SALEMTOWNE
Where every life shines

Navigation AT HOME

Disclosure Statement

Salemtowne Continuing Care Retirement Community

Provider: Salemtowne

Date of Disclosure Statement: 3/31/2026

Last Date for Delivery: 08/30/2026

- **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 Moravian Home, Inc to penalties under Article 64A.**

Financial Snapshot: Key Ratios for Salemtowne

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

Fiscal Year Ended March 31, 2026 (FY), with comparative historical and prospective periods

Ratio	3/31/24	3/31/25	3/31/26	*3/31/27*	*3/31/28*	*3/31/29*
DCOH	236	202	247	*256*	*275*	*301*
CUSH	4.29x	2.66x	4.92x	*5.03x*	*5.56x*	*6.27x*
OR	101.9%	106.0%	101.7%	*101.4%*	*100.8%*	*99.4%*
NOM	9.0%	3.9%	7.1%	*8.0%*	*7.9%*	*8.4%*
NOM-A	21.7%	15.8%	22.5%	*21.1%*	*21.6%*	*22.822.8%*
DSCR	1.66x	1.46x	1.96x	*1.86x*	*1.90x*	*2.07x*
CD	.32x	.30x	.38x	*.40x*	*.45x*	*.51x*
CED	.31x	.45x	.44x	*.48x*	*.59x*	*.63x*

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.

[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.

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.

Table of Contents

1. Provider Identification

Legal Responsibility for Continuing Care

Moravian Home, Inc. d/b/a Salemtowne is the entity that enters into continuing care contracts and continuing care at home contracts with residents and is legally responsible for providing continuing care and performing all obligations under those contracts. No other person or entity is responsible for providing continuing care to residents except as expressly disclosed in this Disclosure Statement.

Doing Business As (DBA)

Moravian Home Inc. conducts business under the name “Salemtowne.” The name “Salemtowne” is a trade name only and does not represent a separate legal entity. Moravian Home, Inc. remains legally responsible for providing continuing care and performing all obligations under continuing care contracts and continuing care at home contracts.

Item	Information
Legal Provider Name:	Moravian Home, Incorporated
Doing Business As (DBA):	Salemtowne
Business Address:	1000 Salemtowne Drive, Winston Salem, NC 27106
Telephone Number:	(336) 767-8190
Legal Entity Type:	Nonprofit corporation organized under the laws of North Carolina
For-Profit / Nonprofit Status:	Nonprofit
Federal Tax Status:	Tax-exempt under Section 501(c)(3) of the Internal Revenue Code
Ownership Type:	Privately owned and controlled nonprofit organization. The provider is not part of any publicly held or publicly traded corporate system.
Tax Filing Status:	Current on all required federal and state tax filings
Ownership / Control:	Moravian Home, Incorporated is a North Carolina nonprofit corporation doing business as Salemtowne

2. Organizational Structure

2.1 Multi-Entity Organization Status

Moravian Home, Inc. is not part of a multi-entity organization.

2.2 Consolidation of Financial Statements

Audited financial statements are prepared for all Salemtowne operations on a consolidated basis presenting the financial position and results of operations of all divisions and departments. Salemtowne consists of one legal entity and therefore does not require consolidation of multiple legal entities for reporting purposes.

2.2.1 Controlling Entity

Item	Information
Name:	Moravian Home, Inc. dba Salemtowne
Business Address:	1000 Salemtowne Drive, Winston Salem, NC 27106
Telephone Number:	(336) 767-8190

2.3 Company Structure Chart

The organizational structure of Moravian Home, Inc. and its related entities, is as follows:

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 Salemtowne

Name / Role	Education	Experience	Length of Service
Paul Harrison President & Chief Executive Officer	Bachelors & Masters degree in Healthcare Administration; Texas State University	20 + years in senior-living operations; former CEO at The Village at Incarnate Word	1 year 9 months (since 08/19/2024); serves as President and Chief Executive Officer
Kim Hoppe **Interim Chief Financial Officer**	BA in Accounting Western Michigan University	25+ years in accounting industry	Since September 2025
Kristin Stathers **Vice President of Health Care & Privacy Officer**	BA Business Administration Bluefield College	25+ years of Senior Living, Home Care, Home Pharmacy	2 years 3 months (since 01/22/2024); serves as Vice President of Health Care & Privacy Officer
Kelly Pearson **Vice President of Community Engagement and Philanthropy**	BA Psychology. Central Methodist University	27+ years of fundraising success.	2 years (since 2024)

Business Address: 1000 Salemtowne Drive, Winston Salem, NC 27106

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

3.2 Community Management – Salemtowne Continuing Care Retirement Community

Name / Role	Education	Experience	Length of Service
Renee Brumagin **Director of Marketing and Sales**	BA, Recreation Administration, UNC-Chapel Hill, BS Social Work, UNC-Greensboro	25+ years in senior living Marketing and Sales, Long term care administration and social work.	21 years (since 10/18/2004); serves as Director of Marketing and Sales
Lesa Donohue **Executive Director Navigation at Home**	Bachelors in Business Administration; UNC Charlotte	7+ years in senior-living operations; former Regional Director at Holiday Retirement Living	9 months (since 10/19/2025); serves as Executive Director
Terricka Pittman **Human Resources Manager**	BS, Therapeutic Recreation, UNC Greensboro; MS, Healthcare Administration, UNC Wilmington	14 years in Healthcare	14 years (since 2012)
Shannon Carden **Director of Facilities & Renovation Manager**	AS, Communication, UNC Greensboro	20+ years in construction industry	6 years (since 2020)
Eric Kirkeeng **General Manager of Culinary Services**	BS Culinary Arts & Restaurant Management, Scottsdale Culinary Institute	40+ years in culinary and restaurant management	3 years (since 2023)

Business Address: 1000 Salemtowne Drive, Winston Salem, NC 27106

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

3.3 Board of Trustees

Name / Role	Education	Experience	Length of Service
Marty Edwards – Chair	BA in Journalism, UNC Chapel Hill MA in Student Personnel Services, UNC Chapel Hill	Retired, Development, Wake Forest University	5 years (since 2021)
Terry Williams – Vice Chair	MBA Emory University; Doctorate of Health Leadership UNC Chapel Hill	CEO Inner core Health	3 years (since 4/2023)
Larry Colbourne – Treasurer	M.S. Accounting, Virginia Tech; CPA (VA/NC)	President, Mebane Charitable Foundation	5 years (since 4/2021)
Corlis Sellers-Drummond– Secretary	BS Secondary Education Hampton University	Retired, Special Assistant to the Chancelor for Strategic Priorities, Winston-Salem State University	3 years (since 4/2023)
Russell Armistead **Trustee & Resident**	MBA Wake Forest University BS – Bad/Accounting Virginia Tech	Retired Chief Executive Officer, UF Health Jacksonville	4 years (since 2022)
Michelle Cook **Trustee**	BS Journalism, Glassboro State College; Masters Public Relations, Glassboro State College	Consultant	3 years (since 4/2023)
Tim Gardner **Trustee**	BSBA Buckness University MBA Fairleigh Dickinson University	Retired Executive, Packaging Industry; Member Corporate and Nonprofit Boards	2 years (since 4/2024)

Name / Role	Education	Experience	Length of Service
Dr. Renee Harrison **Trustee**	PhD, Nursing Education, UNC Greensboro Masters, Nursing Education, Winston Salem State University BS, Nursing, Winston Salem State University BA, Psychology, North Carolina A & T University	Vice President, Health Services, Forsyth Technical Community College	1 year (since 4/2025)
Kevin Owen **Trustee**	BA Architecture UNC Charlotte	Architect and Principal Owner Owens Architecture, PLLC	4 years (since 4/2022)
Rose Simon **Trustee & Resident**	B.A. University of Virginia M.A. University of Virginia M.WS. in L.S UNC Chapel Hill Ph.D. University of Rochester	Retired, Director of Libraries, Salem Academy and College	2 years (since 4/2024)
Aimee Smith **Trustee**	BA Political Science, UNC Greensboro; JD, Wake Forest University School of Law	Partner, Craige, Jenkens, Liipfert & Walker LLP	5 years (since 4/2021)
Scott Southerland **Trustee**	BA Economics, NC State University MBA, Wake Forest University	Senior Vice President and Financial Consultant with Pinnacle Asset Management	4 years (since 4/2022)

Name / Role	Education	Experience	Length of Service
Chris Thore **Trustee**	Bachelor of Creative Arts, UNC Charlotte Masters of Divinity, Gordon-Conwell Seminary Certificate of Theological Studies, Moravian Seminary 2000	Pastor of Clemmons Moravian Church	2 years (since 4/2024)
Earl Wall **Trustee**	BA, Wake Forest University JCD, Wake Forest University	Retired, Sr. Vice President & General Counsel, Triad Guaranty Corporation	1 year (since 4/2025)
Dr. Leslee Shepard Battle **Trustee**	BA Registered Nursing Winston Salem State University; Masters Nursing Education UNC Greensboro; EdD Walden University	Dean of School of Health Sciences, Winston-Salem State University	2 years (since 4/2024)

Business Address: 1000 Salemtowne Drive, Winston Salem, NC 27106

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

3.4 Management Entity

Salemtowne does not employ a separate management entity

3.5 10% + Ownership Interests

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

Moravian Home Inc dba Salemtowne is organized as a nonprofit corporation and therefore has no equity ownership interests. No individual holds a ten percent (10%) or greater beneficial interest in the entity.

4. Governing Body and Oversight

4.1 Provider Governing Body

Salemtowne is governed by a Board of Directors consisting of fifteen members, two of which shall be residents of Salemtowne. The Board is responsible for the overall direction and oversight of Salemtowne's operations, financial condition, and resident welfare. Its duties include:

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

4.1.1 Selection of Members

Members are appointed by Salemtowne Board of Directors. Non-resident Board members are elected for a four-year term and are eligible for re-election for a second term. Resident Board members may serve only one term or a maximum of four years on the Board before they must rotate off the Board for a period of at least one year. After being off the Board for a period of at least one year, a resident who has previously served on the Board is eligible for re-election to one additional four-year term. Directors serve four-year staggered terms and may be reappointed for up to three consecutive terms. Officers of the Board (Chair, Vice Chair, Treasurer, and Secretary) are elected by the Board from among its members.

4.1.2 Oversight of Management and Operations

The Board delegates day-to-day operations of Salemtowne to the President/CEO and senior management employed by Salemtowne. The Board maintains oversight through:

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

4.1.3 Committees

Salemtowne Board maintains standing committees for:

Executive: Facilitates timely decision-making between meetings of the full Board

Finance: budget review, financial performance monitoring

Governance: nominations and elections of board members

4.2 Controlling Person Governing Body

Moravian Home, Inc dba Salemtowne is the sole corporate member and controlling person of Moravian Home, Inc.

5. Related Parties

Salemtowne does not have any related party relationships or transactions.

6. Relationships with Religious, Charitable, or Other Organizations

Salemtowne is a charitable, non-profit corporation affiliated with the Moravian Church in America, Southern Province. Salemtowne is governed by a volunteer Board of Trustees whose members are approved by the Provincial Elder's Conference, by the Synod of the Moravian Church, Southern Province, and by the Board of Trustees of Salemtowne. The Southern Province is not responsible for the financial and contractual obligations of Salemtowne.

7. Other Persons Responsible for Obligations

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

8. Obligated Groups

Moravian Home, Inc dba Salemtowne is the sole member of the obligated group created under the terms of bond indenture 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.

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.

9. Debt Covenants and Compliance

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

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

10. Third-Party Management Arrangements

Salemtowne does not employ an unrelated third-party manager to operate Salemtowne Continuing Care Retirement Community. Day-to-day operations are carried out by the President & CEO and senior management employed by Salemtowne.

11. Real Property Leases

Salemtowne does not lease any of the real property that makes up Salemtowne Continuing Care Retirement Community.

12. Endowment Funds

Salemtowne's endowments consist of individual funds established for a variety of purposes including support for residents in financial need, personnel recruiting, and other general obligations. The endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Availability of distributions is not guaranteed and remains subject to the discretion of the Foundation's board of directors.

13. Description and Location of the Community

Moravian Home, Incorporated d/b/a Salemtowne (referenced herein as "Salemtowne", is a private, continuing care retirement community on a 120+ acre site, which offers its Residents use of independent accommodations and care in our on-site Assisted Living Center and the Skilled Nursing Center and Memory Support Center within the Health Care Center.

The community is located at 1000 Salemtowne Drive, Winston-Salem, North Carolina, (adjacent to Bethabara Park Boulevard) and has operated at this site since 1972.

Salemtowne has received licensure from the North Carolina Department of Insurance to operate a continuing care services without lodging program pursuant to Chapter 64 Article 58 Paragraph 7. This program is referred to as "Navigation at Home". (See Navigation at Home section for details of the program.)

Salemtowne is a charitable, non-profit corporation affiliated with the Moravian Church in America, Southern Province, and is governed by a volunteer Board of Trustees. The

Corporation is a 501(c)(3) tax-exempt organization to which charitable contributions may be made. Our federal tax identification number is 56-0963926.

Neither the Board of Trustees nor the Moravian Church in America, Southern Province is responsible for the financial or contractual obligations of Salemtowne.

Salemtowne, founded on the Moravian essential, “in all things – love,” welcomes all people and embraces each individual’s uniqueness. Our mission is to be a welcoming community where senior adults flourish.

Salemtowne is a member of Leading Age; the North Carolina Association – Leading Age North Carolina; and North Carolina Health Care Facilities Association (NCHCFA).

The Community provides housing and services, including health care, to individuals of retirement age and currently consists of:

- 221 Independent Living Accommodations
- 46 Assisted Living (Adult Care Home) and 20 Memory Support Accommodations
- 100 Health Care Center Living Accommodations (All are Medicare certified, of which 20 are also Medicaid certified.)
- Common areas for residents to enjoy such as various meeting rooms, library, art studio, etc.
- Fitness Center which includes land and equipment exercise areas, an indoor aquatic pool and whirlpool
- Walking trails
- Over 25 acres of environmentally protected property
- Four-acre lake
- Art Galleries
- Complimentary Wi-Fi
- Emergency Response System for the entire 125-acre campus

The community also includes reception areas, dining rooms, private dining rooms, bistro, lounges, multi-purpose rooms, convenience/gift shops, beauty/barber shops, creative arts areas, woodworking shop, library, game rooms, as well as housing support services including kitchens, maintenance, laundry and housekeeping.

14. Living Units by Level of Care

As of March 31, 2026, Moravian Home Inc dba Salemtowne included:

- 221 independent living units

- 46 assisted living units
- 20 memory support units
- 100 skilled nursing beds

15. Continuing Care at Home Program

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

15.1 Program Description

Navigation at Home is a proactive solution for adults 62+ who understand the importance of having a plan in place to meet future care needs. Our membership-based program provides a choice of membership plan types for a one-time membership fee, and an on-going monthly fee for services, which includes care coordination, home health and supportive services, access to community-based wellness programs, and access to Salemtowne assisted living and healthcare center if a higher level of care is needed in the future. See also Section 19.3 — Services Provided Under the Contract.

15.2 Geographic Areas Served

The Navigation at Home program is currently available to residents of Forsyth, Davie, Guilford, Davidson, Rockingham, Stokes, Surry, Wikes, Yadkin, and Iredell in North Carolina.

15.3 Enrollment

As of March 31, 2026, Navigation at Home had 179 enrolled participants.

15.4 Staffing and Resources

The program is staffed by a full-time Executive Director and a dedicated care coordination team that includes a full-time registered nurse, a licensed social worker, and administrative support staff. Salemtowne provides additional administrative oversight, along with a Medical Director specializing in geriatric medicine. Participants also have access to a contracted network of home health and therapy professionals, including services provided by Salemtowne.

16. Resident Population Served

As of March 31, 2026, the resident population served by Salemtowne Continuing Care Retirement Community under continuing care contracts was as follows:

- 300 residents in independent living
- 33 residents in assisted living
- 19 residents in memory support
- 91 residents in skilled nursing

In addition, 179 participants were enrolled in the Navigation at Home Continuing Care at Home program as of March 31, 2026.

As of March 31, 2026, the community maintained a waitlist for admission to independent living consisting of 492 households. Individuals on the waitlist are prospective applicants and are not residents of the community unless and until they have executed a continuing care contract and commenced residency.

To be placed on the independent living waitlist, prospective applicants are required to submit a $1,000 per person waitlist deposit. The waitlist deposit is fully refundable and is not considered an entrance fee. If the applicant later enters into a continuing care contract, the waitlist deposit is applied toward the required entrance fee at that time.

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

17. Occupancy Rates

The 12-month daily average occupancy rates for Salemtowne 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 (%)	Memory Support (%)	Skilled Nursing (%)
3/31/2026	97.4%	93.7%	95.0%	92.0%
3/31/2025	97.7%	93.3%	99.9%	91.7%
3/31/2024	97.1%	97.3%	97.3%	87.4%
3/31/2023	97.6%	94.8%	95.7%	90.1%
3/31/2022	95.4%	95.4%	97.9%	84.0%

18. Semiannual Resident Meetings

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

Fiscal Year 2026 Resident Meeting Dates

- March 26, 2026
  - Attended by Board Members: Marty Edwards, Earl Wall, Corlis Sellers, Larry Colbourn, Michelle Cook, Chris Thore, Rose Simon, Russ Armistead, Kevin Owen
- April 20, 2026
  - Attended by Board Members: Marty Edwards, Rose Simon, Dave Jones
- June 25, 2026
  - Attended by Board Members: Rose Simon, Dave Jones
- July 20, 2026
  - Attended by Board Members: Marty Edwards, Rose Simon, Dave Jones

As required by law, a minimum of one independent member of the provider's board of trustees was present at all meetings.

19. Resident Property Rights

Residents do not hold ownership or property rights in the real estate of Salemtowne. Residency and access to services are governed solely by the continuing care contract.

20. Services Provided Under the Contract

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

20.1 Health Care Services

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

20.2 Continuing Care Retirement Community (CCRC) Contracts

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

20.2.1 Services Included in Monthly Fees

- Flexible dining plan - independent living residents' monthly service fees include flexible dining allowances (three daily meals in assisted living and skilled nursing)
- Weekly housekeeping
- Laundry facilities for use for resident personal laundry
- Maintenance services – interior and exterior
- Limited local transportation for medical appointments and weekly shopping
- Basic utilities, including electricity, water, heating, air conditioning, and basic cable and Wi-fi Internet services
- Trash and recycling
- Landscaping and lawn care
- Use of community amenities (fitness center, library, art studio, woodworking shop, auditorium, community garden, hiking trails)
- Social, intellectual, physical, and spiritual programming
- 24-hour medical emergency call system, security and fire protection
- Limited additional storage space for some independent living apartments
- Pastoral care
- Nutritional consultation

20.2.2 Services Available at Additional Charge

- On-site Physician Services
- On-site Laboratory Services
- On-site X-ray Services
- On-site Podiatric Care
- On-site Dermatological care
- On-site Rehabilitative Therapy – physical, occupational, and speech
- Rehabilitative treatments
- On-site Therapeutic activities
- On-site Dental Care
- Behavioral Health (medication management and counseling services)

- Pharmacy Services
- Additional dining services in excess of dining plan selected
- Catering and guest meals
- Salon services
- Private duty nurses and personal aides through Salemtowne Home Care
- Wheelchairs, walkers, and other medical equipment and supplies
- Massage Therapy
- Certain cultural and sightseeing trips
- Special transportation for individual or group trips
- Telephone and expanded cable television packages
- Alterations to living accommodation, if approved by the Corporation
- Groundskeeping, personally requested services, if approved by the Corporation

20.3 Continuing Care at Home (CCaH) Contracts

Participants in the Navigation by Salemtowne program receive services based on the plan selected, as outlined in the Member Services Agreement and subject to applicable fees, costs, expenses, and other terms. These services are provided while participants remain in their own homes, with additional services available for an extra charge.

20.3.1 Services Included in Monthly Fees

- Care coordination of services provided
- Initial and Annual Health assessments
- Initial Home Safety assessment and every other year after as requested by a Therapy Professional
- Emergency response system when determined appropriate
- Access to Wellness programming at Salemtowne
- Participation in social and recreational activities at Salemtowne
- Home Site Services:
    - In-home personal care assistance (bathing, grooming, dressing, etc.)
    - Homemaker services
    - Companion services
- Medically necessary transportation for medical procedures within a 25-mile radius
- Adult Day Care services

- Priority access to Independent Living, Assisted Living, Rehab, or Skilled Nursing at Salemtowne when appropriate
- Referral services

20.3.2 Services Available at Additional Charge

- Expanded transportation outside the 25-mile radius
- Access to Dining at Salemtowne
- Home Concierge services provided by Dorie

20.4 Delivery of Services

Core residential, assisted living, and skilled nursing services are provided directly by Salemtowne. Certain therapies (physical, occupational, and speech) are furnished under contract with independent third parties. Some home health and nursing services are delivered by Salemtowne, and some are furnished under contract between the resident and independent third parties.

21. Resident Fees

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

21.1 CCRC Contracts

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

Table 0.1: Current Monthly Fees (CCRC Contracts)

Unit Type	Single Occupant	Double Occupant
Independent Living – Apartment	$2,924-4,665	$4,140-5,881
Independent Living - Villa	$4,532-5,376	$5,504-6,348
Independent Living – Cottage	$3,946-6,142	$4,897-7,093
Assisted Living	$7,408-9,828	$14,816-19,656
Memory Care	$12,062	N/A

Unit Type	Single Occupant	Double Occupant
Skilled Nursing	$519/day	N/A

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

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

Fiscal Year-End	Average % Increase	Average $ Increase	Frequency
3/31/2026	4.0%	$162	Annual
3/31/2025	4.0%	$170	Annual
3/31/2024	4.0%	$158	Annual
3/31/2023	8.5%	$311	Annual
3/31/2022	4.9%	$171	Annual

Table 21.3: Current Entrance Fees (CCRC Contracts)

Unit Type	Entrance Fee (Single)	Entrance Fee (Double)
Independent Living – Apartment	$93,800-301,400	$113,800-321,400
Independent Living - Villa	$255,500-633,400	$305,500-653,400
Independent Living - Cottage	$239,400-675,100	$259,400-695,100

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

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

Fiscal Year-End	Average % Increase	Average $ Increase	Frequency
3/31/2026	3.0%	$8,000	Annual
3/31/2025	4.1%	$10,500	Annual
3/31/2024	6.3%	$15,000	Annual

Fiscal Year-End	Average % Increase	Average $ Increase	Frequency
3/31/2023	4.8%	$11,100	Annual
3/31/2022	3.1%	$6,900	Annual

21.2 CCaH Contracts

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

Table 21.5: Current Monthly Fees (CCaH Contracts)

CCaH Plan	Monthly Fee (Single)	Monthly Fee (Double)
Silver	$623	$1,184
Gold	$708	$1,344
Platinum	$818	$1,554
Care Coordination	$325	N/A

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

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

Fiscal Year-End	Average % Increase	Average $ Increase	Frequency
3/31/2026	5.0%	$33	Annual
3/31/2025	5.0%	$31	Annual
3/31/2024	5.4 % - 6.4%	$33	Annual
3/31/2023	4.9%	$26	Annual
3/31/2022	4.9%	$26	Annual

Table 21.7: Current Entrance Fees (CCaH Contracts)

CCaH Plan	Entrance Fee (Single)*	Entrance Fee (Double)
Silver	$27,500 - $53,700	$52,250 – $102,030
Gold	$36,800 - $78,200	$69,920 – $148,580
Platinum	$42,300 - $89,000	$80,370 – $169,100
Care Coordination	$8,750	N/A

*The above pricing is effective for ages 62 to 78, additional pricing is available for ages outside of this range

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

Fiscal Year-End	Average % Increase	Average $ Increase	Frequency
3/31/2026	5.0%	$2,616	Annual
3/31/2025	5.7%	$3,027	Annual
3/31/2024	5.0%	$2,244	Annual
3/31/2023	5.0%	$4,240	Annual
3/31/2022	3.0%	$1,217	Annual

21.3 Household Composition Changes

If a Resident, while occupying a Living Accommodation, wishes to share a Living Accommodation with a person who is also a Resident, the two Residents may, with the prior written consent of the Corporation, occupy the Living Accommodation of either Resident and shall surrender the Living Accommodation not to be occupied by them. No refund will be payable with respect to the Living Accommodation surrendered. Such Residents will pay the Monthly/Daily Fee for double occupancy associated with the Living Accommodation occupied by them.

In the event that a Resident wishes to share a Living Accommodation with a person who is not a resident (“Non- Resident”), the Non-Resident may become a Resident if such individual meets all of the then current requirements for entry to Salemtowne, enters into a then current version of the Residence and Services Agreement with the Corporation and pays an Entrance Fee in an amount determined by the Corporation in its sole discretion. The existing Resident and new Resident shall pay the Monthly/Daily Fees for double occupancy associated with the Living Accommodation occupied by them.

If the Non-Resident shall not meet the requirements of Salemtowne for entry as a Resident, the existing Resident may terminate the Residence and Services Agreement in the same manner as provided in the Residence and Services Agreement with respect to a voluntary termination.

21.4 Transfer Fees and Resale Fees

If a Resident transfers to another Living Accommodation, he or she is responsible for paying any difference in the Entrance Fee, if the amount of the Entrance Fee of the new Living Accommodation is greater than the Entrance Fee for the previous Living Accommodation to be vacated. If the Entrance Fee for the new Living Accommodation is less than the Entrance Fee for the previous Living Accommodation to be vacated, no refund will be paid for the difference. Residents who transfer to another Living Accommodation will be responsible for any transfer fees that may be set by the Corporation and the Monthly/Daily fees in effect at the time for the new Living Accommodation.

22. Refundable Entrance Fee Obligations

22.1 Conditions for Refunds

The Resident, the Resident's estate or a revocable trust may be entitled to a refund of a portion of the Entrance Fee paid, when the Resident moves out of the community, as described in the Residence and Services Agreement (Appendix D of this Disclosure Statement). Any refund provided is conditioned on all of the Resident's obligations in the Residences and Services Agreement having been met by the Resident, the Resident's Power of Attorney, the Resident's estate, or a revocable trust. The cost to repair damages to the Living Accommodation and storage areas in excess of normal wear and tear will be deducted from the applicable refund. Any refund due to the Resident will be made within thirty (30) days of the date the Resident's Living Accommodation shall have been reserved by a prospective Resident and such prospective Resident shall have paid their full Entrance Fee.

22.2 Refund Obligations as of March 31, 2026

Category	Number of Contracts	Aggregate Amount
Refunds for which all contractual conditions have been satisfied but payment is not yet due under the contract	0	$0
Refunds currently due (including amounts 30+ days past due)	0	$0

Category	Number of Contracts	Aggregate Amount
Refunds due to residents who have vacated their independent living unit and now reside in non-independent living unit – unit not resold	0	$0
Refunds due to residents who have vacated their independent living unit, now reside in non-independent living unit – unit resold	0	$0
Continuing Care At Home Contracts – for which all contractual conditions have been satisfied but payment is not yet due under the contract	1	$34,254

One refund was contractually due but not past due at year-end. Obligations will be satisfied in accordance with contract terms as independent living units are resold and replacement entrance fees are received or as Navigation contracts terminate; however, the timing of refund payments depends on the pace of independent living unit turnover and resale activity.

23. Financial Hardship Policies

23.1 Policies for Residents Unable to Pay

The Corporation declares its policy that the Residence and Services Agreement will not be terminated solely because of a Resident's financial inability to continue to pay the Monthly/Daily Fees or other charges payable to Salemtowne by reason of circumstances beyond the Resident's control, provided, however, this declaration shall not be construed as qualifying the right of the Corporation to terminate the Residence and Services Agreement in accordance with the terms thereof.

In the event that a Resident presents facts which in the opinion of the Corporation justify special financial consideration, the Corporation will give careful consideration to subsidizing in whole or in part the Monthly/Daily Fees and other Salemtowne fees payable by the Resident so long as such subsidy can be made without impairing the ability of the Corporation to attain its objectives while operating on a sound financial basis.

In the event that the Corporation may subsidize in whole or in part the Monthly/Daily Fees and other fees payable by the Resident, the Resident will be required to execute a Financial Assistance Agreement with the Corporation.

In the event that Salemtowne continues to provide the services to a Resident under the terms of the Residence and Services Agreement despite their financial inability to continue to pay the Monthly/Daily Fee or other Salemtowne fees payable under the terms of the Residence and Services Agreement, Salemtowne shall be entitled to require the Resident to move to a smaller or less costly Living Accommodation.

Any determination by the Corporation with regard to the granting of financial assistance shall be within the sole discretion of the Corporation.

Financial Assistance Funds. The Corporation has established funds, which will be used to assist Residents who would otherwise not be able to live at Salemtowne.

23.2 Conditions or Limitations

Eligibility for benevolent care is determined through a confidential financial review conducted by Salemtowne.

Assistance is subject to the availability of Foundation funds and is not guaranteed.

23.3 Narrative

In 2026, Salemtowne distributed $1.79M in benevolent care support to Salemtowne Continuing Care Retirement Community residents. As of March 31, 2026, Salemtowne maintained net assets of $1.6 million designated for benevolent care, subject to donor restrictions and the discretion of the Salemtowne board.

24. Contract Cancellation and Refund Policies

24.1 Provider-Initiated Cancellation

Salemtowne may terminate the Resident and Services Agreement at any time if there has been a material misrepresentation or omission made by a Resident during the application process; if the Resident fails to make payment to the Corporation of any fees or charges due the Corporation within thirty (30) days after receiving written notice of their failure to pay such fees or charges; if Residents do not abide by the rules and regulations adopted by the Corporation or breach any of the terms and conditions of the Agreement; if the health or safety of other individuals in the Corporation is endangered if a Resident remains in Salemtowne, as determined by a physician, physician assistant or nurse practitioner; or the discharge is necessary for a Resident's welfare and the Resident's needs cannot be met by the Corporation as documented by the Resident's physician, physician assistant or nurse practitioner; if Resident refuses to relocate as may be required by the Corporation in accordance with the Residence and Services Agreement; or Resident engages in activities or conduct disruptive to the Community; or Resident is listed on the sex offenders registry.

Residents will be responsible for paying the Monthly/Daily Fee for the applicable Living Accommodation for the full notice period and for each day of occupancy. Any refund of the Entrance Fee due to the Resident following voluntary termination of the Agreement by the Corporation will be made in accordance with refund policies. Except in cases of emergency, Residents will receive a notice of the termination by the Corporation at least thirty (30) days prior to the effective date of termination. Residents may be entitled to appeal the Corporation's decision to terminate this Agreement and, except in cases of emergency, the Corporation will not discharge a Resident before the final decision resulting from the appeal has been rendered.

24.2 Resident-Initiated Cancellation

At any time, a Resident may terminate the Residence and Services Agreement by giving the Corporation adequate notice**:**

Before occupancy or commencement of services:

The Residence and Services Agreement may be terminated by a Resident at any time prior to taking occupancy at Salemtowne for any reason by giving written notice to the Corporation. The Residence and Services Agreement will automatically be canceled due to death or physical or mental conditions that would make the Resident ineligible for entry to Salemtowne.

In the event of such termination (including death, illness, injury, or incapacity), a Resident shall receive a refund of the Entrance Fee paid, less a non-refundable fee equal to 4% of the total amount of the Entrance Fee, and less amounts paid or due to be paid for non-standard features added to the Living Accommodation. Any such refund shall be paid by the Corporation within sixty (60) days following termination pursuant to this paragraph.

After occupancy or commencement of services:

- fourteen (14) days prior written notice of such termination for Independent Living Accommodations,
- fourteen (14) days prior written notice of such termination for either Assisted Living Center accommodations, **or**
- five (5) days prior written notice of such termination for Health Care Center accommodations.

If a Resident does not provide adequate notice, or if no written notice is given, the Resident will be responsible for paying the Monthly/Daily Fee for the applicable Living Accommodation for the full notice period.

A Resident may be deemed to have abandoned the Living Accommodation and terminated the Residence and Services Agreement if they do not occupy a residence at Salemtowne for a period of one continuous year. Occupancy is defined as the last day that a Resident either resides in the Living Accommodation or the last day that the Resident's furnishings or belongings occupy the Living Accommodation or a storage area at Salemtowne.

If such termination shall occur within forty-eight (48) months after the date of occupancy, the Resident will receive a partial refund of the Entrance Fee paid in accordance with the Residence and Services Agreement's Refund section for Voluntary Terminations.

24.3 Refunds Upon Cancellation

Standard Entrance Fee Refund. This Entrance Fee refund, if applicable, shall be equal to the Entrance Fee less a non-refundable fee of four percent (4%) of the Entrance Fee; the remaining balance is subject to amortization of two percent (2%) for each month of occupancy, as defined herein, for up to forty-eight (48) months. In calculating amortization for purposes of this section, a period of more than fifteen (15) days will be considered as a full month; fifteen (15) days or less will be disregarded for purposes of this calculation. No refund of the Entrance Fee shall be paid after forty-eight (48) months of occupancy.

In the event of termination of the Residence and Services Agreement after occupancy, Salemtowne will offset against any Entrance Fee refund due the Resident for the following:

(1) The amount of any Monthly/Daily Fees or other amounts payable to us, which remain outstanding, and

(2) Any costs incurred to restore the Living Accommodation to good condition, normal wear and tear excepted.

(3) Costs of storage or disposal of any personal belongings left in the Living Accommodation.

Entrance Fees are not subject to refund at the time of transfer to the Assisted Living Center, Westerly Place, or the Health Care Center. Entrance Fees are not subject to refund if there is dual occupancy, and one resident dies or moves out of the community.

Entrance Fees are subject to refund except as noted above only in the following situations:

- Termination prior to occupancy
- Voluntary termination
- Termination upon death
- Termination by the Corporation

24.4 Refunds Upon Death

Before occupancy or commencement of services
If a resident dies before moving into the community, Salemtowne reserves the right to withhold an administrative charge of four percent (4%) of the total Entrance Fee plus 100% of the costs of any upgrades and/or customized additions/options (“Non-Standard Features”) that were selected.
After occupancy or commencement of services
Refunds are made according to the standard refundable entrance fee provisions described in Section 22, including resale and replacement entrance fee conditions. Prepaid monthly fees are prorated to the date of death and refunded.

CCaH Contracts (Continuing Care at Home)

Refunds are made according to the standard refundable membership fee provisions described in the Member Service Agreement in Appendix D. Care Coordination Only Plan membership fee is non-refundable. Prepaid monthly fees are prorated to the date of death and refunded.

25. Re-occupancy of Units

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

25.1 Resident-Initiated Vacating

Voluntary termination: When a resident cancels their continuing care contract and permanently vacates the living unit.

Transfer to a higher level of care: When a resident moves from independent living to assisted living or skilled nursing, and the contract permits the original living unit to be reassigned.

25.2 Provider-Initiated Vacating

Contract termination by provider: When a contract is terminated by the provider under the circumstances described in Section 23 – 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

Temporary absences because of illness, trips or other will not affect a Resident's rights to retain occupancy of the Living Accommodation, as long as applicable Monthly/Daily Fees are paid.

25.4 Refunds

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

26. Resident Relocation

<u>Transfer to Health Care Center, Memory Care Assisted Living, or the Assisted Living Center.</u> Residents agree that the Corporation shall have authority to determine that the Resident should be transferred from their Living Accommodation to the Skilled Nursing Center, Westerly Place, or the Assisted Living Center or a separate area within either center. Such determinations shall be made solely by Salemtowne and based on the professional opinion of the Resident's physician and the Resident Review Committee. This determination, when possible, shall be made after consultation with the Resident, the Resident's physician, a representative of the Resident's family, or the Resident's responsible party. Residents agree to surrender storage areas when a permanent transfer is made to the Skilled Nursing Center, Westerly Place, or to the Assisted Living Center.

In the event that a Resident is permanently transferred to the Assisted Living Center, Westerly Place, or the Health Care Center, the Entrance Fee will not be subject to refund.

Transfer to Hospital or Other Facility. If it is determined by a Resident's physician that a resident needs care beyond that which can be provided by Salemtowne, the Resident may be transferred to a hospital, center or institution equipped to give such care, which care will be at the Resident's expense. Such transfer will be made only after consultation to the extent practical with the Resident, the Resident's physician, a representative of the Resident's family or the Resident's responsible party.

Surrender of Living Accommodation. If a determination is made by the Corporation that a transfer is permanent in nature, the Resident agrees to surrender the Living Accommodation and any storage areas, which were occupied prior to such transfer, within 30 days of the determination.

If the Corporation subsequently determines, based upon the opinion of a Resident's physician, that a Resident can resume occupancy in accommodations comparable to those occupied prior to such transfer, the Resident shall have priority to such accommodations as soon as they become available. The Resident will be responsible for applicable fees as determined by the Corporation.

26.1 Financial Obligations

Residents are responsible for the costs of transfer and moving as well as the Monthly/Daily Fee through the last day of occupancy of the Living Accommodation being vacated. Occupancy is defined as the last day that a Resident either resides in the Living Accommodation or the last day that the Resident's furnishings or belongings occupy the Living Accommodation or a storage area at Salemtowne.

27. Admission and Continuation Standards

27.1 Admission Requirements

Applicants will qualify for entry to Salemtowne upon satisfaction of the following provisions:

27.1.1 CCRC Contracts (Campus-Based)

Financial Standards: Applicants must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations under the Residence and Services Agreement and to meet their ordinary living expenses. Salemtowne may require current financial information at any time prior to and subsequent to occupancy.

Financial Resources. The Resident or the Resident's current and future responsible parties (i.e. power(s) of attorney, executor(s)) 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 Salemtowne. 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, or if such gift or transfer would render the Resident unable to meet such obligations under this Agreement. Gifts or transfers of assets in this manner, which result in the Resident's inability to meet their financial obligations in accordance with this Agreement, will entitle Salemtowne to terminate this Agreement, and the Resident or the Resident's responsible parties, as applicable, will be liable for any unpaid amounts.

Health Standards: Prior to residency at Salemtowne, Applicants shall submit medical records and reports as requested by the Corporation. We may require Applicants to have a physical examination by our Medical Director or by another physician approved by the Corporation. Applicants shall be responsible for the costs of such physical examinations. If Applicant's health as disclosed by such physical examination differs materially from that disclosed in the Application for Entry and Personal Health History, the Corporation shall have the right to decline entry and to terminate this Agreement, or in the discretion of the Corporation, to permit Applicants to take occupancy of accommodations at Salemtowne suitable to their needs.

27.1.2 CCaH Contracts (Continuing Care at Home)

Financial Standards: Applicants must demonstrate sufficient resources to cover the entrance fee and ongoing monthly fees under the CCaH contract.

Health Standards: Applicants must be able to live safely in their home environment at the time of entry, with or without reasonable accommodations. An in-home safety assessment and a health evaluation by the Care Coordination Manager is required. A Review of 4 years of medical records by our Medical Director is also required. Applicants requiring immediate assisted living or skilled nursing are not eligible for the Navigation at Home program.

27.2 Continuation Requirements

CCRC Contracts: Once admitted, residents may remain at the community regardless of changes in health or financial status, subject to the hardship policies described in Section 22 – Financial Hardship Policies. Residents may be required to relocate to a higher level of care (see Section 25 – Resident Relocation) if their health needs can no longer be met safely in their current living unit.

CCaH Contracts: Participants may continue in the program regardless of changes in health or financial status, provided they continue to reside in the designated service area and comply with the terms of the contract. Services may be adjusted based on changing care needs, subject to the limitations of the Navigation at Home program.

27.3 Changes in Condition Before Occupancy or Commencement of Services

CCRC Contracts: If a resident's health materially declines between signing a contract and the date of initial occupancy, the provider may re-evaluate eligibility for independent living and may require admission to a higher level of care, if available. If no suitable accommodation is available or if the applicant no longer meets entry requirements, the contract may be canceled and entrance fees refunded in accordance with Section 23 – Contract Cancellation and Refund Policies. If a material change in financial condition occurs before occupancy (such as loss of income or assets needed to pay monthly fees), the provider will re-evaluate eligibility. If standards are no longer met, the contract may be canceled and entrance fees refunded.

CCaH Contracts: If a participant experiences a material decline in health before commencement of services such that they require immediate assisted living or skilled nursing, they are not eligible to begin in the Navigation at Home program. In such cases, the contract may be canceled and entrance fees refunded in accordance with Section 23 – Contract Cancellation and Refund Policies. If a material change in financial condition occurs before services begin, Navigation at Home will re-evaluate eligibility and may cancel the contract if standards are not met, with entrance fees refunded.

28. Age and Insurance Requirements

28.1 Age Requirements

The entry requirements for residence at Salemtowne are nondiscriminatory except as to age. Entry to independent living is restricted to persons 62 years of age or older, except in the case of double occupancy, at least one of the persons must be 62 years of age or older. Entry in the Assisted Living Center, Westerly Place, and the Health Care Center is restricted to persons 62 years of age or older except for residents who enter into the Skilled Nursing Center for short-term rehabilitation which is restricted to persons 55 years or older.

For Continuing Care at Home (CCaH) contracts, the minimum age for acceptance is also 62 years.

28.2 Insurance Requirements

Applicants for both CCRC and CCaH contracts must:

Residents will maintain eligible Medicare coverage and one supplemental health insurance policy or equivalent insurance coverage, which adequately covers hospital, medical, prescription, and skilled nursing deductibles and co-payments required of the primary insurance plan. Both the primary and supplemental health insurance policies must recognize Salemtowne as a health care provider or Residents will assume the financial responsibility for services provided that otherwise could be covered.

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

29. Reserve Funding and Refund Security

29.1 Cash and Investments

As of March 31, 2026, Salemtowne held $25,000,000 in unrestricted cash and investments.

At year-end, unrestricted cash and investments supported a Days Cash on Hand of 247 days, representing approximately eight months of projected operating expenses without new revenues.

29.2 Investment Management and Oversight

Oversight Body: Finance Committee of the Board of Directors of Salemtowne

Day-to-Day Management: Investment Manager/Chief Financial Officer (CFO)

Experience: Finance Committee members average 15+ years of financial oversight and investment policy.

Policy and Controls: Investments are managed under a Board-approved policy emphasizing liquidity and capital preservation. Permitted holdings include cash, cash equivalents, U.S. Treasury/agency securities, investment-grade bonds, and broadly diversified public funds/ETFs. The Investment Manager 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 March 31, 2026, Salemtowne's 12-month rolling average independent living unit occupancy was 96%. Based on this level of occupancy, the required statutory operating reserve was 25% of projected operating costs for the next 12 months.

Because Salemtowne 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 March 31, 2026)

Component	Amount
Total projected operating expenses	$41,980,950
Add: Debt service (principal)	$1,765,000
Less: Principal and interest (covered by Debt Service Reserve Fund)	($6,116,579)

Component	Amount
Less: Depreciation and amortization	($5,728,866)
Net projected operating costs	**$31,900,505**
Applicable reserve percentage based on occupancy	25%
Required operating reserve	**$7,975,126**
Unrestricted cash & investments on hand	$25,031,241
Excess above required reserve	**$17,056,115**

Summary: The required statutory operating reserve was $7.9 million. Salemtowne held $25.0 million in unrestricted cash and investments, providing an excess cushion of $17 million above the statutory minimum.

29.4 Refund Security (Entrance Fee Refunds)

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

- $17,056,115 of unrestricted liquidity above the statutory operating reserve.

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

Salemtowne is not required by statute to escrow entrance fees and none are maintained in escrow.

Table 29.2: Unrestricted Cash and Investment Summary as of March 31, 2026

Category	Amount	Notes
Total unrestricted cash & investments	$25,031,241	All liquid balances (cash and investments)
Less: Required operating reserve	($7,975,126)	Must be maintained; release requires regulatory approval
Excess unrestricted cash and investments above operating reserve	**$17,056,115**	Available for operations and refund needs

30. Expansion and Renovation Plans

As of March 31, 2025, Salemtowne does not have any major expansion or renovation plans.

31. Audit Opinion and Timeliness

The consolidated financial statements of Moravian Home, Incorporated d/b/a Salemtowne, for the fiscal year ended March 31, 2026, were audited by Forvis Mazars (Atlanta, GA).

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

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

32. Audited Financial Statements

The audited consolidated financial statements of Moravian Home, Incorporated d/b/a Salemtowne, for the fiscal year ended March 31, 2026, are attached hereto as Appendix A and form an integral part of this Disclosure Statement. These statements include the balance sheet, statement of operations, statement of cash flows, and accompanying notes, and have been prepared in accordance with generally accepted accounting principles (GAAP).

33. Five-Year Prospective Financial Statements

The five-year prospective financial statements of Moravian Home, Incorporated d/b/a Salemtowne, for the period 2027 through 2031 are attached hereto as Appendix B. These statements were prepared and compiled by Forvis Mazer, and include a summary of significant assumptions and accounting policies.

34. Variances from Prospective Financial Statements

For the fiscal year ended March 31, 2026, management reviewed the results of operations for Salemtowne 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 3/31/26

Category	Projected Amount	Actual Amount	Variance	Explanation
Independent Living Occupancy	95.9%	97.3%	+1.4%	Strong refill of units upon vacancy and maintaining active and engaged wait list
Entrance Fee Receipts	$4.6 million	$7.5 million	+$2.9 million	Higher receipts due to higher unit turnover.
Total Revenue	$41.1 million	$41.7 million	+$0 .6 million	Increased revenue from Navigation at Home
Total Expenses	$41.9 million	$42.5 million	-$0.6 million	Increased repair costs and higher cost of nursing staffing

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	3/31/24	3/31/25	3/31/26	*3/31/27*	*3/31/28*	*3/31/29*
DCOH	236	202	247	*256*	*275*	*301*
CUSH	4.29x	2.66x	4.92x	*5.03x*	*5.56x*	*6.27x*

Narrative – Provider Only:

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

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

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	3/31/24	3/31/25	3/31/26	*3/31/27*	*3/31/28*	*3/31/29*
OR	101.9%	106.0%	101.7%	*101.4%*	*100.8%*	*99.4%*
NOM	9.0%	3.9%	7.1%	*8.0%*	*7.9%*	*8.4%*
NOM-A	21.7%	15.8%	22.5%	*21.1%*	*21.6%*	*22.8%*

Narrative – Provider Only:

Margins strengthened in FY 2026 as occupancy improved and expense controls took hold.

Management projects continued modest improvement through FY 2029 as operating efficiencies and entrance-fee inflows support profitability.

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	3/31/24	3/31/25	3/31/26	*3/31/27*	*3/31/28*	*3/31/29*
DSCR	1.66x	1.46x	1.96x	1.86x	1.90x	2.07x
CD	.32x	.30x	.38x	.40x	.45x	.51x
CED	.31x	.45x	.44x	.48x	.59x	.63x

Narrative – Provider Only:

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

Capital-expenditure ratios remain below 1.0×, indicating opportunity for additional reinvestment in campus infrastructure.

35.4 Overall Summary

The provider demonstrates sound liquidity, improving profitability, and conservative leverage. Provider-level liquidity dipped during recent reinvestment cycles but remains comfortably above the required statutory operating reserve level. Ratios confirm that Salemtowne operates within a financially resilient group that provides additional stability and access to shared reserves. Projected performance indicates stable or modestly improving results through FY 2029, with sufficient capacity to fund operations, service debt, and support modest ongoing capital renewal.

36. Actuarial Opinion and Balance

The opinion of a qualified independent actuary is attached hereto as Appendix C. The actuarial report evaluates Salemtowne's current and projected financial position and determines whether Salemtowne is in satisfactory actuarial balance.

The actuary reviewed Salemtowne's financial statements, contract terms and demographics for the year ending March 31,2025 using standard actuarial methods and assumptions and concluded that Salemtowne is in satisfactory actuarial balance as of March 31, 2025. Key assumptions included mortality, morbidity, resident entrance and withdrawal rates, fee increase patterns, and long-term investment return.

Salemtowne plans to have the actuarial study updated again at March 31, 2028, in accordance with the requirements of the NCDOI.

37. Most Recent Department Examination Report

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

38. Other Material Information

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

Salemtowne offers both continuing care contracts and continuing care at home contracts. Representative forms of each are attached hereto as Appendix D.

39.1 Continuing Care Contracts

Salemtowne offers two forms of continuing care contracts, which differ primarily in their entrance fee refund provisions:

Declining Balance Contract (Type B) - Under this contract, residents receive a 20% discount off higher level care services. The entrance fee decreases monthly and amortizes to 0% after a four-year period, net of a 4% admin fee. Once the amortization period has elapsed, no refund is payable upon termination or death of the resident.

Fee for Service Contract (Type C) - Under this contract, residents pay a lower entrance fee, and pay market rate for higher level care services. The entrance fee decreases monthly and amortizes to 0% after a four-year period, net of a 4% admin fee. Once the amortization period has elapsed, no refund is payable upon termination or death of the resident.

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

39.2 Continuing Care at Home (CCaH) Contracts

Navigation by Salemtowne offers four forms of CCaH contracts, which differ primarily in the scope of in-home and health care services provided:

Silver Contract – Includes personal care and homemaker services, Assisted Living, and Skilled Nursing with cost coverage at 50% of the maximum Daily Benefit.

Gold Contract – Includes personal care and homemaker services, Assisted Living, and Skilled Nursing with cost coverage at 75% of the maximum Daily Benefit.

Platinum Contract – Provides the broadest coverage, including a full range of in-home care and cost coverage at the full amount of the maximum Daily Benefit for Licensed levels of care services.

Care Coordination Only – Provides 2 hours (non-cumulative) of care coordination for personal care and homemaker services each month for a person who does not medically qualify for Navigation at Home

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

Appendix Index

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

Appendix A — Audited Financial Statements

Moravian Home, Incorporated (d/b/a Salemtowne)

Independent Auditor’s Report and Financial Statements

March 31, 2026 and 2025

Moravian Home, Incorporated (d/b/a Salemtowne)
Contents
March 31, 2026 and 2025

Forvis Mazars, LLP
191 Peachtree Street NE, Suite 2700
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Independent Auditor's Report

Board of Trustees
Moravian Home, Incorporated (d/b/a Salemtowne)
Winston-Salem, North Carolina

Opinion

We have audited the accompanying financial statements of Moravian Home, Incorporated (d/b/a Salemtowne) (the "Community"), which comprise the balance sheets as of March 31, 2026 and 2025, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Community as of March 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Forvis Mazars, LLP

Atlanta, Georgia
July 23, 2026

Moravian Home, Incorporated (d/b/a Salemtowne)
Balance Sheets
March 31, 2026 and 2025

	2026	2025
ASSETS		
Current Assets		
Cash and cash equivalents	$ 3,942,756	$ 1,516,491
Current portion of assets limited as to use	3,201,352	3,115,260
Accounts receivable, net	1,628,760	1,525,684
Other receivables	403,869	347,083
Prepaid and other current assets	520,331	128,694
Total Current Assets	9,697,068	6,633,212
Assets Limited as to Use, Net of Current Portion		
Funds held by trustee under bond indenture, net	5,904,669	6,442,921
Restricted statutory operating reserve	8,005,000	7,595,000
Total Assets Limited as to use, Net of Current Portion	13,909,669	14,037,921
Property and Equipment, net	82,897,128	86,106,905
Investments	16,043,902	13,828,941
Other Assets		
Incremental marketing and development costs, net of accumulated amortization	159,517	185,516
Other assets	1,390,752	1,402,322
Total Other Assets	1,550,269	1,587,838
Total Assets	$ 124,098,036	$ 122,194,817

Moravian Home, Incorporated (d/b/a Salemtowne)
Balance Sheets
March 31, 2026 and 2025 **(Continued)**

	2026	2025
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 785,453	$ 858,122
Accrued expenses	1,992,887	1,785,653
Accrued interest payable	1,995,479	2,037,722
Refundable advance fees	34,254	22,972
Current portion of long term debt	1,845,000	1,765,000
Total Current Liabilities	6,653,073	6,469,469
Long term debt, excluding current portion, net	74,494,519	76,445,873
Deposits	893,340	793,840
Refundable advance fees, excluding current portion	1,093,943	1,379,423
Deferred revenue from advance fees	33,456,906	31,789,675
Total Liabilities	116,591,781	116,878,280
Net Assets (Deficit)		
Without donor restrictions	1,806,430	(100,241)
With donor restrictions	5,699,825	5,416,778
Total Net Assets	7,506,255	5,316,537
Total Liabilities and Net Assets	$ 124,098,036	$ 122,194,817

Moravian Home, Incorporated (d/b/a Salemtowne)
Statements of Operations
Years Ended March 31, 2026 and 2025

	2026	2025
Revenues, Gains, and Other Support		
Net resident services, including amortization of advance fees of approximately $4,942,000 in 2026 and $4,964,000 in 2025	$ 37,831,403	$ 36,164,805
Navigation program income, including amortization of advance fees of approximately $618,000 in 2026 and $529,000 in 2025	1,829,438	1,538,114
Other income	1,330,765	1,310,480
Contributions and net assets released from restrictions used for operations and benevolent assistance	761,165	648,610
Total Revenues, Gains, and Other Support	41,752,771	39,662,009
Expenses		
Resident care	11,667,124	11,159,930
Dining services	5,637,499	5,284,208
Environmental services	6,003,136	5,707,000
Life enrichment	933,264	896,133
Navigation at home	1,433,569	1,284,945
Administration and general	7,220,506	7,421,052
Depreciation and amortization of development and incremental marketing costs	5,640,598	5,777,262
Interest	3,927,012	4,072,653
Loss on development project not pursued	-	964,969
Total Expenses	42,462,708	42,568,152
Operating Loss	(709,937)	(2,906,143)
Non-operating Gains (Losses)		
Interest and dividends	870,120	905,785
Net realized gains from sale of investments	168,586	154,443
Net unrealized gains on investments	1,565,154	603,195
Loss on disposal of property and equipment	(92,801)	(106,840)
Total Non-Operating Gains	2,511,059	1,556,583
Excess (Deficit) of Revenues Over Expenses	$ 1,801,122	$ (1,349,560)

Moravian Home, Incorporated (d/b/a Salemtowne)
Statements of Changes in Net Assets
Years Ended March 31, 2026 and 2025

	2026	2025
Net Assets without Donor Restrictions		
Excess (deficit) of revenues over expenses	$ 1,801,122	$ (1,349,560)
Net assets released from restriction used for property and equipment	105,536	49,161
Change in Net Assets without Donor Restrictions	1,906,658	(1,300,399)
Net Assets with Donor Restrictions		
Contributions	660,276	586,595
Interest and dividends	74,795	63,329
Net realized gains on sales of investments	30,025	339,187
Net unrealized gains (loss) on investments	224,057	(222,184)
Net assets released from restrictions		
Operations	(588,987)	(522,202)
Property and equipment	(105,536)	(49,161)
Change in value of split-interest agreements	(11,570)	14,673
Change in Net Assets with Donor Restrictions	283,060	210,237
Change in Net Assets	2,189,718	(1,090,162)
Net Assets, Beginning of Year	5,316,537	6,406,699
Net Assets, End of Year	$ 7,506,255	$ 5,316,537

Moravian Home, Incorporated (d/b/a Salemtowne)
Statements of Cash Flows
Years Ended March 31, 2026 and 2025

	2026	2025
Operating Activities		
Change in net assets	$ 2,189,718	$ (1,090,162)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Amortization of advance fees	(5,559,848)	(5,492,721)
Depreciation	5,614,599	5,736,716
Amortization of development and incremental marketing costs	25,999	40,546
Bad debt expense	116,469	489,556
Amortization of bond discount, premium, and issuance costs	(106,354)	(57,480)
Advance fees received	7,485,911	5,074,054
Loss on development project not pursued	-	964,969
Loss on disposal of property and equipment	92,801	106,840
Realized gains on investments	(198,611)	(493,630)
Net unrealized gains on investments	(1,789,211)	(381,011)
Net changes in		
Accounts receivable	(219,545)	(432,598)
Other receivables	(56,786)	108,958
Prepaid and other current assets	(391,637)	35,551
Accounts payable	(72,669)	156,368
Accrued expenses	207,234	(251,522)
Accrued interest payable	(42,243)	(40,207)
Other assets	11,570	(5,174)
Net Cash Provided by Operating Activities	7,307,397	4,469,053
Investing Activities		
Purchase of investments	(694,820)	(594,961)
Proceeds from sale of investments	57,681	2,946,672
Proceeds from sale of property and equipment	4,264	-
Purchase of property and equipment	(2,501,887)	(2,610,683)
Net Cash Used by Investing Activities	(3,134,762)	(258,972)

Moravian Home, Incorporated (d/b/a Salemtowne)
Statements of Cash Flows
Years Ended March 31, 2026 and 2025

	2026	2025
Financing Activities		
Principal payments on long term debt	(1,765,000)	(4,560,940)
Repayments on line of credit	-	(400,000)
Proceeds from line of credit	-	400,000
Proceeds from refundable entrance fees, new units	-	220,000
Refunds of advance entrance fees	(433,530)	(471,469)
Net Cash Used by Financing Activities	(2,198,530)	(4,812,409)
Net Change in Cash and Cash Equivalents	1,974,105	(602,328)
Cash and Cash Equivalents, Beginning of Year	11,074,672	11,677,000
Cash and Cash Equivalents, End of Year	$ 13,048,777	$ 11,074,672
Cash Flows as Cash, Cash Equivalents, and Restricted Cash to the Balance Sheet		
Cash and cash equivalents	$ 3,942,756	$ 1,516,491
Assets limited as to use	9,106,021	9,558,181
Cash, Cash Equivalents, and Restricted Cash–End of Year	$ 13,048,777	$ 11,074,672

Note 1. Description of Organization and Summary of Significant Accounting Policies

Organization

Moravian Home, Incorporated (d/b/a Salemtowne) (the "Community") is a non-profit organization located in Winston-Salem, North Carolina, that provides housing, health care, home care, and other related services to residents through the ownership and operation of a retirement community containing independent living cottages and apartments, assisted living apartments, and a health care center, as well as through its continuing care at-home program. The Community is subject to various laws and regulations enacted by the state of North Carolina regarding its activities.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid instruments, including short-term debt securities and money market funds with original maturities of three months or less when purchased.

Accounts Receivable

Doubtful accounts are accounted for using the allowance method. The allowance is increased or decreased, based upon management's evaluation, by provisions to bad debt expense charged against income. Uncollectible balances are written off against the allowance. Recoveries of previously written off balances are credited to income. Generally, no finance charges are assessed on trade receivables. The Community believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses.

Investments

Investments with readily determinable fair values are measured at fair value on the balance sheet. The fair values of investments are determined based upon quoted market prices. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in investment income without donor restrictions and changes in net assets with donor restrictions. All changes in unrealized gains and losses on investments are included in non-operating gains (losses) with the exception of any earnings allocated to donor restricted endowments. Contributed investments are recorded at the fair market value at the date of receipt.

Deferred Financing Costs and Original Issue Premium/Discount

Deferred financing costs for the 2015 Bond series and the 2018 Bond series are being amortized over the term of the related financing. The original issue premium/discount in connection with the 2015 Bond series and 2018 Bond series financing is being amortized over the term of the related financing using the straight-line method, which approximates the effective interest method. Deferred financing costs and the original issue premium/discount for the 2016 Bond series are being amortized over the average life of the bonds of 8.305 years.

Assets Limited as to Use

Assets limited as to use by Board designation include amounts set aside to meet the operating reserve requirements of N.C. General Statute Chapter 58, Article 64A.

Assets limited as to use under bond indenture agreement consist of the proceeds of borrowing available to pay accrued interest as well as funds set aside for debt service and principal fund reserves.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Contributed property is recorded at the estimated fair value at the date of receipt. Depreciation is computed under the straight-line method and is based on estimated useful lives of 40 years for buildings, 8 to 10 years for principal equipment, 3 to 5 years for minor equipment and 5 years for vehicles. The cost of maintenance and repairs is expensed as incurred. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring and constructing those assets.

The Community periodically assesses the realizability of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of any asset may not be recoverable. For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than 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. No impairment was identified or recorded for the year ended March 31, 2026. An impairment was identified and recorded for the year ended March 31, 2025 related to construction project costs that would not be developed of approximately $965,000.

Deposits on Unoccupied Units

Deposits for cottage and apartment accommodations to be occupied in the future are deferred when received. A portion of the deposit is refundable if the resident terminates the continuing care contract.

Incremental Costs of Acquiring Contracts

The Community capitalizes incremental costs of acquiring contracts and amortizes such costs over the estimated term of the related contract.

Refundable Advance Fees

Entrance fees for independent living accommodations are deferred when received. A portion of these fees is refundable when the residency contract is terminated. The Community historically offered three different continuing care contracts: (1) a Standard Rate Plan, (2) a 50% Refundable Plan, and (3) a 90% Refundable Plan. Effective during fiscal year 2026, the Community discontinued offering the 50% Refundable Plan and 90% Refundable Plan and now offers only the Standard Rate Plan to new residents. Refunds of refundable entrance fees are paid upon termination of the agreement (provided the resident’s independent living unit is reoccupied) or within twenty-four months, whichever occurs first.

For a standard contract, the refundable amount is equal to the entrance fee less a non-refundable fee of 4% of the initial entrance fee. The remaining balance becomes non-refundable at a rate of 2% for each month of occupancy for up to 48 months, at which time there is no refundable amount.

For a 50% refundable contract, the refundable amount is equal to the entrance fee less a non-refundable fee of 4% of the initial entrance fee with the remaining balance subject to amortization of 2% percent for each month of occupancy, for up to 23 months at which point the 50% refundable amount remains refundable.

For a 90% refundable contract, the refundable amount is equal to the entrance fee less a non-refundable fee of 4% of the initial entrance fee with the remaining balance subject to amortization of 1% for each month of occupancy, for up to 6 months at which point the 90% refundable amount remains refundable.

Total contractual refund obligations under existing contracts (that is if all residents with a refundable balance were to have withdrawn) totaled approximately $12,720,000 and $11,050,000 at March 31, 2026 and 2025, respectively.

Deferred Revenue from Advance Fees

Fees paid by a resident upon entering into a contract agreement, net of the estimated portion that is refundable to the resident, are recorded as deferred revenue and amortized into income using the straight-line method over the estimated remaining life expectancy of the resident, adjusted on an annual basis. When the residency contract is terminated, the unamortized portion of the deferred revenue from non-refundable entrance fees is recognized.

Obligation to Provide Future Services

The Community enters into continuing care contracts with various residents. A continuing care contract is an agreement between a resident and the Community specifying the services and facilities to be provided over the resident's remaining life. Under the contracts, the Community has the ability to increase fees as deemed necessary. As of the end of each year, the Community calculates the present value of the estimated net cost of future services to be provided, including the cost of facilities to current residents, and compares the amount with the deferred revenue from advance fees at that date. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability (obligation to provide future services) is recorded. No liability has been recorded as of March 31, 2026 or 2025, because the present value of the estimated net costs of future services and use of facilities is less than deferred revenues from advances fees.

Net Assets with Restrictions

Net assets with donor restrictions are those whose use by the Community has been limited by donors to a specific time period, purpose, or have been restricted by donors to be maintained by the Community in perpetuity. Board designated net assets without donor restrictions have been restricted by the Board of Trustees for use for financial assistance and campus expansion but could later be designated for other purposes by the Board of Trustees.

Net appreciation on endowment funds is reported as an increase in net assets without donor restrictions unless such net appreciation is restricted by the donor or by law. Net realized appreciation on endowment funds is classified in the accompanying financial statements as part of net assets without donor restrictions or net assets with donor restrictions based on restrictions established by donors and state law.

Net Resident Services Revenue

Net resident services revenue represents the estimated net realizable amounts from patients, third-party payors, and others for services rendered, 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 Community have been immaterial in relation to the financial statements as a whole.

Revenues under third-party payor agreements are subject to examination and retroactive adjustments. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the amounts accrued and subsequent settlements are recorded in operations in the year of settlement.

Navigation by Salemtowne

Navigation by Salemtowne's mission is to provide coordination of care for older adults who wish to remain in their own homes in their later years. The Community's goal is to combine the security of a continuing care retirement community with the freedom and autonomy of living at home. The Community supports older adults to stay healthy and independent throughout their years through education, physical activities and socialization, and the coordination of care when necessary.

Donor Restrictions

The Community reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to net assets without donor restrictions and reported on the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period as received are reflected as unrestricted contributions in the accompanying financial statements.

The Community reports contributions of property and equipment (or other long-lived assets) as support without donor restriction 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 restricted support. Absent explicit donor stipulations about how long these assets must be maintained, the Community reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Benevolent Assistance

The Community provides benevolent assistance to residents who are unable to pay. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. The Community utilizes certain net assets with donor restrictions, as well as earnings from certain net assets with donor restrictions and board designated net assets, to fund the care of such residents.

Excess (Deficit) of Revenues Over Expenses

The statements of operations includes excess (deficit) of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess (deficit) of revenues over expenses, consistent with industry practice, include net assets released from restrictions for purchase of property and equipment and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets).

Other Income and Non-Operating Gains (Losses)

Other income includes dining revenue and ancillary services revenue. Investment income and gains (losses) on investments are recorded as non-operating gains (losses).

Income Tax Status

The Community is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Community has determined that it does not have any material unrecognized tax benefits or obligations as of March 31, 2026. In addition, the Community qualified for the charitable contribution deduction under Section 170(b)(1)(a) and is classified as an organization that is not a private foundation under Section 509(a)(2).

Subsequent Events

The Community evaluated the effect subsequent events would have on the financial statements through July 23, 2026, which is the date the financial statements were issued.

Note 2. Revenue Recognition

The Community generates revenues, primarily by providing housing and health services to its residents. The following streams of revenue are recognized as follows:

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. Under Accounting Standards Codification ("ASC") Topic 606, management has determined that the performance obligation for the standing obligation to provide the appropriate level of care is the predominate component and does not contain a lease component under ASC Topic 842. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

Entrance Fees
The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment and included as a contract liability on the balance sheet until the performance obligations are satisfied. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability on the balance sheet. Additionally, management has determined the contracts do not contain a significant financing component as the advanced payment assures residents the access to health care in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the resident as the performance obligation is the material right associated with access to future services as described in ASC 606.

Health Care Services
The Community provides assisted and nursing care to residents who are covered by government and commercial payers. The Community is paid fixed daily rates from government payers. The fixed daily rates and other fees are billed in arrears monthly. The monthly fees represent the most likely amount to be received from the third-party payors. Most rates are predetermined from Medicare and Medicaid. Under ASC Topic 606, management has elected to utilize the portfolio approach in aggregating the revenues under these revenue streams.

The Community disaggregates its revenue from contracts with customers by payor source, as the Community believes it best depicts how the nature, timing and uncertainty of its revenues and cash flows are affected by economic factors. See details on a reportable segment basis in the tables below: for the years ended March 31, 2026 and 2025

	March 31, 2026				
	Independent Living	**Assisted Living and Memory Care**	**Skilled Nursing**	**Home Care**	**Total**
Private pay	$ 16,096,297	$ 4,893,883	$ 8,567,639	$ 795,903	$ 30,353,722
Government reimbursement	-	-	5,167,629	-	5,167,629
Other third-party payor programs	-	-	2,310,052	-	2,310,052
Total	$ 16,096,297	$ 4,893,883	$ 16,045,320	$ 795,903	$ 37,831,403

	March 31, 2025				
	Independent Living	**Assisted Living and Memory Care**	**Skilled Nursing**	**Home Care**	**Total**
Private pay	$ 15,437,450	$ 4,752,544	$ 8,282,225	$ 538,931	$ 29,011,150
Government reimbursement	-	-	5,368,181	-	5,368,181
Other third-party payor programs	-	-	1,785,474	-	1,785,474
Total	$ 15,437,450	$ 4,752,544	$ 15,435,880	$ 538,931	$ 36,164,805

Note 3. Fair Values of Assets and Liabilities

Fair value as defined under generally accepted accounting principles is an exit price, representing 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. Generally accepted accounting principles establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1 Observable inputs such as quoted prices in active markets.

Level 2 Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Community's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Asset Measured at Fair Value on a Recurring Basis

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include common stocks, fixed income mutual funds, and exchange-traded funds which are valued based on prices readily available in active markets in which those securities are traded. Level 1 investments also include income and money market funds which are valued based on transacted values. Prices for other investments are determined on a recurring basis based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets and the resulting fair values are categorized as Level 2. Level 2 investments include treasury bills.

The Community does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 3. There were no transfers in or out of Level 3 during 2026 and 2025. There were no changes during 2026 and 2025 to the Community's valuation techniques used to measure asset and liability fair values on a recurring basis.

The following tables set forth by level within the fair value hierarchy the Community's assets accounted for at fair value on a recurring basis on March 31, 2026 and 2025.

	March 31, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Income and money market funds	$ 9,106,021	$ -	$ -	$ 9,106,021
Common stocks	8,670,467	-	-	8,670,467
Exchange-traded funds	5,739,406	-	-	5,739,406
Treasury bills	-	9,225,594	-	9,225,594
Other assets	-	92,808	-	92,808
Total	$ 23,515,894	$ 9,318,402	$ -	$ 32,834,296

	March 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Income and money market funds	$ 9,558,181	$ -	$ -	$ 9,558,181
Common stocks	7,577,659	-	-	7,577,659
Exchange-traded funds	5,074,142	-	-	5,074,142
Treasury bills	-	8,384,087	-	8,384,087
Other assets	-	109,617	-	109,617
Total	$ 22,209,982	$ 8,493,704	$ -	$ 30,703,686

The Community has $320,627 and $278,436 of cash balances included in assets limited as to use and investments as of March 31, 2026 and 2025, respectively, which is not included in the fair value hierarchy.

Note 4. Reclassification

Certain amounts in the 2025 financial statements have been reclassified to conform to the 2026 presentation. Investment income with donor restriction previously reported as a single line item on the statement of operations and changes in net assets is now presented separately as dividend and interest income, net realized gains (losses) on investments, and net unrealized gains (losses) on investments. These reclassifications were made for comparative purposes only and had no effect on previously reported excess (deficit) of revenues over expenses, change in net assets, total assets, total liabilities, or net assets.

Note 5. Investments and Assets Limited as to Use

The Community allocates its investment portfolios between investments and various categories of assets limited as to use. The allocation of these assets between limited as to use and investments is set forth in the following table at March 31:

	2026	2025
Assets limited to use		
Under statutory requirements		
Restricted statutory operating reserve	$ 8,005,000	$ 7,595,000
Under bond indenture agreement		
Accrued interest fund	2,266,203	2,226,476
Debt service reserve fund	5,904,669	6,442,921
Principal fund	935,149	888,784
	9,106,021	9,558,181
Total assets limited as to use	17,111,021	17,153,181
Total investments	16,043,902	13,828,941
Total assets limited as to use and investments	$ 33,154,923	$ 30,982,122

Investment income for the years ended March 31 follows:

	2026	2025
Interest and dividends	$ 944,915	$ 969,114
Net realized gains on sale of investments	198,611	493,630
Net unrealized gains on investments	1,789,211	381,011
Total investment income	$ 2,932,737	$ 1,843,755

The Community has adopted investment policies and monitors the allocation of investments between types of investments including corporate bonds, equities, and mutual funds.

Note 6. Property and Equipment

A summary of property and equipment at March 31 is as follows:

	2026	2025
Land and improvements	$ 4,479,748	$ 4,352,638
Buildings	135,905,953	134,635,558
Furniture and equipment	7,693,118	7,829,392
Vehicles	508,778	554,784
Other	132,930	132,930
Construction in progress	2,051,239	2,371,231
	150,771,766	149,876,533
Accumulated depreciation	(67,874,638)	(63,769,628)
	$ 82,897,128	$ 86,106,905

Depreciation expense during the years ended March 31, 2026 and 2025 totaled approximately $5,615,000 and $5,737,000, respectively.

