



## **Disclosure Statement**

### **Windsor Point Continuing Care Retirement Community**

**Provider: Windsor Point, Incorporated**

**Date of Disclosure Statement: 04/22/2026**

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

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

## Financial Snapshot: Key Ratios for Windsor Point, Inc.

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

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

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3	NC 25 <sup>th</sup> % <sup>1</sup>	NC 50 <sup>th</sup> % <sup>1</sup>	NC 75 <sup>th</sup> % <sup>1</sup>
<b>DCOH</b>	379	378	385	432	446	455	—	—	—
<b>CUSH</b>	N/A	N/A	965X	917x	961x	998x	—	—	—
<b>OR</b>	104.08%	105.91%	100.72%	100.57%	99.91%	99.26%	—	—	—
<b>NOM</b>	9.31%	5.76%	10.09%	9.59%	9.90%	10.20%	—	—	—
<b>NOM-A</b>	20.80%	15.76%	22.04%	21.31%	20.40%	20.51%	—	—	—
<b>DSCR</b>	N/A	N/A	104.63X	83.78X	88.25X	92.79x	—	—	—
<b>CD</b>	N/A	N/A	964.71.X	917.01X	961.17X	997.83X	—	—	—
<b>CED</b>	4.20X	2.37X	0.51X	0.62X	0.59X	.051X	—	—	—

### Liquidity Ratios:

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

### Profitability Ratios:

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

### Capital Structure Ratios:

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

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

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

# Table of Contents

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

33. Five-Year Prospective Financial Statements .....	27
34. Variances from Prospective Financial Statements .....	27
35. Key Financial Metrics .....	28
36. Actuarial Opinion and Balance .....	30
37. Most Recent Department Examination Report .....	31
38. Other Material Information .....	31
39. Contract Forms and Attachments .....	31
40. Appendix Index.....	32
Appendix A — Audited Financial Statements .....	33
Appendix B — Five-Year Prospective Financial Statements .....	34
Appendix C — Statement of Actuarial Opinion.....	35
Appendix D — Representative Contract(s).....	36
Appendix E — Examination Report.....	37
Appendix F — Statutory Ratio and Supporting Definitions.....	38

# 1. Provider Identification

## Legal Responsibility for Continuing Care

Windsor Point, Inc. is the entity that enters into continuing care 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)

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

Item	Information
<b>Legal Provider Name:</b>	Windsor Point, Inc.
<b>Doing Business As (DBA):</b>	Windsor Point Continuing Care Retirement Community
<b>Business Address:</b>	1221 Broad St., Fuquay-Varina, NC 27526
<b>Telephone Number:</b>	(919) 552-4580
<b>Legal Entity Type:</b>	For profit corporation organized under the laws of North Carolina
<b>For-Profit / Nonprofit Status:</b>	For profit
<b>Federal Tax Status:</b>	Subchapter S Corporation of the Internal Revenue Code
<b>Ownership Type:</b>	Privately owned and controlled for profit organization. The provider is not part of any publicly held or publicly traded corporate system.
<b>Tax Filing Status:</b>	Current on all required federal and state tax filings
<b>Ownership / Control:</b>	Windsor Point, Inc. is a for profit corporation whose sole member is Windsor Point, Inc., a North Carolina for profit corporation

## 2. Organizational Structure

### 2.1 Multi-Entity Organization Status

Windsor Point, Inc. is not a part of a multi-entity organization.

### 2.2 Consolidation of Financial Statements

Audited financial statements are not consolidated with any other organization.

### 2.3 Controlling Person

Item	Information
<b>Name:</b>	Windsor Point, Inc.
<b>Business Address:</b>	1221 Broad St., Fuquay-Varina, NC 27526
<b>Telephone Number:</b>	(919) 552-4580

### 2.4 Company Structure Chart

Windsor Point, Inc

## 3. Key Persons and Management Personnel

### 3.1 Senior Officers/ Board of Directors of Windsor Point Inc.

Name / Role	Education	Experience	Length of Service
<b>Florence Johnson - President</b>	BA UNC Chapel Hill, Sociology Assisted Living Administrator	49+ years in senior-living operations; serves as Chief Executive Officer. Former Assisted living administrator and former Executive Director of Windsor Point Inc.	32 years (since 03/01/1995); serves as Chief Executive Officer, employee of Windsor Point, Inc. President since 2019.
<b>Robert Evans – Vice President.</b>	BS NC State University Accounting & Economics	34 + years in Senior Living Operations	32 years (since 03/01/1995); serves as Vice President and part time consultant
<b>Cole Evans – Treasurer</b>	BA UNC Wilmington	3 years in senior-living operations in finance.	1 year as Treasurer
<b>Kisa Evans – Secretary</b>	B.S in Accounting, NC State	Been in Long Term Care since 2000. Works in administration with emphasis on the regulatory and management side.	Served 26 years as consultant and 9 years as Secretary.

**Business Address:** 1221 Broad St., Fuquay-Varina, NC 27526

**Disclosure:** No Officer or Director has any Adverse Disclosures.

Florence Johnson owns 10% and Robert Evans owns 12% of Stan Johnson and Ass. LLC that leases the real property to Windsor Point Inc. Riley Evans is the managing member of Greenbrier LLC that owns 11% of Stan Johnson and Ass. LLC that leases the real property Windsor Point Inc.

### 3.2 Community Management – Windsor Point Continuing Care Retirement Community

Name / Role	Education	Experience	Length of Service
<b>Sharon Jones – Executive Director</b>	Trained in Finance and Community Management Senior Living Management	20 years in banking and 24 years as Finance Manager and Co Director of Windsor Point. Last two years as the Acting Executive Director	27 years as (since 03/01/1999); serves as 7 years with management employee of Windsor Point, Inc.
<b>Katherine Buie – Healthcare Administrator</b>	BA in English Communication Mount Olive College	19 years in Senior Care. Assisted Living Administrator.	Assisted Living Administrator since 2007. Nursing home Administrator since 2024. Employee of Windsor Point, Inc.

**Business Address:** 1221 Broad St., Fuquay Varina, NC 27526

**Disclosure:** No officer, director or senior staff member of the community has been convicted of a felony or pleaded nolo contendere to a felony charge; has been held liable or enjoined by final judgement in a civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation of property; or is subject to a currently effective injunction or restrictive court order, or within the past 5 years has had any state or federal license or permit suspended or revoked as a result of governmental action.

### 3.3 Board of Directors – Windsor Point Inc

<b>Name / Role</b>	<b>Education</b>	<b>Experience</b>	<b>Length of Service</b>
<b>Florence Johnson - President</b>	BA UNC Chapel Hill, Sociology Assisted Living Administrator	49+ years in senior-living operations; serves as Chief Executive Officer. Former Assisted living administrator and former Executive Director of Windsor Point Inc.	32 years (since 03/01/1995); serves as Chief Executive Officer, employee of Windsor Point, Inc. President since 2019.
<b>Robert Evans – Vice President.</b>	BS NC State University Accounting & Economics	34 + years in Senior Living Operations	32 years (since 03/01/1995); serves as Vice President and part time consultant
<b>Cole Evans – Treasurer</b>	BA UNC Wilmington	3 years in senior-living operations in finance.	1 year as Treasurer
<b>Kisa Evans – Secretary</b>	B.S in Accounting, NC State	Been in Long Term Care since 2000.	Served 26 years as consultant and 9 years as Secretary.
<b>Riley Evans – Director</b>	BS NC State, Licensed Assisted Living Administrator	30 + Experienced contractor, administrator of Long-Term Care	Served as a director since 2011, 15 years.
<b>Sharon Jones - Director</b>	Trained in Finance and Community Management	20 years in banking and 24 years as Finance Manager and Co Director of Windsor Point. Last two years as the Acting Executive Director	Been an employee for 27 years. (since 03/01/1999). Served 20 years as Treasurer and 2 years as a Director.
<b>Hugh Campbell III Director</b>	BS In accounting Lenoir Rhyne	CPA and Licensed Assisted Living Administrator	1 year

**Business Address:** 1221 Broad St., Fuquay-Varina, NC 27526

**Disclosure:** No Officer or Director has any Adverse Disclosures.

Florence Johnson owns 10% and Robert Evans owns 12% of Stan Johnson and Ass. LLC that leases the real property to Windsor Point Inc. Riley Evans is the managing member of Greenbrier LLC that owns 11% of Stan Johnson and Ass. LLC that leases the real property Windsor Point Inc.

### **3.4 Management Entity – Windsor Point Inc**

- **Nature of Role:** Windsor Point Inc, a for profit organization employs the Chief Financial Officer, Executive Director, Health Care Administrator and the Chief Executive office which provides on-site management and administrative services to Windsor Point Continuing Care Community.
- **Business Address:** 1221 Broad Street, Fuquay Varina, NC 27526
- **Key Officers:** Florence Johnson (President and CEO), Cole Evans (CFO)-see Senior Officers of Windsor Point, Inc for education, experience, and length of service.

### **3.5 10% + Ownership Interests**

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

Windsor Point, Inc. is a privately held for profit corporation and its controlling person, Windsor Point, Inc., is an organized for-profit corporation. Florence Johnson, Chief Executive Officer owns 50% of Windsor Point, Inc. Robert Evans, Vice President and Director, owns 12% of Windsor Point, Inc.

## **4. Governing Body and Oversight**

### **4.1 Provider Governing Body**

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

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

#### **4.1.1 Selection of Members**

Directors are appointed by Windsor Point, Inc.'s sole corporate member, Windsor Point, Inc. Directors serve lifetime, unless they step down. Then the remaining Officers of the Board (Chair, Vice Chair, Treasurer, and Secretary) will elect new members.

#### 4.1.2 Oversight of Management and Operations

The Board delegates day-to-day operations of Windsor Point Continuing Care Retirement Community and Windsor Point, Inc. to the Executive Director and senior management employed by Windsor Point, Inc. The Board maintains oversight through:

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

#### 4.1.3 Committees

Windsor Point, Inc. Board maintains standing committees for:

- **Finance:** budget review, financial performance monitoring.
- **Quality and Resident Experience:** care quality, regulatory compliance, and resident engagement.
- **Strategic Planning:** long-term planning, risk management and market development

#### 4.2 Controlling Person Governing Body

Windsor Point Inc is the provider and controlling person of Windsor Point Inc.

Refer to 4.1

#### 4.3 Division of Responsibilities

Not applicable

### 5. Related Parties

Windsor Point Inc. has entered into a lease agreement with Stan Johnson and Associates LLC., a company related through common ownership. This arrangement exceeded \$5,000 in FY2025 and is therefore disclosed below. For purposes of this section, Actual/Probable Cost refers to the cost incurred by Windsor Point, Inc

#### 5.1 Stan Johnson and Associates, LLC.

- **Nature of Relationship:** For profit LLC that provides buildings and land to Windsor Point, Inc.
- **Goods/Leases/Services Provided:** Leases land and buildings to Windsor Point, Inc.
- **Actual/Probable Cost:** The cost was \$2,515,370 in FY2025,

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

Windsor Point has no relationship with a religious, charitable, or educational organization.

## **7. Other Persons Responsible for Obligations**

No other person or entity is responsible for the financial or contractual obligations of Windsor Point, Inc.

## **8. Obligated Groups**

Windsor Point, Inc. is not a member of any obligated groups

## **9. Debt Covenants and Compliance**

Windsor Point, Inc. is not subject to any debt covenants.

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

The provider does not employ a third-party manager to operate the continuing care retirement community

## **11. Real Property Leases**

Windsor Point Inc. has entered into a lease agreement with Stan Johnson and Ass. LLC., a company related through common ownership. The current lease agreement began in January 2015 and expires in December 2029, including renewal options exercised by management. Lease payments are \$210,160 per month and may increase annually by 1.0% at the discretion of the lessor. Windsor Point Inc is responsible for repairs, taxes, and other expenses.

## **12. Endowment Funds**

Windsor Point, Inc. does not have endowment fund.

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

The campus of Windsor Point is located at 1221 Broad Street in Fuquay-Varina, North Carolina. It is situated on 17 beautifully landscaped acres. The community is conveniently

located within easy access to shopping centers, churches and community and recreational facilities.

The community consists of a central complex made up of Independent Living units, healthcare facilities, and common areas. One of the primary aspects of the campus is the Florence Thompson Community Center. Included in the Community Center is the Clyde Evans Social Hall for cultural events, community affairs, and entertainment. Other amenities include a convenience store, library, media center, access to Wi-Fi, arts and activities room, beauty and barber shop, multipurpose auditorium, and dining room. Pharmacy services are available for residents, and our business center offers check cashing and postal services. Located adjacent to the community center is the Kelly Health Facility, which includes on-site physical therapy and a clinic for minor treatments and assessments. The S. Ray Johnson wellness center includes an indoor pool, hot tub, fitness room and an outside garden room for residents' relaxation and is available year-round.

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

As of December 31, 2025, Windsor Point Continuing Care Retirement Community included:

- 181 independent living units (152 apartments and 29 cottages)
- 35 assisted living beds
- 20 assisted living memory care beds
- 45 skilled nursing beds

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

Windsor Point, Inc does not operate a continuing care at home program.

## **16. Resident Population Served**

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

- 157 residents in independent living
- 32 residents assisted living
- 24 residents in skilled nursing

As of March 31, 2026, the community maintained a waitlist for admission to independent living consisting of 8 individuals. Individuals on the waitlist are prospective applicants and are not residents of the community unless and until they have executed a continuing care contract and commenced residency.

To be placed on the independent living waitlist, prospective applicants are required to submit a \$1500.00 waitlist deposit. The waitlist deposit is fully refundable and is not considered an entrance fee. If the applicant later enters 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.

Windsor Point has 5 units under contract that have not moved in currently.

**17. Occupancy Rates**

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

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

<b>Fiscal Year-End</b>	<b>Independent Living (%)</b>	<b>Assisted Living (%)</b>	<b>Skilled Nursing (%)</b>
12/31/2025	87%	87%	60%
12/31/2024	91%	92%	51%
12/31/2023	84%	98%	67%
12/31/2022	90%	94%	69%
12/31/2021	91%	89%	64%

**18. Semiannual Resident Meetings**

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

**Fiscal Year 2025 Meeting Dates**

- May 20, 2025
- November 18, 2025

As required by law, an independent member of the provider’s board of directors was present at each of the meetings ( Hugh Campbell on May 20, 2025, and Hugh Campbell on November 18, 2025).

## **19. Resident Property Rights**

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

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

Windsor Point Continuing Care Retirement Community offers services under a continuing care contract. The following disclosures describe the services included in the contract, as well as those available for additional charge.

### **20.1 Health Care Services**

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

Health Care services require appropriate medical forms to be filled out by the resident's doctor. Before admission to the Health Care Center, residents must sign an additional health care contract which outlines Windsor Point's health care policies and regulations dictated by the state.

If Windsor Point's Medical Director determines that the Health Care Center cannot meet the residents' needs, the resident will be transferred to an appropriate health care facility selected by Windsor Point. During the time that the resident is in another facility, the resident will continue to pay the monthly service to Windsor Point CCRC. If the resident does not return to Windsor Point CCRC, the contract will be terminated.

