential Living Residency Agreement or right of occupancy of the Unit for any violation of this No Smoking Addendum. Violation of the no smoking provisions is a material and substantial default or violation of the Residential Living Residency Agreement. Despite the termination of the Residential Living Residency Agreement or your residency, you will

remain liable for the monthly fee through the end of the Residential Living Residency Agreement term or the date on which the Residential Living Unit is re-marketed to a new occupant, whichever comes first. Therefore, you may be responsible for payment of the monthly fee after you vacate the premises even though you are no longer living in the Residential Living Unit.

Extent of your liability for losses due to smoking. Your responsibility for damages, cleaning, loss of monthly fee income, and loss of other economic damage under this No-Smoking Addendum are in addition to, and not in lieu of, your responsibility for any other damage or loss under the Residential Living Residency Agreement or any other addendum.

Your responsibility for conduct of occupants, family members, and guests. You are responsible for communicating this Community's no smoking policy and for ensuring compliance with this Addendum by your occupants, family, guests, agents and invitees.

There is no warranty of a smoke free environment. Although we prohibit smoking in the Community, there is no warranty or guaranty of any kind that your Residential Living Unit or the Community is smoke free. Enforcement of our no smoking policy is a joint responsibility which requires your cooperation in reporting incidents or suspected violations of smoking. You must report violations of our non-smoking policy before we are obligated to investigate and act, and you must thereafter cooperate with us in prosecution of such violations.

This is an important and binding legal document. By signing this Addendum, you are agreeing to follow our no smoking policy, and you are acknowledging that a violation could lead to termination of your Residential Living Residency Agreement or right to continue living in the Residential Living Unit. If you or someone in your household is a smoker, you should carefully consider whether you will be able to abide by the terms of this Addendum.

Special Provisions. The following special provisions control over conflicting provisions of this printed form:

Signature on the following page.

This is a binding legal document. Read it carefully before signing.

You are entitled to receive an original of this Addendum after it is fully signed. Keep it in a safe place.

I have read, understand, and agree to comply with the preceding provisions: (All residents must sign here.)

_____ By: _____
Date Resident

_____ By: _____
Date Resident

Providence Place, LLC

_____ By: _____
Date Authorized Representative/Title

Westchester Manor at Providence Place

Health Center

Fee Schedule as of October 1, 2025

Activities

Fees for workshops, trips, programs and classes will be established according to costs to the activity.

LAUNDRY SERVICES

Personal Service (Monthly) \$110.00

Clerical (per ½ hour, plus supplies)

Administrative Services \$28.00

NSF Check Charge 50.00

Duplication beyond 5 pages (per copy).....0.50

SALON SERVICES

Shampoo Only \$17.00

Shampoo and Set 26.00

Shampoo, Set and Cut 50.00

Ladies Cut 26.00

Mens Cut 20.00

Mustache / Eyebrow Trim 4.00

Face Shave 12.00

Permanent..... 80.00

Hair Color 60.00

Temporary Rinse 4.00

AN Conditioning Tx..... 30.00

AN Clarifying Tx..... 30.00

Medical

Glucometer Test \$9.50

Pacemaker Check..... 38.00

Oxygen Monthly 200.00

Oxygen Tank..... 20.00

Colostomy Care 300.00

Nebulizer (monthly)..... 100.00

Air Mattress (monthly) 350.00

Bariatric Mattress (monthly) 450.00

C-Pap (monthly)..... 150.00

Bi-Pap (monthly) 300.00

Other services available at posted prices.

Nursing Services

Incontinence Program (per day)

Small.....\$14.50

Medium 16.50

Large 17.50

X-Large 19.50

XX-Large 21.50

Bariatric 25.00

Non-routine Nursing Supplies are charged per unit.

Dining Services

Guest Meal \$8.25

TRANSPORTATION

Cost of Trip Per Vendor

Basic Trip (Plus, Plus) \$125.00

*Last-minute cancelation fee \$100.00

SKILLED NURSING DAILY RATES

Companion Room..... \$304.00

Private Room 338.00

Companion Secured (300-307)..... 314.00

Private Room Secured (308-313) 349.00

Companion or Private Sitters (2 hr. min)

Companion Weekdays per hour \$29.00

Home Care Aide-Weekdays per hr 32.00

Weekends/Holidays additional charge/hr 7.00

Long Term Care Insurance Filing

Processing Fee (initial) \$125.00

Processing Fee (monthly) 50.00

Late Payment Fee \$50.00

NOTE: Arrangements for special services not listed may be made by contacting administration. Rates are subject to change with advance notice.