Note 7. Long Term Debt

In August 2015, the Series 2015 Bonds were issued in the amount of $42,585,000 by the North Carolina Medical Care Commission (the "Commission"), the proceeds from which were loaned to the Community pursuant to a Loan Agreement. The Series 2015 Bonds are limited obligations of the Commission payable solely from revenues of the Community assigned to the Trustee pursuant to the Loan Agreement and Deed of Trust, and to the extent provided in the Trust Agreement, the monies on deposit in certain funds and accounts created by the Trust Agreement.

The Series 2015 Bonds were used to fund a debt service reserve, pay issuance costs and provide funds for a previous expansion project.

In September 2016, the Series 2016A Bonds were issued in the amount of $23,470,000 by the North Carolina Medical Care Commission, the proceeds from which were used to (a) refund all of the outstanding Series 2006 Bonds (b) fund a debt service reserve fund, and (c) pay certain expenses incurred in connection with the issuance of the bonds.

In October 2018, the Series 2018 Bonds were issued in the amount of $38,250,000 by the North Carolina Medical Care Commission, the proceeds from which were used to (a) finance a current expansion project (b) fund a debt service reserve fund (c) pay a portion of the interest accruing on the bonds during the construction of the expansion project, and (d) pay certain expenses incurred in connection with the issuance of the bonds.

A summary of the Bonds outstanding at March 31 is as follows:

	2026	2025
Series 2015		
Term bonds with interest rates and October 1 due dates as follows		
5.250%, 2035	$ 4,000,000	$ 4,000,000
5.250%, 2037	11,840,000	11,840,000
5.375%, 2045	26,745,000	26,745,000
Series 2016A		
Term bonds with interest rates and October 1 due dates as follows		
5.000%, 2026	645,000	2,410,000
3.250%, 2026	1,200,000	1,200,000
5.000%, 2030	6,915,000	6,915,000
3.625%, 2030	1,400,000	1,400,000
Series 2018		
Term bonds with interest rates and October 1 due dates as follows		
4.50%, 2033	1,350,000	1,350,000
5.00%, 2038	2,635,000	2,635,000
5.00%, 2043	3,360,000	3,360,000
5.00%, 2048	17,530,000	17,530,000
Total bonds payable	77,620,000	79,385,000
Current portion of bonds payable	(1,845,000)	(1,765,000)
Deferred financing costs, net	(823,095)	(867,534)
Unamortized original issue premium and discount, net	(457,386)	(306,593)
	$ 74,494,519	$ 76,445,873

The Series 2015 Bonds maturing on October 1, 2035, 2037, and 2045 will be subject to mandatory redemption in part by lot on October 1 in the years and amounts set forth in the bond financing agreement.

The Series 2016A Bonds maturing on October 1, 2026 and 2030 will be subject to mandatory redemption in part by lot on October 1 in the years and amounts set forth in the bond financing agreement.

The Series 2018 Bonds maturing on October 1, 2033, 2038, 2043, and 2048 will be subject to mandatory redemption on part by lot on October 1 in the year and amounts set forth in the bond financing agreement.

Under the Loan Agreement, the Community granted the Commission a security interest in all assets of the Community.

The Master Trust Indentures requires the maintenance of a 1.20 long-term debt service coverage ratio and contains other covenants restricting, among other things, incurrence of indebtedness, existence of liens on property, consolidation and merger, and transfer of assets. The Loan Agreements requires the maintenance of a liquidity ratio of 150 days cash on hand. The Community was in compliance with the long-term debt service coverage ratio and days cash on hand at March 31, 2026.

Payment of principal on the bonds by the Community is as follows:

2027	$ 1,845,000
2028	1,935,000
2029	2,030,000
2030	2,140,000
2031	2,245,000
Thereafter	67,425,000
	$ 77,620,000

In December 2021, the Community entered into a bridge loan note with a local bank to begin funding Phase IV of their strategic growth plan, which allowed for borrowing up to $3,500,000, collateralized by real estate. The note matures on September 30, 2026. Interest accrued at a rate of 3% and was due and payable monthly commencing in January 2022. There were no outstanding borrowings under the bridge loan as of March 31, 2026 and 2025.

Note 8. Line of Credit

In February 2020, the Community entered into an unsecured revolving line of credit agreement with a local bank, which allows for borrowing up to $1,500,000. Interest accrues at a floating rate of prime plus a margin of 1.5% and is due and payable monthly commencing on March 2020. The line of credit originally matured on February 1, 2021 but was extended to September 30, 2026 at which time all outstanding principal and accrued interest will be due. The outstanding balance at March 31, 2026 and 2025 was $0.

Note 9. Net Assets with Donor Restrictions

Net assets are available for the following purposes or periods at March 31:

	2026	2025
Split-interest agreements (time-restricted)	$ 926,145	$ 943,739
Single Sisters Preservation of the Community Fund	4,044	52,604
Unappropriated endowment earnings and other	2,130,263	1,735,381
Pathways trails	-	51,705
	$ 3,060,452	$ 2,783,429

Net assets restricted to investments in perpetuity, the income from which is expendable to support residents in financial need, personnel recruiting (health care) and general obligations. Principal balance invested for these purposes at March 31 consisted of:

	2026	2025
Financial assistance	$ 1,642,186	$ 1,642,186
Restricted endowments	53,543	53,543
Single Sisters Preservation of the Community Fund	347,953	347,953
Split-interest agreements	448,978	442,954
Babcock Campus (protected conservation area)	146,713	146,713
	$ 2,639,373	$ 2,633,349

Note 10. Split Interest Agreements

The Community is a beneficiary of certain split-interest agreements, all of which are held or controlled by various third parties. The estimated present value of the future distributions the Community expects to receive from irrevocable split-interest agreements is recorded as an asset in the financial statements. Changes in the value of irrevocable split-interest agreement are recorded as changes in net assets.

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

Charitable Remainder Trust

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

Upon receipt of a beneficial interest in a charitable remainder trust, the present value of such interest is recorded as contribution income. The annual change in the present value of the beneficial interest is recorded as a change in value of split-interest agreements on the statement of changes in net assets. Such valuations are based on estimated mortality rates, projected investment returns, and other assumptions that could change in the near term. As these are unobservable inputs, the charitable remainder trust is classified within level 3 of the fair value hierarchy.

Beneficial Interest in Perpetual Trust

Beneficial interest in perpetual trust represents assets held in trust and administered by a third party, from which the Community has the irrevocable right to receive a share of income from the trust's assets in perpetuity. The assets are stated as the fair value of the Community's share of trust assets, which is an approximation of the present value of the estimated future distributions from this trust. These are classified within level 3 of the fair value hierarchy and valued at the market price of the underlying investments in the trust.

Upon receipt of an irrevocable interest in the income of a perpetual trust administered by a third party, the Community records the fair value of estimated future distributions from the trust as contribution income with donor restrictions. Over the term of the perpetual trust, income distributions to the Community are included in investment income. Annual changes in the fair value of trust assets are recorded as gain or loss on the statement of changes in net assets with donor restrictions. Such valuations are based on estimated mortality rates and other assumptions that could change in the near future.

Note 11. Statutory Operating Reserve Requirements

In accordance with the requirements of North Carolina General Statute 58, Article 64A-33, management computes an annual operating reserve for its continuing care facilities licensed in North Carolina. At March 31, 2026, the Community was in compliance with this statute. The operating reserve is approximately $8,005,000 and $7,595,000 at March 31,2026 and 2025, respectively.

Note 12. Retirement Savings Plan

The Community maintains a defined contribution retirement savings plan for eligible associates. If associates elect to make contributions to the plan, the Community matched them dollar for dollar up to 3% of gross salary and then at the rate of $.50 per dollar for the next 2% of gross salary. For the years ended March 31, 2026 and 2025, the Community made contributions totaling approximately $318,000 and $279,000, respectively.

Note 13. Benevolent Assistance, Community Outreach and Other Contractual Adjustments

The Community maintains records to identify and monitor benevolent assistance provided. Records include costs to assist Salemtowne residents with entrance and monthly fees, medical expenses, meals, transportation, housekeeping and other programs and activities. The Community also provides financial assistance (Community Outreach) to community not-for-profit organizations who support or provide services to older persons. Benevolent assistance and Community Outreach included in the attached financial statements totals $1,976,000 and $1,914,000 for the years ended March 31, 2026 and 2025, respectively.

Residents in the health center and assisted living levels of care may be eligible to participate in the North Carolina Medicaid or federal Medicare programs. Contractual adjustments represent the difference between the Community's standard rates and the rates paid by third party payors. For the years ended March 31, 2026 and 2025, net patient service revenue was reduced by third party payor contractual adjustments (primarily Medicaid and Medicare) of approximately $5,499,000 and $5,622,000, respectively.

Note 14. Concentrations of Credit Risk

The Community maintains its cash accounts at commercial banks. The cash balances in each bank are insured by Federal Deposit Insurance Corporation up to $250,000. The funds on deposit with the brokerage accounts are insured by the Securities Investor Protection Corporation up to $500,000. At times, amounts on deposit may be in excess of the insured limits. Management believes the credit risk related to these deposits is minimal.

Note 15. Commitments and Contingencies

The Community has in place insurance coverage for possible litigation in the ordinary course of business related to professional liability claims. Management believes that claims, if asserted, would be settled within the limits of coverage, which is on a claims-made basis, with insurance limits of $1,000,000 per claim and $3,000,000 in the aggregate. Should the Community not renew its claims-made policy, or replace it with equivalent insurance, occurrences incurred during its term but asserted after its expiration would be uninsured, unless the Community obtains tail coverage. No claims were outstanding during the year or at year-end, therefore, the Community believes that an accrual for unasserted claims is not necessary.

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

In 2023, the Community contributed $25,129 and became a subscriber of the Unity Mutual Insurance Company (UMIC), reciprocal captive insurance company. UMIC provides reinsurance coverage for workers' compensation coverage, for the UMIC subscribers, based on a quota share arrangement. The workers' compensation policy covers workers' compensation claims on a statutory basis and also provides Employers Liability limits of $1,000,000 per occurrence. As part of this arrangement, the Community is entitled to a share in the profits and losses of UMIC in accordance with an Allocation Policy Agreement. These annual allocations are not cash allocations, but rather income or loss allocations retained in their subscriber's allocation account of UMIC which will increase and decrease the Company's subscriber interest in UMIC. Subscriber allocations are determined and made on or before March 15th and are recorded in the Company's change in net assets in the year the allocation is made.

Note 16. Endowment Funds

The Community's endowments consist of individual funds established for a variety of purposes including support for residents in financial need, personnel recruiting, buildings, and other general obligations. The endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles ("GAAP"), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Community has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Community classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Community considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

The duration and preservation of the fund:

- The purposes of the organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the organization.
- The investment policies of the organization.

Endowment Net Asset Composition by Type of Fund as of March 31, 2026:

	Board Designated Without Donor Restrictions	Time or Purpose Restricted	Restricted in Perpetuity	Total
Endowment net assets	$ 7,784,970	$ 3,060,452	$ 2,639,373	$ 13,484,795

Changes in Endowment Net Assets for the Year Ended March 31, 2026:

	Board Designated Without Donor Restrictions	Time or Purpose Restricted	Restricted in Perpetuity	Total
Endowment net assets, beginning of year	$ 7,784,970	$ 2,783,429	$ 2,633,349	$ 13,201,748
Contributions to principal	-	660,263	-	660,263
Investment income	-	328,877	-	328,877
Net assets released from restriction	-	(694,523)	-	(694,523)
Change in value of split-interest agreements	-	(17,594)	6,024	(11,570)
Endowment net assets, end of year	$ 7,784,970	$ 3,060,452	$ 2,639,373	$ 13,484,795

Endowment Net Asset Composition by Type of Fund as of March 31, 2025:

	Board Designated Without Donor Restrictions	Time or Purpose Restricted	Restricted in Perpetuity	Total
Endowment net assets	$ 7,784,970	$ 2,783,429	$ 2,633,349	$ 13,201,748

Changes in Endowment Net Assets for the Year Ended March 31, 2025:

	Board Designated Without Donor Restrictions	Time or Purpose Restricted	Restricted in Perpetuity	Total
Endowment net assets, beginning of year	$ 7,784,970	$ 2,259,217	$ 2,947,320	$ 12,991,507
Contributions to principal	-	584,175	2,424	586,599
Investment income	-	180,332	-	180,332
Net assets released from restriction	-	(270,569)	-	(270,569)
Other transfers	-	-	(300,794)	(300,794)
Change in value of split-interest agreements	-	30,274	(15,601)	14,673
Endowment net assets, end of year	$ 7,784,970	$ 2,783,429	$ 2,633,349	$ 13,201,748

Return Objectives and Risk Parameters

The Community has adopted investment and spending policies for endowment assets that attempt to emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Community relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Community targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and how the Investment Objectives Relate to Spending Policy

The Community has a policy of utilizing the interest and dividends earned on these endowments for their restricted purposes. The Community believes the investment policy established will facilitate the growth of these endowed funds and allow for earnings on these endowed funds to be used consistent with the intent of the donors.

Note 17. Liquidity and Availability

As part of its liquidity management, the Community has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, the Community invests cash in excess of daily operating funds in short-term investments such as stocks, bonds, money market funds, and mutual funds.

The following schedule reflects the Community's' financial assets to meet cash needs for general expenses within one year. The financial assets were derived from the total assets on the balance sheets by excluding the assets that are unavailable for general expenses in the next 12 months. Board designated amounts for projects have been included in the schedule below as the board could release these funds for liquidity purposes if needed.

The Community seeks to maintain sufficient liquid assets to cover three months' operating and capital expenses.

Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

Asset Categories	2026	2025
Cash and cash equivalents	$ 3,942,756	$ 1,516,491
Accounts receivable	1,628,760	1,525,684
Other receivables	403,869	347,083
Investments and assets limited as to use	33,154,923	30,982,122
Held by trustee	(9,106,021)	(9,558,181)
Reserves required by state statute	(8,005,000)	(7,595,000)
Restricted by donor	(5,699,825)	(5,416,778)
	$ 16,319,462	$ 11,801,421

Note 18. Related Party Transactions

A member of the Board of Directors is employed by a financial institution with which the Community maintains a cash deposit account and line of credit. Management believes the terms of these arrangements are comparable to those available from unrelated financial institutions. No amounts were outstanding under the line of credit as of March 31, 2026 or 2025.

Note 19. Subsequent Event

The Community is currently evaluating affiliation opportunities with other organizations. A Board task force has been formed to evaluate letters of intent proposals.

Note 20. Schedule of Expenses by Natural Classification and Function

The following is a schedule of expenses by both natural classification and function for the year ended March 31, 2026:

	Program Services								
	Independent	Assisted Living	Skilled Nursing	Home Care	Navigation at Home	Total	Administrative and General	Marketing	Total
Salaries and benefits	$ 2,574,485	$ 1,994,361	$ 7,639,151	$ 519,931	$ 220,715	$ 12,948,643	$ 5,292,784	$ 731,282	$ 18,972,709
Fees and purchased services	420,782	79,636	3,347,201	67,128	766,659	4,681,406	1,665,013	106,575	6,452,994
Building operations	3,454,874	64,609	1,456,493	3,900	-	4,979,876	951,403	35,119	5,966,398
Administration	11,735	2,083	9,004	626	-	23,448	661,785	370,461	1,055,694
Insurance expense	-	-	-	-	-	-	447,303	-	447,303
Interest expense	-	-	-	-	-	-	3,927,012	-	3,927,012
Depreciation and amortization	-	-	-	6,285	-	6,285	5,633,595	718	5,640,598
Total expenses	$ 6,461,876	$ 2,140,689	$ 12,451,849	$ 597,870	$ 987,374	$ 22,639,658	$ 18,578,895	$ 1,244,155	$ 42,462,708

The following is a schedule of expenses by both natural classification and function for the year ended March 31, 2025:

	Program Services								
	Independent	Assisted Living	Skilled Nursing	Home Care	Navigation at Home	Total	Administrative and General	Marketing	Total
Salaries and benefits	$ 2,452,871	$ 1,886,604	$ 7,736,535	$ 365,587	$ 81,897	$ 12,523,494	$ 5,460,647	$ 874,351	$ 18,858,492
Fees and purchased services	436,464	93,500	2,982,030	39,580	614,735	4,166,309	1,413,098	164,724	5,744,131
Building operations	3,187,331	55,827	1,349,323	524	-	4,593,005	949,087	38,194	5,580,286
Administration	5,331	1,186	14,149	-	-	20,666	1,707,991	355,022	2,083,679
Insurance expense	-	-	-	-	-	-	451,649	-	451,649
Interest expense	-	-	-	-	-	-	4,072,653	-	4,072,653
Depreciation and amortization	-	-	-	6,285	-	6,285	5,757,977	13,000	5,777,262
Total expenses	$ 6,081,997	$ 2,037,117	$ 12,082,037	$ 411,976	$ 696,632	$ 21,309,759	$ 19,813,102	$ 1,445,291	$ 42,568,152

Appendix B — Five-Year Prospective Financial Statements

Moravian Home, Incorporated

(d/b/a Salemtowne)

Compilation of a Financial Forecast

For Each of the Five Years
Ending March 31, 2031

(with Accountant's Compilation Report thereon)

Moravian Home, Incorporated d/b/a Salemtowne

Compilation of a Financial Forecast

Five Years Ending March 31, 2031

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ACCOUNTANT'S COMPILATION REPORT

Board of Trustees
Moravian Home, Incorporated d/b/a Salemtowne
Winston-Salem, North Carolina

Management of Moravian Home, Incorporated d/b/a Salemtowne (the "Corporation") ("Management") is responsible for the accompanying financial forecast of the Corporation, which comprises the forecasted balance sheets as of and for each of the five years ending March 31, 2031 and the related forecasted statements of operations, changes in net assets, and cash flows for each of the years then ending, and the related summaries of significant forecast assumptions and rationale in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants ("AICPA").

The accompanying forecast and this report were prepared for inclusion with the disclosure statement filing requirements of North Carolina General Statutes, Chapter 58, Article 64A. Accordingly, this report should not be used for any other purpose.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the financial forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on this financial forecast. The forecasted results may not be achieved, as there will usually be differences between the prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

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

Forvis Mazars, LLP

Atlanta, Georgia
August 28, 2026

Moravian Home, Incorporated d/b/a Salemtowne

Forecasted Statements of Operations and Changes in Net Assets
For the Years Ending March 31,
(In Thousands of Dollars)

	2027	2028	2029	2030	2031
Revenue, gains, and other support:					
Net resident services, including amortization of advance fees	$ 39,345	$ 40,269	$ 41,657	$ 43,153	$ 44,708
Navigation program income, including amortization of advance fees	1,801	1,637	1,686	1,736	1,789
Other income	1,277	1,315	1,355	1,395	1,437
Contributions and net assets released from restrictions used for operations and benevolent assistance	609	627	646	665	685
Total revenue, gains, and other support	43,032	43,848	45,344	46,949	48,619
Expenses:					
Resident care	11,932	12,290	12,659	13,039	13,430
Dining services	5,751	5,923	6,101	6,284	6,472
Environmental services	5,215	5,371	5,532	5,698	5,869
Life enrichment	1,342	1,382	1,424	1,466	1,510
Navigation at home	1,756	1,809	1,863	1,919	1,977
Administration and general	8,163	8,408	8,660	8,920	9,187
Depreciation and amortization of development and incremental marketing costs	5,361	4,850	4,686	4,614	4,520
Interest	4,109	3,926	3,728	3,632	3,530
Total expenses	43,629	43,959	44,653	45,572	46,495
Operating income (loss)	(597)	(111)	691	1,377	2,124
Non-operating gains:					
Interest and dividends	1,005	898	858	965	1,103
Loss on disposal of property and equipment	(72)	-	-	-	-
Total non-operating gains	933	898	858	965	1,103
Excess of revenues over expenses	336	787	1,549	2,342	3,227
Net assets without donor restrictions					
Excess of revenues over expenses	336	787	1,549	2,342	3,227
Net assets released from restriction used for property and equipment	193	-	-	-	-
Change in net assets without donor restrictions	529	787	1,549	2,342	3,227
Net assets with donor restrictions					
Contributions	500	516	529	548	563
Interest and dividends	78	91	94	98	102
Net assets released from restrictions					
Operations	(533)	(533)	(549)	(566)	(583)
Property and equipment	(193)	-	-	-	-
Change in net assets with donor restrictions	(148)	74	74	80	82
Change in net assets	381	861	1,623	2,422	3,309
Net assets, beginning of year	7,506	7,887	8,748	10,371	12,793
Net assets, end of year	$ 7,887	$ 8,748	$ 10,371	$ 12,793	$ 16,102

See accompanying Summary of Significant Forecast Assumptions and Rationale and Accountant's Compilation Report

Moravian Home, Incorporated d/b/a Salemtowne

Forecasted Statements of Cash Flows
For the Years Ending March 31,
(In Thousands of Dollars)

	2027	2028	2029	2030	2031
Operating Activities					
Change in net assets	$ 381	$ 861	$ 1,623	$ 2,422	$ 3,309
Adjustments to reconcile change in net assets					
to net cash provided by operating activities:					
Amortization of advance fees	(5,295)	(5,496)	(5,763)	(6,043)	(6,338)
Depreciation	5,335	4,824	4,660	4,588	4,494
Amortization of development and incremental marketing costs	26	26	26	26	26
Bad debt expense	200	200	200	200	200
Amortization of bond discount, premium and issuance costs	106	23	(82)	(82)	(82)
Advance fees received	5,849	6,967	7,669	8,302	8,910
Loss on disposal of property and equipment	72	-	-	-	-
Net changes in					
Accounts receivable	(188)	(128)	(139)	(135)	(129)
Other receivables	(8)	(8)	(8)	(9)	(9)
Prepaid and other current assets	(9)	(11)	(9)	(11)	(11)
Accounts payable	(4)	23	24	25	26
Accrued expenses	(8)	60	61	63	65
Accrued interest payable	(22)	(45)	(47)	(50)	(52)
Other assets	(28)	(28)	(29)	(30)	(30)
Net cash provided by operating activities	6,407	7,268	8,186	9,266	10,379
Investing Activities					
Change in investments	(678)	911	(2,753)	(3,562)	(4,106)
Purchase of property and equipment	(2,550)	(2,819)	(2,916)	(3,021)	(3,130)
Net cash used in investing activities	(3,228)	(1,908)	(5,669)	(6,583)	(7,236)
Cash flows from financing activities					
Principal payments on long term debt	(1,845)	(1,935)	(2,030)	(2,140)	(2,245)
Refunds of advance entrance fees	(300)	(284)	(320)	(351)	(378)
Net cash used in financing activities	(2,145)	(2,219)	(2,350)	(2,491)	(2,623)
Change in cash, cash equivalents, and restricted cash	1,034	3,141	167	192	520
Cash, cash equivalents, and restricted cash at beginning of year	13,048	14,082	17,223	17,390	17,582
Cash, cash equivalents, and restricted cash at end of year	14,082	17,223	17,390	17,582	18,102
Reconciliation of cash, cash equivalents, and restricted cash:					
Cash and cash equivalents	5,236	8,375	8,534	8,723	11,554
Assets limited as to use, current	2,941	2,943	2,951	2,954	2,954
Debt service reserve funds	5,905	5,905	5,905	5,905	3,594
Cash, cash equivalents, and restricted cash	$ 14,082	$ 17,223	$ 17,390	$ 17,582	$ 18,102

Moravian Home, Incorporated d/b/a Salemtowne

Forecasted Balance Sheets
As of March 31,
(In Thousands of Dollars)

	2027	2028	2029	2030	2031
Assets					
Current assets					
Cash and cash equivalents	$ 5,236	$ 8,375	$ 8,534	$ 8,723	$ 11,554
Current portion of assets limited as to use	2,941	2,943	2,951	2,954	2,954
Accounts receivable, net	1,617	1,545	1,484	1,419	1,347
Other receivables	412	420	429	437	446
Prepaid and other current assets	531	541	552	563	574
Total current assets	10,737	13,824	13,950	14,096	16,875
Assets limited as to use, net of current portion:					
Funds held by trustee under bond indenture, net	5,905	5,905	5,905	5,905	3,594
Restricted statutory operating reserve	8,552	8,785	9,023	9,298	10,157
Total assets limited as to use	14,457	14,690	14,928	15,203	13,751
Property and equipment, gross	153,250	156,069	158,985	162,006	165,136
Less: accumulated depreciation	(73,236)	(78,086)	(82,772)	(87,386)	(91,906)
Property and equipment, net	80,014	77,983	76,213	74,620	73,230
Investments	16,175	15,031	17,546	20,833	24,080
Other assets					
Incremental marketing and development costs, net of accumulated amortization	134	108	82	56	30
Other assets	1,445	1,499	1,554	1,609	1,666
Total assets	$ 122,962	$ 123,135	$ 124,273	$ 126,417	$ 129,632
Liabilities and Net Assets					
Current liabilities					
Accounts payable	$ 781	$ 805	$ 829	$ 854	$ 879
Accrued expenses	1,985	2,044	2,106	2,169	2,234
Accrued interest payable	1,973	1,928	1,881	1,831	1,779
Refundable advance fees	34	34	34	34	34
Current portion of long-term debt	1,935	2,030	2,140	2,245	2,350
Total current liabilities	6,708	6,841	6,990	7,133	7,276
Long-term debt, excluding current portion, net	72,666	70,659	68,437	66,110	63,678
Deposits	893	893	893	893	893
Refundable advance fees, excluding current portion	794	510	190	-	-
Deferred revenue from advance fees	34,014	35,484	37,392	39,488	41,683
Total liabilities	115,075	114,387	113,902	113,624	113,530
Net Assets					
Without donor restrictions	2,335	3,122	4,671	7,013	10,240
With donor restrictions	5,552	5,626	5,700	5,780	5,862
Total net assets	7,887	8,748	10,371	12,793	16,102
Total liabilities and net assets	$ 122,962	$ 123,135	$ 124,273	$ 126,417	$ 129,632

Basis of Presentation

The accompanying financial forecast presents, to the best knowledge and belief of management of Moravian Home, Incorporated d/b/a Salemtowne (the "Corporation") ("Management"), the expected financial position, results of operations, and cash flows of the Corporation as of and for each of the five years ending March 31, 2031. Accordingly, the accompanying forecast reflects Management's judgment as of August 28, 2026, the date of this report, of the expected conditions and its course of action during the forecast period. However, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Management's purpose in releasing this financial forecast is for inclusion in the Corporation's annual disclosure statement in accordance with Chapter 58, Article 64A, of the North Carolina General Statutes. Accordingly, this report should not be used for any other purpose. The assumptions disclosed herein are those that Management believes are significant to the prospective financial statements.

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

Background of the Corporation

The Corporation owns and operates a continuing care retirement community ("CCRC") known as Salemtowne (the "Community") in Winston-Salem, North Carolina. The mission of the Community is to promote the well-being of its residents by providing a caring environment. Affiliated with the Moravian Church in America, Southern Province, the Community is an ecumenical community that reflects the Moravian values of individual respect, hospitality, life-long learning, and love of the arts.

The Corporation is exempt from income tax as an entity described in Section 501(c)(3) of the Internal Revenue Code. The business and affairs of the Corporation are directed by a self-perpetuating Board of Trustees (the "Board") composed of not less than 12 and not more than 18 members. The Board currently meets six times per year and at such other times as the Board may determine necessary. No members of the Board are employees of the Community.

The Community

The Community is situated on approximately 117 acres of land located in northwest Winston-Salem near historic Bethabara, the first Moravian settlement in North Carolina. The Community opened in 1972 and consists of the following residential living units available for occupancy:

- 148 independent living apartments (the "Independent Living Apartments") and 73 independent living cottages (the "Independent Living Cottages" and, collectively with the Independent Living Apartments, the "Independent Living Units");
- 46 licensed assisted living beds, currently configured in 32 units (the "Assisted Living Units");
- 20 memory support units (the "Memory Support Units"); and,
- A 100-bed nursing care facility (the "Nursing Care Center" and the "Nursing Beds").

In addition, the Community includes common areas and amenities such as a community center, fitness center, walking trails, art galleries, computer room, dining rooms, beauty/barber shops, gift shop, libraries, game rooms, and an aquatic center with indoor pool.

The Assisted Living Units, the Memory Support Units, and the Nursing Care Center are collectively referred to as the "Health Center." Ten Assisted Living Units, 10 Memory Support Units, and 16 Nursing Beds are sheltered beds and not open for direct admission.

The Community is currently licensed for 46 assisted living beds. In order to meet the needs of assisted living residents, desiring more space, Management began joining two adjacent rooms to create larger suites. Suites may accommodate singles, couples, or be reconfigured for two unrelated residents. As of August 2026, the Assisted Living Units were comprised of 18 rooms and 14 larger suites, for a total of 32 units (with 46 licensed beds).

The following table summarizes the type, number, approximate square footage, monthly fees ("Monthly Fees") and entrance fees ("Entrance Fees") for the Independent Living Units effective April 1, 2026.

Table 1
Independent Living Unit Configuration

Type of Unit	Units	Square Footage	Entrance Fees (1)(2)(3)	Monthly Fees (1)(4)(5)(6)
Independent Living Apartments (7)				
Vogler Building/Bahnson Hall				
Forsyth (1 bedroom)	8	530	$93,800 – 114,000	$2,924
Winston A or B (2 bedroom)	17	790	$125,300 – 138,200	$3,297
West End (1 bedroom, den & laundry)	3	790	$125,300 – 135,600	$3,297
Buena Vista (2 bedroom, den & laundry)	5	1,055	$173,100 – 188,500	$3,682
Driscoll Building Apartments				
Reynolda (1 bedroom)	15	751	$163,000 – 203,200	$3,476
Sherwood (1 bedroom w/den)	9	936	$194,000 – 210,100	$3,862
Piedmont (2 bedroom)	21	1,073	$241,200 – 257,900	$4,348
Brookstown (2 bedroom corner)	4	1,107	$246,100 – 253,400	$4,354
Twin City (2 bedroom w/den)	10	1,240	$258,000 – 271,400	$4,665
Woodlands Apartments				
Beech (1 bedroom w/ den)	16	1,215	$255,500 – 304,200	$4,532
Dogwood (2 bedroom)	8	1,395	$350,200 – 412,100	$4,752
Hawthorne (2 bedroom)	8	1,490	$350,900 – 440,200	$4,868
Pine (2 bedroom w/ den)	8	1,640	$422,300 – 510,200	$5,071
Sycamore (2 bedroom w/ sunroom)	8	1,750	$414,900 – 537,800	$5,275
Willow (2 bedroom w/ sunroom)	8	1,875	$495,300 – 603,400	$5,376
Total Independent Living Apartments	148	1,142	$273,274	$4,225
Independent Living Cottages				
Wachovia Village				
Hatteras (2 bedroom)	7	1,172	$269,400 – 280,400	$3,946
Emerald (2 bedroom w/den)	15	1,356	$312,000 – 332,600	$4,112
Salem Village				
Bethania (2 bedroom w/den)	2	1,533	$413,000 – 420,300	$4,513
Hickory (2 bedroom w/sunroom/den)	10	1,560 – 1,755	$403,000 – 489,500	$4,593 – 5,061
Catawba (2-3 bedroom w/den & sunroom)	19	1,678 – 3,210	$430,400 – 675,100	$4,837 – 5,718
Bethabara Place				
Mitchell (2 bedroom)	1	1,440	$398,930	$4,591
Shenandoah (2 bedroom w/den)	4	1,617 – 1,698	$469,500 – 584,400	$4,834 – 5,821
Appalachian (2 bedroom w/sunroom)	7	1,640 – 1,750	$475,700 – 491,800	$4,913 – 5,002
Rutherford (2 bedroom w/den & sunroom)	7	1,817 – 2,100	$511,800 – 642,500	$5,315 – 6,142
Watauga (2 bedroom w/den & sunroom)	1	3,200	$454,292 – 596,754	$5,987
Total Independent Living Cottages	73	1,801	$423,088	$4,843
Total Independent Living Units	**221**	**1,360**	**$322,760**	**$4,429**

Source: Management

Notes to the table:

(1) Pricing is effective as of April 1, 2026. Second person Entrance Fees are assumed to be $20,000. Additionally, second person Monthly Fees are $1,216 for the Independent Living Apartments - Vogler Building/Bahnson Hall and Driscoll Building Apartments, $972 for the Independent Living Apartments – Woodlands, and $951 for the Independent Living Cottages. Residents of the Woodland apartments receive a $250 monthly meal allowance; all other apartment residents receive a $400 monthly meal allowance. Residents of the Independent Living Cottages receive a $200 monthly meal allowance.

(2) Entrance Fees shown are for the Community's Type C contract. The Community also offers a Type B contract, which includes a 20 percent lifetime discount to the Health Center. Entrance Fees for the Type B contract are approximately $30,000 higher than the Type C Contract.

(3) The Corporation previously offered three Entrance Fee plans under the Residency Agreement (hereinafter defined): a declining refundable Entrance Fee plan (the "Traditional Amortizing Plan"), shown in the table, a 50% refundable plan (the "50% Refundable Plan"), and a 90% refundable plan (the "90% Refundable Plan"). The Corporation no longer offers the 50% Refundable Plan and the 90% Refundable Plan.

(4) Independent Living Unit Monthly Fees for the 90% Refundable Plan equal the Monthly Fees for the Traditional Amortizing Plan and are discounted by 10 percent for the 50% Refundable Plan.

(5) Single occupancy residents who entered the Community prior to May 1, 2014 pay grandfathered Monthly Fee rates which average $3,782 for the Independent Living Apartments and $4,735 for the Independent Living Cottages as of April 1, 2025. Second person occupants pay an additional average fee of $1,241 in the Independent Living Cottages as of April 1, 2026. Residents may opt out of the meal allowance plan.

(6) Single occupancy Residents who entered the Community between May 1, 2014 and May 31, 2017 pay grandfathered Monthly Fee rates which average $3,558 for the Independent Living Apartments and $4,587 for the Independent Living Cottages as of April 1, 2025. The second person Monthly Fee averages $954 in the Independent Living Apartments and $700 in the Independent Living Cottages as of April 1, 2025.

(7) In addition to the 221 Independent Living Units shown, the Community has three studio apartments which are no longer in service.

The following table summarizes the type, number, approximate square footage, the Monthly Fees, and daily fees ("Daily Fees") for the Health Center effective April 1, 2026.

Table 2
Health Center Configuration

Type of Unit	Units	Beds	Square Footage (room)	Monthly Fees (1)
Assisted Living Units (2)				
Assisted living room	18	18	262	$7,408
Assisted living suite	14	28	524	$9,828 (3)
Total Assisted Living Beds/Units:	32 (4)(5)	46		
Memory Support Units				
Private room	20 (5)	20	300	$12,062
Total Memory Support Units:	20	20		
Nursing Care Center				**Daily Fees (1)(6)**
Private room	100	100	300	$519
Total Nursing Beds:	100	100		
Total Health Center	**152**	**166**		

Source: Management

(1) Monthly and Daily Fees shown are for direct admission into the Health Center. Independent Living Unit Residents who entered the Community after May 1, 2014 who transfer to the Health Center receive a discount of 20% on the Monthly Fee for the Assisted Living Units and Memory Support Units and the Daily Fee for the Nursing Beds.
(2) Assisted living respite stay is assumed to be $368 per day.
(3) Single occupancy rate for an assisted living suite. A couple residing in an assisted living suite would be required to pay two times the assisted living Monthly Fee of $7,408.
(4) Management has completed combinations of assisted living rooms to create larger suites. A total of 32 Assisted Living Units (46 licensed beds) are available for occupancy.
(5) Ten Assisted Living Units and 10 Memory Support Units are sheltered beds and not open to direct admit residents.
(6) The Monthly Fees shown are for direct admissions. One hundred (100) Nursing Beds are certified for Medicare and 20 Nursing Beds are also certified for Medicaid. Sixteen Nursing Beds are sheltered beds and not open to direct admit residents.

Navigation at Home Program

The Corporation offers a "Continuing Care Services without Lodging" program ("Navigation at Home"), which is designed to provide an option for seniors to age in their homes and access home and community-based services, as needed. Services provided on a capitated basis may include skilled home health care, homemaker, companion, emergency response system, meals, and adult day care. Members of the Navigation at Home program ("Members") have access to many of the amenities of the Community. Members must reside in their own home in the program's designated service area to participate in Navigation at Home. Three plan options, providing varying coverage levels for program services, are offered to potential Members of Navigation at Home as follows: "Platinum," "Gold," and "Silver" and "Care Coordination" only (collectively, the "Navigation Payment Plans"). The following table shows the percentage of service cost covered for the Navigation Payment Plans.

Table 3
Navigation at Home Program Payment Plans

Service	Platinum	Gold	Silver
	Percentage of Service Costs Covered (1)		
Care Coordination	100%	100%	100%
Home Health Aide	100%	75%	50%
Companion Services	100%	75%	50%
Live-in Companion	100%	75%	50%
Adult Day Care	100%	75%	50%
Transportation	100%	100%	100%
Residential or Assisted Living Care	100%	75%	50%
Nursing Home Care	100%	75%	50%

Source: Management
(1) Service costs covered shown are effective as of April 1, 2026. Prior contracts for Navigation at Home offered by the Corporation provided different levels of coverage for services.

Care Coordination Only Plan

The care coordination only ("Care Coordination Only") plan is available to those in a two-person household where one person does not medically qualify for Navigation at Home, and their partner/spouse does not qualify and signs a member services agreement. It is also available for single applicants who qualify medically and do not need assistance at the time of application. This plan pays for up to two hours of care coordination each month (non-cumulative), and the member is charged an hourly rate for care coordination after the first two hours. Services in the home, in a facility offering assisted living, memory support, or skilled nursing care are fee-for-service, paid for by the member.

Members pay an initial membership fee (the "Membership Fee") and an ongoing monthly fee (the "Navigation Monthly Fee"), which vary based on the plan option chosen. The table below shows the Membership Fee and Navigation Monthly Fee for the three plan options for singles and couples aged 65, 75, and 85, effective as of April 1, 2026.

Table 4
Navigation at Home Program Pricing

	Platinum	**Gold**	**Silver**
Age	Single (1)	Single (1)	Single (1)
65	$49,200	$43,700	$31,200
75	$79,600	$71,200	$48,500
85	$111,700	$94,100	$66,100
Monthly Fee	$818	$708	$623

Source: Management
(1) Couples receive a five percent discount on the Membership Fee and the Navigation Monthly Fee

For the purposes of Management's forecast, 30 percent of Members are assumed to choose the Platinum Plan, 15 percent are assumed to choose the Gold Plan, 40 percent are assumed to choose the Silver Plan, and 15 percent for Care Coordination.

Membership fees for the Care Coordination Only Plan consists of $8,750 non-refundable fee and a $325 monthly fee per member.

The assumed utilization of home health and other healthcare-related services have been provided by the Corporation's actuary.

Description of the Reservation Agreement and Residency Agreement

To be accepted for admission to the Independent Living Units, a prospective resident must be at least 62 years of age at the time residency is established (in the case of double occupancy, at least one of the persons must be 62 years of age or older), meet health qualifications to live independently at the Community, and exhibit an ability to meet their financial obligations as a resident of the selected Independent Living Unit.

Reservation Agreement

To reserve an Independent Living Unit, a prospective resident is required to execute a reservation agreement (the "Reservation Agreement"), provide self-disclosure of his or her finances, and place a deposit equal to 10 percent of the Entrance Fee (the "Entrance Fee Deposit") on the selected Independent Living Unit (the "Depositor"). The remaining 90 percent of the Entrance Fee is due on or before the occupancy date of the Independent Living Unit (the "Occupancy Date"). The Reservation Agreement reserves the right of the prospective resident to choose the selected Independent Living Unit and indicate his or her intent to execute a residence and services agreement (the "Residency Agreement").

Residency Agreement

The Residency Agreement is a contract under which the Corporation is obligated, upon payment by the resident of an Entrance Fee and ongoing payments of the Monthly Fee, to provide certain services to the resident of an Independent Living Unit (the "Resident").

Payment of the Entrance Fee and Monthly Fee entitles the Resident to occupy the selected Independent Living Unit and receive the following services and amenities:

- Flexible dining plan (depending on dining allowance option chosen or required);
- Housekeeping service (in certain buildings);
- Bed and bath linen service (in certain buildings);
- All utilities, except telephone and service;
- Basic cable television service and Wi-Fi internet service;
- 24-hour medical emergency call system, and fire protection;
- One unassigned parking space;
- Maintenance of grounds and equipment owned by the Corporation;
- Limited local medical transportation;
- Social, recreational, spiritual, educational, and recreational programs;
- U.S. Mailbox in a central location;
- Use of the common areas; and
- Priority access to the Health Center.

In addition to the services included in the Monthly Fee, certain services are available to Residents at an additional cost including, but not limited to, special transportation, extra meals, dental care, and rehabilitation care.

The Resident is expected to obtain and maintain Medicare Parts A and B (or an equivalent substitute policy approved by the Corporation) and suitable supplemental medical insurance.

Entrance Fee Options

The Corporation offers the Traditional Amortizing Plan under the Residency Agreement. If the Residency Agreement is terminated during the first 48 months, the Resident, or the Resident's estate, is to receive a refund of the Entrance Fee, less (1) a four percent administration fee, (2) two percent of the Entrance Fee for each month prior to the use of any services (full or partial without prorating) the Residency Agreement remained in effect, (3) four percent of the Entrance Fee for each month starting with the first month of services used, and (4) any additional fees accrued. If the Residency Agreement is terminated after the first 48 months, the Resident is due no refund of the Entrance Fee.

Entrance Fees are not subject to a refund at the time of the Resident's transfer to the Health Center. Any refund due to the Resident is to be made within 30 days of the date the Resident's Independent Living Unit is reserved by a prospective Resident and such prospective Resident paid the applicable Entrance Fee.

Termination by the Resident Prior to Occupancy Date

The Residency Agreement can be terminated at any time prior to assuming occupancy at the Community for any reason by giving written notice to the Corporation. The Corporation would issue any refunds due within 60 days of receiving a written termination letter.

Termination by the Resident After the Occupancy Date

After the Occupancy Date, the Resident may terminate the Residency Agreement by providing 14 days written notification. Upon termination, any refund due to the Resident is to be refunded within 30 days from the date the Independent Living Unit is reserved by a prospective Resident and such prospective Resident has paid the applicable Entrance Fee.

Access to the Health Center

The Corporation provides accommodations for Residents in the Health Center. Admission to the Health Center is restricted to persons 62 years of age or older, other than admission to the temporary rehabilitation beds, which is restricted to persons 55 years of age or older.

Residents who have paid an Entrance Fee on or after May 1, 2014 and are transferred to the Health Center receive the following benefits:

- Priority admission to the Health Center; and
- Twenty percent discount on the Monthly Fee/Daily Fee for all private pay stays in the Health Center.

Residents who entered the Community prior to May 1, 2014 receive the following benefits:

- Priority admission to the Health Center;
- Reduced Monthly/Daily Fees for services provided in the Assisted Living Units and Memory Support Units; and
- Twenty-four (24) grace healthcare days each fiscal year in the Nursing Beds ("Grace Days") at no charge for Residents who have paid an Entrance Fee and have a temporary stay. Unused Grace Days cannot be carried forward into future years. Grace Days are not available to permanent residents of the Assisted Living Units or Nursing Beds.

Direct Admissions to the Health Center

Individuals entering directly into the Health Center ("Direct Admit Residents") from outside the Community are not required to pay an Entrance Fee. Direct Admit Residents may be admitted to the Health Center for short-term respite or rehabilitation stays if Nursing Beds are available in excess of those needed to satisfy the needs of Community Residents. Residents of the Community requiring care in the Health Center will have priority access to the Health Center over Direct Admit Residents.

Assisted Living and Memory Support Services

Residents in the Assisted Living Units and Memory Support Units are to receive the following: three meals daily; meal service to room, if required; dining room assistance; assistance with bathing and grooming; wheelchair assistance; weekly housekeeping; personal laundry service; monitoring of vital signs according to physician's orders; medication delivery by a nurse or medical technician; 24-hour on duty LPNs and CNAs; nursing assessment; multi-disciplinary care planning; and access to the fitness center.

Nursing Service

Residents in the Nursing Beds are to receive the following: three meals daily; meal service to room, if required; dining room assistance; assistance with bathing and grooming; wheelchair assistance; daily housekeeping; personal laundry service; medication delivery by a nurse; monitoring of vital signs according to physician's order; nursing assessment; multi-disciplinary care planning; whirlpool tub; 24-hour skilled nursing care by RNs, CNAs, and LPNs; and access to the fitness center.

Membership Agreement – Navigation at Home Program

The Corporation has a Membership Services Agreement (the "Membership Agreement") for individuals wishing to enroll in the Navigation at Home program. The Corporation shall accept persons at least 62 years of age into the Navigation at Home program who are able to meet the financial and medical obligations as a Member in the program. A prospective Member must complete a "Member Application" and sign a medical release form allowing the Corporation to request the past four years of medical records from the Member prospect's personal physician. Members are expected to obtain and maintain Medicare Parts A and B (or an equivalent substitute policy approved by the Corporation) and suitable supplemental medical insurance.

In exchange for payment of the Membership Fee, the Navigation Monthly Fee, and the payment of certain co-pays, deductibles, fees, costs, and expenses, depending on the type of plan selected by the Member, the Corporation is to provide the Member the following services and programs:

- Access to the Community, including limited select on-campus amenities and common areas;
- Activities and leisure events including but not limited to social, recreational, spiritual, educational, and cultural activities, and exercise and health programs;
- Care coordination, including a care plan developed by the care coordination team to meet the Member's particular needs;
- Home inspection, conducted the first year of membership and every other year thereafter (unless required more frequently), to determine if any functional or safety issues exist which could jeopardize the well-being of the Member;
- Transportation to and from outpatient surgery or medical office procedures if the Member is unable to drive. This does not include transportation for regular physician office visits, dialysis, and routine specialist appointments;
- Lifestyle and wellness programs, such as exercise classes, arts and crafts, and wellness seminars; and
- Other services deemed to be appropriate by the care coordination team such as:
    - Home site services, such as skilled home care, homemaker services, and companion services, if the Member requires assistance with one or more activities of daily living;
    - Emergency response system;
    - Delivery of one meal per day for a maximum of one week;
    - Adult day care services; and
    - Facility-based assisted living and nursing home services at either the Community or a similar facility approved by the Community. Should the Member move to accommodations other than the Health Center and the cost is higher, the Member would pay the difference between the cost of services at the chosen facility and the current negotiated private pay daily rate for a private room at the Health Center. The Member is to continue to pay the Navigation Monthly Fee.

Other services and programs are available to Members for an additional charge, such as private transportation, catering, and other designated services.

Members who choose to move into an Independent Living Units may cancel their membership and apply their Membership Fee to their Entrance Fee, less an administrative fee of four percent.

If the Membership Agreement is terminated during the first 48 months, the Member, or the Member's estate, is to receive a refund of the Membership Fee, less (1) a four percent administration fee, (2) two percent of the Membership Fee for each month prior to the use of services (full or partial without prorating) the Membership Agreement remained in effect, (3) four percent of the Membership Fee for each month starting with the first month of services used, and (4) any additional fees accrued. If the Membership Agreement is terminated after the first 48 months, the Member is due no refund of the Membership Fee. Any refund is due to the Member no later than 120 days after the effective date of termination, unless the Membership Agreement is terminated by the Community, in which case the refund is to be paid within 60 days.

In the case of a Member's financial inability to continue to pay the Navigation Monthly Fee because of reasons beyond the Member's control, the Corporation may choose to subsidize all or part of the Navigation Monthly Fee and other costs so long as this subsidy does not impair the Corporation's ability to attain its objectives while operating on a sound financial basis.

Summary of Significant Accounting Policies

(a) Basis of Accounting - The Corporation maintains its accounting and financial records according to the accrual basis of accounting.

(b) Cash and Cash Equivalents - Cash and cash equivalents, excluding those classified as investments and assets whose use is limited, include certain investments in highly liquid instruments, including short-term debt securities and money market funds with original maturities of three months or less when purchased.

(c) Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. The fair values of investments are determined based upon quoted market prices. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in investment income without donor restrictions and changes in net assets with donor restrictions. Management has not included any unrealized gains or losses on investments within its forecast.

(d) Restricted Cash – Restricted cash includes debt service reserve fund and current portion of assets limited as to use held by the trustee under the bond indenture.

(e) Accounts Receivable - Doubtful accounts are accounted for using the allowance method. The allowance is increased or decreased, based upon management's evaluation, by provisions to bad debt expense charged against income. Uncollectible balances are written off against the allowance. Recoveries of previously written off balances are credited to income. Generally, no finance charges are assessed on trade receivables. The Corporation believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses.

(f) Assets Limited as to Use - Assets limited as to use represent funds required by the Corporation's bond documents or other regulatory requirements to be held by a trustee (the "Trustee") and include a statutory operating fund, and various bond accounts. Management assumes no material changes in fair values that would result in material net realized or unrealized gains or losses during the forecast period. North Carolina General Statute Section 58-64A-245 requires CCRCs to maintain an operating reserve (the "Statutory Operating Reserve") as a percentage of the total operating costs in a given year, based on occupancy levels of the independent and assisted living units. This law provides security to residents that the Corporation is able to meet its contractual obligations to provide continuing care.

(g) Property and Equipment - Property and equipment is stated at cost less accumulated depreciation. Contributed property is recorded at the estimated fair value at the date of receipt. Depreciation is computed under the straight-line method and is based on estimated useful lives of 40 years for buildings, 8 to 10 years for principal equipment, 5 years for minor equipment, and 5 years for vehicles. The cost of maintenance and repairs is expensed as incurred.

(h) Costs of Borrowing - Net interest costs incurred on borrowed funds related to a project during the construction period are capitalized as components of the costs of acquiring those assets.

(i) Deferred Marketing Costs - The Corporation capitalizes incremental costs of acquiring contracts and amortizes such costs over the estimated term of the related contract.

(j) Deferred Financing Costs and Original Issue Premium/Discount - Costs associated with the issuance of the related financing are assumed to be capitalized and amortized over the expected life of the bonds using the straight-line method, which approximates the effective interest method. Debt issuance costs are netted against the related debt on the forecasted balance sheet and the amortization is included in interest expense on the forecasted statement of operations.

(k) Obligation to Provide Future Services - The Corporation enters into continuing care contracts with residents. A continuing care contract is an agreement between a resident and the Corporation specifying the services and facilities to be provided over the resident's remaining life. Under each contract, the Corporation has the ability to increase fees as deemed necessary. As of the end of each year, the Corporation calculates the present value of the estimated net cost of future services to be provided to current residents, including the cost of facilities, and compares the amount with the balance of deferred revenue from entrance fees at that date. If the present value of the net cost of future services and use of facilities exceeds the balance of deferred revenue from entrance fees, a liability (obligation to provide future services) is recorded. Management has calculated that the value will not exceed the balance of deferred revenue from entrance fees; therefore, no liability for the obligation to provide future services is required to be recorded for the forecast period.

(l) Income Taxes - The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying forecasted financial statements do not reflect a provision or liability for federal and state income taxes.

(m) Deferred Revenue from Entrance Fees - Fees paid by a resident upon entering into a continuing care contract, net of the portion thereof which is refundable to the resident, are recorded as deferred revenue and amortized into net resident services revenue using the straight-line method over the estimated remaining life expectancy of the resident, adjusted on an annual basis.

(n) Refundable Entrance Fees - Refundable Entrance Fees received are deferred and the refundable portion of the Entrance Fee is maintained as a liability, reflecting the Corporation's future obligation for repayment. Refunds of the Refundable Entrance Fees are paid upon termination of the agreement (provided the Resident's Independent Living Unit is reoccupied) or within 24 months, whichever occurs first.

(o) Benevolent Assistance - The Corporation has a policy of providing benevolent assistance to Residents who are unable to pay. Such residents are identified based on financial information obtained from the Resident and subsequent review and analysis. The Corporation maintains certain net assets with donor restrictions, as well as earnings from net assets with donor restrictions and board designated net assets, to fund the care of such residents. Management has forecasted benevolent assistance based on its historical experience.

Summary of Revenue and Entrance Fee Assumptions

Independent Living Revenue

Independent living revenue includes charges for services provided to Residents of the Independent Living Units and is based upon the assumed occupancy and the Monthly Fee of the respective unit. Management assumes that Monthly Fees for the Independent Living Units increase 4.0 percent on April 1, 2027 and annually thereafter.

Assumed Independent Living Unit Utilization

The Independent Living Apartments and the Independent Living Cottages are assumed to maintain an overall 95.9 percent occupancy level during the forecast period. The following table summarizes the assumed utilization of the Independent Living Apartments and the Independent Living Cottages.

Table 5
Utilization of the Independent Living Units

Years ended	Independent Living Apartments			Independent Living Cottages			Total ILU
March 31,	Occupied	Available	% Occupied	Occupied	Available	% Occupied	% Occupied
2027(1)	142.5	148.0	96.3%	69.4	73.0	95.0%	95.9%
2028	142.5	148.0	96.3%	69.4	73.0	95.0%	95.9%
2029	142.5	148.0	96.3%	69.4	73.0	95.0%	95.9%
2030	142.5	148.0	96.3%	69.4	73.0	95.0%	95.9%
2031	142.5	148.0	96.3%	69.4	73.0	95.0%	95.9%

Source: Management

(1) Average occupancy for the Independent Living Units as of June 30, 2026 was 214 units occupied out of 221 units available, or approximately 97 percent.

The assumed number of Independent Living Units becoming available due to resident turnover, the double occupancy rate, the number of annual resident Entrance Fee refunds, and the movement of Residents into the Health Center are provided by the Actuary.

The double occupancy rate for the Independent Living Units is assumed to approximate 33 percent in fiscal year 2027 and decrease to 28 percent by fiscal year 2031.

Entrance Fee and Membership Fee Receipts and Refunds

The assumed turnover for the Independent Living Units due to death, withdrawal, or transfer to assisted living, memory support, or nursing accommodations, and double occupancy of the Independent Living Units has been provided by the Actuary. Refunds of Entrance Fees are generated upon termination of the Residency Agreement and withdrawal from the Community, subject to the re-occupancy of the vacated Independent Living Units. Entrance Fees may be generated from Independent Living Units turning over without a corresponding refund because the Resident has not withdrawn from the Community but has permanently transferred to the Health Center. The assumed number and amount of refunds for the Independent Living Units and Membership Fees are provided by the Actuary. The following table presents the assumed Entrance Fees and Membership Fees received and Entrance Fees and Membership Fees refunded.

Table 6
Entrance Fee and Membership Fee Receipts and Refunds
(In Thousands)

Fiscal Year Ending March 31,	2027	2028	2029	2030	2031
Fees Received					
Membership Fees for Navigation at Home (1)					
Number of Membership Fees received	22.0	22.0	22.0	22.0	22.0
Membership Fees received	$1,322	$1,375	$1,430	$1,488	$1,547
Turnover:					
Number of Entrance Fees received	14.0	16.0	18.0	18.0	19.0
Entrance Fees received	$4,527	$5,592	$6,239	$6,814	$7,363
Total Fees Received	**$5,849**	**$6,967**	**$7,669**	**$8,302**	**$8,910**
Fees Refunded					
Membership Fee Refunds	(46)	(24)	(19)	(19)	(20)
CCRC Entrance Fee Refunds	(254)	(260)	(301)	(332)	(358)
Total Fees Refunded	**$ (300)**	**$ (284)**	**$ (320)**	**$ (351)**	**$ (378)**
Total Entrance Fees and Membership Fees Received, Net of Refunds	**$5,549**	**$6,683**	**$7,349**	**$7,951**	**$8,532**

Source: Management and the Actuary
(1) The Navigation at Home Membership Fee includes first- and second-person Membership Fees received.

Entrance Fees for the Independent Living Units are assumed to increase 4.0 percent April 1, 2027 and annually throughout the remainder of the forecast period. Membership Fees for the Navigation at Home program are assumed to increase 4.0 percent April 1, 2027 and annually throughout the remainder of the forecast period.

Assisted Living and Memory Support Revenue

Assisted Living Units and Memory Support Units fees are assumed to be generated from services provided to Residents transferring from the Independent Living Units as well as direct admissions from the local surrounding area.

Residents permanently transferring from the Independent Living Units to the Assisted Living Units and Memory Support Units are to pay the rate based on the Health Care Benefit stated in the Residency Agreement. Management assumes the Monthly Fees for the Assisted Living Units and the Memory Support Units inflate 4.0 percent on April 1, 2027, and annually thereafter. The following table summarizes the assumed utilization of the Assisted Living Units and Memory Support Units.

Table 7
Utilization of Assisted Living Units and Memory Support Units

	Assisted Living Units			Memory Support Units		
Year Ending March 31,	Average Units Occupied	Average Units Available	Average Occupancy	Average Units Occupied	Average Units Available	Average Occupancy
2027	30.4	32.0	95.0%	19.0	20.0	95.0%
2028	30.4	32.0	95.0%	19.0	20.0	95.0%
2029	30.4	32.0	95.0%	19.0	20.0	95.0%
2030	30.4	32.0	95.0%	19.0	20.0	95.0%
2031	30.4	32.0	95.0%	19.0	20.0	95.0%

Source: Management
(1) Average occupancy for the Assisted Living Units and the Memory Support Units as of June 30, 2026 was 31 units occupied out of 32 units available, or approximately 97 percent and 19 units occupied out of 20 units available, or approximately 95 percent, respectively.

Nursing Revenue

Skilled nursing revenue is based upon charges for services provided to Residents transferring from the Independent Living Units, Assisted Living Units, and Memory Support Units. Management assumes that the Daily Fees for private residents increase 4.0 percent on April 1, 2027, and annually thereafter. Management assumes the Daily Fees for Medicare, Medicaid, and insurance will not inflate throughout the forecast period. The following table summarizes the assumed utilization of the Nursing Beds.

Table 8
Nursing Bed Utilization

Year Ending March 31,	Average Private Residents	Average Medicaid Residents	Average Medicare & Insurance Residents	Average Nursing Beds Occupied	Average Nursing Beds Available	Average Occupancy Percentage
2027	71.1	9.1	10.8	91.0	100.0	91.0%
2028	71.1	9.1	10.8	91.0	100.0	91.0%
2029	71.1	9.1	10.8	91.0	100.0	91.0%
2030	71.1	9.1	10.8	91.0	100.0	91.0%
2031	71.1	9.1	10.8	91.0	100.0	91.0%

Source: Management
(1) Average occupancy for the Nursing Beds as of June 30, 2026 was 90 beds occupied out of 100 beds available, or approximately 90 percent.

Navigation at Home Program

Management began accepting Members into the Navigation at Home program in fiscal year 2015. As of June 30, 2026, there were 164 members in the Navigation at Home program. Management assumes an additional six Members annually during the forecast period.

Investment Income

During the forecast period, Management assumes an average annual rate of return on the Corporation's cash, investments, operating reserve accounts and debt service reserve funds. Management assumes the average annual rate of return is 3.5 percent in fiscal year 2027, and 4.0 percent in fiscal years 2028, 2029, 2030, and 2031.

Other Income

Other income consists of revenues from additional resident meals and snacks, guest meals, guest apartment rentals, barber and beauty fees, and other miscellaneous sources. These revenues are forecasted to increase 3.0 percent annually throughout the forecast period.

Contributions

The Corporation reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. These revenues are forecasted to increase 3.0 percent annually throughout the forecast period.

Summary of Expense Assumptions

Operating expenses are estimated by Management based upon the historical experience of the Corporation. Staff salaries and wages are forecasted by Management based on its historical experience and prevailing local salary and wage rates. Salary and wage costs are assumed to increase 3.0 percent on April 1, 2027, and annually thereafter throughout the forecast period. The cost of employee fringe benefits, consisting primarily of payroll taxes, health insurance and other costs are assumed to approximate 29.9 percent of salaries and wages throughout the forecast.

The following table summarizes the staffing levels during the forecast period for all departments.

Table 9
Schedule of Staffing Levels (FTEs)

Department	
Healthcare, assisted living and clinic	127.9
Environmental services	40.0
Dining services	58.7
Life enrichment	17.5
Continuing care at home	5.0
Administration and general	35.3
Total FTEs	**284.4**

Source: Management

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance, building and general liability insurance, legal and accounting fees, and other miscellaneous expenses. The cost of these non-salary operating expenses is assumed by Management to increase 3.0 percent on April 1, 2027 and annually thereafter.

Assets Limited as to Use

The following funds and accounts are assumed to be held in association with the Series 2015 Bonds, the Series 2016 Bonds, and the Series 2018 Bonds (each defined hereinafter):

- Assets Limited as to Use, current: Contains the bond principal and interest payments to be used for payment of debt service on the Series 2015 Bonds, the Series 2016 Bonds, and the Series 2018 Bonds.
- Debt Service Reserve Funds: Funded by proceeds received from the Series 2015 Bonds, the Series 2016 Bonds, and the Series 2018 Bonds. The Debt Service Reserve Fund for the Series 2016 Bonds of approximately $2,310,000 is assumed to be released upon repayment of the Series 2016 Bonds in fiscal year 2031.

In addition, the Corporation maintains the following funds and accounts based on restrictions of the Board, outside donors, or other legal or regulatory requirements and include the following:

- Designated for Statutory Operating Reserve: North Carolina General Statute § 58-64A-245 requires CCRC's to maintain an operating reserve (the "Statutory Operating Reserve") subject to the certain guidelines.
  - A provider shall maintain after the opening of a CCRC an operating reserve equal to fifty percent of the total operating costs of the CCRC forecasted for the 12-month period following the period covered by the most recent disclosure statement filed with the North Carolina Department of Insurance ("NCDOI").
  - Once a CCRC achieves a 12-month daily average independent living unit occupancy rate of 90 percent or higher, a provider shall be required to maintain an operating reserve in an amount calculated using the table below, unless otherwise instructed by NCDOI.
  - A provider who has a 12-month daily average independent living unit occupancy rate equal to or in excess of ninety-three percent and has no long-term debt or a debt service coverage ratio in excess of 2.00x as of the provider's most recent fiscal year-end shall be required to maintain an operating reserve equal to 12.5 percent of total operating costs of the CCRC.

12-Month Average Occupancy Rate	Operating Reserve Requirement as a Percentage of Independent Living Unit Occupancy Rate
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%

The following summarizes the calculation of the Forecasted Statutory Operating Reserve:

Table 10
Operating Reserve Requirement
(In Thousands)

Years Ending March 31,	2027	2028	2029	2030	2031
Forecasted operating expense	$ 43,629	$ 43,959	$ 44,653	$ 45,572	$ 46,495
Add: Principal payments on long-term debt obligations	1,845	1,935	2,030	2,140	2,245
Subtract: Depreciation and amortization	(5,361)	(4,850)	(4,686)	(4,614)	(4,520)
Subtract: Debt service accounted for by way of another reserve	(5,905)	(5,905)	(5,905)	(5,905)	(3,594)
Forecasted operating expenses-adjusted	34,208	35,139	36,092	37,193	40,626
Operating reserve % required	25%	25%	25%	25%	25%
Operating reserve	$ 8,552	$ 8,785	$ 9,023	$ 9,298	$ 10,157
Independent Living & Assisted Living Units					
Available units	273	273	273	273	273
Occupied units as of last day of the year	261	261	261	261	261
Occupancy percentage	96%	96%	96%	96%	96%

Source: Management

Property and Equipment and Depreciation Expense

The Corporation is assumed to incur routine capital additions during the forecast period to be capitalized as property and equipment. Depreciation expense is computed based on the straight-line method for buildings and equipment over the estimated average useful lives of the related assets.

The Corporation's property and equipment costs, net of accumulated depreciation, during the forecast period are summarized in the table below.

Table 11
Schedule of Property and Equipment
(In Thousands)

Years Ending March 31,	2027	2028	2029	2030	2031
Property and equipment, gross beginning balance	$150,772	$153,250	$156,069	$158,985	$162,006
Disposal of fixed assets	(72)	–	–	–	–
Routine capital additions	2,550	2,819	2,916	3,021	3,130
Property and equipment, gross	153,250	156,069	158,985	162,006	165,136
Accumulated depreciation, net	(73,236)	(78,086)	(82,772)	(87,386)	(91,906)
Property and equipment, net Ending Balance	$ 80,014	$ 77,983	$ 76,213	$74,620	$73,230

Source: Management

Long-Term Debt and Interest Expense

Series 2015 Bonds

In 2015, the North Carolina Medical Care Commission (the "Commission") issued, at a discount, tax-exempt, fixed rate Retirement Facilities First Mortgage Revenue Bonds (the "Series 2015 Bonds"), the proceeds of which were used to fund the construction of Nursing Beds and Memory Support Units. As of March 31, 2026, approximately $42,585,000 of the Series 2015 Bonds were outstanding. Principal on the Series 2015 Bonds is to be paid annually commencing October 1, 2031, with a final maturity on October 1, 2045. Interest on the Series 2015 Bonds is payable April 1 and October 1 of each year, at coupon rates ranging from 5.25 to 5.375 percent per annum and yields ranging from 5.25 to 5.45 percent per annum.

Series 2016 Bonds

In 2016, the Commission issued, at a premium, tax-exempt, fixed rate Retirement Facilities First Mortgage Revenue Refunding Bonds (the "Series 2016 Bonds"), the proceeds of which were used to refund then outstanding debt. As of March 31, 2026, approximately $10,160,000 of the Series 2016 Bonds were outstanding. Principal on the Series 2016 Bonds is paid annually on October 1 with a final maturity on October 1, 2030. Interest on the Series 2016 Bonds is payable April 1 and October 1 of each year, at coupon rates ranging from 3.25 to 5.00 percent per annum and yields ranging from 1.50 to 3.75 percent per annum.

Series 2018 Bonds

In 2018, the Commission issued Retirement Facilities First Mortgage Revenue Refunding Bonds (the "Series 2018 Bonds"), the proceeds of which were used to fund an independent living expansion project. As of March 31, 2026, approximately $24,875,000 of the Series 2018 Bonds were outstanding. The Series 2018 Bonds were issued at a premium, with coupon rates ranging from 4.50 to 5.00 percent per annum. Interest on the Series 2018 Bonds is payable April 1 and October 1 of each year. Principal on the Series 2018 Bonds is to be paid annually commencing October 1, 2033, with a final maturity on October 1, 2048.

The Series 2015 Bonds, Series 2016 Bonds, and Series 2018 Bonds are collectively defined as the "Bond Obligations".

The following table presents the assumed annual debt service for the Series 2015 Bonds, the Series 2016 Bonds, and Series 2018 Bonds during the forecast period and thereafter.

Table 12
Schedule of Annual Debt Service
Series 2015 Bonds, Series 2016 Bonds, and Series 2018 Bonds
(In Thousands)

Years Ending	Series 2015 Bonds		Series 2016 Bonds		Series 2018 Bonds		Total
March 31,	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2027	$ –	$ 2,269	$ 1,845	$ 485	$ –	$ 1,237	$ 5,836
2028	–	2,269	1,935	397	–	1,237	5,838
2029	–	2,269	2,030	304	–	1,237	5,840
2030	–	2,269	2,125	207	15	1,237	5,853
2031	–	2,269	2,225	106	20	1,236	5,856
Thereafter	42,585	20,422	–	–	24,840	17,516	105,363
Total	$ 42,585	$ 31,767	$10,160	$ 1,499	$ 24,875	$ 23,700	$ 134,586

Source: Management

Current Assets and Current Liabilities

Operating expenses exclude amortization, depreciation, other non-cash expenses and interest expenses. Operating revenues include Monthly Fees and Health Center per diem fees. Working capital components have been estimated based on industry standards and Management's historical experience as follows:

Table 13
Working Capital – Days on Hand

Accounts receivable (1)	15 - 11	days of operating revenues
Other receivables	4	days of operating revenues
Accounts payable	9	days of operating expenses
Accrued expenses	22	days of operating expenses

Source: Management
(1) Days of accounts receivable are anticipated to range from 15 to 11 days during the forecast period.

Appendix C — Statement of Actuarial Opinion

SALEMTOWNE
COMPREHENSIVE ACTUARIAL STUDY

As of March 31, 2025

Prepared by Continuing Care Actuaries, LLC
Report Date: June 25, 2025

Statement of Actuarial Opinion

Whom It May Concern:

I, Dave Bond, am a Partner at Continuing Care Actuaries, LLC, a Member of the American Academy of Actuaries (M.A.A.A.) and a Fellow of the Society of Actuaries (F.S.A.). My qualifications and experience meet the standards set forth by the American Academy of Actuaries to render the following actuarial opinion.

Purpose of Opinion

The purpose of this statement is to certify that I have reviewed the assumptions and methods used in the actuarial cash flow, balance sheet, and pricing analysis for Moravian Home, Inc d/b/a Salemtowne (Salemtowne) (CCRC) as of March 31, 2025.

Opinion

Based on my review, I hereby certify that, in my opinion:

- The data and assumptions used for the population and financial projections in this report form a reasonable basis for the projections.
- The methods used to produce the projections are consistent with sound actuarial principles and practices as prescribed by the Society of Actuaries and the American Academy of Actuaries.
- Salemtowne is ***not in adequate financial condition*** to meet its obligations as defined by Actuarial Standard of Practice No. 3 (ASOP 3). ASOP 3 defines adequacy based on the meeting of three required actuarial standards, which consist of the actuarial cash flow, the actuarial balance sheet, and the actuarial pricing analysis. Salemtowne has negative cash flows throughout the projection which is causing the inadequate condition.
- The following report details the assumptions and results that were used to assess the financial condition of Salemtowne.

Sincerely,

Dave Bond

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

Contents

Executive Summary

Introduction

Continuing Care Actuaries was retained by the management of Salemtowne to conduct a Comprehensive Actuarial Study for their community located in Winston-Salem, NC. The purpose of the actuarial analysis was to:

- Review the resident demographic experience,
- Provide a population projection of current and prospective residents,
- Calculate Salemtowne's cash flow projection and Actuarial Balance Sheet, and
- Conduct an Actuarial Pricing Analysis of the current residential contract.

Salemtowne is a Continuing Care Retirement Community with an independent living portion consisting of 221 Independent Living Units. Contract residents have access to Salemtowne's Healthcare center which contains 32 Assisted Living Units, 20 Memory Support Units, and Health Care Center that is licensed for 100 Skilled Nursing beds. The basic cost of residence at Salemtowne consists of the initial Entrance Fee and the Monthly Service Fee. Residents requiring permanent or temporary health care are able to transfer to the needed level of care as determined appropriate by Salemtowne medical and management staff and in conjunction with residents and their physicians and family. Collectively, Monthly Service Fees and Entrance Fees are intended to cover the cost of constructing and operating the community and providing health care and other services to contract residents, as well as a portion of all other costs related to the operation of the community. Entrance Fees held by Salemtowne are subject to refund requirements.

The scope of our study consisted of (1) development of updated population projections based on the current demographic characteristics of the resident population and the assumptions used in the financial model for Salemtowne; (2) development of projected statements of cash flows and Actuarial Balance Sheet; and (3) preparation of an Actuarial Pricing Analysis. This Comprehensive Actuarial Study and review was performed under the guidelines contained in the American Academy of Actuaries' Actuarial Practice Number 3, "Issues Relating to Continuing Care Retirement Communities."

Data Reliance

Continuing Care Actuaries, LLC has relied upon the following data sources in development of the actuarial study and according results:

All information provided in the sections below has been supplied by the Community:

A. Resident Demographic Information

The Community provided updated demographic details for all current residents, including resident name and/or ID number, contract type, date of birth, gender, location at entry, spouse/roommate ID, date of entry, and current location. All data is contained in the Community's LifeCalc system.

B. Demographic Summary

The Community completed the demographic summary by filling in the designated areas on the provided chart. This data serves to verify the resident demographic information from Part A.

C. Future Occupancy Projections

The Community supplied future occupancy projections, including the expected occupancy levels at each level of care.