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

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

#### **20.2.1 Services Included in Monthly Fees for Independent Residents**

- One daily meal in the community dining room (independent living; three daily meals in Regency Court and Royal Treatment)
- Weekly housekeeping and linen service
- Scheduled local transportation
- Basic utilities, including electricity, water, heating, air conditioning.
- Basic cable in Regency Court

- Use of community amenities (wellness center, library, auditorium, gardens, walking trails)
- Social, cultural, and recreational programming
- Care coordination for transitions between levels of care
- Landscaping and lawn maintenance
- Maintenance on all living units
- Onsite security at night
- Call bells for emergencies in all units
- Priority admission to assisted living or skilled nursing in Kelly Health Care Center on our Windsor Point CCRC campus.
- Trash Removal
- Accrual of 15 free Health Care days a year with a maximum of 30 days accrued at any one time.

#### **20.2.2 Services Included in Monthly Fees for Health Care**

- Care coordination by a dedicated nurse or staff member
- Initial and annual health assessments
- Emergency response system
- Access to wellness programming (fitness, nutrition, preventive screenings)
- Transportation for medical appointments within the service area
- Personal care assistance (bathing, grooming, dressing, medication administration)
- Basic cable in Health Care
- Three meals daily and snacks, assistance with some special diets, housekeeping, laundry

#### **20.2.3 Services Available at Additional Charge for Independent Residents**

- Guest meals and additional meals for residents.
- Delivered Meals
- Additional housekeeping or laundry services beyond standard schedule
- Salon and barber services
- Special transportation outside scheduled routes
- Concierge services and private duty care
- Upgrades in units
- Maintenance outside the norm

- Certain activities, like the Symphony, dining out, etc.
- Community Technology support (telehealth services, home monitoring devices)
- Cable, Internet, Phone
- Moving cost and disposal of unwanted furniture
- Vaccines
- Transport services
- Personal items, including medication and health care supplies
- Household supplies like toilet tissue and light bulbs

#### **20.2.4 Services Available at Additional Charge for Health Care**

- Expanded transportation outside the service area
- Medication, medical supplies, personal grooming supplies, toiletries
- Durable medical equipment
- Doctor's visits and any specialist care
- Moving cost and disposal of unwanted furniture
- Private duty sitters
- Vaccines
- Transport services
- Additional cable and phone services
- Some off-site activities
- Barber and Salon services
- Guest meals
- Dry Cleaning

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

Not applicable

### **20.4 Delivery of Services**

Basic residential, assisted living, and skilled nursing services are provided directly by Windsor Point CCRC. Certain therapies (physical, occupational, and speech), personal physicians, salon services, Pharmacy services, and some entertainment and activities are furnished under contract with independent third parties.

## 21. Resident Fees

Nonancillary fees at Windsor Point CCRC consist of required, ongoing fees such as entrance fees, monthly service fees, and moving fees. The following tables show Windsor Point CCRC 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 Windsor Point Continuing Care Retirement Community campus.

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

Unit Type	Single Occupant	Double Occupant
Independent Living – Cottage	\$4370	\$5370
Independent Living – Apt 2 bedroom	\$3850	\$4850
Independent Living – Apt 1 bedroom	\$3600	\$4600
Independent Living Studio	\$3060	\$4060
Royal Treatment 1 bedroom	\$5200	\$6200
Royal Treatment 2 bedroom	\$5700	\$6700
Regency Court Alcove	\$4230	\$5230
Regency Court 1 bedroom	\$5995	\$6995
Regency Court Suite	\$6995	\$7995
Assisted Living Semiprivate	\$4900	N/A
Assisted Living private	\$7200	N/A
Assisted Living semi-to-private	\$8300	N/A
Assisted Living Memory Care	\$6200	N/A
Assisted Living semi-to-private Memory	\$8800	N/A

<b>Unit Type</b>	<b>Single Occupant</b>	<b>Double Occupant</b>
Skilled Nursing semi-private daily	\$255	N/A
Skilled Nursing private daily	\$325	N/A
Skilled Nursing semi-to-private daily	\$355	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. Fees have never been increased more than annually, however, if circumstances merit it, fees could be reviewed and increased as needed to ensure the continuing stability of the community. Thirty days’ notice will be given on all increases.

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

<b>Fiscal Year-End</b>	<b>Average % Increase</b>	<b>Average \$ Increase</b>	<b>Frequency</b>
12/31/2025	5.8%	\$245	Annual
12/31/2024	2.0%	\$84	Annual
12/31/2023	7.0%	\$300	Annual
12/31/2022	4.8%	\$181	Annual
12/31/2021	2.0%	\$61	Annual

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

<b>Unit Type</b>	<b>100% Life Occupancy Single</b>	<b>100% Life Occupancy Double</b>	<b>50% Life Equity Single</b>	<b>50% Life Equity Double</b>
2 Bedroom Cottage	\$190,000	\$200,000	\$285,000	\$290,000
2 Bedroom\Gar Cottage	\$195,000	\$205,000	\$292,500	\$297,500
2 Bedroom Deluxe Cottage	\$195,000	\$205,000	\$292,500	\$297,500
2 Bedroom 950 sq ft Apt	\$105,000	\$115,000	\$157,500	\$162,500
1 Bedroom 600 sq ft Apt	\$80,000	\$90,000	\$120,000	\$125,000
1 Bedroom 700 sq ft Apt	\$84,000	\$94,000	\$126,000	\$131,000
1 Bedroom 800 sq ft Apt	\$89,000	\$99,000	\$133,500	\$138,500
Studio 400 sq ft Apt	\$58,000	\$68,000	\$87,000	\$92,000
Studio 500 sq ft Apt	\$60,000	\$70,000	\$90,000	\$95,000
Studio 650 sq ft Apt	\$64,000	\$74,000	\$96,000	\$101,000
1 Bedroom Royal Treat	\$80,000	\$90,000	\$120,000	\$125,000
2 Bedroom Royal Treat	\$105,000	\$115,000	\$157,500	\$162,500
Regency Court Alcove	\$55,000	\$65,000	\$82,500	\$87,500
Regency Court 1 Bedroom	\$75,000	\$85,000	\$112,500	\$117,500
Regency Court Suite	\$80,000	\$90,000	\$120,000	\$125,000
Kelly Healthcare Center	\$8000			

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

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

<b>Fiscal Year-End</b>	<b>Average % Increase</b>	<b>Average \$ Increase</b>	<b>Frequency</b>
12/31/2025	0%	\$0	Annual
12/31/2024	5.5%	\$10,000	Annual (Cottage Only)
12/31/2023	2.8%	\$5,000	Annual (Cottages Only)
12/31/2022	0%	\$0	Annual
12/31/2021	0%	\$0	Annual

**21.2 CCaH Contracts**

Not Applicable

**21.3 Household Composition Changes**

If a resident marries, an additional entrance fee is required for the new resident, based on the applicable fee schedule at the time of entry. If someone invites a roommate to live with them, the roommate must pay ½ of the published dual occupancy entrance fee. The monthly fee is adjusted to the two-person rate for both married and roommates. If the additional residents do not meet admission requirements, they may not be admitted under a continuing care contract. Windsor Point must approve all dual occupants.

**21.4 Transfer Fees and Resale Fees**

If a resident transfers to a different independent living unit a transfer fee of \$3000 will be charged to the resident. A resale fee will be charged if excessive damage has been done to the living unit above normal wear and tear. The resale fee will be based on cost of bringing the living unit to market ready. Residents will be responsible for cost of moving furniture, etc.

**22. Refundable Entrance Fee Obligations****22.1 Conditions for Refunds**

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

replacement entrance fee has been received and all contractual requirements have been fulfilled.

In addition, Windsor Point CCRC, offers declining-balance contracts under which the refundable portion of the entrance fee decreases monthly and amortizes to 0% after a 50-month period. Once the amortization period has elapsed, no refund is payable upon termination of the contract or the death of the resident. These contracts therefore do not create refundable entrance fee obligations beyond the initial amortization period.

All entrance refunds are based on resale of the original unit the resident occupied.

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

Category	Number of Contracts	Aggregate Amount
Refunds are due once all contractual conditions are met	1	42840.
Refunds currently due (including amounts 30+ days past due)	1	\$7000.
Resident now in non-independent living unit – unit not resold	0	0
Resident now in non-independent living unit – unit resold	0	0

As of December 31, 2025, Windsor Point CCRC had \$1,222,157 million in total refundable entrance fee obligations. No refunds were contractually due or past due at year-end. Obligations will be satisfied in accordance with contract terms as independent living units are resold and replacement entrance fees are received; however, the timing of refund payments depends on the pace of independent living unit turnover and resale activity.

**23. Financial Hardship Policies**

**23.1 Policies for Residents Unable to Pay**

It is the policy of Windsor Point CCRC to work with residents to remain in the community if they become unable to pay monthly fees through no fault of their own, provided they have first fully applied their available assets and income and based on a review of their financial status. However, continued stay without pay is not guaranteed.

**23.1 Sources of Financial Support**

- **Refundable Entrance Fees:** Residents contractually entitled to a refundable entrance fee may, subject to the approval of Windsor Point CCRC, apply available refundable amounts toward unpaid monthly fees. Such applications reduce the remaining refund obligation and do not accelerate contractual payment of refunds.

### 23.3 Conditions or Limitations

- Financial information given upon admission must have been accurate and finances used toward the residents' stay at Windsor Point CCRC. (Funds given to families will disqualify residents to remain without paying the full rate)
- Residents that choose private and semi-to-private rooms in health care will be disqualified to remain without paying the full rate.
- Residents' tenure at Windsor Point CCRC will be considered for a reduction of the monthly rate.
- Current financial status of the residents will be determined by verified financials and a review of resident's wealth distribution. A possible reduction in rate may be given at the sole discretion of the Windsor Point CCRC Board of Directors.
- At no time will Windsor Point CCRC waive the entire monthly fee.
- Reduction in fees is not guaranteed

### 23.4 Narrative

Windsor Point, Inc has granted a limited number of reduced rates throughout the years. Windsor Point does not have a benevolent foundation that subsidizes resident's obligations. All discounts are funded by Windsor Point, Inc.

## 24. Contract Cancellation and Refund Policies

### 24.1 Provider-Initiated Cancellation

Windsor Point CCRC may terminate a continuing care contract

- **Before occupancy or commencement of services, if:**
  - The applicant fails to meet health or financial eligibility requirements at the time of application.
  - The applicant provided materially false or misleading information during the application process; or
  - Admission would pose a direct threat to the health and safety of others.
- **After occupancy or commencement of services, if:**

- Persistent nonpayment of monthly fees occurs.
- The resident commits a material breach of contract terms; or
- The resident engages in disruptive or harmful conduct that materially impairs the rights of other residents or the orderly operation of the community.

## 24.2 Resident-Initiated Cancellation

A resident may cancel a contract under the following circumstances:

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

A resident may cancel at any time. The entrance fee and any prepaid monthly fees are refunded, less a non-refundable \$3000 processing fee or 2 % of the entrance fees retained by Windsor Point CCRC to cover administrative costs. Any prior authorized upgrades will be deducted from refund.

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

A resident may voluntarily cancel by providing 30 days' written notice. Refundable entrance fees, if any, are returned in accordance with Section 22 once all contractual conditions are satisfied, including resale and re-occupancy of the living unit when applicable.

## 24.3 Refunds Upon Cancellation

- Refundable entrance fees are returned in accordance with Section 22 – Refundable Entrance Fee Obligations.
- Non-refundable portions of entrance fees are retained by Windsor Point CCRC
- Prepaid monthly fees are non-refundable in independent living units. This gives families time to vacate the unit. Prepaid monthly fees in Health Care are prorated to the date when the living unit is fully vacated and services cease, remaining balance is refunded within 30 days.

## 24.4 Refunds Upon Death

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

If a resident dies before moving into the community, the entrance fee is refunded in full, less the non-refundable \$3000 or 2 % of the entrance fee and any chargeable upgrades.

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

Refunds are made according to the standard refundable entrance fee provisions described in Section 22, including resale and re-occupancy of the living unit. Prepaid monthly fees are non-refundable in independent living units. This gives families time to vacate the unit.

## 25. Re-occupancy of Units

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

### 25.1 Resident-Initiated Vacating

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

### 25.2 Provider-Initiated Vacating

- **Contract termination by provider:** When a contract is terminated by the provider under the circumstances described in Section 24 – Contract Cancellation and Refund Policies.
- **Persistent nonpayment:** When a resident fails to meet contractual payment obligations and the provider declares the contract terminated.
- **Decline in health:** If provider determines that it is no longer safe for the resident to live independently, the resident will have to move to an appropriate level of care even if they are resistant to the idea.

### 25.3 Temporary Absences

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

### 25.4 Refunds

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

## 26. Resident Relocation

Residents of Windsor Point CCRC may be required to relocate from their current living unit to another unit within the community under the following circumstances:

## 26.1 Resident Needs

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

## 26.2 Provider Needs

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

## 26.3 Process

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

## 26.4 Financial Obligations

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

# 27. Admission and Continuation Standards

## 27.1 Admission Requirements

Admission to Windsor Point CCRC is subject to both health and financial screening at the time of application.

### **27.1.1 CCRC Contracts (Campus-Based)**

- **Financial Standards:** Applicants must demonstrate sufficient resources to reasonably cover the entrance fee and projected monthly fees for the chosen living unit. Residents that do not have adequate financial resources can have someone sign as a guarantor for payment.
- **Health Standards:** Applicants for independent living must be capable of living safely and independently at the time of entry, with or without reasonable accommodation. A current medical history and health assessment completed by the applicant's physician is required. Applicants requiring immediate assisted living, memory care, or skilled nursing are not eligible for independent living, but may enter the Windsor Point Health Care Facility with the required Entrance Fee and contract.

### **27.1.2 Continuation Requirements**

- **CCRC Contracts:** Once admitted, residents may remain in the community regardless of changes in health status if Windsor Point CCRC can meet the needs of the residents. If a resident's financial status changes it may be possible that they can remain in the community subject to the hardship policies described in Section 23 – Financial Hardship Policies. Residents may be required to relocate to a higher level of care (see Section 26 – Resident Relocation) if their health needs can no longer be met safely in their current living unit.

### **27.1.3 Changes in Condition Before Occupancy or Commencement of Services**

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

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

### **28.1 Age Requirements**

- The minimum age for admission to Windsor Point CCRC under a continuing care contract is 62 years.

- A younger spouse or partner may also be admitted if the primary applicant meets the minimum age requirement.
- There is no maximum age limit for admission, provided the applicant meets the health and financial eligibility standards described in Section 27 - Admission and Continuation Standards.

## **28.2 Insurance Requirements**

Applicants for CCRC must:

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

Long-term care insurance is not required but may be considered in satisfaction of certain financial eligibility criteria on a case-by-case basis. Windsor Point Inc does not pay any medical expenses.

## **28.3 Special Conditions**

- Exceptions to the minimum age requirement may be considered on a case-by-case basis if a younger applicant is married to or partnered with an eligible applicant, or if otherwise required to maintain household composition.
- Waivers of the insurance requirement may be granted only if the applicant demonstrates alternative coverage or financial capacity sufficient to meet anticipated health care expenses.
- Windsor Point does not pay any medical expenses.