A 3% fee will be applied for credit card charges for approved services

Westchester Harbour at Providence Place
Assisted Living

Fee Schedule as of October 1, 2025

<u>ASSISTED LIVING</u>	<u>PER MONTH</u>
Semi-Private Room	\$4,822.00
Private Room	6,103.00
Respite Rate per day	350.00

<u>MEMORY CARE UNIT</u>	<u>PER MONTH</u>
Semi-Private Room	\$ 6,200.00
Private Room	7,023.00
Private Suite Assisted Living	\$1,531.00
Private Suite Memory Care	1,073.00

<u>CARE LEVELS</u>	<u>PER MONTH</u>
Care Level 1	\$ 339.00
Care Level 2	892.00
Care Level 3	926.00
Care Level 4	1,319.00
Care Level 5	2,002.00

** MEDICATIONS, CARE LEVEL FEES, INCONTINENCE AND MEDICAL SUPPLIES ARE NOT INCLUDED IN MONTHLY RATE**

Long Term Care Insurance Filing

Initial Processing Fee	\$125.00
Monthly Fee	50.00

HAIR SALON

Open weekly by appointment. Current price list of services offered is posted in the hair salon.

LATE PAYMENT FEE (per month)..... \$ 50.00

RETURN DRAFT FEE..... \$ 50.00

TELEPHONE HOOK-UP AND MONTHLY FEE SERVICE:

Paid by the Resident to local telephone company.

Activities

Fees for workshops, trips, programs, and classes will be established according to costs related to the activity.

Dining Services (Guest Meal)

Harbour Breakfast	\$5.00
Harbour Lunch/Dinner	8.25

Transportation Services

Transportation services may be provided per established rate agreed upon prior to the trip.

NOTE: Arrangements for special services not listed may be made by contacting administration. Rates are subject to change with advance notice. A 3% fee will be applied for credit card charges for approved services.

Westchester Harbour at Providence Place
Westchester Village

Fee Schedule as of October 1, 2025

Activities

Fees for workshop, trips programs and classes will be established to the costs related to the activity.

Clerical

Administrative Services \$28.00
 NSF Check Charge 50.00
 Duplication beyond 5 pages per copy..... .50
 Fax Fee (per page/\$20 max per trans 7.00
Non refundable application fee 0.00

Dining Services

Harbour Breakfast..... 5.00
 Harbour lunch/dinner..... 8.25

Housekeeping

(per ½ hr. per person-½ hr min
 Housekeeping Service..... \$35.00

Maintenance

(per ½ hr. per person; ½ hr. min.
 Maintenance Service..... \$35.00

Key Duplication (each) \$15.00

Key Fob replacement (each)..... \$15.00

Safety Pendant Replacement\$200.00

Pet Fee (one-time fee).....\$300.00

Storage Unit

3 x 6 (per month) \$30.00
 5 x 5 (per month) 75.00
 6 x 9 (per month 100.00
 7 x 10 (per month) 125.00

Telephone Hook-Up & Monthly Fee

Paid by the Resident to local telephone company.

Transportation

Transportation services may be provided per established rates.

Use of Common Space

Residents may use common spaces for private gatherings by making reservations with Administration.

Set-Up & Clean-Up \$40.00
 (per staff person/per ½ hour)

Unit Transfer Fee \$2,500.00

Return Draft Fee \$35.00

Second Person Fee (per month) \$250.00

Late Payment Fee..... \$25.00

Note: Arrangements for specials services not listed may be made by contacting administration.

Rates are subject to change with advance notice.

*3% fee will be applied for credit card charges for approved services.

Appendix E – Examination Report

Not Applicable

Appendix F— Statutory Ratio and Supporting Definitions

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

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

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

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

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

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

Debt Service Coverage Ratio. *“A capital structure ratio that measures a provider's ability to pay annual debt service with cash flow from net cash revenues and net entrance fee receipts. The quotient shall be calculated by dividing the sum of total excess of revenues over or under expenses plus interest expense, depreciation expense, amortization expense, other noncash operating losses or expenses, and net cash proceeds from entrance fees, minus entrance fee amortization, entrance fee refunds contractually past due, and other noncash operating gains or revenues divided by annual debt service. Entrance fees received from the initial residents of independent living units at a continuing care retirement community that have been financed in whole or in part with the proceeds of indebtedness shall be excluded from the net proceeds from entrance fees up to an amount equal to the aggregate of the principal amount of the indebtedness.”* (G.S. 58-64A-5(17))

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

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

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

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

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

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

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

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

Source: N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 (Session Law 2025-58). Subsequent amendments, if enacted, supersede the text reproduced herein.