D. Incentive Programs

The Community detailed any incentive programs offered to new residents within the past twenty-four months that could impact a pricing analysis.

E. Contract Descriptions

The Community provided copies of current residency agreements available to new entrants, as well as contracts that are no longer offered but still apply to existing residents. A distribution of residents by contract type was also provided, along with the assumed future distribution.

F. Community Description and Configurations

The Community described the facility, including the number and types of independent living units, assisted living units, and skilled nursing beds, as well as the square footage of each unit.

G. Budget Information

The Community provided the budget for the upcoming fiscal year.

H. Fee Structures

The Community shared the proposed residential fees for entrance, monthly service, health care, and ancillary fees for all contracts applicable to the next fiscal year, including per diem, Medicare, and Medicaid rates.

DATA RELIANCE (CONTINUED)

I. Debt Schedules

The Community supplied the schedule of annual principal repayments and interest for any current or future long-term debt.

J. Financial Statements

The Community provided the previous fiscal year's audited financial statements and the current year's unaudited financial statements.

L. Capital Expense Replacement Budget

The Community provided the capital expense replacement budget for the upcoming fiscal year. Management from the community stated that $2,000,000 in additional annual capital expenditures will be needed starting in year 6 for community upkeep.

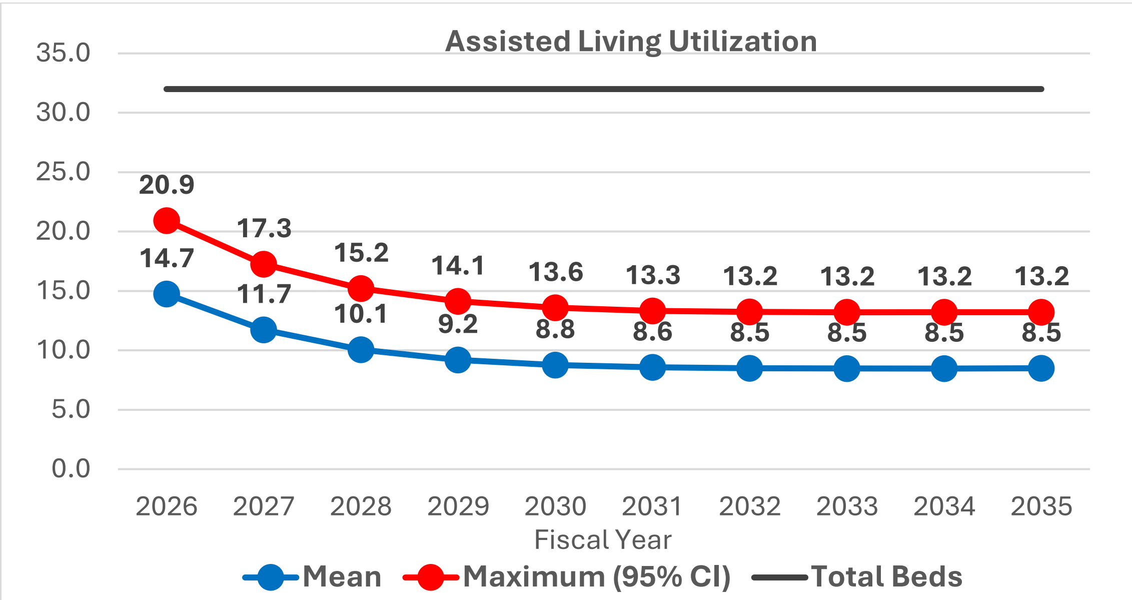
All information provided in the sections below has been developed/supplied by Continuing Care Actuaries:

Percentage of Medicare and Medicaid residents in skilled nursing was kept consistent with last year’s assumption

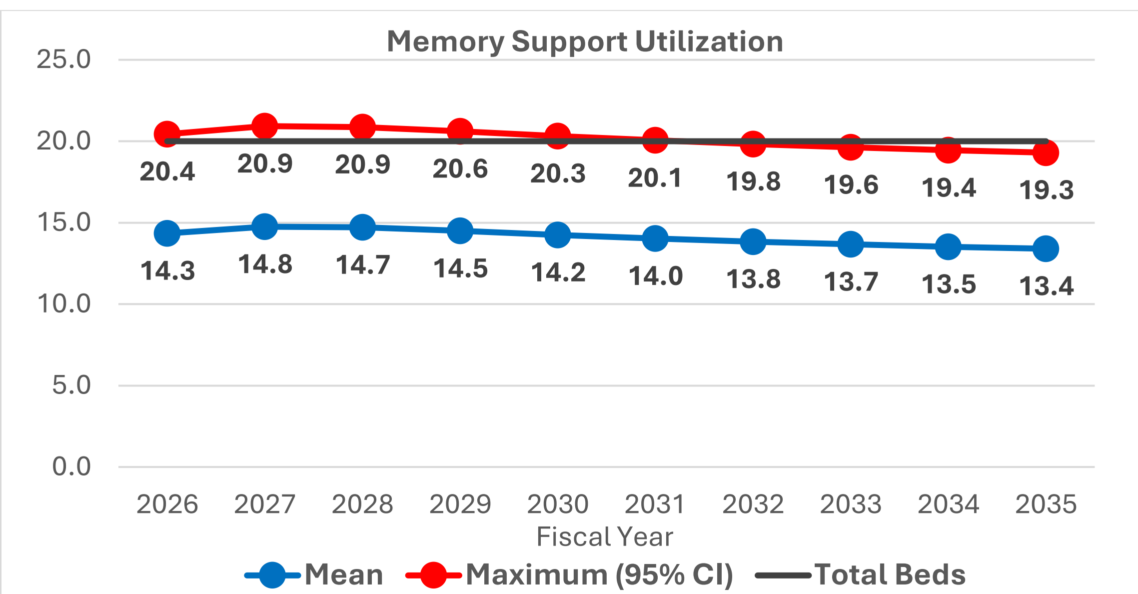
SUMMARY OF FINDINGS AND NOTES

1) **Data and Assumptions**: The data and assumptions used for the population and financial projections in this report form a reasonable basis for the projections. The methods used to produce the projections are consistent with sound actuarial principles and practices as prescribed by the Society of Actuaries and the American Academy of Actuaries.

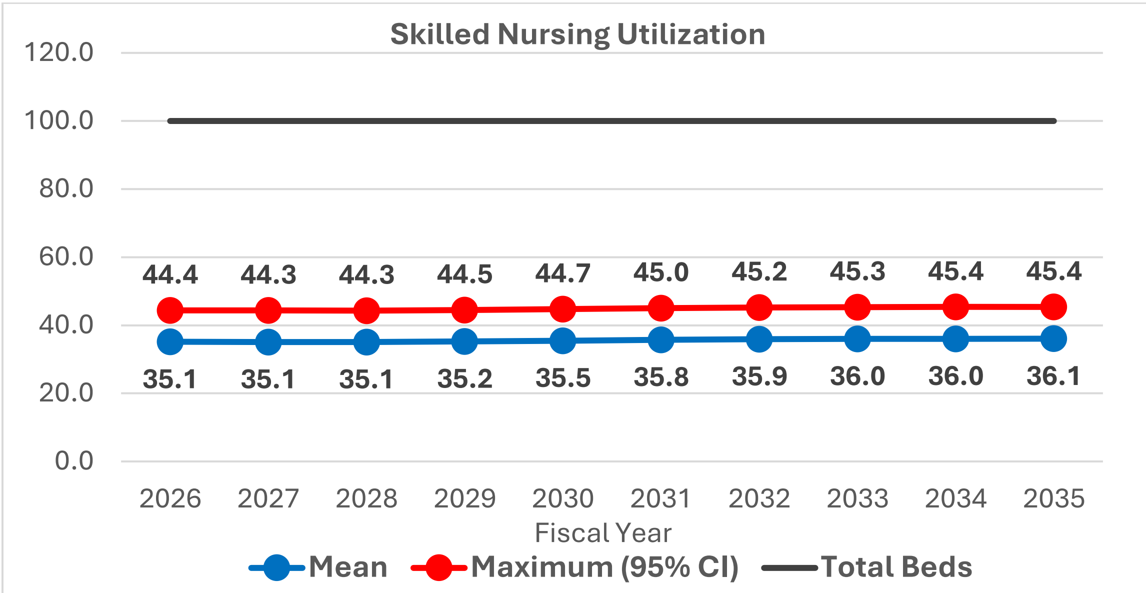
   The projected occupancy of assisted living units by residents who originated in independent living units with the 95% confidence interval is displayed below:



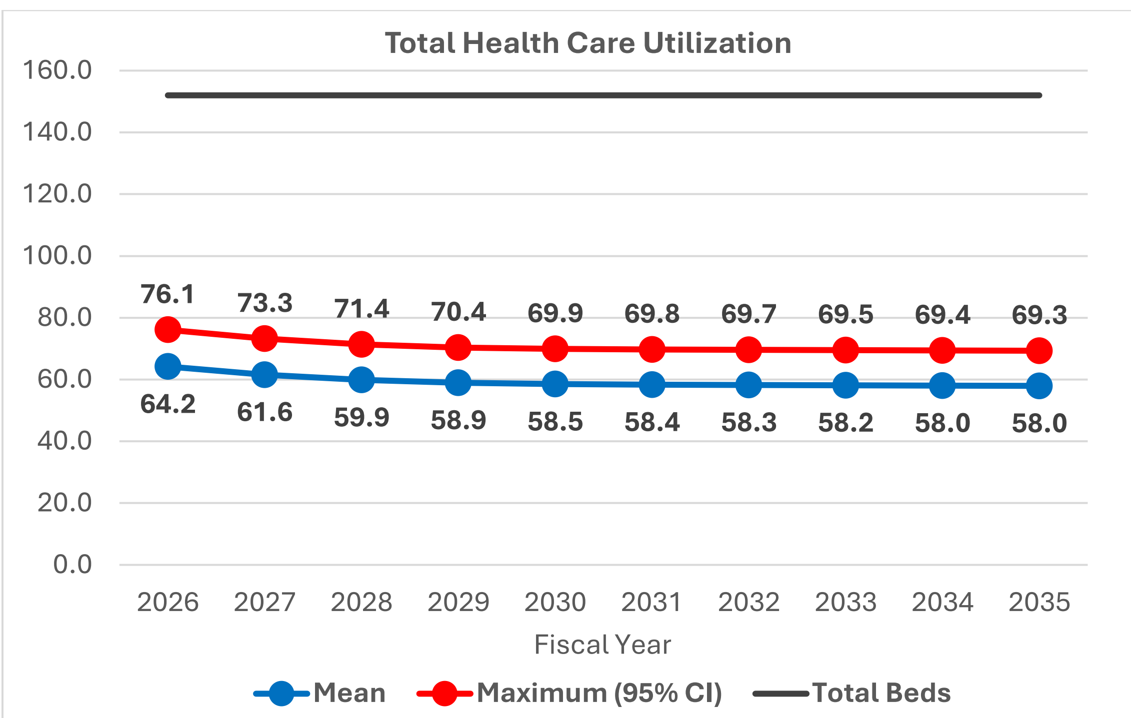
   The following chart shows the projected occupancy of the memory support facility by residents who originated in independent living units with 95% confidence interval is displayed below:



The following chart shows the projected occupancy of the skilled nursing facility by residents who originated in independent living units with 95% confidence interval is displayed below:



The projected occupancy of the combined assisted living, memory support, and skilled nursing facility by residents who originated in independent living units with 95% confidence interval is detailed below:



2) **Cash Flow Projection**: The financial projection indicates that Salemtowne will generate negative annual cash flow throughout the projection, except in 2030.

3) **Actuarial Balance Sheet**: Based on the result of the Actuarial Balance Sheet as of March 31, 2025, our analysis concluded that Salemtowne has current and future assets of $260,022,000 with current and future liabilities of $194,833,000. Based on these projected assets and liabilities, Salemtowne's funded status is 133.5% which is above our recommended target of 110% for a mature community.

   The actuarial ratio determines the percent of future expenses that are expected to be covered by future revenues for the expected group of residents as of March 31, 2025. This measure is important in that it represents Salemtowne's ability to deal with adverse experience. This ratio was calculated at 81.2%. The detail of the Actuarial Balance Sheet can be seen on page number 30.

4) **Actuarial Pricing Analysis**: In aggregate, based on new entrant contract distribution assumptions, the Actuarial Pricing Analysis for new entrants at Salemtowne is expected to cover the risk of adverse fluctuation, with a margin of 7.1%. Detailed pricing results by contract can be found on page number 33.

   Generally, it is our recommendation for a mature community to target a margin of approximately 10% in order to cover possible adverse fluctuations that may occur in the future. These adverse fluctuations can include both changes in economic assumptions, such as expected inflation, and changes in demographic assumptions, such as nursing care utilization.

KEY ASSUMPTIONS

Financial Assumptions

Inflation

General Expense	
Wages and Benefits	4.5%
Other Expenses	3.25%
Entrance Fee	4.0%
Monthly Fee	4.0%
Medicare Revenue	2.0%
Investment Income	2026: 3.0% 2027: 3.5% 2028+: 4.0%
Discount Rate	5.5%
***Sales Concession of Entrance Fees**	3.0%

Ultimate Occupancy

Independent Living	95.9%
Assisted Living	94.2%
Memory Support	94.2%
Skilled Nursing	90.0%

New Entrant Contract Selection

Traditional Type B	80.0%
50% Refundable Type B	0.0%
90% Refundable Type B	0.0%
Traditional Type C	20.0%
50% Refundable Type C	0.0%
90% Refundable Type C	0.0%

Demographic Assumptions

New Entrant Demographics

New Entrant Distribution

Single Male	7.4%
Single Female	40.5%
Couple	52.0%

New Entrant Ages

Single Male	79
Single Female	81
Couple Male	80
Couple Female	78

Residential Contract Information

Type B Benefit

Under the terms of all contracts the resident agrees to pay an initial Entrance Fee and a Monthly Service Fee, which entitles the resident to lifetime occupancy of a residential unit, subject to contractual conditions.

Residents pay the monthly fee corresponding to their independent living unit, and if they transfer to assisted living, memory support, or the healthcare center, they will pay 80% of the per diem rate.

Services for independent living residents include dining allowance of up to three meals per day, weekly housekeeping, security, scheduled local transportation and activities, parking, maintenance of buildings, grounds, and equipment, and use of all public rooms and common areas.

Type C Benefit

Under the terms of all contracts the resident agrees to pay an initial Entrance Fee and a Monthly Service Fee, which entitles the resident to lifetime occupancy of a residential unit, subject to contractual conditions.

Under these plans, residents pay the Monthly Service Fee that corresponds to their unit in Independent Living. Residents who transfer to assisted living, memory support, or the healthcare center will pay 100% of the per diem rate.

Services for independent living residents include dining allowance of up to three meals per day, weekly housekeeping, security, scheduled local transportation and activities, parking, maintenance of buildings, grounds, and equipment, and use of all public rooms and common areas.

Refundability

There are currently six active contracts with the following refund provisions:

Contract	Refundability	Decline Period
Traditional Type B	0%	96% refund at entry declining 2% per month for 48 months
50% Refundable Type B	50%	96% refund at entry declining 2% per month for 23 months
90% Refundable Type B	90%	96% refund at entry declining 2% per month for 3 months
Traditional Type C	0%	96% refund at entry declining 2% per month for 48 months
50% Refundable Type C	50%	96% refund at entry declining 2% per month for 23 months
90% Refundable Type C	90%	96% refund at entry declining 2% per month for 3 months

Unit Configurations

Independent Living

Unit Type	Count	Square Feet
Forsyth	8	470
West End	4	790
Winston	17	790
Buena Vista	4	1,055
Reynolda	15	751
Sherwood	9	936
Piedmont	21	1,073
Brookstown	4	1,107
Twin City	10	1,240
Appalachian A	6	1,640
Appalachian B	1	1,700
Mitchell	1	1,440
Rutherford A	3	1,817
Rutherford B	2	2,104
Rutherford C	1	2,259
Rutherford D	1	2,100
Shenandoah A	3	1,617
Shenandoah B	1	1,698
Watauga	1	2,400
Bethania	2	1,533
Hickory A	9	1,560
Hickory B	1	1,560
Catawba A	14	1,678
Catawba B	1	1,954
Catawba C	1	1,678
Catawba D	1	1,678
Catawba E	1	1,678
Catawba F	1	1,678
Hatteras	8	1,172
Emerald	14	1,356
Beech	16	1,215
Dogwood	8	1,395
Hawthorne	8	1,490
Pine	8	1,640
Sycamore	8	1,750
Willow	8	1,875
Total	**221**	**283,391**

Unit Configurations (Continued)

Assisted Living

Unit Type	Count
AL – Single Occ	16
AL - Suite	16
Total	**32**

Memory Support

Unit Type	Count
Memory Support	20
Total	**20**

Skilled Nursing

Unit Type	Count
Skilled Nursing	100
Total	**100**

Fee Schedules

Independent Living

Traditional Type B

Unit Type	Entrance Fee	Monthly Fee - Single	Monthly Fee - Couple
Forsyth	$130,843	$2,812	$3,981
West End	168,394	3,170	4,339
Winston	157,599	3,170	4,339
Buena Vista	203,753	3,540	4,709
Reynolda	192,829	3,342	4,511
Sherwood	223,323	3,713	4,882
Piedmont	266,745	4,181	5,350
Brookstown	269,535	4,187	5,356
Twin City	279,468	4,486	5,655
Appalachian A	462,843	4,724	5,638
Appalachian B	468,380	4,810	5,724
Mitchell	399,960	4,414	5,328
Rutherford A	495,293	5,111	6,025
Rutherford B	515,680	5,315	6,229
Rutherford C	616,770	5,578	6,492
Rutherford D	576,290	5,906	6,820
Shenandoah A	450,817	4,648	5,562
Shenandoah B	467,940	4,803	5,717
Watauga	663,300	5,757	6,671
Bethania	396,792	4,339	5,253
Hickory A	404,544	4,416	5,330
Hickory B	462,348	4,866	5,780
Catawba A	431,738	4,651	5,565
Catawba B	525,636	5,132	6,046
Catawba C	642,924	5,111	6,025
Catawba D	643,896	5,111	6,025
Catawba E	596,592	5,498	6,412
Catawba F	589,896	5,055	5,969
Hatteras	271,412	3,794	4,708
Emerald	305,753	3,954	4,868
Beech	293,409	4,358	5,293
Dogwood	378,149	4,569	5,504
Hawthorne	390,704	4,681	5,616
Pine	453,587	4,876	5,811
Sycamore	465,210	5,072	6,007
Willow	528,822	5,169	6,104
2nd Person	**$20,000**		

Fee Schedules (Continued)

Independent Living

50% Refundable Type B

Unit Type	Entrance Fee	Monthly Fee - Single	Monthly Fee - Couple
Forsyth	$189,723	$2,812	$3,981
West End	244,171	3,170	4,339
Winston	228,518	3,170	4,339
Buena Vista	295,441	3,540	4,709
Reynolda	279,602	3,342	4,511
Sherwood	323,819	3,713	4,882
Piedmont	386,780	4,181	5,350
Brookstown	390,826	4,187	5,356
Twin City	405,229	4,486	5,655
Appalachian A	671,123	4,724	5,638
Appalachian B	679,151	4,810	5,724
Mitchell	579,942	4,414	5,328
Rutherford A	718,175	5,111	6,025
Rutherford B	747,736	5,315	6,229
Rutherford C	894,317	5,578	6,492
Rutherford D	835,621	5,906	6,820
Shenandoah A	653,684	4,648	5,562
Shenandoah B	678,513	4,803	5,717
Watauga	961,785	5,757	6,671
Bethania	575,348	4,339	5,253
Hickory A	586,589	4,416	5,330
Hickory B	670,405	4,866	5,780
Catawba A	626,020	4,651	5,565
Catawba B	762,172	5,132	6,046
Catawba C	932,240	5,111	6,025
Catawba D	933,649	5,111	6,025
Catawba E	865,058	5,498	6,412
Catawba F	855,349	5,055	5,969
Hatteras	393,547	3,794	4,708
Emerald	443,341	3,954	4,868
Beech	425,443	4,358	5,293
Dogwood	548,315	4,569	5,504
Hawthorne	566,520	4,681	5,616
Pine	657,700	4,876	5,811
Sycamore	674,555	5,072	6,007
Willow	766,792	5,169	6,104
2nd Person	**$20,000**		

CONTINUING CARE ACTUARIES

Fee Schedules (Continued)

Independent Living

90% Refundable Type B

Unit Type	Entrance Fee	Monthly Fee - Single	Monthly Fee - Couple
Forsyth	$300,939	$2,812	$3,981
West End	387,306	3,170	4,339
Winston	362,477	3,170	4,339
Buena Vista	468,631	3,540	4,709
Reynolda	443,507	3,342	4,511
Sherwood	513,644	3,713	4,882
Piedmont	613,514	4,181	5,350
Brookstown	619,931	4,187	5,356
Twin City	642,776	4,486	5,655
Appalachian A	1,064,540	4,724	5,638
Appalachian B	1,077,274	4,810	5,724
Mitchell	919,908	4,414	5,328
Rutherford A	1,139,175	5,111	6,025
Rutherford B	1,186,064	5,315	6,229
Rutherford C	1,418,571	5,578	6,492
Rutherford D	1,325,467	5,906	6,820
Shenandoah A	1,036,878	4,648	5,562
Shenandoah B	1,076,262	4,803	5,717
Watauga	1,525,590	5,757	6,671
Bethania	912,622	4,339	5,253
Hickory A	930,451	4,416	5,330
Hickory B	1,063,400	4,866	5,780
Catawba A	992,997	4,651	5,565
Catawba B	1,208,963	5,132	6,046
Catawba C	1,478,725	5,111	6,025
Catawba D	1,480,961	5,111	6,025
Catawba E	1,372,162	5,498	6,412
Catawba F	1,356,761	5,055	5,969
Hatteras	624,247	3,794	4,708
Emerald	703,231	3,954	4,868
Beech	674,841	4,358	5,293
Dogwood	869,742	4,569	5,504
Hawthorne	898,618	4,681	5,616
Pine	1,043,249	4,876	5,811
Sycamore	1,069,983	5,072	6,007
Willow	1,216,291	5,169	6,104
2nd Person	**$20,000**		

Fee Schedules (Continued)

Independent Living

Traditional Type C

Unit Type	Entrance Fee	Monthly Fee - Single	Monthly Fee - Couple
Forsyth	$101,588	$2,812	$3,981
West End	137,700	3,170	4,339
Winston	128,282	3,170	4,339
Buena Vista	171,725	3,540	4,709
Reynolda	170,300	3,342	4,511
Sherwood	191,789	3,713	4,882
Piedmont	243,067	4,181	5,350
Brookstown	243,725	4,187	5,356
Twin City	239,560	4,486	5,655
Appalachian A	455,700	4,724	5,638
Appalachian B	451,500	4,810	5,724
Mitchell	381,100	4,414	5,328
Rutherford A	473,333	5,111	6,025
Rutherford B	495,650	5,315	6,229
Rutherford C	616,100	5,578	6,492
Rutherford D	572,700	5,906	6,820
Shenandoah A	436,800	4,648	5,562
Shenandoah B	451,100	4,803	5,717
Watauga	684,500	5,757	6,671
Bethania	387,000	4,339	5,253
Hickory A	384,856	4,416	5,330
Hickory B	454,000	4,866	5,780
Catawba A	412,321	4,651	5,565
Catawba B	537,900	5,132	6,046
Catawba C	750,800	5,111	6,025
Catawba D	734,100	5,111	6,025
Catawba E	583,600	5,498	6,412
Catawba F	612,400	5,055	5,969
Hatteras	241,988	3,794	4,708
Emerald	276,050	3,954	4,868
Beech	263,231	4,358	5,293
Dogwood	362,738	4,569	5,504
Hawthorne	365,388	4,681	5,616
Pine	441,688	4,876	5,811
Sycamore	440,263	5,072	6,007
Willow	520,325	5,169	6,104
2nd Person	**$20,000**		

Fee Schedules (Continued)

Independent Living

50% Refundable Type C

Unit Type	Entrance Fee	Monthly Fee - Single	Monthly Fee - Couple
Forsyth	$147,302	$2,812	$3,981
West End	199,665	3,170	4,339
Winston	186,009	3,170	4,339
Buena Vista	249,001	3,540	4,709
Reynolda	246,935	3,342	4,511
Sherwood	278,094	3,713	4,882
Piedmont	352,447	4,181	5,350
Brookstown	353,401	4,187	5,356
Twin City	347,362	4,486	5,655
Appalachian A	660,765	4,724	5,638
Appalachian B	654,675	4,810	5,724
Mitchell	552,595	4,414	5,328
Rutherford A	686,333	5,111	6,025
Rutherford B	718,693	5,315	6,229
Rutherford C	893,345	5,578	6,492
Rutherford D	830,415	5,906	6,820
Shenandoah A	633,360	4,648	5,562
Shenandoah B	654,095	4,803	5,717
Watauga	992,525	5,757	6,671
Bethania	561,150	4,339	5,253
Hickory A	558,041	4,416	5,330
Hickory B	658,300	4,866	5,780
Catawba A	597,866	4,651	5,565
Catawba B	779,955	5,132	6,046
Catawba C	1,088,660	5,111	6,025
Catawba D	1,064,445	5,111	6,025
Catawba E	846,220	5,498	6,412
Catawba F	887,980	5,055	5,969
Hatteras	350,882	3,794	4,708
Emerald	400,273	3,954	4,868
Beech	381,685	4,358	5,293
Dogwood	525,969	4,569	5,504
Hawthorne	529,812	4,681	5,616
Pine	640,447	4,876	5,811
Sycamore	638,381	5,072	6,007
Willow	754,471	5,169	6,104
2nd Person	**$20,000**		

Fee Schedules (Continued)

Independent Living

90% Refundable Type C

Unit Type	Entrance Fee	Monthly Fee - Single	Monthly Fee - Couple
Forsyth	$233,651	$2,812	$3,981
West End	316,710	3,170	4,339
Winston	295,049	3,170	4,339
Buena Vista	394,968	3,540	4,709
Reynolda	391,690	3,342	4,511
Sherwood	441,114	3,713	4,882
Piedmont	559,053	4,181	5,350
Brookstown	560,568	4,187	5,356
Twin City	550,988	4,486	5,655
Appalachian A	1,048,110	4,724	5,638
Appalachian B	1,038,450	4,810	5,724
Mitchell	876,530	4,414	5,328
Rutherford A	1,088,667	5,111	6,025
Rutherford B	1,139,995	5,315	6,229
Rutherford C	1,417,030	5,578	6,492
Rutherford D	1,317,210	5,906	6,820
Shenandoah A	1,004,640	4,648	5,562
Shenandoah B	1,037,530	4,803	5,717
Watauga	1,574,350	5,757	6,671
Bethania	890,100	4,339	5,253
Hickory A	885,168	4,416	5,330
Hickory B	1,044,200	4,866	5,780
Catawba A	948,339	4,651	5,565
Catawba B	1,237,170	5,132	6,046
Catawba C	1,726,840	5,111	6,025
Catawba D	1,688,430	5,111	6,025
Catawba E	1,342,280	5,498	6,412
Catawba F	1,408,520	5,055	5,969
Hatteras	556,571	3,794	4,708
Emerald	634,915	3,954	4,868
Beech	605,432	4,358	5,293
Dogwood	834,296	4,569	5,504
Hawthorne	840,391	4,681	5,616
Pine	1,015,881	4,876	5,811
Sycamore	1,012,604	5,072	6,007
Willow	1,196,748	5,169	6,104
2nd Person	**$20,000**		

Fee Schedules (Continued)

Assisted Living

Fee Type	Average Monthly Fee
Type B	$6,566
Private Pay Average	8,208

Memory Support

Fee Type	Average Monthly Fee
Type B	$9,190
Private Pay Average	11,488

Skilled Nursing

Fee Type	Average Monthly Fee
Type B	$12,029
Private Pay Average	15,036
Medicaid	17,684
Medicare	7,122

POPULATION PROJECTION

Historical Analysis

Continuing Care Actuaries performed a study of Salemtowne's mortality and morbidity experience at each level of care. Our national database adjusts the expected mortality by age and gender of the resident, as well as the number of years the resident has resided at the particular level of care.

In order to develop the demographic mortality, morbidity and withdrawal assumptions, we collected historical resident movements relating to death, transfers and move-outs from Salemtowne. We compiled the experience at the community from fiscal year 1990 to March 31, 2025. The information was applied against the corresponding life-years of exposure in order to develop historic decrement rates.

Continuing Care Actuaries compared these historic rates to industry experience and smoothed out any anomalies that emerged in the underlying data. The basis of these adjustments can be found in Credibility Theory, which states that the community's experience becomes more credible as exposure life-years increases. In general, female experience at the community tended to be much more credible, due to the larger amount of exposure years for females. In addition, the independent living experience tends to be more credible than nursing experience due to the much larger amount of exposure years for ILU residents.

Based on the experience at Salemtowne, we utilized a blend between our national database and Salemtowne's historical data. In order for us to gain more comfort in the demographic assumptions, we compared resident transfers (both permanent and temporary), deaths and move-outs against a simulated population projected through our model. We then adjusted the mortality, morbidity, and withdrawal rates in our simulation model to reflect the actual experience at Salemtowne more closely.

Historical Analysis (Continued)

The following tables detail the reported demographic turnover of independent living units from fiscal year ending March 31, 2021, to March 31, 2025.

Independent Living Units

	Units			
Fiscal Year	**Begin**	**New**	**Turned Over**	**Average**
2021	174	55	19	**200.6**
2022	210	28	22	**211.5**
2023	216	16	15	**216.5**
2024	217	22	25	**212.5**
2025	214	15	14	**214.5**

The following tables detail the reported demographic movements of contract residents in independent living units from fiscal year ending March 31, 2021, to March 31, 2025.

Independent Living People

	People								
Fiscal Year	**Begin**	**New**	**With-drawn**	**Transfers From ALU/MSU**	**Transfers To ALU/MSU**	**Transfers From SNF**	**Transfers To SNF**	**Deaths**	**Average**
2021	245	87	3	0	8	0	10	6	**289.7**
2022	305	40	3	1	16	2	16	10	**302.5**
2023	303	24	4	1	10	1	8	5	**302.0**
2024	302	33	0	1	15	28	43	5	**296.9**
2025	301	22	0	3	11	23	36	7	**298.7**

Historical Analysis (Continued)

The following table details the reported demographic movements of contract residents in assisted living and memory support units from fiscal year ending March 31, 2021, to March 31, 2025.

Assisted Living and Memory Support

Fiscal Year	Begin People	With-drawn	Transfers From ILU	Transfers To ILU	Transfers From SNF	Transfers To SNF	Deaths	Average
2021	25	1	8	0	2	4	2	**26.8**
2022	28	2	16	1	6	8	8	**30.2**
2023	31	0	10	1	3	12	4	**28.2**
2024	27	1	15	1	7	10	3	**27.7**
2025	34	1	11	3	13	14	7	**33.5**

The following table details the reported demographic movements of contract residents in skilled nursing units from fiscal year ending March 31, 2021, to March 31, 2025.

Skilled Nursing

Fiscal Year	Begin People	With-drawn	Transfers From ILU	Transfers To ILU	Transfers From ALU/MSU	Transfers To ALU/MSU	Deaths	Average
2021	25	2	10	0	4	2	8	**24.4**
2022	27	0	16	2	8	6	13	**28.1**
2023	30	2	8	1	12	3	15	**28.2**
2024	29	4	43	28	10	7	13	**32.3**
2025	30	1	36	23	14	13	15	**28.7**

Mortality and Morbidity Analysis

Continuing Care Actuaries performed a study of Salemtowne's mortality and morbidity experience at each level of care. Our national database adjusts the expected mortality by age and gender of the resident, as well as the number of years the resident has resided at the particular level of care.

In order to develop the demographic mortality, morbidity and withdrawal assumptions, we collected historical resident movements relating to death, transfers and move-outs from Salemtowne. We compiled the experience at the community from fiscal year 1990 to March 31, 2025. The information was applied against the corresponding life-years of exposure in order to develop historic decrement rates.

Continuing Care Actuaries compared these historic rates to industry experience and smoothed out any anomalies that emerged in the underlying data. The basis of these adjustments can be found in Credibility Theory, which states that the community's experience becomes more credible as exposure life-years increases. In general, female experience at the community tended to be much more credible, due to the larger amount of exposure years for females. In addition, the independent living experience tends to be more credible than nursing experience due to the much larger amount of exposure years for ILU residents.

Based on the experience at Salemtowne, we utilized a blend between our national database and Salemtowne's historical data. In order for us to gain more comfort in the demographic assumptions, we compared resident transfers (both permanent and temporary), deaths and move-outs against a simulated population projected through our model. We then adjusted the mortality, morbidity, and withdrawal rates in our simulation model to reflect the actual experience at Salemtowne more closely.

After analyzing Salemtowne's history, we used the following factors to modify the Continuing Care Actuaries' rates in order to project utilization of health care services at Salemtowne:

	Assumption
Independent Living Mortality	105%
Transfer from Independent Living to Assisted Living	39%
Transfer from Independent Living to Memory support	58%
Transfer from Independent Living to Skilled Nursing	106%
Assisted Living Mortality	63%
Transfer from Assisted living to Memory support	150%
Transfer from Assisted living to Skilled Nursing	64%
Memory support Mortality	114%
Transfer from Memory support to Skilled Nursing	50%
Skilled Nursing Mortality	86%
Withdrawal from Independent Living	65%
Temporary Transfer from Independent Living to Skilled Nursing	100%

Life Expectancy

The demographic assumptions are based on data collected from Salemtowne as well as other similar communities in the Continuing Care Actuaries Demographic Database for CCRC residents. The resulting life expectancy at each level of care is summarized in the table below:

Single Contract Life Expectancy in Years by Level of Care
For Independent Living New Entrants
Based on Expected Demographic Assumptions

Female Residents

ENTRY AGE	ILU	ALU	MSU	SNF	TOTAL
70	14.9	0.3	0.5	1.0	16.7
75	12.0	0.3	0.5	1.1	13.9
80	9.2	0.3	0.5	1.1	11.1
85	6.9	0.3	0.5	1.1	8.8
90	5.0	0.3	0.5	1.1	6.9

Male Residents

ENTRY AGE	ILU	ALU	MSU	SNF	TOTAL
70	11.9	0.2	0.4	0.9	13.4
75	9.4	0.2	0.3	1.0	10.9
80	7.0	0.2	0.3	1.0	8.5
85	4.9	0.2	0.4	1.0	6.5
90	3.4	0.2	0.4	0.9	4.9

Results

The following table summarizes the forecasted average utilization of the independent living units:

Independent Living

	AVERAGE RESIDENTS	AVERAGE UNITS		AVERAGE
YEAR	**Contract**	**Occupied**	**Available**	**Occupancy**
2026	289.5	213.5	221.0	96.6%
2027	281.7	212.0	221.0	95.9%
2028	277.6	212.0	221.0	95.9%
2029	274.7	212.0	221.0	95.9%
2030	272.7	212.0	221.0	95.9%

The following table summarizes the forecasted average utilization of the assisted living units:

Assisted Living

	AVERAGE RESIDENTS		AVERAGE UNITS		AVERAGE
YEAR	**Contract**	**Direct Admit**	**Occupied**	**Available**	**Occupancy**
2026	17.4	12.8	30.2	32.0	94.2%
2027	13.2	16.9	30.2	32.0	94.2%
2028	10.9	19.3	30.2	32.0	94.2%
2029	9.6	20.5	30.2	32.0	94.2%
2030	9.0	21.2	30.2	32.0	94.2%

The following table summarizes the forecasted average utilization of the memory support units:

Memory Support

	AVERAGE RESIDENTS		AVERAGE UNITS		AVERAGE
YEAR	**Contract**	**Direct Admit**	**Occupied**	**Available**	**Occupancy**
2026	13.7	5.2	18.8	20.0	94.2%
2027	14.5	4.3	18.8	20.0	94.2%
2028	14.7	4.1	18.8	20.0	94.2%
2029	14.6	4.2	18.8	20.0	94.2%
2030	14.4	4.5	18.8	20.0	94.2%

Results (continued)

The following table summarizes the forecasted average utilization of the skilled nursing units:

Skilled Nursing

	AVERAGE RESIDENTS			AVERAGE UNITS		AVERAGE
YEAR	**Contract**	**Temporary**	**Direct Admit**	**Occupied**	**Available**	**Occupancy**
2026	28.0	7.1	54.9	90.0	100.0	90.0%
2027	28.0	7.2	54.8	90.0	100.0	90.0%
2028	27.9	7.3	54.9	90.0	100.0	90.0%
2029	27.9	7.3	54.8	90.0	100.0	90.0%
2030	28.0	7.4	54.6	90.0	100.0	90.0%

Actuarial Analysis

A. Cash Flow Projection

The actuarial cash flow methodology employs the same principles found in GAAP cash flow projections. Key assumptions for the expected revenues, operating expenses, interest expense, and capital replacement are summarized in Key Assumptions and can be found in the detailed projections that follow.

The actuarial cash flow projection, under the assumption that Salemtowne will maintain an ultimate occupancy level of 212 ILU out of 221 total ILU (95.9% occupancy), generates negative annual cash flow throughout the projection except for 2030.

The cash flow projection is for 20 years and is based on projected inflation rates. The cash balances generated are dependent upon these assumptions. The likelihood of matching these results decreases significantly after 5 years with the uncertainty in projecting inflation.

The table below summarizes the first four years of the cash flow projection:

Revenue Projection	2026	2027	2028	2029
Net Entrance Fees	$2,935,709	$4,637,712	$5,331,941	$5,938,059
Independent Living Monthly Fees	11,768,264	12,063,085	12,477,784	12,958,099
Assisted Living Monthly Fees	2,659,634	2,839,488	2,998,804	3,148,369
Memory support Monthly Fees	2,226,738	2,300,084	2,394,036	2,502,552
Skilled Nursing Monthly Fees	15,611,260	16,145,982	16,709,743	17,301,220
Contributions	120,000	120,000	120,000	120,000
Ancillary Income	1,446,748	1,495,405	1,550,312	1,609,422
Investment Income	994,162	1,067,475	1,146,355	1,123,357
Total Cash Inflow	**$37,762,516**	**$40,669,232**	**$42,728,976**	**$44,701,077**
Expense Projection				
Operating Expense	$30,679,986	$31,913,974	$33,197,831	$34,533,581
Debt Payments	5,840,444	5,835,957	5,837,644	5,840,363
Capital Expenditures	3,964,778	5,475,475	4,818,155	4,352,400
Total Cash Outflow	**$40,485,208**	**$43,225,406**	**$43,853,630**	**$44,726,344**
Net Cash Flow	**($2,722,692)**	**($2,556,174)**	**($1,124,655)**	**($25,267)**

The following two pages detail the revenue and expense assumptions for the first four years of the cash flow projection. The full twenty-year cash flow projection can be found in Appendix C.

Revenue Projection	2026	2027	2028	2029
Traditional Type B				
ILU Entrance Fees Received	$2,715,168	$3,997,328	$4,535,026	$5,059,691
Entrance Fees Refunded	(223,974)	(157,305)	(135,760)	(171,334)
Net Entrance Fees	$2,491,194	$3,840,023	$4,399,266	$4,888,357
50% Refundable Type B				
ILU Entrance Fees Received	$0	$0	$0	$0
Entrance Fees Refunded	(12,415)	(16,174)	(18,941)	(20,765)
Net Entrance Fees	($12,415)	($16,174)	($18,941)	($20,765)
90% Refundable Type B				
ILU Entrance Fees Received	$0	$0	$0	$0
Entrance Fees Refunded	(168,362)	(97,515)	(73,522)	(69,108)
Net Entrance Fees	($168,362)	($97,515)	($73,522)	($69,108)
Traditional Type C				
ILU Entrance Fees Received	$632,142	$930,852	$1,056,601	$1,179,294
Entrance Fees Refunded	(6,850)	(19,475)	(31,463)	(39,719)
Net Entrance Fees	$625,292	$911,377	$1,025,138	$1,139,575
50% Refundable Type C				
ILU Entrance Fees Received	$0	$0	$0	$0
Entrance Fees Refunded	0	0	0	0
Net Entrance Fees	$0	$0	$0	$0
90% Refundable Type C				
ILU Entrance Fees Received	$0	$0	$0	$0
Entrance Fees Refunded	0	0	0	0
Net Entrance Fees	$0	$0	$0	$0

	2026	2027	2028	2029
Independent Living Monthly Fees	$11,768,264	$12,063,085	$12,477,784	$12,958,099
Assisted Living Contract Resident Fees	1,400,785	1,106,666	947,528	875,241
Assisted Living Private Pay	1,258,849	1,732,823	2,051,277	2,273,128
Memory Support Contract Resident Fees	1,513,338	1,683,735	1,780,258	1,844,043
Memory Support Private Pay	713,400	616,349	613,778	658,509
Skilled Nursing Contract Resident Fees	4,118,384	4,282,994	4,456,457	4,668,757
Skilled Nursing Private Pay	6,320,969	6,564,561	6,835,338	7,098,288
Skilled Nursing Medicare/Medicaid	5,171,907	5,298,427	5,417,948	5,534,175
Contributions	120,000	120,000	120,000	120,000
Ancillary and Other Income	1,446,748	1,495,405	1,550,312	1,609,422
Investment Income	994,162	1,067,475	1,146,355	1,123,357
Total Cash Inflow	**$37,762,516**	**$40,669,232**	**$42,728,976**	**$44,701,077**

Expense Projection	2026	2027	2028	2029
Dining Services	$5,412,192	$5,628,852	$5,854,186	$6,088,540
Resident Care	11,095,533	11,558,483	12,040,749	12,543,138
Maintenance & Grounds	3,256,587	3,372,213	3,491,943	3,615,925
Information Services	1,362,759	1,407,049	1,452,778	1,499,993
Development	286,859	297,706	308,964	320,647
General Admin & Marketing	6,214,132	6,475,074	6,746,974	7,030,291
Insurance Expense	480,330	495,941	512,059	528,701
Activities & Wellness	769,048	799,935	832,063	865,481
Interest	4,075,444	3,990,957	3,902,644	3,810,363
Principal Repayment	1,765,000	1,845,000	1,935,000	2,030,000
Capital Expenditures	3,964,778	5,475,475	4,818,155	4,352,400
Total Cash Outflow	**$40,485,208**	**$43,225,406**	**$43,853,630**	**$44,726,344**
Net Cash Flow	**($2,722,692)**	**($2,556,174)**	**($1,124,655)**	**($25,267)**
Cumulative Cash Flow	$31,777,384	$29,221,210	$28,096,555	$28,071,288
Cumulative Cash Flow (2026 $s)	31,777,384	27,697,829	25,243,418	23,905,893

B. Actuarial Balance Sheet

The purpose of the Actuarial Balance Sheet is to determine whether the projected assets and present value of future Monthly Service Fees equals or exceeds projected liabilities and the present value of future expenses associated with providing care to the expected closed group of residents of Salemtowne as of March 31, 2025. While the Actuarial Balance Sheet analyzes the financial condition of Salemtowne in aggregate historically, the Actuarial Pricing Analysis develops the financial adequacy of the current pricing structure for each Independent Living Unit type.

The Actuarial Balance Sheet has been developed in accordance with Actuarial Standard of Practice No.3, "Practices Relating to Continuing Care Retirement Communities." The balance sheet directly evaluates the CCRC solvency for a community with respect to its expected set of residents. If the balance sheet shows a deficit, or if successive balance sheets reflect an undesirable reduction in surplus, consideration should be given to increasing fees or taking cost reduction measures. If the balance sheet shows a "reasonable" surplus, the existing fees may be appropriate. If the balance sheet shows an "excessive" surplus, consideration may be given to reducing the fees or increasing the services offered.

The actuarial balance sheet for the residents includes the present value of the Entrance Fees and Monthly Service Fees. Liabilities include the present value of Entrance Fee refunds and the present value of promised services under the continuing care contract.

The following table develops the expected surplus for the expected group of residents at Salemtowne as of March 31, 2025. Based on the demographic and financial assumptions detailed, our analysis concluded that Salemtowne will have assets of $260,022,000 with current and future liabilities of $194,833,000. Based on these projected assets and liabilities, Salemtowne's funded status is 133.5%. This is above our recommended target of 110% for established communities.

The actuarial ratio determines the percent of future expenses that are expected to be covered by future revenues for the expected group of residents as of March 31, 2025. This measure is important in evaluating a community's ability to handle adverse experience since any shortfall must be covered by a combination of existing assets and future residents. This ratio was calculated at 81.2%. This result indicates that Salemtowne has sufficient ability to deal with adverse experience by adjusting future monthly and daily fees.

Salemtowne
Actuarial Balance Sheet (in 000s)
As of March 31, 2025

ACTUARIAL ASSETS		
Current Assets	$34,500	
Actuarial Present Value of Net Fixed Assets	149,877	
Current Liabilities	(4,706)	
Actuarial Present Value of Long-Term Debt	(76,934)	
NET ACTUARIAL ASSETS		$102,737
ACTUARIAL LIABILITIES		
Actuarial Present Value of Future Liabilities		
Operating Expenses	$152,676	
+ Capital Annuity Charge	40,934	
Actuarial Present Value of Future Liabilities	$193,610	
Actuarial Present Value of Future Revenues	157,285	
Net Actuarial Liabilities		36,325
Actuarial Present Value of Refund Liability		1,223
Actuarial Surplus (Deficit)		65,189
NET ACTUARIAL LIABILITIES		$102,737
Funded Status		
Net Actuarial Assets + APV of Future Revenue	$260,022	
divided by		
APV of Future Liabilities + APV of Refund Liability	194,833	
FUNDED STATUS		133.5%
Actuarial Ratio		
Actuarial Present Value of Future Revenue	$157,285	
divided by		
Actuarial Present Value of Future Liabilities	193,610	
ACTUARIAL RATIO[1]		81.2%

[1] *The actuarial ratio evaluates the ratio of future revenue, which can be adjusted for inflation and demographic variations in experience to future liabilities. This ratio was calculated at **81.2%**.*

Actuarial Ratio Detail

Revenue:	
Independent Living Monthly Fees	$85,245,363
Assisted Living Monthly Fees	8,674,282
Memory Support Monthly Fees	18,096,522
Skilled Nursing Monthly Fees	45,268,809
Total Closed Group Revenue	**$157,284,978**
Expense:	
Independent Living Expense per unit	78,552,182
Independent Living Expense per person	23,887,092
Assisted Living Expense per person	11,467,221
Memory Support Expense per person	22,841,953
Skilled Nursing Expense per person	56,861,351
Total Closed Group Expense	**$193,609,800**
Actuarial Ratio ($157,284,978/$193,609,800)	**81.2%**

C. Actuarial Pricing Analysis

The purpose of the Actuarial Pricing Analysis is to calculate the expected contractual surplus (deficit) for each contract and for each type of new entrant at the time of entry to Salemtowne. This analysis has parallels to insurance pricing. The present value of the Entrance Fee and Monthly Service Fees is calculated, and the present value of contractual liabilities is also calculated for the new entrant at each level of care. Contractual liabilities include future refunds and the cost of Independent Living, Assisted Living, and Skilled Nursing. A sufficient surplus indicates that the contracts are adequately priced, while a deficit indicates that fees are not sufficient to cover expenses.

The actuarial pricing analysis has been developed in accordance with Actuarial Standard of Practice No.3, "Practices Relating to Continuing Care Retirement Communities." The Pricing Analysis directly evaluates the contract solvency for a new resident. If the analysis shows a deficit, or if successive analyses reflect an undesirable reduction in surplus, consideration should be given to increasing fees or taking cost reduction measures. If the analysis shows a "reasonable" surplus, the existing fees may be appropriate. If the analysis shows an "excessive" surplus, consideration may be given to reducing the fees or increasing the services offered.

The actuarial surplus is developed in that projected expenses are allocated to each Independent Living, Assisted Living, and Skilled Nursing Unit. The actuarial surplus is defined to be the sum of the Entrance Fee and contingent assets such as Monthly Service Fees less the projected expenses for the particular resident or couple entering the unit. This analysis was conducted separately for single females, single males and couples entering each Independent Living unit under the contracts offered by Salemtowne. The distribution of couples and singles on the chart below reflect expected demographics based on historical experience and management expectations.

New Entrant Unit Type Distribution Assumption

UNIT TYPE	SINGLE FEMALE	SINGLE MALE	COUPLE
FORSYTH	63.4%	11.6%	25.0%
WEST END	59.2%	10.9%	30.0%
WINSTON	54.9%	10.1%	35.0%
BUENA VISTA	50.7%	9.3%	40.0%
REYNOLDA	54.9%	10.1%	35.0%
SHERWOOD	54.9%	10.1%	35.0%
PIEDMONT	46.5%	8.5%	45.0%
BROOKSTOWN	42.3%	7.8%	50.0%
TWIN CITY	42.3%	7.8%	50.0%
APPALACHIAN A	33.8%	6.2%	60.0%
APPALACHIAN B	33.8%	6.2%	60.0%
MITCHELL	33.8%	6.2%	60.0%
RUTHERFORD A	33.8%	6.2%	60.0%
RUTHERFORD B	38.0%	7.0%	55.0%
RUTHERFORD C	21.1%	3.9%	75.0%
RUTHERFORD D	46.5%	8.5%	45.0%
SHENANDOAH A	38.0%	7.0%	55.0%
SHENANDOAH B	38.0%	7.0%	55.0%
WATAUGA	21.1%	3.9%	75.0%
BETHANIA	21.1%	3.9%	75.0%
HICKORY A	21.1%	3.9%	75.0%
HICKORY B	21.1%	3.9%	75.0%
CATAWBA A	21.1%	3.9%	75.0%
CATAWBA B	21.1%	3.9%	75.0%
CATAWBA C	42.3%	7.8%	50.0%
CATAWBA D	38.0%	7.0%	55.0%
CATAWBA E	33.8%	6.2%	60.0%
CATAWBA F	33.8%	6.2%	60.0%
HATTERAS	33.8%	6.2%	60.0%
EMERALD	25.4%	4.7%	70.0%
BEECH	33.8%	6.2%	60.0%
DOGWOOD	33.8%	6.2%	60.0%
HAWTHORNE	42.3%	7.8%	50.0%
PINE	42.3%	7.8%	50.0%
SYCAMORE	42.3%	7.8%	50.0%
WILLOW	42.3%	7.8%	50.0%
TOTAL	**40.5%**	**7.4%**	**52.0%**

Expense Allocation

Under the actuarial pricing analysis, the per person and per unit costs of the independent living, assisted living, memory support, and skilled nursing are allocated based on the open group population projection. Furthermore, the ILU per unit expenses are allotted based on the square footage of the unit types. The following table shows the weighted average allocated expenses by level of care:

Weighted Average Allocated Expenses (FY 2026)

Independent Living Unit – Per Person	$12,635
Independent Living Unit – Per Unit	56,548
Assisted Living Unit – Per Person	109,475
Memory support Unit – Per Person	149,790
Skilled Nursing Center – Per Person	202,214

Summary of Pricing Results

The actuarial pricing analysis for the Traditional Type B Contract is expected to produce an average surplus of $69,054 at entry for new residents as of March 31, 2025, which represents a margin of 6.5% of the present value of contractual liabilities.

The actuarial pricing analysis for the 50% Refundable Type B Contract is expected to produce an average surplus of $87,949 at entry for new residents as of March 31, 2025, which represents a margin of 7.4% of the present value of contractual liabilities.

The actuarial pricing analysis for the 90% Refundable Type B Contract is expected to produce an average surplus of $118,146 at entry for new residents as of March 31, 2025, which represents a margin of 8.3% of the present value of contractual liabilities.

The actuarial pricing analysis for the Traditional Type C Contract is expected to produce an average surplus of $103,328 at entry for new residents as of March 31, 2025, which represents a margin of 9.7% of the present value of contractual liabilities.

The actuarial pricing analysis for the 50% Refundable Type C Contract is expected to produce an average surplus of $120,781 at entry for new residents as of March 31, 2025, which represents a margin of 10.2% of the present value of contractual liabilities.

The actuarial pricing analysis for the 90% Refundable Type C Contract is expected to produce an average surplus of $148,863 at entry for new residents as of March 31, 2025, which represents a margin of 10.6% of the present value of contractual liabilities.

Generally, it is our recommendation to target a margin of at least 10% in order to cover possible adverse fluctuations that may occur in the future. These adverse fluctuations can include both the changes in economic assumptions such as expected inflation and the changes in demographic assumptions such as independent living occupancy and healthcare center utilization.

Pricing Example

The table below details an example of our analysis for the Single Female cohort entering the community in the Piedmont unit under the Traditional Type B and Traditional Type C Contracts.

Single Female in the Piedmont unit:	***Traditional Type B Contract***	***Traditional Type C Contract***
Entrance Fee	$ 258,743	$ 235,775
NPV ILU Monthly Fees	413,156	413,156
NPV Healthcare Center Monthly Fees	204,014	243,660
Total Revenue	$ 875,912	$ 892,591
NPV ILU Costs	$ 486,665	$ 486,665
NPV Healthcare Center Costs	270,668	270,668
NPV Refunds	16,005	14,584
Total Expenses	$ 773,338	$ 771,917
Surplus / (Deficit)	**$102,574**	**$120,673**
Margin: $102,574 / $773,338 >>	**13.3%**	**15.6%**

The following tables detail the pricing results by resident and unit type. New entrant demographic assumptions are detailed on page 7. The composite result for each unit type is shown in the rightmost column.

Please note that the percentages below the dollar amounts in these tables represent the surplus as a percentage of the total contractual liabilities as of the entry date into the community.

Traditional Type B - FY26 Pricing Results

Unit Type		Single Female	Single Male	Couple	Composite
Forsyth	**Surplus ($)** [2]	$10,226	$25,650	($22,042)	**$3,952**
	Margin (%) [3]	*1.7%*	*5.0%*	*-2.2%*	***0.6%***
West End		($8,639)	$12,245	($58,149)	**($21,226)**
		-1.3%	*2.1%*	*-5.3%*	***-2.6%***
Winston		($18,463)	$2,647	($68,477)	**($33,841)**
		-2.7%	*0.5%*	*-6.2%*	***-4.1%***
Buena Vista		($13,117)	$11,322	($74,054)	**($35,219)**
		-1.7%	*1.7%*	*-6.2%*	***-3.8%***
Reynolda		$41,369	$58,408	$3,094	**$29,689**
		6.1%	*10.0%*	*0.3%*	***3.7%***
Sherwood		$54,666	$72,722	$12,751	**$41,815**
		7.5%	*11.6%*	*1.1%*	***4.8%***
Piedmont		$102,574	$118,642	$65,909	**$87,445**
		13.3%	*17.8%*	*5.4%*	***9.1%***
Brookstown		$96,312	$113,367	$56,603	**$77,780**
		12.3%	*16.8%*	*4.6%*	***7.8%***
Twin City		$98,151	$115,802	$56,430	**$78,659**
		12.0%	*16.4%*	*4.4%*	***7.6%***
Appalachian A		$178,025	$202,150	$97,691	**$131,320**
		18.9%	*24.7%*	*6.8%*	***10.7%***
Appalachian B		$174,984	$199,939	$92,028	**$126,758**
		18.3%	*24.0%*	*6.3%*	***10.2%***
Mitchell		$145,426	$167,990	$70,916	**$102,119**
		16.5%	*21.9%*	*5.2%*	***8.8%***
Rutherford A		$196,893	$221,540	$114,385	**$148,917**
		19.8%	*25.6%*	*7.7%*	***11.6%***
Rutherford B		$156,309	$187,527	$53,492	**$101,937**
		14.6%	*20.0%*	*3.3%*	***7.5%***
Rutherford C		$231,464	$262,526	$127,399	**$154,619**
		20.6%	*26.7%*	*7.7%*	***10.2%***
Rutherford D		$270,970	$293,739	$192,704	**$237,691**
		25.2%	*31.2%*	*12.0%*	***18.3%***
Shenandoah A		$165,925	$190,452	$84,581	**$122,897**
		17.8%	*23.4%*	*6.0%*	***10.3%***
Shenandoah B		$174,445	$199,426	$91,415	**$130,521**
		18.2%	*23.9%*	*6.3%*	***10.7%***
Watauga		$252,538	$285,126	$143,042	**$171,679**
		21.7%	*27.9%*	*8.3%*	***10.9%***
Bethania		$109,437	$136,019	$22,799	**$45,488**
		12.0%	*17.3%*	*1.6%*	***3.6%***

[2] Pricing Surplus: Present value of projected lifetime revenues minus the present value of projected lifetime expenses.
[3] Pricing Margin: Pricing Surplus divided by present value of projected lifetime expenses.

Traditional Type B - FY26 Pricing Results (Continued)

Unit Type	Single Female	Single Male	Couple	Composite
Hickory A	$116,640	$143,029	$30,450	**$53,020**
	12.7%	*18.0%*	*2.2%*	***4.2%***
Hickory B	$213,709	$233,521	$146,453	**$164,035**
	23.2%	*29.2%*	*10.5%*	***12.9%***
Catawba A	$132,006	$158,901	$43,796	**$66,891**
	13.9%	*19.2%*	*3.0%*	***5.1%***
Catawba B	$188,729	$216,992	$94,733	**$119,327**
	18.3%	*24.1%*	*6.1%*	***8.4%***
Catawba C	$369,641	$386,634	$307,889	**$340,082**
	38.4%	*45.8%*	*21.3%*	***28.5%***
Catawba D	$370,526	$387,498	$308,819	**$337,771**
	38.5%	*45.9%*	*21.4%*	***27.7%***
Catawba E	$365,722	$379,066	$315,767	**$336,576**
	38.1%	*45.1%*	*21.9%*	***27.1%***
Catawba F	$315,852	$334,621	$249,603	**$277,266**
	32.9%	*39.9%*	*17.3%*	***22.3%***
Hatteras	$41,226	$65,067	($34,928)	**($2,988)**
	5.1%	*9.4%*	*-2.8%*	***-0.3%***
Emerald	$37,449	$64,710	($49,678)	**($22,272)**
	4.4%	*8.8%*	*-3.8%*	***-1.9%***
Beech	$105,096	$123,161	$47,335	**$71,560**
	12.9%	*17.5%*	*3.7%*	***6.6%***
Dogwood	$153,327	$173,020	$89,185	**$116,063**
	17.6%	*23.0%*	*6.7%*	***10.2%***
Hawthorne	$149,572	$170,788	$80,584	**$116,722**
	16.7%	*22.0%*	*5.9%*	***10.4%***
Pine	$184,621	$207,126	$110,646	**$149,378**
	19.6%	*25.3%*	*7.8%*	***12.7%***
Sycamore	$184,175	$207,714	$106,844	**$147,334**
	18.9%	*24.5%*	*7.3%*	***12.2%***
Willow	$217,111	$242,271	$133,784	**$177,398**
	21.5%	*27.5%*	*8.8%*	***14.2%***
Average Surplus (Subsidy)	**$92,373**	**$112,901**	**$44,605**	**$69,054**
	11.4%	***16.1%***	***3.4%***	***6.5%***

50% Refundable Type B - FY26 Pricing Results

Unit Type	Single Female	Single Male	Couple	Composite
Forsyth	$18,158	$31,162	($17,562)	**$10,740**
	2.8%	*5.6%*	*-1.7%*	***1.5%***
West End	$1,569	$19,340	($50,965)	**($12,263)**
	0.2%	*3.0%*	*-4.4%*	***-1.4%***
Winston	($8,909)	$9,287	($62,070)	**($25,682)**
	-1.2%	*1.4%*	*-5.3%*	***-2.9%***
Buena Vista	($765)	$19,907	($64,324)	**($24,266)**
	-0.1%	*2.7%*	*-5.0%*	***-2.4%***
Reynolda	$53,059	$66,533	$12,038	**$40,059**
	7.1%	*10.1%*	*1.0%*	***4.5%***
Sherwood	$68,205	$82,132	$23,892	**$54,098**
	8.3%	*11.5%*	*1.9%*	***5.7%***
Piedmont	$118,745	$129,881	$80,177	**$102,339**
	13.6%	*16.8%*	*6.1%*	***9.6%***
Brookstown	$112,653	$124,724	$71,072	**$92,798**
	12.7%	*16.0%*	*5.4%*	***8.5%***
Twin City	$115,094	$127,577	$71,614	**$94,321**
	12.4%	*15.6%*	*5.2%*	***8.2%***
Appalachian A	$206,084	$221,651	$126,083	**$159,048**
	18.5%	*22.1%*	*7.9%*	***11.4%***
Appalachian B	$203,379	$219,674	$120,818	**$154,853**
	17.9%	*21.6%*	*7.4%*	***10.9%***
Mitchell	$169,673	$184,842	$94,779	**$125,677**
	16.4%	*20.0%*	*6.3%*	***9.6%***
Rutherford A	$226,920	$242,408	$145,114	**$178,797**
	19.3%	*22.9%*	*8.6%*	***12.1%***
Rutherford B	$187,571	$209,255	$85,689	**$133,048**
	14.8%	*18.4%*	*4.8%*	***8.6%***
Rutherford C	$268,855	$288,513	$166,878	**$193,134**
	19.9%	*23.5%*	*8.8%*	***11.0%***
Rutherford D	$305,907	$318,021	$229,267	**$272,451**
	23.7%	*27.2%*	*12.6%*	***18.0%***
Shenandoah A	$193,255	$209,447	$112,107	**$149,753**
	17.5%	*21.1%*	*7.1%*	***11.0%***
Shenandoah B	$202,813	$219,143	$120,174	**$158,500**
	17.9%	*21.5%*	*7.4%*	***11.4%***
Watauga	$292,750	$313,073	$185,872	**$213,379**
	20.7%	*24.4%*	*9.5%*	***11.7%***
Bethania	$133,492	$152,737	$46,433	**$68,944**
	12.6%	*16.2%*	*3.0%*	***4.9%***

50% Refundable Type B - FY26 Pricing Results (Continued)

Unit Type	Single Female	Single Male	Couple	Composite
Hickory A	$141,165	$160,074	$54,642	**$77,006**
	13.2%	*16.8%*	*3.5%*	***5.4%***
Hickory B	$241,739	$253,002	$174,809	**$191,978**
	22.1%	*25.8%*	*11.1%*	***13.3%***
Catawba A	$158,180	$177,092	$69,948	**$92,739**
	14.2%	*17.8%*	*4.4%*	***6.3%***
Catawba B	$220,595	$239,140	$127,647	**$151,603**
	17.9%	*21.6%*	*7.3%*	***9.4%***
Catawba C	$408,618	$413,723	$349,251	**$379,330**
	33.9%	*37.7%*	*20.7%*	***26.4%***
Catawba D	$409,561	$414,628	$350,251	**$377,294**
	34.0%	*37.8%*	*20.8%*	***25.8%***
Catawba E	$401,889	$404,203	$353,792	**$373,175**
	33.9%	*37.6%*	*21.2%*	***25.4%***
Catawba F	$351,614	$359,476	$287,146	**$313,420**
	29.8%	*33.5%*	*17.3%*	***21.4%***
Hatteras	$57,680	$76,502	($20,324)	**$12,044**
	6.4%	*9.6%*	*-1.5%*	***1.0%***
Emerald	$55,985	$77,593	($32,601)	**($5,020)**
	5.8%	*9.0%*	*-2.3%*	***-0.4%***
Beech	$122,884	$135,524	$63,523	**$88,051**
	13.3%	*16.6%*	*4.6%*	***7.4%***
Dogwood	$176,252	$188,952	$111,477	**$138,174**
	17.4%	*20.9%*	*7.5%*	***10.8%***
Hawthorne	$173,258	$187,250	$103,780	**$139,603**
	16.6%	*20.1%*	*6.8%*	***11.0%***
Pine	$212,120	$226,238	$138,371	**$176,339**
	19.1%	*22.7%*	*8.7%*	***13.1%***
Sycamore	$212,378	$227,315	$135,406	**$175,050**
	18.5%	*22.1%*	*8.2%*	***12.6%***
Willow	$249,170	$264,552	$166,928	**$209,241**
	20.6%	*24.3%*	*9.7%*	***14.4%***
Average Surplus (Subsidy)	**$110,786**	**$125,698**	**$64,748**	**$87,949**
	12.0%	***15.3%***	***4.5%***	***7.4%***

90% Refundable Type B - FY26 Pricing Results

Unit Type	Single Female	Single Male	Couple	Composite
Forsyth	$27,141	$33,044	($4,663)	**$19,876**
	3.6%	*5.0%*	*-0.4%*	***2.4%***
West End	$13,130	$21,761	($33,184)	**$172**
	1.5%	*2.7%*	*-2.6%*	***0.0%***
Winston	$1,911	$11,553	($45,692)	**($13,779)**
	0.2%	*1.5%*	*-3.6%*	***-1.4%***
Buena Vista	$13,223	$22,837	($41,945)	**($7,950)**
	1.3%	*2.5%*	*-2.9%*	***-0.7%***
Reynolda	$66,297	$69,305	$32,997	**$54,945**
	7.4%	*8.5%*	*2.5%*	***5.3%***
Sherwood	$83,536	$85,342	$48,815	**$71,566**
	8.5%	*9.5%*	*3.5%*	***6.4%***
Piedmont	$137,058	$133,716	$110,747	**$124,933**
	12.7%	*13.5%*	*7.4%*	***9.9%***
Brookstown	$131,157	$128,599	$102,004	**$116,382**
	12.1%	*12.9%*	*6.7%*	***9.0%***
Twin City	$134,280	$131,596	$103,838	**$118,851**
	11.8%	*12.6%*	*6.6%*	***8.8%***
Appalachian A	$237,860	$228,306	$182,149	**$203,841**
	16.2%	*16.6%*	*9.5%*	***11.7%***
Appalachian B	$235,535	$226,408	$177,605	**$200,211**
	15.8%	*16.2%*	*9.1%*	***11.4%***
Mitchell	$197,131	$190,593	$142,669	**$164,048**
	14.8%	*15.3%*	*8.0%*	***10.3%***
Rutherford A	$260,923	$249,529	$205,400	**$226,903**
	16.8%	*17.1%*	*10.1%*	***12.4%***
Rutherford B	$222,974	$216,669	$148,625	**$181,642**
	13.5%	*13.9%*	*6.9%*	***9.4%***
Rutherford C	$311,198	$297,381	$242,958	**$259,483**
	17.1%	*17.2%*	*10.5%*	***11.8%***
Rutherford D	$345,471	$326,306	$300,083	**$323,413**
	20.0%	*20.0%*	*13.5%*	***16.7%***
Shenandoah A	$224,205	$215,928	$166,609	**$191,950**
	15.5%	*15.9%*	*8.7%*	***11.3%***
Shenandoah B	$234,938	$225,870	$176,903	**$202,386**
	15.8%	*16.2%*	*9.1%*	***11.6%***
Watauga	$338,287	$322,610	$268,002	**$284,966**
	17.7%	*17.7%*	*11.0%*	***12.4%***
Bethania	$160,733	$158,442	$93,912	**$110,528**
	11.8%	*12.5%*	*5.2%*	***6.5%***

90% Refundable Type B - FY26 Pricing Results (Continued)

Unit Type	Single Female	Single Male	Couple	Composite
Hickory A	$168,938	$165,890	$103,129	**$119,463**
	12.3%	*12.9%*	*5.6%*	***7.0%***
Hickory B	$273,480	$259,649	$230,811	**$240,942**
	19.0%	*19.1%*	*12.2%*	***13.5%***
Catawba A	$187,820	$183,299	$121,970	**$138,257**
	13.1%	*13.6%*	*6.4%*	***7.7%***
Catawba B	$256,681	$246,697	$191,878	**$207,692**
	15.8%	*16.1%*	*9.1%*	***10.5%***
Catawba C	$452,756	$422,967	$428,732	**$438,435**
	26.8%	*26.1%*	*20.1%*	***23.0%***
Catawba D	$453,767	$423,886	$429,858	**$438,533**
	26.8%	*26.2%*	*20.1%*	***22.7%***
Catawba E	$442,847	$412,780	$427,249	**$431,624**
	27.1%	*26.5%*	*20.5%*	***22.7%***
Catawba F	$392,112	$367,957	$359,732	**$371,186**
	24.1%	*23.7%*	*17.3%*	***19.6%***
Hatteras	$76,313	$80,405	$10,852	**$37,290**
	6.9%	*7.9%*	*0.7%*	***2.7%***
Emerald	$76,976	$81,989	$3,040	**$25,454**
	6.4%	*7.4%*	*0.2%*	***1.7%***
Beech	$143,027	$139,742	$97,560	**$115,543**
	12.5%	*13.2%*	*6.2%*	***8.2%***
Dogwood	$202,213	$194,389	$156,531	**$174,319**
	15.6%	*16.1%*	*9.0%*	***11.2%***
Hawthorne	$200,081	$192,867	$150,466	**$174,715**
	15.0%	*15.5%*	*8.4%*	***11.2%***
Pine	$243,260	$232,759	$193,234	**$217,433**
	16.7%	*17.0%*	*10.1%*	***13.0%***
Sycamore	$244,316	$234,003	$191,780	**$217,249**
	16.3%	*16.6%*	*9.7%*	***12.6%***
Willow	$285,475	$272,155	$231,573	**$257,492**
	17.7%	*17.9%*	*11.1%*	***14.0%***
Average Surplus (Subsidy)	**$131,638**	**$130,064**	**$105,923**	**$118,146**
	11.4%	***12.2%***	***6.2%***	***8.3%***

Traditional Type C - FY26 Pricing Results

Unit Type	Single Female	Single Male	Couple	Composite
Forsyth	$23,250	$31,070	$20,268	**$23,413**
	3.9%	*6.1%*	*2.1%*	***3.4%***
West End	$3,076	$16,386	($17,215)	**($1,567)**
	0.4%	*2.8%*	*-1.6%*	***-0.2%***
Winston	($5,494)	$8,013	($26,225)	**($11,389)**
	-0.8%	*1.4%*	*-2.4%*	***-1.4%***
Buena Vista	($2,616)	$14,278	($34,396)	**($13,757)**
	-0.3%	*2.2%*	*-2.9%*	***-1.5%***
Reynolda	$60,514	$69,809	$51,839	**$58,414**
	8.9%	*12.0%*	*4.8%*	***7.2%***
Sherwood	$65,616	$76,116	$52,881	**$62,217**
	9.0%	*12.2%*	*4.6%*	***7.1%***
Piedmont	$120,673	$129,021	$113,555	**$118,182**
	15.6%	*19.4%*	*9.4%*	***12.3%***
Brookstown	$112,472	$121,851	$102,210	**$108,068**
	14.4%	*18.1%*	*8.4%*	***10.9%***
Twin City	$101,481	$111,751	$88,549	**$95,811**
	12.4%	*15.9%*	*7.0%*	***9.2%***
Appalachian A	$211,171	$227,230	$161,155	**$182,157**
	22.4%	*27.7%*	*11.3%*	***14.9%***
Appalachian B	$199,270	$216,362	$146,177	**$168,474**
	20.8%	*26.0%*	*10.1%*	***13.5%***
Mitchell	$167,910	$182,653	$123,171	**$141,981**
	19.0%	*23.9%*	*9.1%*	***12.3%***
Rutherford A	$216,556	$233,446	$163,675	**$185,875**
	21.8%	*27.0%*	*11.0%*	***14.5%***
Rutherford B	$177,728	$201,150	$104,628	**$139,156**
	16.6%	*21.5%*	*6.5%*	***10.3%***
Rutherford C	$270,501	$293,362	$197,057	**$216,304**
	24.1%	*29.9%*	*11.9%*	***14.2%***
Rutherford D	$307,349	$321,979	$259,568	**$287,095**
	28.6%	*34.2%*	*16.2%*	***22.1%***
Shenandoah A	$192,816	$209,421	$141,470	**$165,734**
	20.6%	*25.8%*	*10.0%*	***13.9%***
Shenandoah B	$198,767	$215,885	$145,602	**$170,720**
	20.8%	*25.9%*	*10.0%*	***14.0%***
Watauga	$311,476	$335,406	$233,623	**$254,014**
	26.7%	*32.8%*	*13.6%*	***16.2%***
Bethania	$140,172	$158,744	$83,730	**$98,560**
	15.4%	*20.2%*	*6.0%*	***7.8%***