## **29. Reserve Funding and Refund Security**

### **29.1 Cash and Investments**

As of December 31, 2025, Windsor Point CCRC held \$16,108,249 in unrestricted cash and investments. Within this balance, \$1,000,000 has been designated by the Board of Windsor Point CCRC to prioritize liquidity for future entrance fee refunds. These funds remain unrestricted for accounting purposes but reflect the Boards' intent to maintain liquidity for resident entrance fee refund obligations.

At year-end, unrestricted cash and investments supported a Days Cash on Hand of 385 days, representing approximately twelve months of projected operating expenses without new revenues.

## 29.2 Investment Management and Oversight

- **Oversight Body:** Finance Committee of the Board of Directors of Windsor Point CCRC
- **Day-to-Day Management:** Chief Financial Officer (CFO), Chief Executive Officer (CEO)
- **Experience:** Finance Committee members average 40 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.

## 29.3 Statutory Operating Reserve Requirement

As of March 31, 2026, Windsor Point Continuing Care Retirement Community's 12-month rolling average independent living unit occupancy was 88.32%. Based on this level of occupancy, the required statutory operating reserve was 31.25% of projected operating costs for the next 12 months.

**Table 29.1: Statutory Operating Reserve Calculation (as of March 31, 2026)**

Component	Amount
Total projected operating expenses	\$12,163,882
Add: Debt service (principal and interest)	\$15,396
Less: Principal and interest (covered by Debt Service Reserve Fund)	0
Less: Depreciation and amortization	(\$243,163)
<b>Net projected operating costs</b>	<b>\$11,936,115</b>
Applicable reserve percentage based on occupancy	31.25%
<b>Required operating reserve</b>	<b>\$3,730,036</b>
Unrestricted cash & investments on hand	\$16,108,249
<b>Excess above required reserve</b>	<b>\$12,378,213</b>

**Summary:** The required statutory operating reserve was \$3.73 million. Windsor Point CCRC held \$16.1 million in unrestricted cash and investments, providing an excess cushion of \$12.4 million above the statutory minimum.

**29.4 Refund Security (Entrance Fee Refunds)**

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

- \$1,000,000 Board designated for refunds, and
- \$12,378,213 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.

Windsor Point CCRC is not required by statute to escrow entrance fees, and none are maintained in escrow.

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

Category	Amount	Notes
Total unrestricted cash & investments	\$16,108,249	All liquid balances (cash and investments)
Less: Required operating reserve	(\$3,730,036)	Must be maintained; release requires regulatory approval
Less: Board-designated for refunds	(\$1,000,000)	Internal designation; unrestricted under GAAP
<b>Excess unrestricted cash and investments above operating reserve and board designated refund reserve</b>	<b>\$11,378,213</b>	Available for operations and refund needs (outside of designated reserves)

**30. Expansion and Renovation Plans**

Windsor Point CCRC has no expansion plans for 2026. Windsor Point renovates units as needed yearly to maintain a viable campus. Residents will be given prior notice of any renovations that may affect them.

**31. Audit Opinion and Timeliness**

The financial statements of Windsor Point CCRC, for the fiscal year ended December 31, 2025, were audited by Richey, May & Co.,LLP (Hickory, NC).

- **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 financial statements.

### 32. Audited Financial Statements

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

### 33. Five-Year Prospective Financial Statements

The five-year prospective financial statements of Windsor Point CCRC for the period 2026 through 2030 are attached hereto as Appendix B. These statements were prepared and compiled by Richey, May & Co.,LLP, and include a summary of significant assumptions and accounting policies.

### 34. Variances from Prospective Financial Statements

For the fiscal year ended December 31, 2025, management reviewed the results of operations for Windsor Point CCRC 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 12/31/25**

Category	Projected Amount	Actual Amount	Variance	Explanation
Resident Fees and Services	\$12,688,089	\$12,973,449	\$285,360	Greater than expected increase in resident fees due to higher unit turnover and increase in independent census
Plant Operation and Maintenance Expense	\$1,363,370.	\$1,505,248.	\$141,848.	Greater than expected increase in water and gas utilities due to rate increases during 2025. Repairs/ maintenance increase greater than

Category	Projected Amount	Actual Amount	Variance	Explanation
				expected due to renovations to units.
Cash	\$6,112,545.	\$6,926,641.	\$814,096.	Cash increase greater due to higher-than-expected operating income and income from investment
Certificates of Deposits	\$6,519,867.	\$6,263,565.	\$(256,302)	Less than forecasted increase due to transfers from maturing certificates of deposit to cash
Deferred Revenue Current	\$1,252,788.	\$1,565,554	\$312,766	Greater than expected increase due to the inclusion of prepaid resident monthly fees amounting to \$237,154. Included in total current deferred revenue.

## 35. Key Financial Metrics

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

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

Full statutory text of definitions is provided in Appendix F.

### 35.1 Liquidity Ratios

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

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

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

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DCOH	379	378	385	432	446	455
CUSH	N/A	N/A	965x	917x	961x	998x

**Narrative – Provider Only:**

Liquidity increased through FY 2025 due to improved earnings and increased net entrance fee receipts.

Management expects to maintain days of liquidity, with some modest increases, through FY 2028, with reasonable rate increases and consistent occupancy levels.

**35.2 Profitability Ratios**

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

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

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

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

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
OR	104.08%	105.91%	100.72%	100.57%	99.91%	99.26%
NOM	9.31%	5.76%	10.09%	9.59%	9.90%	10.20%
NOM-A	20.80%	15.76%	22.04%	21.31%	20.40%	20.51%

**Narrative – Provider Only:**

Margins strengthened beginning FY 2025 with consistent census numbers and normal service fee rate increases, while operating expenses increased a modest amount.

Management projects these ratios to remain relatively consistent through FY 2028 by continuing to monitor operations and reducing any inefficiencies and maintaining entrance-fee inflows to 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	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DSCR	N/A	N/A	104.63x	83.78x	88.25x	92.79x
CD	N/A	N/A	964.71x	917.01x	961.17x	997.83x
CED	4.20x	2.37x	0.51x	0.62x	0.59x	0.51x

**Narrative – Provider Only:**

The provider maintains healthy coverage as they have very little debt service.

Capital-expenditure ratios vary, depending on the need for updates and replacements, as are required from time to time. Management expects capital expenditures to remain consistent through FY 2028.

**35.4: Overall Summary**

The provider demonstrates sound liquidity and improving profitability. Provider-level liquidity remains comfortably above the required statutory operating reserve level. Projected performance indicates stable or modestly improving results through FY 2030, with sufficient capacity to fund operations, service debt, and support ongoing capital renewal.

### 36. Actuarial Opinion and Balance

Windsor Point Continuing Care Retirement Community is exempt from including an actuarial study or statement of actuarial opinion under Section 58-64A-210(a) of the N.C. General Statutes.

## 37. Most Recent Department Examination Report

The North Carolina Department of Insurance has not conducted an examination of Windsor Point CCRC. 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 Windsor Point, Inc. Other than the disclosures provided in prior sections of this Disclosure Statement, management has determined that no additional material information requires disclosure at this time.

## 39. Contract Forms and Attachments

Windsor Point Continuing Care Community offers continuing care contracts. Representative forms of each are attached hereto as Appendix D.

### 39.1 Continuing Care Contracts

Windsor Point, Inc offers two types of continuing care contracts, which differ primarily in their entrance fee refund provisions:

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

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

## 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 .....	33
Appendix B — Five-Year Prospective Financial Statements .....	34
Appendix C — Statement of Actuarial Opinion .....	35
Appendix D — Representative Contract(s) .....	36
Appendix E — Examination Report.....	37
Appendix F — Statutory Ratio and Supporting Definitions .....	38

**Appendix A — Audited Financial Statements**

**WINDSOR POINT INCORPORATED**

**FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

*(With Independent Auditor's Report Thereon)*

**RICHEY  
MAY**



**WINDSOR POINT INCORPORATED**

**Table of Contents**

**December 31, 2025 and 2024**

	<u><b>Page</b></u>
Independent Auditor's Report.....	1 - 2
Financial Statements:	
Balance Sheets .....	3 - 4
Statements of Operations and Retained Earnings .....	5
Statements of Cash Flows .....	6 - 7
Notes to Financial Statements.....	8 - 16

Independent Auditor's Report

The Board of Directors  
Windsor Point Incorporated:

**Opinion**

We have audited the accompanying financial statements of Windsor Point Incorporated (the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations and retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Windsor Point Incorporated as of December 31, 2025 and 2024, 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. 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 Windsor Point Incorporated and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

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

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

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

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

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

*Richey, May & Co., LLP*

Hickory, North Carolina  
April 20, 2026

# WINDSOR POINT INCORPORATED

## Balance Sheets

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current assets:		
Cash	\$ 6,926,641	5,986,822
Certificates of deposit	5,451,572	6,031,734
Accounts receivable, trade	107,303	142
Accounts receivable, other	31,741	34,448
Prepaid expenses	58,943	76,448
Total current assets	<u>12,576,200</u>	<u>12,129,594</u>
Property and equipment:		
Leasehold improvements	2,521,906	2,495,105
Office equipment	86,037	86,037
Departmental equipment	563,820	558,107
Furniture and fixtures	352,975	352,975
Vehicles	529,424	442,768
Software	24,876	24,876
	<u>4,079,038</u>	<u>3,959,868</u>
Less accumulated depreciation	<u>2,318,262</u>	<u>2,084,339</u>
Net property and equipment	<u>1,760,776</u>	<u>1,875,529</u>
Other assets:		
Note receivable, related party	-	159,063
Operating lease right-of-use assets	8,800,676	10,642,046
Restricted investments - operating reserve	3,730,036	2,918,043
Total other assets	<u>12,530,712</u>	<u>13,719,152</u>
	<u>\$ 26,867,688</u>	<u>27,724,275</u>

See accompanying notes to financial statements.

### Liabilities and Stockholders' Equity

	<u>2025</u>	<u>2024</u>
Current liabilities:		
Current installments of long-term debt	\$ 11,548	-
Current operating lease liabilities	1,981,360	1,847,760
Accounts payable	241,663	364,629
Accrued expenses	831,396	827,452
Deferred revenue	<u>1,565,554</u>	<u>1,193,131</u>
Total current liabilities	<u>4,631,521</u>	<u>4,232,972</u>
Long-term liabilities:		
Long-term debt	56,292	-
Operating lease liabilities	6,844,876	8,826,236
Deferred revenue	5,298,532	5,247,432
Contractually refundable entrance fees	<u>1,222,157</u>	<u>1,267,018</u>
Total long-term liabilities	<u>13,421,857</u>	<u>15,340,686</u>
Total liabilities	<u>18,053,378</u>	<u>19,573,658</u>
Stockholders' equity:		
Common stock, par value \$1 per share, authorized 100,000 shares, issued 1,000 shares in 2025 and 2024	1,000	1,000
Retained earnings	<u>8,813,310</u>	<u>8,149,617</u>
Total stockholders' equity	<u>8,814,310</u>	<u>8,150,617</u>
	<u>\$ 26,867,688</u>	<u>27,724,275</u>

# WINDSOR POINT INCORPORATED

## Statements of Operations and Retained Earnings

Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenues:		
Resident fees	\$ 12,973,449	12,328,508
Miscellaneous resident revenue	105,458	105,340
Other	224,602	91,923
Total revenues	<u>13,303,509</u>	<u>12,525,771</u>
Operating expenses:		
Nursing services	3,232,220	3,231,238
Housekeeping	443,353	426,632
Dietary	1,693,773	1,688,018
Plant operation and maintenance	1,505,248	1,335,328
Laundry and linen	66,348	79,077
Social services	5,080	1,956
Patient activities	80,005	73,667
Administrative and general	1,430,102	1,452,899
Depreciation	233,923	212,153
Rent	2,515,370	2,556,270
Property taxes and insurance	568,503	566,848
Transportation	86,586	72,077
Other operating expenses	100,525	108,161
Total expenses	<u>11,961,036</u>	<u>11,804,324</u>
Income from operations	1,342,473	721,447
Other income (expense):		
Interest expense	(3,757)	-
Interest income	548,438	438,863
Total other income	<u>544,681</u>	<u>438,863</u>
Net income	1,887,154	1,160,310
Retained earnings at beginning of year	8,149,617	8,534,953
Dividends	<u>(1,223,461)</u>	<u>(1,545,646)</u>
Retained earnings at end of year	<u>\$ 8,813,310</u>	<u>8,149,617</u>

See accompanying notes to financial statements.

# WINDSOR POINT INCORPORATED

## Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from residents and third party payors	\$ 13,577,717	12,834,270
Cash paid to suppliers and employees	(11,835,020)	(11,372,280)
Interest received	548,438	438,863
Interest paid	(3,757)	-
Net cash provided by operating activities	<u>2,287,378</u>	<u>1,900,853</u>
Cash flows from investing activities:		
Purchases of property and equipment	(119,170)	(502,355)
(Increase) decrease in certificates of deposit	(231,831)	1,247,091
Decrease in note receivable, related party	159,063	389,077
Net cash provided (used) by investing activities	<u>(191,938)</u>	<u>1,133,813</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	76,914	-
Principal payments of long-term debt	(9,074)	-
Dividends paid	(1,223,461)	(1,545,646)
Net cash used by financing activities	<u>(1,155,621)</u>	<u>(1,545,646)</u>
Net increase in cash	939,819	1,489,020
Cash at beginning of year	5,986,822	4,497,802
Cash at end of year	<u>\$ 6,926,641</u>	<u>5,986,822</u>

*See accompanying notes to financial statements.*

# WINDSOR POINT INCORPORATED

## Statements of Cash Flows, Continued

	<u>2025</u>	<u>2024</u>
<b><u>Reconciliation of net income to net cash provided by operating activities:</u></b>		
Net income	\$ <u>1,887,154</u>	<u>1,160,310</u>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	233,923	212,153
Amortization of entrance fees	(1,660,384)	(1,580,253)
Net increase in entrance fee deposits	2,039,046	1,487,554
(Increase) decrease in accounts receivable, trade	(107,161)	124,991
Decrease in accounts receivable, other	2,707	276,207
(Increase) decrease in prepaid expenses	17,505	(27,607)
Decrease in operating lease right-of-use assets	1,841,370	2,176,795
Increase (decrease) in accounts payable	(122,966)	89,142
Increase in accrued expenses	3,944	126,406
Decrease in operating lease liabilities	<u>(1,847,760)</u>	<u>(2,144,845)</u>
Net adjustments	<u>400,224</u>	<u>740,543</u>
Net cash provided by operating activities	<u>\$ <u>2,287,378</u></u>	<u><u>1,900,853</u></u>

# WINDSOR POINT INCORPORATED

## Notes to Financial Statements

December 31, 2025 and 2024

### (1) Operations and Summary of Significant Accounting Policies

#### (a) Operations

Windsor Point Incorporated (the “Company”), incorporated July 7, 1995, is a continuing care retirement community located in Fuquay-Varina, NC. The Company began operations in March 1999 and provides housing, health care, and other related services to its residents.