Traditional Type C - FY26 Pricing Results (Continued)

Unit Type	Single Female	Single Male	Couple	Composite
Hickory A	$138,370	$156,955	$81,912	**$96,747**
	15.1%	*19.8%*	*5.9%*	***7.6%***
Hickory B	$245,759	$257,530	$208,765	**$218,470**
	26.7%	*32.2%*	*14.9%*	***17.2%***
Catawba A	$153,984	$173,069	$95,520	**$110,875**
	16.2%	*21.0%*	*6.6%*	***8.4%***
Catawba B	$239,535	$259,328	$176,764	**$193,224**
	23.2%	*28.7%*	*11.4%*	***13.7%***
Catawba C	$507,455	$513,978	$481,392	**$494,929**
	52.3%	*60.3%*	*33.3%*	***41.3%***
Catawba D	$492,258	$499,130	$465,415	**$477,973**
	50.8%	*58.7%*	*32.2%*	***39.1%***
Catawba E	$393,545	$398,946	$373,636	**$381,935**
	41.0%	*47.6%*	*25.9%*	***30.7%***
Catawba F	$375,977	$386,061	$341,431	**$355,875**
	39.1%	*45.9%*	*23.7%*	***28.6%***
Hatteras	$54,096	$70,337	$7,220	**$26,978**
	6.8%	*10.2%*	*0.6%*	***2.5%***
Emerald	$50,067	$69,733	($7,796)	**$10,477**
	5.9%	*9.5%*	*-0.6%*	***0.9%***
Beech	$117,281	$127,762	$88,763	**$100,820**
	14.4%	*18.3%*	*7.0%*	***9.4%***
Dogwood	$178,949	$190,749	$144,740	**$159,156**
	20.6%	*25.4%*	*10.9%*	***14.0%***
Hawthorne	$166,181	$179,711	$126,663	**$147,470**
	18.6%	*23.2%*	*9.2%*	***13.1%***
Pine	$213,440	$227,978	$169,561	**$192,627**
	22.7%	*27.9%*	*11.9%*	***16.4%***
Sycamore	$201,119	$216,964	$153,275	**$178,425**
	20.7%	*25.7%*	*10.4%*	***14.7%***
Willow	$249,025	$266,147	$195,954	**$223,816**
	24.7%	*30.2%*	*12.9%*	***17.9%***
Average Surplus (Subsidy)	**$110,979**	**$123,774**	**$94,440**	**$103,328**
	13.7%	***17.7%***	***7.2%***	***9.7%***

50% Refundable Type C - FY26 Pricing Results

Unit Type	Single Female	Single Male	Couple	Composite
Forsyth	$29,408	$35,350	$22,640	**$28,407**
	4.6%	*6.5%*	*2.2%*	***3.9%***
West End	$11,424	$22,188	($12,242)	**$5,492**
	1.5%	*3.5%*	*-1.1%*	***0.6%***
Winston	$2,283	$13,418	($21,930)	**($5,070)**
	0.3%	*2.1%*	*-1.9%*	***-0.6%***
Buena Vista	$7,794	$21,513	($26,972)	**($4,836)**
	0.9%	*3.0%*	*-2.1%*	***-0.5%***
Reynolda	$70,838	$76,984	$59,161	**$67,370**
	9.5%	*11.9%*	*5.1%*	***7.7%***
Sherwood	$77,243	$84,197	$61,750	**$72,521**
	9.6%	*12.0%*	*5.0%*	***7.7%***
Piedmont	$135,409	$139,262	$126,117	**$131,556**
	15.7%	*18.3%*	*9.7%*	***12.5%***
Brookstown	$127,247	$132,120	$114,820	**$121,411**
	14.6%	*17.2%*	*8.7%*	***11.2%***
Twin City	$116,004	$121,845	$100,859	**$108,884**
	12.8%	*15.3%*	*7.4%*	***9.6%***
Appalachian A	$238,797	$246,430	$189,033	**$209,412**
	21.5%	*24.7%*	*11.8%*	***15.0%***
Appalachian B	$226,641	$235,386	$173,752	**$195,450**
	20.1%	*23.3%*	*10.7%*	***13.8%***
Mitchell	$191,013	$198,710	$145,676	**$164,288**
	18.6%	*21.7%*	*9.7%*	***12.6%***
Rutherford A	$245,251	$253,390	$192,822	**$214,298**
	21.0%	*24.1%*	*11.5%*	***14.6%***
Rutherford B	$207,776	$222,033	$135,383	**$168,954**
	16.5%	*19.6%*	*7.6%*	***11.0%***
Rutherford C	$307,851	$319,320	$236,487	**$254,773**
	22.7%	*26.1%*	*12.5%*	***14.5%***
Rutherford D	$342,069	$346,109	$295,872	**$321,625**
	26.5%	*29.7%*	*16.3%*	***21.2%***
Shenandoah A	$219,297	$227,825	$167,986	**$191,671**
	20.0%	*23.1%*	*10.6%*	***14.1%***
Shenandoah B	$226,114	$234,892	$173,148	**$197,595**
	20.1%	*23.2%*	*10.7%*	***14.2%***
Watauga	$352,973	$364,246	$277,980	**$297,165**
	24.8%	*28.2%*	*14.1%*	***16.3%***
Bethania	$163,634	$175,049	$106,659	**$121,345**
	15.5%	*18.6%*	*7.0%*	***8.6%***

50% Refundable Type C - FY26 Pricing Results (Continued)

Unit Type	Single Female	Single Male	Couple	Composite
Hickory A	$161,701	$173,170	$104,687	**$119,385**
	15.3%	*18.3%*	*6.8%*	***8.4%***
Hickory B	$273,282	$276,659	$236,520	**$245,841**
	25.1%	*28.3%*	*15.1%*	***17.0%***
Catawba A	$178,980	$190,442	$120,272	**$135,394**
	16.2%	*19.3%*	*7.5%*	***9.2%***
Catawba B	$272,145	$281,991	$210,562	**$226,339**
	22.0%	*25.3%*	*12.1%*	***14.0%***
Catawba C	$552,971	$545,612	$530,524	**$541,177**
	44.2%	*47.5%*	*30.8%*	***36.6%***
Catawba D	$536,762	$530,060	$513,344	**$523,415**
	43.1%	*46.5%*	*29.9%*	***35.0%***
Catawba E	$428,925	$423,535	$410,726	**$417,671**
	36.4%	*39.6%*	*24.7%*	***28.6%***
Catawba F	$413,103	$411,864	$380,595	**$393,521**
	34.7%	*38.0%*	*22.8%*	***26.7%***
Hatteras	$68,767	$80,533	$19,705	**$40,059**
	7.7%	*10.3%*	*1.5%*	***3.5%***
Emerald	$66,802	$81,364	$7,142	**$25,717**
	7.0%	*9.6%*	*0.5%*	***2.0%***
Beech	$133,239	$138,853	$102,778	**$115,310**
	14.6%	*17.3%*	*7.5%*	***9.8%***
Dogwood	$200,940	$206,032	$165,922	**$180,245**
	20.0%	*23.0%*	*11.3%*	***14.1%***
Hawthorne	$188,332	$195,106	$148,035	**$168,709**
	18.3%	*21.2%*	*9.8%*	***13.4%***
Pine	$240,216	$246,588	$196,429	**$218,816**
	21.7%	*24.9%*	*12.3%*	***16.3%***
Sycamore	$227,810	$235,514	$180,041	**$204,522**
	20.0%	*23.1%*	*11.0%*	***14.9%***
Willow	$280,569	$288,071	$228,486	**$255,109**
	23.3%	*26.5%*	*13.4%*	***17.6%***
Average Surplus (Subsidy)	**$127,990**	**$135,597**	**$113,042**	**$120,781**
	14.0%	***16.8%***	***7.8%***	***10.2%***

90% Refundable Type C - FY26 Pricing Results

Unit Type	Single Female	Single Male	Couple	Composite
Forsyth	$36,382	$36,810	$31,736	**$35,271**
	5.1%	*5.9%*	*2.9%*	***4.4%***
West End	$20,877	$24,168	$1,549	**$15,436**
	2.5%	*3.2%*	*0.1%*	***1.6%***
Winston	$11,089	$15,262	($9,364)	**$4,351**
	1.3%	*2.1%*	*-0.8%*	***0.4%***
Buena Vista	$19,584	$23,982	($8,758)	**$8,656**
	2.0%	*2.8%*	*-0.6%*	***0.8%***
Reynolda	$82,529	$79,433	$77,190	**$80,349**
	9.5%	*10.1%*	*6.0%*	***8.0%***
Sherwood	$90,410	$86,954	$82,574	**$87,319**
	9.5%	*10.1%*	*6.0%*	***8.0%***
Piedmont	$152,096	$142,757	$153,608	**$151,980**
	14.5%	*14.9%*	*10.4%*	***12.3%***
Brookstown	$143,979	$135,624	$142,396	**$142,540**
	13.6%	*14.0%*	*9.5%*	***11.2%***
Twin City	$132,451	$125,289	$127,893	**$129,617**
	12.2%	*12.6%*	*8.3%*	***9.9%***
Appalachian A	$270,082	$252,982	$244,170	**$253,475**
	18.5%	*18.5%*	*12.7%*	***14.7%***
Appalachian B	$257,638	$241,877	$228,344	**$239,084**
	17.5%	*17.6%*	*11.8%*	***13.7%***
Mitchell	$217,177	$204,190	$191,114	**$200,734**
	16.5%	*16.7%*	*10.8%*	***12.7%***
Rutherford A	$277,747	$260,195	$250,253	**$260,162**
	18.2%	*18.1%*	*12.5%*	***14.4%***
Rutherford B	$241,804	$229,159	$195,714	**$215,573**
	14.8%	*15.0%*	*9.2%*	***11.3%***
Rutherford C	$350,148	$328,178	$312,480	**$321,046**
	19.2%	*19.0%*	*13.4%*	***14.6%***
Rutherford D	$381,386	$354,343	$366,222	**$372,257**
	22.1%	*21.7%*	*16.5%*	***19.2%***
Shenandoah A	$249,284	$234,105	$220,666	**$232,486**
	17.5%	*17.5%*	*11.7%*	***13.9%***
Shenandoah B	$257,083	$241,377	$227,688	**$239,820**
	17.5%	*17.5%*	*11.8%*	***14.0%***
Watauga	$399,966	$374,088	$362,866	**$371,138**
	20.6%	*20.3%*	*14.8%*	***16.0%***
Bethania	$190,202	$180,614	$152,864	**$161,827**
	14.1%	*14.4%*	*8.5%*	***9.6%***

90% Refundable Type C - FY26 Pricing Results (Continued)

Unit Type	Single Female	Single Male	Couple	Composite
Hickory A	$188,123	$178,704	$150,613	**$159,626**
	13.9%	*14.2%*	*8.3%*	***9.4%***
Hickory B	$304,451	$283,186	$291,436	**$293,866**
	21.2%	*21.0%*	*15.4%*	***16.6%***
Catawba A	$207,287	$196,370	$169,770	**$178,726**
	14.6%	*14.9%*	*9.0%*	***10.1%***
Catawba B	$309,073	$289,725	$276,388	**$283,809**
	18.8%	*18.7%*	*13.0%*	***14.2%***
Catawba C	$604,515	$556,406	$624,031	**$610,545**
	33.2%	*31.7%*	*27.7%*	***30.1%***
Catawba D	$587,160	$540,615	$604,680	**$593,549**
	32.6%	*31.2%*	*27.1%*	***29.2%***
Catawba E	$468,991	$431,926	$482,493	**$474,794**
	29.0%	*28.0%*	*23.3%*	***25.2%***
Catawba F	$455,146	$420,668	$456,107	**$453,585**
	27.5%	*26.6%*	*21.7%*	***23.7%***
Hatteras	$85,380	$84,012	$47,055	**$62,300**
	8.0%	*8.6%*	*3.1%*	***4.7%***
Emerald	$85,753	$85,333	$38,921	**$52,951**
	7.4%	*8.0%*	*2.4%*	***3.6%***
Beech	$151,310	$142,637	$132,890	**$139,720**
	13.6%	*14.0%*	*8.6%*	***10.2%***
Dogwood	$225,843	$211,248	$208,973	**$214,816**
	17.7%	*17.8%*	*12.1%*	***13.9%***
Hawthorne	$213,417	$200,359	$191,430	**$201,412**
	16.3%	*16.5%*	*10.8%*	***13.2%***
Pine	$270,540	$252,938	$249,745	**$258,778**
	18.8%	*18.7%*	*13.1%*	***15.5%***
Sycamore	$258,035	$241,844	$233,171	**$244,348**
	17.6%	*17.6%*	*12.0%*	***14.4%***
Willow	$316,291	$295,551	$292,026	**$302,551**
	19.8%	*19.6%*	*14.1%*	***16.5%***
Average Surplus (Subsidy)	**$147,254**	**$139,631**	**$151,436**	**$148,863**
	13.1%	***13.5%***	***9.0%***	***10.6%***

Appendix A: Open Group Population Projection

Salemtowne
Open Group Projection

Fiscal Year Ending 3/31	Community Occupancy Summary					
	Independent Living Unit					
	Number of Residents	Number of Units	Occupancy Rate	Density Ratio	Units Released	New Units Occupied
2026	284.0	212.0	95.9%	1.34	13.7	10.7
2027	279.3	212.0	95.9%	1.32	15.1	15.1
2028	275.9	212.0	95.9%	1.30	16.4	16.4
2029	273.5	212.0	95.9%	1.29	17.5	17.5
2030	271.9	212.0	95.9%	1.28	18.3	18.3
2031	271.0	212.0	95.9%	1.28	19.0	19.0
2032	270.5	212.0	95.9%	1.28	19.5	19.5
2033	270.3	212.0	95.9%	1.27	19.9	19.9
2034	270.4	212.0	95.9%	1.28	20.3	20.3
2035	270.7	212.0	95.9%	1.28	20.5	20.5
2036	271.0	212.0	95.9%	1.28	20.6	20.6
2037	271.2	212.0	95.9%	1.28	20.6	20.6
2038	271.5	212.0	95.9%	1.28	20.6	20.6
2039	271.7	212.0	95.9%	1.28	20.7	20.7
2040	272.0	212.0	95.9%	1.28	20.8	20.8
2041	272.2	212.0	95.9%	1.28	20.8	20.8
2042	272.3	212.0	95.9%	1.28	20.8	20.8
2043	272.4	212.0	95.9%	1.29	20.7	20.7
2044	272.5	212.0	95.9%	1.29	20.7	20.7
2045	272.5	212.0	95.9%	1.29	20.6	20.6
2046	272.4	212.0	95.9%	1.29	20.6	20.6
2047	272.4	212.0	95.9%	1.29	20.7	20.7
2048	272.4	212.0	95.9%	1.28	20.7	20.7
2049	272.4	212.0	95.9%	1.28	20.7	20.7
2050	272.4	212.0	95.9%	1.28	20.7	20.7
2051	272.4	212.0	95.9%	1.28	20.7	20.7
2052	272.3	212.0	95.9%	1.28	20.7	20.7
2053	272.3	212.0	95.9%	1.28	20.7	20.7
2054	272.3	212.0	95.9%	1.28	20.7	20.7
2055	272.3	212.0	95.9%	1.28	20.8	20.8

Fiscal Year Ending 3/31	Community Occupancy Summary											
	Assisted Living Unit				Memory Support Unit				Skilled Nursing Unit			
	Number of Permanent Residents	2nd Person Subset Permanent	Number of Temporary Residents	Occupancy Rate	Number of Permanent Residents	2nd Person Subset Permanent	Number of Temporary Residents	Occupancy Rate	Number of Permanent Residents	2nd Person Subset Permanent	Number of Temporary Residents	Occupancy Rate
2026	14.7	2.4	0.0	46.1%	14.3	4.2	0.0	71.7%	28.0	14.6	7.1	35.1%
2027	11.7	2.7	0.0	36.7%	14.8	4.4	0.0	73.8%	27.9	12.7	7.2	35.1%
2028	10.1	2.8	0.0	31.5%	14.7	4.4	0.0	73.5%	27.8	11.5	7.3	35.1%
2029	9.2	2.7	0.0	28.8%	14.5	4.3	0.0	72.5%	27.9	10.8	7.3	35.2%
2030	8.8	2.6	0.0	27.4%	14.2	4.1	0.0	71.2%	28.1	10.3	7.4	35.5%
2031	8.6	2.5	0.0	26.8%	14.0	3.9	0.0	70.1%	28.3	10.0	7.5	35.8%
2032	8.5	2.4	0.0	26.6%	13.8	3.7	0.0	69.2%	28.5	9.8	7.5	35.9%
2033	8.5	2.3	0.0	26.5%	13.7	3.5	0.0	68.4%	28.6	9.6	7.5	36.0%
2034	8.5	2.3	0.0	26.5%	13.5	3.3	0.0	67.6%	28.6	9.4	7.4	36.0%
2035	8.5	2.2	0.0	26.5%	13.4	3.2	0.0	67.0%	28.6	9.2	7.5	36.1%
2036	8.5	2.2	0.0	26.6%	13.3	3.1	0.0	66.7%	28.5	9.0	7.5	36.1%
2037	8.5	2.2	0.0	26.7%	13.3	3.1	0.0	66.6%	28.5	9.0	7.6	36.1%
2038	8.6	2.2	0.0	26.8%	13.3	3.0	0.0	66.6%	28.6	9.0	7.6	36.2%
2039	8.6	2.2	0.0	26.9%	13.3	3.0	0.0	66.7%	28.7	9.0	7.7	36.3%
2040	8.6	2.2	0.0	27.0%	13.4	3.0	0.0	66.8%	28.8	9.0	7.6	36.4%
2041	8.6	2.2	0.0	27.0%	13.4	3.0	0.0	66.8%	28.9	8.9	7.6	36.6%
2042	8.6	2.2	0.0	27.0%	13.4	3.0	0.0	66.8%	29.1	8.9	7.6	36.7%
2043	8.6	2.2	0.0	27.0%	13.4	3.0	0.0	66.9%	29.1	8.9	7.6	36.8%
2044	8.6	2.2	0.0	27.0%	13.4	3.0	0.0	66.9%	29.2	8.9	7.6	36.8%
2045	8.7	2.2	0.0	27.0%	13.4	3.0	0.0	67.1%	29.2	8.9	7.6	36.8%
2046	8.7	2.2	0.0	27.1%	13.4	3.0	0.0	67.1%	29.2	8.8	7.6	36.8%
2047	8.7	2.2	0.0	27.1%	13.4	2.9	0.0	67.2%	29.2	8.8	7.6	36.8%
2048	8.7	2.2	0.0	27.1%	13.4	2.9	0.0	67.2%	29.2	8.8	7.7	36.8%
2049	8.7	2.2	0.0	27.1%	13.5	2.9	0.0	67.3%	29.2	8.8	7.7	36.9%
2050	8.7	2.1	0.0	27.1%	13.5	2.9	0.0	67.3%	29.2	8.7	7.7	36.9%
2051	8.7	2.1	0.0	27.2%	13.5	2.9	0.0	67.5%	29.3	8.7	7.7	36.9%
2052	8.7	2.1	0.0	27.2%	13.5	2.9	0.0	67.6%	29.3	8.6	7.7	37.0%
2053	8.7	2.1	0.0	27.2%	13.6	2.9	0.0	67.8%	29.3	8.6	7.7	37.0%
2054	8.7	2.1	0.0	27.3%	13.6	2.9	0.0	67.9%	29.3	8.5	7.7	37.0%
2055	8.7	2.1	0.0	27.3%	13.6	2.8	0.0	68.0%	29.4	8.5	7.7	37.0%

Salemtowne
Open Group Projection

Fiscal Year Ending 3/31	Average Age of Residents at the End of the Year							
	Independent Living Unit		Assisted Living Unit Contract Residents		Memory Support Unit Contract Residents		Skilled Nursing Unit Contract Residents	
	Males	Females	Males	Females	Males	Females	Males	Females
2026	84.42	84.27	87.44	90.49	83.94	89.77	86.80	91.71
2027	84.84	84.73	87.89	90.73	85.53	90.40	87.46	91.02
2028	85.17	85.10	88.35	90.74	86.86	90.88	88.00	90.68
2029	85.40	85.40	88.80	90.61	87.99	91.23	88.44	90.57
2030	85.55	85.64	89.20	90.46	88.92	91.46	88.82	90.58
2031	85.64	85.83	89.53	90.34	89.66	91.60	89.14	90.67
2032	85.68	85.97	89.76	90.28	90.23	91.68	89.42	90.79
2033	85.69	86.08	89.85	90.30	90.61	91.71	89.63	90.92
2034	85.67	86.15	89.86	90.35	90.84	91.72	89.77	91.04
2035	85.64	86.20	89.84	90.41	90.97	91.70	89.84	91.13
2036	85.62	86.23	89.82	90.46	91.03	91.69	89.87	91.19
2037	85.59	86.26	89.83	90.53	91.06	91.70	89.87	91.23
2038	85.57	86.29	89.84	90.60	91.09	91.73	89.85	91.26
2039	85.56	86.30	89.85	90.67	91.12	91.78	89.83	91.28
2040	85.55	86.31	89.86	90.71	91.15	91.81	89.82	91.32
2041	85.55	86.31	89.85	90.75	91.18	91.85	89.80	91.38
2042	85.55	86.31	89.83	90.78	91.20	91.89	89.79	91.44
2043	85.56	86.31	89.80	90.80	91.21	91.92	89.77	91.48
2044	85.57	86.32	89.78	90.82	91.23	91.96	89.76	91.51
2045	85.59	86.33	89.77	90.83	91.25	91.99	89.76	91.52
2046	85.60	86.34	89.78	90.83	91.29	92.00	89.76	91.53
2047	85.61	86.35	89.79	90.82	91.34	91.99	89.77	91.53
2048	85.63	86.35	89.80	90.80	91.40	91.97	89.78	91.53
2049	85.64	86.36	89.82	90.79	91.47	91.95	89.79	91.52
2050	85.65	86.37	89.84	90.78	91.54	91.93	89.80	91.52
2051	85.66	86.38	89.85	90.78	91.61	91.91	89.82	91.51
2052	85.67	86.39	89.87	90.79	91.69	91.91	89.83	91.50
2053	85.68	86.40	89.88	90.79	91.77	91.91	89.84	91.50
2054	85.69	86.42	89.89	90.80	91.84	91.92	89.85	91.50
2055	85.69	86.43	89.90	90.80	91.92	91.92	89.86	91.51

Fiscal Year Ending 3/31	Number of Days In Each Level of Care									
		Assisted Living Unit			Memory Support Unit			Skilled Nursing Unit		
	Independent Living Unit Days	Permanent Days		Temporary	Permanent Days		Temporary	Permanent Days		Temporary
		Contract Residents	2nd Person Subset	Contract Days	Contract Residents	2nd Person Subset	Contract Days	Contract Residents	2nd Person Subset	Contract Days
2026	105,748	6,345	619	0	4,993	1,314	0	10,234	4,489	2,586
2027	102,878	4,835	928	0	5,313	1,565	0	10,215	4,983	2,634
2028	101,388	3,980	997	0	5,380	1,601	0	10,176	4,425	2,649
2029	100,334	3,520	1,000	0	5,333	1,583	0	10,183	4,074	2,671
2030	99,615	3,283	972	0	5,249	1,528	0	10,231	3,854	2,702
2031	99,150	3,167	932	0	5,163	1,454	0	10,294	3,713	2,732
2032	98,879	3,117	894	0	5,088	1,375	0	10,363	3,617	2,728
2033	98,756	3,100	862	0	5,024	1,300	0	10,412	3,535	2,728
2034	98,748	3,096	837	0	4,966	1,234	0	10,437	3,456	2,719
2035	98,818	3,099	822	0	4,917	1,184	0	10,440	3,382	2,737
2036	98,920	3,106	814	0	4,882	1,151	0	10,427	3,326	2,753
2037	99,024	3,115	811	0	4,865	1,131	0	10,419	3,292	2,769
2038	99,120	3,127	810	0	4,864	1,118	0	10,426	3,277	2,785
2039	99,210	3,138	809	0	4,869	1,110	0	10,451	3,272	2,799
2040	99,297	3,148	808	0	4,874	1,104	0	10,494	3,272	2,792
2041	99,378	3,154	805	0	4,878	1,098	0	10,547	3,270	2,789
2042	99,445	3,156	803	0	4,880	1,092	0	10,595	3,266	2,787
2043	99,490	3,156	801	0	4,882	1,087	0	10,628	3,259	2,786
2044	99,513	3,156	799	0	4,887	1,084	0	10,644	3,252	2,787
2045	99,519	3,159	798	0	4,895	1,082	0	10,649	3,244	2,788
2046	99,515	3,162	796	0	4,902	1,080	0	10,650	3,236	2,790
2047	99,509	3,163	794	0	4,906	1,077	0	10,654	3,227	2,792
2048	99,503	3,165	792	0	4,908	1,075	0	10,660	3,217	2,795
2049	99,498	3,167	789	0	4,911	1,072	0	10,667	3,205	2,796
2050	99,492	3,171	786	0	4,917	1,068	0	10,676	3,192	2,798
2051	99,486	3,175	782	0	4,924	1,063	0	10,685	3,178	2,799
2052	99,478	3,179	778	0	4,934	1,058	0	10,693	3,163	2,801
2053	99,470	3,183	774	0	4,944	1,053	0	10,702	3,147	2,802
2054	99,462	3,186	770	0	4,954	1,048	0	10,711	3,131	2,803
2055	99,455	3,189	766	0	4,964	1,042	0	10,721	3,114	2,804

Fiscal Year Ending 3/31	Summary of the Independent Living Unit Population Movements							
	Beginning Number of Residents	New Entrants	Deaths	With-drawals	Permanent Transfers to Assisted Living Unit	Permanent Transfers to Memory Support Unit	Permanent Transfers to Skilled Nursing Unit	Ending Number of Permanent Residents
2026	295.0	16.0	9.8	1.9	3.2	2.8	9.2	284.0
2027	284.0	22.7	9.8	2.0	3.4	2.9	9.4	279.3
2028	279.3	24.7	9.8	2.1	3.5	3.0	9.7	275.9
2029	275.9	26.4	9.9	2.2	3.6	3.0	10.0	273.5
2030	273.5	27.7	10.0	2.3	3.7	3.1	10.2	271.9
2031	271.9	28.7	10.0	2.3	3.8	3.2	10.4	271.0
2032	271.0	29.5	10.1	2.4	3.8	3.3	10.5	270.5
2033	270.5	30.2	10.1	2.4	3.9	3.3	10.7	270.3
2034	270.3	30.8	10.2	2.4	3.9	3.3	10.8	270.4
2035	270.4	31.0	10.3	2.4	4.0	3.4	10.7	270.7
2036	270.7	31.1	10.3	2.4	4.0	3.4	10.7	271.0
2037	271.0	31.2	10.4	2.4	4.0	3.4	10.7	271.2
2038	271.2	31.2	10.4	2.4	4.0	3.4	10.7	271.5
2039	271.5	31.3	10.4	2.4	4.0	3.4	10.8	271.7
2040	271.7	31.4	10.5	2.5	4.0	3.4	10.9	272.0
2041	272.0	31.5	10.5	2.5	4.0	3.4	10.9	272.2
2042	272.2	31.5	10.5	2.5	4.0	3.4	10.9	272.3
2043	272.3	31.4	10.5	2.5	4.0	3.4	10.9	272.4
2044	272.4	31.3	10.5	2.5	4.0	3.4	10.9	272.5
2045	272.5	31.2	10.5	2.5	4.0	3.4	10.9	272.5
2046	272.5	31.2	10.5	2.5	4.0	3.4	10.9	272.4
2047	272.4	31.3	10.5	2.5	4.0	3.4	10.9	272.4
2048	272.4	31.3	10.6	2.5	4.0	3.4	10.9	272.4
2049	272.4	31.3	10.6	2.5	4.0	3.4	10.9	272.4
2050	272.4	31.4	10.6	2.5	4.0	3.4	10.9	272.4
2051	272.4	31.4	10.6	2.5	4.0	3.4	10.9	272.4
2052	272.4	31.4	10.6	2.5	4.0	3.4	10.9	272.3
2053	272.3	31.4	10.6	2.5	4.0	3.4	10.9	272.3
2054	272.3	31.4	10.6	2.5	4.0	3.4	11.0	272.3
2055	272.3	31.4	10.6	2.5	4.0	3.4	11.0	272.3

Fiscal Year Ending 3/31	Summary of the Contract Assisted Living Unit Population Movements						
	Beginning Number of Residents	Permanent Transfers from Independent Living	Deaths	With-drawals	Permanent Transfers to Memory Support Unit	Permanent Transfers to Skilled Nursing Unit	Ending Number of Permanent Residents
2026	20.0	3.2	3.0	0.0	2.1	3.4	14.7
2027	14.7	3.4	2.4	0.0	1.5	2.5	11.7
2028	11.7	3.5	1.9	0.0	1.2	2.0	10.1
2029	10.1	3.6	1.7	0.0	1.0	1.7	9.2
2030	9.2	3.7	1.6	0.0	1.0	1.6	8.8
2031	8.8	3.8	1.5	0.0	0.9	1.5	8.6
2032	8.6	3.8	1.5	0.0	0.9	1.5	8.5
2033	8.5	3.9	1.5	0.0	0.9	1.5	8.5
2034	8.5	3.9	1.6	0.0	0.9	1.5	8.5
2035	8.5	4.0	1.6	0.0	0.9	1.5	8.5
2036	8.5	4.0	1.6	0.0	0.9	1.5	8.5
2037	8.5	4.0	1.6	0.0	0.9	1.5	8.5
2038	8.5	4.0	1.6	0.0	0.9	1.5	8.6
2039	8.6	4.0	1.6	0.0	0.9	1.5	8.6
2040	8.6	4.0	1.6	0.0	0.9	1.5	8.6
2041	8.6	4.0	1.6	0.0	0.9	1.5	8.6
2042	8.6	4.0	1.6	0.0	0.9	1.5	8.6
2043	8.6	4.0	1.6	0.0	0.9	1.5	8.6
2044	8.6	4.0	1.6	0.0	0.9	1.5	8.6
2045	8.6	4.0	1.6	0.0	0.9	1.5	8.7
2046	8.7	4.0	1.6	0.0	0.9	1.5	8.7
2047	8.7	4.0	1.6	0.0	0.9	1.5	8.7
2048	8.7	4.0	1.6	0.0	0.9	1.5	8.7
2049	8.7	4.0	1.6	0.0	0.9	1.5	8.7
2050	8.7	4.0	1.6	0.0	0.9	1.5	8.7
2051	8.7	4.0	1.6	0.0	0.9	1.5	8.7
2052	8.7	4.0	1.6	0.0	0.9	1.5	8.7
2053	8.7	4.0	1.6	0.0	0.9	1.5	8.7
2054	8.7	4.0	1.6	0.0	0.9	1.5	8.7
2055	8.7	4.0	1.6	0.0	0.9	1.5	8.7

Salemtowne
Open Group Projection

Fiscal Year Ending 3/31	Summary of the Contract Memory Support Unit Population Movements						
	Beginning Number of Residents	Permanent Transfers from Independent Living	Permanent Transfers from Assisted Living	Deaths	With-drawals	Permanent Transfers to Skilled Nursing Unit	Ending Number of Permanent Residents
2026	13.0	2.8	2.1	1.8	0.0	1.7	14.3
2027	14.3	2.9	1.5	2.0	0.0	2.0	14.8
2028	14.8	3.0	1.2	2.1	0.0	2.1	14.7
2029	14.7	3.0	1.0	2.2	0.0	2.1	14.5
2030	14.5	3.1	1.0	2.2	0.0	2.1	14.2
2031	14.2	3.2	0.9	2.3	0.0	2.1	14.0
2032	14.0	3.3	0.9	2.3	0.0	2.1	13.8
2033	13.8	3.3	0.9	2.3	0.0	2.0	13.7
2034	13.7	3.3	0.9	2.4	0.0	2.0	13.5
2035	13.5	3.4	0.9	2.4	0.0	2.0	13.4
2036	13.4	3.4	0.9	2.4	0.0	2.0	13.3
2037	13.3	3.4	0.9	2.3	0.0	2.0	13.3
2038	13.3	3.4	0.9	2.3	0.0	2.0	13.3
2039	13.3	3.4	0.9	2.3	0.0	2.0	13.3
2040	13.3	3.4	0.9	2.3	0.0	2.0	13.4
2041	13.4	3.4	0.9	2.3	0.0	2.0	13.4
2042	13.4	3.4	0.9	2.3	0.0	2.0	13.4
2043	13.4	3.4	0.9	2.3	0.0	2.0	13.4
2044	13.4	3.4	0.9	2.3	0.0	2.0	13.4
2045	13.4	3.4	0.9	2.3	0.0	2.0	13.4
2046	13.4	3.4	0.9	2.3	0.0	2.0	13.4
2047	13.4	3.4	0.9	2.3	0.0	2.0	13.4
2048	13.4	3.4	0.9	2.3	0.0	2.0	13.4
2049	13.4	3.4	0.9	2.3	0.0	2.0	13.5
2050	13.5	3.4	0.9	2.3	0.0	2.0	13.5
2051	13.5	3.4	0.9	2.3	0.0	2.0	13.5
2052	13.5	3.4	0.9	2.3	0.0	2.0	13.5
2053	13.5	3.4	0.9	2.3	0.0	2.0	13.6
2054	13.6	3.4	0.9	2.3	0.0	2.0	13.6
2055	13.6	3.4	0.9	2.3	0.0	2.0	13.6

Fiscal Year Ending 3/31	Summary of the Contract Skilled Nursing Unit Population Movements						
	Beginning Number of Residents	Permanent Transfers from Independent Living	Permanent Transfers from Assisted Living	Permanent Transfers from Memory Support	Deaths	With-drawals	Ending Number of Permanent Residents
2026	28.0	9.2	3.4	1.7	14.2	0.0	28.0
2027	28.0	9.4	2.5	2.0	14.0	0.0	27.9
2028	27.9	9.7	2.0	2.1	13.8	0.0	27.8
2029	27.8	10.0	1.7	2.1	13.7	0.0	27.9
2030	27.9	10.2	1.6	2.1	13.7	0.0	28.1
2031	28.1	10.4	1.5	2.1	13.8	0.0	28.3
2032	28.3	10.5	1.5	2.1	13.9	0.0	28.5
2033	28.5	10.7	1.5	2.0	14.1	0.0	28.6
2034	28.6	10.8	1.5	2.0	14.2	0.0	28.6
2035	28.6	10.7	1.5	2.0	14.3	0.0	28.6
2036	28.6	10.7	1.5	2.0	14.2	0.0	28.5
2037	28.5	10.7	1.5	2.0	14.2	0.0	28.5
2038	28.5	10.7	1.5	2.0	14.2	0.0	28.6
2039	28.6	10.8	1.5	2.0	14.2	0.0	28.7
2040	28.7	10.9	1.5	2.0	14.2	0.0	28.8
2041	28.8	10.9	1.5	2.0	14.2	0.0	28.9
2042	28.9	10.9	1.5	2.0	14.3	0.0	29.1
2043	29.1	10.9	1.5	2.0	14.3	0.0	29.1
2044	29.1	10.9	1.5	2.0	14.3	0.0	29.2
2045	29.2	10.9	1.5	2.0	14.4	0.0	29.2
2046	29.2	10.9	1.5	2.0	14.4	0.0	29.2
2047	29.2	10.9	1.5	2.0	14.4	0.0	29.2
2048	29.2	10.9	1.5	2.0	14.4	0.0	29.2
2049	29.2	10.9	1.5	2.0	14.4	0.0	29.2
2050	29.2	10.9	1.5	2.0	14.4	0.0	29.2
2051	29.2	10.9	1.5	2.0	14.4	0.0	29.3
2052	29.3	10.9	1.5	2.0	14.4	0.0	29.3
2053	29.3	10.9	1.5	2.0	14.4	0.0	29.3
2054	29.3	11.0	1.5	2.0	14.4	0.0	29.3
2055	29.3	11.0	1.5	2.0	14.4	0.0	29.4

Appendix B: Closed Group Population Projection

Salemtowne
Closed Group Projection

Fiscal Year Ending 3/31	Community Occupancy Summary					
	Independent Living Unit					
	Number of Residents	Number of Units	Occupancy Rate	Density Ratio	Units Released	New Units Occupied
2026	268.5	201.5	91.2%	1.33	13.5	0.0
2027	242.7	187.2	84.7%	1.30	14.4	0.0
2028	217.7	172.2	77.9%	1.26	15.0	0.0
2029	193.6	156.8	70.9%	1.23	15.4	0.0
2030	170.7	141.4	64.0%	1.21	15.4	0.0
2031	149.3	126.2	57.1%	1.18	15.1	0.0
2032	129.4	111.6	50.5%	1.16	14.7	0.0
2033	111.1	97.6	44.2%	1.14	14.0	0.0
2034	94.5	84.4	38.2%	1.12	13.2	0.0
2035	79.6	72.2	32.7%	1.10	12.2	0.0
2036	66.5	61.1	27.7%	1.09	11.0	0.0
2037	55.1	51.2	23.2%	1.07	9.9	0.0
2038	45.2	42.5	19.2%	1.06	8.7	0.0
2039	36.6	34.8	15.8%	1.05	7.7	0.0
2040	29.4	28.2	12.8%	1.04	6.7	0.0
2041	23.2	22.5	10.2%	1.03	5.7	0.0
2042	18.2	17.7	8.0%	1.03	4.8	0.0
2043	14.1	13.8	6.3%	1.02	3.9	0.0
2044	10.9	10.7	4.8%	1.02	3.1	0.0
2045	8.3	8.2	3.7%	1.01	2.5	0.0
2046	6.4	6.3	2.9%	1.01	1.9	0.0
2047	4.9	4.8	2.2%	1.01	1.5	0.0
2048	3.7	3.7	1.7%	1.00	1.1	0.0
2049	2.8	2.8	1.3%	1.00	0.9	0.0
2050	2.2	2.2	1.0%	1.00	0.6	0.0
2051	1.7	1.7	0.8%	1.00	0.4	0.0
2052	1.4	1.4	0.7%	1.00	0.3	0.0
2053	1.3	1.3	0.6%	1.00	0.2	0.0
2054	1.1	1.1	0.5%	1.00	0.1	0.0
2055	1.1	1.1	0.5%	1.00	0.1	0.0

Fiscal Year Ending 3/31	Community Occupancy Summary											
	Assisted Living Unit				Memory Support Unit				Skilled Nursing Unit			
	Number of Permanent Residents	2nd Person Subset Permanent	Number of Temporary Residents	Occupancy Rate	Number of Permanent Residents	2nd Person Subset Permanent	Number of Temporary Residents	Occupancy Rate	Number of Permanent Residents	2nd Person Subset Permanent	Number of Temporary Residents	Occupancy Rate
2026	14.7	2.4	0.0	46.0%	14.3	4.2	0.0	71.6%	27.9	14.5	6.8	34.8%
2027	11.6	2.6	0.0	36.2%	14.6	4.3	0.0	73.2%	27.4	12.4	6.6	34.0%
2028	9.7	2.6	0.0	30.4%	14.4	4.2	0.0	72.0%	26.7	10.8	6.2	32.9%
2029	8.6	2.4	0.0	26.9%	13.9	4.0	0.0	69.5%	25.9	9.6	5.8	31.7%
2030	7.8	2.1	0.0	24.5%	13.3	3.6	0.0	66.4%	24.9	8.4	5.4	30.3%
2031	7.2	1.8	0.0	22.5%	12.6	3.2	0.0	62.8%	23.7	7.4	5.0	28.8%
2032	6.7	1.5	0.0	20.8%	11.8	2.7	0.0	58.9%	22.4	6.4	4.5	26.9%
2033	6.1	1.3	0.0	19.1%	10.9	2.3	0.0	54.6%	20.8	5.5	4.0	24.9%
2034	5.6	1.0	0.0	17.4%	10.0	1.9	0.0	50.1%	19.1	4.5	3.6	22.6%
2035	5.0	0.8	0.0	15.6%	9.1	1.5	0.0	45.3%	17.2	3.6	3.1	20.4%
2036	4.4	0.7	0.0	13.9%	8.1	1.2	0.0	40.7%	15.3	2.8	2.8	18.1%
2037	3.9	0.5	0.0	12.2%	7.2	1.0	0.0	36.1%	13.5	2.2	2.4	15.9%
2038	3.4	0.4	0.0	10.5%	6.4	0.7	0.0	31.8%	11.8	1.7	2.1	13.8%
2039	2.9	0.3	0.0	9.0%	5.5	0.6	0.0	27.6%	10.2	1.3	1.8	11.9%
2040	2.4	0.2	0.0	7.5%	4.7	0.4	0.0	23.5%	8.7	1.0	1.4	10.2%
2041	2.0	0.1	0.0	6.2%	3.9	0.3	0.0	19.7%	7.4	0.7	1.2	8.5%
2042	1.6	0.1	0.0	5.0%	3.2	0.2	0.0	16.2%	6.2	0.5	0.9	7.1%
2043	1.2	0.1	0.0	3.9%	2.6	0.1	0.0	13.1%	5.0	0.3	0.7	5.8%
2044	1.0	0.0	0.0	3.0%	2.1	0.1	0.0	10.5%	4.0	0.2	0.6	4.6%
2045	0.7	0.0	0.0	2.3%	1.7	0.0	0.0	8.3%	3.1	0.1	0.4	3.5%
2046	0.5	0.0	0.0	1.7%	1.3	0.0	0.0	6.4%	2.4	0.1	0.3	2.7%
2047	0.4	0.0	0.0	1.2%	1.0	0.0	0.0	4.8%	1.8	0.0	0.3	2.0%
2048	0.3	0.0	0.0	0.8%	0.7	0.0	0.0	3.6%	1.3	0.0	0.2	1.5%
2049	0.2	0.0	0.0	0.6%	0.5	0.0	0.0	2.6%	0.9	0.0	0.1	1.0%
2050	0.1	0.0	0.0	0.4%	0.4	0.0	0.0	1.9%	0.6	0.0	0.1	0.7%
2051	0.1	0.0	0.0	0.2%	0.3	0.0	0.0	1.4%	0.4	0.0	0.1	0.5%
2052	0.0	0.0	0.0	0.2%	0.2	0.0	0.0	1.0%	0.3	0.0	0.1	0.3%
2053	0.0	0.0	0.0	0.1%	0.2	0.0	0.0	0.8%	0.1	0.0	0.1	0.2%
2054	0.0	0.0	0.0	0.1%	0.1	0.0	0.0	0.7%	0.1	0.0	0.1	0.1%
2055	0.0	0.0	0.0	0.0%	0.1	0.0	0.0	0.6%	0.0	0.0	0.0	0.1%

Salemtowne

Closed Group Projection

Fiscal Year Ending 3/31	Average Age of Residents at the End of the Year							
	Independent Living Unit		Assisted Living Unit Contract Residents		Memory Support Unit Contract Residents		Skilled Nursing Unit Contract Residents	
	Males	Females	Males	Females	Males	Females	Males	Females
2026	84.67	84.46	87.48	90.51	83.95	89.78	86.83	91.74
2027	85.51	85.25	88.04	90.80	85.57	90.45	87.59	91.14
2028	86.34	86.03	88.68	90.93	86.98	91.02	88.31	90.95
2029	87.16	86.79	89.39	91.01	88.25	91.50	88.98	91.05
2030	87.98	87.55	90.13	91.11	89.39	91.92	89.65	91.32
2031	88.79	88.29	90.86	91.28	90.41	92.30	90.32	91.71
2032	89.61	89.02	91.56	91.55	91.33	92.66	91.00	92.18
2033	90.42	89.74	92.15	91.91	92.14	93.02	91.68	92.69
2034	91.23	90.44	92.67	92.34	92.85	93.36	92.37	93.22
2035	92.04	91.11	93.18	92.81	93.50	93.72	93.07	93.75
2036	92.84	91.78	93.70	93.30	94.12	94.08	93.76	94.26
2037	93.65	92.43	94.26	93.83	94.73	94.49	94.45	94.75
2038	94.46	93.07	94.86	94.40	95.37	94.96	95.13	95.24
2039	95.28	93.69	95.50	95.01	96.06	95.46	95.81	95.72
2040	96.10	94.28	96.20	95.61	96.80	95.99	96.50	96.21
2041	96.94	94.82	96.99	96.23	97.65	96.53	97.22	96.74
2042	97.80	95.29	97.82	96.89	98.60	97.12	97.98	97.32
2043	98.67	95.67	98.66	97.60	99.67	97.75	98.77	97.95
2044	99.56	95.93	99.53	98.37	100.86	98.43	99.60	98.62
2045	100.46	96.07	100.42	99.17	102.19	99.16	100.47	99.32
2046	101.38	96.02	101.34	99.98	103.66	99.95	101.36	100.06
2047	102.31	95.72	102.28	100.82	105.22	100.78	102.27	100.85
2048	103.25	95.10	103.22	101.68	106.79	101.64	103.21	101.67
2049	104.20	94.08	104.17	102.56	108.29	102.54	104.15	102.54
2050	105.16	92.68	105.12	103.46	109.66	103.45	105.12	103.44
2051	106.13	90.99	106.09	104.39	110.91	104.38	106.09	104.37
2052	107.10	89.27	107.07	105.32	112.06	105.33	107.06	105.31
2053	108.07	87.86	108.05	106.28	113.14	106.28	108.05	106.27
2054	109.04	86.96	109.03	107.25	114.18	107.25	109.03	107.24
2055	110.02	86.62	110.02	108.23	115.19	108.23	110.02	108.22

Fiscal Year Ending 3/31	Number of Days In Each Level of Care									
		Assisted Living Unit			Memory Support Unit			Skilled Nursing Unit		
	Independent Living Unit Days	Permanent Days		Temporary	Permanent Days		Temporary	Permanent Days		Temporary
		Contract Residents	2nd Person Subset	Contract Days	Contract Residents	2nd Person Subset	Contract Days	Contract Residents	2nd Person Subset	Contract Days
2026	102,912	6,340	615	0	4,989	1,311	0	10,215	4,476	2,492
2027	93,360	4,805	911	0	5,287	1,550	0	10,110	4,916	2,401
2028	84,075	3,897	952	0	5,303	1,559	0	9,886	4,243	2,263
2029	75,107	3,351	911	0	5,170	1,499	0	9,610	3,722	2,122
2030	66,535	3,001	828	0	4,964	1,387	0	9,281	3,288	1,982
2031	58,448	2,744	725	0	4,718	1,242	0	8,887	2,899	1,836
2032	50,899	2,530	618	0	4,444	1,083	0	8,426	2,534	1,656
2033	43,929	2,330	516	0	4,146	919	0	7,890	2,174	1,479
2034	37,554	2,129	421	0	3,823	762	0	7,286	1,818	1,297
2035	31,799	1,926	340	0	3,485	621	0	6,631	1,479	1,148
2036	26,689	1,721	272	0	3,142	499	0	5,946	1,176	1,005
2037	22,206	1,520	214	0	2,806	396	0	5,267	920	873
2038	18,307	1,325	165	0	2,481	310	0	4,617	711	752
2039	14,941	1,140	125	0	2,167	238	0	4,008	542	643
2040	12,056	965	91	0	1,865	178	0	3,450	407	523
2041	9,608	802	64	0	1,578	128	0	2,942	298	421
2042	7,563	652	42	0	1,312	88	0	2,476	210	335
2043	5,894	519	27	0	1,073	57	0	2,046	141	263
2044	4,558	404	16	0	864	35	0	1,652	91	205
2045	3,506	310	9	0	686	21	0	1,301	55	158
2046	2,687	233	5	0	537	12	0	1,000	32	121
2047	2,050	170	3	0	410	6	0	753	17	93
2048	1,560	120	1	0	306	3	0	554	9	71
2049	1,189	83	1	0	224	1	0	398	4	54
2050	915	55	0	0	163	1	0	277	2	42
2051	719	36	0	0	119	0	0	187	1	32
2052	583	23	0	0	89	0	0	120	0	26
2053	493	15	0	0	69	0	0	73	0	21
2054	437	9	0	0	57	0	0	41	0	19
2055	402	5	0	0	49	0	0	22	0	17

Fiscal Year Ending 3/31	Summary of the Independent Living Unit Population Movements							
	Beginning Number of Residents	New Entrants	Deaths	With-drawals	Permanent Transfers to Assisted Living Unit	Permanent Transfers to Memory Support Unit	Permanent Transfers to Skilled Nursing Unit	Ending Number of Permanent Residents
2026	295.0	0.0	9.7	1.8	3.2	2.7	9.1	268.5
2027	268.5	0.0	9.2	1.6	3.3	2.8	9.0	242.7
2028	242.7	0.0	8.6	1.5	3.2	2.8	8.9	217.7
2029	217.7	0.0	8.1	1.3	3.2	2.7	8.7	193.6
2030	193.6	0.0	7.5	1.2	3.1	2.6	8.4	170.7
2031	170.7	0.0	6.9	1.0	3.0	2.6	8.0	149.3
2032	149.3	0.0	6.2	0.9	2.9	2.4	7.5	129.4
2033	129.4	0.0	5.6	0.8	2.7	2.3	6.9	111.1
2034	111.1	0.0	5.0	0.7	2.5	2.1	6.4	94.5
2035	94.5	0.0	4.5	0.6	2.3	1.9	5.7	79.6
2036	79.6	0.0	3.9	0.5	2.0	1.7	5.0	66.5
2037	66.5	0.0	3.4	0.4	1.8	1.5	4.4	55.1
2038	55.1	0.0	2.9	0.3	1.5	1.3	3.8	45.2
2039	45.2	0.0	2.5	0.3	1.3	1.1	3.3	36.6
2040	36.6	0.0	2.2	0.2	1.1	0.9	2.8	29.4
2041	29.4	0.0	1.9	0.2	0.9	0.8	2.4	23.2
2042	23.2	0.0	1.6	0.1	0.7	0.6	2.0	18.2
2043	18.2	0.0	1.3	0.1	0.6	0.5	1.6	14.1
2044	14.1	0.0	1.0	0.1	0.5	0.4	1.3	10.9
2045	10.9	0.0	0.8	0.1	0.4	0.3	1.0	8.3
2046	8.3	0.0	0.6	0.0	0.3	0.2	0.8	6.4
2047	6.4	0.0	0.5	0.0	0.2	0.2	0.6	4.9
2048	4.9	0.0	0.4	0.0	0.2	0.1	0.4	3.7
2049	3.7	0.0	0.3	0.0	0.1	0.1	0.3	2.8
2050	2.8	0.0	0.3	0.0	0.1	0.1	0.2	2.2
2051	2.2	0.0	0.2	0.0	0.1	0.0	0.1	1.7
2052	1.7	0.0	0.1	0.0	0.0	0.0	0.1	1.4
2053	1.4	0.0	0.1	0.0	0.0	0.0	0.1	1.3
2054	1.3	0.0	0.1	0.0	0.0	0.0	0.0	1.1
2055	1.1	0.0	0.0	0.0	0.0	0.0	0.0	1.1

Fiscal Year Ending 3/31	Summary of the Contract Assisted Living Unit Population Movements						
	Beginning Number of Residents	Permanent Transfers from Independent Living	Deaths	With-drawals	Permanent Transfers to Memory Support Unit	Permanent Transfers to Skilled Nursing Unit	Ending Number of Permanent Residents
2026	20.0	3.2	3.0	0.0	2.1	3.4	14.7
2027	14.7	3.3	2.3	0.0	1.5	2.5	11.6
2028	11.6	3.2	1.9	0.0	1.2	2.0	9.7
2029	9.7	3.2	1.7	0.0	1.0	1.6	8.6
2030	8.6	3.1	1.5	0.0	0.9	1.5	7.8
2031	7.8	3.0	1.4	0.0	0.8	1.4	7.2
2032	7.2	2.9	1.3	0.0	0.8	1.3	6.7
2033	6.7	2.7	1.3	0.0	0.7	1.2	6.1
2034	6.1	2.5	1.2	0.0	0.7	1.1	5.6
2035	5.6	2.3	1.2	0.0	0.6	1.0	5.0
2036	5.0	2.0	1.1	0.0	0.6	0.9	4.4
2037	4.4	1.8	1.0	0.0	0.5	0.8	3.9
2038	3.9	1.5	0.9	0.0	0.5	0.8	3.4
2039	3.4	1.3	0.8	0.0	0.4	0.6	2.9
2040	2.9	1.1	0.7	0.0	0.3	0.6	2.4
2041	2.4	0.9	0.6	0.0	0.3	0.5	2.0
2042	2.0	0.7	0.5	0.0	0.2	0.4	1.6
2043	1.6	0.6	0.4	0.0	0.2	0.3	1.2
2044	1.2	0.5	0.3	0.0	0.2	0.3	1.0
2045	1.0	0.4	0.3	0.0	0.1	0.2	0.7
2046	0.7	0.3	0.2	0.0	0.1	0.2	0.5
2047	0.5	0.2	0.2	0.0	0.1	0.1	0.4
2048	0.4	0.2	0.1	0.0	0.1	0.1	0.3
2049	0.3	0.1	0.1	0.0	0.0	0.1	0.2
2050	0.2	0.1	0.1	0.0	0.0	0.0	0.1
2051	0.1	0.1	0.1	0.0	0.0	0.0	0.1
2052	0.1	0.0	0.0	0.0	0.0	0.0	0.0
2053	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2054	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2055	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Salemtowne
Closed Group Projection

Fiscal Year Ending 3/31	Summary of the Contract Memory Support Unit Population Movements						
	Beginning Number of Residents	Permanent Transfers from Independent Living	Permanent Transfers from Assisted Living	Deaths	With-drawals	Permanent Transfers to Skilled Nursing Unit	Ending Number of Permanent Residents
2026	13.0	2.7	2.1	1.8	0.0	1.7	14.3
2027	14.3	2.8	1.5	2.0	0.0	2.0	14.6
2028	14.6	2.8	1.2	2.1	0.0	2.1	14.4
2029	14.4	2.7	1.0	2.2	0.0	2.1	13.9
2030	13.9	2.6	0.9	2.2	0.0	2.0	13.3
2031	13.3	2.6	0.8	2.2	0.0	2.0	12.6
2032	12.6	2.4	0.8	2.1	0.0	1.9	11.8
2033	11.8	2.3	0.7	2.1	0.0	1.8	10.9
2034	10.9	2.1	0.7	2.0	0.0	1.7	10.0
2035	10.0	1.9	0.6	1.9	0.0	1.6	9.1
2036	9.1	1.7	0.6	1.8	0.0	1.4	8.1
2037	8.1	1.5	0.5	1.6	0.0	1.3	7.2
2038	7.2	1.3	0.5	1.5	0.0	1.2	6.4
2039	6.4	1.1	0.4	1.3	0.0	1.0	5.5
2040	5.5	0.9	0.3	1.2	0.0	0.9	4.7
2041	4.7	0.8	0.3	1.1	0.0	0.8	3.9
2042	3.9	0.6	0.2	0.9	0.0	0.6	3.2
2043	3.2	0.5	0.2	0.8	0.0	0.5	2.6
2044	2.6	0.4	0.2	0.6	0.0	0.4	2.1
2045	2.1	0.3	0.1	0.5	0.0	0.4	1.7
2046	1.7	0.2	0.1	0.4	0.0	0.3	1.3
2047	1.3	0.2	0.1	0.3	0.0	0.2	1.0
2048	1.0	0.1	0.1	0.3	0.0	0.2	0.7
2049	0.7	0.1	0.0	0.2	0.0	0.1	0.5
2050	0.5	0.1	0.0	0.1	0.0	0.1	0.4
2051	0.4	0.0	0.0	0.1	0.0	0.1	0.3
2052	0.3	0.0	0.0	0.1	0.0	0.0	0.2
2053	0.2	0.0	0.0	0.0	0.0	0.0	0.2
2054	0.2	0.0	0.0	0.0	0.0	0.0	0.1
2055	0.1	0.0	0.0	0.0	0.0	0.0	0.1

Salemtowne
Closed Group Projection

Fiscal Year Ending 3/31	Summary of the Contract Skilled Nursing Unit Population Movements						
	Beginning Number of Residents	Permanent Transfers from Independent Living	Permanent Transfers from Assisted Living	Permanent Transfers from Memory Support	Deaths	With-drawals	Ending Number of Permanent Residents
2026	28.0	9.1	3.4	1.7	14.2	0.0	27.9
2027	27.9	9.0	2.5	2.0	13.9	0.0	27.4
2028	27.4	8.9	2.0	2.1	13.6	0.0	26.7
2029	26.7	8.7	1.6	2.1	13.2	0.0	25.9
2030	25.9	8.4	1.5	2.0	12.9	0.0	24.9
2031	24.9	8.0	1.4	2.0	12.5	0.0	23.7
2032	23.7	7.5	1.3	1.9	12.0	0.0	22.4
2033	22.4	6.9	1.2	1.8	11.5	0.0	20.8
2034	20.8	6.4	1.1	1.7	10.9	0.0	19.1
2035	19.1	5.7	1.0	1.6	10.1	0.0	17.2
2036	17.2	5.0	0.9	1.4	9.2	0.0	15.3
2037	15.3	4.4	0.8	1.3	8.3	0.0	13.5
2038	13.5	3.8	0.8	1.2	7.5	0.0	11.8
2039	11.8	3.3	0.6	1.0	6.6	0.0	10.2
2040	10.2	2.8	0.6	0.9	5.7	0.0	8.7
2041	8.7	2.4	0.5	0.8	5.0	0.0	7.4
2042	7.4	2.0	0.4	0.6	4.2	0.0	6.2
2043	6.2	1.6	0.3	0.5	3.6	0.0	5.0
2044	5.0	1.3	0.3	0.4	3.0	0.0	4.0
2045	4.0	1.0	0.2	0.4	2.4	0.0	3.1
2046	3.1	0.8	0.2	0.3	2.0	0.0	2.4
2047	2.4	0.6	0.1	0.2	1.5	0.0	1.8
2048	1.8	0.4	0.1	0.2	1.2	0.0	1.3
2049	1.3	0.3	0.1	0.1	0.9	0.0	0.9
2050	0.9	0.2	0.0	0.1	0.6	0.0	0.6
2051	0.6	0.1	0.0	0.1	0.4	0.0	0.4
2052	0.4	0.1	0.0	0.0	0.3	0.0	0.3
2053	0.3	0.1	0.0	0.0	0.2	0.0	0.1
2054	0.1	0.0	0.0	0.0	0.1	0.0	0.1
2055	0.1	0.0	0.0	0.0	0.1	0.0	0.0

Appendix C: Twenty-Year Cash Flow Projection

Financial Forecast
Key Demographic and Facility Assumptions

Independent Living	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Number of ILU Residents (Average)	289.5	281.7	277.6	274.7	272.7	271.5	270.7	270.4	270.4	270.5
ILU Units - Single Occupancy	137.5	142.3	146.4	149.3	151.3	152.5	153.3	153.6	153.6	153.4
ILU Units - Couple Occupancy	76.0	69.7	65.6	62.7	60.7	59.5	58.7	58.4	58.4	58.5
Number of Occupied ILUs (Average)	213.5	212.0	212.0	212.0	212.0	212.0	212.0	212.0	212.0	212.0
Occupancy Percentage	96.6%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%

Assisted Living	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Contract Residents - Permanent	17.4	13.2	10.9	9.6	9.0	8.7	8.5	8.5	8.5	8.5
2nd person subset	3.2	2.5	2.7	2.7	2.7	2.6	2.4	2.4	2.3	2.3
Contract Residents - Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct Admit	12.8	16.9	19.3	20.5	21.2	21.5	21.6	21.7	21.7	21.7
Number of Occupied ALUs (Average)	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2
Occupancy Percentage	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%

Memory Support	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Contract Residents - Permanent	13.7	14.5	14.7	14.6	14.4	14.1	13.9	13.8	13.6	13.5
2nd person subset	3.1	4.3	4.4	4.3	4.2	4.0	3.8	3.6	3.4	3.2
Contract Residents - Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct Admit	5.2	4.3	4.1	4.2	4.5	4.7	4.9	5.1	5.3	5.4
Number of Occupied MSUs (Average)	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8
Occupancy Percentage	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%

Skilled Nursing	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Contract Residents - Permanent	28.0	28.0	27.9	27.9	28.0	28.2	28.4	28.5	28.6	28.6
2nd person subset	11.8	13.6	12.1	11.2	10.6	10.2	9.9	9.7	9.5	9.3
Contract Residents - Temporary	7.1	7.2	7.3	7.3	7.4	7.5	7.5	7.5	7.4	7.5
Direct Admit	54.9	54.8	54.9	54.8	54.6	54.3	54.2	54.0	54.0	53.9
Private Pay	35.0	35.0	35.0	35.0	34.8	34.7	34.6	34.5	34.4	34.4
Medicare	15.6	15.5	15.6	15.5	15.5	15.4	15.3	15.3	15.3	15.3
Medicaid	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.2	4.2
Number of Occupied SNFs (Average)	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Occupancy Percentage	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%

Total Number of Contract Residents	348.6	337.4	331.1	326.8	324.1	322.5	321.6	321.1	321.0	321.1
Projected Number of Meals	258,057	255,188	253,697	252,644	251,925	251,459	251,189	251,065	251,057	251,127
Number of Available Independent Living Units	221	221	221	221	221	221	221	221	221	221
Number of Available Assisted Living Units	32	32	32	32	32	32	32	32	32	32
Number of Available Memory Support Units	20	20	20	20	20	20	20	20	20	20
Number of Available Skilled Nursing Units	100	100	100	100	100	100	100	100	100	100
Number of New ILUs Occupied	10.7	15.1	16.4	17.5	18.3	19.0	19.5	19.9	20.3	20.5
Number of New ILU Entrants	16.0	22.7	24.7	26.4	27.7	28.7	29.5	30.2	30.8	31.0

Financial Forecast
Key Demographic and Facility Assumptions

Independent Living	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Number of ILU Residents (Average)	270.8	271.1	271.4	271.6	271.9	272.1	272.3	272.4	272.5	272.5
ILU Units - Single Occupancy	153.2	152.9	152.6	152.4	152.1	151.9	151.7	151.6	151.5	151.5
ILU Units - Couple Occupancy	58.8	59.1	59.4	59.6	59.9	60.1	60.3	60.4	60.5	60.5
Number of Occupied ILUs (Average)	212.0	212.0	212.0	212.0	212.0	212.0	212.0	212.0	212.0	212.0
Occupancy Percentage	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%

Assisted Living	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Contract Residents - Permanent	8.5	8.5	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
2nd person subset	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Contract Residents - Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct Admit	21.7	21.6	21.6	21.6	21.5	21.5	21.5	21.5	21.5	21.5
Number of Occupied ALUs (Average)	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2
Occupancy Percentage	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%

Memory Support	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Contract Residents - Permanent	13.4	13.3	13.3	13.3	13.3	13.4	13.4	13.4	13.4	13.4
2nd person subset	3.2	3.1	3.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Contract Residents - Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct Admit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.4
Number of Occupied MSUs (Average)	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8
Occupancy Percentage	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%

Skilled Nursing	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Contract Residents - Permanent	28.5	28.5	28.5	28.6	28.7	28.9	29.0	29.1	29.1	29.2
2nd person subset	9.1	9.0	9.0	9.0	9.0	9.0	8.9	8.9	8.9	8.9
Contract Residents - Temporary	7.5	7.6	7.6	7.7	7.6	7.6	7.6	7.6	7.6	7.6
Direct Admit	53.9	53.9	53.8	53.7	53.6	53.5	53.4	53.3	53.2	53.2
Private Pay	34.4	34.4	34.3	34.3	34.2	34.1	34.1	34.0	34.0	34.0
Medicare	15.3	15.3	15.3	15.2	15.2	15.2	15.1	15.1	15.1	15.1
Medicaid	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Number of Occupied SNFs (Average)	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Occupancy Percentage	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%

Total Number of Contract Residents	321.2	321.5	321.8	322.2	322.6	322.9	323.3	323.5	323.6	323.7
Projected Number of Meals	251,229	251,333	251,429	251,519	251,606	251,687	251,754	251,799	251,823	251,829
Number of Available Independent Living Units	221	221	221	221	221	221	221	221	221	221
Number of Available Assisted Living Units	32	32	32	32	32	32	32	32	32	32
Number of Available Memory Support Units	20	20	20	20	20	20	20	20	20	20
Number of Available Skilled Nursing Units	100	100	100	100	100	100	100	100	100	100
Number of New ILUs Occupied	20.6	20.6	20.6	20.7	20.8	20.8	20.8	20.7	20.7	20.6
Number of New ILU Entrants	31.1	31.2	31.2	31.3	31.4	31.5	31.5	31.4	31.3	31.2

Independent Living Unit Configuration

Type of Unit	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
West End	4	4	4	4	4	4	4	4	4	4
Winston	17	17	17	17	17	17	17	17	17	17
Buena Vista	4	4	4	4	4	4	4	4	4	4
Reynolda	15	15	15	15	15	15	15	15	15	15
Sherwood	9	9	9	9	9	9	9	9	9	9
Piedmont	21	21	21	21	21	21	21	21	21	21
Brookstown	4	4	4	4	4	4	4	4	4	4
Twin City	10	10	10	10	10	10	10	10	10	10
Appalachian A	6	6	6	6	6	6	6	6	6	6
Appalachian B	1	1	1	1	1	1	1	1	1	1
Mitchell	1	1	1	1	1	1	1	1	1	1
Rutherford A	3	3	3	3	3	3	3	3	3	3
Rutherford B	2	2	2	2	2	2	2	2	2	2
Rutherford C	1	1	1	1	1	1	1	1	1	1
Rutherford D	1	1	1	1	1	1	1	1	1	1
Shenandoah A	3	3	3	3	3	3	3	3	3	3
Shenandoah B	1	1	1	1	1	1	1	1	1	1
Watauga	1	1	1	1	1	1	1	1	1	1
Bethania	2	2	2	2	2	2	2	2	2	2
Hickory A	9	9	9	9	9	9	9	9	9	9
Hickory B	1	1	1	1	1	1	1	1	1	1
Catawba A	14	14	14	14	14	14	14	14	14	14
Catawba B	1	1	1	1	1	1	1	1	1	1
Catawba C	1	1	1	1	1	1	1	1	1	1
Catawba D	1	1	1	1	1	1	1	1	1	1
Catawba E	1	1	1	1	1	1	1	1	1	1
Catawba F	1	1	1	1	1	1	1	1	1	1
Hatteras	8	8	8	8	8	8	8	8	8	8
Emerald	14	14	14	14	14	14	14	14	14	14
Beech	16	16	16	16	16	16	16	16	16	16
Dogwood	8	8	8	8	8	8	8	8	8	8
Hawthorne	8	8	8	8	8	8	8	8	8	8
Pine	8	8	8	8	8	8	8	8	8	8
Sycamore	8	8	8	8	8	8	8	8	8	8
Willow	8	8	8	8	8	8	8	8	8	8
Total	221	221	221	221	221	221	221	221	221	221

Independent Living Unit Configuration

Type of Unit	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
West End	4	4	4	4	4	4	4	4	4	4
Winston	17	17	17	17	17	17	17	17	17	17
Buena Vista	4	4	4	4	4	4	4	4	4	4
Reynolda	15	15	15	15	15	15	15	15	15	15
Sherwood	9	9	9	9	9	9	9	9	9	9
Piedmont	21	21	21	21	21	21	21	21	21	21
Brookstown	4	4	4	4	4	4	4	4	4	4
Twin City	10	10	10	10	10	10	10	10	10	10
Appalachian A	6	6	6	6	6	6	6	6	6	6
Appalachian B	1	1	1	1	1	1	1	1	1	1
Mitchell	1	1	1	1	1	1	1	1	1	1
Rutherford A	3	3	3	3	3	3	3	3	3	3
Rutherford B	2	2	2	2	2	2	2	2	2	2
Rutherford C	1	1	1	1	1	1	1	1	1	1
Rutherford D	1	1	1	1	1	1	1	1	1	1
Shenandoah A	3	3	3	3	3	3	3	3	3	3
Shenandoah B	1	1	1	1	1	1	1	1	1	1
Watauga	1	1	1	1	1	1	1	1	1	1
Bethania	2	2	2	2	2	2	2	2	2	2
Hickory A	9	9	9	9	9	9	9	9	9	9
Hickory B	1	1	1	1	1	1	1	1	1	1
Catawba A	14	14	14	14	14	14	14	14	14	14
Catawba B	1	1	1	1	1	1	1	1	1	1
Catawba C	1	1	1	1	1	1	1	1	1	1
Catawba D	1	1	1	1	1	1	1	1	1	1
Catawba E	1	1	1	1	1	1	1	1	1	1
Catawba F	1	1	1	1	1	1	1	1	1	1
Hatteras	8	8	8	8	8	8	8	8	8	8
Emerald	14	14	14	14	14	14	14	14	14	14
Beech	16	16	16	16	16	16	16	16	16	16
Dogwood	8	8	8	8	8	8	8	8	8	8
Hawthorne	8	8	8	8	8	8	8	8	8	8
Pine	8	8	8	8	8	8	8	8	8	8
Sycamore	8	8	8	8	8	8	8	8	8	8
Willow	8	8	8	8	8	8	8	8	8	8
Total	221	221	221	221	221	221	221	221	221	221

Entrance Fees	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Entrance Fees increase by:		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Traditional Type B										
West End	$168,394	$175,130	$182,135	$189,420	$196,997	$204,877	$213,072	$221,595	$230,458	$239,677
Winston	157,599	163,903	170,459	177,277	184,368	191,743	199,413	207,389	215,685	224,312
Buena Vista	203,753	211,903	220,379	229,194	238,362	247,896	257,812	268,124	278,849	290,003
Reynolda	192,829	200,542	208,564	216,906	225,583	234,606	243,990	253,750	263,900	274,456
Sherwood	223,323	232,256	241,547	251,208	261,257	271,707	282,575	293,878	305,633	317,859
Piedmont	266,745	277,415	288,511	300,052	312,054	324,536	337,518	351,018	365,059	379,661
Brookstown	269,535	280,316	291,529	303,190	315,318	327,931	341,048	354,690	368,877	383,632
Twin City	279,468	290,647	302,273	314,363	326,938	340,016	353,616	367,761	382,471	397,770
Appalachian A	462,843	481,357	500,611	520,636	541,461	563,120	585,644	609,070	633,433	658,770
Appalachian B	468,380	487,115	506,600	526,864	547,938	569,856	592,650	616,356	641,010	666,651
Mitchell	399,960	415,958	432,597	449,901	467,897	486,612	506,077	526,320	547,373	569,268
Rutherford A	495,293	515,105	535,709	557,138	579,423	602,600	626,704	651,772	677,843	704,957
Rutherford B	515,680	536,307	557,759	580,070	603,273	627,404	652,500	678,600	705,744	733,973
Rutherford C	616,770	641,441	667,098	693,782	721,534	750,395	780,411	811,627	844,092	877,856
Rutherford D	576,290	599,342	623,315	648,248	674,178	701,145	729,191	758,358	788,693	820,240
Shenandoah A	450,817	468,849	487,603	507,107	527,392	548,487	570,427	593,244	616,974	641,653
Shenandoah B	467,940	486,658	506,124	526,369	547,424	569,321	592,093	615,777	640,408	666,025
Watauga	663,300	689,832	717,425	746,122	775,967	807,006	839,286	872,858	907,772	944,083
Bethania	396,792	412,664	429,170	446,337	464,191	482,758	502,068	522,151	543,037	564,759
Hickory A	404,544	420,726	437,555	455,057	473,259	492,190	511,877	532,352	553,646	575,792
Hickory B	462,348	480,842	500,076	520,079	540,882	562,517	585,018	608,418	632,755	658,065
Catawba A	431,738	449,007	466,968	485,646	505,072	525,275	546,286	568,137	590,863	614,497
Catawba B	525,636	546,661	568,528	591,269	614,920	639,517	665,097	691,701	719,369	748,144
Catawba C	642,924	668,641	695,387	723,202	752,130	782,215	813,504	846,044	879,886	915,081
Catawba D	643,896	669,652	696,438	724,295	753,267	783,398	814,734	847,323	881,216	916,465
Catawba E	596,592	620,456	645,274	671,085	697,928	725,845	754,879	785,074	816,477	849,136
Catawba F	589,896	613,492	638,032	663,553	690,095	717,699	746,407	776,263	807,313	839,606
Hatteras	271,412	282,268	293,559	305,301	317,514	330,214	343,423	357,160	371,446	386,304
Emerald	305,753	317,983	330,702	343,930	357,687	371,995	386,874	402,349	418,443	435,181
Beech	293,409	305,145	317,351	330,045	343,247	356,977	371,256	386,106	401,550	417,612
Dogwood	378,149	393,274	409,005	425,366	442,380	460,075	478,478	497,618	517,522	538,223
Hawthorne	390,704	406,332	422,585	439,488	457,068	475,351	494,365	514,139	534,705	556,093
Pine	453,587	471,730	490,599	510,223	530,632	551,857	573,932	596,889	620,764	645,595
Sycamore	465,210	483,818	503,171	523,298	544,230	565,999	588,639	612,185	636,672	662,139
Willow	528,822	549,975	571,974	594,853	618,647	643,393	669,129	695,894	723,729	752,679
ILU Average Single Entrance Fee	$303,725	$315,874	$328,509	$341,649	$355,315	$369,528	$384,309	$399,681	$415,668	$432,295
Second Person Entrance Fee	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466
ILU Average Couple Entrance Fee	361,269	375,720	390,749	406,379	422,634	439,539	457,121	475,405	494,422	514,198
ILU Average Entrance Fee Received	318,478	331,781	346,597	361,688	377,171	393,038	409,331	426,088	443,285	460,939

Entrance Fees	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Entrance Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Traditional Type B										
West End	$249,264	$259,234	$269,604	$280,388	$291,603	$303,268	$315,398	$328,014	$341,135	$354,780
Winston	233,285	242,616	252,321	262,414	272,910	283,827	295,180	306,987	319,266	332,037
Buena Vista	301,603	313,668	326,214	339,263	352,833	366,947	381,625	396,890	412,765	429,276
Reynolda	285,434	296,851	308,725	321,074	333,917	347,274	361,165	375,612	390,636	406,262
Sherwood	330,573	343,796	357,548	371,850	386,724	402,193	418,280	435,012	452,412	470,509
Piedmont	394,848	410,642	427,067	444,150	461,916	480,393	499,608	519,593	540,376	561,991
Brookstown	398,978	414,937	431,534	448,796	466,747	485,417	504,834	525,027	546,028	567,870
Twin City	413,681	430,228	447,437	465,335	483,948	503,306	523,438	544,376	566,151	588,797
Appalachian A	685,121	712,526	741,027	770,668	801,495	833,555	866,897	901,573	937,636	975,141
Appalachian B	693,317	721,049	749,891	779,887	811,083	843,526	877,267	912,358	948,852	986,806
Mitchell	592,039	615,720	640,349	665,963	692,601	720,305	749,118	779,082	810,246	842,655
Rutherford A	733,155	762,481	792,981	824,700	857,688	891,995	927,675	964,782	1,003,373	1,043,508
Rutherford B	763,332	793,866	825,620	858,645	892,991	928,711	965,859	1,004,493	1,044,673	1,086,460
Rutherford C	912,970	949,489	987,469	1,026,967	1,068,046	1,110,768	1,155,199	1,201,407	1,249,463	1,299,441
Rutherford D	853,050	887,172	922,659	959,565	997,948	1,037,866	1,079,380	1,122,556	1,167,458	1,214,156
Shenandoah A	667,319	694,012	721,772	750,643	780,669	811,895	844,371	878,146	913,272	949,803
Shenandoah B	692,666	720,372	749,187	779,154	810,321	842,734	876,443	911,501	947,961	985,879
Watauga	981,846	1,021,120	1,061,965	1,104,443	1,148,621	1,194,566	1,242,348	1,292,042	1,343,724	1,397,473
Bethania	587,349	610,843	635,277	660,688	687,115	714,600	743,184	772,911	803,828	835,981
Hickory A	598,824	622,777	647,688	673,595	700,539	728,561	757,703	788,011	819,532	852,313
Hickory B	684,388	711,764	740,234	769,843	800,637	832,663	865,969	900,608	936,632	974,098
Catawba A	639,077	664,640	691,226	718,875	747,630	777,535	808,637	840,982	874,621	909,606
Catawba B	778,070	809,192	841,560	875,223	910,231	946,641	984,506	1,023,887	1,064,842	1,107,436
Catawba C	951,685	989,752	1,029,342	1,070,516	1,113,336	1,157,870	1,204,185	1,252,352	1,302,446	1,354,544
Catawba D	953,123	991,248	1,030,898	1,072,134	1,115,020	1,159,620	1,206,005	1,254,245	1,304,415	1,356,592
Catawba E	883,102	918,426	955,163	993,370	1,033,104	1,074,428	1,117,406	1,162,102	1,208,586	1,256,929
Catawba F	873,190	908,118	944,443	982,220	1,021,509	1,062,369	1,104,864	1,149,059	1,195,021	1,242,822
Hatteras	401,756	417,826	434,539	451,921	469,998	488,797	508,349	528,683	549,831	571,824
Emerald	452,588	470,692	489,520	509,100	529,464	550,643	572,669	595,575	619,398	644,174
Beech	434,317	451,690	469,757	488,548	508,089	528,413	549,550	571,532	594,393	618,169
Dogwood	559,752	582,142	605,428	629,645	654,831	681,024	708,265	736,596	766,059	796,702
Hawthorne	578,337	601,470	625,529	650,550	676,572	703,635	731,780	761,052	791,494	823,153
Pine	671,419	698,276	726,207	755,255	785,465	816,884	849,559	883,541	918,883	955,638
Sycamore	688,624	716,169	744,816	774,609	805,593	837,817	871,330	906,183	942,430	980,127
Willow	782,786	814,097	846,661	880,528	915,749	952,379	990,474	1,030,093	1,071,296	1,114,148
ILU Average Single Entrance Fee	$449,587	$467,570	$486,273	$505,724	$525,953	$546,991	$568,871	$591,626	$615,291	$639,902
Second Person Entrance Fee	29,605	30,789	32,021	33,301	34,634	36,019	37,460	38,958	40,516	42,137
ILU Average Couple Entrance Fee	534,766	556,157	578,403	601,539	625,601	650,625	676,650	703,716	731,865	761,139
ILU Average Entrance Fee Received	479,298	498,392	518,235	538,957	560,461	582,817	606,090	630,197	655,299	681,428

Entrance Fees

Entrance Fees increase by:		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
50% Refundable Type B	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
West End	$244,171	$253,938	$264,095	$274,659	$285,645	$297,071	$308,954	$321,312	$334,165	$347,531
Winston	228,518	237,659	247,165	257,052	267,334	278,027	289,149	300,714	312,743	325,253
Buena Vista	295,441	307,259	319,549	332,331	345,624	359,449	373,827	388,780	404,332	420,505
Reynolda	279,602	290,786	302,418	314,514	327,095	340,179	353,786	367,937	382,655	397,961
Sherwood	323,819	336,772	350,242	364,252	378,822	393,975	409,734	426,123	443,168	460,895
Piedmont	386,780	402,251	418,342	435,075	452,478	470,577	489,400	508,976	529,335	550,509
Brookstown	390,826	406,459	422,717	439,626	457,211	475,499	494,519	514,300	534,872	556,267
Twin City	405,229	421,438	438,295	455,827	474,060	493,023	512,743	533,253	554,583	576,767
Appalachian A	671,123	697,968	725,886	754,922	785,119	816,524	849,184	883,152	918,478	955,217
Appalachian B	679,151	706,317	734,570	763,953	794,511	826,291	859,343	893,716	929,465	966,644
Mitchell	579,942	603,140	627,265	652,356	678,450	705,588	733,812	763,164	793,691	825,438
Rutherford A	718,175	746,902	776,778	807,850	840,164	873,770	908,721	945,070	982,873	1,022,187
Rutherford B	747,736	777,645	808,751	841,101	874,745	909,735	946,125	983,970	1,023,328	1,064,261
Rutherford C	894,317	930,089	967,293	1,005,984	1,046,224	1,088,073	1,131,596	1,176,860	1,223,934	1,272,891
Rutherford D	835,621	869,045	903,807	939,959	977,558	1,016,660	1,057,327	1,099,620	1,143,604	1,189,349
Shenandoah A	653,684	679,832	707,025	735,306	764,718	795,307	827,119	860,204	894,612	930,396
Shenandoah B	678,513	705,654	733,880	763,235	793,764	825,515	858,535	892,877	928,592	965,736
Watauga	961,785	1,000,256	1,040,267	1,081,877	1,125,152	1,170,159	1,216,965	1,265,643	1,316,269	1,368,920
Bethania	575,348	598,362	622,297	647,189	673,076	699,999	727,999	757,119	787,404	818,900
Hickory A	586,589	610,052	634,454	659,833	686,226	713,675	742,222	771,911	802,787	834,899
Hickory B	670,405	697,221	725,110	754,114	784,279	815,650	848,276	882,207	917,495	954,195
Catawba A	626,020	651,060	677,103	704,187	732,354	761,649	792,115	823,799	856,751	891,021
Catawba B	762,172	792,659	824,365	857,340	891,634	927,299	964,391	1,002,967	1,043,085	1,084,809
Catawba C	932,240	969,529	1,008,311	1,048,643	1,090,589	1,134,212	1,179,581	1,226,764	1,275,835	1,326,868
Catawba D	933,649	970,995	1,009,835	1,050,228	1,092,238	1,135,927	1,181,364	1,228,619	1,277,763	1,328,874
Catawba E	865,058	899,661	935,647	973,073	1,011,996	1,052,476	1,094,575	1,138,358	1,183,892	1,231,248
Catawba F	855,349	889,563	925,146	962,152	1,000,638	1,040,663	1,082,290	1,125,581	1,170,604	1,217,429
Hatteras	393,547	409,289	425,661	442,687	460,395	478,810	497,963	517,881	538,597	560,140
Emerald	443,341	461,075	479,518	498,698	518,646	539,392	560,968	583,407	606,743	631,013
Beech	425,443	442,461	460,159	478,566	497,708	517,617	538,321	559,854	582,248	605,538
Dogwood	548,315	570,248	593,058	616,780	641,451	667,109	693,794	721,546	750,407	780,424
Hawthorne	566,520	589,181	612,748	637,258	662,748	689,258	716,829	745,502	775,322	806,335
Pine	657,700	684,008	711,369	739,824	769,416	800,193	832,201	865,489	900,108	936,113
Sycamore	674,555	701,537	729,598	758,782	789,133	820,699	853,527	887,668	923,174	960,101
Willow	766,792	797,464	829,362	862,537	897,038	932,920	970,236	1,009,046	1,049,408	1,091,384
ILU Average Single Entrance Fee	$440,401	$458,017	$476,338	$495,391	$515,207	$535,815	$557,248	$579,538	$602,719	$626,828
Second Person Entrance Fee	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466
ILU Average Couple Entrance Fee	525,058	546,061	567,903	590,619	614,244	638,814	664,366	690,941	718,579	747,322
ILU Average Entrance Fee Received	0	0	0	0	0	0	0	0	0	0

Entrance Fees

Entrance Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
50% Refundable Type B	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
West End	$361,433	$375,890	$390,926	$406,563	$422,825	$439,738	$457,328	$475,621	$494,646	$514,431
Winston	338,263	351,793	365,865	380,500	395,720	411,549	428,010	445,131	462,936	481,454
Buena Vista	437,325	454,818	473,011	491,931	511,608	532,073	553,356	575,490	598,510	622,450
Reynolda	413,879	430,435	447,652	465,558	484,180	503,547	523,689	544,637	566,422	589,079
Sherwood	479,331	498,504	518,444	539,182	560,749	583,179	606,507	630,767	655,998	682,237
Piedmont	572,529	595,430	619,248	644,018	669,778	696,569	724,432	753,409	783,546	814,888
Brookstown	578,518	601,658	625,725	650,754	676,784	703,855	732,009	761,290	791,741	823,411
Twin City	599,837	623,831	648,784	674,735	701,725	729,794	758,986	789,345	820,919	853,756
Appalachian A	993,426	1,033,163	1,074,489	1,117,469	1,162,168	1,208,654	1,257,000	1,307,280	1,359,572	1,413,955
Appalachian B	1,005,309	1,045,522	1,087,343	1,130,836	1,176,070	1,223,113	1,272,037	1,322,919	1,375,835	1,430,869
Mitchell	858,456	892,794	928,506	965,646	1,004,272	1,044,443	1,086,220	1,129,669	1,174,856	1,221,850
Rutherford A	1,063,075	1,105,598	1,149,822	1,195,815	1,243,647	1,293,393	1,345,129	1,398,934	1,454,891	1,513,087
Rutherford B	1,106,832	1,151,105	1,197,149	1,245,035	1,294,837	1,346,630	1,400,496	1,456,515	1,514,776	1,575,367
Rutherford C	1,323,807	1,376,759	1,431,830	1,489,103	1,548,667	1,610,613	1,675,038	1,742,040	1,811,721	1,884,190
Rutherford D	1,236,922	1,286,399	1,337,855	1,391,370	1,447,024	1,504,905	1,565,102	1,627,706	1,692,814	1,760,526
Shenandoah A	967,612	1,006,317	1,046,569	1,088,432	1,131,969	1,177,248	1,224,338	1,273,312	1,324,244	1,377,214
Shenandoah B	1,004,365	1,044,540	1,086,321	1,129,774	1,174,965	1,221,964	1,270,842	1,321,676	1,374,543	1,429,525
Watauga	1,423,677	1,480,624	1,539,849	1,601,443	1,665,500	1,732,120	1,801,405	1,873,461	1,948,400	2,026,336
Bethania	851,656	885,722	921,151	957,997	996,317	1,036,170	1,077,617	1,120,721	1,165,550	1,212,172
Hickory A	868,295	903,027	939,148	976,713	1,015,782	1,056,413	1,098,670	1,142,617	1,188,321	1,235,854
Hickory B	992,363	1,032,057	1,073,339	1,116,273	1,160,924	1,207,361	1,255,655	1,305,881	1,358,117	1,412,441
Catawba A	926,662	963,729	1,002,278	1,042,369	1,084,064	1,127,426	1,172,523	1,219,424	1,268,201	1,318,929
Catawba B	1,128,201	1,173,329	1,220,262	1,269,073	1,319,836	1,372,629	1,427,534	1,484,636	1,544,021	1,605,782
Catawba C	1,379,943	1,435,140	1,492,546	1,552,248	1,614,338	1,678,911	1,746,068	1,815,910	1,888,547	1,964,089
Catawba D	1,382,029	1,437,310	1,494,802	1,554,595	1,616,778	1,681,449	1,748,707	1,818,656	1,891,402	1,967,058
Catawba E	1,280,498	1,331,718	1,384,986	1,440,386	1,498,001	1,557,921	1,620,238	1,685,048	1,752,450	1,822,548
Catawba F	1,266,126	1,316,771	1,369,442	1,424,219	1,481,188	1,540,436	1,602,053	1,666,135	1,732,781	1,802,092
Hatteras	582,546	605,848	630,082	655,285	681,496	708,756	737,107	766,591	797,254	829,145
Emerald	656,253	682,503	709,803	738,196	767,723	798,432	830,370	863,584	898,128	934,053
Beech	629,760	654,950	681,148	708,394	736,730	766,199	796,847	828,721	861,870	896,344
Dogwood	811,641	844,106	877,871	912,985	949,505	987,485	1,026,984	1,068,064	1,110,786	1,155,218
Hawthorne	838,588	872,132	907,017	943,298	981,029	1,020,271	1,061,081	1,103,525	1,147,666	1,193,572
Pine	973,557	1,012,500	1,053,000	1,095,120	1,138,924	1,184,481	1,231,861	1,281,135	1,332,380	1,385,676
Sycamore	998,505	1,038,446	1,079,983	1,123,183	1,168,110	1,214,835	1,263,428	1,313,965	1,366,524	1,421,185
Willow	1,135,039	1,180,441	1,227,659	1,276,765	1,327,835	1,380,949	1,436,187	1,493,634	1,553,380	1,615,515
ILU Average Single Entrance Fee	$651,901	$677,977	$705,096	$733,300	$762,632	$793,137	$824,863	$857,857	$892,172	$927,858
Second Person Entrance Fee	29,605	30,789	32,021	33,301	34,634	36,019	37,460	38,958	40,516	42,137
ILU Average Couple Entrance Fee	777,215	808,303	840,635	874,261	909,231	945,600	983,424	1,022,761	1,063,672	1,106,219
ILU Average Entrance Fee Received	0	0	0	0	0	0	0	0	0	0

Entrance Fees

Entrance Fees increase by:		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
90% Refundable Type B	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
West End	$387,306	$402,798	$418,910	$435,666	$453,093	$471,217	$490,065	$509,668	$530,054	$551,257
Winston	362,477	376,976	392,055	407,738	424,047	441,009	458,649	476,995	496,075	515,918
Buena Vista	468,631	487,376	506,871	527,146	548,232	570,161	592,967	616,686	641,354	667,008
Reynolda	443,507	461,247	479,697	498,885	518,840	539,594	561,177	583,625	606,970	631,248
Sherwood	513,644	534,189	555,557	577,779	600,890	624,926	649,923	675,920	702,957	731,075
Piedmont	613,514	638,054	663,576	690,119	717,724	746,433	776,290	807,342	839,636	873,221
Brookstown	619,931	644,728	670,517	697,338	725,231	754,240	784,410	815,786	848,418	882,354
Twin City	642,776	668,487	695,227	723,036	751,957	782,036	813,317	845,850	879,684	914,871
Appalachian A	1,064,540	1,107,121	1,151,406	1,197,462	1,245,361	1,295,175	1,346,982	1,400,862	1,456,896	1,515,172
Appalachian B	1,077,274	1,120,365	1,165,180	1,211,787	1,260,258	1,310,669	1,363,095	1,417,619	1,474,324	1,533,297
Mitchell	919,908	956,704	994,972	1,034,771	1,076,162	1,119,209	1,163,977	1,210,536	1,258,958	1,309,316
Rutherford A	1,139,175	1,184,742	1,232,131	1,281,417	1,332,673	1,385,980	1,441,419	1,499,076	1,559,039	1,621,401
Rutherford B	1,186,064	1,233,507	1,282,847	1,334,161	1,387,527	1,443,028	1,500,749	1,560,779	1,623,210	1,688,139
Rutherford C	1,418,571	1,475,314	1,534,326	1,595,699	1,659,527	1,725,909	1,794,945	1,866,743	1,941,412	2,019,069
Rutherford D	1,325,467	1,378,486	1,433,625	1,490,970	1,550,609	1,612,633	1,677,139	1,744,224	1,813,993	1,886,553
Shenandoah A	1,036,878	1,078,353	1,121,488	1,166,347	1,213,001	1,261,521	1,311,982	1,364,461	1,419,040	1,475,801
Shenandoah B	1,076,262	1,119,312	1,164,085	1,210,648	1,259,074	1,309,437	1,361,815	1,416,287	1,472,939	1,531,856
Watauga	1,525,590	1,586,614	1,650,078	1,716,081	1,784,725	1,856,114	1,930,358	2,007,572	2,087,875	2,171,390
Bethania	912,622	949,126	987,092	1,026,575	1,067,638	1,110,344	1,154,757	1,200,948	1,248,986	1,298,945
Hickory A	930,451	967,669	1,006,376	1,046,631	1,088,496	1,132,036	1,177,318	1,224,410	1,273,387	1,324,322
Hickory B	1,063,400	1,105,936	1,150,174	1,196,181	1,244,028	1,293,789	1,345,541	1,399,362	1,455,337	1,513,550
Catawba A	992,997	1,032,717	1,074,025	1,116,986	1,161,666	1,208,132	1,256,458	1,306,716	1,358,985	1,413,344
Catawba B	1,208,963	1,257,321	1,307,614	1,359,919	1,414,315	1,470,888	1,529,724	1,590,913	1,654,549	1,720,731
Catawba C	1,478,725	1,537,874	1,599,389	1,663,365	1,729,899	1,799,095	1,871,059	1,945,901	2,023,738	2,104,687
Catawba D	1,480,961	1,540,199	1,601,807	1,665,879	1,732,515	1,801,815	1,873,888	1,948,843	2,026,797	2,107,869
Catawba E	1,372,162	1,427,048	1,484,130	1,543,495	1,605,235	1,669,444	1,736,222	1,805,671	1,877,898	1,953,014
Catawba F	1,356,761	1,411,031	1,467,472	1,526,171	1,587,218	1,650,707	1,716,735	1,785,405	1,856,821	1,931,094
Hatteras	624,247	649,217	675,186	702,193	730,281	759,492	789,872	821,467	854,326	888,499
Emerald	703,231	731,360	760,614	791,039	822,681	855,588	889,811	925,404	962,420	1,000,917
Beech	674,841	701,834	729,908	759,104	789,468	821,047	853,889	888,044	923,566	960,509
Dogwood	869,742	904,531	940,712	978,341	1,017,475	1,058,174	1,100,501	1,144,521	1,190,301	1,237,913
Hawthorne	898,618	934,563	971,945	1,010,823	1,051,256	1,093,306	1,137,039	1,182,520	1,229,821	1,279,014
Pine	1,043,249	1,084,979	1,128,378	1,173,513	1,220,454	1,269,272	1,320,043	1,372,844	1,427,758	1,484,869
Sycamore	1,069,983	1,112,782	1,157,294	1,203,585	1,251,729	1,301,798	1,353,870	1,408,025	1,464,346	1,522,919
Willow	1,216,291	1,264,942	1,315,540	1,368,162	1,422,888	1,479,803	1,538,996	1,600,555	1,664,578	1,731,161
ILU Average Single Entrance Fee	$698,567	$726,510	$755,570	$785,793	$817,225	$849,914	$883,910	$919,267	$956,037	$994,279
Second Person Entrance Fee	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466
ILU Average Couple Entrance Fee	821,127	853,972	888,131	923,656	960,602	999,026	1,038,988	1,080,547	1,123,769	1,168,720
ILU Average Entrance Fee Received	0	0	0	0	0	0	0	0	0	0

Entrance Fees

Entrance Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
90% Refundable Type B	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
West End	$573,307	$596,239	$620,089	$644,892	$670,688	$697,516	$725,416	$754,433	$784,610	$815,995
Winston	536,555	558,017	580,338	603,551	627,693	652,801	678,913	706,070	734,312	763,685
Buena Vista	693,688	721,436	750,293	780,305	811,517	843,978	877,737	912,846	949,360	987,334
Reynolda	656,498	682,758	710,069	738,471	768,010	798,731	830,680	863,907	898,463	934,402
Sherwood	760,318	790,731	822,360	855,254	889,465	925,043	962,045	1,000,527	1,040,548	1,082,170
Piedmont	908,150	944,476	982,255	1,021,545	1,062,407	1,104,903	1,149,099	1,195,063	1,242,866	1,292,580
Brookstown	917,649	954,355	992,529	1,032,230	1,073,519	1,116,460	1,161,118	1,207,563	1,255,865	1,306,100
Twin City	951,466	989,525	1,029,106	1,070,270	1,113,081	1,157,604	1,203,908	1,252,064	1,302,147	1,354,233
Appalachian A	1,575,779	1,638,810	1,704,362	1,772,537	1,843,438	1,917,176	1,993,863	2,073,617	2,156,562	2,242,825
Appalachian B	1,594,629	1,658,414	1,724,750	1,793,740	1,865,490	1,940,110	2,017,714	2,098,423	2,182,359	2,269,654
Mitchell	1,361,689	1,416,156	1,472,802	1,531,714	1,592,983	1,656,702	1,722,970	1,791,889	1,863,565	1,938,107
Rutherford A	1,686,257	1,753,707	1,823,855	1,896,810	1,972,682	2,051,589	2,133,653	2,218,999	2,307,759	2,400,069
Rutherford B	1,755,664	1,825,891	1,898,927	1,974,884	2,053,879	2,136,034	2,221,476	2,310,335	2,402,748	2,498,858
Rutherford C	2,099,832	2,183,825	2,271,178	2,362,025	2,456,506	2,554,766	2,656,957	2,763,235	2,873,765	2,988,715
Rutherford D	1,962,015	2,040,496	2,122,115	2,207,000	2,295,280	2,387,091	2,482,575	2,581,878	2,685,153	2,792,559
Shenandoah A	1,534,833	1,596,227	1,660,076	1,726,479	1,795,538	1,867,359	1,942,054	2,019,736	2,100,525	2,184,546
Shenandoah B	1,593,131	1,656,856	1,723,130	1,792,055	1,863,738	1,938,287	2,015,819	2,096,451	2,180,309	2,267,522
Watauga	2,258,246	2,348,576	2,442,519	2,540,219	2,641,828	2,747,501	2,857,401	2,971,698	3,090,565	3,214,188
Bethania	1,350,903	1,404,939	1,461,137	1,519,582	1,580,365	1,643,580	1,709,323	1,777,696	1,848,804	1,922,756
Hickory A	1,377,295	1,432,387	1,489,682	1,549,270	1,611,240	1,675,690	1,742,718	1,812,426	1,884,923	1,960,320
Hickory B	1,574,092	1,637,056	1,702,538	1,770,640	1,841,465	1,915,124	1,991,729	2,071,398	2,154,254	2,240,424
Catawba A	1,469,878	1,528,673	1,589,820	1,653,413	1,719,549	1,788,331	1,859,864	1,934,259	2,011,629	2,092,094
Catawba B	1,789,560	1,861,143	1,935,588	2,013,012	2,093,532	2,177,274	2,264,365	2,354,939	2,449,137	2,547,102
Catawba C	2,188,875	2,276,430	2,367,487	2,462,186	2,560,674	2,663,101	2,769,625	2,880,410	2,995,626	3,115,451
Catawba D	2,192,184	2,279,871	2,371,066	2,465,909	2,564,545	2,667,127	2,773,812	2,884,764	3,000,155	3,120,161
Catawba E	2,031,134	2,112,380	2,196,875	2,284,750	2,376,140	2,471,186	2,570,033	2,672,834	2,779,748	2,890,938
Catawba F	2,008,337	2,088,671	2,172,218	2,259,106	2,349,471	2,443,450	2,541,188	2,642,835	2,748,548	2,858,490
Hatteras	924,039	961,000	999,440	1,039,418	1,080,994	1,124,234	1,169,204	1,215,972	1,264,611	1,315,195
Emerald	1,040,953	1,082,591	1,125,895	1,170,931	1,217,768	1,266,479	1,317,138	1,369,824	1,424,616	1,481,601
Beech	998,929	1,038,886	1,080,442	1,123,659	1,168,606	1,215,350	1,263,964	1,314,523	1,367,103	1,421,788
Dogwood	1,287,430	1,338,927	1,392,484	1,448,184	1,506,111	1,566,355	1,629,010	1,694,170	1,761,937	1,832,414
Hawthorne	1,330,174	1,383,381	1,438,716	1,496,265	1,556,116	1,618,360	1,683,095	1,750,419	1,820,435	1,893,253
Pine	1,544,263	1,606,034	1,670,275	1,737,086	1,806,570	1,878,832	1,953,986	2,032,145	2,113,431	2,197,968
Sycamore	1,583,836	1,647,190	1,713,077	1,781,600	1,852,864	1,926,979	2,004,058	2,084,220	2,167,589	2,254,293
Willow	1,800,407	1,872,423	1,947,320	2,025,213	2,106,222	2,190,471	2,278,089	2,369,213	2,463,982	2,562,541
ILU Average Single Entrance Fee	$1,034,050	$1,075,412	$1,118,428	$1,163,166	$1,209,692	$1,258,080	$1,308,403	$1,360,739	$1,415,169	$1,471,776
Second Person Entrance Fee	29,605	30,789	32,021	33,301	34,634	36,019	37,460	38,958	40,516	42,137
ILU Average Couple Entrance Fee	1,215,468	1,264,087	1,314,651	1,367,237	1,421,926	1,478,803	1,537,955	1,599,474	1,663,452	1,729,991
ILU Average Entrance Fee Received	0	0	0	0	0	0	0	0	0	0

Entrance Fees

Entrance Fees increase by:		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Traditional Type C	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
West End	$137,700	$143,208	$148,936	$154,894	$161,090	$167,533	$174,234	$181,204	$188,452	$195,990
Winston	128,282	133,414	138,750	144,300	150,072	156,075	162,318	168,811	175,563	182,586
Buena Vista	171,725	178,594	185,738	193,167	200,894	208,930	217,287	225,978	235,018	244,418
Reynolda	170,300	177,112	184,196	191,564	199,227	207,196	215,484	224,103	233,067	242,390
Sherwood	191,789	199,460	207,439	215,736	224,366	233,341	242,674	252,381	262,476	272,975
Piedmont	243,067	252,789	262,901	273,417	284,354	295,728	307,557	319,859	332,654	345,960
Brookstown	243,725	253,474	263,613	274,157	285,124	296,529	308,390	320,725	333,554	346,897
Twin City	239,560	249,142	259,108	269,472	280,251	291,461	303,120	315,245	327,854	340,969
Appalachian A	455,700	473,928	492,885	512,601	533,105	554,429	576,606	599,670	623,657	648,603
Appalachian B	451,500	469,560	488,342	507,876	528,191	549,319	571,292	594,143	617,909	642,625
Mitchell	381,100	396,344	412,198	428,686	445,833	463,666	482,213	501,502	521,562	542,424
Rutherford A	473,333	492,267	511,957	532,436	553,733	575,882	598,918	622,874	647,789	673,701
Rutherford B	495,650	515,476	536,095	557,539	579,840	603,034	627,155	652,242	678,331	705,464
Rutherford C	616,100	640,744	666,374	693,029	720,750	749,580	779,563	810,746	843,175	876,902
Rutherford D	572,700	595,608	619,432	644,210	669,978	696,777	724,648	753,634	783,779	815,131
Shenandoah A	436,800	454,272	472,443	491,341	510,994	531,434	552,691	574,799	597,791	621,703
Shenandoah B	451,100	469,144	487,910	507,426	527,723	548,832	570,785	593,617	617,361	642,056
Watauga	684,500	711,880	740,355	769,969	800,768	832,799	866,111	900,755	936,786	974,257
Bethania	387,000	402,480	418,579	435,322	452,735	470,845	489,678	509,266	529,636	550,822
Hickory A	384,856	400,250	416,260	432,910	450,227	468,236	486,965	506,444	526,701	547,769
Hickory B	454,000	472,160	491,046	510,688	531,116	552,360	574,455	597,433	621,330	646,184
Catawba A	412,321	428,814	445,967	463,806	482,358	501,652	521,718	542,587	564,290	586,862
Catawba B	537,900	559,416	581,793	605,064	629,267	654,438	680,615	707,840	736,153	765,599
Catawba C	750,800	780,832	812,065	844,548	878,330	913,463	950,002	988,002	1,027,522	1,068,623
Catawba D	734,100	763,464	794,003	825,763	858,793	893,145	928,871	966,026	1,004,667	1,044,853
Catawba E	583,600	606,944	631,222	656,471	682,729	710,039	738,440	767,978	798,697	830,645
Catawba F	612,400	636,896	662,372	688,867	716,421	745,078	774,881	805,877	838,112	871,636
Hatteras	241,988	251,667	261,734	272,203	283,091	294,415	306,191	318,439	331,177	344,424
Emerald	276,050	287,092	298,576	310,519	322,939	335,857	349,291	363,263	377,793	392,905
Beech	263,231	273,761	284,711	296,099	307,943	320,261	333,072	346,394	360,250	374,660
Dogwood	362,738	377,247	392,337	408,030	424,352	441,326	458,979	477,338	496,431	516,289
Hawthorne	365,388	380,003	395,203	411,011	427,452	444,550	462,332	480,825	500,058	520,060
Pine	441,688	459,355	477,729	496,838	516,712	537,380	558,876	581,231	604,480	628,659
Sycamore	440,263	457,873	476,188	495,235	515,045	535,647	557,073	579,355	602,530	626,631
Willow	520,325	541,138	562,784	585,295	608,707	633,055	658,377	684,712	712,101	740,585
ILU Average Single Entrance Fee	$280,603	$291,827	$303,500	$315,640	$328,266	$341,396	$355,052	$369,254	$384,025	$399,386
Second Person Entrance Fee	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466
ILU Average Couple Entrance Fee	346,926	360,803	375,235	390,245	405,854	422,089	438,972	456,531	474,792	493,784
ILU Average Entrance Fee Received	296,591	309,046	323,010	337,203	351,746	366,624	381,883	397,556	413,618	430,081

Entrance Fees

Entrance Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Traditional Type C	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
West End	$203,830	$211,983	$220,462	$229,281	$238,452	$247,990	$257,910	$268,226	$278,955	$290,113
Winston	189,889	197,485	205,384	213,600	222,144	231,029	240,270	249,881	259,877	270,272
Buena Vista	254,195	264,363	274,937	285,935	297,372	309,267	321,638	334,503	347,883	361,799
Reynolda	252,086	262,169	272,656	283,562	294,904	306,701	318,969	331,727	344,997	358,796
Sherwood	283,894	295,250	307,060	319,343	332,116	345,401	359,217	373,586	388,529	404,070
Piedmont	359,798	374,190	389,158	404,724	420,913	437,749	455,259	473,470	492,408	512,105
Brookstown	360,773	375,203	390,212	405,820	422,053	438,935	456,492	474,752	493,742	513,492
Twin City	354,607	368,792	383,543	398,885	414,840	431,434	448,691	466,639	485,305	504,717
Appalachian A	674,547	701,529	729,590	758,774	789,125	820,690	853,518	887,658	923,165	960,091
Appalachian B	668,330	695,064	722,866	751,781	781,852	813,126	845,651	879,477	914,656	951,242
Mitchell	564,121	586,686	610,153	634,560	659,942	686,340	713,793	742,345	772,039	802,920
Rutherford A	700,649	728,675	757,822	788,135	819,660	852,447	886,544	922,006	958,886	997,242
Rutherford B	733,683	763,030	793,552	825,294	858,305	892,638	928,343	965,477	1,004,096	1,044,260
Rutherford C	911,979	948,458	986,396	1,025,852	1,066,886	1,109,561	1,153,944	1,200,101	1,248,106	1,298,030
Rutherford D	847,736	881,645	916,911	953,588	991,731	1,031,400	1,072,656	1,115,563	1,160,185	1,206,593
Shenandoah A	646,571	672,434	699,331	727,304	756,396	786,652	818,118	850,843	884,877	920,272
Shenandoah B	667,738	694,448	722,226	751,115	781,159	812,406	844,902	878,698	913,846	950,400
Watauga	1,013,227	1,053,756	1,095,907	1,139,743	1,185,333	1,232,746	1,282,056	1,333,338	1,386,671	1,442,138
Bethania	572,855	595,769	619,599	644,383	670,159	696,965	724,844	753,837	783,991	815,351
Hickory A	569,680	592,467	616,166	640,813	666,445	693,103	720,827	749,660	779,647	810,833
Hickory B	672,031	698,912	726,869	755,943	786,181	817,628	850,333	884,347	919,721	956,510
Catawba A	610,336	634,750	660,140	686,545	714,007	742,568	772,270	803,161	835,288	868,699
Catawba B	796,223	828,072	861,195	895,643	931,469	968,728	1,007,477	1,047,776	1,089,687	1,133,274
Catawba C	1,111,367	1,155,822	1,202,055	1,250,137	1,300,143	1,352,148	1,406,234	1,462,484	1,520,983	1,581,822
Catawba D	1,086,647	1,130,113	1,175,318	1,222,330	1,271,224	1,322,073	1,374,956	1,429,954	1,487,152	1,546,638
Catawba E	863,871	898,425	934,362	971,737	1,010,606	1,051,031	1,093,072	1,136,795	1,182,267	1,229,557
Catawba F	906,502	942,762	980,472	1,019,691	1,060,479	1,102,898	1,147,014	1,192,894	1,240,610	1,290,234
Hatteras	358,201	372,529	387,430	402,927	419,044	435,806	453,238	471,368	490,222	509,831
Emerald	408,621	424,966	441,965	459,644	478,029	497,150	517,036	537,718	559,227	581,596
Beech	389,647	405,232	421,442	438,299	455,831	474,065	493,027	512,748	533,258	554,589
Dogwood	536,940	558,418	580,754	603,985	628,144	653,270	679,401	706,577	734,840	764,233
Hawthorne	540,863	562,497	584,997	608,397	632,733	658,042	684,364	711,738	740,208	769,816
Pine	653,805	679,958	707,156	735,442	764,860	795,454	827,272	860,363	894,778	930,569
Sycamore	651,696	677,764	704,874	733,069	762,392	792,888	824,603	857,588	891,891	927,567
Willow	770,208	801,016	833,057	866,379	901,035	937,076	974,559	1,013,541	1,054,083	1,096,246
ILU Average Single Entrance Fee	$415,361	$431,975	$449,254	$467,225	$485,914	$505,350	$525,564	$546,587	$568,450	$591,188
Second Person Entrance Fee	29,605	30,789	32,021	33,301	34,634	36,019	37,460	38,958	40,516	42,137
ILU Average Couple Entrance Fee	513,535	534,077	555,440	577,657	600,764	624,794	649,786	675,777	702,809	730,921
ILU Average Entrance Fee Received	447,204	465,011	483,515	502,848	522,906	543,757	565,466	587,943	611,351	635,719

Entrance Fees

Entrance Fees increase by:		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
50% Refundable Type C	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
West End	$199,665	$207,652	$215,958	$224,596	$233,580	$242,923	$252,640	$262,746	$273,255	$284,186
Winston	186,009	193,450	201,188	209,235	217,605	226,309	235,361	244,776	254,567	264,749
Buena Vista	249,001	258,961	269,320	280,093	291,296	302,948	315,066	327,669	340,775	354,406
Reynolda	246,935	256,812	267,085	277,768	288,879	300,434	312,452	324,950	337,948	351,466
Sherwood	278,094	289,218	300,786	312,818	325,331	338,344	351,877	365,953	380,591	395,814
Piedmont	352,447	366,545	381,206	396,455	412,313	428,805	445,957	463,796	482,348	501,642
Brookstown	353,401	367,537	382,239	397,528	413,429	429,967	447,165	465,052	483,654	503,000
Twin City	347,362	361,256	375,707	390,735	406,364	422,619	439,524	457,105	475,389	494,404
Appalachian A	660,765	687,196	714,683	743,271	773,002	803,922	836,079	869,522	904,303	940,475
Appalachian B	654,675	680,862	708,096	736,420	765,877	796,512	828,373	861,508	895,968	931,807
Mitchell	552,595	574,699	597,687	621,594	646,458	672,316	699,209	727,177	756,264	786,515
Rutherford A	686,333	713,787	742,338	772,032	802,913	835,029	868,431	903,168	939,295	976,866
Rutherford B	718,693	747,440	777,338	808,431	840,769	874,399	909,375	945,750	983,580	1,022,924
Rutherford C	893,345	929,079	966,242	1,004,892	1,045,087	1,086,891	1,130,366	1,175,581	1,222,604	1,271,508
Rutherford D	830,415	863,632	898,177	934,104	971,468	1,010,327	1,050,740	1,092,769	1,136,480	1,181,939
Shenandoah A	633,360	658,694	685,042	712,444	740,942	770,579	801,402	833,459	866,797	901,469
Shenandoah B	654,095	680,259	707,469	735,768	765,199	795,807	827,639	860,744	895,174	930,981
Watauga	992,525	1,032,226	1,073,515	1,116,456	1,161,114	1,207,558	1,255,861	1,306,095	1,358,339	1,412,673
Bethania	561,150	583,596	606,940	631,217	656,466	682,725	710,034	738,435	767,973	798,691
Hickory A	558,041	580,362	603,577	627,720	652,829	678,942	706,099	734,343	763,717	794,266
Hickory B	658,300	684,632	712,017	740,498	770,118	800,923	832,960	866,278	900,929	936,966
Catawba A	597,866	621,781	646,652	672,518	699,419	727,395	756,491	786,751	818,221	850,950
Catawba B	779,955	811,153	843,599	877,343	912,437	948,935	986,892	1,026,368	1,067,422	1,110,119
Catawba C	1,088,660	1,132,206	1,177,495	1,224,594	1,273,578	1,324,521	1,377,502	1,432,602	1,489,906	1,549,503
Catawba D	1,064,445	1,107,023	1,151,304	1,197,356	1,245,250	1,295,060	1,346,863	1,400,737	1,456,766	1,515,037
Catawba E	846,220	880,069	915,272	951,882	989,958	1,029,556	1,070,738	1,113,568	1,158,111	1,204,435
Catawba F	887,980	923,499	960,439	998,857	1,038,811	1,080,363	1,123,578	1,168,521	1,215,262	1,263,872
Hatteras	350,882	364,917	379,514	394,694	410,482	426,901	443,978	461,737	480,206	499,414
Emerald	400,273	416,283	432,935	450,252	468,262	486,993	506,472	526,731	547,801	569,713
Beech	381,685	396,953	412,831	429,344	446,518	464,379	482,954	502,272	522,363	543,257
Dogwood	525,969	547,008	568,888	591,644	615,310	639,922	665,519	692,140	719,825	748,618
Hawthorne	529,812	551,004	573,045	595,966	619,805	644,597	670,381	697,196	725,084	754,088
Pine	640,447	666,065	692,707	720,416	749,232	779,202	810,370	842,784	876,496	911,556
Sycamore	638,381	663,916	690,472	718,091	746,815	776,688	807,755	840,065	873,668	908,615
Willow	754,471	784,650	816,036	848,678	882,625	917,930	954,647	992,833	1,032,546	1,073,848
ILU Average Single Entrance Fee	$406,874	$423,149	$440,075	$457,678	$475,985	$495,025	$514,826	$535,419	$556,836	$579,109
Second Person Entrance Fee	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466
ILU Average Couple Entrance Fee	494,043	513,804	534,357	555,731	577,960	601,079	625,122	650,127	676,132	703,177
ILU Average Entrance Fee Received	0	0	0	0	0	0	0	0	0	0

Entrance Fees

Entrance Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
50% Refundable Type C	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
West End	$295,553	$307,375	$319,670	$332,457	$345,755	$359,585	$373,969	$388,928	$404,485	$420,664
Winston	275,339	286,353	297,807	309,719	322,108	334,992	348,392	362,328	376,821	391,894
Buena Vista	368,583	383,326	398,659	414,605	431,190	448,437	466,375	485,030	504,431	524,608
Reynolda	365,524	380,145	395,351	411,165	427,612	444,716	462,505	481,005	500,245	520,255
Sherwood	411,647	428,113	445,237	463,047	481,569	500,831	520,865	541,699	563,367	585,902
Piedmont	521,707	542,575	564,278	586,850	610,324	634,737	660,126	686,531	713,992	742,552
Brookstown	523,120	544,045	565,807	588,439	611,977	636,456	661,914	688,390	715,926	744,563
Twin City	514,181	534,748	556,138	578,383	601,519	625,579	650,603	676,627	703,692	731,839
Appalachian A	978,094	1,017,217	1,057,906	1,100,222	1,144,231	1,190,000	1,237,600	1,287,104	1,338,589	1,392,132
Appalachian B	969,079	1,007,842	1,048,156	1,090,082	1,133,685	1,179,033	1,226,194	1,275,242	1,326,251	1,379,301
Mitchell	817,976	850,695	884,722	920,111	956,916	995,192	1,035,000	1,076,400	1,119,456	1,164,234
Rutherford A	1,015,941	1,056,579	1,098,842	1,142,795	1,188,507	1,236,048	1,285,489	1,336,909	1,390,385	1,446,001
Rutherford B	1,063,840	1,106,394	1,150,650	1,196,676	1,244,543	1,294,325	1,346,098	1,399,941	1,455,939	1,514,177
Rutherford C	1,322,369	1,375,264	1,430,274	1,487,485	1,546,984	1,608,864	1,673,218	1,740,147	1,809,753	1,882,143
Rutherford D	1,229,217	1,278,386	1,329,521	1,382,702	1,438,010	1,495,531	1,555,352	1,617,566	1,682,268	1,749,559
Shenandoah A	937,528	975,029	1,014,030	1,054,591	1,096,775	1,140,646	1,186,271	1,233,722	1,283,071	1,334,394
Shenandoah B	968,220	1,006,949	1,047,227	1,089,116	1,132,681	1,177,988	1,225,108	1,274,112	1,325,076	1,378,080
Watauga	1,469,179	1,527,947	1,589,065	1,652,627	1,718,732	1,787,481	1,858,981	1,933,340	2,010,674	2,091,100
Bethania	830,639	863,865	898,419	934,356	971,730	1,010,599	1,051,023	1,093,064	1,136,787	1,182,258
Hickory A	826,036	859,078	893,441	929,179	966,346	1,005,000	1,045,199	1,087,007	1,130,488	1,175,707
Hickory B	974,445	1,013,423	1,053,960	1,096,118	1,139,963	1,185,561	1,232,984	1,282,303	1,333,595	1,386,939
Catawba A	884,988	920,387	957,203	995,491	1,035,311	1,076,723	1,119,792	1,164,584	1,211,167	1,259,614
Catawba B	1,154,524	1,200,705	1,248,733	1,298,682	1,350,630	1,404,655	1,460,841	1,519,275	1,580,046	1,643,248
Catawba C	1,611,483	1,675,942	1,742,980	1,812,699	1,885,207	1,960,615	2,039,040	2,120,601	2,205,425	2,293,642
Catawba D	1,575,639	1,638,664	1,704,211	1,772,379	1,843,274	1,917,005	1,993,686	2,073,433	2,156,370	2,242,625
Catawba E	1,252,612	1,302,717	1,354,825	1,409,019	1,465,379	1,523,994	1,584,954	1,648,352	1,714,286	1,782,858
Catawba F	1,314,427	1,367,004	1,421,685	1,478,552	1,537,694	1,599,202	1,663,170	1,729,697	1,798,885	1,870,840
Hatteras	519,391	540,167	561,773	584,244	607,614	631,918	657,195	683,483	710,822	739,255
Emerald	592,501	616,201	640,849	666,483	693,142	720,868	749,703	779,691	810,879	843,314
Beech	564,988	587,587	611,090	635,534	660,955	687,394	714,889	743,485	773,224	804,153
Dogwood	778,563	809,706	842,094	875,778	910,809	947,241	985,131	1,024,536	1,065,517	1,108,138
Hawthorne	784,251	815,621	848,246	882,176	917,463	954,161	992,328	1,032,021	1,073,302	1,116,234
Pine	948,018	985,939	1,025,376	1,066,391	1,109,047	1,153,409	1,199,545	1,247,527	1,297,428	1,349,325
Sycamore	944,959	982,758	1,022,068	1,062,951	1,105,469	1,149,687	1,195,675	1,243,502	1,293,242	1,344,972
Willow	1,116,802	1,161,474	1,207,933	1,256,250	1,306,500	1,358,760	1,413,111	1,469,635	1,528,420	1,589,557
ILU Average Single Entrance Fee	$602,273	$626,364	$651,419	$677,476	$704,575	$732,758	$762,068	$792,551	$824,253	$857,223
Second Person Entrance Fee	29,605	30,789	32,021	33,301	34,634	36,019	37,460	38,958	40,516	42,137
ILU Average Couple Entrance Fee	731,304	760,556	790,978	822,618	855,522	889,743	925,333	962,346	1,000,840	1,040,874
ILU Average Entrance Fee Received	0	0	0	0	0	0	0	0	0	0

Entrance Fees

Entrance Fees increase by:		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
90% Refundable Type C	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
West End	$316,710	$329,378	$342,554	$356,256	$370,506	$385,326	$400,739	$416,769	$433,440	$450,777
Winston	295,049	306,851	319,125	331,890	345,166	358,973	373,332	388,265	403,795	419,947
Buena Vista	394,968	410,766	427,197	444,285	462,056	480,538	499,760	519,750	540,540	562,162
Reynolda	391,690	407,358	423,652	440,598	458,222	476,551	495,613	515,437	536,055	557,497
Sherwood	441,114	458,759	477,109	496,194	516,042	536,683	558,150	580,477	603,696	627,843
Piedmont	559,053	581,415	604,672	628,859	654,013	680,174	707,381	735,676	765,103	795,707
Brookstown	560,568	582,990	606,310	630,562	655,785	682,016	709,297	737,669	767,175	797,862
Twin City	550,988	573,028	595,949	619,787	644,578	670,361	697,176	725,063	754,065	784,228
Appalachian A	1,048,110	1,090,034	1,133,636	1,178,981	1,226,140	1,275,186	1,326,194	1,379,241	1,434,411	1,491,787
Appalachian B	1,038,450	1,079,988	1,123,188	1,168,115	1,214,840	1,263,433	1,313,971	1,366,529	1,421,191	1,478,038
Mitchell	876,530	911,591	948,055	985,977	1,025,416	1,066,433	1,109,090	1,153,454	1,199,592	1,247,576
Rutherford A	1,088,667	1,132,213	1,177,502	1,224,602	1,273,586	1,324,529	1,377,511	1,432,611	1,489,916	1,549,512
Rutherford B	1,139,995	1,185,595	1,233,019	1,282,339	1,333,633	1,386,978	1,442,457	1,500,156	1,560,162	1,622,568
Rutherford C	1,417,030	1,473,711	1,532,660	1,593,966	1,657,725	1,724,034	1,792,995	1,864,715	1,939,303	2,016,876
Rutherford D	1,317,210	1,369,898	1,424,694	1,481,682	1,540,949	1,602,587	1,666,691	1,733,358	1,802,693	1,874,801
Shenandoah A	1,004,640	1,044,826	1,086,619	1,130,083	1,175,287	1,222,298	1,271,190	1,322,038	1,374,919	1,429,916
Shenandoah B	1,037,530	1,079,031	1,122,192	1,167,080	1,213,763	1,262,314	1,312,806	1,365,319	1,419,931	1,476,729
Watauga	1,574,350	1,637,324	1,702,817	1,770,930	1,841,767	1,915,437	1,992,055	2,071,737	2,154,607	2,240,791
Bethania	890,100	925,704	962,732	1,001,241	1,041,291	1,082,943	1,126,260	1,171,311	1,218,163	1,266,890
Hickory A	885,168	920,574	957,397	995,693	1,035,521	1,076,942	1,120,020	1,164,820	1,211,413	1,259,870
Hickory B	1,044,200	1,085,968	1,129,407	1,174,583	1,221,566	1,270,429	1,321,246	1,374,096	1,429,060	1,486,222
Catawba A	948,339	986,273	1,025,724	1,066,753	1,109,423	1,153,800	1,199,952	1,247,950	1,297,868	1,349,783
Catawba B	1,237,170	1,286,657	1,338,123	1,391,648	1,447,314	1,505,206	1,565,415	1,628,031	1,693,153	1,760,879
Catawba C	1,726,840	1,795,914	1,867,750	1,942,460	2,020,159	2,100,965	2,185,003	2,272,404	2,363,300	2,457,832
Catawba D	1,688,430	1,755,967	1,826,206	1,899,254	1,975,224	2,054,233	2,136,403	2,221,859	2,310,733	2,403,162
Catawba E	1,342,280	1,395,971	1,451,810	1,509,882	1,570,278	1,633,089	1,698,412	1,766,349	1,837,003	1,910,483
Catawba F	1,408,520	1,464,861	1,523,455	1,584,393	1,647,769	1,713,680	1,782,227	1,853,516	1,927,657	2,004,763
Hatteras	556,571	578,834	601,987	626,067	651,110	677,154	704,240	732,410	761,706	792,174
Emerald	634,915	660,312	686,724	714,193	742,761	772,471	803,370	835,505	868,925	903,682
Beech	605,432	629,649	654,835	681,029	708,270	736,600	766,064	796,707	828,575	861,718
Dogwood	834,296	867,668	902,375	938,470	976,009	1,015,049	1,055,651	1,097,877	1,141,792	1,187,464
Hawthorne	840,391	874,007	908,967	945,326	983,139	1,022,464	1,063,363	1,105,898	1,150,133	1,196,139
Pine	1,015,881	1,056,517	1,098,777	1,142,728	1,188,437	1,235,975	1,285,414	1,336,830	1,390,304	1,445,916
Sycamore	1,012,604	1,053,108	1,095,232	1,139,042	1,184,603	1,231,987	1,281,267	1,332,517	1,385,818	1,441,251
Willow	1,196,748	1,244,617	1,294,402	1,346,178	1,400,025	1,456,026	1,514,267	1,574,838	1,637,832	1,703,345
ILU Average Single Entrance Fee	$645,387	$671,202	$698,051	$725,973	$755,011	$785,212	$816,620	$849,285	$883,257	$918,587
Second Person Entrance Fee	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466
ILU Average Couple Entrance Fee	771,930	802,807	834,919	868,316	903,049	939,171	976,738	1,015,807	1,056,439	1,098,697
ILU Average Entrance Fee Received	0	0	0	0	0	0	0	0	0	0

Entrance Fees

Entrance Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
90% Refundable Type C	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
West End	$468,808	$487,560	$507,063	$527,345	$548,439	$570,377	$593,192	$616,920	$641,596	$667,260
Winston	436,745	454,215	472,384	491,279	510,930	531,367	552,622	574,727	597,716	621,625
Buena Vista	584,648	608,034	632,356	657,650	683,956	711,314	739,767	769,357	800,132	832,137
Reynolda	579,797	602,989	627,108	652,193	678,280	705,412	733,628	762,973	793,492	825,232
Sherwood	652,957	679,075	706,238	734,488	763,867	794,422	826,199	859,247	893,617	929,362
Piedmont	827,536	860,637	895,062	930,865	968,099	1,006,823	1,047,096	1,088,980	1,132,539	1,177,841
Brookstown	829,777	862,968	897,487	933,386	970,722	1,009,550	1,049,932	1,091,930	1,135,607	1,181,031
Twin City	815,597	848,221	882,150	917,436	954,133	992,298	1,031,990	1,073,270	1,116,201	1,160,849
Appalachian A	1,551,459	1,613,517	1,678,058	1,745,180	1,814,987	1,887,587	1,963,090	2,041,614	2,123,279	2,208,210
Appalachian B	1,537,160	1,598,646	1,662,592	1,729,096	1,798,259	1,870,190	1,944,997	2,022,797	2,103,709	2,187,858
Mitchell	1,297,479	1,349,378	1,403,353	1,459,487	1,517,866	1,578,581	1,641,724	1,707,393	1,775,689	1,846,717
Rutherford A	1,611,493	1,675,952	1,742,990	1,812,710	1,885,218	1,960,627	2,039,052	2,120,614	2,205,439	2,293,656
Rutherford B	1,687,471	1,754,970	1,825,169	1,898,175	1,974,102	2,053,067	2,135,189	2,220,597	2,309,421	2,401,798
Rutherford C	2,097,551	2,181,453	2,268,711	2,359,459	2,453,837	2,551,991	2,654,071	2,760,233	2,870,643	2,985,468
Rutherford D	1,949,793	2,027,784	2,108,896	2,193,251	2,280,982	2,372,221	2,467,110	2,565,794	2,668,426	2,775,163
Shenandoah A	1,487,113	1,546,597	1,608,461	1,672,799	1,739,711	1,809,300	1,881,672	1,956,939	2,035,216	2,116,625
Shenandoah B	1,535,798	1,597,230	1,661,119	1,727,564	1,796,666	1,868,533	1,943,274	2,021,005	2,101,845	2,185,919
Watauga	2,330,423	2,423,639	2,520,585	2,621,408	2,726,265	2,835,315	2,948,728	3,066,677	3,189,344	3,316,918
Bethania	1,317,565	1,370,268	1,425,079	1,482,082	1,541,365	1,603,020	1,667,141	1,733,826	1,803,179	1,875,306
Hickory A	1,310,265	1,362,675	1,417,182	1,473,869	1,532,824	1,594,137	1,657,903	1,724,219	1,793,188	1,864,915
Hickory B	1,545,671	1,607,498	1,671,798	1,738,670	1,808,217	1,880,545	1,955,767	2,033,998	2,115,358	2,199,972
Catawba A	1,403,774	1,459,925	1,518,322	1,579,055	1,642,217	1,707,905	1,776,222	1,847,271	1,921,161	1,998,008
Catawba B	1,831,314	1,904,566	1,980,749	2,059,979	2,142,378	2,228,073	2,317,196	2,409,884	2,506,279	2,606,531
Catawba C	2,556,145	2,658,391	2,764,726	2,875,316	2,990,328	3,109,941	3,234,339	3,363,712	3,498,261	3,638,191
Catawba D	2,499,289	2,599,260	2,703,231	2,811,360	2,923,814	3,040,767	3,162,398	3,288,894	3,420,449	3,557,267
Catawba E	1,986,902	2,066,378	2,149,034	2,234,995	2,324,395	2,417,370	2,514,065	2,614,628	2,719,213	2,827,982
Catawba F	2,084,954	2,168,352	2,255,086	2,345,289	2,439,101	2,536,665	2,638,132	2,743,657	2,853,403	2,967,539
Hatteras	823,861	856,816	891,089	926,732	963,801	1,002,353	1,042,448	1,084,145	1,127,511	1,172,612
Emerald	939,829	977,422	1,016,519	1,057,180	1,099,467	1,143,446	1,189,184	1,236,751	1,286,221	1,337,670
Beech	896,187	932,035	969,316	1,008,089	1,048,412	1,090,349	1,133,963	1,179,321	1,226,494	1,275,554
Dogwood	1,234,962	1,284,361	1,335,735	1,389,165	1,444,731	1,502,520	1,562,621	1,625,126	1,690,131	1,757,736
Hawthorne	1,243,984	1,293,744	1,345,493	1,399,313	1,455,286	1,513,497	1,574,037	1,636,999	1,702,478	1,770,578
Pine	1,503,752	1,563,903	1,626,459	1,691,517	1,759,178	1,829,545	1,902,727	1,978,836	2,057,989	2,140,309
Sycamore	1,498,901	1,558,857	1,621,211	1,686,060	1,753,502	1,823,642	1,896,588	1,972,451	2,051,349	2,133,403
Willow	1,771,479	1,842,338	1,916,031	1,992,673	2,072,379	2,155,275	2,241,486	2,331,145	2,424,391	2,521,366
ILU Average Single Entrance Fee	$955,330	$993,544	$1,033,285	$1,074,617	$1,117,601	$1,162,305	$1,208,798	$1,257,150	$1,307,436	$1,359,733
Second Person Entrance Fee	29,605	30,789	32,021	33,301	34,634	36,019	37,460	38,958	40,516	42,137
ILU Average Couple Entrance Fee	1,142,645	1,188,351	1,235,885	1,285,320	1,336,733	1,390,202	1,445,810	1,503,643	1,563,788	1,626,340
ILU Average Entrance Fee Received	0	0	0	0	0	0	0	0	0	0

Monthly Fees										
Monthly Fees increase by:		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
All Contracts	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
West End	$3,170	$3,297	$3,429	$3,566	$3,708	$3,857	$4,011	$4,172	$4,338	$4,512
Winston	3,170	3,297	3,429	3,566	3,708	3,857	4,011	4,172	4,338	4,512
Buena Vista	3,540	3,682	3,829	3,982	4,141	4,307	4,479	4,658	4,845	5,039
Reynolda	3,342	3,476	3,615	3,759	3,910	4,066	4,229	4,398	4,574	4,757
Sherwood	3,713	3,862	4,016	4,177	4,344	4,517	4,698	4,886	5,081	5,285
Piedmont	4,181	4,348	4,522	4,703	4,891	5,087	5,290	5,502	5,722	5,951
Brookstown	4,187	4,354	4,529	4,710	4,898	5,094	5,298	5,510	5,730	5,959
Twin City	4,486	4,665	4,852	5,046	5,248	5,458	5,676	5,903	6,139	6,385
Appalachian A	4,724	4,913	5,109	5,314	5,526	5,747	5,977	6,216	6,465	6,724
Appalachian B	4,810	5,002	5,202	5,411	5,627	5,852	6,086	6,330	6,583	6,846
Mitchell	4,414	4,591	4,774	4,965	5,164	5,370	5,585	5,809	6,041	6,282
Rutherford A	5,111	5,315	5,528	5,749	5,979	6,218	6,467	6,726	6,995	7,275
Rutherford B	5,315	5,528	5,749	5,979	6,218	6,467	6,725	6,994	7,274	7,565
Rutherford C	5,578	5,801	6,033	6,274	6,525	6,786	7,058	7,340	7,634	7,939
Rutherford D	5,906	6,142	6,388	6,643	6,909	7,186	7,473	7,772	8,083	8,406
Shenandoah A	4,648	4,834	5,027	5,228	5,438	5,655	5,881	6,116	6,361	6,616
Shenandoah B	4,803	4,995	5,195	5,403	5,619	5,844	6,077	6,320	6,573	6,836
Watauga	5,757	5,987	6,227	6,476	6,735	7,004	7,284	7,576	7,879	8,194
Bethania	4,339	4,513	4,693	4,881	5,076	5,279	5,490	5,710	5,938	6,176
Hickory A	4,416	4,593	4,776	4,967	5,166	5,373	5,588	5,811	6,044	6,285
Hickory B	4,866	5,061	5,263	5,474	5,693	5,920	6,157	6,403	6,659	6,926
Catawba A	4,651	4,837	5,031	5,232	5,441	5,659	5,885	6,120	6,365	6,620
Catawba B	5,132	5,337	5,551	5,773	6,004	6,244	6,494	6,753	7,023	7,304
Catawba C	5,111	5,315	5,528	5,749	5,979	6,218	6,467	6,726	6,995	7,275
Catawba D	5,111	5,315	5,528	5,749	5,979	6,218	6,467	6,726	6,995	7,275
Catawba E	5,498	5,718	5,947	6,185	6,432	6,689	6,957	7,235	7,524	7,825
Catawba F	5,055	5,257	5,467	5,686	5,914	6,150	6,396	6,652	6,918	7,195
Hatteras	3,794	3,946	4,104	4,268	4,438	4,616	4,801	4,993	5,192	5,400
Emerald	3,954	4,112	4,277	4,448	4,626	4,811	5,003	5,203	5,411	5,628
Beech	4,358	4,532	4,714	4,902	5,098	5,302	5,514	5,735	5,964	6,203
Dogwood	4,569	4,752	4,942	5,140	5,345	5,559	5,781	6,012	6,253	6,503
Hawthorne	4,681	4,868	5,063	5,265	5,476	5,695	5,923	6,160	6,406	6,663
Pine	4,876	5,071	5,274	5,485	5,704	5,932	6,170	6,416	6,673	6,940
Sycamore	5,072	5,275	5,486	5,705	5,934	6,171	6,418	6,674	6,941	7,219
Willow	5,169	5,376	5,591	5,814	6,047	6,289	6,540	6,802	7,074	7,357
Average Single Monthly Fee	$4,210	$4,378	$4,553	$4,736	$4,925	$5,122	$5,327	$5,540	$5,762	$5,992
Average ILU Couple Monthly Fee	5,235	5,324	5,537	5,889	6,125	6,370	6,624	6,889	7,165	7,452
Closed Group Monthly Fees										
Monthly Fees increase by:		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Grandfather Fees										
Average Single Monthly Fee	$4,475	$4,654	$4,840	$5,034	$5,235	$5,445	$5,662	$5,889	$6,124	$6,369
Average ILU Couple Monthly Fee	5,716	5,945	6,182	6,430	6,687	6,954	7,233	7,522	7,823	8,136
New Fee Program Fees (2016-2017)										
Average Single Monthly Fee	$4,226	$4,395	$4,571	$4,754	$4,944	$5,142	$5,347	$5,561	$5,784	$6,015
Average ILU Couple Monthly Fee	5,015	5,216	5,425	5,642	5,867	6,102	6,346	6,600	6,864	7,138
Current Program Fees										
Average Single Monthly Fee	$4,210	$4,378	$4,553	$4,736	$4,925	$5,122	$5,327	$5,540	$5,762	$5,992
Average ILU Couple Monthly Fee	5,235	5,445	5,663	5,889	6,125	6,370	6,624	6,889	7,165	7,452

Monthly Fees										
Monthly Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
All Contracts	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
West End	$4,692	$4,880	$5,075	$5,278	$5,489	$5,709	$5,937	$6,175	$6,422	$6,679
Winston	4,692	4,880	5,075	5,278	5,489	5,709	5,937	6,175	6,422	6,679
Buena Vista	5,240	5,450	5,668	5,894	6,130	6,375	6,630	6,896	7,171	7,458
Reynolda	4,947	5,145	5,351	5,565	5,787	6,019	6,260	6,510	6,770	7,041
Sherwood	5,496	5,716	5,945	6,182	6,430	6,687	6,954	7,233	7,522	7,823
Piedmont	6,189	6,436	6,694	6,962	7,240	7,530	7,831	8,144	8,470	8,809
Brookstown	6,198	6,446	6,704	6,972	7,251	7,541	7,842	8,156	8,482	8,821
Twin City	6,640	6,906	7,182	7,470	7,768	8,079	8,402	8,738	9,088	9,451
Appalachian A	6,993	7,272	7,563	7,866	8,180	8,508	8,848	9,202	9,570	9,953
Appalachian B	7,120	7,405	7,701	8,009	8,329	8,663	9,009	9,369	9,744	10,134
Mitchell	6,534	6,795	7,067	7,350	7,644	7,949	8,267	8,598	8,942	9,300
Rutherford A	7,566	7,868	8,183	8,510	8,851	9,205	9,573	9,956	10,354	10,768
Rutherford B	7,867	8,182	8,509	8,850	9,204	9,572	9,955	10,353	10,767	11,198
Rutherford C	8,257	8,587	8,931	9,288	9,659	10,046	10,447	10,865	11,300	11,752
Rutherford D	8,742	9,092	9,456	9,834	10,227	10,636	11,062	11,504	11,964	12,443
Shenandoah A	6,880	7,155	7,442	7,739	8,049	8,371	8,706	9,054	9,416	9,793
Shenandoah B	7,110	7,394	7,690	7,997	8,317	8,650	8,996	9,356	9,730	10,119
Watauga	8,522	8,863	9,217	9,586	9,969	10,368	10,783	11,214	11,663	12,129
Bethania	6,423	6,680	6,947	7,225	7,514	7,814	8,127	8,452	8,790	9,142
Hickory A	6,537	6,798	7,070	7,353	7,647	7,953	8,271	8,602	8,946	9,304
Hickory B	7,203	7,491	7,791	8,102	8,426	8,763	9,114	9,478	9,858	10,252
Catawba A	6,885	7,160	7,446	7,744	8,054	8,376	8,711	9,060	9,422	9,799
Catawba B	7,597	7,900	8,216	8,545	8,887	9,242	9,612	9,997	10,396	10,812
Catawba C	7,566	7,868	8,183	8,510	8,851	9,205	9,573	9,956	10,354	10,768
Catawba D	7,566	7,868	8,183	8,510	8,851	9,205	9,573	9,956	10,354	10,768
Catawba E	8,138	8,464	8,802	9,155	9,521	9,902	10,298	10,710	11,138	11,583
Catawba F	7,483	7,782	8,093	8,417	8,754	9,104	9,468	9,847	10,241	10,650
Hatteras	5,616	5,841	6,074	6,317	6,570	6,833	7,106	7,390	7,686	7,993
Emerald	5,853	6,087	6,330	6,584	6,847	7,121	7,406	7,702	8,010	8,330
Beech	6,451	6,709	6,977	7,256	7,547	7,849	8,162	8,489	8,829	9,182
Dogwood	6,763	7,034	7,315	7,608	7,912	8,229	8,558	8,900	9,256	9,626
Hawthorne	6,929	7,206	7,494	7,794	8,106	8,430	8,767	9,118	9,483	9,862
Pine	7,218	7,506	7,807	8,119	8,444	8,781	9,133	9,498	9,878	10,273
Sycamore	7,508	7,808	8,120	8,445	8,783	9,134	9,500	9,880	10,275	10,686
Willow	7,651	7,957	8,276	8,607	8,951	9,309	9,681	10,069	10,471	10,890
Average Single Monthly Fee	$6,232	$6,481	$6,740	$7,010	$7,290	$7,582	$7,885	$8,200	$8,528	$8,870
Average ILU Couple Monthly Fee	7,750	8,060	8,382	8,717	9,066	9,429	9,806	10,198	10,606	11,030
Closed Group Monthly Fees										
Monthly Fees increase by:	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Grandfather Fees										
Average Single Monthly Fee	$6,624	$6,889	$7,165	$7,451	$7,749	$8,059	$8,382	$8,717	$9,066	$9,428
Average ILU Couple Monthly Fee	8,461	8,800	9,152	9,518	9,898	10,294	10,706	11,134	11,580	12,043
New Fee Program Fees (2016-2017)										
Average Single Monthly Fee	$6,256	$6,506	$6,766	$7,037	$7,318	$7,611	$7,915	$8,232	$8,561	$8,904
Average ILU Couple Monthly Fee	7,424	7,721	8,030	8,351	8,685	9,032	9,394	9,769	10,160	10,566
Current Program Fees										
Average Single Monthly Fee	$6,232	$6,481	$6,740	$7,010	$7,290	$7,582	$7,885	$8,200	$8,528	$8,870
Average ILU Couple Monthly Fee	7,750	8,060	8,382	8,717	9,066	9,429	9,806	10,198	10,606	11,030

Average Health Care Center Revenue

Per Diem Fees increase by (ALU):		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Per Diem Fees increase by (MSU):		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Per Diem Fees increase by (SNF):		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Medicare Fees increase by:		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Type of Patient	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Assisted Living - Type B Residents - First Person	$6,566	$6,829	$7,102	$7,386	$7,681	$7,989	$8,308	$8,640	$8,986	$9,345
Assisted Living - Type B Residents - Second Person	6,566	6,829	7,102	7,386	7,681	7,989	8,308	8,640	8,986	9,345
Assisted Living - Private Pay	$8,208	$8,536	$8,877	$9,232	$9,602	$9,986	$10,385	$10,801	$11,233	$11,682
Memory Support - Type B Residents - First Person	$9,190	$9,558	$9,940	$10,338	$10,751	$11,182	$11,629	$12,094	$12,578	$13,081
Memory Support - Type B Residents - Second Person	9,190	9,558	9,940	10,338	10,751	11,182	11,629	12,094	12,578	13,081
Memory Support - Private Pay	$11,488	$11,948	$12,425	$12,922	$13,439	$13,977	$14,536	$15,117	$15,722	$16,351
Skilled Nursing - Type B Residents - First Person	$12,029	$12,510	$13,010	$13,531	$14,072	$14,635	$15,220	$15,829	$16,462	$17,121
Skilled Nursing - Type B Residents - Second Person	12,029	12,510	13,010	13,531	14,072	14,635	15,220	15,829	16,462	17,121
Skilled Nursing - Private Pay	$15,036	$15,638	$16,263	$16,914	$17,590	$18,294	$19,025	$19,787	$20,578	$21,401
Skilled Nursing - Medicare	17,684	18,038	18,399	18,767	19,142	19,525	19,915	20,314	20,720	21,134
Skilled Nursing - Medicaid	7,122	7,265	7,410	7,558	7,709	7,864	8,021	8,181	8,345	8,512