#### (b) Basis of Presentation

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

#### (c) Cash

For purposes of reporting cash flows, cash includes cash on hand, cash in banks, and highly liquid investments with an original maturity date of three months or less.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

#### (d) Revenue and Accounts Receivable

The Company recognizes health care services revenue and residential/assisted living revenue in resident fees revenue.

The Company enters into life care contracts with its residents to provide services to the residents for their remaining lives. In consideration for future services, the residents pay an entrance fee based on the type of unit occupied and the plan selected. The Company offers the following two life care plans: the Life Occupancy Plan and the 50% Life Equity Plan. In addition to the entrance fee, residents pay a monthly service fee based on the type of unit occupied. A resident may also incur additional fees and charges if the resident chooses to receive services that are not included in the standard monthly service fee.

The Company recognizes revenue for housing services for independent living and assisted living in accordance with the provisions of both ASC Topic 840, *Leases* and ASC Topic 842, depending on the effective dates of the resident’s contract. The Company recognizes revenue for health care services in accordance with the provisions of ASC 606.

# WINDSOR POINT INCORPORATED

## Notes to Financial Statements, Continued

### (1) Operations and Summary of Significant Accounting Policies, Continued

#### (d) Revenue and Accounts Receivable, Continued

The Company has determined that the senior living services included under the monthly service fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time. Therapy and ancillary services are considered individual and separate performance obligations which are satisfied as services are provided and revenue is recognized at a point in time.

The Company receives revenue for services under various third party payor programs, which include Medicare and other third party payors. Provisions for estimated third party payor settlements are provided in the period the related services are rendered. Adjustments that are significantly different from the applicable estimates are reflected as an increase or decrease in resident fees revenue in the year the adjustments are finalized. The programs require the Company to prepare and file settlement reports annually. Settlement reports have been submitted for all fiscal years through 2024.

Health care services revenue is reported at the estimated net realizable amounts (transaction price) from residents, third party payors and others for services rendered. The Company determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third party payors, and any implicit price concessions.

Once the Company has performed its obligation under the contract, it has unconditional rights to the consideration on contract assets and therefore classifies those amounts as accounts receivable. Management has determined they do not have any amounts that should be reflected separately as contract assets. The beginning and ending contract balances resulting from the Company's revenue recognition were as follows:

	<u>Years Ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accounts receivable, trade	\$ 107,303	142	400,133
Deferred revenue	6,864,086	6,440,563	6,698,614

## WINDSOR POINT INCORPORATED

### Notes to Financial Statements, Continued

#### (1) Operations and Summary of Significant Accounting Policies, Continued

##### (d) Revenue and Accounts Receivable, Continued

Accounts receivable are stated at estimated net realizable amounts due from residents and responsible third party payors. Management evaluates receivable balances periodically. Based upon these reviews, management will establish an allowance for credit losses or will write off specific amounts if deemed uncollectible. In this review, management considers historical losses, results of any ongoing collection efforts, and any other relevant information available. The Company periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

##### (e) Entrance Fees and Deferred Revenue

Fees paid by a resident upon entering into a continuing care contract are accounted for under the following two life care plans:

###### *Life Occupancy Plan*

If the agreement is terminated within the first 50 months of occupancy (or 25 months with reduced entrance fee incentive), the resident or the resident's estate will be refunded a portion of the entrance fee equal to the entrance fee paid less 2% for each month of occupancy. Refunds are payable to the resident or resident's estate only after the Company has received the entrance fee from the new resident of the living unit. The refund is also subject to offsets and reductions such as unreimbursed health care expenses, unpaid monthly charges, or payments to repair damages to units beyond reasonable wear and tear.

###### *50% Life Equity Plan*

If the agreement is terminated within the first 25 months of occupancy, the resident or the resident's estate will be refunded a portion of the entrance fee equal to the entrance fee paid less 2% for each month of occupancy. After 25 months has elapsed the resident or resident's estate will be entitled to 50% of the entrance fee, without interest. The refund is subject to the same subsequent entry requirements, offsets, and reductions as the Life Occupancy Plan.

Refund provisions from the continuing care contracts are recorded as a liability. Contractually refundable entrance fees were \$1,222,157 and \$1,267,018 at December 31, 2025 and 2024, respectively.

# WINDSOR POINT INCORPORATED

## Notes to Financial Statements, Continued

### (1) Operations and Summary of Significant Accounting Policies, Continued

#### (e) Entrance Fees and Deferred Revenue, Continued

Deferred revenue represents the fees received at the time a resident is admitted to the community. Nonrefundable entrance fees are amortized over the estimated life expectancy of the individual resident, or couple, adjusted annually depending on the type of contract. Upon the death of a sole surviving resident, any remaining unamortized portion of the nonrefundable entrance fee is recognized as revenue.

#### (f) Leases

At lease inception, the Company determines whether an arrangement is or contains a lease. Operating leases are included in operating lease right-of-use (“ROU”) assets, current operating lease liabilities, and noncurrent lease liabilities in the financial statements. Finance leases are included in property and equipment, other current liabilities, and long-term liabilities in the financial statements.

ROU assets represent the Company’s right to use leased assets over the term of the lease. Lease liabilities represent the Company’s contractual obligation to make lease payments over the lease term.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the lease payments over the lease term. The Company uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Company uses its incremental borrowing rate or the risk-free rate at the commencement date of the lease to determine the present value of the lease payments. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs, plus any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of any leasehold improvements, the value of renewal rates compared to market rates, and the presence of factors that would cause a significant economic penalty to the Company if the option were not exercised. Lease expense is recognized on a straight-line basis over the lease term. The Company has elected not to recognize an ROU asset and obligation for leases with an initial term of twelve months or less. The expense associated with short-term leases is included in lease expense in the statement of operations.

## WINDSOR POINT INCORPORATED

### Notes to Financial Statements, Continued

#### (1) Operations and Summary of Significant Accounting Policies, Continued

##### (f) Leases, Continued

For finance leases, after lease commencement the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization on the ROU asset is recognized over the period from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term unless the lease transfers ownership to the lessee or contains a purchase option that is reasonably certain to be exercised by the lessee, in which case the ROU asset is amortized to the end of the underlying asset's useful life.

##### (g) Property and Equipment

Property and equipment is recorded at cost. The Company capitalizes property and equipment if its value is greater than \$2,500 and its useful life is more than one year. Depreciation of property and equipment is computed by the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives range from 3 to 40 years for property and equipment.

##### (h) Income Taxes

The Company has elected under the Internal Revenue Code to be taxed as a Subchapter S corporation. In lieu of corporation income taxes, the stockholders of a Subchapter S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Company follows the provisions of Financial Accounting Standards Board ("FASB") ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examinations by the tax authorities. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, and disclosure and transition. As of December 31, 2025, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and recognized no such interest or penalties during the years ended December 31, 2025 and 2024.

# WINDSOR POINT INCORPORATED

## Notes to Financial Statements, Continued

### **(1) Operations and Summary of Significant Accounting Policies, Continued**

#### **(i) Advertising Costs**

Advertising costs are expensed when incurred. Advertising expense was \$90,125 and \$132,880 for the years ended December 31, 2025 and 2024, respectively.

#### **(j) Accounting 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 liabilities at the date of financial statements and revenue and expenses during the periods reported. Estimates are used when accounting for allowance for credit losses, depreciation, amortization of entrance fees, and contingencies, among others. Actual results could differ from these estimates.

### **(2) Note Receivable, Related Party**

The Company has a note receivable from a company related through common ownership, in the original amount of \$4,598,018, with monthly installments of \$33,762, including interest at the annual Applicable Federal Rate through May 2025. The Company has the right to demand payment on the balance of the note if deemed necessary. The note receivable balance was \$0 and \$159,063 at December 31, 2025 and 2024, respectively. The annual Applicable Federal Rate was 3.79% and 4.18% for the years ended December 31, 2025 and 2024, respectively.

### **(3) Restricted Investments - Operating Reserve**

Continuing care facilities in North Carolina are required by state statute to maintain an operating reserve. The operating reserve balance was \$3,730,036 and \$2,918,043 at December 31, 2025 and 2024, respectively, and consisted entirely of certificates of deposit.

## WINDSOR POINT INCORPORATED

### Notes to Financial Statements, Continued

#### (4) Resident Fees Revenue

Resident fees revenue for the years ended December 31, 2025 and 2024, is summarized as follows:

		2025		
		<u>Resident</u>	<u>Health Care</u>	<u>Total</u>
		<u>Services</u>	<u>Services</u>	<u>Total</u>
Third party payors	\$	-	1,034,994	1,034,994
Private		10,318,919	1,619,536	11,938,455
	\$	10,318,919	2,654,530	12,973,449
		2024		
		<u>Resident</u>	<u>Health Care</u>	<u>Total</u>
		<u>Services</u>	<u>Services</u>	<u>Total</u>
Third party payors	\$	-	564,843	564,843
Private		10,041,600	1,722,065	11,763,665
	\$	10,041,600	2,286,908	12,328,508

Resident fees revenue includes amortization of deferred revenue from entrance fees of \$1,660,384 and \$1,580,253 for the years ended December 31, 2025 and 2024, respectively.

#### (5) Long-term Debt

Long-term debt at December 31, 2025, consists of a 6.15% note, payable in monthly installments of \$1,283, including interest, with a final payment due February 2031. The note is collateralized by a vehicle.

Future maturities of long-term debt subsequent to December 31, 2025, are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2026	\$ 11,548
2027	12,228
2028	13,005
2029	13,847
2030	14,736
Thereafter	2,476
	\$ 67,840

**WINDSOR POINT INCORPORATED**

**Notes to Financial Statements, Continued**

**(6) Leases**

The Company leases land and buildings from a company related through common ownership. The current lease agreement began in January 2015 and expires in December 2029, including renewal options exercised by management. The initial lease payment was \$200,000 per month and may increase annually by 1.0% at the discretion of the lessor. For the year ended December 31, 2025, lease payments are \$210,160 per month. The Company is responsible for repairs, taxes, and other expenses.

The components of lease expense for 2025 and 2024, were as follows:

	<u><b>2025</b></u>	<u><b>2024</b></u>
Operating lease cost	\$ 2,515,370	2,515,530
Short-term lease cost	-	2,400
Variable lease cost	-	38,340
	<u>\$ 2,515,370</u>	<u>2,556,270</u>

Other information related to leases as of and for the years ended December 31, 2025 and 2024, is summarized as follows:

	<u><b>2025</b></u>	<u><b>2024</b></u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 2,521,920	2,521,920
Weighted average remaining lease term - operating	4.00 years	5.00 years
Weighted average discount rate - operating	7.00%	7.00%

The following is an analysis of the maturities of operating lease liabilities subsequent to December 31, 2025:

<u><b>Years Ending December 31,</b></u>	<u><b>Amount</b></u>
2026	\$ 2,521,920
2027	2,521,920
2028	2,521,920
2029	2,521,920
	<u>10,087,680</u>
Less interest	<u>1,261,444</u>
	<u>\$ 8,826,236</u>

## **WINDSOR POINT INCORPORATED**

### **Notes to Financial Statements, Continued**

#### **(7) Contingencies**

At December 31, 2025, the Company had certain claims and litigation pending, all of which were in the ordinary course of business. In the opinion of management, settlement of these claims and litigation pending against the Company will not have a material adverse effect on the Company's financial condition.

#### **(8) Subsequent Events**

The Company has evaluated subsequent events through April 20, 2026, the date which the financial statements were available to be issued. There were no significant subsequent events identified by management for disclosure in the financial statements.

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

**WINDSOR POINT INCORPORATED**

**FORECASTED FINANCIAL STATEMENTS**

**For the Years Ending December 31, 2026 through 2030**

*(With Independent Accountant's Compilation Report Thereon)*

**RICHEY  
MAY**



# WINDSOR POINT INCORPORATED

## Table of Contents

	<b><u>Page</u></b>
Independent Accountant's Compilation Report.....	1
Forecasted Balance Sheets.....	2
Forecasted Statements of Operations and Retained Earnings.....	3
Forecasted Statements of Cash Flows.....	4
Summary of Significant Forecast Assumptions and Accounting Policies.....	5 - 7

Independent Accountant's Compilation Report

The Board of Directors  
Windsor Point Incorporated:

Management is responsible for the accompanying forecast of Windsor Point Incorporated, which comprises the forecasted balance sheets as of December 31, 2026, 2027, 2028, 2029 and 2030, and the related forecasted statements of operations and retained earnings, and cash flows for the years then ending, and the related summary of significant forecast assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed the 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 forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this forecast.

The forecasted results may not be achieved, as there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

*Richey, May & Co., LLP*

Hickory, North Carolina  
April 20, 2026

**WINDSOR POINT INCORPORATED**

**Forecasted Balance Sheets**

**December 31, 2026 through 2030**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Current assets:					
Cash	\$ 7,072,100	7,220,614	7,372,247	7,527,064	7,685,132
Certificates of deposit	7,046,213	7,577,489	7,990,270	8,184,046	8,209,188
Accounts receivable, net	110,000	112,750	115,569	118,458	121,419
Prepaid expenses and other current assets	92,588	94,532	96,517	98,544	100,613
Total current assets	<u>14,320,901</u>	<u>15,005,385</u>	<u>15,574,603</u>	<u>15,928,112</u>	<u>16,116,352</u>
Property and equipment:					
Leasehold improvements	2,629,229	2,736,552	2,843,875	2,951,198	3,058,521
Office equipment	89,698	93,359	97,020	100,681	104,342
Departmental equipment	587,814	611,808	635,802	659,796	683,790
Furniture and fixtures	367,997	383,019	398,041	413,063	428,085
Vehicles	529,424	529,424	529,424	529,424	529,424
Software	24,876	24,876	24,876	24,876	24,876
	<u>4,229,038</u>	<u>4,379,038</u>	<u>4,529,038</u>	<u>4,679,038</u>	<u>4,829,038</u>
Less accumulated depreciation	2,561,425	2,814,193	3,076,945	3,350,076	3,633,996
Net property and equipment	<u>1,667,613</u>	<u>1,564,845</u>	<u>1,452,093</u>	<u>1,328,962</u>	<u>1,195,042</u>
Other assets:					
Operating lease right-of-use assets	6,825,706	4,707,477	2,436,509	-	-
Restricted investments - operating reserve	3,033,406	3,083,820	3,135,293	3,215,044	3,272,046
Total other assets	<u>9,859,112</u>	<u>7,791,297</u>	<u>5,571,802</u>	<u>3,215,044</u>	<u>3,272,046</u>
	<u>\$ 25,847,626</u>	<u>24,361,527</u>	<u>22,598,498</u>	<u>20,472,118</u>	<u>20,583,440</u>
Current liabilities:					
Current installments of long-term debt	\$ 12,228	13,005	13,847	14,736	2,533
Current operating lease liabilities	2,124,620	2,277,358	2,442,899	-	-
Accounts payable	246,738	251,919	257,209	262,610	268,125
Accrued expenses	848,855	866,681	884,881	903,464	922,437
Deferred revenue	1,643,832	1,684,928	1,727,051	1,770,227	1,814,483
Total current liabilities	<u>4,876,273</u>	<u>5,093,891</u>	<u>5,325,887</u>	<u>2,951,037</u>	<u>3,007,578</u>
Long-term liabilities:					
Long-term debt	44,121	31,116	17,269	2,533	-
Operating lease liabilities	4,720,256	2,442,899	-	-	-
Deferred revenue	5,563,459	5,702,545	5,845,109	5,991,237	6,141,018
Contractually refundable entrance fees	1,283,265	1,315,347	1,348,231	1,381,937	1,416,485
Total long-term liabilities	<u>11,611,101</u>	<u>9,491,907</u>	<u>7,210,609</u>	<u>7,375,707</u>	<u>7,557,503</u>
Total liabilities	<u>16,487,374</u>	<u>14,585,798</u>	<u>12,536,496</u>	<u>10,326,744</u>	<u>10,565,081</u>
Stockholders' equity:					
Common stock	1,000	1,000	1,000	1,000	1,000
Retained earnings	9,359,252	9,774,729	10,061,002	10,144,374	10,017,359
Total stockholders' equity	<u>9,360,252</u>	<u>9,775,729</u>	<u>10,062,002</u>	<u>10,145,374</u>	<u>10,018,359</u>
Total liabilities and stockholders' equity	<u>\$ 25,847,626</u>	<u>24,361,527</u>	<u>22,598,498</u>	<u>20,472,118</u>	<u>20,583,440</u>