Average Health Care Center Revenue										
Per Diem Fees increase by (ALU):	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Per Diem Fees increase by (MSU):	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Per Diem Fees increase by (SNF):	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Medicare Fees increase by:	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Type of Patient	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
Assisted Living - Type B Residents - First Person	$9,719	$10,108	$10,512	$10,933	$11,370	$11,825	$12,298	$12,790	$13,302	$13,834
Assisted Living - Type B Residents - Second Person	9,719	10,108	10,512	10,933	11,370	11,825	12,298	12,790	13,302	13,834
Assisted Living - Private Pay	$12,149	$12,635	$13,140	$13,666	$14,213	$14,781	$15,372	$15,987	$16,627	$17,292
Memory Support - Type B Residents - First Person	$13,604	$14,148	$14,714	$15,303	$15,915	$16,551	$17,213	$17,902	$18,618	$19,363
Memory Support - Type B Residents - Second Person	13,604	14,148	14,714	15,303	15,915	16,551	17,213	17,902	18,618	19,363
Memory Support - Private Pay	$17,005	$17,685	$18,393	$19,128	$19,893	$20,689	$21,517	$22,377	$23,273	$24,203
Skilled Nursing - Type B Residents - First Person	$17,806	$18,518	$19,259	$20,029	$20,830	$21,663	$22,530	$23,431	$24,368	$25,343
Skilled Nursing - Type B Residents - Second Person	17,806	18,518	19,259	20,029	20,830	21,663	22,530	23,431	24,368	25,343
Skilled Nursing - Private Pay	$22,257	$23,147	$24,073	$25,036	$26,038	$27,079	$28,162	$29,289	$30,460	$31,679
Skilled Nursing - Medicare	21,557	21,988	22,428	22,876	23,334	23,801	24,277	24,762	25,257	25,763
Skilled Nursing - Medicaid	8,682	8,856	9,033	9,214	9,398	9,586	9,777	9,973	10,173	10,376

Investment Income	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Assets	34,500,076	$31,777,384	$29,221,210	$28,096,555	$28,071,288	$29,716,991	$28,147,982	$26,741,711	$25,490,498	$24,414,044
1/2 Annual Operating Activity	(1,858,427)	(1,811,825)	(1,135,505)	(574,312)	244,968	(1,363,154)	(1,252,032)	(1,147,929)	(1,037,273)	(961,213)
Investment Income Rate	3.00%	3.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sub-total Investment Income	979,249	1,048,795	1,123,428	1,100,890	1,132,650	1,134,153	1,075,838	1,023,751	978,129	938,113
Interest on Interest	14,912	18,681	22,927	22,467	23,115	23,146	21,956	20,893	19,962	19,145
Investment Income	994,162	1,067,475	1,146,355	1,123,357	1,155,765	1,157,299	1,097,794	1,044,644	998,091	957,258
Ending Assets	$31,777,384	$29,221,210	$28,096,555	$28,071,288	$29,716,991	$28,147,982	$26,741,711	$25,490,498	$24,414,044	$23,448,875

Investment Income	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
Beginning Assets	$23,448,875	$22,558,104	$21,737,827	$20,990,607	$20,327,782	$19,750,840	$19,236,862	$18,730,538	$18,187,429	$17,585,952
1/2 Annual Operating Activity	(905,456)	(853,097)	(800,895)	(744,596)	(689,257)	(646,866)	(632,836)	(640,734)	(658,472)	(684,837)
Investment Income Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sub-total Investment Income	901,737	868,200	837,477	809,840	785,541	764,159	744,161	723,592	701,158	676,045
Interest on Interest	18,403	17,718	17,091	16,527	16,031	15,595	15,187	14,767	14,309	13,797
Investment Income	920,139	885,918	854,569	826,368	801,572	779,754	759,348	738,359	715,468	689,841
Ending Assets	$22,558,104	$21,737,827	$20,990,607	$20,327,782	$19,750,840	$19,236,862	$18,730,538	$18,187,429	$17,585,952	$16,906,120

Revenue Projection	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Traditional Type B										
ILU Entrance Fees Received	$2,715,168	$3,997,328	$4,535,026	$5,059,691	$5,525,672	$5,970,868	$6,392,708	$6,797,623	$7,207,181	$7,561,243
Entrance Fees Refunded	(223,974)	(157,305)	(135,760)	(171,334)	(193,679)	(212,256)	(229,688)	(246,231)	(262,326)	(277,712)
Net Entrance Fees	$2,491,194	$3,840,023	$4,399,266	$4,888,357	$5,331,993	$5,758,611	$6,163,019	$6,551,393	$6,944,855	$7,283,531
50% Refundable Type B										
ILU Entrance Fees Received	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Entrance Fees Refunded	(12,415)	(16,174)	(18,941)	(20,765)	(21,845)	(22,313)	(22,199)	(21,577)	(20,391)	(18,868)
Net Entrance Fees	($12,415)	($16,174)	($18,941)	($20,765)	($21,845)	($22,313)	($22,199)	($21,577)	($20,391)	($18,868)
90% Refundable Type B										
ILU Entrance Fees Received	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Entrance Fees Refunded	(168,362)	(97,515)	(73,522)	(69,108)	(71,511)	(74,429)	(76,403)	(75,470)	(71,490)	(65,140)
Net Entrance Fees	($168,362)	($97,515)	($73,522)	($69,108)	($71,511)	($74,429)	($76,403)	($75,470)	($71,490)	($65,140)
Traditional Type C										
ILU Entrance Fees Received	$632,142	$930,852	$1,056,601	$1,179,294	$1,288,295	$1,392,402	$1,491,008	$1,585,609	$1,681,207	$1,763,765
Entrance Fees Refunded	(6,850)	(19,475)	(31,463)	(39,719)	(44,916)	(49,241)	(53,298)	(57,147)	(60,890)	(64,464)
Net Entrance Fees	$625,292	$911,377	$1,025,138	$1,139,575	$1,243,379	$1,343,161	$1,437,710	$1,528,461	$1,620,317	$1,699,301
50% Refundable Type C										
ILU Entrance Fees Received	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Entrance Fees Refunded	0	0	0	0	0	0	0	0	0	0
Net Entrance Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
90% Refundable Type C										
ILU Entrance Fees Received	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Entrance Fees Refunded	0	0	0	0	0	0	0	0	0	0
Net Entrance Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Independent Living Monthly Fees	$11,768,264	$12,063,085	$12,477,784	$12,958,099	$13,443,983	$13,958,248	$14,500,422	$15,070,315	$15,668,175	$16,293,873
Assisted Living Contract Resident Fees	1,400,785	1,106,666	947,528	875,241	856,669	869,548	902,200	946,920	998,219	1,054,448
Assisted Living Private Pay	1,258,849	1,732,823	2,051,277	2,273,128	2,438,519	2,574,139	2,694,181	2,807,952	2,921,753	3,037,569
Memory Support Contract Resident Fees	1,513,338	1,683,735	1,780,258	1,844,043	1,899,997	1,960,420	2,030,153	2,109,728	2,197,536	2,294,796
Memory Support Private Pay	713,400	616,349	613,778	658,509	721,892	789,960	857,329	923,705	990,693	1,056,694
Skilled Nursing Contract Resident Fees	4,118,384	4,282,994	4,456,457	4,668,757	4,917,878	5,195,763	5,500,006	5,817,311	6,143,085	6,476,467
Skilled Nursing Private Pay	6,320,969	6,564,561	6,835,338	7,098,288	7,353,150	7,611,706	7,890,013	8,185,425	8,505,541	8,836,583
Skilled Nursing Medicare/Medicaid	5,171,907	5,298,427	5,417,948	5,534,175	5,649,201	5,762,146	5,861,897	5,968,278	6,078,537	6,208,107
Contributions	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Ancillary and Other Income	1,446,748	1,495,405	1,550,312	1,609,422	1,670,454	1,734,573	1,801,967	1,872,896	1,947,413	2,025,553
Investment Income	994,162	1,067,475	1,146,355	1,123,357	1,155,765	1,157,299	1,097,794	1,044,644	998,091	957,258
Total Cash Inflow	$37,762,516	$40,669,232	$42,728,976	$44,701,077	$46,709,524	$48,738,833	$50,758,088	$52,849,981	$55,042,334	$57,260,171

Expense Projection	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Dining Services	$5,412,192	$5,628,852	$5,854,186	$6,088,540	$6,332,275	$6,585,768	$6,849,409	$7,123,603	$7,408,775	$7,705,362
Resident Care	11,095,533	11,558,483	12,040,749	12,543,138	13,066,488	13,611,674	14,179,608	14,771,238	15,387,553	16,029,584
Maintenance & Grounds	3,256,587	3,372,213	3,491,943	3,615,925	3,744,309	3,877,251	4,014,914	4,157,464	4,305,075	4,457,927
Information Services	1,362,759	1,407,049	1,452,778	1,499,993	1,548,743	1,599,077	1,651,047	1,704,706	1,760,109	1,817,312
Development	286,859	297,706	308,964	320,647	332,772	345,356	358,415	371,968	386,034	400,632
General Admin & Marketing	6,214,132	6,475,074	6,746,974	7,030,291	7,325,505	7,633,116	7,953,644	8,287,631	8,635,643	8,998,269
Insurance Expense	480,330	495,941	512,059	528,701	545,883	563,625	581,942	600,856	620,383	640,546
Activities & Wellness	769,048	799,935	832,063	865,481	900,242	936,398	974,007	1,013,126	1,053,816	1,096,141
Interest	4,075,444	3,990,957	3,902,644	3,810,363	3,713,538	3,611,563	3,504,569	3,384,344	3,257,969	3,125,144
Principal Repayment	1,765,000	1,845,000	1,935,000	2,030,000	2,140,000	2,245,000	2,350,000	2,470,000	2,595,000	2,730,000
Capital Expenditures	3,964,778	5,475,475	4,818,155	4,352,400	3,286,955	7,082,012	7,436,112	7,807,918	8,198,314	8,608,229
Total Cash Outflow	$40,485,208	$43,225,406	$43,853,630	$44,726,344	$45,063,822	$50,307,842	$52,164,359	$54,101,195	$56,118,788	$58,225,339
Net Cash Flow	($2,722,692)	($2,556,174)	($1,124,655)	($25,267)	$1,645,702	($1,569,009)	($1,406,270)	($1,251,213)	($1,076,454)	($965,168)
Cumulative Cash Flow	$31,777,384	$29,221,210	$28,096,555	$28,071,288	$29,716,991	$28,147,982	$26,741,711	$25,490,498	$24,414,044	$23,448,875
Cumulative Cash Flow (2026 $s)	31,777,384	27,697,829	25,243,418	23,905,893	23,988,052	21,536,988	19,394,315	17,523,107	15,908,163	14,482,712

Revenue Projection	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Traditional Type B										
ILU Entrance Fees Received	$7,882,234	$8,209,597	$8,548,997	$8,920,079	$9,306,674	$9,699,127	$10,078,078	$10,448,014	$10,839,478	$11,251,766
Entrance Fees Refunded	(291,964)	(305,298)	(318,354)	(331,885)	(346,198)	(361,170)	(376,358)	(391,375)	(406,396)	(421,838)
Net Entrance Fees	$7,590,270	$7,904,299	$8,230,642	$8,588,194	$8,960,476	$9,337,957	$9,701,721	$10,056,639	$10,433,082	$10,829,928
50% Refundable Type B										
ILU Entrance Fees Received	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Entrance Fees Refunded	(17,051)	(15,229)	(13,183)	(11,070)	(9,175)	(7,333)	(5,645)	(4,173)	(2,960)	(2,014)
Net Entrance Fees	($17,051)	($15,229)	($13,183)	($11,070)	($9,175)	($7,333)	($5,645)	($4,173)	($2,960)	($2,014)
90% Refundable Type B										
ILU Entrance Fees Received	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Entrance Fees Refunded	(57,692)	(50,082)	(41,609)	(33,108)	(25,244)	(18,437)	(12,860)	(8,486)	(5,293)	(3,125)
Net Entrance Fees	($57,692)	($50,082)	($41,609)	($33,108)	($25,244)	($18,437)	($12,860)	($8,486)	($5,293)	($3,125)
Traditional Type C										
ILU Entrance Fees Received	$1,838,607	$1,914,934	$1,994,060	$2,080,612	$2,170,762	$2,262,274	$2,350,645	$2,436,871	$2,528,130	$2,624,253
Entrance Fees Refunded	(67,773)	(70,867)	(73,896)	(77,035)	(80,356)	(83,831)	(87,355)	(90,839)	(94,323)	(97,905)
Net Entrance Fees	$1,770,834	$1,844,067	$1,920,165	$2,003,577	$2,090,406	$2,178,443	$2,263,290	$2,346,032	$2,433,807	$2,526,348
50% Refundable Type C										
ILU Entrance Fees Received	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Entrance Fees Refunded	0	0	0	0	0	0	0	0	0	0
Net Entrance Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
90% Refundable Type C										
ILU Entrance Fees Received	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Entrance Fees Refunded	0	0	0	0	0	0	0	0	0	0
Net Entrance Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Independent Living Monthly Fees	$16,946,565	$17,625,977	$18,332,698	$19,067,881	$19,832,804	$20,628,498	$21,455,716	$22,315,125	$23,207,839	$24,135,368
Assisted Living Contract Resident Fees	1,114,739	1,179,114	1,246,908	1,317,195	1,389,079	1,461,332	1,534,080	1,607,730	1,683,325	1,761,733
Assisted Living Private Pay	3,156,546	3,278,722	3,404,840	3,535,928	3,672,929	3,817,094	3,968,650	4,127,384	4,292,234	4,462,513
Memory Support Contract Resident Fees	2,404,474	2,528,655	2,666,320	2,813,365	2,966,138	3,122,279	3,281,940	3,446,342	3,616,239	3,792,062
Memory Support Private Pay	1,118,224	1,172,614	1,220,609	1,266,266	1,313,286	1,363,543	1,416,675	1,471,355	1,526,511	1,581,642
Skilled Nursing Contract Resident Fees	6,820,070	7,185,462	7,576,775	7,995,372	8,442,234	8,911,209	9,391,684	9,873,327	10,353,413	10,836,663
Skilled Nursing Private Pay	9,189,071	9,552,519	9,922,859	10,299,152	10,691,689	11,091,386	11,507,437	11,947,805	12,414,802	12,907,581
Skilled Nursing Medicare/Medicaid	6,342,487	6,478,968	6,615,045	6,749,126	6,869,830	6,992,345	7,119,031	7,252,545	7,394,000	7,540,979
Contributions	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Ancillary and Other Income	2,107,203	2,192,251	2,280,589	2,372,208	2,467,157	2,565,457	2,667,190	2,772,401	2,881,157	2,993,594
Investment Income	920,139	885,918	854,569	826,368	801,572	779,754	759,348	738,359	715,468	689,841
Total Cash Inflow	$59,525,879	$61,883,256	$64,337,226	$66,910,453	$69,583,181	$72,343,528	$75,168,258	$78,062,386	$81,063,625	$84,173,114

Expense Projection	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Dining Services	$8,013,822	$8,334,630	$8,668,281	$9,015,288	$9,376,187	$9,751,534	$10,141,906	$10,547,905	$10,970,158	$11,409,314
Resident Care	16,698,402	17,395,127	18,120,921	18,876,999	19,664,623	20,485,110	21,339,831	22,230,214	23,157,748	24,123,982
Maintenance & Grounds	4,616,206	4,780,105	4,949,824	5,125,568	5,307,552	5,495,997	5,691,133	5,893,198	6,102,436	6,319,104
Information Services	1,876,375	1,937,357	2,000,321	2,065,332	2,132,455	2,201,760	2,273,317	2,347,200	2,423,484	2,502,247
Development	415,781	431,504	447,821	464,755	482,329	500,568	519,496	539,141	559,528	580,686
General Admin & Marketing	9,376,122	9,769,842	10,180,094	10,607,574	11,053,005	11,517,140	12,000,764	12,504,697	13,029,791	13,576,935
Insurance Expense	661,364	682,858	705,051	727,965	751,624	776,052	801,273	827,315	854,202	881,964
Activities & Wellness	1,140,165	1,185,958	1,233,590	1,283,134	1,334,669	1,388,274	1,444,031	1,502,028	1,562,354	1,625,103
Interest	2,983,019	2,833,594	2,676,356	2,511,044	2,333,425	2,146,513	1,949,750	1,742,369	1,524,100	1,294,138
Principal Repayment	2,870,000	3,020,000	3,175,000	3,345,000	3,520,000	3,705,000	3,905,000	4,110,000	4,330,000	4,560,000
Capital Expenditures	9,038,641	9,490,573	9,965,102	10,463,357	10,986,525	11,535,851	12,112,643	12,718,275	13,354,189	14,021,899
Total Cash Outflow	$60,416,650	$62,703,532	$65,084,447	$67,573,278	$70,160,123	$72,857,506	$75,674,582	$78,605,495	$81,665,102	$84,852,947
Net Cash Flow	($890,772)	($820,276)	($747,221)	($662,825)	($576,942)	($513,978)	($506,324)	($543,108)	($601,477)	($679,833)
Cumulative Cash Flow	$22,558,104	$21,737,827	$20,990,607	$20,327,782	$19,750,840	$19,236,862	$18,730,538	$18,187,429	$17,585,952	$16,906,120
Cumulative Cash Flow (2026 $s)	13,206,204	12,062,549	11,040,671	10,134,633	9,333,642	8,616,826	7,952,632	7,319,468	6,708,441	6,112,899

Appendix D — Representative Contract(s)

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

Independent Living Residence and Services Agreement Type B

(with continuing care in the Assisted Living and Health Care Centers)

Resident(s): ________________________________

Living Accommodation: ____________________________

INDEPENDENT LIVING RESIDENCE AND SERVICES AGREEMENT

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INDEPENDENT LIVING RESIDENCE AND SERVICES AGREEMENT

This Agreement (the "Agreement") is made this *(date of occupancy)* ____ day of ______, ____ by and between MORAVIAN HOME, INCORPORATED d/b/a SALEMTOWNE, a North Carolina nonprofit corporation (hereinafter the "Corporation", "Salemtowne", "we", us" or "our"), and ________________________________ (hereinafter "Resident", "resident", "you", "your" or when two persons "Resident", "resident", "Residents", "residents", "you" or "your" shall apply to both persons except where the context otherwise requires).

WHEREAS, the Corporation operates a continuing care retirement community located at 1000 Salemtowne Drive in Winston Salem, North Carolina, known as "Salemtowne"; and

WHEREAS, you desire to become a resident of Salemtowne and to use and enjoy the facilities, programs, and services provided by the Corporation subject to the terms and conditions of this Agreement;

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

I. ACCOMMODATIONS AND SERVICES

Subject to the terms and conditions set forth in this Agreement, we agree to provide you the Living Accommodation, services, and programs at Salemtowne described as follows:

A. Living Accommodation. Unit number *(address)* ____________, a(n) *(cottage or apartment type of Living Accommodation)* __________ (as described in materials presented to you and as shown to you during a physical tour), located at *(name of village or building)* __________ in Salemtowne (hereinafter referred to as the "Living Accommodation"). You have the exclusive right to occupy and use the Living Accommodation, subject to the terms and conditions set forth in this Agreement and applicable state and federal laws. You, with the prior written consent of the Corporation and subject to the terms and conditions of this Agreement, may from time-to-time transfer from one Living Accommodation in Salemtowne to another. Transfer charges may apply. In the event of such a transfer, the reference to the "Living Accommodation" designated above shall be automatically amended to reflect such a transfer.

B. Security. We will use reasonable care in providing security on the premises of Salemtowne. We will furnish an emergency call system that is monitored twenty-four (24) hours a day. Smoke detectors are provided in all Living Accommodations. We are not responsible for theft, loss, or damage to your personal property. You are responsible for securing your Living Accommodation.

Initials

____
Corporation

____
Resident(s)

C. **<u>Utilities</u>.** We will provide electricity, heating, air conditioning, water, sewer, gas, basic cable television service, Wi-Fi Internet connection, and trash removal. You are responsible for telephone installation charges and the cost of telephone services.

D. **<u>Furnishings and Appliances</u>**. The Corporation will provide furnishings and appliances in the Living Accommodation as described in the literature published by the Corporation regarding Salemtowne. All other furniture and furnishings for the Living Accommodation shall be provided by the Resident and shall be maintained by you at your risk.

E. **<u>Meals</u>.** You will have access to nutritionally well-balanced meals each day. These meals, as well as any dining plans, are offered by the Corporation in accordance with the Corporation's policies and procedures, which may be changed and amended by the Corporation.

Delivery service and meals containing substitutes or special diets will be provided when approved by the Corporation. An extra charge may be made for special diets, dietary supplements, and delivery services.

F. **<u>Housekeeping Services</u>.** We agree to maintain the Living Accommodation by providing housekeeping and trash removal for Independent Living and Assisted Living Residents. Housekeeping includes vacuuming, dusting, cleaning of baths and kitchen and changing of bed linens, and trash removal. Housekeeping services will be provided in the Health Care Center, Assisted Living Center, and Memory Care Assisted Living Center ("Westerly Place"). Additional housekeeping services may be made available at your expense.

G. **<u>Laundry</u>.** Laundry facilities will be provided free of charge for personal laundry. You are responsible for arranging and paying for dry cleaning services.

Bed and bath linens and linen laundry service (washing, drying, and folding) will be provided for residents in Bahnson Hall and Vogler Building apartments, the Assisted Living Center, Westerly Place, and the Health Care Center. The costs of these services are included in the Monthly/Daily Fees.

Salemtowne is not responsible for loss or damage to personal items laundered by Salemtowne.

H. **<u>Maintenance and Repairs</u>.** We will maintain and keep in repair the improvements, furnishings, appliances, and equipment owned by the Corporation. Maintenance and repair of your personal property are your responsibility. You will be responsible for the cost of repairing any damage to property of the Corporation caused by your negligence or intentional acts and/or the negligence or intentional acts of any guest of yours, ordinary wear and tear excepted.

I. **<u>Alterations to Living Accommodation</u>.** Any structural or physical change or redecoration of any kind within the Living Accommodation will require the prior approval of the Corporation. The cost of any change, repairs, or maintenance for that change and the subsequent cost to return the Living Accommodation to its original condition in the event of such change or redecoration will be paid by you. Any such improvement or change will be owned by the Corporation and will not be considered in determining the amount of any refund to you upon the termination of this Agreement.

J. **Use of and Changes to Living Accommodation.** The Corporation has the right to change the Living Accommodation to meet requirements of any applicable statutes, laws, or regulations. The Living Accommodation may not be used in any manner in violation of any zoning ordinances or other governmental laws or regulations.

K. **Groundskeeping**. We will furnish basic groundskeeping services for the grounds of Salemtowne, including lawn, tree, and shrubbery care. You may plant and maintain certain areas designated for such purpose in accordance to the policies and procedures of the Corporation. The cost of these plantings and maintenance of such plantings will be at your expense.

L. **Parking**. The Corporation will provide one (1) unassigned parking area for your personal vehicle and limited parking for guests.

M. **Mail**. Mail will be delivered by the postal service to Salemtowne. The postal service delivers mail directly to the central mail areas for independent Living Accommodations. Salemtowne staff delivers mail directly to the Assisted Living Center, Westerly Place, and the Health Care Center.

Package deliveries vary by carrier. If a carrier does not deliver packages directly to the Resident's Living Accommodation, Salemtowne staff will notify the Resident so that the package can be picked up from a central location. Salemtowne staff will deliver packages directly to Assisted Living Center, Westerly Place, and Health Care Center Residents.

N. **Storage**. Additional storage space is provided on a "first come, first serve" basis for some independent living apartment building Living Accommodations. Additional charges may be incurred for storage. Additional storage space is not provided for cottages, Bahnson Hall, the Assisted Living Center, Westerly Place, or Health Care Center Living Accommodations.

O. **Common Facilities**. We will provide common facilities for the use and/or benefit of all Residents, so long as there are no contraindications identified by a Resident's physician, physician assistant, or nurse practitioner. Such common facilities currently include an enclosed swimming pool and exercise facility, dining rooms, mailroom, multi-purpose rooms, library, computer area, game/television area, lounges, and sitting areas, which may be subject to change from time-to-time.

P. **Transportation.** We will provide local transportation for scheduled medical appointments Monday through Friday between 9:00 a.m. and 4:30 p.m., except for holidays. Forty-eight (48) hours notice is required. Additional charges will be incurred for appointments exceeding four (4) per month and those appointments outside of normal service hours noted above. Additional charges will be incurred for residents who require staff accompaniment.

We will provide local transportation for residents as part of the Activity Program for the following: weekly shopping, scheduled meal outings, day trips, and other special events. An additional charge may be made for transportation for special, personal, or group trips.

Q. **Activities.** Physical, social, intellectual, and spiritual activities will be available to residents. Additional charges may be incurred for some programs.

R. **Other Services Available**. Residents engaging third parties for services within Salemtowne may do so only with prior notification and authorization by Salemtowne (i.e., companions, private duty nurses, maintenance workers, etc.). This is not an all-inclusive listing of services you may request or utilize. With respect to services not listed, consult the schedule of charges or the Finance Office.

S. **Limitation to Services**. You hereby acknowledge and agree that the Corporation is prohibited by law from furnishing certain types of services, based upon applicable statutes, administrative regulations, and interpretations of statutes and regulations by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Adult Care Licensure Section. You agree that if you need services that the Corporation is not legally authorized or does not otherwise provide, you shall be discharged from Salemtowne. Except as otherwise expressly stated in this Agreement, you are responsible to arrange and pay for health and medical care services not provided by the Corporation, including, without limitation, hospital services, physicians' services, private duty personnel, medications, vitamins, eyeglasses, eye examinations, hearing aids, ear examinations, dental work, dental examinations, orthopedic appliances, laboratory tests, x-ray services or any rehabilitative therapies.

T. **Professional Management of Salemtowne and its Facilities.** The Corporation will employ management and staff and/or agents ("Staff") to manage the operations of Salemtowne and its facilities.

U. **Nursing and Health Care**. We will provide nursing and health care for each resident as follows:

1. **Babcock Health Care Center.** The Health Care Center will be provided for the benefit of the residents. The Corporation is licensed by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, to operate intermediate and skilled nursing care for residents who are temporarily ill or who require long-term nursing care. Private accommodations will be provided for residents in the Health Care Center. Some of the beds in the Health Care Center are certified for Medicare and Medicaid reimbursement.

    - Twenty-four (24) hour nursing staff maintained in the Babcock Health Care Center.

- Charges for Health Care Center accommodations and services are described in the Schedule of Fees and other literature published by the Corporation and distributed to residents at least annually.

- Temporary care (up to 30 days) is also available in the Health Care Center for the treatment of short-term illnesses or injuries.

2. **Resident's Attending Physician**. Residents may choose their own personal physician and are responsible for charges for services by such physicians and any consultants.

3. **Other Healthcare Services**. Other health care services may be made available to the Resident at the Resident's expense, including, but not limited to: pharmacy services, radiology services, dental services, laboratory tests, physical therapy, occupational therapy, therapeutic activities, rehabilitative treatments, wheelchairs, medical equipment, and supplies. The cost of such services shall not be covered by the Monthly/Daily Fees described herein.

4. **On-Site Emergency Call Response.** Each Living Accommodation is equipped with an emergency call system. Salemtowne staff will respond to emergency calls.

5. **Resident Health Record**. Salemtowne shall maintain a health record for Resident that contains health and other personal information that is pertinent to the Services which Salemtowne is providing. All information and records regarding Resident are confidential and are only disclosed in accordance with applicable law, including the HIPAA Privacy Rule. Resident may review his or her health record and authorize others to review Resident's health record.

6. **Masten Assisted Living Center.** The Assisted Living Center will be provided for the benefit of the residents. The Corporation is licensed by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, to provide support services for residents who require assistance with activities of daily living. Private accommodations will be provided for residents in the Assisted Living Center. The Assisted Living Center is licensed to provide services to individuals who require some assistance with activities of daily living, including but not limited to: bathing, dressing, medication administration, dining room assistance, monitoring of vital signs, and nursing assessments.

7. **Westerly Place Memory Care Assisted Living Center.** The Westerly Place Memory Care Assisted Living Center will be provided for the benefit of the residents. The Corporation is licensed by the North Carolina Department of Health and Human Services, Division of Health Service Regulation to provide support services for residents who require assistance with Alzheimer's, memory care, or dementia. Private accommodations will be provided for residents in the Westerly Place Memory Care Assisted Living Center.

8. **Resident's Consent to Receive Health Care Services**. Resident authorizes Salemtowne to provide those health care-related services that are specifically set forth in this Agreement. Resident also authorizes Salemtowne to obtain all necessary clinical and/or financial information from Resident's attending physician, and any other health care providers treating Resident, including, but not limited to, any hospital or nursing facility

from which Resident may be transferring or may transfer in the future and hereby authorizes such health care provider(s) to provide such health care information to Salemtowne.

V. **Services.** The services and facilities that are provided through the Entrance and Monthly/Daily Fees (may also be described further herein) are summarized below:

At the time of the execution of this Agreement, the following services are provided to all residents and are included in the Monthly/Daily Fees. (Fees will not be reduced or unbundled for services that residents decline, such as dining.)

- Flexible dining plan (depending on dining allowance option chosen or required)
- Utilities, except telephone service
- Basic Cable television service and Wi-Fi Internet services
- Housekeeping services
- Maintenance services
- Limited local medical transportation
- Social, spiritual, intellectual, and recreational programs
- Pastoral care
- Nutritional consultation

Salemtowne reviews services and costs of operations, as well as the need for any changes in services, regularly. Salemtowne reserves the right to change the services provided to residents and the associated fees and charges.

II. FINANCIAL ARRANGEMENTS

A. **Entrance Fee.** You agree to pay the Corporation the following Entrance Fee as a condition of becoming a Resident of Salemtowne. This Entrance Fee is refundable in whole or in part as described below and in Section VI of this Agreement.

Entrance Fee Option	Amount of Entrance Fee	Amortization Schedule
Standard Refund Entrance Fee	$ ___________________	2% a month for 48 months less 4% non-refundable fee.

Initials

______
Corporation

______
Resident (s)

It is agreed that
$ __________, representing the Application Fee **<u>and</u>**

$ __________, representing 10% of the Entrance Fee **<u>and</u>**

$ __________, representing 100% of the cost of non-standard features

are payable upon execution of a Reservation Agreement or prior to the installation of the applicable non-standard features, whichever occurs earlier.

The Entrance Fee balance and unpaid non-standard feature costs will be due and payable 10 days prior to the date of occupancy. We will give you reasonable notice prior to the projected date of occupancy. Occupancy is defined as the first day that a Resident either resides in the Living Accommodation or the first day that the Resident's furnishings or belongings occupy the Living Accommodation or a storage area at Salemtowne. Notwithstanding the foregoing, unless we agree in writing to other arrangements, you must take occupancy within thirty (30) days after the date the Living Accommodation is available for occupancy in accordance with the Reservation Agreement. If you do not take occupancy by such time, you shall pay the balance of the Entrance Fee, balance of any non-standard costs, <u>and</u> begin paying the applicable Monthly / Daily Fees beginning with the 30th day after the date the Living Accommodation is available for occupancy, unless this Agreement is terminated as described in this Agreement.

The Corporation has consented to your request to add the following non-standard features in your Living Accommodation, and you agree to pay the following amount to cover the additional costs, maintenance, and removal of these features. This additional amount is not subject to any refund provision herein.

<u>Non-Standard Features Added:</u>	**<u>Cost</u>**
Total of Non-Standard Features Added	

Initials

______
Corporation

______
Resident(s)

B. Monthly/Daily Fee. In addition to the Entrance Fee and any other charges provided for under this Agreement, you agree to pay a Monthly/Daily Fee during the term of this Agreement which shall be payable in advance by the 10th day of each month. As of the date of this Agreement, the Monthly/Daily Fee associated with the Living Accommodation will be:

	Estimated Monthly Fee
Monthly Fee Resident (includes dining allowance plan) (current dining allowance value is $ ____________)	$
Monthly Fee for 2nd Resident occupying Living Accommodation (includes dining allowance plan), if applicable.	$
Total Estimated Monthly Fee for Living Accommodation	$

No credit will be provided to you should you refuse services, which are included in the Monthly/Daily Fee, such as laundry, housekeeping, dining, etc.

Initials

____
Corporation

____
Resident(s)

C. Adjustments in the Monthly/Daily Fee. The Corporation usually sets fees annually but shall have the authority to adjust the Monthly/Daily Fee from time to time during the term of this Agreement as it, in its discretion, deems necessary. Any such increase in the Monthly/Daily Fee or other charges may be made by the Corporation upon thirty (30) days written notice to the Resident.

In the event that it should be determined that the Corporation is required to pay ad valorem taxes upon its property, the Monthly/Daily Fee may be adjusted to reflect the amount of such taxes. You will pay all taxes assessed on your personal property.

In the event Salemtowne is assessed sales or use tax on Monthly/Daily fees and/or fees for other services, you agree to pay Salemtowne the amount of such taxes.

D. Schedule of Fees. You have been given a current copy of the Schedule of Fees. Fees and charges may change from time to time, and copies of current fees and charges are available upon request.

E. **Monthly Statements.** We will furnish you with monthly statements showing the total amount of fees and other charges owed by you, which shall be payable by the 10th of the month. Late payments are subject to an interest charge of one and one- half percent (1.5%) per month from the first of the month. In the event the Corporation initiates any collection actions or legal proceedings to collect payments due from you under this Agreement, you shall be responsible to pay all costs and attorneys' fees incurred by the Corporation in pursuing the enforcement of your financial obligations under this Agreement. The Corporation may terminate this Agreement if you have a past due amount upon thirty (30) days written notice. Termination of this Agreement does not end the obligation of you or your estate to pay all amounts due, no matter when incurred.

You, and your current and future responsible parties (i.e., power(s) of attorney, executor(s)) on your behalf, from your assets and income, agree to pay all costs, expenses, and reasonable attorneys' fees, in the event the same must be expended in the collection of any sums due and owed by you to the Corporation.

The Corporation reserves the right, with thirty (30) days' notice, to change the billing date and the payment due date. For a partial first month, the Monthly/Daily Fee is pro-rated on a per diem basis. Thereafter, Monthly/Daily Fees are paid in advance and are pro-rated at termination.

F. **Assisted Living Center, Health Care Center, and Memory Care Assisted Living Fees and Charges.**

1. **Priority Entry.** Residents are provided priority over non-residents for entry to the Health Care Center, the Assisted Living Center, and Memory Care Assisted Living. Salemtowne will make every effort to accommodate residents in the Health Care Center, the Assisted Living Center, and Memory Care Assisted Living but cannot guarantee the availability of accommodations. In the event the Health Care Center, the Assisted Living Center, or Memory Care Assisted Living, as applicable, is fully occupied when Resident is in need of care, Resident agrees to relocate to an alternate health care facility ("a Comparable Facility"). In the event of relocation, Salemtowne will make every effort to transfer Resident back to Salemtowne when accommodations become available.

   Upon your relocation to a Comparable Facility, you will continue to be responsible for the Monthly/Daily Fee (unless their Living Accommodation is surrendered). Salemtowne will not be responsible for the charges associated with the alternate health care accommodations.

2. **Room and Bed Discount Program.** If you are admitted to the Health Care Center, Memory Care Assisted Living, or the Assisted Living Center, you are entitled to participate in the Room and Bed Discount Program, which provides residents who have paid an Entrance Fee and have a stay in the Health Care Center, Memory Care Assisted Living or Assisted Living Center a 20% discount from published rates.

G. **Application for Benefits**. If requested by Salemtowne, you will apply for any or all federal, state, and local benefits for which you may be eligible or entitled; and if requested by Salemtowne, you will apply for any or all such benefits toward the cost of your care at Salemtowne. These benefits may include, but are not limited to: Medicare, Medicaid, prescription, and Veterans benefits.

Residents who receive Medicaid funding and who reside in a Medicaid certified accommodation must have their Social Security, pension, or other monthly income paid directly to Salemtowne in accordance with Medicaid guidelines. Salemtowne will administer and manage these funds, on behalf of Resident in accordance with applicable laws and regulations, to pay for the residence and services provided to Resident.

H. <u>Assignment of Benefits</u>. You will, from time to time, authorize any provider of medical and health services, including Salemtowne, to receive reimbursement as provided under Medicare/Medicaid, any or all Federal, State, and local benefits for which you may be eligible or entitled, and any supplementary insurance programs. If requested by Salemtowne, you will, from time to time, make assignments to the provider of medical and other health services of all benefits otherwise accruing to you under Medicare/Medicaid or other programs and supplementary extended coverage plans to compensate for services rendered. Resident irrevocably authorizes Salemtowne to make claims and to take other actions to secure receipt by Salemtowne of all payments from a third-party payor to reimburse Salemtowne for its charges for the stay and care of Resident.

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

1. **<u>Participating Provider</u>.** If Salemtowne is a participating provider with your managed care program, the Corporation agrees to be reimbursed at the rate negotiated with your managed care program.

2. **<u>Not a Participating Provider</u>.** If Salemtowne is not an approved participating provider with your managed care program and you choose to receive health care services at a managed care participating provider, then you agree that you must relocate for as long as necessary for those services to be provided and be responsible for all costs. In addition, while receiving health care services at the managed care participating provider, you agree that unless this Agreement is terminated, you will continue to pay the Monthly/Daily Fee for your Living Accommodation, unless your Living Accommodation has been surrendered.

3. **<u>No Negotiated Managed Care Rate</u>.** If Salemtowne is not a participating provider in your managed care program and a negotiated rate is not agreed upon by Salemtowne, and you would still like to receive health care and services at Salemtowne, then you will be responsible for the full amount of applicable charges not paid by your insurance carrier.

4. **<u>Medicaid</u>**. In the event you receive financial assistance through the Medicaid program while occupying a Medicaid certified bed in the Health Care Center, you will be charged in advance for your liability portion established by the local county department of social services. You will be responsible for all charges for additional items and services requested by you and furnished to you which are not covered under the Medicaid program. Charges shall be made only as permitted under the Social Security Act and applicable regulations.

III. ENTRY REQUIREMENTS

You will become approved for residency at Salemtowne upon satisfaction of the following provisions:

A. **Age.** The entry requirements for residency at Salemtowne are nondiscriminatory except as to age, and Salemtowne is open to both married and single men and women of all races and religions. Entry to independent living is restricted to persons 62 years of age or older, except in the case of double occupancy, at least one Resident must be 62 years of age or older. Entry to the Assisted Living Center, Memory Care Assisted Living, and the Health Care Center is restricted to persons 62 years of age or older.

B. **Personal Interview.** You shall have an interview with a representative from Salemtowne (including nursing evaluation) prior to taking residency at Salemtowne. Upon review of all information required to be furnished herein, additional personal interviews may be requested by the Corporation.

C. **Application, Health History, and Financial Statement.** You shall submit for review by the Corporation, an Application for Entry, a personal health history, and a Confidential Financial Statement, all on forms furnished by the Corporation.

D. **Notification.** We shall review the application materials as well as the results of the Personal Interview(s) and will notify you whether you meet the entry requirements. We will also notify you as early as possible of the date on which the Living Accommodation is expected to be available for occupancy.

E. **Health Requirements.** Prior to residency at Salemtowne, you shall provide medical records and reports as requested by Salemtowne. We may require you to have a physical examination by our Medical Director or by another physician approved by the Corporation. You shall be responsible for the costs of such physical examinations. If your health as disclosed by such physical examination differs materially from that disclosed in your Application for Entry and Personal Health History, the Corporation shall have the right to decline entry and to terminate this Agreement, or in the discretion of the Corporation, to permit you to take occupancy of accommodations at Salemtowne suitable to your needs.

F. **Mental Illness, Dangerous Communicable Disease, Drug or Alcohol Abuse.** Salemtowne is not designed to care for persons who have an active mental illness, a dangerous communicable disease, or who require treatment for drug or alcohol abuse. Should Salemtowne, in consultation with the Medical Director, determine that your physical or mental illness, or that your condition as a result of drug or alcohol abuse, is such that your continued presence is either dangerous or detrimental to your life, health or safety, or the life, health, peace or safety of others in the community, then Salemtowne may transfer you to another facility of your choosing and/or require you to terminate your residency at Salemtowne.

G. **Financial Requirements.** You must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations under this Agreement and to meet your ordinary living expenses. We may require you to furnish current financial information at any time prior to and subsequent to occupancy.

H. **Financial Resources.** You, your current and future responsible parties (i.e., power(s) of attorney, executor(s)), will abide by any and all financial arrangements made with the Corporation for the purpose of securing your ability to pay any and all charges for residing at Salemtowne. You agree not to make any gift or other transfer of assets for the purpose of evading your obligations under this Agreement, or if such gift or transfer would render you unable to meet such obligations under this Agreement. Gifts or transfers of assets in this manner, which result in your inability to meet your financial obligations in accordance with this Agreement, will entitle Salemtowne to terminate this Agreement with thirty (30) days' notice, and you or your responsible parties, as applicable, will be liable for any unpaid amounts.

I. **Power of Attorney.** You agree to execute and maintain in effect a durable power of attorney that is valid under North Carolina law and will survive your incapacity or disability. This durable power of attorney will designate an attorney-in-fact and an alternate attorney-in-fact who will act for you in managing your financial affairs and in filing for insurance or other benefits under private and public assistance programs as full and complete a manner as you could do if acting personally for yourself. **You will deliver a copy of a fully executed power of attorney to Salemtowne prior to occupancy.** You will not revoke or amend this durable power of attorney except upon execution of a replacement durable power of attorney, a fully executed copy of which will be delivered to Salemtowne. This document also may address at your option, other affairs, such as decisions concerning medical care.

J. **Will.** You agree to execute a Will, and to provide to Salemtowne a copy of such sections of the Will and any revisions, as applicable during the term of this Agreement, to document the name(s) of the person(s) to be contacted in the event of your death (i.e., executor(s)).

In the event of your death, while you are a resident of Salemtowne under this Agreement, only the executor(s) named in your Will (or such person or entity designated by such executor(s)) will be allowed to remove or dispose of your furnishings and belongings in your Living Accommodation and any related storage areas at Salemtowne. Members of your family or those to whom you have granted power of attorney will not be allowed access to your personal property after your death unless they are the executor(s) named in your Will.

K. **Funeral and Burial.** Salemtowne will not be responsible for making funeral or burial arrangements and is not responsible for related expenses.

L. **Advance Directives.** You are encouraged to execute a Living Will and a Health Care Power of Attorney and deliver a fully executed copy thereof to Salemtowne, as well as any revisions as applicable, during the term of this Agreement.

M. **Appointment of Guardian.** If you become unable to care for your business and financial affairs, the Corporation reserves the right to institute action for the determination of your incompetence and the appointment of a guardian to fulfill the terms of this Agreement; unless such needed arrangements have already been made. The cost of the legal proceedings, including attorneys' fees, shall be paid by you or your estate.

N. **<u>Emergency Notifications</u>.** You agree to provide Salemtowne with the following information prior to the date of occupancy as well as updates of this information during the term of this Agreement:

- Names, addresses, and phone numbers of persons to notify in an emergency (minimum of two are required);
- Names of persons having the right of entry into your residence;
- Name, address, and phone number of funeral home (prior arrangements are encouraged);
- Names, addresses, and phone numbers of lawyer and executor;
- Names, addresses, and phone numbers for powers of attorney; and
- Names, addresses, and phone numbers for emergency pet contacts, if applicable.

O. **<u>Contents and Accuracy of Resident's Application</u>**. Salemtowne has accepted Resident based on the information contained in Resident's Application and has agreed to enter this Agreement. In signing this Agreement, Resident understands and agrees that the information provided in the Resident's Application is part of this Agreement, and is a basis upon which Salemtowne has agreed to enter into the Agreement. Resident hereby affirms that all the information provided in the Resident's Application is true and correct to the best of the knowledge of each person who signs the Agreement, and each also acknowledges that any material misrepresentation or omission in Resident's Application shall render this Agreement voidable at the option of Salemtowne. Resident agrees to submit updated copies of the information requested in the Resident's Application, when requested by Salemtowne from time to time during the term of this Agreement.

IV. <u>TERMS OF RESIDENCY</u>

A. **<u>Rights of Resident</u>.** Subject to the terms and conditions of this Agreement, you have the right to occupy and enjoy the Living Accommodation described herein during your lifetime unless this Agreement shall be terminated as provided herein. It is understood that this Agreement does not transfer or grant any interest in the real or personal property owned by the Corporation other than the right to use or occupy the Living Accommodation in accordance with the terms hereof. The Living Accommodation may not be used for commercial purposes. The Living Accommodation may not be occupied or used in any manner in violation of any ordinance, law, or regulation.

B. **<u>Subordination</u>.** You agree that all of your rights under this Agreement shall at all times be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering the Corporation, which have been or will be executed by us. Upon request, you agree to execute, acknowledge and deliver to such lender or lenders such further written evidence of such subordination as such lenders may reasonably require. You shall not be liable for any such indebtedness.

C. **Resident.** When Resident consists of more than one person, the rights and obligations of each are joint and several except as the context otherwise requires.

D. **Policies, Rules, and Regulations.** You understand and agree that: (i) in order for Salemtowne to operate in the best interests of the entire community, it is essential that we have the cooperation of and compliance with applicable policies, rules, and regulations by you, your family, guests, responsible party and others who may intervene, speak or act or purport to intervene, speak or act, for or on behalf of you or who may come on the premises of Salemtowne in any capacity or for any purpose in connection with or as a result of your residency at Salemtowne; (ii) a continuing or repeated failure or refusal by any such persons to so cooperate and comply may result in a determination by Salemtowne that it is impracticable or impossible for Salemtowne to continue to accommodate you as a Resident; and (iii) upon such determination by Salemtowne, we shall have the right to terminate this Agreement. The Corporation reserves the right to amend or change its policies, rules, and regulations, including, without limitation, those pertaining to Salemtowne, from time to time at its sole discretion. By signing this Agreement, you or your responsible party acknowledges receipt of a copy of the Resident Handbook.

E. **Weapons.** No weapons of any type shall be brought on to the Salemtowne property by you or your guests without the express prior written permission of the Corporation.

F. **Resident Representation.** Residents have the right of self-organization through a Residents' council, which may convene to review the interests of the Resident population. You shall have Resident representation on the Salemtowne Board of Trustees subject to and as outlined in the Bylaws of Salemtowne.

G. **Guests and Visitors**. Guests and visitors are welcome at Salemtowne. Guests may use Salemtowne guest accommodations, subject to availability and additional charges. Guests may also stay in your Living Accommodation for visits of limited duration (less than two weeks, except with Salemtowne approval). Guests approved for stays in your Living Accommodation for longer than two weeks may result in additional charges. No other person, except the Resident(s), may reside in the accommodation without approval from the Corporation.

At all times, you shall be responsible for any injury to others or damage to the property of others or Salemtowne caused by you or your guest(s). Salemtowne reserves the right and authority to limit or terminate the stay of any guest at any time and for any reason.

H. **Relationships Between Residents and Staff.** Salemtowne is built on mutual respect and instructs its staff to be cordial and helpful to Residents. The relationship is to remain professional. Staff must not be delayed or deterred by Residents in the performance of their duties. Management is solely responsible for the supervision of staff. Complaints or requests for special assistance must be made to the appropriate supervisor. By signing this Agreement, you or your responsible party acknowledges receipt of a copy of the Corporation's grievance procedure.

Giving gratuities or bequests to staff or staff's families is not permitted. Residents will not employ Salemtowne Staff nor hire former Salemtowne Staff without the prior written consent of Salemtowne Management.

I. **Loss of Property.** The Corporation maintains insurance on all of its property and its operations to include general public liability insurance, property insurance including coverage for acts of God, vandalism and theft, professional liability insurance, and worker's compensation.

The Corporation will not be responsible for the loss of any property belonging to the Resident or their guest(s) due to theft, mysterious disappearance, fire, or any other cause. You will have the responsibility for obtaining "renters insurance" to cover such losses.

J. **Right of Entry.** Salemtowne recognizes your right to privacy and shall limit entry to your Living Accommodation to legitimate emergencies and to scheduled work, including housekeeping, repairs, maintenance, and inspections. You hereby authorize Staff or agents of Salemtowne to enter your Living Accommodation upon reasonable notice for all such purposes.

K. **Appliances.** Salemtowne is not obligated to determine your ability to safely utilize the appliances, if any, in your Living Accommodation. However, should we determine that you have demonstrated an inability to utilize appliances in your Living Accommodation safely; we will have the right to turn off the power servicing such appliance(s) and/or to remove any and all such appliances. In any such instance, you shall remain obligated to pay for the full Monthly/Daily Fee for your Living Accommodation, any extra meals, and any fire alarm charges issued by the fire department.

L. **Changes in Living Accommodations.** The Corporation has the right to change the Living Accommodation to meet requirements of any applicable statutes, laws, or regulations. The Corporation reserves the right to relocate you to another accommodation when deemed necessary in order for the Corporation to fulfill its strategic, financial or other obligations. The Corporation will use reasonable efforts to relocate you to an accommodation of the same or similar type as your accommodation. Any such decision to relocate you will be discussed thoroughly with you in order to enlist your understanding of the need for and cooperation with the relocation. The Corporation will pay all required packing and moving costs, and all reasonable refurbishing costs necessary to achieve substantial comparability between your accommodation and any new accommodation to which you may be relocated.

M. **Occupancy by Two Residents.** In the event that two Residents occupy a Living Accommodation under the terms of this Agreement, upon the permanent transfer to the Health Care Center, Westerly Place, or the Assisted Living Center or the death of one of such Residents, or in the event of the termination of this Agreement with respect to one of such Residents, such as in the case of death or divorce, the Agreement shall continue in effect as to the remaining or surviving Resident who shall have the option to retain the same Living Accommodation or to move to a smaller Living Accommodation, in which event there will be no refund of the Entrance Fee. The remaining or surviving Resident will thereafter pay the Monthly/Daily Fee for one Resident associated with the Living Accommodation occupied by the Resident. No refund will be payable with respect to the Living Accommodation surrendered, except as provided in the Termination and Refund Provisions of Section VI. Any fees paid for a second Resident are not transferable to a future second Resident, such as in the case of a subsequent marriage.

N. **Health Insurance**. You will maintain eligible Medicare coverage and one supplemental health insurance policy or equivalent insurance coverage, which adequately covers hospital, medical, prescriptions, and skilled nursing deductibles and co-payments required of your primary insurance plan. Both your primary and supplemental health insurance policies must recognize Salemtowne as a health care provider, or you will assume the financial responsibility for services provided that otherwise could be covered.

You will be responsible for ensuring that the health insurance coverage does not lapse and will provide Salemtowne with evidence of such coverage upon request. If your health insurance coverage should lapse, Salemtowne may require that you reapply for suitable coverage. If you are unable to obtain adequate new coverage, Salemtowne will charge you for any costs of medical and other health care services provided that otherwise would have been covered by an approved policy.

O. **Filing for and Rights to Insurance Benefits**.

- Salemtowne will file claims with your insurance for all covered services. By law, the patient is responsible for payment of the deductible, co-insurance, and any non-covered service. Non-covered services include but are not limited to beauty shop charges.

- As a courtesy, Salemtowne will file claims to your secondary insurance carrier for your Medicare Parts A & B co-insurance unless we are prohibited from filing due to participation requirements of the carrier.

- Deductibles and co-insurance amounts will be billed on your monthly Salemtowne statement. You are responsible for payment of all deductibles and co-insurance billed by Salemtowne upon receipt of the bill. Payments received from your insurance carrier for Medicare Part A co-insurance will be applied to your monthly Salemtowne statement when received.

- Outpatient Services (e.g., therapy) not paid by a Resident's insurance carrier within ninety (90) days of the date of service will become due and payable by Resident unless the claim is subject to Medicare, Medicaid, or an insurance plan in which Salemtowne participates.
- In the event a Resident's health insurance determines a service is "not covered," the Resident will be responsible for payment. Salemtowne tries to inform Residents when services may not be covered; however, it is the Resident's responsibility to understand his/her policy limitations.
- If, for any reason, Salemtowne cannot submit claims directly for benefits payable under insurance required by this Agreement, you agree to make such submissions and to pay Salemtowne the fees, costs or charges for services rendered.

- **Salemtowne reserves the right, in its discretion, to eliminate or change its participation with any and all insurance plans.**

P. Addition of a New Occupant/Sharing Occupancy After Admission/Entry.

1. Addition of a Resident Occupant - If a Resident, while occupying a Living Accommodation, wishes to share a Living Accommodation with a person who is also a Resident, the two Residents may, with the prior written consent of the Corporation, occupy the Living Accommodation of either Resident and shall surrender the Living Accommodation not to be occupied by them. No refund will be payable with respect to the Living Accommodation surrendered, except as provided in the Termination and Refund Provisions of Section VI. Such Residents will pay the Monthly/Daily Fee for double occupancy associated with the Living Accommodation occupied by them.

2. Addition of a Non-Resident Occupant - In the event that a Resident wishes to share a Living Accommodation with a person who is not a Resident ("Non-Resident"), the Non-Resident may become a Resident if such individual meets all of the then current requirements for entry to Salemtowne; enters into a then current version of the Residence and Services Agreement with the Corporation, and pays an Entrance Fee in an amount determined by the Corporation in its sole discretion. The Resident and new Resident shall pay the Monthly/Daily Fee for double occupancy associated with the Living Accommodation occupied by them. If the Non- Resident does not meet the requirements of Salemtowne for entry as a Resident, the Resident may terminate this Agreement in the manner as provided in Section VI. B. with respect to voluntary termination.

Q. Combination of Living Accommodations. Various circumstances may make it desirable that a Living Accommodation occupied by a Resident be combined with an adjoining Living Accommodation to form one combined Living Accommodation. You agree that if a determination is made by the Corporation that it is desirable to combine your Living Accommodation with a Living Accommodation which adjoins your Living Accommodation, you will surrender occupancy of your Living Accommodation, within a reasonable time after receiving notice of such determination. In the event that the Corporation makes such determination and notifies you of such, you have the option to (i) transfer into the combined Living Accommodation when such combined Living Accommodation is ready for occupancy, or (ii) transfer to another Living Accommodation, when available, of the same type as the Living Accommodation previously occupied by you.

If you elect to occupy the combined Living Accommodation and the Entrance Fee established for such combined Living Accommodation exceeds the Entrance Fee paid by you for your previous Living Accommodation, you shall pay the amount of such excess upon taking occupancy. You will pay the Monthly/Daily Fee associated with the combined Living Accommodation as established by the Corporation.

If you elect to transfer to a Living Accommodation of the same type as the Living Accommodation previously occupied, the Corporation will repaint and re-carpet, if needed, such Living Accommodation at our expense prior to occupancy.

R. Transfer to Another Living Accommodation. You may move to a different Living Accommodation at Salemtowne, when it becomes available, upon payment of such fees, consent by the Corporation, and compliance with such guidelines regarding transfers as may be adopted by the Corporation. Salemtowne reserves the right to amend such policies, guidelines, and fees, at its discretion.

If you transfer to another Living Accommodation, you are responsible for paying any difference in the Entrance Fee, if the amount of the Entrance Fee of the new Living Accommodation is greater than the Entrance Fee for the previous Living Accommodation to be vacated. If the Entrance Fee for the new Living Accommodation is smaller than the Entrance Fee for the previous Living Accommodation to be vacated, no refund will be paid for the difference.

S. **Room or Unit Assignment in Assisted Living Center, Memory Care Assisted Living, or Health Care Center**. You understand that you acquire no ownership in any property at Salemtowne under this Agreement; also, that no particular room or unit in the Assisted Living Center, Memory Care Assisted Living, or the Health Care Center is subject to reservation or permanent assignment, and that we may change your room or unit assignment in the Assisted Living Center, Memory Care Assisted Living or the Health Care Center. Though we retain the right to change your room or unit assignment in the Health Care Center, we agree that we will make changes only as we find such changes to be necessary or advisable.

T. **Moving Costs**. You are responsible for arranging and paying for all packing and moving costs for moves into, within, and out of Salemtowne. Assistance may be provided by Salemtowne at an additional cost.

U. **Pets**. Residents may bring pets to Salemtowne if they complete necessary paperwork, pay the current pet deposit, and follow current policies and guidelines. “Pets” shall be defined as household dogs, cats, tropical fish, or caged birds. No other animals will be permitted without written approval from the Corporation. Pets must be approved by Salemtowne prior to bringing the pet on campus. Pets may not be a nuisance or pose a health or safety risk to other residents or staff of Salemtowne and must be properly cared for at all times. Failure to comply with the pet policy may necessitate the removal of the pet from the Community. If the pet is not removed after a removal request has been made by the Corporation, Salemtowne reserves the right to terminate this Agreement. You shall be responsible for all damages caused by your pet, and you agree to have your pet in control at all times when outside of your residence. Salemtowne reserves the right to amend or terminate policies and guidelines related to pets at its discretion.

V. **Smoking, Vaping &Tobacco Products**. Salemtowne is a “Tobacco Free” Community. Smoking, vaping, and use of tobacco products are not permitted anywhere on Salemtowne property including, campus buildings (Babcock Health Care Center, Assisted Living Center, and Community Center, etc.), building entrances, or common areas. The only exceptions are:

- Independent Living Residents and their personal visitors may continue to use these products in their own private residences. In the event concentrated oxygen is required by the Resident, smoking will no longer be permitted in that residence.

- The Health Care Center Administrator may permit smoking for a Resident, and if so, a designated smoking area would be created outside. However, the prohibition will remain in effect for a family member or caregiver who may accompany the Resident to the designated area.

W. Absences. Monthly/Daily Fees are not subject to change or credit if a Resident is away from the Living Accommodation for any period of time for Assisted Living or the Health Care Center. (for example, vacations, hospital stays, etc.)

You agree to inform Salemtowne (Clinic, Billing Office & Dining Services) when you are going to be away for three (3) days or more and to give us the names of people we can contact in an emergency. In order to provide adequate time for medications to be available, if applicable, you must provide at least 24 hours advance notice of an absence.

You will be entitled to an "away" discount on your Independent Living Monthly/Daily Fee when You (and the 2nd Resident, if applicable) are (both) away from your Independent Living Residence for more than thirty (30) consecutive days in accordance with the program in place at the time of the absence. The "away" discount program is subject to change. No credit or additional carry forward for missed meals will be given during absences. The amount of the "away" discount can be found in the current Schedule of Fees.

V. TRANSFERS OR CHANGES IN LEVELS OF CARE. (A change in Living Accommodations within independent living or to the Assisted Living Center, Memory Care Assisted Living, or the Health Care Center will require no additional residence and services agreement. This Agreement will remain in effect, subject to any applicable amendments referred to in this Agreement.)

A. Transfer to Health Care Center, Memory Care Assisted Living or Assisted Living Center. You agree that the Corporation shall have authority to determine that you should be transferred from your Living Accommodation to the Health Care Center, Westerly Place or the Assisted Living Center or a separate area within each center. Such determinations shall be made by solely by Salemtowne and based on the professional opinion of the Resident's physician and the Resident Review Committee. This determination, when possible, shall be made after consultation with the Resident, the Resident's physician, a representative of the Resident's family, or the Resident's responsible party.

In the event that you are permanently transferred to the Assisted Living Center, Memory Care Assisted Living, or the Health Care Center, your Entrance Fee will not be subject to refund at the time of the transfer. Entrance Fees are subject to refund when a resident leaves the community in accordance with section VI.

B. Transfer to Hospital or Other Facility. If it is determined by your physician that you need care beyond that which can be provided by Salemtowne you may be transferred to a hospital, center, or institution equipped to give such care, which care will be at your expense. Such transfer will be made only after consultation to the extent practical with the Resident, the Resident's physician, a representative of the Resident's family, or the Resident's responsible party.

In the event it becomes necessary for you to be transferred to a hospital, Salemtowne will provide any information available to meet the provisions of any hospital admissions agreement, and you agree that Salemtowne has the right to provide such information, which may include part or all of your records.

C. **Surrender of Living Accommodation.** If a determination is made by the Corporation that any transfer described in this Section is permanent in nature, you agree to surrender the Living Accommodation and any storage areas, which were occupied by you prior to such transfer, within 30 days of the determination.

You are responsible for the costs of transfer and moving as well as the Monthly/Daily Fee through the last day of occupancy of the Living Accommodation being vacated.
For the purposes of this Section V. C., occupancy is defined as the last day that a Resident either resides in the Living Accommodation or the last day that the Resident's furnishings or belongings occupy the Living Accommodation or a storage area at Salemtowne.

If the Corporation subsequently determines based upon the opinion of your physician that you can resume occupancy in accommodations comparable to those occupied by you prior to such transfer you shall have priority to such accommodations as soon as they become available, and you will be responsible for applicable fees as determined by the Corporation.

VI. TERMINATION AND REFUND PROVISIONS

A. **Termination Prior to Occupancy**. This Agreement may be terminated by you at any time prior to taking occupancy at Salemtowne for any reason by giving written notice to the Corporation. This Agreement will automatically be canceled due to death or physical or mental conditions that would make you ineligible for entry to Salemtowne.

This Agreement may be terminated by the Corporation at any time prior to the date that you take occupancy if the Corporation determines that you do not meet the physical, mental or financial requirements for entry or if it is determined by the Corporation that you have misrepresented or omitted medical, financial, or other information given to the Corporation during the application process.

In the event of such termination (including death, illness, injury, or incapacity), you shall receive a refund of the Entrance Fee paid in accordance with Section II. Any such refund shall be paid by the Corporation within sixty (60) days following termination pursuant to this paragraph.

B. **Voluntary Termination.** Except as provided in subsection A of this Section VI., you may terminate this Agreement at any time by giving the Corporation written notice of such termination. Fourteen (14) days advance notice is required for independent living, Westerly Place and the Assisted Living Center, and five (5) days advance notice is required for the Health Care Center. If required notice is given, or if no written notice is given, you will be responsible for paying the Monthly/Daily Fee for the applicable Living Accommodation for the full notice period and for each day of occupancy, except you shall only be charged for the days of occupancy when a delay in discharge or transfer would jeopardize your health or safety or that of others at Salemtowne. Any refund of the Entrance Fee due to the Resident following voluntary termination of this Agreement will be made in accordance with Section II A.

C. Abandoned Living Accommodation. You may be deemed to have abandoned the Living Accommodation and terminated this Agreement if you do not occupy a residence at Salemtowne for a period of one continuous year.

In the event of such termination (including death, illness, injury, or incapacity), you shall receive a refund of the Entrance Fee paid in accordance with Section II. Any such refund shall be paid by the Corporation within sixty (60) days following termination pursuant to this paragraph.

D. Temporary Absence. Temporary absence because of illness, trips, or other will not affect your rights to retain occupancy of your Living Accommodation, as long as applicable Monthly/Daily Fees are paid.

E. Termination Upon Death. In the event of your death and you are not survived by a co-Resident residing at Salemtowne, who has signed this Agreement, this Agreement shall terminate and, subject to your continuing obligations described herein, the portion, if any, of the Entrance Fee paid by you to be refunded shall be determined in the same manner described in Section II. herein.

Any refund to which you are entitled shall be paid to your Estate unless you execute a designation and name a trust revocable by you at the time of your death to receive applicable refunds. Should you execute a revocable trust subsequent to signing this Agreement, you or your estate's executor may submit a written beneficiary designation form designating a trust, revocable by you at the time of your death, to receive applicable refunds.

In the event of your death and you are survived by a co-Resident residing at Salemtowne who has signed this Agreement, then this Agreement shall not terminate, and no refund will be payable.

In the event a refund becomes due, the date that the deceased Resident's responsible party/estate executor removes all personal belongings from the Living Accommodation shall determine the termination date. Any refund due to the Resident's estate under this paragraph will be made at such time as such Resident's Living Accommodation shall have been reserved by a prospective Resident and such prospective Resident shall have paid to the Corporation such prospective Resident's full Entrance Fee; provided, however, that the Resident's estate shall continue to be obligated to pay the applicable Monthly/Daily Fee for such Resident's Living Accommodation until such Resident's Living Accommodation is vacated and left in good condition except for normal wear and tear.

F. Termination by the Corporation. We may terminate this Agreement at any time (i) if there has been a material misrepresentation or omission made by you during the application process; (ii) if you fail to make payment to the Corporation of any fees or charges due to the Corporation within thirty (30) days after receiving written notice of your failure to pay such fees or charges; (iii) if you do not abide by the rules and regulations adopted by the Corporation or breach any of the terms and conditions of this Agreement; (iv) if the health or safety of other individuals in the Corporation is endangered if you remain in Salemtowne, as determined by a physician, physician assistant or nurse practitioner; (v) the discharge is necessary for your welfare and your needs cannot be met by the Corporation as documented by your physician, physician assistant or nurse practitioner; (vi) if you refuse to relocate as may be required by the Corporation in accordance with this Agreement; or (vii) you engage in activities or conduct disruptive to the Community.

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

Following termination of this Agreement pursuant to this Section VI.F., you will be responsible for paying the Monthly/Daily Fee for the applicable Living Accommodation for the full notice period and for each day of occupancy. Any refund of the Entrance Fee due to the Resident following voluntary termination of this Agreement by the Corporation will be made in accordance with this Section VI.

Except in cases of emergency, you will receive a notice of the termination by the Corporation at least thirty (30) days prior to the effective date of termination. You may be entitled to appeal the Corporation's decision to terminate this Agreement, and except in cases of emergency, the Corporation will not discharge you before the final decision resulting from the appeal has been rendered.

G. **Condition of Living Accommodation.** At the effective date of termination of this Agreement, you will vacate the Living Accommodation, including any storage and parking areas at Salemtowne, and will leave both in good condition except for normal wear and tear. You, or your estate, will be liable to the Corporation for any costs incurred in restoring the Living Accommodation and storage areas to good condition except for normal wear and tear. Such costs may be deducted from any refundable portion of the Entrance Fee due to you or your estate, if any.

H. **Removal of Personal Property.** In the event of termination of this Agreement, you agree to surrender the Living Accommodation and any storage and parking areas, which were occupied by you within thirty (30) days of the notice of termination.

The Corporation reserves the right to remove your belongings from the Living Accommodation and any storage and parking areas. You will pay a reasonable storage fee or the actual cost of external storage, whichever is applicable. The Corporation is not responsible for any damages incurred to your property if storage becomes necessary. Unclaimed property will become the property of Salemtowne after thirty (30) days following the termination of this Agreement and will be disposed of at the sole discretion of the Corporation.

In the event of your death, while you are a Resident of Salemtowne under this Agreement, only the executor(s) named in your Will (or such person or entity designated by such executor(s)) will be allowed to remove or dispose of your furnishings and belongings in your Living Accommodation and any related storage and parking areas at Salemtowne. Members of your family or those to whom you have granted Power of Attorney will not be allowed access to your personal property after your death, unless they are the executor(s) named in your Will.

I. Refund.

1. **Refund of Entrance Fee.** You or your estate, or a revocable trust designated by you, may be entitled to a refund of the Entrance Fee, provided you or your estate or your revocable trust have met all of your obligations under this Agreement. Your refund, if applicable, shall be calculated in accordance with the following:

   - **Standard Refund Entrance Fee.** Your Entrance Fee refund, if applicable, shall be equal to the Entrance Fee less a non-refundable fee of four percent (4%) of the Entrance Fee; the remaining balance is subject to amortization of two percent (2%) for each month of occupancy, as defined herein, for up to forty- eight (48) months, except for any unpaid non-standard costs and accrued expenses that will be deducted. In calculating amortization for purposes of this section, a period of more than fifteen (15) days will be considered as a full month; fifteen (15) days or less will be disregarded for purposes of this calculation. No refund of the Entrance Fee shall be paid after forty-eight (48) months of occupancy. You will not receive a refund of any amounts paid for non-standard features added to the Living Accommodation.

   The cost to repair damages to the Living Accommodation and storage areas in excess of normal wear and tear, the cost of storage paid by the Corporation and any amounts due and unpaid relating to the cost of care provided by Salemtowne or any third party health care provider, including without limitation, the Monthly/Daily Fee or other amounts payable to Salemtowne which remain outstanding and the amount of any charges due by Salemtowne on behalf of the Resident, or by the Resident, to the pharmacy, rehabilitation services or any other third party, will be deducted from any applicable refund.

   Any refund due you under this paragraph will be made within thirty (30) days from the date that your Living Accommodation shall have been reserved by a prospective Resident, and such prospective Resident shall have paid to the Corporation such prospective Resident's full Entrance Fee.

   If, after an extended period of time, a Living Accommodation has not been reoccupied, the Corporation may return, in its sole discretion, the applicable refundable portion of your Entrance Fee, to you or your estate or revocable trust. If a refund is returned prior to a former Living Accommodation being reoccupied, it will be reduced by ten percent (10%) of its original value.

   Entrance Fees will not be refunded upon transfer to the Assisted Living Center or the Health Care Center.

2. **Refund of Fee Related to Cost of Care.** You or your estate, or a revocable trust designated by you may be entitled to a refund of that portion of the fee which is related to the cost of health care services provided by Salemtowne or any third party health care provider less any amounts payable to Salemtowne or any third party health care provider through the date the refund is due hereunder. In the case of your death, any refund of the amount of the fee related to the cost of health care services provided by Salemtowne will be made no later than thirty (30) days from the date of your death.

   If the Agreement is terminated by the Corporation in an emergency situation (i.e., because the Corporation is no longer able to meet your urgent health care needs, or termination is necessary to protect your health and safety or that of another person at Salemtowne), the refund of the amount of the fee related to the cost of health care services will be made within fourteen (14) days after you leave Salemtowne.

   If you terminate this Agreement, any refund shall be made within fourteen (14) days from the date of notice of termination or, if no notice is given, within fourteen (14) days after you leave Salemtowne.

   Nothing in this Section shall apply in the event of a transfer to the Assisted Living Center or the Health Care Center.

J. **Release from Obligations Upon Termination.** Upon termination of this Agreement, Salemtowne is released from any further obligations to you except for the payment of any refund which may be due under this Agreement.

VII. RIGHT OF RESCISSION

Notwithstanding anything herein to the contrary, this Agreement may be rescinded by you giving written notice of such rescission to the Corporation within thirty (30) days following the later of the execution of this Agreement or the receipt of a disclosure statement that meets the requirements of Section 58-64-1, et seq. of the North Carolina General Statutes. In the event of such rescission, you shall receive a refund in an amount equal to the Entrance Fee less a non-refundable fee of four percent 4% of the Entrance Fee less any Monthly/Daily Fees (in accordance with Section II herein) or portion thereof applicable to any period a Living Accommodation or storage area was actually occupied by you or your belongings less any unpaid non-standard costs and accrued expenses. In the event of such rescission, you shall not receive a refund of any amounts paid for non- standard features added to the Living Accommodation. You will not be required to move into Salemtowne before the expiration of such thirty (30) day period. Notwithstanding anything to the contrary in this Agreement, any such refund shall be paid by the Corporation within fourteen (14) days following receipt of written notice of rescission pursuant to this paragraph.

VIII. FINANCIAL ASSISTANCE

A. **Subsidy.** In connection with its charitable mission, it is the desire of the Board of Trustees of Salemtowne that no one leave Salemtowne because of lack of funds. Any disposition of Resident's assets in any way other than for care at Salemtowne or related living/medical expenses to the extent that Resident cannot adequately provide for Resident's expenses or care will nullify this desire on the part of Salemtowne and entitle Salemtowne to terminate Resident's right to reside in Salemtowne.

Salemtowne will make reasonable efforts to acquire the funds necessary to meet Salemtowne's fees for care. However, the resources of Salemtowne to provide care for Residents are not unlimited, and Salemtowne reserves the right to terminate the residency of any person, including Resident, who cannot pay the full cost of Salemtowne's Monthly/Daily Fees and charges, and other costs in connection with such person's stay at Salemtowne.

In the event that a Resident presents facts which in the opinion of the Corporation justify special financial consideration, the Corporation will give careful consideration to subsidizing in whole or in part the Monthly/Daily Fees and other Salemtowne charges payable by the Resident hereunder so long as such subsidy can be made without impairing the ability of the Corporation to attain its objectives while operating on a sound financial basis.

In the event that the Corporation may subsidize in whole or in part the Monthly/Daily Fees and other Salemtowne charges payable by the Resident hereunder, the Resident will be required to execute a separate Financial Assistance Agreement with the Corporation. In the event that we continue to provide the services to you under the terms of this Agreement despite your financial inability to continue to pay the Monthly/Daily Fee or other Salemtowne charges payable under the terms of this Agreement, Salemtowne shall be entitled to require you to move to a smaller or less costly Living Accommodation.

Any determination by the Corporation with regard to the granting or continuation of financial assistance shall be within the sole discretion of the Corporation, under a separate agreement.

B. **Recovery of Subsidies Provided by Salemtowne.** When a Resident dies or moves out of the community if said Resident's fees have been subsidized wholly or partly by Salemtowne, the Resident or Resident's estate, if any, will be liable to Salemtowne for the full amount of the subsidy the Resident received for the entire time of residency. This paragraph will apply whether or not the Resident is in residence at Salemtowne at the time of death. This Agreement will operate as a lifetime assignment, transfer, and conveyance to Salemtowne of so much of Resident's property as is necessary to cover such liability. Any amount due Salemtowne under this paragraph may be deducted from any refund payable to Resident or to the Resident's estate.

C. **Financial Assistance Funds.** The Corporation has established funds which will be used to assist Residents who would otherwise not be able to live at Salemtowne. Such funds may be used for the purposes of providing financial assistance, but no Resident shall have any claim to or expectation of receiving or continuing to receive any such assistance.

IX. GENERAL

A. **Compliance with Applicable Laws.** Resident and Salemtowne will comply with all laws, rules, regulations, and ordinances promulgated by lawful governmental authorities.

B. **Right to Delegate**. Resident acknowledges the right of Corporation to contract for the various services as provided by this Agreement, including, but not limited to, management services for the Corporation.

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

D. **Release of Medical Information**. The privacy of all Residents will be protected as provided for by the Health Insurance Portability and Accountability Act (HIPAA), as amended, and other applicable regulations. Resident hereby authorizes Corporation to release any medical information relating to Resident to any doctor, hospital or other facility or individuals when it is deemed necessary or helpful in providing for Resident's ongoing care or treatment, for the purpose of submitting claims for benefits payable for health care services or for carrying out or enforcing Resident's and Corporation's rights and obligations under this Agreement. Resident further authorizes the release of any information to Corporation from any health care provider when deemed necessary or beneficial for providing for Resident's on-going care or treatment.

E. **Assignment.** Your rights and privileges under this Agreement to the facilities, services, and programs of the Corporation are personal to you and may not be transferred or assigned by you or otherwise.

F. **Resident has no Tenancy or Management Rights in Salemtowne**. The absolute rights of management are reserved by the Corporation, its Board of Trustees, and its administrators as delegated by said Board of Trustees. The Corporation reserves the right to accept or deny any person for residency. Residents do not have the right to determine entry or terms of entry of any other Resident. Salemtowne reserves the right to amend, implement or terminate policies and/or guidelines related to the operation of the community at its sole discretion.

Subject to the terms and conditions of this Agreement, this Agreement gives Resident the right to live in Salemtowne and to receive or have access to the services and amenities described in the Agreement. However, it does not give Resident the rights of a "tenant" as that term is defined by North Carolina state law. Salemtowne retains the exclusive authority to make all management decisions with regard to the management of Salemtowne, including decisions about admission and discharges, setting charges, Salemtowne's policies and procedures, and the scope of services offered by Salemtowne, consistent with state law and the terms of this Agreement.

G. **Uncontrollable Interruption of Service.** No breach of Salemtowne's obligations under this Agreement and no liability for injury to you shall result from an interruption of, or failure to provide, the contracted services under this Agreement due to an act of God or other cause beyond the reasonable control of Salemtowne, specifically including, but not limited to, strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquake, inclement weather, epidemic or pandemic, or acts of the Resident.

H. **Moravian Affiliation.** Salemtowne is affiliated with the Moravian Church in America, Southern Province ("Southern Province"). The Southern Province is not responsible for the financial and contractual obligations of Salemtowne.

I. **Indemnity.** You agree to indemnify, defend and hold us harmless from claims, damages, or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your negligent or intentional act or omission or those of your guests, including private duty nurses, companions, or other.

J. **Limitation on Liability**. You understand and agree that the services provided by the Corporation and others within Salemtowne are not designed to protect you from the everyday, normal risks and responsibilities of living, including, but not limited to, such general accidents and situations such as falling, choking on food, and weight loss and/or dehydration resulting from your failure to partake of food and drink. Additionally, you understand and agree that the services provided by the Corporation do not include one-on-one monitoring of you and that your expectations will be consistent with this understanding. The Corporation shall exercise reasonable care toward you based on your known condition. However, you agree that the Corporation is not an insurer of your welfare and safety. You agree that you will exercise due care to protect yourself from harm.

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

L. **Resident Contracted Services.** If you wish to privately employ outside assistance, including Salemtowne employed staff, for whatever reason, all Salemtowne policies must be upheld, and prior written approval by Salemtowne management must be obtained. You agree to hold Salemtowne harmless in all situations related to the provisions of such outside services. The Corporation has the right to require termination of such a service at any time.

M. **Resident Handbook.** You will be given a current copy of the Resident's Handbook as adopted by the Corporation. You understand that these documents will change from time to time.

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

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

P. **<u>Capacity</u>.** This Agreement has been executed on our behalf by our duly authorized agent, and no officer, trustee, agent, or employee of ours shall have any personal liability hereunder to you under any circumstances. If Resident is, or becomes, unable to understand or communicate his or her health care or financial decision, and is determined by Resident's attending physician to be incapacitated, then in the absence of Resident's prior designation of an authorized legal representative, or upon the unwillingness or inability of a designated legal representative to act, Salemtowne shall have the right to commence a legal proceeding to adjudicate Resident incapacitated and to have a court appoint a guardian for Resident. The cost of the legal proceedings, including attorneys' fees, shall be paid by Resident or Resident's estate.

Q. **<u>Tax Considerations</u>.** You should consult with your tax advisor regarding the tax considerations associated with this Agreement.

R. **<u>Amendments and Partial Invalidation</u>.** Generally, this Agreement can be changed only by mutual written consent. However, the Corporation reserves the right, upon thirty (30) days prior written notice to Resident, to modify or amend this Agreement whenever doing so is necessary to correct errors, omissions, or inconsistencies, to provide clarification of intent, or to conform the documents to the requirements of local, state, or federal laws and regulations applicable to the Corporation, in particular, or to residential life care communities, in general, or whenever doing so is deemed by the Corporation to be in the best interest of the Corporation and the residents in light of changes in health insurance laws and coverages and/or local, state or federal tax laws or regulations.

S. **<u>Governing Law; Venue; Disputes</u>.** This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of North Carolina, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of laws or any jurisdiction other than North Carolina. Except to the extent that the parties have agreed to an alternative mechanism for the resolution of a dispute, to the full extent permitted by law, any action, suit, or proceeding arising out of or relating to this Agreement shall be brought and enforced in the courts of the State of North Carolina located in Forsyth County or of the United States District Court for the Middle District of North Carolina, and the parties hereby irrevocably submit to the exclusive jurisdiction of such courts and irrevocably waive any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in such courts.

T. **<u>Behavior Deemed Harmful to Salemtowne</u>.** If Resident is deemed competent and capable of controlling his or her behaviors and engages in behaviors deemed by the President/CEO to be disruptive, hostile, illegal, or otherwise harmful to others or to Salemtowne, Salemtowne reserves the right to terminate this Agreement. If such a circumstance arises, Salemtowne will discuss the matter thoroughly with Resident to provide Resident with knowledge of the behaviors deemed intolerable by Salemtowne. Salemtowne will provide Resident a written warning to desist from the behavior or any similarly disruptive, hostile, illegal, or harmful behavior. Upon determination that Resident is continuing to engage in the behaviors against which Resident has been warned, Salemtowne will have the right to terminate this Agreement.

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

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

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

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

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

Salemtowne:
Office of the President/CEO Salemtowne
1000 Salemtowne Drive
Winston Salem, North Carolina 27106

Resident:
Your address for the purpose of giving notice prior to your move to Salemtowne is the address appearing after your signature below. Your address for the purpose of giving notice after your move to Salemtowne will be the current Living Accommodation address at the applicable time. You are responsible for notifying us of any changes in address and/or telephone number.

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

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

THE UNDERSIGNED RESIDENT(S) ACKNOWLEDGES RECEIPT OF SALEMTOWNE'S CURRENT DISCLOSURE STATEMENT. THE DISCLOSURE STATEMENT WAS RECEIVED PRIOR TO THE EXECUTION OF THIS AGREEMENT OR PRIOR TO OR AT THE TIME OF THE TRANSFER OF ANY MONEY OR OTHER PROPERTY TO SALEMTOWNE, WHICHEVER OCCURRED FIRST.

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

Your signature below certifies that you have read, understand and accept this Agreement as of this *(current date)* ______day of ________, _______.

SALEMTOWNE	**RESIDENT(S)** **(or Resident(s)'s Attorney in Fact) (*)**
By (signature)	(signature) (SEAL)
Printed Name	(signature) (SEAL)
Title	Current Address: Street
	City, State, Zip Code
	Telephone

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

INDEX

SALEMTOWNE

Where every life shines

Independent Living Residence and Services Agreement Type C

(with continuing care in the Assisted Living and Health Care Centers)

Resident(s): ________________________________

Living Accommodation: ____________________________

INDEPENDENT LIVING RESIDENCE AND SERVICES AGREEMENT

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INDEPENDENT LIVING RESIDENCE AND SERVICES AGREEMENT

This Agreement (the "Agreement") is made this *(date of occupancy)* ___________ day of __________, _____ by and between MORAVIAN HOME, INCORPORATED d/b/a SALEMTOWNE, a North Carolina nonprofit corporation (hereinafter the "Corporation", "Salemtowne", "we", us" or "our"), and __________ (hereinafter "Resident", "resident", "you", "your" or when two persons "Resident", "resident", "Residents", "residents", "you" or "your" shall apply to both persons except where the context otherwise requires).

WHEREAS, the Corporation operates a continuing care retirement community located at 1000 Salemtowne Drive in Winston Salem, North Carolina, known as "Salemtowne"; and

WHEREAS, you desire to become a resident of Salemtowne and to use and enjoy the facilities, programs, and services provided by the Corporation subject to the terms and conditions of this Agreement;

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

I. ACCOMMODATIONS AND SERVICES

Subject to the terms and conditions set forth in this Agreement, we agree to provide you the Living Accommodation, services, and programs at Salemtowne described as follows:

A. Living Accommodation. Unit number *(address)* ___________, a(n) *(cottage or apartment type of Living Accommodation)* __________________________ (as described in materials presented to you and as shown to you during a physical tour), located at *(name of village or building)* __________________________ in Salemtowne (hereinafter referred to as the "Living Accommodation"). You have the exclusive right to occupy and use the Living Accommodation, subject to the terms and conditions set forth in this Agreement and applicable state and federal laws. You, with the prior written consent of the Corporation and subject to the terms and conditions of this Agreement, may from time-to-time transfer from one Living Accommodation in Salemtowne to another. Transfer charges may apply. In the event of such a transfer, the reference to the "Living Accommodation" designated above shall be automatically amended to reflect such a transfer.

B. Security. We will use reasonable care in providing security on the premises of Salemtowne. We will furnish an emergency call system that is monitored twenty-four (24) hours a day. Smoke detectors are provided in all Living Accommodations. We are not responsible for theft, loss, or damage to your personal property. You are responsible for securing your Living Accommodation.

Initials

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Corporation

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Resident(s)

C. **<u>Utilities</u>.** We will provide electricity, heating, air conditioning, water, sewer, gas, basic cable television service, Wi-Fi Internet connection, and trash removal. You are responsible for telephone installation charges and the cost of telephone services.

D. **<u>Furnishings and Appliances</u>**. The Corporation will provide furnishings and appliances in the Living Accommodation as described in the literature published by the Corporation regarding Salemtowne. All other furniture and furnishings for the Living Accommodation shall be provided by the Resident and shall be maintained by you at your risk.

E. **<u>Meals</u>.** You will have access to nutritionally well-balanced meals each day. These meals, as well as any dining plans, are offered by the Corporation in accordance with the Corporation's policies and procedures, which may be changed and amended by the Corporation.

Delivery service and meals containing substitutes or special diets will be provided when approved by the Corporation. An extra charge may be made for special diets, dietary supplements, and delivery services.

F. **<u>Housekeeping Services</u>.** We agree to maintain the Living Accommodation by providing housekeeping and trash removal for Independent Living and Assisted Living Residents. Housekeeping includes vacuuming, dusting, cleaning of baths and kitchen and changing of bed linens, and trash removal. Housekeeping services will be provided in the Health Care Center, Assisted Living Center, and Memory Care Assisted Living Center ("Westerly Place"). Additional housekeeping services may be made available at your expense.

G. **<u>Laundry</u>.** Laundry facilities will be provided free of charge for personal laundry. You are responsible for arranging and paying for dry cleaning services.

Bed and bath linens and linen laundry service (washing, drying, and folding) will be provided for residents in Bahnson Hall and Vogler Building apartments, the Assisted Living Center, Westerly Place, and the Health Care Center. The costs of these services are included in the Monthly/Daily Fees.

Salemtowne is not responsible for loss or damage to personal items laundered by Salemtowne.

H. **<u>Maintenance and Repairs</u>.** We will maintain and keep in repair the improvements, furnishings, appliances, and equipment owned by the Corporation. Maintenance and repair of your personal property are your responsibility. You will be responsible for the cost of repairing any damage to property of the Corporation caused by your negligence or intentional acts and/or the negligence or intentional acts of any guest of yours, ordinary wear and tear excepted.

I. **<u>Alterations to Living Accommodation</u>.** Any structural or physical change or redecoration of any kind within the Living Accommodation will require the prior approval of the Corporation. The cost of any change, repairs, or maintenance for that change and the subsequent cost to return the Living Accommodation to its original condition in the event of such change or redecoration will be paid by you. Any such improvement or change will be owned by the Corporation and will not be considered in determining the amount of any refund to you upon the termination of this Agreement.

J. **Use of and Changes to Living Accommodation.** The Corporation has the right to change the Living Accommodation to meet requirements of any applicable statutes, laws, or regulations. The Living Accommodation may not be used in any manner in violation of any zoning ordinances or other governmental laws or regulations.

K. **Groundskeeping**. We will furnish basic groundskeeping services for the grounds of Salemtowne, including lawn, tree, and shrubbery care. You may plant and maintain certain areas designated for such purpose in accordance to the policies and procedures of the Corporation. The cost of these plantings and maintenance of such plantings will be at your expense.

L. **Parking**. The Corporation will provide one (1) unassigned parking area for your personal vehicle and limited parking for guests.

M. **Mail**. Mail will be delivered by the postal service to Salemtowne. The postal service delivers mail directly to the central mail areas for independent Living Accommodations. Salemtowne staff delivers mail directly to the Assisted Living Center, Westerly Place, and the Health Care Center.

Package deliveries vary by carrier. If a carrier does not deliver packages directly to the Resident's Living Accommodation, Salemtowne staff will notify the Resident so that the package can be picked up from a central location. Salemtowne staff will deliver packages directly to Assisted Living Center, Westerly Place, and Health Care Center Residents.

N. **Storage**. Additional storage space is provided on a "first come, first serve" basis for some independent living apartment building Living Accommodations. Additional charges may be incurred for storage. Additional storage space is not provided for cottages, Bahnson Hall, the Assisted Living Center, Westerly Place, or Health Care Center Living Accommodations.

O. **Common Facilities**. We will provide common facilities for the use and/or benefit of all Residents, so long as there are no contraindications identified by a Resident's physician, physician assistant, or nurse practitioner. Such common facilities currently include an enclosed swimming pool and exercise facility, dining rooms, mailroom, multi-purpose rooms, library, computer area, game/television area, lounges, and sitting areas, which may be subject to change from time-to-time.

P. **Transportation.** We will provide local transportation for scheduled medical appointments Monday through Friday between 9:00 a.m. and 4:30 p.m., except for holidays. Forty-eight (48) hours' notice is required. Additional charges will be incurred for appointments exceeding four (4) per month and those appointments outside of normal service hours noted above. Additional charges will be incurred for residents who require staff accompaniment.

We will provide local transportation for residents as part of the Activity Program for the following: weekly shopping, scheduled meal outings, day trips, and other special events. An additional charge may be made for transportation for special, personal, or group trips.

Q. Activities. Physical, social, intellectual, and spiritual activities will be available to residents. Additional charges may be incurred for some programs.

R. Other Services Available. Residents engaging third parties for services within Salemtowne may do so only with prior notification and authorization by Salemtowne (i.e., companions, private duty nurses, maintenance workers, etc.). This is not an all-inclusive listing of services you may request or utilize. With respect to services not listed, consult the schedule of charges or the Finance Office.

S. Limitation to Services. You hereby acknowledge and agree that the Corporation is prohibited by law from furnishing certain types of services, based upon applicable statutes, administrative regulations, and interpretations of statutes and regulations by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Adult Care Licensure Section. You agree that if you need services that the Corporation is not legally authorized or does not otherwise provide, you shall be discharged from Salemtowne. Except as otherwise expressly stated in this Agreement, you are responsible to arrange and pay for health and medical care services not provided by the Corporation, including, without limitation, hospital services, physicians' services, private duty personnel, medications, vitamins, eyeglasses, eye examinations, hearing aids, ear examinations, dental work, dental examinations, orthopedic appliances, laboratory tests, x-ray services or any rehabilitative therapies.

T. Professional Management of Salemtowne and its Facilities. The Corporation will employ management and staff and/or agents ("Staff") to manage the operations of Salemtowne and its facilities.

U. Nursing and Health Care. We will provide nursing and health care for each resident as follows, 100% of the cost of which shall be paid for by the Resident (unless otherwise covered by Medicare, Medicaid or Resident's insurance payor and subject to the provisions set forth in this Agreement):

1. **Babcock Health Care Center.** The Health Care Center will be provided for the benefit of the residents. The Corporation is licensed by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, to operate intermediate and skilled nursing care for residents who are temporarily ill or who require long-term nursing care. Private accommodations will be provided for residents in the Health Care Center. Some of the beds in the Health Care Center are certified for Medicare and Medicaid reimbursement.

- Twenty-four (24) hour nursing staff maintained in the Babcock Health Care Center.

- Charges for Health Care Center accommodations and services are described in the Schedule of Fees and other literature published by the Corporation and distributed to residents at least annually.

- Temporary care (up to 30 days) is also available in the Health Care Center for the treatment of short-term illnesses or injuries.

2. **<u>Resident's Attending Physician</u>**. Residents may choose their own personal physician and are responsible for charges for services by such physicians and any consultants.

3. **<u>Other Healthcare Services</u>**. Other health care services may be made available to the Resident at the Resident's expense, including, but not limited to: pharmacy services, radiology services, dental services, laboratory tests, physical therapy, occupational therapy, therapeutic activities, rehabilitative treatments, wheelchairs, medical equipment, and supplies. The cost of such services shall not be covered by the Monthly/Daily Fees described herein.

4. **<u>On-Site Emergency Call Response</u>.** Each Living Accommodation is equipped with an emergency call system. Salemtowne staff will respond to emergency calls.

5. **<u>Resident Health Record</u>**. Salemtowne shall maintain a health record for Resident that contains health and other personal information that is pertinent to the Services which Salemtowne is providing. All information and records regarding Resident are confidential and are only disclosed in accordance with applicable law, including the HIPAA Privacy Rule. Resident may review his or her health record and authorize others to review Resident's health record.
6. **<u>Masten Assisted Living Center</u>.** The Assisted Living Center will be provided for the benefit of the residents. The Corporation is licensed by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, to provide support services for residents who require assistance with activities of daily living. Private accommodations will be provided for residents in the Assisted Living Center. The Assisted Living Center is licensed to provide services to individuals who require some assistance with activities of daily living, including but not limited to: bathing, dressing, medication administration, dining room assistance, monitoring of vital signs, and nursing assessments.

7. **<u>Westerly Place Memory Care Assisted Living Center</u>.** The Westerly Place Memory Care Assisted Living Center will be provided for the benefit of the residents. The Corporation is licensed by the North Carolina Department of Health and Human Services, Division of Health Service Regulation to provide support services for residents who require assistance with Alzheimer's, memory care, or dementia. Private accommodations will be provided for residents in the Westerly Place Memory Care Assisted Living Center.

8. **<u>Resident's Consent to Receive Health Care Services</u>**. Resident authorizes Salemtowne to provide those health care-related services that are specifically set forth in this Agreement. Resident also authorizes Salemtowne to obtain all necessary clinical and/or financial information from Resident's attending physician, and any other health care

providers treating Resident, including, but not limited to, any hospital or nursing facility from which Resident may be transferring or may transfer in the future and hereby authorizes such health care provider(s) to provide such health care information to Salemtowne.

V. Services. The services and facilities that are provided through the Entrance and Monthly/Daily Fees (may also be described further herein) are summarized below:

At the time of the execution of this Agreement, the following services are provided to all residents and are included in the Monthly/Daily Fees. (Fees will not be reduced or unbundled for services that residents decline, such as dining.)

- Flexible dining plan (depending on dining allowance option chosen or required)
- Utilities, except telephone service
- Basic Cable television service and Wi-Fi Internet services
- Housekeeping services
- Maintenance services
- Limited local medical transportation
- Social, spiritual, intellectual, and recreational programs
- Pastoral care
- Nutritional consultation

Salemtowne reviews services and costs of operations, as well as the need for any changes in services, regularly. Salemtowne reserves the right to change the services provided to residents and the associated fees and charges.

II. FINANCIAL ARRANGEMENTS

A. Entrance Fee. You agree to pay the Corporation the following Entrance Fee as a condition of becoming a Resident of Salemtowne. This Entrance Fee is refundable in whole or in part as described below and in Section VI of this Agreement.

Entrance Fee Option	Amount of Entrance Fee	Amortization Schedule
Standard Refund Entrance Fee	$ __________________	2% a month for 48 months less 4% non-refundable fee.

Initials

Corporation

Resident (s)

It is agreed that
$ ___________, representing the Application Fee **and**

$ ___________, representing 10% of the Entrance Fee **and**

$ ___________, representing 100% of the cost of non-standard features

are payable upon execution of a Reservation Agreement or prior to the installation of the applicable non-standard features, whichever occurs earlier.

The Entrance Fee balance and unpaid non-standard feature costs will be due and payable 10 days prior to the date of occupancy. We will give you reasonable notice prior to the projected date of occupancy. Occupancy is defined as the first day that a Resident either resides in the Living Accommodation or the first day that the Resident's furnishings or belongings occupy the Living Accommodation or a storage area at Salemtowne. Notwithstanding the foregoing, unless we agree in writing to other arrangements, you must take occupancy within thirty (30) days after the date the Living Accommodation is available for occupancy in accordance with the Reservation Agreement. If you do not take occupancy by such time, you shall pay the balance of the Entrance Fee, balance of any non-standard costs, and begin paying the applicable Monthly / Daily Fees beginning with the 30th day after the date the Living Accommodation is available for occupancy, unless this Agreement is terminated as described in this Agreement.

The Corporation has consented to your request to add the following non-standard features in your Living Accommodation and you agree to pay the following amount to cover the additional costs, maintenance, and removal of these features. This additional amount is not subject to any refund provision herein.

Non-Standard Features Added	**Cost**
	$
	$
	$
	$
Total of Non-Standard Features Added	**$**

Initials

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Corporation

____
Resident(s)

B. Monthly/Daily Fee. In addition to the Entrance Fee and any other charges provided for under this Agreement, you agree to pay a Monthly/Daily Fee during the term of this Agreement which shall be payable in advance by the 10th day of each month. As of the date of this Agreement, the Monthly/Daily Fee associated with the Living Accommodation will be:

	Estimated Monthly Fee
Monthly Fee Resident (includes dining allowance plan) (current dining allowance value is $______________)	$
Monthly Fee for 2nd Resident occupying Living Accommodation (includes dining allowance plan), if applicable.	$
Total Estimated Monthly Fee for Living Accommodation	$

No credit will be provided to you should you refuse services, which are included in the Monthly/Daily Fee, such as laundry, housekeeping, dining, etc.

Initials

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Corporation

____
Resident(s)

C. Adjustments in the Monthly/Daily Fee. The Corporation usually sets fees annually but shall have the authority to adjust the Monthly/Daily Fee from time to time during the term of this Agreement as it, in its discretion, deems necessary. Any such increase in the Monthly/Daily Fee or other charges may be made by the Corporation upon thirty (30) days written notice to the Resident.

In the event that it should be determined that the Corporation is required to pay ad valorem taxes upon its property, the Monthly/Daily Fee may be adjusted to reflect the amount of such taxes. You will pay all taxes assessed on your personal property.

In the event Salemtowne is assessed sales or use tax on Monthly/Daily fees and/or fees for other services, you agree to pay Salemtowne the amount of such taxes.

D. Schedule of Fees. You have been given a current copy of the Schedule of Fees. Fees and charges may change from time to time, and copies of current fees and charges are available upon request.

E. **Monthly Statements.** We will furnish you with monthly statements showing the total amount of fees and other charges owed by you, which shall be payable by the 10th of the month. Late payments are subject to an interest charge of one and one- half percent (1.5%) per month from the first of the month. In the event the Corporation initiates any collection actions or legal proceedings to collect payments due from you under this Agreement, you shall be responsible to pay all costs and attorneys' fees incurred by the Corporation in pursuing the enforcement of your financial obligations under this Agreement. The Corporation may terminate this Agreement if you have a past due amount upon thirty (30) days written notice. Termination of this Agreement does not end the obligation of you or your estate to pay all amounts due, no matter when incurred.

You, and your current and future responsible parties (i.e., power(s) of attorney, executor(s)) on your behalf, from your assets and income, agree to pay all costs, expenses, and reasonable attorneys' fees, in the event the same must be expended in the collection of any sums due and owed by you to the Corporation.

The Corporation reserves the right, with thirty (30) days' notice, to change the billing date and the payment due date. For a partial first month, the Monthly/Daily Fee is pro-rated on a per diem basis. Thereafter, Monthly/Daily Fees are paid in advance and are pro-rated at termination.

F. **Assisted Living Center, Health Care Center, and Memory Care Assisted Living Fees and Charges.**

1. **Priority Entry.** Residents are provided priority over non-residents for entry to the Health Care Center, the Assisted Living Center, and Memory Care Assisted Living. Salemtowne will make every effort to accommodate residents in the Health Care Center, the Assisted Living Center, and Memory Care Assisted Living but cannot guarantee the availability of accommodations. In the event the Health Care Center, the Assisted Living Center, or Memory Care Assisted Living, as applicable, is fully occupied when Resident is in need of care, Resident agrees to relocate to an alternate health care facility ("a Comparable Facility"). In the event of relocation, Salemtowne will make every effort to transfer Resident back to Salemtowne when accommodations become available.

   Upon your relocation to a Comparable Facility, you will continue to be responsible for the Monthly/Daily Fee (unless their Living Accommodation is surrendered). Salemtowne will not be responsible for the charges associated with the alternate health care accommodations.

2. **Room and Bed Discount Program.** If you are admitted to the Health Care Center, Westerly Place, or the Assisted Living Center, you are responsible for paying 100% of the costs of the accommodations and services provided you based on the Corporation's published rates then in effect.

G. **Application for Benefits**. If requested by Salemtowne, you will apply for any or all federal, state, and local benefits for which you may be eligible or entitled; and if requested by Salemtowne, you will apply for any or all such benefits toward the cost of your care at Salemtowne. These benefits may include, but are not limited to: Medicare, Medicaid, prescription, and Veterans benefits.

Residents who receive Medicaid funding and who reside in a Medicaid certified accommodation must have their Social Security, pension, or other monthly income paid directly to Salemtowne in accordance with Medicaid guidelines. Salemtowne will administer and manage these funds, on behalf of Resident in accordance with applicable laws and regulations, to pay for the residence and services provided to Resident.

H. **Assignment of Benefits.** You will, from time to time, authorize any provider of medical and health services, including Salemtowne, to receive reimbursement as provided under Medicare/Medicaid, any or all Federal, State, and local benefits for which you may be eligible or entitled, and any supplementary insurance programs. If requested by Salemtowne, you will, from time to time, make assignments to the provider of medical and other health services of all benefits otherwise accruing to you under Medicare/Medicaid or other programs and supplementary extended coverage plans to compensate for services rendered. Resident irrevocably authorizes Salemtowne to make claims and to take other actions to secure receipt by Salemtowne of all payments from a third-party payor to reimburse Salemtowne for its charges for the stay and care of Resident.

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

1. **Participating Provider.** If Salemtowne is a participating provider with your managed care program, the Corporation agrees to be reimbursed at the rate negotiated with your managed care program.

2. **Not a Participating Provider.** If Salemtowne is not an approved participating provider with your managed care program and you choose to receive health care services at a managed care participating provider, then you agree that you must relocate for as long as necessary for those services to be provided and be responsible for all costs. In addition, while receiving health care services at the managed care participating provider, you agree that unless this Agreement is terminated, you will continue to pay the Monthly/Daily Fee for your Living Accommodation, unless your Living Accommodation has been surrendered.

3. **No Negotiated Managed Care Rate.** If Salemtowne is not a participating provider in your managed care program and a negotiated rate is not agreed upon by Salemtowne, and you would still like to receive health care and services at Salemtowne, then you will be responsible for the full amount of applicable charges not paid by your insurance carrier.

4. **Medicaid**. In the event you receive financial assistance through the Medicaid program while occupying a Medicaid certified bed in the Health Care Center, you will be charged in advance for your liability portion established by the local county department of social services. You will be responsible for all charges for additional items and services requested by you and furnished to you which are not covered under the Medicaid program. Charges shall be made only as permitted under the Social Security Act and applicable regulations.

III. ENTRY REQUIREMENTS

You will become approved for residency at Salemtowne upon satisfaction of the following provisions:

A. **Age.** The entry requirements for residency at Salemtowne are nondiscriminatory except as to age, and Salemtowne is open to both married and single men and women of all races and religions. Entry to independent living is restricted to persons 62 years of age or older, except in the case of double occupancy, at least one Resident must be 62 years of age or older. Entry to the Assisted Living Center, Westerly Place, and the Health Care Center is restricted to persons 62 years of age or older.

B. **Personal Interview.** You shall have an interview with a representative from Salemtowne (including nursing evaluation) prior to taking residency at Salemtowne. Upon review of all information required to be furnished herein, additional personal interviews may be requested by the Corporation.

C. **Application, Health History, and Financial Statement.** You shall submit for review by the Corporation, an Application for Entry, a personal health history, and a Confidential Financial Statement, all on forms furnished by the Corporation.

D. **Notification.** We shall review the application materials as well as the results of the Personal Interview(s) and will notify you whether you meet the entry requirements. We will also notify you as early as possible of the date on which the Living Accommodation is expected to be available for occupancy.

E. **Health Requirements.** Prior to residency at Salemtowne, you shall provide medical records and reports as requested by Salemtowne. We may require you to have a physical examination by our Medical Director or by another physician approved by the Corporation. You shall be responsible for the costs of such physical examinations. If your health as disclosed by such physical examination differs materially from that disclosed in your Application for Entry and Personal Health History, the Corporation shall have the right to decline entry and to terminate this Agreement, or in the discretion of the Corporation, to permit you to take occupancy of accommodations at Salemtowne suitable to your needs.

F. **Mental Illness, Dangerous Communicable Disease, Drug or Alcohol Abuse.** Salemtowne is not designed to care for persons who have an active mental illness, a dangerous communicable disease, or who require treatment for drug or alcohol abuse. Should Salemtowne, in consultation with the Medical Director, determine that your physical or mental illness, or that your condition as a result of drug or alcohol abuse, is such that your continued presence is either dangerous or detrimental to your life, health or safety, or the life, health, peace or safety of others in the community, then Salemtowne may transfer you to another facility of your choosing and/or require you to terminate your residency at Salemtowne.

G. **Financial Requirements.** You must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations under this Agreement and to meet your ordinary living expenses. We may require you to furnish current financial information at any time prior to and subsequent to occupancy.

H. **Financial Resources.** You, your current and future responsible parties (i.e., power(s) of attorney, executor(s)), will abide by any and all financial arrangements made with the Corporation for the purpose of securing your ability to pay any and all charges for residing at Salemtowne. You agree not to make any gift or other transfer of assets for the purpose of evading your obligations under this Agreement, or if such gift or transfer would render you unable to meet such obligations under this Agreement. Gifts or transfers of assets in this manner, which result in your inability to meet your financial obligations in accordance with this Agreement, will entitle Salemtowne to terminate this Agreement with thirty (30) days' notice, and you or your responsible parties, as applicable, will be liable for any unpaid amounts.

I. **Power of Attorney.** You agree to execute and maintain in effect a durable power of attorney that is valid under North Carolina law and will survive your incapacity or disability. This durable power of attorney will designate an attorney-in-fact and an alternate attorney-in-fact who will act for you in managing your financial affairs and in filing for insurance or other benefits under private and public assistance programs as full and complete a manner as you could do if acting personally for yourself. **You will deliver a copy of a fully executed power of attorney to Salemtowne prior to occupancy.** You will not revoke or amend this durable power of attorney except upon execution of a replacement durable power of attorney, a fully executed copy of which will be delivered to Salemtowne. This document also may address at your option, other affairs, such as decisions concerning medical care.

J. **Will.** You agree to execute a Will, and to provide to Salemtowne a copy of such sections of the Will and any revisions, as applicable during the term of this Agreement, to document the name(s) of the person(s) to be contacted in the event of your death (i.e., executor(s)).

In the event of your death, while you are a resident of Salemtowne under this Agreement, only the executor(s) named in your Will (or such person or entity designated by such executor(s)) will be allowed to remove or dispose of your furnishings and belongings in your Living Accommodation and any related storage areas at Salemtowne. Members of your family or those to whom you have granted power of attorney will not be allowed access to your personal property after your death unless they are the executor(s) named in your Will.

K. **Funeral and Burial.** Salemtowne will not be responsible for making funeral or burial arrangements and is not responsible for related expenses.

L. **Advance Directives.** You are encouraged to execute a Living Will and a Health Care Power of Attorney and deliver a fully executed copy thereof to Salemtowne, as well as any revisions as applicable, during the term of this Agreement.

M. **Appointment of Guardian.** If you become unable to care for your business and financial affairs, the Corporation reserves the right to institute action for the determination of your incompetence and the appointment of a guardian to fulfill the terms of this Agreement; unless such needed arrangements have already been made. The cost of the legal proceedings, including attorneys' fees, shall be paid by you or your estate.

N. **Emergency Notifications.** You agree to provide Salemtowne with the following information prior to the date of occupancy as well as updates of this information during the term of this Agreement:

- Names, addresses, and phone numbers of persons to notify in an emergency (minimum of two are required);
- Names of persons having the right of entry into your residence;
- Name, address, and phone number of funeral home (prior arrangements are encouraged);
- Names, addresses, and phone numbers of lawyer and executor;
- Names, addresses, and phone numbers for powers of attorney; and
- Names, addresses, and phone numbers for emergency pet contacts, if applicable.

O. **<u>Contents and Accuracy of Resident's Application</u>**. Salemtowne has accepted Resident based on the information contained in Resident's Application and has agreed to enter this Agreement. In signing this Agreement, Resident understands and agrees that the information provided in the Resident's Application is part of this Agreement, and is a basis upon which Salemtowne has agreed to enter into the Agreement. Resident hereby affirms that all the information provided in the Resident's Application is true and correct to the best of the knowledge of each person who signs the Agreement, and each also acknowledges that any material misrepresentation or omission in Resident's Application shall render this Agreement voidable at the option of Salemtowne. Resident agrees to submit updated copies of the information requested in the Resident's Application, when requested by Salemtowne from time to time during the term of this Agreement.

IV. TERMS OF RESIDENCY

A. **<u>Rights of Resident</u>.** Subject to the terms and conditions of this Agreement, you have the right to occupy and enjoy the Living Accommodation described herein during your lifetime unless this Agreement shall be terminated as provided herein. It is understood that this Agreement does not transfer or grant any interest in the real or personal property owned by the Corporation other than the right to use or occupy the Living Accommodation in accordance with the terms hereof. The Living Accommodation may not be used for commercial purposes. The Living Accommodation may not be occupied or used in any manner in violation of any ordinance, law, or regulation.

B. **<u>Subordination</u>.** You agree that all of your rights under this Agreement shall at all times be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering the Corporation, which have been or will be executed by us. Upon request, you agree to execute, acknowledge and deliver to such lender or lenders such further written evidence of such subordination as such lenders may reasonably require. You shall not be liable for any such indebtedness.

C. **<u>Resident</u>.** When Resident consists of more than one person, the rights and obligations of each are joint and several except as the context otherwise requires.

D. **<u>Policies, Rules, and Regulations</u>.** You understand and agree that: (i) in order for Salemtowne to operate in the best interests of the entire community, it is essential that we have the cooperation of and compliance with applicable policies, rules, and regulations by you, your family, guests, responsible party and others who may intervene, speak or act or purport to intervene, speak or act, for or on behalf of you or who may come on the premises of Salemtowne in any capacity or for any purpose in connection with or as a result of your residency at Salemtowne; (ii) a continuing or repeated failure or refusal by any such persons to so cooperate and comply may result in a determination by Salemtowne that it is impracticable or impossible for Salemtowne to continue to accommodate you as a Resident; and (iii) upon such determination by Salemtowne, we shall have the right to terminate this Agreement. The Corporation reserves the right to amend or change its policies, rules, and regulations, including, without limitation, those pertaining to Salemtowne, from time to time at its sole discretion. By signing this Agreement, you or your responsible party acknowledges receipt of a copy of the Resident Handbook.

E. Weapons. No weapons of any type shall be brought on to the Salemtowne property by you or your guests without the express prior written permission of the Corporation.

F. Resident Representation. Residents have the right of self-organization through a Residents' council, which may convene to review the interests of the Resident population. You shall have Resident representation on the Salemtowne Board of Trustees subject to and as outlined in the Bylaws of Salemtowne.

G. Guests and Visitors. Guests and visitors are welcome at Salemtowne. Guests may use Salemtowne guest accommodations, subject to availability and additional charges. Guests may also stay in your Living Accommodation for visits of limited duration (less than two weeks, except with Salemtowne approval). Guests approved for stays in your Living Accommodation for longer than two weeks may result in additional charges. No other person, except the Resident(s), may reside in the accommodation without approval from the Corporation.

At all times, you shall be responsible for any injury to others or damage to the property of others or Salemtowne caused by you or your guest(s). Salemtowne reserves the right and authority to limit or terminate the stay of any guest at any time and for any reason.

H. Relationships Between Residents and Staff. Salemtowne is built on mutual respect and instructs its staff to be cordial and helpful to Residents. The relationship is to remain professional. Staff must not be delayed or deterred by Residents in the performance of their duties. Management is solely responsible for the supervision of staff. Complaints or requests for special assistance must be made to the appropriate supervisor. By signing this Agreement, you or your responsible party acknowledges receipt of a copy of the Corporation's grievance procedure.

Giving gratuities or bequests to staff or staff's families is not permitted. Residents will not employ Salemtowne Staff nor hire former Salemtowne Staff without the prior written consent of Salemtowne Management.

I. Loss of Property. The Corporation maintains insurance on all of its property and its operations to include general public liability insurance, property insurance including coverage for acts of God, vandalism and theft, professional liability insurance, and worker's compensation.

The Corporation will not be responsible for the loss of any property belonging to the Resident or their guest(s) due to theft, mysterious disappearance, fire, or any other cause. You will have the responsibility for obtaining "renters insurance" to cover such losses.

J. **<u>Right of Entry</u>.** Salemtowne recognizes your right to privacy and shall limit entry to your Living Accommodation to legitimate emergencies and to scheduled work, including housekeeping, repairs, maintenance, and inspections. You hereby authorize Staff or agents of Salemtowne to enter your Living Accommodation upon reasonable notice for all such purposes.

K. **<u>Appliances</u>.** Salemtowne is not obligated to determine your ability to safely utilize the appliances, if any, in your Living Accommodation. However, should we determine that you have demonstrated an inability to utilize appliances in your Living Accommodation safely, we will have the right to turn off the power servicing such appliance(s) and/or to remove any and all such appliances. In any such instance, you shall remain obligated to pay for the full Monthly/Daily Fee for your Living Accommodation, any extra meals, and any fire alarm charges issued by the fire department.

L. **<u>Changes in Living Accommodations</u>.** The Corporation has the right to change the Living Accommodation to meet requirements of any applicable statutes, laws, or regulations. The Corporation reserves the right to relocate you to another accommodation when deemed necessary in order for the Corporation to fulfill its strategic, financial or other obligations. The Corporation will use reasonable efforts to relocate you to an accommodation of the same or similar type as your accommodation. Any such decision to relocate you will be discussed thoroughly with you in order to enlist your understanding of the need for and cooperation with the relocation. The Corporation will pay all required packing and moving costs, and all reasonable refurbishing costs necessary to achieve substantial comparability between your accommodation and any new accommodation to which you may be relocated.

M. **<u>Occupancy by Two Residents</u>.** In the event that two Residents occupy a Living Accommodation under the terms of this Agreement, upon the permanent transfer to the Health Care Center, Westerly Place, or the Assisted Living Center or the death of one of such Residents, or in the event of the termination of this Agreement with respect to one of such Residents, such as in the case of death or divorce, the Agreement shall continue in effect as to the remaining or surviving Resident who shall have the option to retain the same Living Accommodation or to move to a smaller Living Accommodation, in which event there will be no refund of the Entrance Fee. The remaining or surviving Resident will thereafter pay the Monthly/Daily Fee for one Resident associated with the Living Accommodation occupied by the Resident. No refund will be payable with respect to the Living Accommodation surrendered, except as provided in the Termination and Refund Provisions of Section VI. Any fees paid for a second Resident are not transferable to a future second Resident, such as in the case of a subsequent marriage.

N. **<u>Health Insurance</u>.** You will maintain eligible Medicare coverage and one supplemental health insurance policy or equivalent insurance coverage, which adequately covers hospital, medical, prescriptions, and skilled nursing deductibles and co-payments required of your primary insurance plan. Both your primary and supplemental health insurance policies must recognize Salemtowne as a health care provider, or you will assume the financial responsibility for services provided that otherwise could be covered.

You will be responsible for ensuring that the health insurance coverage does not lapse and will provide Salemtowne with evidence of such coverage upon request. If your health insurance coverage should lapse, Salemtowne may require that you reapply for suitable coverage. If you are unable to obtain adequate new coverage, Salemtowne will charge you for any costs of medical and other health care services provided that otherwise would have been covered by an approved policy.

O. Filing for and Rights to Insurance Benefits..

- Salemtowne will file claims with your insurance for all covered services. By law, the patient is responsible for payment of the deductible, co-insurance, and any non-covered service. Non-covered services include but are not limited to beauty shop charges.

- As a courtesy, Salemtowne will file claims to your secondary insurance carrier for your Medicare Parts A & B co-insurance unless we are prohibited from filing due to participation requirements of the carrier.

- Deductibles and co-insurance amounts will be billed on your monthly Salemtowne statement. You are responsible for payment of all deductibles and co-insurance billed by Salemtowne upon receipt of the bill. Payments received from your insurance carrier for Medicare Part A co-insurance will be applied to your monthly Salemtowne statement when received.

- Outpatient Services (e.g., therapy) not paid by a Resident's insurance carrier within ninety (90) days of the date of service will become due and payable by Resident unless the claim is subject to Medicare, Medicaid, or an insurance plan in which Salemtowne participates.

- In the event a Resident's health insurance determines a service is "not covered," the Resident will be responsible for payment. Salemtowne tries to inform Residents when services may not be covered; however, it is the Resident's responsibility to understand his/her policy limitations.
- If, for any reason, Salemtowne cannot submit claims directly for benefits payable under insurance required by this Agreement, you agree to make such submissions and to pay Salemtowne the fees, costs or charges for services rendered.
- **Salemtowne reserves the right, in its discretion, to eliminate or change its participation with any and all insurance plans.**

P. Addition of a New Occupant/Sharing Occupancy After Admission/Entry.

1. Addition of a Resident Occupant - If a Resident, while occupying a Living Accommodation, wishes to share a Living Accommodation with a person who is also a Resident, the two Residents may, with the prior written consent of the Corporation, occupy the Living Accommodation of either Resident and shall surrender the Living Accommodation not to be occupied by them. No refund will be payable with respect to the Living Accommodation surrendered, except as provided in the Termination and Refund Provisions of Section VI. Such Residents will pay the Monthly/Daily Fee for double occupancy associated with the Living Accommodation occupied by them.

2. <u>Addition of a Non-Resident Occupant</u> - In the event that a Resident wishes to share a Living Accommodation with a person who is not a Resident ("Non-Resident"), the Non-Resident may become a Resident if such individual meets all of the then current requirements for entry to Salemtowne; enters into a then current version of the Residence and Services Agreement with the Corporation, and pays an Entrance Fee in an amount determined by the Corporation in its sole discretion. The Resident and new Resident shall pay the Monthly/Daily Fee for double occupancy associated with the Living Accommodation occupied by them. If the Non- Resident does not meet the requirements of Salemtowne for entry as a Resident, the Resident may terminate this Agreement in the manner as provided in Section VI. B. with respect to voluntary termination.

Q. <u>Combination of Living Accommodations</u>. Various circumstances may make it desirable that a Living Accommodation occupied by a Resident be combined with an adjoining Living Accommodation to form one combined Living Accommodation. You agree that if a determination is made by the Corporation that it is desirable to combine your Living Accommodation with a Living Accommodation which adjoins your Living Accommodation, you will surrender occupancy of your Living Accommodation, within a reasonable time after receiving notice of such determination. In the event that the Corporation makes such determination and notifies you of such, you have the option to (i) transfer into the combined Living Accommodation when such combined Living Accommodation is ready for occupancy, or (ii) transfer to another Living Accommodation, when available, of the same type as the Living Accommodation previously occupied by you. If you elect to occupy the combined Living Accommodation and the Entrance Fee established for such combined Living Accommodation exceeds the Entrance Fee paid by you for your previous Living Accommodation, you shall pay the amount of such excess upon taking occupancy. You will pay the Monthly/Daily Fee associated with the combined Living Accommodation as established by the Corporation.

If you elect to transfer to a Living Accommodation of the same type as the Living Accommodation previously occupied, the Corporation will repaint and re-carpet, if needed, such Living Accommodation at our expense prior to occupancy.

R. <u>Transfer to Another Living Accommodation</u>. You may move to a different Living Accommodation at Salemtowne, when it becomes available, upon payment of such fees, consent by the Corporation, and compliance with such guidelines regarding transfers as may be adopted by the Corporation. Salemtowne reserves the right to amend such policies, guidelines, and fees, at its discretion.

If you transfer to another Living Accommodation, you are responsible for paying any difference in the Entrance Fee, if the amount of the Entrance Fee of the new Living Accommodation is greater than the Entrance Fee for the previous Living Accommodation to be vacated. If the Entrance Fee for the new Living Accommodation is smaller than the Entrance Fee for the previous Living Accommodation to be vacated, no refund will be paid for the difference.

S. **<u>Room or Unit Assignment in Assisted Living Center, Westerly Place, or Health Care Center</u>**. You understand that you acquire no ownership in any property at Salemtowne under this Agreement; also, that no particular room or unit in the Assisted Living Center, Westerly Place, or the Health Care Center is subject to reservation or permanent assignment, and that we may change your room or unit assignment in the Assisted Living Center, Westerly Place or the Health Care Center. Though we retain the right to change your room or unit assignment in the Health Care Center, we agree that we will make changes only as we find such changes to be necessary or advisable.

T. **<u>Moving Costs</u>**. You are responsible for arranging and paying for all packing and moving costs for moves into, within, and out of Salemtowne. Assistance may be provided by Salemtowne at an additional cost.

U. **<u>Pets</u>**. Residents may bring pets to Salemtowne if they complete necessary paperwork, pay the current pet deposit, and follow current policies and guidelines. "Pets" shall be defined as household dogs, cats, tropical fish, or caged birds. No other animals will be permitted without written approval from the Corporation. Pets must be approved by Salemtowne prior to bringing the pet on campus. Pets may not be a nuisance or pose a health or safety risk to other residents or staff of Salemtowne and must be properly cared for at all times. Failure to comply with the pet policy may necessitate the removal of the pet from the Community. If the pet is not removed after a removal request has been made by the Corporation, Salemtowne reserves the right to terminate this Agreement. You shall be responsible for all damages caused by your pet, and you agree to have your pet in control at all times when outside of your residence. Salemtowne reserves the right to amend or terminate policies and guidelines related to pets at its discretion.

V. **<u>Smoking, Vaping &Tobacco Products</u>**. Salemtowne is a "Tobacco Free" Community. Smoking, vaping, and use of tobacco products are not permitted anywhere on Salemtowne property including, campus buildings (Babcock Health Care Center, Assisted Living Center, and Community Center, etc.), building entrances, or common areas. The only exceptions are:

- Independent Living Residents and their personal visitors may continue to use these products in their own private residences. In the event concentrated oxygen is required by the Resident, smoking will no longer be permitted in that residence.

- The Health Care Center Administrator may permit smoking for a Resident, and if so, a designated smoking area would be created outside. However, the prohibition will remain in effect for a family member or caregiver who may accompany the Resident to the designated area.

W. **<u>Absences</u>**. Monthly/Daily Fees are not subject to change or credit if a Resident is away from the Living Accommodation for any period of time for Assisted Living or the Health Care Center (for example, vacations, hospital stays, etc.).

You agree to inform Salemtowne (Clinic, Billing Office & Dining Services) when you are going to be away for three (3) days or more and to give us the names of people we can contact in an emergency. In order to provide adequate time for medications to be available, if applicable, you must provide at least 24 hours advance notice of an absence.

You will be entitled to an "away" discount on your Independent Living Monthly/Daily Fee when You (and the 2nd Resident, if applicable) are (both) away from your Independent Living Residence for more than thirty (30) consecutive days in accordance with the program in place at the time of the absence. The "away" discount program is subject to change. No credit or additional carry forward for missed meals will be given during absences. The amount of the "away" discount can be found in the current Schedule of Fees.

V. **<u>TRANSFERS OR CHANGES IN LEVELS OF CARE</u>.** (A change in Living Accommodations within independent living or to the Assisted Living Center, Westerly Place, or the Health Care Center will require no additional residence and services agreement. This Agreement will remain in effect, subject to any applicable amendments referred to in this Agreement.)

A. **<u>Transfer to Health Care Center, Memory Care Assisted Living or Assisted Living Center</u>.** You agree that the Corporation shall have authority to determine that you should be transferred from your Living Accommodation to the Health Care Center, Memory Care Assisted Living, or the Assisted Living Center or a separate area within each center. Such determinations shall be made by solely by Salemtowne and based on the professional opinion of the Resident's physician and the Resident Review Committee. This determination, when possible, shall be made after consultation with the Resident, the Resident's physician, a representative of the Resident's family, or the Resident's responsible party.

In the event that you are permanently transferred to the Assisted Living Center, Memory Care Assisted Living, or the Health Care Center, your Entrance Fee will not be subject to refund at the time of the transfer. Entrance Fees are subject to refund when a resident leaves the community in accordance with section VI.

B. **<u>Transfer to Hospital or Other Facility</u>.** If it is determined by your physician that you need care beyond that which can be provided by Salemtowne, you may be transferred to a hospital, center, or institution equipped to give such care, which care will be at your expense. Such transfer will be made only after consultation to the extent practical with the Resident, the Resident's physician, a representative of the Resident's family, or the Resident's responsible party.

In the event it becomes necessary for you to be transferred to a hospital, Salemtowne will provide any information available to meet the provisions of any hospital admissions agreement, and you agree that Salemtowne has the right to provide such information, which may include part or all of your records.

C. **<u>Surrender of Living Accommodation</u>.** If a determination is made by the Corporation that any transfer described in this Section is permanent in nature, you agree to surrender the Living Accommodation and any storage areas, which were occupied by you prior to such transfer, within 30 days of the determination.

You are responsible for the costs of transfer and moving as well as the Monthly/Daily Fee through the last day of occupancy of the Living Accommodation being vacated.
For the purposes of this Section V. C., occupancy is defined as the last day that a Resident either resides in the Living Accommodation or the last day that the Resident's furnishings or belongings occupy the Living Accommodation or a storage area at Salemtowne.

If the Corporation subsequently determines based upon the opinion of your physician that you can resume occupancy in accommodations comparable to those occupied by you prior to such transfer you shall have priority to such accommodations as soon as they become available, and you will be responsible for applicable fees as determined by the Corporation.

VI. TERMINATION AND REFUND PROVISIONS

A. Termination Prior to Occupancy. This Agreement may be terminated by you at any time prior to taking occupancy at Salemtowne for any reason by giving written notice to the Corporation. This Agreement will automatically be canceled due to death or physical or mental conditions that would make you ineligible for entry to Salemtowne.

This Agreement may be terminated by the Corporation at any time prior to the date that you take occupancy if the Corporation determines that you do not meet the physical, mental or financial requirements for entry or if it is determined by the Corporation that you have misrepresented or omitted medical, financial, or other information given to the Corporation during the application process.

In the event of such termination (including death, illness, injury, or incapacity), you shall receive a refund of the Entrance Fee paid in accordance with Section II. Any such refund shall be paid by the Corporation within sixty (60) days following termination pursuant to this paragraph.

B. Voluntary Termination. Except as provided in subsection A of this Section VI., you may terminate this Agreement at any time by giving the Corporation written notice of such termination. Fourteen (14) days advance notice is required for independent living, Westerly Place and the Assisted Living Center, and five (5) days advance notice is required for the Health Care Center. If required notice is given, or if no written notice is given, you will be responsible for paying the Monthly/Daily Fee for the applicable Living Accommodation for the full notice period and for each day of occupancy, except you shall only be charged for the days of occupancy when a delay in discharge or transfer would jeopardize your health or safety or that of others at Salemtowne. Any refund of the Entrance Fee due to the Resident following voluntary termination of this Agreement will be made in accordance with Section II A.

C. Abandoned Living Accommodation. You may be deemed to have abandoned the Living Accommodation and terminated this Agreement if you do not occupy a residence at Salemtowne for a period of one continuous year.

In the event of such termination (including death, illness, injury, or incapacity), you shall receive a refund of the Entrance Fee paid in accordance with Section II. Any such refund shall be paid by the Corporation within sixty (60) days following termination pursuant to this paragraph.

D. Temporary Absence. Temporary absence because of illness, trips, or other will not affect your rights to retain occupancy of your Living Accommodation, as long as applicable Monthly/Daily Fees are paid.

E. **<u>Termination Upon Death</u>.** In the event of your death and you are not survived by a co-Resident residing at Salemtowne, who has signed this Agreement, this Agreement shall terminate and, subject to your continuing obligations described herein, the portion, if any, of the Entrance Fee paid by you to be refunded shall be determined in the same manner described in Section II. herein.

Any refund to which you are entitled shall be paid to your Estate unless you execute a designation and name a trust revocable by you at the time of your death to receive applicable refunds. Should you execute a revocable trust subsequent to signing this Agreement, you or your estate's executor may submit a written beneficiary designation form designating a trust, revocable by you at the time of your death, to receive applicable refunds.

In the event of your death and you are survived by a co-Resident residing at Salemtowne who has signed this Agreement, then this Agreement shall not terminate, and no refund will be payable.

In the event a refund becomes due, the date that the deceased Resident's responsible party/estate executor removes all personal belongings from the Living Accommodation shall determine the termination date. Any refund due to the Resident's estate under this paragraph will be made at such time as such Resident's Living Accommodation shall have been reserved by a prospective Resident and such prospective Resident shall have paid to the Corporation such prospective Resident's full Entrance Fee; <u>provided,</u> however, that the Resident's estate shall continue to be obligated to pay the applicable Monthly/Daily Fee for such Resident's Living Accommodation until such Resident's Living Accommodation is vacated and left in good condition except for normal wear and tear.

F. **<u>Termination by the Corporation</u>**. We may terminate this Agreement at any time (i) if there has been a material misrepresentation or omission made by you during the application process; (ii) if you fail to make payment to the Corporation of any fees or charges due to the Corporation within thirty (30) days after receiving written notice of your failure to pay such fees or charges; (iii) if you do not abide by the rules and regulations adopted by the Corporation or breach any of the terms and conditions of this Agreement; (iv) if the health or safety of other individuals in the Corporation is endangered if you remain in Salemtowne, as determined by a physician, physician assistant or nurse practitioner; (v) the discharge is necessary for your welfare and your needs cannot be met by the Corporation as documented by your physician, physician assistant or nurse practitioner; (vi) if you refuse to relocate as may be required by the Corporation in accordance with this Agreement; or (vii) you engage in activities or conduct disruptive to the Community.

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

Following termination of this Agreement pursuant to this Section VI.F., you will be responsible for paying the Monthly/Daily Fee for the applicable Living Accommodation for the full notice period and for each day of occupancy. Any refund of the Entrance Fee due to the Resident following voluntary termination of this Agreement by the Corporation will be made in accordance with this Section VI.

Except in cases of emergency, you will receive a notice of the termination by the Corporation at least thirty (30) days prior to the effective date of termination. You may be entitled to appeal the Corporation's decision to terminate this Agreement, and except in cases of emergency, the Corporation will not discharge you before the final decision resulting from the appeal has been rendered.

G. **Condition of Living Accommodation.** At the effective date of termination of this Agreement, you will vacate the Living Accommodation, including any storage and parking areas at Salemtowne, and will leave both in good condition except for normal wear and tear. You, or your estate, will be liable to the Corporation for any costs incurred in restoring the Living Accommodation and storage areas to good condition except for normal wear and tear. Such costs may be deducted from any refundable portion of the Entrance Fee due to you or your estate, if any.

H. **Removal of Personal Property.** In the event of termination of this Agreement, you agree to surrender the Living Accommodation and any storage and parking areas, which were occupied by you within thirty (30) days of the notice of termination.

The Corporation reserves the right to remove your belongings from the Living Accommodation and any storage and parking areas. You will pay a reasonable storage fee or the actual cost of external storage, whichever is applicable. The Corporation is not responsible for any damages incurred to your property if storage becomes necessary. Unclaimed property will become the property of Salemtowne after thirty (30) days following the termination of this Agreement and will be disposed of at the sole discretion of the Corporation.
In the event of your death, while you are a Resident of Salemtowne under this Agreement, only the executor(s) named in your Will (or such person or entity designated by such executor(s)) will be allowed to remove or dispose of your furnishings and belongings in your Living Accommodation and any related storage and parking areas at Salemtowne. Members of your family or those to whom you have granted Power of Attorney will not be allowed access to your personal property after your death, unless they are the executor(s) named in your Will.

I. **Refund.**

1. **Refund of Entrance Fee.** You or your estate, or a revocable trust designated by you, may be entitled to a refund of the Entrance Fee, provided you or your estate or your revocable trust have met all of your obligations under this Agreement. Your refund, if applicable, shall be calculated in accordance with the following:

- **Standard Refund Entrance Fee.** Your Entrance Fee refund, if applicable, shall be equal to the Entrance Fee less a non-refundable fee of four percent (4%) of the Entrance Fee; the remaining balance is subject to amortization of two percent (2%) for each month of occupancy, as defined herein, for up to forty- eight (48) months, except for any unpaid non-standard costs and accrued expenses that will be deducted. In calculating amortization for purposes of this section, a period of more than fifteen (15) days will be considered as a full month; fifteen (15) days or less will be disregarded for purposes of this calculation. No refund of the Entrance Fee shall be paid after forty-eight (48) months of occupancy. You will not receive a refund of any amounts paid for non-standard features added to the Living Accommodation.

The cost to repair damages to the Living Accommodation and storage areas in excess of normal wear and tear, the cost of storage paid by the Corporation and any amounts due and unpaid relating to the cost of care provided by Salemtowne or any third party health care provider, including without limitation, the Monthly/Daily Fee or other amounts payable to Salemtowne which remain outstanding and the amount of any charges due by Salemtowne on behalf of the Resident, or by the Resident, to the pharmacy, rehabilitation services or any other third party, will be deducted from any applicable refund.

Any refund due you under this paragraph will be made within thirty (30) days from the date that your Living Accommodation shall have been reserved by a prospective Resident, and such prospective Resident shall have paid to the Corporation such prospective Resident's full Entrance Fee.

If, after an extended period of time, a Living Accommodation has not been reoccupied, the Corporation may return, in its sole discretion, the applicable refundable portion of your Entrance Fee, to you or your estate or revocable trust. If a refund is returned prior to a former Living Accommodation being reoccupied, it will be reduced by ten percent (10%) of its original value.

Entrance Fees will not be refunded upon transfer to the Assisted Living Center or the Health Care Center.

2. **<u>Refund of Fee Related to Cost of Care</u>.** You or your estate, or a revocable trust designated by you, may be entitled to a refund of that portion of the fee which is related to the cost of health care services provided by Salemtowne or any third party health care provider less any amounts payable to Salemtowne or any third party health care provider through the date the refund is due hereunder. In the case of your death, any refund of the amount of the fee related to the cost of health care services provided by Salemtowne will be made no later than thirty (30) days from the date of your death.

   If the Agreement is terminated by the Corporation in an emergency situation (i.e., because the Corporation is no longer able to meet your urgent health care needs, or termination is necessary to protect your health and safety or that of another person at Salemtowne), the refund of the amount of the fee related to the cost of health care services will be made within fourteen (14) days after you leave Salemtowne.

If you terminate this Agreement, any refund shall be made within fourteen (14) days from the date of notice of termination or, if no notice is given, within fourteen (14) days after you leave Salemtowne.

Nothing in this Section shall apply in the event of a transfer to the Assisted Living Center or the Health Care Center.

J. Release from Obligations Upon Termination. Upon termination of this Agreement, Salemtowne is released from any further obligations to you except for the payment of any refund which may be due under this Agreement.

VII. RIGHT OF RESCISSION

Notwithstanding anything herein to the contrary, this Agreement may be rescinded by you giving written notice of such rescission to the Corporation within thirty (30) days following the later of the execution of this Agreement or the receipt of a disclosure statement that meets the requirements of Section 58-64-1, et seq. of the North Carolina General Statutes. In the event of such rescission, you shall receive a refund in an amount equal to the Entrance Fee less a non-refundable fee of four percent 4% of the Entrance Fee less any Monthly/Daily Fees (in accordance with Section II herein) or portion thereof applicable to any period a Living Accommodation or storage area was actually occupied by you or your belongings less any unpaid non-standard costs and accrued expenses. In the event of such rescission, you shall not receive a refund of any amounts paid for non- standard features added to the Living Accommodation. You will not be required to move into Salemtowne before the expiration of such thirty (30) day period. Notwithstanding anything to the contrary in this Agreement, any such refund shall be paid by the Corporation within fourteen (14) days following receipt of written notice of rescission pursuant to this paragraph.

VIII. FINANCIAL ASSISTANCE

A. Subsidy. In connection with its charitable mission, it is the desire of the Board of Trustees of Salemtowne that no one leave Salemtowne because of lack of funds. Any disposition of Resident's assets in any way other than for care at Salemtowne or related living/medical expenses to the extent that Resident cannot adequately provide for Resident's expenses or care will nullify this desire on the part of Salemtowne and entitle Salemtowne to terminate Resident's right to reside in Salemtowne.

Salemtowne will make reasonable efforts to acquire the funds necessary to meet Salemtowne's fees for care. However, the resources of Salemtowne to provide care for Residents are not unlimited, and Salemtowne reserves the right to terminate the residency of any person, including Resident, who cannot pay the full cost of Salemtowne's Monthly/Daily Fees and charges, and other costs in connection with such person's stay at Salemtowne.

In the event that a Resident presents facts which in the opinion of the Corporation justify special financial consideration, the Corporation will give careful consideration to subsidizing in whole or in part the Monthly/Daily Fees and other Salemtowne charges payable by the Resident hereunder so long as such subsidy can be made without impairing the ability of the Corporation to attain its objectives while operating on a sound financial basis.

In the event that the Corporation may subsidize in whole or in part the Monthly/Daily Fees and other Salemtowne charges payable by the Resident hereunder, the Resident will be required to execute a separate Financial Assistance Agreement with the Corporation. In the event that we continue to provide the services to you under the terms of this Agreement despite your financial inability to continue to pay the Monthly/Daily Fee or other Salemtowne charges payable under the terms of this Agreement, Salemtowne shall be entitled to require you to move to a smaller or less costly Living Accommodation.

Any determination by the Corporation with regard to the granting or continuation of financial assistance shall be within the sole discretion of the Corporation, under a separate agreement.

B. Recovery of Subsidies Provided by Salemtowne. When a Resident dies or moves out of the community if said Resident's fees have been subsidized wholly or partly by Salemtowne, the Resident or Resident's estate, if any, will be liable to Salemtowne for the full amount of the subsidy the Resident received for the entire time of residency. This paragraph will apply whether or not the Resident is in residence at Salemtowne at the time of death. This Agreement will operate as a lifetime assignment, transfer, and conveyance to Salemtowne of so much of Resident's property as is necessary to cover such liability. Any amount due Salemtowne under this paragraph may be deducted from any refund payable to Resident or to the Resident's estate.

C. Financial Assistance Funds. The Corporation has established funds which will be used to assist Residents who would otherwise not be able to live at Salemtowne. Such funds may be used for the purposes of providing financial assistance, but no Resident shall have any claim to or expectation of receiving or continuing to receive any such assistance.

IX. GENERAL

A. Compliance with Applicable Laws. Resident and Salemtowne will comply with all laws, rules, regulations, and ordinances promulgated by lawful governmental authorities.

B. Right to Delegate. Resident acknowledges the right of Corporation to contract for the various services as provided by this Agreement, including, but not limited to, management services for the Corporation.

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

D. **Release of Medical Information**. The privacy of all Residents will be protected as provided for by the Health Insurance Portability and Accountability Act (HIPAA), as amended, and other applicable regulations. Resident hereby authorizes Corporation to release any medical information relating to Resident to any doctor, hospital or other facility or individuals when it is deemed necessary or helpful in providing for Resident's ongoing care or treatment, for the purpose of submitting claims for benefits payable for health care services or for carrying out or enforcing Resident's and Corporation's rights and obligations under this Agreement. Resident further authorizes the release of any information to Corporation from any health care provider when deemed necessary or beneficial for providing for Resident's on-going care or treatment.

E. **Assignment.** Your rights and privileges under this Agreement to the facilities, services, and programs of the Corporation are personal to you and may not be transferred or assigned by you or otherwise.

F. **Resident has no Tenancy or Management Rights in Salemtowne**. The absolute rights of management are reserved by the Corporation, its Board of Trustees, and its administrators as delegated by said Board of Trustees. The Corporation reserves the right to accept or deny any person for residency. Residents do not have the right to determine entry or terms of entry of any other Resident. Salemtowne reserves the right to amend, implement or terminate policies and/or guidelines related to the operation of the community at its sole discretion.

Subject to the terms and conditions of this Agreement, this Agreement gives Resident the right to live in Salemtowne and to receive or have access to the services and amenities described in the Agreement. However, it does not give Resident the rights of a "tenant" as that term is defined by North Carolina state law. Salemtowne retains the exclusive authority to make all management decisions with regard to the management of Salemtowne, including decisions about admission and discharges, setting charges, Salemtowne's policies and procedures, and the scope of services offered by Salemtowne, consistent with state law and the terms of this Agreement.

G. **Uncontrollable Interruption of Service.** No breach of Salemtowne's obligations under this Agreement and no liability for injury to you shall result from an interruption of, or failure to provide, the contracted services under this Agreement due to an act of God or other cause beyond the reasonable control of Salemtowne, specifically including, but not limited to, strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquake, inclement weather, epidemic or pandemic, or acts of the Resident.

H. **Moravian Affiliation.** Salemtowne is affiliated with the Moravian Church in America, Southern Province ("Southern Province"). The Southern Province is not responsible for the financial and contractual obligations of Salemtowne.

I. **Indemnity.** You agree to indemnify, defend and hold us harmless from claims, damages, or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your negligent or intentional act or omission or those of your guests, including private duty nurses, companions, or other.

J. **Limitation on Liability**. You understand and agree that the services provided by the Corporation and others within Salemtowne are not designed to protect you from the everyday, normal risks and responsibilities of living, including, but not limited to, such general accidents and situations such as falling, choking on food, and weight loss and/or dehydration resulting from your failure to partake of food and drink. Additionally, you understand and agree that the services provided by the Corporation do not include one-on-one monitoring of you and that your expectations will be consistent with this understanding. The Corporation shall exercise reasonable care toward you based on your known condition. However, you agree that the Corporation is not an insurer of your welfare and safety. You agree that you will exercise due care to protect yourself from harm.

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

L. **Resident Contracted Services.** If you wish to privately employ outside assistance, including Salemtowne employed staff, for whatever reason, all Salemtowne policies must be upheld, and prior written approval by Salemtowne management must be obtained. You agree to hold Salemtowne harmless in all situations related to the provisions of such outside services. The Corporation has the right to require termination of such a service at any time.

M. **Resident Handbook.** You will be given a current copy of the Resident's Handbook as adopted by the Corporation. You understand that these documents will change from time to time.

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

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

P. **Capacity.** This Agreement has been executed on our behalf by our duly authorized agent, and no officer, trustee, agent, or employee of ours shall have any personal liability hereunder to you under any circumstances. If Resident is, or becomes, unable to understand or communicate his or her health care or financial decision, and is determined by Resident's attending physician to be incapacitated, then in the absence of Resident's prior designation of an authorized legal representative, or upon the unwillingness or inability of a designated legal representative to act, Salemtowne shall have the right to commence a legal proceeding to adjudicate Resident incapacitated and to have a court appoint a guardian for Resident. The cost of the legal proceedings, including attorneys' fees, shall be paid by Resident or Resident's estate.

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

R. Amendments and Partial Invalidation. Generally, this Agreement can be changed only by mutual written consent. However, the Corporation reserves the right, upon thirty (30) days prior written notice to Resident, to modify or amend this Agreement whenever doing so is necessary to correct errors, omissions, or inconsistencies, to provide clarification of intent, or to conform the documents to the requirements of local, state, or federal laws and regulations applicable to the Corporation, in particular, or to residential life care communities, in general, or whenever doing so is deemed by the Corporation to be in the best interest of the Corporation and the residents in light of changes in health insurance laws and coverages and/or local, state or federal tax laws or regulations.

S. Governing Law; Venue; Disputes. This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of North Carolina, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of laws or any jurisdiction other than North Carolina. Except to the extent that the parties have agreed to an alternative mechanism for the resolution of a dispute, to the full extent permitted by law, any action, suit, or proceeding arising out of or relating to this Agreement shall be brought and enforced in the courts of the State of North Carolina located in Forsyth County or of the United States District Court for the Middle District of North Carolina, and the parties hereby irrevocably submit to the exclusive jurisdiction of such courts and irrevocably waive any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in such courts.