*See assumptions and notes to forecasted financial statements and independent accountant's compilation report.*

**WINDSOR POINT INCORPORATED**

**Forecasted Statements of Operations and Retained Earnings**

**Years Ending December 31, 2026 through 2030**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<b>Revenues:</b>					
Resident fees	\$ 13,243,729	13,519,640	13,801,299	14,088,826	14,382,343
Miscellaneous resident revenue	110,000	110,000	110,000	110,000	110,000
Other	100,000	100,000	100,000	100,000	100,000
Total revenues	13,453,729	13,729,640	14,011,299	14,298,826	14,592,343
<b>Expenses:</b>					
Nursing services	3,300,097	3,369,399	3,440,156	3,512,399	3,586,159
Housekeeping	452,663	462,169	471,875	481,784	491,901
Dietary	1,729,342	1,765,658	1,802,737	1,840,594	1,879,246
Plant operation and maintenance	1,536,858	1,569,132	1,602,084	1,635,728	1,670,078
Laundry and linen	67,741	69,164	70,616	72,099	73,613
Social services	5,187	5,296	5,407	5,521	5,637
Patient activities	81,685	83,400	85,151	86,939	88,765
Administrative and general	1,460,134	1,490,797	1,522,104	1,554,068	1,586,703
Depreciation	243,163	252,768	262,752	273,131	283,920
Rent	2,515,530	2,515,530	2,515,530	2,515,530	2,624,320
Property taxes and insurance	580,442	592,631	605,076	617,783	630,756
Transportation	88,404	90,260	92,155	94,090	96,066
Other operating expenses	102,636	104,791	106,992	109,239	111,533
Total expenses	12,163,882	12,370,995	12,582,635	12,798,905	13,128,697
Income from operations	1,289,847	1,358,645	1,428,664	1,499,921	1,463,646
<b>Other income (expense):</b>					
Interest expense	(3,905)	(3,168)	(2,391)	(1,549)	(661)
Interest income	560,000	560,000	560,000	560,000	560,000
Total other income	556,095	556,832	557,609	558,451	559,339
Net income	1,845,942	1,915,477	1,986,273	2,058,372	2,022,985
Retained earnings at beginning of year	8,813,310	9,359,252	9,774,729	10,061,002	10,144,374
Dividends	(1,300,000)	(1,500,000)	(1,700,000)	(1,975,000)	(2,150,000)
Retained earnings at end of year	\$ 9,359,252	9,774,729	10,061,002	10,144,374	10,017,359

*See assumptions and notes to forecasted financial statements and independent accountant's compilation report.*

**WINDSOR POINT INCORPORATED**

**Forecasted Statements of Cash Flows**

**Years Ending December 31, 2026 through 2030**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Cash flows from operating activities:					
Net income	\$ 1,845,942	1,915,477	1,986,273	2,058,372	2,022,985
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	243,163	252,768	262,752	273,131	283,920
Amortization of entrance fees	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)
Net increase in entrance fee deposits	2,004,313	1,812,264	1,817,571	1,823,010	1,828,585
Increase in accounts receivable, net	(2,697)	(2,750)	(2,819)	(2,889)	(2,961)
Increase in prepaid expenses and other current assets	(1,904)	(1,944)	(1,985)	(2,027)	(2,069)
Decrease in operating lease right-of-use assets	1,974,970	2,118,229	2,270,968	2,436,509	-
Decrease in operating lease liabilities	(1,981,360)	(2,124,619)	(2,277,358)	(2,442,899)	-
Increase in accounts payable	5,075	5,181	5,290	5,401	5,515
Increase in accrued expenses	17,459	17,826	18,200	18,583	18,973
Net cash provided by operating activities	<u>2,504,961</u>	<u>2,392,432</u>	<u>2,478,892</u>	<u>2,567,191</u>	<u>2,554,948</u>
Cash flows from investing activities:					
Increase in certificates of deposit	(898,011)	(581,690)	(464,254)	(273,527)	(82,144)
Purchases of property and equipment	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Net cash used by investing activities	<u>(1,048,011)</u>	<u>(731,690)</u>	<u>(614,254)</u>	<u>(423,527)</u>	<u>(232,144)</u>
Cash flows from financing activities:					
Principal payments of long-term debt	(11,491)	(12,228)	(13,005)	(13,847)	(14,736)
Dividends paid	(1,300,000)	(1,500,000)	(1,700,000)	(1,975,000)	(2,150,000)
Net cash used by financing activities	<u>(1,311,491)</u>	<u>(1,512,228)</u>	<u>(1,713,005)</u>	<u>(1,988,847)</u>	<u>(2,164,736)</u>
Net increase in cash	145,459	148,514	151,633	154,817	158,068
Cash at beginning of year	6,926,641	7,072,100	7,220,614	7,372,247	7,527,064
Cash at end of year	<u>\$ 7,072,100</u>	<u>7,220,614</u>	<u>7,372,247</u>	<u>7,527,064</u>	<u>7,685,132</u>
<b><u>Supplemental disclosure of cash flow information:</u></b>					
Interest paid	\$ 3,905	3,168	2,391	1,549	661
Income taxes paid	-	-	-	-	-

*See assumptions and notes to forecasted financial statements and independent accountant's compilation report.*

# WINDSOR POINT INCORPORATED

## Summary of Significant Forecast Assumptions and Accounting Policies

December 31, 2026 through 2030

### (1) Nature of Presentation

This forecast reflects, to the best of management's knowledge and belief, Windsor Point Incorporated's ("Company") expected financial position, results of operations and cash flows for the forecast period. Accordingly, the forecast reflects management's judgement as of April 20, 2026, the date of this forecast, of the expected conditions and expected courses of action of the Company during the forecast period. The assumptions disclosed herein are those which management believes are significant to the forecast. 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.

### (2) Organization and General

#### (a) Operations

Windsor Point Incorporated was incorporated on July 7, 1995, to serve as a continuing care retirement community.

#### (b) Basis of Accounting

The Company operates and maintains its books and records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### (c) Property and Equipment

Owned property and equipment is depreciated using the straight-line method over the estimated useful lives of the respective assets.

#### (d) Leases

The Company leases its facilities and most of its furniture and equipment from Stan Johnson & Associates, LLC (a related company). Leases are accounted for under Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842) which requires the recognition of a right-of-use (ROU) asset and lease liability on the balance sheet for all noncancelable leases with an original lease term greater than one year.

# WINDSOR POINT INCORPORATED

## Summary of Significant Forecast Assumptions and Accounting Policies, Continued

### (2) Organization and General, Continued

#### (e) Income Taxes

The Company has elected to be taxed as a Small Business Corporation. Accordingly, no provision has been made for Federal and state income taxes because these taxes are the responsibility of the individual stockholders.

#### (f) Long-term debt

Long-term debt consists of a 6.15% note, payable in monthly installments of \$1,823, including interest, with a final payment due February 2031. The note is collateralized by a vehicle. Installment payments of long-term debt are forecasted based on the amortization schedule of the note.

#### (g) Dividends

Dividend distributions are at the discretion of the board of directors. Dividends are forecasted based on the income taxes projected to be incurred by the stockholders since the income of the Company is reported on the stockholders' income tax returns.

#### (h) Refundable Entrance Fees

The Company has two types of residence and care fee agreements that it offers its residents. Under both of these agreements, a portion of each resident's entrance and care fee may be refundable after the resident terminates his/her stay at Windsor Point. For life occupancy contracts and fifty percent equity contracts, this refund is due and payable within thirty days after the vacated residence is reoccupied. For purposes of this forecast, it is assumed that all residents will choose the life occupancy contract option since approximately ninety-five percent of current residents have chosen this option.

### (3) Forecast Assumptions

Monthly service fees are increased by 5% at August 1 of each year beginning August 1, 2026 through 2030.

Interest income is computed by assuming approximately a 3.5% return on cash and certificates of deposit. Restricted investments related to the operating reserve requirement consist of certificates of deposit.

All operating expenses with the exception of depreciation and rent are computed by applying an estimated inflation rate of 2.1% annually. Staffing levels are assumed to be unchanged during the forecast period.

## WINDSOR POINT INCORPORATED

### Summary of Significant Forecast Assumptions and Accounting Policies, Continued

#### (3) Forecast Assumptions, Continued

Rent expense is computed by amortizing the total lease payments over the lease term on the straight-line method and assuming that the lease will continue on an annual basis after the expiration date with lease payments increasing by 1% annually.

Depreciation expense is computed by increasing each annual amount by 3.95% over the previous year taking into account assumed annual property and equipment additions of \$150,000 and assets becoming fully depreciated during the forecast period.

Interest expense is forecasted based on the amortization schedule of the note payable.

The operating reserve requirement for North Carolina General Statute 58-64-33 is computed at 25% of the total operating costs forecasted for each 12 month period ending December 31, 2026 through 2030. The facility has historically maintained an occupancy level of at least 88% - 90%. Operating costs exclude depreciation, amortization and extraordinary items and include scheduled principal and interest payments on debt. Income and advances from stockholders shall be the primary sources of funds for the operating reserves. The treasurer of the Company will be the custodian of these funds and shall only release funds upon the approval of the Department of Insurance. Operating reserves are kept by the Company in the form of certificates of deposit.

The Company states in its resident agreement that entrance fees will be amortized over a period of 50 months (2% every month). For financial reporting purposes these entrance fees are amortized using the remaining life expectancy of the residents. This forecast assumes terminations will be based on prior years' experience.

## **Appendix C — Statement of Actuarial Opinion**

Windsor Point, Inc. is not required to obtain an actuarial study under North Carolina General Statute 58-64A-210(f). No actuarial study or actuarial opinion is included in this Disclosure Statement.

**Appendix D — Representative Contract(s)**

# WINDSOR POINT RESIDENT AGREEMENT

## Continuing Care Contract 2025/2026

This Agreement made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, is between WINDSOR POINT INCORPORATED, a North Carolina corporation which operates a Continuing Care Retirement Center in Fuquay-Varina, North Carolina (referred to as “WINDSOR POINT” or “CORPORATION”), and \_\_\_\_\_ (referred to as “YOU” or “RESIDENT,” regardless whether this Agreement is executed by one or two individuals). The corporation is organized for the purpose of furnishing housing and health care to senior citizens in a community setting.

### **I. Effective Date of Occupancy**

Date of Occupancy is defined as the date monthly fees are assessed and entrance fees begin to be amortized whether the resident has moved into the unit or not.

The effective Date of Occupancy will be the date when the Living Unit specified in Section III.A. is available and is expected to be on \_\_\_\_\_. Prior to availability of the Living Unit, Windsor Point will notify the applicant and will request final qualification information. The applicant may choose to defer occupancy until a later date, but such deferral will forfeit the right to occupy the Living Unit specified in Section III-A unless he/she chooses to continue to hold this unit by beginning payment of monthly fees. If occupancy is deferred, the applicant will remain on the priority waiting list until a comparable Living Unit becomes available. Until the Date of Occupancy, Windsor Point reserves the right to re-evaluate the applicant’s admission qualifications and to withdraw its acceptance of this Agreement.

### **II. Fees Charged to Resident**

**A. Windsor Point will make available all services** and facilities outlined in this Agreement in return for resident’s payment of a non-refundable, \$200.00 application fee, an Entrance Fee in the amount of \$\_\_\_\_\_, and payment of the monthly Service Fee as provided below.

**B. Upon preliminary acceptance** of this Agreement by Windsor Point, a Reservation Deposit for the desired Living Unit in the amount of 10% of the below stated Entrance Fee in the amount of \$\_\_\_\_\_, will be due.

**C. Entrance Fee**

\_\_\_\_\_ has chosen the following resident Payment Plan.

**LIFE OCCUPANCY PLAN** \_\_\_\_\_

RESIDENT'S SIGNATURE \_\_\_\_\_

**50% LIFE EQUITY PLAN** \_\_\_\_\_

RESIDENT'S SIGNATURE \_\_\_\_\_

**C.1 The Entrance Fee** is paid by the resident as a condition of entrance into Windsor Point and the Corporation reserves the right to apply these funds against its capital indebtedness or for any purpose deemed proper within the scope of all applicable state laws, generally accepted accounting principles, and Windsor Point's corporate charter.

**C.2 Upon final approval** for admission, the balance of the Entrance Fee in the amount of \$\_\_\_\_\_ associated with the desired Living Unit will be payable to Windsor Point at least thirty days prior to the Date of Occupancy.

**C.3 Entrance Fees may be** put in escrow.

**D. Monthly Service Fee:**

A non-refundable Monthly Service Fee of \$\_\_\_\_\_ is due by the 5<sup>th</sup> day of the month, for services to be rendered in that month. The Monthly Service Fee will vary depending upon the type of Living Unit occupied, and the type of services requested by the resident over and above those included in the standard fee. The Monthly Service Fee may be adjusted by Windsor Point prior to occupancy of the living accommodation by the resident if changes in the projected costs of providing the services outlined within so require.

**D.1 Monthly Service Fees paid to WINDSOR POINT are not refundable to the resident in part or in full after occupancy by a resident except in Kelly Health Care.**

**D.2** The Monthly Service Fee supports the facilities, programs, and services described in this Agreement. This fee is intended to meet the cost of insurance, maintenance, administration, staffing, and other expenses including debt service. Windsor Point shall have the authority to adjust the Monthly Service Fee at its discretion in order to reflect changes in the cost of providing the facilities, programs and services described herein

while operating on a sound financial basis and maintaining quality of services. Resident agrees that should the Monthly Service Fee be adjusted, resident will pay such adjusted rate. However, no increase in the fee will take effect earlier than thirty (30) days after written notice of the increase is given to the resident.