T. Behavior Deemed Harmful to Salemtowne. If Resident is deemed competent and capable of controlling his or her behaviors and engages in behaviors deemed by the President/CEO to be disruptive, hostile, illegal, or otherwise harmful to others or to Salemtowne, Salemtowne reserves the right to terminate this Agreement. If such a circumstance arises, Salemtowne will discuss the matter thoroughly with Resident to provide Resident with knowledge of the behaviors deemed intolerable by Salemtowne. Salemtowne will provide Resident a written warning to desist from the behavior or any similarly disruptive, hostile, illegal, or harmful behavior. Upon determination that Resident is continuing to engage in the behaviors against which Resident has been warned, Salemtowne will have the right to terminate this Agreement.

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

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

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

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

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

Salemtowne:
Office of the President/CEO Salemtowne
1000 Salemtowne Drive
Winston Salem, North Carolina 27106

Resident:
Your address for the purpose of giving notice prior to your move to Salemtowne is the address appearing after your signature below. Your address for the purpose of giving notice after your move to Salemtowne will be the current Living Accommodation address at the applicable time. You are responsible for notifying us of any changes in address and/or telephone number.

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

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

THE UNDERSIGNED RESIDENT(S) ACKNOWLEDGES RECEIPT OF SALEMTOWNE'S CURRENT DISCLOSURE STATEMENT. THE DISCLOSURE STATEMENT WAS RECEIVED PRIOR TO THE EXECUTION OF THIS AGREEMENT OR PRIOR TO OR AT THE TIME OF THE TRANSFER OF ANY MONEY OR OTHER PROPERTY TO SALEMTOWNE, WHICHEVER OCCURRED FIRST.

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

Your signature below certifies that you have read, understand and accept this Agreement as of this *(current date)* _________________day of ________, _____.

SALEMTOWNE	**RESIDENT(S)** **(or Resident(s)'s Attorney in Fact) (*)**
By (signature)	(signature) (SEAL)
Printed Name	(signature) (SEAL)
Title	Current Address: Street
	City, State, Zip Code
	Telephone

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

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AT HOME

PROTECTION | COORDINATION | CARE

Member Services Agreement

Member: ____

Address: ____

____

____

____

Check Plan Selected:

- ☐ Platinum
- ☐ Gold
- ☐ Silver

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MEMBER SERVICES AGREEMENT

This Member Services Agreement (together with all attachments, exhibits and schedules attached hereto and incorporated herein the "Agreement") is made this __________day________of 20___("Effective Date") by and between MORAVIAN HOME, INCORPORATED a North Carolina nonprofit corporation (referred to as "Corporation"), doing business as Navigation at Home, (referred to as the "Program"), and ____hereinafter "Member", "You"),whose place of residence is at "Home", "Home Site"). Home or Home Site does not include any assisted living, skilled nursing, memory care, rehabilitation, hospice or any other similar unit, accommodation or residence at Salemtowne or any other community orfacility.

WHEREAS, Corporation operates a continuing care retirement community (CCRC) located at 1000 Salemtowne Drive in Winston-Salem, North Carolina, known as "Salemtowne"; and

WHEREAS, Corporation has established a program known as Navigation at Home ("Program") which allows its members to remain in their private residence while enjoying the traditional benefits of a continuing care retirement community; and

WHEREAS, You desire to become a Member of the Program and to use and enjoy certain services, programs and facilities provided by the Corporation, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Member and Corporation agree as follows:

I. DEFINITIONS

All terms not defined here shall have the meanings ascribed to them in the Agreement, or their common meaning.

ADL (Activities of Daily Living) Deficiencies means deficiencies, as determined by the Care Coordination Team, in activities of daily living, such as bathing, dressing, eating, transferring, ambulating, toileting/continence. Those persons deemed to have ADL Deficiencies may include, but are not limited to, those who need personal assistance, those with any type of dementia disorder, those who are bed bound or homebound, or those who need special equipment to ambulate (i.e. wheelchair, walker).

Adult Day Care Services means a program of services in a congregate setting for a scheduled number of hours per week. Elements of an adult day care program may include transportation, meals and activities (both health related and social).

Care Coordination Team Comprised of one or more staff of the program, the Program's Medical Director (or his/her designee) and other clinical and operational professionals as deemed necessary by the Program. The Care Coordination Team may, at the Program's sole discretion, change titles and personnel from time to time.

Initials___________Corporation

___________Member

Care Coordinator means the person appointed by the Program to handle the needs of the Member for Services, for conducting health assessments, and for making recommendations for Services, subject to review and final determination of the Member's eligibility for Services by the Care Coordination Team.

Care Plan means the written plan of long-term care services, including the type of service, start date, quantity, frequency, duration of service, name of Program-Approved Provider or Facility, and any special considerations, which is developed and approved by the Care Coordination Team for Member based on a comprehensive needs assessment. The Care Plan is agreed to and signed by Member.

Companion means a person designated by the Program to provide Companion Services to a Member at the Member's Home.

Companion Services means those services provided by a Companion when you need someone to be with you in your Home to ensure your safety. These services can include assistance with cooking, dishwashing, laundry and light housekeeping, if you are unable to perform these chores yourself, as well as conversation and social time.

Deferred Fees means any fees owed by Member which are to be paid at a later date.

Designated Service Area means the Program's area of coverage for Services, as defined by the Program. The Designated Service Area may be altered from time to time at the sole discretion of the Program. No change in the Designated Service Area by the Program will adversely affect this Agreement.

Determined To Be Appropriate means the Care Coordination Team, utilizing industry standards and accepted standards of healthcare practice, has assessed a Member's medical and functional status and concluded that Services are necessary and will be provided by the Program.

Effective Date means the date set forth in the first paragraph of this Agreement.

Emergency Response System means a 24-hour electronic call system activated by utilizing a device that signals a monitoring company that will be a company other than the Corporation. This system allows a Member to secure help from outside the Program in the event of a medical, physical, emotional, or environmental emergency. The Member agrees to allow designated responders, who are willing to participate, to have access to the Member's Home in the event of an emergency.

Facility means Assisted Living Facility, Adult Day Care Facility or Skilled Nursing Facility.

Facility-Based Services means Services provided in a Facility other than the Home Site, including Assisted Living, Adult Day Care and Skilled Nursing Facilities as described below:

Assisted Living Facility is a residential facility licensed by the state of North Carolina for persons in need of assistance with activities of daily living.

Skilled Nursing Facility means a facility licensed by the state of North Carolina to provide various levels of nursing or convalescent care.

Adult Day Care Facility means a facility that offers Adult Day Services.

Financial Disclosure means a financial statement of Member in a form acceptable to Program.

Health Assessment refers to the medical, functional, and cognitive screening conducted by Care Coordinators that serves as the basis for both your qualification as a Navigation at Home Member and your initial/ongoing Wellness and Care Plans.

Home Care Aide or Home Care Agency means a qualified person or provider licensed to provide Home Care Aide Services and designated by the Program to provide Home Care Aide Services to a Member at the Member's Home Site.

Home Care Aide Services may include assistance with bathing and dressing, an established activity regimen, such as range of motion exercises, nutritional needs, such as feeding assistance, and simple maintenance of the Member's environment.

Homemaker is a person designated by the Program to provide Homemaker Services to the Member at the Member's Home Site.

Homemaker Services are services provided by a Homemaker, which may include assistance with day-to-day chore activities in the Home Site, such as cooking, dishwashing, laundry, light housekeeping, and errands.

Home or Home Site means the Member's place of residence as specifically indicated in the first paragraph of this Agreement or such other place of residence of Member if Member changes his or her place of residence. Home or Home Site does not include any assisted living, skilled nursing, memory care, rehabilitation, hospice, or any other similar unit, accommodation, or residence at Salemtowne or any other community or facility.

Home Site Services means Services provided by the Program in a Member's Home or Home Site as defined herein.

Maximum Daily Benefit Amount means the amount equal to the lesser of: (i) the actual fees, costs and charges to Member by Program or a Program-Participating Provider or Program-Participating Facility for the Services provided to Member in a day; and (ii) the maximum dollar amount limit of fees, costs and charges covered per day by Program as published by Program from time to time ("Published Cost of Care") for Facility Based Services, Home Care Services, Home Health Services or Residence Based Services provided Member under this Agreement, with both (i) and (ii) subject to the Program Plan (and corresponding percentages thereunder) selected by Member, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to Member being responsible for all co-payments, deductibles and limitations. ***The Published Cost of Care and the Maximum Daily Benefit Amount shall be subject to change from time to time at the sole discretion of the Program.***

Medical Director means a physician appointed by the Program to oversee the provision of medical and health care services provided to Members.

Medical Record means all records relating to the Member's medical history and condition, which may be maintained by the Program or by a Program-Participating Facility or a Program-Approved Provider.

Medicare means the Health Insurance for the Aging Act, Title XVIII of the Social Security Amendment of 1965, as amended, and regulations promulgated thereunder in effect from time to time.

Medicare-Covered Services means all hospital, skilled nursing, home care and medical services covered and paid for by Medicare Parts A and/or B and the Medicare Supplemental Coverage.

Medicare Supplemental Coverage means a private health insurance plan, which is certified by the Secretary of Health and Human Services as meeting federal requirements for Medicare supplemental policies. In general, Medicare Supplemental Coverage, also referred to as Medicare Replacement Insurance or Secondary Insurance, pays some of the balance of the costs of care covered by Medicare parts A and B when full costs are not paid by Medicare. It pays for certain deductibles and copayments.

Member means the person accepted into the Program having signed a Member Services Agreement and paid the Membership Fee.

Member's Designated Representative means any person appointed and documented by Member to represent Member's interests or granted a power of attorney or appointed guardian by a court.

Program-Approved Provider means a health care services firm having an agreement with the Program to supply Services to Members.

Program-Participating Facility means an Assisted Living, Adult Day Care or Skilled Nursing Facility having an agreement with the Program to supply Facility-Based Services to Members.

Program Plan means the pricing option selected in this Agreement. The names of the Program Plans may be changed by the Corporation from time to time.

Provide means that the Program will directly, or through a Program-Participating Facility or other provider, make Services available at the Program's cost, subject to the Maximum Daily Benefit Amount.

Services mean care coordination, Member home inspection, Home Site Services (including home health care, Homemaker Services, Companion Services, Emergency Response System, meals and Adult Day Care Services), Facility-Based Services (including Assisted Living, Adult Day Care and Skilled Nursing), limited transportation services that are provided to Member in the Program, subject to the Maximum Daily Benefit Amount.

II. ACCOMMODATIONS AND SERVICES

By execution of this Agreement the Program will provide to Member the Services described in this agreement and in Attachment A pursuant to the Plan selected by Member for the lifetime of Member, subject to the terms and conditions of this Agreement, in a manner consistent with the objective of enabling Member to maintain his or her own living arrangement in their Home/Home Site for as long as is practical and to provide Facility-Based Services, if needed.

Any services that Program is required to provide under this Agreement will be provided by Corporation directly or through a Program Approved Provider or Program Participating Facility at Program's cost, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Member agrees to accept and pay for the Services in the manner set forth in this Agreement, including but not limited to Attachment A, and to abide by the rules and regulations of the Corporation and Program with respect to the Services, which such rules and regulations may be changed from time-to-time by the Program.

Program is responsible for paying on behalf of Member all fees, costs and charges incurred by Program or a Program-Participating Provider or Program-Participating Facility for Services Provided to Member by Program or a Program-Participating Provider or Program-Participating Facility pursuant to this Agreement, and Program will then bill Member and Member shall pay Program for all fees, costs and charges incurred by Member, subject to the Program Plan (and corresponding percentages thereunder) selected by Member and subject to the Maximum Daily Benefit Amount. All costs, fees, and expenses not covered by the Program are the responsibility of the Member.

A. **Residence**. Member shall remain in their existing home (or subsequent residence of their choice as notified to Program) and shall not occupy a specific residence on the Salemtowne campus at this time. Should the Member desire to become a resident of Salemtowne Continuing Care Retirement Community, the Member will comply with entry requirements of Salemtowne and applicable payment of fees including, but not limited to, providing the Corporation updated medical and financial information in order to determine Member's ability to live independently and to afford the additional entry fee and higher monthly service fees required for residency in the particular reserved unit. The Corporation reserves the right to decline Member's admission to Salemtowne for residency if Member's medical and financial circumstances have changed so that you are not able to live independently or are not able to afford the additional entry fee and higher monthly service fees required for residency in the particular reserved unit. In the case of executing a Residence and Services Agreement with Salemtowne, Member shall have the right to continue this Agreement or terminate this Agreement. Should Member terminate this Agreement upon moving into an Independent Living unit at Salemtowne, a portion of the Membership Fee made pursuant to this Agreement may be credited towards any future Salemtowne community entry fees as more specifically set forth in Section VIII.E of this Agreement.

   Member currently lives at ____ ("Residence") and shall remain at such address or a new address as notified to Program to remain eligible for all services, products, and programs of the Program as described hereunder. Member may choose to move to another primary residence and still receive Program Services as mutually agreed upon by Program and Member.

B. **Care Coordination**. Upon becoming a Member, you will be partnered with a Care Coordinator. Under the direction of the assigned Care Coordinator, the Care Coordination Team, in consultation with the Member and/or the Member's Designated Representative, the Program shall prepare a Care Plan to meet the Member's particular needs from time to time during the term of this Agreement, as well as an annual health assessment and Wellness Plan. All decisions involving the Member's participation in various medical and health care services or temporary or permanent transfer from the Home Site to Facility-Based Services will be made by the Care Coordination Team following consultation with the Member or the Member's Designated Representative.

C. **Member Home Assessment**. During the first year of membership and every other year thereafter (unless circumstances of a Member's health condition justify more frequent assessments), Program will provide a functional assessment of the Home Site for the purpose of ascertaining any functional and safety problems, and will make recommendations to the Member based on the assessment. The Program may require, based on circumstances of previous assessments or Member's health condition, that the Member permit Program to provide a functional assessment of the Home Site. Program does not, however, represent that it will undertake the steps necessary to effectuate any of such recommendations. Any recommended changes or corrections are the Member's sole responsibility. It is the Member's choice to make such recommended changes or corrections to his/her Home Site. If Member refuses any reasonable recommendation of the Care Coordination Team, Program shall have no responsibility or liability for the consequences of such refusal and may terminate the Agreement in accordance to section VII.B.

D. **Home Site Services**. Home Site Services (as more specifically described in items a. through c. below) will be provided as Determined To Be Appropriate by the Care Coordination Team. Member must exhibit at least one or more ADL Deficiencies to be eligible for the following Home Site Services, and Member must use a Program-Approved Provider to be eligible for coverage. Program may require an examination by the Medical Director (or his or her designee) to determine eligibility for Home Site Services.

a. **Home Care Aide Services**. Program will provide non-Medicare covered home care services, including assistance with Activities of Daily Living provided by a licensed Home Care Aide or Home Care Agency as Determined To Be Appropriate by the Care Coordination Team and to the extent provided for in the Program Plan selected by the Member.

b. **Homemaker Services**. Program will provide Homemaker Services as Determined To Be Appropriate by the Care Coordination Team and to the extent indicated in the Program Plan selected by the Member.

c. **Companion Services**. Program will provide Companion Services as Determined To Be Appropriate by the Care Coordination Team and to the extent indicated in the Program Plan selected by the Member.

E. **Facility-Based Services**. When Determined To Be Appropriate by the Care Coordination Team and prescribed by a physician, Program will provide or cause to be provided, Facility-Based Services, including Assisted Living Facility Services in a semi-private accommodation, Skilled Nursing Facility Services in a semi-private accommodation and/or Adult Day Care Services subject to availability. Accommodations that exceed the inclusions above can be considered at an extra cost to the Member. Entry to such facilities may require a physician's order. Program may require the order to be given by the Program's Medical Director (or his/her designee) for eligibility for Facility- Based Services.

As Determined To Be Appropriate by the Care Coordination Team, these Facility-Based Services will be provided either in Salemtowne's Assisted Living or Skilled Nursing Facility, or in other Program-Participating Facilities.

a. **Assisted Living and Nursing Home Services**. As Determined To Be Appropriate by the Care Coordination Team, assisted living and skilled nursing home services will be provided at Salemtowne or at a similar Program Participating Facility approved by Program in accommodations as identified in Section II.E., subject to availability, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitation, fees, cost, and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount. Program will not be responsible for any ancillary charges included, but not limited to laundry, prescription drugs, medical supplies, telephone, internet, or cable television. Such charges shall be Member's sole responsibility.

b. **Adult Day Care**. Program will provide Adult Day Care Services as Determined To Be Appropriate by the Care Coordination Team in a Program Participating Facility, subject to the Plan (and corresponding percentages thereunder) selected by Member including co-payments, deductibles, and limitations, fees, costs, and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

F. **Emergency Response System**. If Determined To Be Appropriate by the Care Coordination Team, the Program will provide an Emergency Response System for the Member's use at his or her Home Site.

G. **Meals**. If due to a medical need and if Determined To Be Appropriate by the Care Coordination Team, Program will arrange to have meals delivered to Member in his/her home per the Program's then current policy which may change from time to time. Program reserves the right to deliver several meals at one time.

H. **Transportation Services**. If Member is unable to drive or instructed by his/her physician not to drive to and from medically necessary out-patient procedures or short procedures which may include, but are not limited to, cataract removal, chemotherapy treatments, and surgical biopsies, Program will coordinate transportation. This does **not** include transportation via ambulance or for regular physician office visits, dialysis, and routine specialist appointments.

I. **Portability**. Member may request to permanently relocate from the Designated Service Area after one year of Membership. Approval of requests to provide Services outside the Designated Service Area are at the sole discretion of the Program and will be based on the ability to provide Services as well as current regulations. If the request is not approved, membership will be terminated in accordance with Section VII.B.

J. **Common Facilities**. Member shall have access to certain common facilities that are otherwise available for the use and benefit of residents of Salemtowne retirement community, which may include dining venues, library heated swimming pool, multi-purpose rooms, art studio, and others as described in the then current literature. Use of the common facilities will be available for use by the Member where there is capacity, and such use shall be subject to change or restriction from time to time at the sole discretion of the Program. Member will be responsible for dining and applicable activity charges.

K. **Lifestyle and Wellness Programs**. The Program, from time to time, may offer scheduled social, physical, intellectual, or spiritual events or activities designed to meet the needs of Members. Members will be advised of the schedules and the cost of these programs on an as-offered basis. Member will be responsible for these additional fees, if any.

L. **Referral Service**. In addition to the Services outlined in this Agreement, the Program can make referrals to other services that you might need to remain safely at home. These may include lawn care, legal, home maintenance, and rental of medical equipment. You are responsible for the cost of any services rendered by the referred service providers.

M. **Other Services and Programs Available for Extra Charge.** Other services and programs will be available to Member at Member's expense. For a list of services currently available and the current charges for each service, see Attachment B of this Agreement. Program will give at least thirty (30) days' notice of a change in the scope of services offered.

III. AGREEMENT REQUIREMENTS AND PROCEDURES

A. **Condition of Membership**. Navigation at Home is available to persons 62 years of age or older who meet all eligibility requirements established by Program. Through the application process, Member submitted the Application as well as other information required by Program, participated in one or more interviews with Program and arranged for all of Member's physicians to furnish four years of medical records to Program. As a condition of acceptance for membership Program, during the period following Member's application until the Membership Date, Member must continue to meet all eligibility requirement established by Program, including but not limited to qualifications to ensure that Program can accommodate Member's health needs through the Program. Member agrees to provide such additional financial, health, or other information that Program may require from time to time to supplement the Application.

B. **Representations**. The Member affirms that the representations made in the Membership Application and Financial Disclosure are true and correct and may be relied upon by the Program as a basis for entering into this Agreement.

C. **Medical Insurance**. Member agrees to obtain and maintain in force, at Member's expense, the maximum coverage available to Member under Medicare Parts A and B, and one Medicare supplemental insurance policy or a Medicare Replacement Plan approved by the Program. If Member is not eligible for any of the above plans, Member will obtain and maintain in force a health insurance policy approved by the Program that is equivalent to both Medicare parts A and B, and supplemental coverage. If Member fails to arrange for or maintain such medical insurance coverage, Program may, in Program's sole discretion, terminate this Agreement. Should Member fail to obtain or maintain the insurance required by the Program, Member shall be responsible for any portion of such expense that would have been covered by this insurance. Member shall furnish to Program evidence of such coverage at any time upon request. All changes in insurance coverage must be submitted in writing to the Program within ten (10) calendar days.

D. **Limitation of Liability in Case of Refusal to Leave Home Site.** If the Care Coordination Team reasonably determines that the Member should move to a Program Participating Facility for the health and safety of the Member, and Member refuses to make such move, or if Member refuses any other reasonable recommendation of the Care Coordination Team, the Program shall have no responsibility or liability for the consequences of such refusal, and the Program may terminate this Agreement. Member agrees to accept all responsibility for any damages or harm which may result from any injury, including permanent disability and death, arising from his or her actions or inactions because of Member's decision not to transfer to a higher level of living, but rather to reside in the Member's Home while utilizing private duty personnel, a spouse, family member or other person for the provision of care, including, but not limited to, private duty nursing, home care, home health or companion services.

E. **Accident or Illness While Traveling**. If an accident or illness occurs while Member is outside of the Designated Service Area, Member shall make every reasonable effort to notify the Program as soon as possible. If medical care is required, Member shall arrange to return to Home Site or, if approved by the Care Coordination Team, to a Program-Participating Facility as soon as reasonably possible. To the extent provided for in the Program Plan selected by the Member, the Program will be responsible for the costs of nursing care services covered under this Agreement that are incurred by Member in a Skilled Nursing Facility as a result of such accident or illness for a forty-five (45) day period of time after Member is admitted. The Program's responsibility for Skilled Nursing Facility charges will be limited to the Maximum Daily Benefit Amount. Member will be responsible for any and all other costs such as hospital costs, physician fees, and transport, as well as any other costs not specifically stated in this Agreement, which shall be paid by Member or Member's personal insurance.

F. **Right of Subrogation**. In case of accident or injury to Member caused by third parties, Member agrees to begin suit for damages within three months following written notice by the Program to Member, of the Program's interest in such suit. If Member fails to begin suit, Member hereby grants power of attorney to the Program, which power shall not be affected by the disability of Member, at its election to bring any claims or initiate legal action, if necessary, against the person who has caused injury to Member for compensation for the injury or expenses thereby caused. Member agrees to execute such further authorizations as shall be desirable to prosecute such claims or causes of action. The Program, at its election, may sue on and enforce any cause of action for Member, for injury or damages so resulting, in the name of the Member or in its own name.

After all costs and damages incurred by the Program (including reasonable costs of care furnished to Member by the Program because of such accident or injury) shall have been paid for and reimbursed to the Program by such subrogation, the balance of any collection made will be refunded or credited to Member's account, or in the event of the death of Member, will be paid to Member's estate. The Program may limit its election as provided above to claims for recovery of the costs incurred by it, and in such event, the Program shall not be obligated to assert any claim of Member arising out of such accident or injury beyond the costs incurred by the Program.

G. **Annual Physical Examination**. Program encourages Member to undergo an annual physical examination performed by Member's personal physician. Member is responsible for the cost of any such physical examination. Program encourages that a medical report be submitted by Member's personal physician to his/her Care Coordinator.

H. **Program-Approved Providers and Program-Participating Facilities**. Member may have limited access to Program-Approved Providers and Program-Participating Facilities, based on the availability of such programs and facilities.

I. **Right of Entry.** Member recognizes and accepts the responsibility of the Provider or Program-Approved Provider to enter Member's living accommodation, with notice when possible, in order to carry out the purpose and intent of this Agreement. The Provider recognizes Member's right to privacy and its responsibility to limit entry to the living accommodation to legitimate emergencies and scheduled work as set forth in the Agreement.

J. **Required Notice of Relocation From Home.** Member shall notify Provider in writing with a minimum of sixty (60) days prior to relocation to a new Home. Provider has the right to do a functional home inspection of the new Home, with notice, to determine compliance with the Program. Member understands that Provider has the right to terminate this Agreement upon Member's relocation to a new Home, community or facility if it is determined not to be compliant with Program requirements.

IV. TRANSFERS OR CHANGES IN LEVELS OF CARE

A. **Transfer to Assisted Living or Skilled Nursing Facility**. The Member agrees that the Program shall have authority to determine if the Member should be transferred from the Member's Home Site to an Assisted Living or Skilled Nursing Facility. Such determination shall be based on a physical and mental assessment to determine the appropriate level of care for the Member and shall be made only after consultation to the extent possible with the Member or the Member's Designated Representative, and the Member's attending physician. Program is responsible for paying on behalf of Member all fees, costs and charges incurred by Program or a Program-Participating Provider or Program-Participating Facility for Services Provided to Member by Program or a Program-Participating Provider or Program-Participating Facility pursuant to this Agreement, and Program will then bill Member and Member shall pay Program for all fees, costs and charges incurred by Member, subject to the Program Plan (and corresponding percentages thereunder) selected by Member and subject to the Maximum Daily Benefit Amount. All costs, fees, and expenses not covered by the Program are the responsibility of the Member.

B. **Transfer to Hospital or Other Facility**. Should a Member be diagnosed with a mental disorder (or psychiatric illness), or as having a highly contagious or dangerous disease, or it is determined that their continued presence in their Home Site or Facility where the Member resides is either dangerous or determined to be detrimental to the health or peace of the Member, staff or residents of the Facility, the Program shall have the authority to transfer the Member to a hospital, center, or institution equipped to give such care, which care will be at the expense of the Member. Such transfer of the Member will be made only after consultation to the extent possible with the Member, or in the case of incompetency, with Member's Designated Representative, and the Member's attending physician.

C. **Permanent Transfer From Living Accommodation**. A Member may be transferred permanently to a Program-Participating Assisted Living or Skilled Nursing Facility if it is determined by the Care Coordination Team that the Member is no longer mentally or physically able to function safely in his or her Home. All decisions involving permanent transfer from Member's current living accommodation (including Home Site, Assisted Living Facility, Skilled Nursing Facility or hospital) to another accommodation will be made by the Care Coordination Team in consultation with the Member, or in case of incompetency, with the Member's Designated Representative, and the Member's attending physician. Program is responsible for paying on behalf of Member all fees, costs and charges incurred by Program or a Program-Participating Provider or Program-Participating Facility for Services Provided to Member by Program or a Program-Participating Provider or Program-Participating Facility pursuant to this Agreement, and Program will then bill Member and Member shall pay Program for all fees, costs and charges incurred by Member, subject to the Program Plan (and corresponding percentages thereunder) selected by Member and subject to the Maximum Daily Benefit Amount. All costs, fees, and expenses not covered by the Program are the responsibility of the Member.

V. FEES, TERMS, AND CONDITIONS

A. **Membership Fee**. The Member agrees to pay the Program a one-time nontransferable, non-interest bearing Membership Fee of $_______________________________________("Membership Fee") as a condition of becoming a Member in the Program. This Membership Fee is payment for the____P)rogram Plan, the payments and benefits of which are described in this Agreement, including Attachment A.

B. **Monthly Fee**. In addition to the Membership Fee, Member agrees to pay a monthly fee ("Monthly Fee") for the term of this Agreement, which shall be payable in advance by the tenth (10th) day of each month. As of the date of this Agreement, the Monthly Fee associated with the Program Plan selected will be $___________________________________per month. After paying the Membership Fee, Member will commence paying the Monthly Fee. Monthly Fees are not subject to change or credit if a Member is away from the Home Site for any period of time.

C. **Published Cost of Care** at time of Agreement: __________________. ***The Published Cost of Care is subject to change from time to time at the sole discretion of Program. Member is responsible for all costs and charges in excess of the Maximum Daily Benefit Amount.***

D. **Adjustments in the Monthly Fee and Other Fees**. The Monthly Fee, the Published Cost of Care, the Maximum Daily Benefit Amount, and other costs, fees, and expenses charged by the Program are made to provide the Services described in this Agreement and are intended to meet the cost of administration, staffing, and other expenses associated with the operation and management of the Program. The Program will usually set fees, costs and expenses annually but shall have the authority to adjust the Monthly Fee, the Published Cost of Care, the Maximum Daily Benefit, and the other costs, fees, and expenses charged by the Program from time to time as necessary to continue operating on a sound financial basis and to maintain the quality of services called for herein. The Program, upon thirty (30) days written notice to the Member, may make any such increases in the Monthly Fee, the Published Cost of Care, the Maximum Daily Benefit Amount and other costs, fees, and expenses charged by the Program.

E. **Monthly Statements**. At the beginning of each month, the Program will furnish the Member with monthly statements showing the Monthly Fee and additional copayments, deductibles, service fees, costs, and expenses owed by the Member that shall be payable by the tenth (10th) day of the month. Program may charge interest at a rate of one and one-half percent (1.5%) per month on any unpaid balance. In the event Member does not make payment on a timely basis, Member agrees to pay attorney's fees, if any, incurred by the Program in the collection of such fees, costs, and expenses. Member may not withhold Monthly Fees for any reason. In the event of non-payment of the Monthly Fee and/or additional service fees, costs, and expenses, Program reserves the right to terminate this Agreement.

Initials ___________

Corporation ___________

Member ___________

F. **Care in Other Assisted Living or Nursing Care Facilities**. If a Member transfers to a Facility other than Salemtowne or a Program-Participating Facility, Member shall be solely responsible for all fees, cost and charges incurred at the Facility. Member will continue to pay the Monthly Fee for the Program unless this Agreement is terminated.

G. **Care in Other Facilities**. Should Member need a level of care beyond that which Salemtowne or other similar Program-Participating Facility is licensed to provide and Member requires transfer to another facility, all copayments, deductibles, fees, costs, and expenses that result from such transfer and care shall be borne entirely by Member.

H. **Assignment of Reimbursements**. In order to assist in controlling Program's operating cost and Member's Monthly Fee, Member agrees to apply for any federal, state, and local reimbursements for which Member may be eligible or entitled. The Program shall have the right to bill or have Program-Approved Providers bill, Medicare, Medicaid, and other third-party payers, such as insurance and long-term care insurance companies, for any covered supplies and services provided by the Program or Program-Approved Provider. If you carry insurance or long-term care insurance, your insurance will pay first. The Corporation will pay for any covered supplies and services provided by the Program or Program-Approved Provider only to the extent we deem you to be eligible for such supplies or services and your insurance does not provide payment. Any reimbursement for such supplies or services received by the Member shall be assigned to or paid to the Program to cover any copayments, deductibles, fees, costs, and expenses incurred by the Program or other Program-Participating Facility. The Member will pay any disputed or denied claims within thirty (30) days of the date of service.

I. **Excess Costs.** Except as specifically provided by this Agreement, Member shall be solely responsible for services not covered by Medicare Parts A and B and Medicare Supplemental Coverage and for payments exceeding Medicare and Member's Supplemental Coverage limits or other insurance, and for payments exceeding Member's coverage limits in the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, and including but not limited to: audiological tests and hearing aids; eyeglasses and refractions; dentistry; dentures; dental inlays; organ transplants; orthopedic appliances; occupational, physical and speech therapy; podiatry; hospitalization and professional care for psychiatric disorders; treatment for alcohol or drug abuse medications; chiropractors; renal dialysis; extraordinary treatments; and experimental treatments as reasonably determined by Medical Director. Member will be responsible for the cost of all services and supplies not expressly provided for by the Program as set forth in this Agreement. Such services and supplies include, by are not limited to, the cost of all prescription medicines, physician services, private duty nursing services, out-patient services, physical therapy, occupational therapy, speech therapy, IV therapy, respiratory therapy, oxygen, hospitals, eyeglasses, hearing aids, dentistry, orthopedic appliances, therapy for psychiatric disorders, treatment for mental illness, incontinent supplies, renal dialysis, personal laundry, non-medical supplies, routine or emergency transportation, or any services not specifically provided for by this Agreement. The Program may rent and charge to Member any specialized or personalized equipment, such as wheelchairs, walkers, kidney machine, or respiratory equipment.

J. **Non-Payment**. If Member fails to make any of the Monthly Fee payments at the required time or pay any other amounts due to the Program on the monthly statement provided to Member by the Program within thirty (30) days after it is billed to the Member, the Program may give written notice to the Member to pay all such amounts. If the Member fails to comply with such notice within fifteen (15) days, the Program may terminate this Agreement, and provide the Member with any applicable refund set forth in Section VIII.

K. **Transfer of Property**. The Member agrees not to make any gift or other transfer of assets for the purpose of evading the Member's obligations under this Agreement, or if a such gift or transfer would render such Member unable to meet such obligations under this Agreement.

L. **Amount Due**. Member or Member's estate shall be liable to the Program for the full amount of any unpaid fees, including, but not limited to, Monthly Fees, additional service fees, and Deferred Fees. This Agreement shall operate as a lifetime assignment, transfer, and conveyance to the Program of so much of such Member's property as is necessary to cover such liability.

M. **Financial Difficulty.**

Without in any way limiting its rights to terminate this Agreement for non-payment, Program shall not dismiss Member nor terminate this Agreement if the sole reason for non-payment is because of Member's financial inability to pay all or part of the Monthly Fee. However, Member's acceptance into the Program has been based on facts reported by member in the Application. If, in Program's sole discretion, Member has weakened this position or ability to pay the Monthly Fee because Member has made gifts to others or dissipated personal wealth after submitting Financial Disclosure, Program reserves the right to terminate this Agreement.

If Member is unable to pay all or part of the Monthly Fee or other fees, costs, and charges, Program may request a current Financial Disclosure of member, and, if Member does not provide such statement within thirty (30) days, Program reserves the right to terminate this Agreement. Members agrees to allow Program to confirm Member's assets as shown on Member's Financial Disclosure.

Should Member find current income insufficient to meet the current Monthly Fee or other fees, costs and charges, Member shall take necessary steps to liquidate assets in order to keep Member's account on a current basis. Member further agrees that should assets and income be insufficient to pay the present obligations, Member shall apply for any assistance which may be available to Member. If Member dies or this Agreement is otherwise terminated, any unpaid Monthly Fees or additional fees, costs or charges or parts thereof, plus interest on the unpaid balance, will be charged against the refund, if any, due to Member or Member's estate as provided in Section VII.D. below. If any balance of Monthly Fees or additional fees, costs or charges remains due, Member or Member's estate shall be liable to Provider for the full amount of such Monthly Fees and additional fees, costs or charges. This Agreement shall operate as a lifetime assignment, transfer and conveyance to the Provider of so much of such Member's property as is necessary to cover such liability.

N. **Hospital, Surgical, and Physician Care**. The Program will have no responsibility to pay for Member's surgical, hospital, or physician care.

O. **Funeral and Burial**. The Program will not be responsible for making funeral or burial arrangements and is not responsible for related expenses.

P. **Emergency Notifications**. Member agrees to provide Program with the following information prior to the Effective Date of this Agreement, as well as any changes during the term of this Agreement:

- Names, addresses, and phone numbers of persons to notify in an emergency (a minimum of two are required)
- Names, addresses, and phone numbers of lawyer and executor
- Names, addresses, and phone numbers of Powers of Attorney
- Names, addresses, and phone numbers for pet emergency contacts, if applicable

VI. RESCISSION PERIOD

A. **Rescission**. This Agreement may be rescinded by Member by giving written notice of such rescission to Program within thirty (30) days following the latter of the execution of this Agreement or the receipt of the Disclosure Statement.

VII. TERMINATION

A. **By Member:** The Member may terminate the Member Services Agreement for any reason by providing written notice of such termination at least 30 days in advance of the termination date. In the case of death of the Member, this Agreement shall automatically terminate as of the date of death.

B. **By Navigation at Home**: The Program may terminate the Member Services Agreement if 1) there has been a material misrepresentation or omission made by the Member in the Member's Membership and/or Financial Applications or Personal Health History form; 2) the Member fails to make payment to the Program of any fees, charges, costs, and expenses due within 30 days of the date due; 3) the Member does not abide by the rules and regulations adopted by Program and/or Corporation; 4) the Member breaches any of the terms and conditions of this Agreement; 5) the Member permanently relocates outside the Designated Service Area; 6) the Care Coordination Team reasonably determines that the Member poses a danger to him/herself or to others and Member or Member's Designated Representative refuses to allow the transfer of the Member from the Home Site or Facility to another facility; or 7) repeated conduct by the Member that is disruptive, hostile, illegal, or otherwise harmful to others or interferes with other Members', residents', staff's, or others' quiet enjoyment of a facility or service.

VIII. REFUNDS

A. **During the Rescission Period:** A refund of the Membership Fee paid, less a non- refundable fee of $1,000, less the Monthly Fee and additional fees, costs, and expenses or portion applicable to the time this Agreement was in effect, will be paid within 30 days following receipt of the written notice.

B. **Within the First 48 Months**: If the Member Services Agreement is terminated for any reason during the first 48 months following the Effective Date, the Member, or Member's estate, will receive a refund of the Membership Fee paid less: 1) a non-refundable fee of 4%of the Membership Fee, and 2) less a percentage of the Membership Fee for each month the Agreement remained in effect (full or partial without prorating and including the month in which the refund is payable), and 3) less any additional copayments, deductibles, fees, costs, and expenses accrued.

The Membership Fee shall amortize as follows:

- Months prior to use of services – 2% per month
- Starting with first month of services used – 4% per month

C. **When a Permanent Resident in Assisted Living or Skilled Nursing Facility**: When a Member becomes a permanent resident of an Assisted Living Facility or Skilled Nursing Facility as provided in Section IV. C. no refund of the Membership Fee will be paid.

D. **Payment of Refunds**. Any refund due shall be refunded within 120 days of the date of termination of this Agreement.

E. **After 48 Months**: If this Agreement is terminated after the first 48 months or after the Membership Fee has fully amortized in accordance with the amortization percentages set forth above, following the Effective Date, no refund shall be given.

F. **Right of Set-Off; Other Rights**. Program will have the right to set-off against any refund payable to Member under Section VII, any accrued Monthly Fees that may have been deferred, any additional fees, costs or charges or other amounts payable to Program under this Agreement and under any other agreement between Member and Corporation or any affiliate of Corporation and any costs or expenses that might be due, payable or incurred by Member due to Member's violation of this Agreement.

G. **Ability to Apply Net Membership Fee to Independent Living Entrance Fee**. Notwithstanding the foregoing provisions of this Article VIII, the full amount of the Membership Fee paid pursuant to this Agreement less: 1) a non-refundable fee of 4% of the Membership Fee; 2) any copayments, deductibles, fees, costs, or expenses paid or incurred by the Program for Services provided under this Agreement; and/or 3) any fees, costs or expenses due and owing to the Program by the Member under this Agreement may be credited towards any future Salemtowne retirement community entry fees for an independent living unit at Salemtowne but not for any assisted living, skilled nursing, memory care or other units, accommodation or residence at Salemtowne or any other community or facility. Such a credit shall apply to all Home Site Services Plans, including the Platinum, Gold, and Silver. In the event the Member enters into a Residence and Care Agreement with the Corporation for an independent living unit at Salemtowne, in accordance with this section, this Agreement shall automatically terminate and be of no further force and effect except for those rights, obligations, and terms that survive termination in accordance with Section IX. X. of this Agreement.

IX. GENERAL

A. **Compliance with Applicable Laws**. Corporation and Member will comply with all laws, rules, regulations, and ordinances promulgated by lawful governmental authorities.

B. **Right to Delegate.** Member acknowledges the right of Program to contract for the various services as provided by this Agreement, including, but not limited to, management services for the Program.

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

D. **Release of Medical Information.** The privacy of all Members will be protected as provided for by the Health Insurance Portability and Accountability Act (HIPAA), as amended, and other applicable regulations. Member hereby authorizes Corporation to release any medical information relating to Member to any doctor, hospital or other facility or individuals when it is deemed necessary or helpful in providing for Member's ongoing care or treatment, for the purpose of submitting claims for benefits payable for health care services or for carrying out or enforcing Member's and Corporation's rights and obligations under this Agreement. Member further authorizes the release of any information to Corporation from any health care provider when deemed necessary or beneficial for providing for Member's on-going care or treatment.

E. **Assignment**. Member's rights and privileges under this Agreement with respect to services and medical care are personal to the Member and may not be transferred or assigned by act of Member, or by any proceeding of law, or otherwise.

F. **Management of the Corporation**. The absolute rights of management are reserved by the Corporation, its Board of Trustees and its administrators as delegated by said Board of Trustees. The Corporation reserves the right to accept or deny any person for residency or membership. Members do not have the right to determine entry or terms of entry of any other Member. The Corporation reserves the right to amend, implement or terminate policies and/or guidelines related to the operation of the Program or the Community in its sole discretion. Salemtowne retains the exclusive authority to make all management decisions with regard to the management of Salemtowne, including decisions about admission and discharges, setting charges, Salemtowne's policies and procedures, and the scope of services offered by Salemtowne, consistent with state law and the terms of this Agreement.

G. **Uncontrollable Interruption of Service.** No breach of the Corporation's obligations under this Agreement and no liability for injury to you shall result from an interruption of, or failure to provide, the contracted services under this Agreement due to an act of God or other cause beyond the reasonable control of the Corporation, specifically including, but not limited to, strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquake, inclement weather, epidemic or pandemic, or acts of the Member.

H. **Moravian Affiliation**. The Corporation is affiliated with the Moravian Church in America, Southern Province ("Southern Province"). The Southern Province is not responsible for the financial and contractual obligations of the Corporation, including, without limitation, the financial and contractual obligations of the Program.

I. **Indemnity**. Member agrees to indemnify, defend and hold the Corporation harmless from any and all claims, damages or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with Member's acts or omissions or those of Member's guests including private duty nurses, companions, or others.

J. **Limitation on Liability**. You understand and agree that the services provided by the Corporation and others within Salemtowne are not designed to protect you from the everyday, normal risks and responsibilities of living, including, but not limited to, such general accidents and situations such as falling, choking on food, and weight loss and/or dehydration resulting from your failure to partake of food and drink. Additionally, you understand and agree that the services provided by the Corporation do not include one-on-one monitoring of you and that your expectations will be consistent with this understanding. The Corporation shall exercise reasonable care toward you based on your known condition. However, you agree that the Corporation is not an insurer of your welfare and safety. You agree that you will exercise due care to protect yourself from harm.

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

L. **Member Contracted Services**. If you wish to privately employ outside assistance, including Salemtowne employed staff, for whatever reason, all Salemtowne policies must be upheld, and prior written approval by Salemtowne management must be obtained. You agree to hold Salemtowne harmless in all situations related to the provisions of such outside services. The Corporation has the right to require termination of such a service at any time.

M. **Member Handbook**. Member will be given a current copy of the Member's Handbook as adopted by the Program. Member understands that this document will change from time to time.

N. **Entire Agreement**. This Agreement constitutes the entire agreement between the Corporation and Member regarding the Program. The Corporation shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent the Corporation, unless such statements, representations or promises are set forth in this Agreement or in an amendment to this Agreement signed by an authorized officer of the Corporation and by Member. Electronic or facsimile versions of this Agreement shall have the same legal effect as originals, and all of which, when fully executed, shall constitute one and the same instrument.

O. **Successors and Assigns**. Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, responsible parties, powers of attorney, administrators, and assigns of Member.

P. **Capacity**. This Agreement has been executed on the Corporation's behalf by the Corporation's duly authorized agent, and no officer, trustee, agent or employee of the Corporation shall have any personal liability hereunder to Member under any circumstances. If Member is, or becomes, unable to understand or communicate his or her health care or financial decision, and is determined by Member's attending physician to be incapacitated, then in the absence of Members' prior designation of an authorized legal representative, or upon the unwillingness or inability of a designated legal representative to act, Salemtowne shall have the right to commence a legal proceeding to adjudicate Member incapacitated and to have a court appoint a guardian for Member. The cost of the legal proceedings, including attorneys' fees, shall be paid by Member or Member's estate.

Q. **Tax Considerations**. Member should consult with his/her tax advisor regarding the tax considerations associated with this Agreement.

R. **Amendments and Partial Invalidation**. Generally, this Agreement can be changed only by mutual written consent. However, the Corporation reserves the right, upon thirty (30) days prior written notice to Member, to modify or amend this Agreement whenever doing so is necessary to correct errors, omissions, or inconsistencies, to provide clarification of intent, or to conform the documents to the requirements of local, state, or federal laws and regulations applicable to the Corporation, in particular, or to residential life care communities, in general, or whenever doing so is deemed by the Corporation to be in the best interest of the Corporation and the residents or members in light of changes in health insurance laws and coverages and/or local, state or federal tax laws or regulations.

S. **Governing Law; Venue; Disputes**. This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of North Carolina, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of laws or any jurisdiction other than North Carolina. Except to the extent that the parties have agreed to an alternative mechanism for the resolution of a dispute, to the full extent permitted by law, any action, suit, or proceeding arising out of or relating to this Agreement shall be brought and enforced in the courts of the State of North Carolina located in Forsyth County or of the United States District Court for the Middle District of North Carolina, and the parties hereby irrevocably submit to the exclusive jurisdiction of such courts and irrevocably waive any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in such courts.

T. **Behavior Deemed Harmful to Salemtowne or Program**. If Member is deemed competent and capable of controlling his or her behaviors and engages in behaviors deemed by the President/CEO to be disruptive, hostile, illegal, or otherwise harmful to others or to Salemtowne or Program, Salemtowne reserves the right to terminate this Agreement. If such a circumstance arises, Salemtowne will discuss the matter thoroughly with Member to provide Member with knowledge of the behaviors deemed intolerable by Salemtowne. Salemtowne will provide Member a written warning to desist from the behavior or any similarly disruptive, hostile, illegal, or harmful behavior. Upon determination that Member is continuing to engage in the behaviors against which Member has been warned, Salemtowne will have the right to terminate this Agreement.

U. **Gender**. Throughout this Agreement, the use of the masculine gender shall include the feminine.

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

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

X. **Survival**. Those rights and obligations that have accrued as a result of the operation of this Agreement shall survive its termination, as shall those rights and obligations that by their terms survive termination and any provisions that must survive to give effect to their terms, as shall any obligation of Member to pay costs or expenses of his or her participation in the Program that remain unpaid as of such termination.

Y. **Notices**. Any notices, consents, or other communications to the Corporation hereunder (collectively "notices") will be in writing and addressed to the Member as set forth in the first paragraph of this Agreement and to the Program as follows:

Chief Executive Officer
Salemtowne
1000 Salemtowne Drive
Winston-Salem, North Carolina 27106

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

Member understands this matter involves a financial commitment and associated risk, as well as a legally binding contract. Member was encouraged to consult with an attorney and/or financial advisor who could advise Member concerning this Agreement.

X. NOTICE OF CONSIDERATION OF RISKS

Because the authority to enter into continuing care without lodging 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 without lodging contract provision, prospective residents/members must carefully consider the risks, benefits, and costs before signing a continuing care without lodging contract and are strongly encouraged to seek financial and legal advice before doing so.

If you feel something has been promised to you, but it is not specifically mentioned in this Agreement, now is the time to discuss it before you sign this Agreement.

THE UNDERSIGNED MEMBER(S) ACKNOWLEDGES RECEIPT OF SALEMTOWNE'S CURRENT DISCLOSURE STATEMENT. THE DISCLOSURE STATEMENT WAS RECEIVED PRIOR TO THE EXECUTION OF THIS AGREEMENT, OR PRIOR TO OR AT THE TIME OF THE TRANSFER OF ANY MONEY OR OTHER PROPERTY TO SALEMTOWNE, WHICHEVER OCCURRED FIRST.

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

Your signature below certifies that you have read, understand, and accept this Agreement.

By: **Moravian Home Incorporated** **d/b/a Navigation at Home**	**By:** **Member**
______________________ (signature)	______________________ (signature)
______________________ Printed Name	______________________ Printed Name
______________________ Title	

ATTACHMENT A: NAVIGATION AT HOME SERVICE PLAN OPTIONS

The Program Plans below show the percentage of the Maximum Daily Benefit Amount covered by the Program for Services to Member.

Type of Service	Platinum	Gold	Silver
Care Coordination	100%	100%	100%
Home Site Services: Home Care Aide	100%	75%	50%
Companion / Homemaker	100%	75%	50%
Adult Day Care	100%	75%	50%
Transportation (as limited in Agreement)	100%	100%	100%
Facility-Based Services			
Adult Day Care Facility	100%	75%	50%
Assisted Living Facility	100%	75%	50%
Skilled Nursing Facility	100%	75%	50%

ATTACHMENT B: ADDITIONAL SERVICES AND COSTS

Home Site Services	**Charges***
Adult Day Care	$90 per day
Homemaker/Companion	$33 per hour
24-Hour Care	$768 per day
HHA/CNA	$35 per hour
Transportation	$35 per hour**
Care Coordination	$125 per hour
Facility-Based Services	
Assisted Living/Residential	$ 307 per day
Memory Care	$ 378 per day
Nursing Home	$ 519 per day

***These are **average** costs to Navigation at Home for services provided to Members. This information is published annually as required by the North Carolina Department of Insurance. Members will receive bills for services and/or insurance, co-pays, deductibles, and limitations as outlined in your Member Agreement. Listed costs do not necessarily reflect prevailing charges for services.

We will always bill a **minimum of one hour for any non-covered transportation provided.

Navigation

AT HOME

PROTECTION | COORDINATION | CARE

Care Coordination Only Plan
Member Agreement

Member: ______________________________________

Address: ______________________________________

____

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CARE COORDINATION ONLY PLAN MEMBER AGREEMENT

This Care Coordination Only Plan Member Agreement (the "Agreement") is made this _______day of _____________, _______("Effective Date") by and between MORAVIAN HOME, INCORPORATED d/b/a NAVIGATION AT HOME, a North Carolina nonprofit corporation (hereinafter the "Corporation"), and _______________________________ (hereinafter "Member", "You"), whose place of residence is at ___________________________ ____("Home", "Home Site").

WHEREAS, Corporation operates a continuing care retirement community (CCRC) located at 1000 Salemtowne Drive in Winston-Salem, North Carolina, known as "Salemtowne"; and

WHEREAS, Corporation has established a program known as Navigation at Home ("Program"), which allows its members to remain in their private residence while enjoying the traditional benefits of a continuing care retirement community; and

WHEREAS, You desire to become a Member of the Program and to use and enjoy the facilities, programs and services provided by the Program, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, Member and Corporation agree as follows:

I. DEFINITIONS

All terms not defined here shall have the meanings ascribed to them in the Agreement, or their common meaning.

Care Coordination Team Comprised of one or more staff of the Program, the Program's Medical Director (or his/her designee) and other clinical and operational professionals as deemed necessary by the Program. The Care Coordination Team may, at the Program's sole discretion, change titles and personnel from time to time.

Care Coordinator means the person appointed by the Program to handle the needs of the Member for services, for conducting health assessments, and for making recommendations for services, subject to review and final determination of the Member's eligibility for services by the Care Coordination Team.

Care Plan means the written plan of long-term care services, including type of service, start date, quantity, frequency, duration of service, name of provider or facility and any special considerations, which is developed and approved by the Care Coordination Team for Member based on a comprehensive needs assessment. The Care Plan is agreed to and signed by Member.

Initials ___________ ___________
Corporation **Member**

<u>Designated Service Area</u> means the Program's area of coverage for services, as defined by the Program. The Designated Service Area may be altered from timeto timeat the sole discretion of the Program. No change in the Designated Service Area by the Program will adversely affect this Agreement.

<u>Effective Date</u> means the date set forth in the first paragraph of this Agreement.

<u>Home or Home Site</u> means the Member's place of residence as indicated in the first paragraph of this Agreement or such other place of residence of member if member changes his or her place of residence. Home or Home Site does not include any assisted living, skilled nursing, memory care, rehabilitation, hospice, or any other similar unit, accommodation, or residence at Salemtowne or any other community or facility.

<u>Member</u> means the person accepted into the Program having signed a Care Coordination Only Plan Member Agreement and paid the Membership Fee and monthly fees.

II. SERVICES

Member agrees to accept and pay for the services in the manner set forth in this Agreement and to abide by the rules and regulations of the Program with respect to the services, which such rules and regulations may be changed from time-to-time by the Program.

A. **<u>Care Plan and Care Coordination</u>**. Upon becoming a Member, you will be partnered with a Care Coordinator. Under the direction of a Care Coordinator, the Care Coordination Team, in consultation with the Member and/or the Member's Designated Representative, shall prepare a wellness plan and an annual health assessment. Up to two (2) hours of Care Coordination per month, non-cumulative, for the development of a Care Plan to meet the Member's particular needs will be included in the Monthly Fee (defined in Section IV.B). The cost for additional Care Coordination or any other services provided by the Care Coordinator or a member of the Care Coordination Team employed by the Program will be billed to Member at the Hourly Rate (defined in Section IV.C).

B. **<u>Common Facilities</u>**. Member shall have access to certain common facilities at Salemtowne that are otherwise available for the use and benefit of residents of Salemtowne, which may include dining venues, library, heated swimming pool, multi-purpose rooms, art studio, and others as described in the then current literature. Use of the common facilities will be available for use by the Member where there is capacity and such use shall be subject to change or restriction from time to time at the sole discretion of the Program. Member will be responsible for all dining and applicable activity charges.

C. **<u>Lifestyle and Wellness Programs</u>**. The Program, from time to time, may offer scheduled social, physical, intellectual, or spiritual events or activities designed to meet the needs of Members. Members will be advised of the schedules and the cost of these programs on an as-offered basis. Member will be responsible for these additional fees, costs and charges, if any.

III. AGREEMENT REQUIREMENTS AND PROCEDURES

A. **Condition of Membership**. Navigation at Home is available to persons 62 years of age or older who meet all eligibility requirements established by Program. As a condition of membership, Member must continueto meet all eligibility requirements established by the Program, including but not limited to financial qualifications and health assessments to ensure that Member's health needs can be accommodatedthrough the Program. Memberagrees to provide such additional information that Program may require from time to time to supplement the Application. The contract requirements for membership in the Care Coordination Only Plan require your spouse or person living in your home to qualify for one of the Program's Membership Plans (Membership Plans currently offered are the All Inclusive, Enhanced, Classic, or Access plans.) and to have entered into a separate Member Services Agreement with Navigation at Home. Program will accept single applicants for Care Coordination Only if the Program approves the applicant medically for this plan and the applicant does not need assistance at the time of application.

B. **Representations**. The Member affirms that the representations made in the Membership Application and Financial Disclosure are true and correct and may be relied upon by the Program as a basis for entering into this Agreement.

C. **Portability**. Member may request to permanently relocate from the Designated Service Area after one year of Membership. Approval of requests to provide Services outside the Designated Service Area are at the sole discretion of the Program and will be based on the ability to provide Services as well as current regulations. As of the date of this contract, Department of Insurance regulations do not allow the Program to provide Services to Members who have permanently relocated outside of the State of North Carolina. If the request is not approved or the Member permanently relocates outside the State of North Carolina, membership will be terminated in accordance with Section VII.B.

D. **Relocation to Independent Living at Salemtowne**. Should the Member desire to become a resident of Salemtowne continuing care retirement community, the Member will be subject to, and shall comply with, the entry requirements of the retirement community and applicable payment of fees including, but not limited to, providing the Corporation updated medical and financial information in order to determine Member's ability to live independently and to afford the additional entry fee and higher monthly service fees required for residency in the particular reserved unit. The Corporation reserves the right to decline Member's admission to Salemtowne for residency if Member's medical and financial circumstances have changed so that you are not able to live independently or are not able to afford the additional entry fee and higher monthly service fees required for residency in the particular reserved unit. Member shall have the right to continue or terminate this Agreement.

IV. FEES, TERMS AND CONDITIONS

A. **Membership Fee.** The Member agrees to pay the Program a one-time nontransferable, non-interest bearing Membership Fee in the amount of _______(“Membership Fee”) as a condition of becoming a Consultative Care Plan Member in the Program.

B. **Monthly Fee**. In addition to the Membership Fee, Member agrees to pay a monthly fee (“Monthly Fee”) for the term of this Agreement, which shall be payable in advance by the tenth (10th) day of each month. As of the date of this Agreement, the Monthly Fee associated with the Car Coordination Only Plan will be $________per month. After paying the Membership Fee, Member will commence paying the Monthly Fee. Monthly Fees are not subject to change or credit if a Member is away from the Home Site for any period of time.

C. **Hourly Rate**. In addition to the Membership Fee, Member agrees to pay an hourly rate (“Hourly Rate”) for all services provided to the Member by the Care Coordinator or a member of the Care Coordination Team employed by the Program if coordination is needed over two hours per month, non-cumulative. As of the date of this Agreement, the Hourly Rate will be $___________________per hour.

D. **Adjustments in the Monthly Fee and the Hourly Rate**. The Program will usually set fees annually but shall have the authority to adjust the Monthly Fee and/or the Hourly Rate from time to time as necessary to continue operating on a sound financial basis and to maintain the quality of services called for herein. The Program, upon thirty (30) days written notice to the Member, may make any such increases in the Monthly Fee and/or Hourly Rate.

Initials ___________ ___________
Corporation **Member**

E. **Monthly Statements**. At the beginning of each month, the Program will furnish the Member with monthly statements showing the service fees, costs and charges owed by the Member that shall be payable by the 10th day of the month. Program may charge interest at a rate of one and one-half percent (1.5%) per month on any unpaid balance. In the event Member does not make payment on a timely basis, Member agrees to pay attorney’s fees, if any, incurred by the Program in the collection of such fees. Member may not withhold fees owed to the Program for any reason. In the event of non-payment of the fees, Program reserves the right to terminate this Agreement.

F. **Costs.** Except as specifically provided in Section II.A. of this Agreement, Member shall be solely responsible for all of the fees, costs and charges for services, products or equipment provided to Member, including, without limitation, all fees. costs and charges for services not covered by Medicare Parts A and B and Medicare Supplemental Coverage and for payments exceeding Medicare and Member’s supplemental coverage limits, including but not limited to: audiological tests and hearing aids; eye glasses and refractions; dentistry; dentures; dental inlays; organ transplants; orthopedic appliances; occupational, physical and speech therapy; podiatry; hospitalization and professional care for psychiatric disorders; treatment for alcohol or drug abuse medications; chiropractors; renal dialysis; extraordinary treatments; and experimental treatments. Member will also be responsible for the cost of all assisted living or skilled nursing facilities and services, prescription medicines, physician services, private duty nursing services, out-patient services, physical therapy, occupational therapy, speech therapy, IV therapy, respiratory therapy, oxygen, hospitals, eye glasses, hearing aids, dentistry, orthopedic appliances, therapy for psychiatric disorders, treatment for mental illness, incontinent supplies, renal dialysis, personal laundry, non-medical supplies, routine or emergency transportation.

G. **Non-Payment**. If Member fails to make any payments at the required time, or pay any other amounts due to the Program on the monthly statement provided to Member by the Program within thirty (30) days after it is billed to the Member, the Program may give written notice to the Member to pay all such amounts. If the Member fails to comply with such notice within fifteen (15) days, the Program may terminate this Agreement.

H. **Transfer of Property**. The Member agrees not to make any gift or other transfer of assets for the purpose of evading the Member's obligations under this Agreement, or if such gift or transfer would render such Member unable to meet such obligations under this Agreement.

I. **Amount Due**. Member or Member's estate shall be liable to the Program for the full amount of any unpaid fees, costs and charges. This Agreement shall operate as a lifetime assignment, transfer and conveyance to the Program of so much of such Member's property as is necessary to cover such liability.

J. **Emergency Notifications**. Member agrees to provide Program with the following information prior to the Effective Date of this Agreement, as well as any changes during the term of this Agreement:

- Names, addresses and phone numbers of persons to notify in an emergency (minimum of two are required)
- Names, addresses and phone numbers of lawyer and executor
- Names, address and phone numbers of Powers of Attorney
- Names, address and phone numbers for pet emergency contacts, if applicable

V. RESCISSION PERIOD

A. **Rescission**. This Agreement may be rescinded by Member by giving written notice of such rescission to Program within thirty (30) days following the latter of the execution of this Agreement or the receipt of the Disclosure Statement.

VI. TERMINATION

A. **By Member:** The Member may terminate this Agreement for any reason by providing written notice of such termination at least 30 days in advance of the termination date. In the case of death of the Member, this Agreement shall automatically terminate.

B. **By Navigation at Home:** The Corporation may terminate this Agreement if:
1) there has been a material misrepresentation or omission made by the Member in the Member's Membership and/or Financial Applications or Personal Health History form; 2) the Member fails to make payment to the Program of any fees, costs or charges due within 30 days of the date due; 3) the Member does not abide by the rules and regulations adopted by Program and/or Corporation; 4) the Member breaches any of the terms and conditions of this Agreement; 5) the Member permanently relocates outside the Designated Service Area, 6) the Care Coordination Team reasonably determines that the Member poses a danger to him/herself or to others and Member or Member's Designated Representative refuses to allow the transfer of the Member from the Home Site or facility to another facility, or 7) repeated conduct by the Member that is disruptive, hostile, illegal, or otherwise harmful to others or interferes with other Members', residents', staff's, or others' quiet enjoyment of a facility or service.

C. **Spouse or Household Member Death, Termination, or Move From the Residence:** Should the qualifying spouse or household member who has entered into a separate Member Services Agreement with Navigation at Home die, terminate his or her membership or move from the Member's residence, which originally qualified you for membership under this, such event(s) will not terminate your membership in the Care Coordination Only Plan.

VII. REFUNDS

A. **During the Rescission Period:** A refund of the Membership Fee paid, less a non-refundable fee of $1,000, less any fees, costs and expenses or portion applicable to the time this Agreement was in effect owed by Member to the Program, will be paid within 30 days following receipt of the written notice.

B. **After the Rescission Period:** If this Agreement is terminated after the Rescission Period, no refund shall be given.

C. **Right of Set-Off; Other Rights**. Program will have the right to set-off against any refund payable to Member under Section VIII, any accrued Monthly Fees that may have been deferred, any additional fees, costs or charges or other amounts payable to Program under this Agreement and under any other agreement between Member and Corporation or any affiliate of Corporation and any fees, costs or expenses that might be due, payable or incurred by Member due to Member's violation of this Agreement.

VIII. GENERAL

A. **Compliance with Applicable Laws**. Corporation and Member will comply with all laws, rules, regulations, and ordinances promulgated by lawful governmental authorities.

B. **Right to Delegate**. Member acknowledges the right of Program to contract for the various services as provided by this Agreement, including, but not limited to, management services for the Program.

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

D. **Release of Medical Information**. The privacy of all Members will be protected as provided for by the Health Insurance Portability and Accountability Act (HIPAA), as amended, and other applicable regulations. Member hereby authorizes Corporation to release any medical information relating to Member to any doctor, hospital or other facility or individuals when it is deemed necessary or helpful in providing for Member's ongoing care or treatment, for the purpose of submitting claims for benefits payable for health care services or for carrying out or enforcing Member's and Corporation's rights and obligations under this Agreement. Member further authorizes the release of any information to Corporation from any health care provider when deemed necessary or beneficial for providing for Member's on-going care or treatment.

E. **Assignment.** Member's rights and privileges under this Agreement with respect to services and medical care are personal to the Member and may not be transferred or assigned by act of Member, or by any proceeding of law, or otherwise.

F. **Management of the Corporation**. The absolute rights of management are reserved by the Corporation, its Board of Trustees and its administrators as delegated by said Board of Trustees. The Corporation reserves the right to accept or deny any person for residency or membership. Members do not have the right to determine entry or terms of entry of any other Member. The

Corporation reserves the right to amend, implement or terminate policies and/or guidelines related to the operation of the Program or the Community in its sole discretion. Salemtowne retains the exclusive authority to make all management decisions with regard to the management of Salemtowne, including decisions about admission and discharges, setting charges, Salemtowne's policies and procedures, and the scope of services offered by Salemtowne, consistent with state law and the terms of this Agreement.

G. **Uncontrollable Interruption of Service**. No breach of the Corporation's obligations under this Agreement and no liability for injury to you shall result from an interruption of, or failure to provide, the contracted services under this Agreement due to an act of God or other cause beyond the reasonable control of the Corporation, specifically including, but not limited to, strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquake, inclement weather, epidemic or pandemic, or acts of the Member.

H. **Moravian Affiliation**. The Corporation is affiliated with the Moravian Church in America, Southern Province ("Southern Province"). The Southern Province is not responsible for the financial and contractual obligations of the Corporation, including, without limitation, the financial and contractual obligations of the Program.

I. **Indemnity**. Member agrees to indemnify, defend and hold the Corporation harmless from any and all claims, damages or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with Member's acts or omissions or those of Member's guests including private duty nurses, companions, or others.

J. **Limitation on Liability**. You understand and agree that the services provided by the Corporation and others within Salemtowne are not designed to protect you from the everyday, normal risks and responsibilities of living, including, but not limited to, such general accidents and situations such as falling, choking on food, and weight loss and/or dehydration resulting from your failure to partake of food and drink. Additionally, you understand and agree that the services provided by the Corporation do not include one-on-one monitoring of you and that your expectations will be consistent with this understanding. The Corporation shall exercise reasonable care toward you based on your known condition. However, you agree that the Corporation is not an insurer of your welfare and safety. You agree that you will exercise due care to protect yourself from harm.

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

L. **Member Contracted Services**. If you wish to privately employ outside assistance, including Salemtowne employed staff, for whatever reason, all Salemtowne policies must be upheld, and prior written approval by Salemtowne management must be obtained. You agree to hold Salemtowne harmless in all situations related to the provisions of such outside services. The Corporation has the right to require termination of such a service at any time.

M. **Member Handbook**. Member will be given a current copy of the Member's Handbook as adopted by the Program. Member understands that this document will change from time to time.

N. **Entire Agreement**. This Agreement constitutes the entire agreement between the Corporation and Member regarding the Program. The Corporation shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent the Corporation, unless such statements, representations or promises are set forth in this Agreement or in an amendment to this Agreement signed by an authorized officer of the Corporation and by Member. Electronic or facsimile versions of this Agreement shall have the same legal effect as originals, and all of which, when fully executed, shall constitute one and the same instrument.

O. **Successors and Assigns**. Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, responsible parties, powers of attorney, administrators, and assigns of Member.

P. **Capacity**. This Agreement has been executed on the Corporation's behalf by the Corporation's duly authorized agent, and no officer, trustee, agent or employee of the Corporation shall have any personal liability hereunder to Member under any circumstances. If Member is, or becomes, unable to understand or communicate his or her health care or financial decision, and is determined by Member's attending physician to be incapacitated, then in the absence of Members' prior designation of an authorized legal representative, or upon the unwillingness or inability of a designated legal representative to act, Salemtowne shall have the right to commence a legal proceeding to adjudicate Member incapacitated and to have a court appoint a guardian for Member. The cost of the legal proceedings, including attorneys' fees, shall be paid by Member or Member's estate.

Q. **Tax Considerations**. Member should consult with his/her tax advisor regarding the tax considerations associated with this Agreement.

R. **Amendments and Partial Invalidation**. Generally, this Agreement can be changed only by mutual written consent. However, the Corporation reserves the right, upon thirty (30) days prior written notice to Member, to modify or amend this Agreement whenever doing so is necessary to correct errors, omissions, or inconsistencies, to provide clarification of intent, or to conform the documents to the requirements of local, state, or federal laws and regulations applicable to the Corporation, in particular, or to residential life care communities, in general, or whenever doing so is deemed by the Corporation to be in the best interest of the Corporation and the residents or members in light of changes in health insurance laws and coverages and/or local, state or federal tax laws or regulations.

S. **Governing Law; Venue; Disputes**. This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of North Carolina, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of laws or any jurisdiction other than North Carolina. Except to the extent that the parties have agreed to an alternative mechanism for the resolution of a dispute, to the full extent permitted by law, any action, suit, or proceeding arising out of or relating to this Agreement shall be brought and enforced in the courts of the State of North Carolina located in Forsyth County or of the United States District Court for the Middle District of North Carolina, and the parties hereby irrevocably submit to the exclusive jurisdiction of such courts and irrevocably waive any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in such courts.

T. **Behavior Deemed Harmful to Salemtowne or Program**. If Member is deemed competent and capable of controlling his or her behaviors and engages in behaviors deemed by the President/CEO to be disruptive, hostile, illegal, or otherwise harmful to others or to Salemtowne or Program, Salemtowne reserves the right to terminate this Agreement. If such a circumstance arises, Salemtowne will discuss the matter thoroughly with Member to provide Member with knowledge of the behaviors deemed intolerable by Salemtowne. Salemtowne will provide Member a written warning to desist from the behavior or any similarly disruptive, hostile, illegal, or harmful behavior. Upon determination that Member is continuing to engage in the behaviors against which Member has been warned, Salemtowne will have the right to terminate this Agreement.

U. **Gender.** Throughout this Agreement, the use of the masculine gender shall include the feminine.

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

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

X. **Survival.** Those rights and obligations that have accrued as a result of the operation of this Agreement shall survive its termination, as shall those rights and obligations that by their terms survive termination and any provisions that must survive to give effect to their terms, as shall any obligation of Member to pay costs or expenses of his or her participation in the Program that remain unpaid as of such termination.

Y. **Notices.** Any notices, consents, or other communications to the Corporation hereunder (collectively "notices") will be in writing and addressed to the Member as set forth in the first paragraph of this Agreement and to the Program as follows:

Chief Executive Officer
Salemtowne
1000 Salemtowne Drive
Winston-Salem, North Carolina 27106

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

Member understands this matter involves a financial commitment and associated risk, as well as a legally binding contract. Member was encouraged to consult with an attorney and/or financial advisor who could advise me concerning this Agreement.

THE UNDERSIGNED MEMBER(S) ACKNOWLEDGES RECEIPT OF SALEMTOWNE'S CURRENT DISCLOSURE STATEMENT. THE DISCLOSURE STATEMENT WAS RECEIVED PRIOR TO THE EXECUTION OF THIS AGREEMENT, OR PRIOR TO OR AT THE TIME OF THE TRANSFER OF ANY MONEY OR OTHER PROPERTY TO SALEMTOWNE, WHICHEVER OCCURRED FIRST.

Initials ____________ ____________
Corporation **Member**

NOTICE OF CONSIDERATION OF RISKS

BECAUSE THE AUTHORITY TO ENTER INTO CONTINUING CARE WITHOUT LODGING 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 WITHOUT LODGING CONTRACT PROVISION, PROSPECTIVE RESIDENTS/MEMBERS MUST CAREFULLY CONSIDER THE RISKS, BENEFITS, AND COSTS BEFORE SIGNING A CONTINUING CARE WITHOUT LODGING CONTRACT AND ARE STRONGLY ENCOURAGED TO SEEK FINANCIAL AND LEGAL ADVICE BEFORE DOING SO.

If you feel something has been promised to you, but it is not specifically mentioned in this Agreement, now is the time to discuss it – before you sign this Agreement.

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

Your signature below certifies that you have read, understand and accept this Agreement.

By:	By:
MORAVIAN HOME, INCORPORATED d/b/a NAVIGATION at HOME	**MEMBER**
______________________ (signature)	______________________ (signature)
______________________ Printed Name	______________________ Printed Name
______________________ Title	

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Appendix E — Examination Report

The North Carolina Department of Insurance has not conducted an examination of this provider under Article 64A.

Appendix F — Statutory Ratio and Supporting Definitions

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

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

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

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

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

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

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

Debt Service Coverage Ratio. *"A capital structure ratio that measures a provider's ability to pay annual debt service with cash flow from net cash revenues and net entrance fee receipts. The quotient shall be calculated by dividing the sum of total excess of revenues over or under expenses plus interest expense, depreciation expense, amortization expense, other noncash operating losses or expenses, and net cash proceeds from entrance fees, minus entrance fee amortization, entrance fee refunds contractually past due, and other noncash operating gains or revenues divided by annual debt service. Entrance fees received from the initial residents of independent living units at a continuing care retirement community that have been financed in whole or in part with the proceeds of* *indebtedness shall be excluded from the net proceeds from entrance fees up to an amount equal to the aggregate of the principal amount of the indebtedness."* (G.S. 58-64A-5(17))

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

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

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

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

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

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

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

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

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