**D.3** Windsor Point will furnish monthly statements to the residents showing the amount due for the Monthly Service Fee and any other sums chargeable to the resident under this Agreement. At this time there are no fee adjustments given for absentee residents. There are no reductions for those who may choose not to use any services covered under the monthly fee.

### **III. Accommodations and Services**

#### **A. Living Unit**

Subject to the terms of this Agreement, resident shall have the unassignable right to occupy the Living Unit described as \_\_\_\_\_ for the duration of this Agreement.

#### **B. Residential Services**

##### **B.1 Services Included in Monthly Fees for Independent Residents**

- One daily meal in the community dining room (independent living; three daily meals in Regency Court and Royal Treatment.

Independent residents are required to use one fourth of these meals per quarter. Any meals not used during a quarter will be forfeited. Up to six carry-over meal credits a month may be used for family or friends or other residents. Guest meal credits must be carried over from meals missed in the previous months.)

- Weekly housekeeping.
- Scheduled local transportation. Every effort is made to accommodate specific times, however, it may be necessary to re-schedule some appointments to a time or date when transportation is available. Many residents use Windsor Point transportation. This means, at times, residents have to wait to be picked up at appointments. Every effort is made to provide timely and efficient transportation to all our residents. **All transportation provided by Windsor Point must be scheduled in advance through the transportation director.** All residents must sign a transportation waiver in order to take advantage of this service. Transportation services are available to Windsor Point residents during business hours only.
- Basic utilities, including electricity, water, heating, air conditioning.
- Basic cable in Regency Court
- Use of community amenities (wellness center, pool, library, auditorium, gardens, walking trails)
- Social, cultural, and recreational programming

- Care coordination for transitions between levels of care
- Landscaping and lawn maintenance
- Maintenance on all living units
- Onsite security at night
- Call bells for emergencies in all units
- Priority admission to assisted living or skilled nursing in Kelly Health Care Center on our Windsor Point CCRC campus.
- Trash Removal
- Parking Space (no RVs or boats)
- Accrual of 15 free Health Care days a year with a maximum of 30 days accrued at any one time.

## **B.2 Services Available at Additional Charge for Independent Residents**

- Guest meals and additional meals for residents. Guests are welcome at all meals except certain holiday dinners and special functions which require reservations and are for Windsor Point residents only. Reservations for guests are required twenty-four hours in advance. Policies for Regency Court and Kelly Health Care residents eating in the independent dining room are available from the marketing department.
- Delivered Meals /Take out meals
- Additional housekeeping or laundry services beyond standard schedule
- Salon and barber services
- Special transportation outside scheduled routes
- Concierge services and private duty care
- Upgrades in units
- Maintenance outside the norm
- Certain activities, like the Symphony, dining out, etc.
- Community Technology support (telehealth services, home monitoring devices)
- Moving cost and disposal of unwanted furniture
- Vaccines
- Transport services, ambulances etc.
- Personal items, including medication and health care supplies
- Cable, Internet, Phone
- Household supplies like toilet tissue and light bulbs

### **B.3 Services Included in Monthly Fees for Health Care**

- Care coordination by a dedicated nurse or staff member
- Initial and annual health assessments
- Emergency response system
- Access to wellness programming (fitness, nutrition, preventive screenings)
- Transportation for medical appointments within the service area
- Personal care assistance (bathing, grooming, dressing, medication administration)
- Basic cable in Health Care
- Three meals daily and snacks, assistance with some special diets, housekeeping, laundry

### **B.4 Services Available at Additional Charge for Health Care**

- Expanded transportation outside the service area
- Medication, medical supplies, personal grooming supplies, toiletries
- Durable medical equipment
- Doctor's visits and any specialist care
- Moving cost and disposal of unwanted furniture
- Private duty sitters
- Vaccines
- Transport services / Ambulance
- Additional cable and phone services
- Some off-site activities
- Barber and Salon Services
- Dietary supplements, such as Ensure, Sustacal, etc. are considered treatment and charged accordingly.
- Guest Meals
- Dry Cleaning

### **B.5 Other fees and services provided by Windsor Point.**

1. **Pets:** Residents are allowed to keep pets that are appropriate in size, subject to prior approval by Windsor Point. Residents must abide by administrative rules regarding pets and must have a signed, written plan for disposition of the pet if the resident becomes unable to care for the animal. At a minimum, residents are required to maintain necessary vaccinations as required by law; to keep pets on a leash at all times when on public grounds; to clean up after pets; and, to pay for any damage caused by

pets to property of the community. Windsor Point reserves the right to deny any pets, if it is determined that the resident can no longer care for the pet or if the pet presents a problem to the community. An extensive pet policy is executed upon entrance to Windsor Point.

- 2. Deliveries:** Residents may arrange for newspaper and magazine deliveries or may utilize services such as UPS or Federal Express at their own expense.
- 3. Information Resources:** Many of our residents are informed of events in the community via email however, bulletin boards, bulletins, activity calendars, and newspapers are placed throughout the complex. The Resident's Association will also be kept informed of current and future events.
- 4. Insurance:** Windsor Point maintains insurance coverage for the community's facilities and equipment. Residents need to maintain insurance coverage for personal property. Policies are readily available and are similar to policies issued to renters.
- 5. Mail:** Each resident in independent apartments is assigned an individual, locked postal box. Cottages have mailboxes outside the cottage. Items too large to be placed in the mailbox may be picked up at the receptionist's desk. Mail for residents of Regency Court and the Kelly Health Facility is handled through a central mail receptacle; such mail is picked up and distributed on a daily basis to each room.
- 6. Alcoholic Beverages:** Independent Residents are allowed to consume alcoholic beverages in their units and in designated areas at designated times. It is resident's responsibility to limit their usage of alcohol so they will not be impaired. It is also the resident's responsibility to confer with their doctor to ensure that their prescribed medicines do not have an adverse reaction to the consumption of alcohol. It is the resident's responsibility to ask for help if he/she inadvertently drinks too much. Residents are responsible for any destruction to property or injury to themselves or others due to alcohol use. Windsor Point reserves the right to limit alcohol use if it determines there is a problem with a resident's alcohol consumption.  
  
Residents may be asked to sign a waiver if they choose to consume alcohol.
- 7. Drugs:** Prescription and non-prescription drug costs are the responsibility of each resident. All residents may purchase prescription drugs from whatever source they choose. However, in Regency Court and the Kelly Health Facility, medication is usually purchased from the Windsor Point Pharmacy, a private pharmacy on the facility premises. If residents choose to use another Pharmacy, while in Regency Court or the Health Care Facility, the resident's family will be responsible for obtaining refills. Refills should be provided in time to ensure the resident has the needed medication. If it becomes necessary for Windsor Point to provide medication for residents, the resident will be responsible for these charges.
- 8. Keys:** Upon taking occupancy at Windsor Point all residents are given keys to their apartment or cottage as well as their storage unit. Upon vacating this unit, all keys must be returned to a member of Windsor Point management staff. If the resident is

changing units on Windsor Point property, keys will be given for the resident's new unit. Monthly fees will be adjusted to that of the new unit only when keys to the resident's old unit have been returned to Windsor Point management. If keys are not returned to Windsor Point Management, the cottage or apartment in question will be rekeyed.

There will be a \$5.00 charge for replacement keys and a \$150 charge for rekeying locks to apartments or cottages.

## 9. Living Unit

Each independent living unit is provided with appropriate flooring, blinds, kitchen (except for Regency Court), Dishwasher and Dryers in most units. Units are ready for occupancy except for personal belongings and furniture.

# IV. Financial Provisions

## A. Conditions for Refund:

Upon the termination of this Agreement as a result of the death of resident, or upon the departure of resident from Windsor Point, the resident may be entitled to a refund of the Entrance Fee according to the provisions outlined below for the resident Payment Plan previously chosen by the resident. Refunds will be payable to the resident only upon receipt of an Entrance Fee from a replacement resident acceptable to Windsor Point. This refund is based on resale of the original unit the resident occupied at Windsor Point.

**\_\_\_\_\_ All refunds will be paid to the resident, the resident's estate, or to the Clerk of Court, unless a court order indicates otherwise.**

The termination date for computing any refund or any outstanding payments due or accrued is the date the resident's Living Unit is actually vacated and accepted by WINDSOR POINT. Any legal costs incurred by Windsor Point in order for a resident to receive a refund will be deducted from that refund or billed to the resident or the resident's responsible party. Residents must give a 30 day notice when leaving Windsor Point.

**\_\_\_\_\_ All unit keys must be returned to Windsor Point in order to avoid a key surcharge of \$150.00.**

**A.1 Non-refundable Entry Fee:** A non-refundable Entrance Fee may be charged which accrues to Windsor Point as income at a rate of 2% per month of occupancy. If the resident decides to leave Windsor Point before 100% of the Entrance Fee has been realized as income by Windsor Point, they will be due a refund of the Entry Fee less 2% for each month of occupancy and less any amount owed Windsor Point by resident and less the amount necessary to restore the Living Unit to a condition acceptable for re-occupation of the unit. If the Living Unit is occupied any portion of a month then no refund will be due for that month. Refunds will be payable only upon the receipt of an Entry Fee from a replacement resident acceptable to Windsor Point. This refund is based on resale of the original unit the resident occupied at Windsor Point. Monthly Service Fees are not refundable except for residents of the Kelly Health Care Center.

\_\_\_\_\_ Independent or Independent Plus Entrance Fees with incentives will be amortized over the first 25 months of residency at Windsor Point instead of 50 months.

\_\_\_\_\_ Health Care Entrance Fees will be amortized over 6 months.

**A.2 50% Refundable Entry Fee:** A 50% Refundable Entry Fee will accrue to Windsor Point as income at a rate of 2% per month of occupancy until 50% of the Entry Fee has been realized by Windsor Point as income. Thereafter, any refund to the resident will be limited to 50% of the Entry Fee originally paid, less any outstanding charges due to Windsor Point and the amount necessary to restore the Living Unit to a condition acceptable for re-occupation. If resident leaves Windsor Point before 50% of the Entry Fee has been taken as income by Windsor Point, they will be due a refund of the Entry Fee, less 2% thereof for each month of occupancy, and less any outstanding charges due Windsor Point and the amount necessary to restore the Living Unit to a condition acceptable for re-occupation of the unit. If the Living Unit is occupied any portion of a month, then no refund will be due for that month. Refunds will be payable only upon the receipt of an Entry Fee from a replacement resident acceptable to Windsor Point. Monthly Service Fees are not refundable. This refund is based on resale of the original unit the resident occupied at Windsor Point. If a resident moves to another level of care the Entrance Fee is still amortized as stated in the Disclosure Statement and resident Agreement.

**A.3 Monthly Fees.** Monthly Service Fees paid to WINDSOR POINT are not refundable to the resident in part or in full. The only exception to this policy will be for residents who pass away while living in the Kelly Health Care Center. Any insurance premiums paid above the amount of the monthly fee or any credits above the amount of the monthly fee will be reimbursed to the resident within 45 days of the resident leaving Windsor Point. Until all personal effects are removed from any unit, residents will continue to be charged a monthly service fee.

## **B. Trial Period**

The first thirty days (30) after signing the contract or receipt of an approved Disclosure Statement will be considered a Trial Period for residents who pay an Entrance Fee, regardless of the refund provision chosen. If a resident withdraws from Windsor Point within the Trial Period, they are guaranteed a full refund less 2 % of Entrance Fee or \$ 3000 whichever is greater plus any outstanding charges due Windsor Point for upgrades commissioned by the resident. If the resident took occupancy during the trial period an additional amount necessary to restore the Living Unit to a condition acceptable for re-occupation of the unit may apply. Refunds will be payable to the resident only upon the receipt of an Entrance Fee from a replacement resident acceptable to Windsor Point. This refund is based on resale of the original unit the resident occupied at Windsor Point. Monthly Service Fees paid to Windsor Point during the Trial Period are not refundable to the resident in part or whole

## **C. Failure to Make Payments**

If any resident fails to pay the Monthly Service Fee after notification to pay has been given and the guarantor has not made satisfactory payment, Windsor Point reserves the right to

terminate the Resident Agreement. If Windsor Point does terminate the Resident Agreement and if any Entry Fee is due back to the resident, Windsor Point will apply the Entrance Fee towards the resident's outstanding balance and refund the remainder within thirty (30) days after Windsor Point receives an Entry Fee from a replacement resident acceptable to Windsor Point.

Without in any way qualifying the right of Windsor Point to terminate this Agreement, if the resident presents facts which justify special financial consideration and if, upon reviewing resident's financial resources, Windsor Point determines that through no fault of the resident, they are unable to continue to pay a part or all of the Monthly Service Fee, Windsor Point may subsidize the resident's Monthly Service Fee in part. In return, the residents agree that they will not make any gift of real or personal property for the purpose of evading their obligations under this Agreement. If it is apparent to Windsor Point that the resident has intentionally divested assets and resources to evade obligations under this Agreement or has used resources in a manner other than to meet ordinary and customary living expenses, then Windsor Point will terminate this Agreement.

#### **D. Subsidy by Windsor Point:**

Should Windsor Point subsidize partly or wholly resident's Monthly Service Fee, or any other cost for services or care which Windsor Point under this Agreement is not obliged to pay on behalf of the resident, then the aggregate amount of subsidy furnished by Windsor Point to the resident shall become a debt of the resident and shall be payable by the resident or the resident's estate. Windsor Point may from time to time request financial statements from any resident whose monthly service fee is subsidized by Windsor Point. If the resident's sources of income fail to meet financial obligations, the resident will make every effort to obtain assistance from family or other available means to the extent that the resident is eligible to receive such assistance. When no other financial assistance is available the resident's agreement may be terminated.

Should either the resident or Windsor Point be eligible for federal, state, or other funds on behalf of the resident, nothing in the Contract shall be construed so as to make either party ineligible for such funds, and the resident expressly waives any provisions of this Agreement which might now or hereafter be in conflict with any federal, state, or other law or regulations and agrees to apply for and cooperate in obtaining such benefits if so requested by Windsor Point.

#### **E. Disclosure Statement:**

In keeping with North Carolina requirements for disclosure of financial information to the public and to Windsor Point residents, Windsor Point will file a disclosure statement with the Department of Insurance on a yearly basis, or more often if material facts warrant.

Resident acknowledges that he or she received, prior to the execution of this agreement, a copy of Windsor Point's Disclosure Statement that meets the requirements of section 58-64-20, et. seq. of the North Carolina General Statutes or other such applicable law, rules or regulation.

## **F. Resident's Disclosure Requirements:**

Applicants need to provide a comprehensive, confidential financial statement including income, assets, and debts acceptable to Windsor Point demonstrating that the applicant has sufficient financial resources. Verification of financial information by banks, trust officers, etc. will be required. Windsor Point will have a committee to review all information and determine financial eligibility. However, it is the responsibility of every resident to seek financial advice on their ability to meet future costs and identify any personal financial risks, if any. Incomplete, false, or misleading financial disclosures are grounds for termination of this Agreement, regardless of whether the resident has failed to pay the Entry Fee or any Monthly Service Fees, which are due.

## **V. Health Care Services**

### **A. Disclosure of Health Status:**

During the process of applying for admission to Windsor Point, resident agrees to provide accurate and complete medical information to Windsor Point. Windsor Point will only accept applicants based on accurate and complete information provided during Windsor Point's application process. Windsor Point will not be responsible for the cost of care associated with any medical condition. If a resident happens to be admitted to a level of care that is inappropriate, then the resident will be required to move to an appropriate level of care to meet their health care needs.

It is the responsibility of the resident or resident's responsible party to disclose any change in health status or any occurrences that would directly affect the welfare and care of the resident. Windsor Point assumes no responsibility for undisclosed health issues. Failure to disclose health changes may require the resident to leave Windsor Point.

For residents who move directly into an Assisted Living Unit in the Kelly Health Care Facility, there is an entrance fee as published in the Disclosure Statement. These residents sign a continuing care contract and are considered Continuing Care residents. This disclosure statement and contract apply to them. In addition, residents moving into the Kelly Health Care Center will sign a separate contract outlining services and regulations pertaining to the Health Care Center. All rights and privileges of continuing care are available to them. They have access to other levels of care and are given priority to independent units not pre-sold.

### **B. Insurance:**

The Continuing Care resident must be enrolled in, or apply for and secure, the Hospital Insurance Benefits Program under Part A of Public Law 89-67 (Medicare). The resident must also secure and pay the premium for the Medicare Supplementary Medical Insurance Benefits Program under Part B of Public Law 89-67 and/or any other public hospital or medical insurance benefits program which may be enacted as a successor or supplement to Medicare. In addition, the resident will need to maintain supplemental, private health insurance, which is satisfactory to Windsor Point.

If the resident is not eligible for Medicare coverage, the resident will need to apply for and maintain similar private health insurance coverage that is acceptable to Windsor Point.

The resident must authorize, as necessary, any provider of health care services, including Windsor Point, to receive reimbursement under the insurance required by Windsor Point. Residents must assign any benefits accruing to them under this insurance to the appropriate provider of health care services. If the resident is entitled to medical care by a government agency, he/she must make application for such care or payment. The resident must also make and deliver to Windsor Point a limited Power of Attorney for the purpose of permitting and instructing Windsor Point to act as the resident's agent or attorney-in-fact in all matters relating to the above insurance benefits.

Any insurance benefits paid from Federal, State, or other sources will, (as between Windsor Point and the resident), be paid or credited first against any payment made by Windsor Point for such services, for whatever reason; next against any charge due from the resident in respect to the covered health care services; next, against any payment made by the resident for the health care services involved. Residents will be required to authorize Windsor Point to release medical records for insurance purposes.

Windsor Point does accept insurance payments, however, payment is the responsibility of each resident and is due on the first of each month regardless of when insurance reimbursements are received. Any overpayment of Insurance will be credited to the resident's account. Any lapse in insurance or failure to obtain insurance is not the responsibility of Windsor Point. The resident will be responsible for all charges incurred.

Windsor Point may, from time to time, request updated financial statements and verification of financial status. It is the resident's responsibility to check with Windsor Point to make sure that the insurance they carry is accepted by Windsor Point. At this time Windsor Point does not accept any HMOs or TriCare for primary payment.

### **C. Health Care Center**

Windsor Point maintains the Kelly Health Care Center which includes a licensed 45 bed Nursing Facility, a 35 bed Assisted Living Unit and a 20 bed memory care, a Clinic, and support spaces. The center meets all Federal and State requirements for Medicare certification and licensing, as applicable. In addition to the continuing care contract, the Kelly Health Care Facility is governed by the guidelines of the Division of Facility Services.

### **D. Health Care Services in the Health Care Center**

When ordered by Windsor Point's Medical Director, Windsor Point will provide temporary or permanent care to all residents who have entered into a Continuing Care Contract, in its Nursing Facility, subject to the provisions of Section VII.

Upon admission to the Health Care Center, residents agree to abide by Windsor Point's health care contract which must be signed prior to admission to this unit. The health care contract outlines Windsor Point's health care policies. Residents also agree to abide by any health care regulations as dictated by the state of North Carolina.

If a bed in the Health Care Center is not available at the appropriate level of care, Windsor Point will be responsible for finding an alternative health care facility for the resident, until such time as an appropriate bed is available in Windsor Point. If Windsor Point's Medical Director determines that the Health Care Center cannot meet the resident's needs, resident agrees to be transferred to an appropriate health care facility selected by Windsor Point. During their stay at the alternate facility, they will continue to pay Windsor Point's Monthly Service Fee. The resident will also continue to have the other rights and obligations set forth in this Agreement.

Windsor Point is neither designed nor licensed to care for persons who have a psychotic condition or suffer from certain contagious or dangerous diseases. If it is determined by standard legal and acceptable evaluation procedures that any resident is psychotic or suffers from mental illness or a contagious or dangerous disease, the resident may be transferred to an institution capable of administering the necessary care. All costs associated with the institutional care, including non-medical incidental charges, are the responsibility of the resident, but may be covered by insurance.

#### **E. Cost of Health Care Services:**

Beginning with the Date of Occupancy, only Independent or Independent Plus, residents will accrue 15 days per calendar year of eligible days of inpatient health care with a maximum of 30 days that may be accumulated at any one time. When the resident enters the Health Care Center on a temporary basis as an inpatient, they will pay only their regular Monthly Service Fee until their accumulated eligible days are exhausted, plus the cost of extra meals and any charges for the following which are not covered by insurance: pharmacy expenses, physician's fees, occupational therapy, physical therapy, hydrotherapy, lab work, and ambulance services. When resident's accumulated eligible days are exhausted, they will pay the Monthly Service Fee plus 50% of the published per diem rate for inpatient services.

If a resident enters the Kelly Health Care Center on Medicare, free health care days may be used after the Medicare days are exhausted. While on Medicare A, residents are still responsible for co-insurance after the 1<sup>st</sup> 20 days.

If Windsor Point determines that the resident has become a permanent inpatient, they will continue to pay their regular Monthly Service Fee until their accumulated eligible days are exhausted. At that point, their Monthly Service Fee will then become the published rate for Continuing Care residents as published by Windsor Point. Fees charged by Windsor Point for nursing care cover the facilities, nursing staff, and routine supplies. Pharmacy expenses and physician fees are charged separately but may be covered by insurance. Occupational therapy, physical therapy, hydrotherapy, lab work, and ambulance service are provided at an additional cost, but may be covered by insurance.

The procedure for becoming a permanent resident of the Kelly Health Care Center is as follows: the Director of Nursing will recommend that the Windsor Point Resident Assessment Team review the resident for possible permanent placement in the Kelly Health Care facility. If the Windsor Point Resident Assessment Team decides that the

resident will no longer be able to live in their original level of care for an indeterminate amount of time, the resident will either need to give up their unit or assume the monthly service fees for both units.

## **F. Emergency Services:**

The resident will be supplied with an emergency call system. Upon receipt of an emergency call in the Nursing Facility, personnel will respond to the call and determine the level of assistance needed. However, in addition to activating the call system, we advise the residents to call 911 immediately if the situation warrants. Residents are required to authorize Windsor Point to release medical records for emergency or non-emergency treatment.

## **G. Other Health Care Services:**

Windsor Point will either provide or assist with arrangements for the following additional services.

**G.1 Physician Care:** All residents at Windsor Point must have a personal physician. If the resident or potential resident does not have a personal physician, Windsor Point will assist in arranging for a physician or physicians for residents. The community's Medical Director is the primary physician for residents in the Health Care Center. If for some reason Windsor Point's medical director is not the Resident's choice for a physician, it is the responsibility of the resident or the resident's responsible party to select a physician that adheres to state and federal guidelines, as well as those of Windsor Point. All costs associated with physician care, i.e. lab work, etc., will be the direct responsibility of the resident. All physicians must follow all state and federal guidelines, as well as Windsor Point's policies and procedures.

**G.2 Medical Examination:** The resident agrees to submit to a medical examination when requested by Windsor Point's Medical Director, if Medical Director has reasonable cause for concern for resident's health and well-being. All costs for medical examinations will be the responsibility of the resident.

**G.3 Hospitalization:** Windsor Point will assist the resident with arrangements for inpatient hospital care. Windsor Point shall maintain transfer agreements with several area hospitals to facilitate placement of Windsor Point occupants. All costs associated with inpatient hospital care, including non-medical incidental charges, are the responsibility of the resident, but may be covered by insurance.

**G.4 Procedures and Diagnostic Tests:** Windsor Point will assist the resident with arrangements for surgery, treatment by specialists, and diagnostic tests provided off-site. All costs associated with surgery, treatment, or tests, including non-medical incidental charges, are the responsibility of the resident, but may be covered by insurance.

**1.Care Administered While Traveling:** Health care services received by the resident while traveling is the responsibility of the resident but may be covered by insurance.

**2. Health Care Services Not Covered By Insurance:** Windsor Point is not responsible for the payment of health care services not covered by Medicare Part A or Part B, except to the extent such services are covered by a resident's private health insurance plan. These non-covered services include, but are not limited to, prescription drugs, dental work, hearing aids, eyeglasses, orthopedic devices, and podiatrist care, wheelchairs, walkers, etc. Windsor Point will not be responsible for psychiatric or psychological services other than those covered by a resident's private health insurance.

**3. Private Duty Personnel:** Windsor Point requires approval for the use of all Private Duty Personnel, including but not limited to nurses, nurse aides, sitters, and in-home companions. If a resident is interested in hiring Private Duty Personnel, residents must adhere to the Windsor Point Private Duty Personnel Policy which may be obtained at the front desk. All costs associated with the use of Private Duty Personnel are the responsibility of the resident.

Upon approval, Private Duty Personnel may be used by a resident in the following circumstances: (I) if the resident is independent and it is determined by the Windsor Point Resident Assessment Team that the resident can maintain their independent unit with assistance and without causing harm to that resident and others. (However, Windsor Point reserves the right to deny the request for private duty personnel and require the resident to move to another level of care if the Windsor Point Assessment Team feels that this would be more beneficial to the resident.) (II) during short term emergency situations if the resident needs temporary care prior to being transferred to a more appropriate level of care; or (III) if the resident occupies a bed in the Kelly Health Facility and desires the additional services of Private Duty Personnel.

Windsor Point assumes no responsibility for the actions of private duty sitters if employed by residents or their families. All private duty personnel must adhere to guidelines set up for private duty sitters. These guidelines include, but are not limited to background checks, parking, smoking, and dress. In addition, sitters must sign in and out and wear nametags always distributed by Windsor Point they are on the property.

## **VI. Dual Occupancy**

### **A. General Provision**

If two persons sign this Agreement as residents, the accommodations and services will be for them both, and the payment of sums required under this Agreement apply to them both. If the two persons are husband and wife, each of them will be individually responsible for payments due under this Agreement. If the two persons are not married, each of them will be liable for one-half of the payments due under this Agreement and both must financially qualify for occupancy.

### **B. Survivorship**

In the event of dual occupancy of the Living Unit, the refund provisions of this Agreement shall be applicable only to the resident who last occupies the Living Unit. There shall be no refund due or payable at the death or withdrawal from Windsor Point of the first resident

and any entrance fee paid by the first resident will continue to be amortized until the death or withdrawal of the second resident.

If the dual occupants are not spouses, no refund will be due until the second resident cancels the contract or dies. At that time any Entrance fee that has not been amortized under the provisions of the contract shall be split and paid to both residents or their estates. The Monthly Service Fee shall be reduced to the single occupancy rate upon the death or withdrawal from Windsor Point of the first resident.

The remaining resident shall have the option of retaining the Living Unit with no adjustment to the Entrance Fee paid by the resident. Alternatively, the remaining resident may choose to move to another Living unit within Windsor Point. If the Entrance Fee for the new Living Unit is higher than the Entrance Fee for the Living Unit being vacated, the resident must pay the difference between the two Entrance Fees and a new contract must be signed. However, if the Entrance Fee for the new Living Unit is the same or less than the Entrance Fee for the Living Unit being vacated, then no refund of the difference will be made to the resident. In any case, the Monthly Service Fee for the Living Unit will be converted to the single occupancy rate.

### **C. New Second Occupants**

- If the resident is the sole occupant of the Living Unit and wishes to invite another resident of Windsor Point to share their Living Unit, the combined occupancy must be approved by Windsor Point. There will be no adjustment to the Entrance Fee. The Monthly Service Fee will be converted to the dual occupancy rate for the shared Living Unit.
- If the resident is the sole occupant of the Living Unit and wishes to invite a non-resident to share their Living Unit through marriage, the new occupant will be required to go through the standard application process. The Resident must meet the health and financial requirements to enter into a continuing care contract. The difference between the dual occupancy rate and the single occupancy rate must be paid.
- If the resident is the sole occupant of the Living Unit and wishes to invite a non-resident to share their Living Unit other than through marriage, the new occupant will be required to go through the standard application process. If approved by Windsor Point, the new occupant must pay one-half of the published dual occupancy Entrance Fee for the Living Unit. The Monthly Service Fee for the shared Living Unit will be converted to the dual occupancy rate. The Resident must meet the health and financial requirements to enter into a continuing care contract.

### **D. Relocation of Second Resident within Windsor Point**

- If one resident of a dual occupancy wishes to vacate the Living Unit and relocate to another Living Unit within Windsor Point, the vacating resident must pay an additional one-half of the original Entrance Fee for the new Living Unit and the current monthly rate for the new unit.

- The remaining resident shall have the option of retaining the current Living Unit. The Monthly Service Fee for the Living Unit will be converted to the single occupancy rate.

## **VII. Transfer of Residents**

- If Windsor Point's Medical Director determines that a resident may no longer safely live in the Living Unit specified in Section III.A., or that they are a disturbance to Windsor Point as a result of their mental or physical condition, their status will be reviewed with the resident, their family (if appropriate), and the Windsor Point Resident Assessment Team. If it is decided that is necessary for protection of the health or safety of the resident or the general and economic welfare of other residents if the resident moves to another level care or living unit, they agree to be transferred. If Windsor Point determines that the resident should live permanently in the Health Care Center, their Living Unit will be assigned to a new occupant after being released by them to Windsor Point. If Windsor Point subsequently determines that they are capable of independent living after a permanent transfer to the Health Care Center, Windsor Point will assign an appropriate Living Unit to the resident as soon as one becomes available. Windsor reserves the right to determine final level of care of all residents.
- If the resident relocates to Windsor Point's Kelly Health Care Center, they will continue to be responsible for the Monthly Service Fee of the Living Unit being vacated until the Living Unit is released by them to Windsor Point and accepted by Windsor Point for re-occupation.
- If the resident relocates to Windsor Point's Regency Court Unit, they will be responsible for the Monthly Service Fee of the Living Unit with the higher Monthly Service Fee. If the Living Unit being vacated is not released by the resident to Windsor Point within ten (10) days after the transfer, the resident will be responsible for the Monthly Service Fees of both Living Units until the vacated Living Unit is released by them to Windsor Point and accepted by Windsor Point for re-occupation.
- If any resident relocates to another Windsor Point Living Unit in the same level of care, the resident is responsible for the Monthly Service Fee of the new Living Unit from the date the new Living Unit is ready for occupancy. The resident is also responsible for the Monthly Service Fee of the Living Unit being vacated until the Living Unit is released by the resident to Windsor Point and accepted by Windsor Point for re-occupation. If a resident transfers to a different independent living unit a transfer fee of \$3000 will be charged to the resident. A resale fee will be charged if excessive damage has been done to the living unit above normal wear and tear. The resale fee will be based on cost of bringing the living unit to market ready. Residents will be responsible for cost of moving furniture, etc.
- Any adjustments to their Monthly Service Fee will be made at the time the new Living Unit is accepted by them in writing.
- In any move on Windsor Point property, monthly fees will be adjusted to that of the new unit only when keys to the resident's old unit have been returned to Windsor Point Management.

- If the Entrance Fee for the new Living Unit is higher than the Entrance Fee for the Living Unit being vacated, the difference must be paid between the two Entrance Fees, and a new contract must be completed. However, if the Entrance Fee for the new Living Unit is the same or less than the Entrance Fee for the Living Unit being vacated, then no refund of the difference will be made.
- The decision to transfer any resident is preceded, where possible and practical, by consultation with the resident, the resident's family, or a party responsible for the resident. However, WINDSOR POINT reserves the exclusive right to make the final decision for all residents.
- A transfer will not affect the resident's Agreement executed by the resident, except as it refers to the specific Living Unit assigned to the resident. If the resident must move from one level to the next within 1 year, then the resident will be responsible for the cost of bringing the unit up to a condition to resell. It is the resident's responsibility to return keys for all vacated units in order not to incur a \$150 unit rekeying charge.

## **VIII. Cancellation of Continuing Care Contract**

- A resident may rescind the contract within 30 days following the latter of (i) the execution of the contract (ii) the receipt of a disclosure statement that meets the requirements G.S. 58-64A-150. The resident is not required to move into the continuing care community before the expiration of the 30-day period. A full refund will be given to the resident or legal representative minus 2% of the entrance fee or \$3000 whichever is greater, plus the cost of any upgrades to the unit the resident may have commissioned.
- If a resident dies before occupying a living unit in the continuing care retirement community or if, on account of illness, injury, or incapacity, a resident would be precluded from occupying a living unit in the continuing care community under the terms of the contract, the contract is automatically cancelled. A full refund will be given to the resident or legal representative minus 2% of the entrance fee or \$3000 whichever is greater plus the cost of any upgrades the resident may have commissioned.
- All provisions, conditions and obligation under this Agreement that are to be kept, performed or honored following the death of a Resident after occupancy or other event that leads to the termination of this Agreement to include, but not limited to, all provisions pertaining to the payment of fees to Windsor Point and refunds to the Resident shall survive the termination of this Agreement and be fully enforceable in accordance with the terms of this Agreement.
- In the event of dual occupancy of the Living Unit, this Agreement shall continue in effect until the death or withdrawal from Windsor Point of the second resident.
- The resident may terminate this Agreement upon giving Windsor Point thirty days advance notice in writing. Refunds will be given based upon this Agreement and resale of the original unit.
- Windsor Point may terminate this Agreement if the resident fails to pay the Monthly Service Fee; fail to follow the standard policies of Windsor Point; engage in activities or

conduct which causes harm to them or other occupants of Windsor Point; or, provide incomplete, false, or misleading financial, medical, or other information during or subsequent to the application process. Windsor Point will give the resident at least (30) days to find alternative living arrangements and to withdraw from Windsor Point, unless Windsor Point determines that circumstances require a more immediate withdrawal. An example of circumstances that would preclude a 30-day notice would be if the resident was deemed harmful to himself or others, was non-compliant with Windsor Point guidelines or regulations, or was unable to care for himself and refused care from Windsor Point or if Windsor Point was unable to provide care for him. No matter the circumstance, no refund will be given to a resident until Windsor Point receives an Entrance Fee from a replacement resident that is acceptable to Windsor Point.

- All residents must give a 30-day written notice before termination of this contract. If the resident chooses to leave before the end of this 30-day period, the resident will be charged for these days, or this amount will be deducted from their refund.

## **IX. Miscellaneous**

### **A. Rights, Privileges, and Limitations:**

The rights and privileges of the resident under this Agreement to the Living Unit, facilities, and Windsor Point services are personal and nontransferable and do not include any proprietary interest in the properties or assets of Windsor Point.

The rights of the resident under this Agreement shall always be subordinate to any obligations of Windsor Point. Upon request by Windsor Point, resident agrees to execute and deliver a subordination agreement to establish the priority of such obligations as a lien or liens against the property.

### **B. Inability to Manage Affairs:**

The resident agrees to provide Windsor Point with the names of persons who have been given power of attorney by the resident and to keep this information current in Windsor Point's business office.

If the resident becomes legally incompetent or unable to properly care for his/her self or his /her property, in the judgment of Windsor Point, Windsor Point shall contact the guardian or conservator nominated and appointed by the resident pursuant to the provisions of N.C.G.S 32A-10 in any Power of Attorney or other instruction, or by the court, if one has been appointed.

In the event the resident has made no designation of a person or legal entity to serve as his/her conservator or guardian, the resident hereby authorizes and requests Windsor Point to apply to a Court of competent jurisdiction for the appointment of a conservator or guardian, and if there is no proper person to serve in such a capacity, the resident hereby nominates and appoints Windsor Point and his/her guardian or conservator, to be confirmed in appointment by the Court. The resident or the resident's estate shall

reimburse Windsor Point for all expenses it incurs pursuant to this part including but not limited to legal and other professional fee incurred by Windsor Point in carrying out its duty hereunder.

**C. Living Will and Health Care Power of Attorney:**

It is understood that the resident has the right to make a Living Will and to designate a Health Care Attorney. Resident has the responsibility of informing Windsor Point of the wishes in writing.

**D. Personal Belongings:**

Windsor Point is not responsible for the loss of any property belonging to the resident due to theft, mysterious disappearance, fire, or any other cause. This includes hearing aids, glasses, jewelry, dentures, etc. The resident is responsible for providing insurance protection covering any such loss.

Upon the termination of the resident’s occupancy, Windsor Point shall have the right to remove promptly from the Living Unit all property belonging to the resident and have the same stored at their expense. The resident or their estate will reimburse Windsor Point for all expenses incurred during the removal and storage process.

**E. Accident or Illness Caused by Others, Power of Attorney:**

The resident shall appoint in writing by a Power of Attorney a person of the resident’s choosing to act in the resident’s behalf as attorney-in-fact in case of accident or injury to the resident and shall promptly provide this information to Windsor Point in writing. If the resident shall fail to designate an attorney-in-fact, Windsor Point, in such event, may sue and enforce cause of action of the resident for injury or damages so resulting in the name of the resident, or in the name of Windsor Point.

If the resident fails to appoint an attorney-in-fact, the resident hereby nominates and appoints Windsor Point as the resident’s attorney-in-fact, enabling Windsor Point to undertake such suit or seek reimbursement. The resident thereby grants to Windsor Point the power and authority to seek, sue for, institute any legal action, or preceding for, settle, compromise, and give releases for all such claims or cause of action, or to do any other act in connection therewith and to appoint an agent or agents to exercise the power herein conferred upon resident’s attorney-in-fact; hereby ratifying and confirming all action taken by Windsor Point pursuant to Article 2 of the North Carolina General Statutes, Chapter 32 A, and this Power of Attorney shall not be affected by the resident’s subsequent incapacity or mental incompetence either physically or mentally. This Power of Attorney shall remain in full force and effect until the same shall be duly revoked by the resident or otherwise revoked as provided in the General Statues of North Carolina.

All costs and expenses reasonably incurred by Windsor Point (including, but not limited to the fees and expenses of an attorney retained by Windsor Point to pursue such claim) shall by paid and / or reimbursed to Windsor Point, either from settlement, judgment, or otherwise, and the balance of any collection made on behalf of the resident shall be paid

to the resident's account or, in the event of the death of the resident will be paid to the resident's estate, or to the appropriate person or entity entitled thereto.

#### **F. Wills:**

The resident, will within three months of the date of occupancy agrees to make, if not previously made, a will providing for disposal of his/her assets and appointment of an executor of his or her estate, in addition the resident shall give Windsor Point written instructions with respect to the location of the will, the executor of the resident's estate, and the resident's funeral and burial arrangements, which arrangements resident shall pay for at his or her expense.

#### **G. Arbitration:**

Residents of Windsor Point agree to settle any disputes that may arise through an arbitration process.

*This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, whether or not the parties remain in North Carolina. In the event either party wishes to seek the enforcement of any remedy or bring any claim arising from or otherwise related to this Agreement or to Windsor Point, the parties shall submit the matter to binding arbitration, and the arbitration proceeding shall be administered in accordance with the rules presently established by the American Arbitration Association (AAA) for Consumer claims (including the Consumer-Related Disputes Supplementary Procedures and the Consumer Due Process Protocol established by AAA), unless otherwise mutually agreed upon by the parties. The costs of the arbitration shall be borne equally by the parties; however, the party initiating arbitration shall be solely responsible for costs charged in accordance with AAA's rules as these costs pertain to initiating an arbitration claim. The results of the arbitration shall be binding upon the parties and may, at the request of either party, be reduced to a final judgment.*

*Should arbitration between the parties become necessary or ensue, the parties agree that Wake County, North Carolina is a convenient forum and is the only forum in which a claim arising from or related to Windsor Point or to this Agreement may be arbitrated. In any action to enforce or defend the forum selection, choice of law or arbitration provisions of this Agreement, the party receiving enforcement shall, at the conclusion of the action, be entitled to recover its cost and expenses associated with obtaining this enforcement including, but not limited to reasonable attorneys' fees and all other litigation or arbitration expenses incurred in connection therewith. Further, all injunctive relief provided with regard to the enforcement of these provisions shall be without bond.*

*Without waiving the arbitration provisions of this Agreement, the parties agree that, should litigation between the parties for any reason becomes necessary or ensues, state courts located Wake County, North Carolina and the federal courts for the Eastern District of North Carolina are convenient forums and are the only forums in which a claim arising from or related to Windsor Point may be*

*filed, maintained, or litigated, and both parties submit to the jurisdiction of these courts and waive their right to commence or maintain litigation in any other forum.*

Any Windsor Point resident who occupies a bed in our Skilled Nursing Facility will review and sign a different Skilled Nursing Arbitration Agreement (copy provided as part of admission to the Skilled Nursing Unit or upon request if for review.)

Upon discharge from a skilled nursing bed and admission back into an assisted living bed or independent living unit, the resident will again be subject to the terms in Section G above.

#### **H. Compliance with Applicable Laws:**

Windsor Point will operate in full compliance with all applicable laws and rules, regulations, and ordinances promulgated by lawful governmental authority.

Notwithstanding any other provisions of this Agreement, Windsor Point shall have the right to change the Living Unit of the resident to meet the requirements of law or the regulations of a Fire Department, Department of Public Health, or other duly constituted governmental authority or agency.

#### **I. Rights of Management:**

The absolute right of management is reserved by Windsor Point and its administrators. Windsor Point reserves the right to accept or reject any applicant to Windsor Point. The resident does not have the right to accept or reject any applicant to Windsor Point, the right to management, or the right to determine admissions or terms of admission of any other occupant.

#### **J. Right of Entry**

The resident grants duly authorized employees of Windsor Point the right of entry into resident's Living Unit for managerial purposes at reasonable times or for emergency purposes at any time.

#### **K. Waiver of Breach:**

Neither Windsor Point's failure in any one or more instances to insist upon the strict performance, observance, and compliance by the resident with any of the terms or provisions of this Agreement, nor Windsor Point's waiver of a breach by the resident of any terms or provisions of this Agreement, shall be construed to be a waiver or relinquishment by Windsor Point of its right to insist upon strict compliance by the resident with all the terms or provisions of this Agreement.

#### **L. Entire Contract in This Agreement:**

This Agreement constitutes the entire contract between Windsor Point and the resident. Windsor Point is not liable for or bound in any manner by any statements, representations, or promises made by any person representing or purporting to represent Windsor Point unless such statements, representations, or promises are set forth in this Agreement. This

Agreement may not be amended or modified except by written agreement signed by the parties to this Agreement. Any special or additional understandings are attached to this Agreement and incorporated into this Agreement by reference.

### **M. Binding Effect**

This Agreement shall bind and inure to the benefit of the successors and assigns of Windsor Point and the heirs or personal representative of the resident. This Agreement shall be governed by and construed according to the laws of the State of North Carolina.

### **N. Use of Appliances and Vehicles**

If the resident demonstrates an inability to safely use scooters, cars, golf carts, the range, refrigerator, disposal unit, or other appliances in the living unit, Windsor Point has the right to remove the vehicle or to turn off the power to the appliance or to remove the appliance. If Windsor Point exercises this right, the resident agrees to pay the published charges for additional meals not otherwise covered by this Agreement.

### **O. Recording Devices**

Audio, video or photographic recordings within the building are prohibited unless prior approval has been given by Administration.

### **P. Guests:**

The resident may receive such visitors as they wish for visits in the Living Unit, subject to the terms and conditions established by Windsor Point. Overnight guests shall be permitted to visit in the Living Unit, provided that Windsor Point is notified of all overnight guests and reserves the right to limit or terminate the stay of any guest at any time, and for any reason. At all times, the resident is responsible for any injury to others or damage to property of others or Windsor Point by their guest(s). Guests may use Windsor Point guest accommodations, if available, by appointment and for a reasonable charge.

### **Q. Medicare Statutes:**

At the time of this Agreement, all parties agree that the Medicare statutes are fully functioning. This Agreement assumes that the Medicare program will continue to function and provide reimbursement in essentially the same manner as it now does. Should the Medicare statutes be substantially modified or eliminated, this Agreement will be amended to reflect the effects of such modifications or eliminations.

### **R. Religious or Charitable Affiliations:**

Windsor Point is not affiliated with any religious or charitable institution financially or contractually.

IN WITNESS WHEREOF, the parties have hereto executed this resident's agreement in duplicate or triplicate originals, one of which is retained by each party.

By signing this agreement the resident or the resident's legal representative agrees that they have read and understood both Windsor Point's Disclosure Statement and Resident's Agreement and agree to the terms included within.

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

**WINDSOR POINT**

**RESIDENT(S) OR LEGAL  
REPRESENTATIVE(S)**

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

\_\_\_\_\_

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

\_\_\_\_\_

Corporate Seal:

\_\_\_\_\_

## GUARANTY

To induce Windsor Point to enter into the foregoing Agreement with you, the undersigned hereby guarantee(s) to Windsor Point, its successors and assigns, the payment by you of the Monthly Service Fees and the performance by you of all the other terms, covenants, obligations, and conditions of this Agreement. Notice of all defaults is waived and consent is hereby given to all extensions of time that Windsor Point may grant.

---

Guarantor

---

Guarantor

---

Relationship to Resident

---

Relationship to Resident

---

Address

---

Address

## **Appendix E — Examination Report**

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.